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THE LEGISLATIVE COUNCIL SESSIONAL COMMITTEE GOVERNMENT ADMINISTRATION A MET IN COMMITTEE ROOM 2, PARLIAMENT HOUSE, HOBART, ON TUESDAY 13 OCTOBER 2026.

INQUIRY INTO RECENT DEVELOPMENTS RELATING TO GOVERNMENT POLICY ON POKER MACHINE HARM MINIMISATION.

Alliance for Gambling Reform

The Committee met at 9:30 am.

CHAIR (Ms O'Connor) - Good morning and welcome to today's hearing of the Legislative Council Sessional Committee Sub-Committee inquiring into recent developments relating to government policy on poker machine harm minimisation. Sitting here as members of the Committee today are Meg Webb, the Independent Member for Nelson; Clare Glade-Wright to my right, who's the Independent Member for Huon; myself, Cassy O'Connor, Greens Member for Hobart and Chair of this Committee. We also have Simon and Ali, and Hansard, helping us out today. Could you please - and we'll start with Reverend Costello, state your name and the capacity in which you're appearing before the Committee.

Rev COSTELLO - Tim Costello, and I'm the Chief Advocate for the Alliance for Gambling Reform.

CHAIR - Thank you, Tim. And Mark?

Mr KEMPSTER - My name's Mark Kempster, I'm the Lead Lived Experience Advocate with the Alliance for Gambling Reform.

CHAIR - Thank you. Can I confirm you've both received and read the Information for Witnesses guide sent to you by the Committee Secretary?

WITNESSES - Yes.

CHAIR - Very good. All evidence taken at this hearing is protected by parliamentary privilege, allowing individuals to speak with freedom without fear of being sued or questioned in any court or place out of parliament. I need to remind you that any comments you make outside the hearing may not be afforded such privilege. This hearing is public, which means members of the public and media may be present. The evidence you present is being recorded and the *Hansard* version will be published on the Committee website when it becomes available, and this Committee is also being broadcast. Should you wish for some, or all of your evidence to be heard in private, you need to make that request to the Committee and the Committee will consider your request.

Reverend Costello, because you're floating in the ether a bit and interstate, we don't need you to make the statutory declaration, but Mark, we do need you to. And so, I'm going to read it out for you and at the end, if you're comfortable with that, you might say I do.

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Mr MARK KEMPSTER, LIVED EXPERIENCE ADVOCATE, ALLIANCE FOR GAMBLING REFORM, WAS CALLED, MADE THE STATUTORY DECLARATION AND WAS EXAMINED via TEAMS.

CHAIR - So, off we kick. Is one of you happy to make a short opening statement? And thank you so much for your submission as well.

Rev COSTELLO - Yes, I think Mark's leading.

Mr KEMPSTER - Yeah, that's fine. We're extremely happy that you guys had us along today. The alliance is a group of people who are really passionate about this agenda and this type of issue in society and communities. Especially having lived-experience voices in rooms like this, I think, is really important. Tim's lived this space for 30 years, I've lived it myself personally with my addiction, so I think it's really important to hear from groups like us and we really appreciate you having us in the room today to have a chat about what we can do to help in this space.

CHAIR - Thank you. Did you have anything you wanted to add, Rev Costello?

Rev COSTELLO - Only that not only are we happy to submit, but we have watched the long arc of why Australia ended up with the highest per capita gambling losses because, really, of failed policies. Pokies, until sports betting came, were the reason that we had the highest gambling losses per capita in the world, and gambling harm, and represented a capture by the gambling industry that is unprecedented. We all know the figures of 75 per cent of the world's pokies in pubs and clubs in Australia. That capture has continued and is very distressing.

Despite, as Mark referred to me doing this for 30 years, in 1999 the Productivity Commission that I convinced my brother, then Treasurer, to get up into gambling actually said, 'Have a mandatory precommitment card', a forerunner of the cashless card. That was repeated in 2010 when Kevin Rudd asked me before he became prime minister, 'What do we do about pokies?'. Reconvened, the Productivity Commission recommended again a forerunner of the cashless card, and Julia Gillard, needing Andrew Wilkie's vote, of course, to form minority government, promised to introduce it. And the most massive campaign, the 'Un-Australian' campaign, defeated it, led by, of course, ClubsNSW, the AHA, the same powerbrokers that are still determining politics today. And it was defeated.

I say all that because we really had hoped that Tasmania was going to be the first state to introduce what the Productivity Commission and two inquiries have said now 27 years ago. We're talking to your regulator. We understood that it was very close. We had real hope that Tasmania was going to lead on finally breaking the power of the industry. So, while we're happy to be submitting, we're very, very disappointed, which is what our submission goes to, that this capture by the industry has happened yet again.

I'm quite shocked that the Treasurer, Eric Abetz, was in the Federal Parliament when the Productivity Commission report came down, when John Howard said, 'I am ashamed, this is terrible'. I would have expected with that knowledge, with the knowledge that his Liberal colleagues, Victor Dominello was the Gaming Minister in New South Wales, and Dominic Perrottet, who two elections ago took the cashless card to an election and were very committed to it and got defeated. If they'd won, it would have come in New South Wales. We really thought Tasmania was poised to lead Australia finally in breaking the shackles of the

power of the industry. That's just a little bit of our emotion in making submissions and a bit of the history.

CHAIR - Thank you, Rev Costello, and for all your advocacy over many, many years for marginalised people. You talk in your introduction about capture by the industry of governments. When you look at the experience of Tasmania, what do you see as the elements of that capture here with the move away from mandatory precommitment cards into this framework which has, as we heard from Dr Chris Jones from Anglicare yesterday, likely minimal harm minimisation effect?

Rev COSTELLO - Well, on the capture question, talking to your regulator, she said at times - I was talking to her regularly, 'We're a little bit behind, but we're there. We can do this. It's ready to go.' Seeing the Deloitte report that effectively backed that and then going 'What happened here, how come we have moved to something which is a massive workaround'. You don't need facial recognition to do self-exclusion. It is an extraordinary workaround. You need a cashless card and what you were doing to actually help in harm minimisation. Ticket-in, ticket-out, in our view, will not help. You can just move to different machines. It may, in fact, increase harm and losses. So, we think this is an extraordinary gift to the THA and that the capture continues, in summary. That's why we're so disappointed.

CHAIR - Sorry, Mark. Just before we go to Mark, Rev Costello, why do you believe it is that the industry here and on the mainland has such extraordinary power over governments?

Rev COSTELLO - I think culturally it started with the nonsense that we, of all people, love a bet. In the year 2000 I wrote a book, *Wanna Bet?*, and even I thought that it was in the Australian DNA. In that book I discovered the Chinese, the Kiwis, the Irish, the English, the list goes on, all claim to love a bet more than any other culture. It was a shock for me to realise actually I had also bought, as Australians have, that we have the greatest gambling losses because it's in our DNA just to love the bet. No, I discovered in that book that I wrote, we don't culturally love a bet more than any other nation: we have the most failed policies and the greatest capture of the industry. When I wrote that book with Royce Millar, an *Age* journalist, we concluded that the states, pre-GST, actually were cash-strapped and totally dependent. They might say, 'We still are', but it was much worse. The gaming industry literally said, 'Boy, do we have a solution for you. You allow pokies to run out through pubs in Tassie - ', pubs and clubs on the mainland everywhere but Western Australia - 'and you'll have revenue rolling into Treasury'. And State Governments all bought that.

The GST, certainly in my brother's mind, handing the money to the states, was in part also to wean them off the capture of the gaming industry. To say, 'Now you have the revenue coming in, there is no excuse to be doing the social harm by licences that you control, that should protect the public, that you issue, the gambling licences to continue'. That, of course, did not happen.

The capture then continues with the donations. I haven't done the figures but you know some, I understand, \$200,000 from THA to the Liberals. I'm not sure what the figure is to Labor. The capture continues with the disproportionate power that's now reflected in facial recognition, which is really Dracula in charge of the blood bank. Victor Dominello, the NSW Gaming Minister, said, 'We cannot allow clubs to actually have control of the data'.

They went to the election knowing that clubs cannot be the ones saying, 'We'll employ the community-based people'. That's really like the tobacco industry are employing community-based people to reduce tobacco harm. It's extraordinary that it's not independent. We do not give facial recognition and the control to, basically, the people who are causing the damage. That whole facial recognition is just a workaround, as I said, of what the cashless card should be. You don't need a standalone technology to protect harm. So, that capture is very deep.

CHAIR - Thank you. Mark, did you want to add to that before I throw to Ms Webb?

Mr KEMPSTER - Tim covered most of it. From somebody who's lived as I have and gone through the absolute depths of addiction with it, I find that it's just a real lack of political courage that a lot of our politicians have to actually take on this industry. They don't want to be seen as, I suppose, killjoys. As Tim said, the gambling industry in Australia have done a really good job in building this mirage that we are a gambling country, we're a gambling culture, and if you're against gambling then you're a killjoy that's going to ruin everyone else's fun, and things like this.

Like, the amount of pushback I get from anyone trying to meet people like myself. I've hardly met anybody in that place outside of probably the three of you in the room and a couple of other people like Kristie Johnston and Andrew Wilkie down here in Tassie who actually want to meet with anyone who's going through gambling harm or been through gambling harm. The capture by the industry, they've got them so captured that the parliamentarians in that place don't even want to listen to people like me a lot of the time. It is really, really disheartening to know that the people there elected to look after someone like me don't really care about my life or the life of anyone else who's going through addiction or falling into addiction in this state.

As Tim said, facial recognition is just a joke. It's not going to help stop anyone falling into addiction. I didn't go onto a self-exclusion register in this State until I was completely broken, suicidal, almost gone person in this country. That's the type of people it captures. But by that time, they've already done every bit of money they've got and possibly losing their lives by that time.

I go out to schools now and I see that this is not - the way that the pokies have been place across this country, and the way it's been advertised and pushed across this country is capturing another generation of people. I go to schools now regularly and talk to 17- and 18-year-olds who are going into their adult lives who are already addicted to gambling in this state because of the way it's advertised and the way it's so readily accessible, and how easy it is to fall into addiction anywhere now with gambling. I just wanted to add that part of it, that I just really feel completely forgotten, I suppose, by a lot of the parliaments in Australia, including a lot of people in that place there now.

CHAIR - We're not forgetting you, Mark.

Ms WEBB - Thanks, Mark and the Reverend Costello. We appreciate your time. You've already spoken a little bit about this, but I wanted to sort of flesh it out a little bit further. And you have a national perspective to bring to this, so I think it's relevant to hear from you in a bit more detail about it. One of the things that has been put forward by the Government here as they discarded the card as their core policy and moved instead to up the other measures, one of the things that was said was that it is because we have to wait for a national approach: Tasmania,

instead of striking out as a leader nationally, we need to wait for other jurisdictions to move first. Could you talk a little bit more about how you see that. Is there a need for a national approach? Should a state like Tasmania wait for larger states to move down the path of a cashless card before we go back in that direction?

Rev COSTELLO - No, you should have led. In fact, you aren't even leading, technically. It's Western Australia that's already led by refusing to have the pokies anywhere but a casino. We know that most pokies in the world are in casinos, which is destination gambling. It's a different business in some ways because, in most of our capitals - it may be different in Hobart, you actually plan a night out at the casino. You're paying for your parking, your meal, you're thinking about, 'How much can I lose?'. You are saying, 'I've got to get home'. When pokies are, as in Tassie through pubs and, on the mainland, pubs and clubs, it's actually profound accessibility that does the damage. The two productivity reports into gambling found that we had the greatest losses and harm because we had the greatest accessibility. So, you're planning to shop, you have got a little bit of extra time or waiting to meet a friend. Because there are pokies in pubs just about on every fourth block in Tasmania, it's accessibility that does the damage. Western Australia really has led by saying, 'We are not allowing that accessibility'.

The second point I'd say on this national versus state, the gaming industry, with the governments that are captured by them, run very self-serving arguments. So, the Prime Minister, in saying, 'Look, we can't do really a national regulator on sports betting because there are state jurisdictions, he said, 'The pokies are run by states, that's in the Constitution'. Well, firstly, he's wrong. Gillard, as prime minister, showed the Feds had the power to regulate pokies. That's what the mandatory precommitment card that Prime Minister Gillard tried to bring in and was defeated by the 'Un-Australian' campaign showed: the feds have the power.

When states say, 'Well, we need a national approach', they'll say that in one breath when they're effectively caving in to the pokies lobby, and saying, 'We'll give you what you want'. Then they'll remind the Prime Minister, 'We have our own gambling regulator and pokies are a state jurisdiction: it's ours, and we will do what we want, and it's state sovereignty'. So, the self-serving arguments are very duplicitous and they all trail back to capture by the gambling industry.

Ms WEBB - Anything you wanted to add there, Mark? Because you are Tasmanian and I know you also do a lot of advocacy work on the mainland in other states. How do you see it in terms of the role Tasmania plays? Do we have to wait for others to act in this space?

Mr KEMPSTER - No way we should. True leadership takes courage and I think we've seen that it's just cowardly to try and push it back to the other states, to go, 'We're just going to fall in line and follow suit with everybody else'. You have to at some stage stand up for what's right and what the vast majority of people probably really do want: to stop gambling harm across the country and across our state. Yeah, I'm a very, very passionate Tasmanian. I was so, so excited when I met with people, someone like Michael Ferguson, who had the courage to stand up in his party and push this forward. And then to see the way that our politicians down here and the Government, and also the Opposition who have just become cheerleaders for the gambling industry down here, have just fallen into line and decided to take the easy path and basically just cop out in terms of what they're willing to do and the leadership they want to show.

We don't need a national approach. Somebody has to lead at some stage. We had the perfect opportunity to be leaders and actually create generational change where we can help people not fall into this bastard of a disease that it is. And then we decided to take the coward's way out, our politicians, [inaudible 9.51.20] the government down, the vast majority of them. I'm so disappointed in where we've ended up. To say that we can't do anything until the rest of the country does, we need to be better than that as a government down here.

Ms WEBB - We know that there are card-based systems in place in limited circumstances in other contexts, including, I believe, some announcements out of the ACT fairly recently about introducing card-based systems there. It's not entirely comparable to what was proposed here, but it's not entirely new territory that we were proposing to go into with our card, is it?

Rev COSTELLO - No, and that's a really important point to make because I was on the Q&A panel with Eric Abetz and I said, 'We need a Royal Commission here into gambling', and he threw up his arms and says, 'Tim wants a Royal Commission into everything'. Well, we got the Royal Commission into Crown Casino here in Victoria. The Royal Commission suspended Crown's licences because it found such predatory behaviour of Crown's 3,000 pokies, and only gave its licence back to Crown Casino on the condition that it introduced the cashless card system on 3,000 pokies. So, the arguments in the submissions that it's all too costly in Tasmania and it's all too different are really a nonsense.

Ms GLADE-WRIGHT - Your submission suggests that the Government retained the parts of reform that make gambling easier while discarding the parts that Deloitte found would reduce harm. Could you elaborate on that, please?

Mr KEMPSTER - The parts that make it easier and the fact that they're going to reintroduce ATMs back into hotels. It just beggars belief that someone could come up with that as some type of policy. Like, I knew when I was gambling that if I had access to money, that was the whole issue for me. I'd keep gambling all night. They say they're going to have facial recognition in the machines which isn't even linked to the self-exclusion register. That, to me, is just another can of worms they're opening up there in terms of privacy laws around that. So, to have that reintroduced. To change the operating hours around how it's going to - basically, they're going to be able to stagger opening hours across the state, so you're going to have a pokies room open pretty much everywhere with the way they've done it, instead of having mandatory close times for all pubs and clubs who have pokies rooms across the State. The ticket-in, ticket-out system will make it easier for people to - it is not a true cap if you're allowing people to go and buy extra tickets afterwards which is, by the sound of it, what it's going to be.

It was really hard to write the submission given the real lack of any type of guts to the policy in terms of what they've put out because at the moment it seems like this ticket-in, ticket-out system, which allows people to buy as many tickets as they want without any cap on it - you can have a cap on the actual monetary value of a ticket, but if I can go and buy 20 tickets at a time, that's not gambling harm minimisation at all. That's just helping people move it to a virtual currency where it's actually harder to track. And you've seen that across multiple parts of the world when you move things to virtual currency. It is so hard to track. The reason I fell into gambling harm online so quickly is because it seems like free money. When you don't have the actual physical money in your hand and you have virtual currency on your phone, or

you have a ticket in your hand, it doesn't seem real. It's like Monopoly money: you can throw it around as much as you want. That's not going to stop any type of harm either.

That's just a few parts of it. But the way they've opened it up and allowed the industry to basically do what they really want now with the laws, I think it's actually gone backwards from where we were currently. It's just unfathomable to me.

Ms GLADE-WRIGHT - Would you say that any of the measures are particularly worse than others, or collectively they're just bad?

Mr KEMPSTER - It's a bad policy altogether. It's hard to pick out one worse than the other. Having the self-exclusion automatically linked through QR codes: I do think that is a good idea and I'm definitely for that. I think it needs to be much quicker to self-exclude yourself. It was really cumbersome for me to self-exclude myself. This is six years ago, so I'm not sure how much it's changed now, but it was really, really hard to get self-excluded in Tasmania to begin with. So, to have something there that is a lot quicker is a good measure. But outside of that, this is just disgusting policy, really. I can't be positive about any other part of it, to be honest.

Ms GLADE-WRIGHT - Your submission describes the mandatory precommitment as the benchmark against which all other measures should be judged. Why is mandatory precommitment fundamentally different to the Government package?

Rev COSTELLO - Mandatory precommitment is the gold standard. From 2017 in Norway - and I might add, who implemented it in Norway? A subsidiary of Aristocrat. Aristocrat is the Ainsworth billionaire pokies family, and we keep hearing the technology is too costly, the technology is too difficult. In Norway, it was an Australian company because, unfortunately, on pokies we lead the world when it comes to the state-of-art machines and their vastness and their losses. Norway has had them working since 2017. Crown Casino two years ago was forced to have the card. Crown's pokies are down about 25 per cent. That is a good thing. That is people having to say, 'I can't afford to lose more than \$300 tonight', or whatever the figure is.

What the reforms, you know, the Government's calling reforms, are bringing in is a massive workaround what we know has been advocated since 1999 in the Productivity Commission into gambling: 2010, the Productivity Commission into gambling, what's working in the rest of the world. All the facial recognition and ticket-in, ticket-out is a massive ruse to work around what we know works, which is the cashless card.

And I might say, in New South Wales, the Premier, Dom Perrottet, was under enormous pressure from ClubsNSW and the gambling industry because the one thing the industry hates is the benchmark or gold standard of the cashless card. He came to support it for two reasons: the New South Wales Crime Commission found that your suburban druggies and those who'd burgled your home and were selling hot goods would be laundering money through the pokies, basically saying, 'For my unexplained wealth, well, you've got video of me playing at the pokies. I had a win.' The crime is removed with the cashless card because crims aren't going to have to produce their licence, which you have to do a Crown Casino now, and you show your identity to get a card.

The second reason he came round to supporting it and ran in that election - and look, the evidence from that election, where he forced the Minns Government into minority government, was that the public overwhelmingly supported the cashless card. After 12 years and three premiers, NSW Liberals were always going to lose. The one thing that forced Minns into minority government was the public supported, as did the NSW police commissioner, Crime Commission, NSW AMA, that setting limits and being required to set limits is, by far and away, in a free society where people are allowed to gamble, the way you protect people from doing harm.

What's been recommended here is the industry's workaround the very thing they hate. Why do they hate it? Because in 1999 the Productivity Commission report into gambling found 42.3 cents in every dollar going through a poker machine comes from someone addicted. In 2010, that figure had gone up to 50 cents. The business model is built on addiction. That's why the industry has so vehemently undermined the cashless card.

CHAIR - Can I just follow up on that with Mark? Mark, you have a lived experience of addiction. You're welcome to talk about that here. How much difference do you think having a cashless card, mandatory precommitment, might have made to you?

Mr KEMPSTER - It would make a huge difference. My gambling addiction was more of online than in-venue type of addiction. But to have some type of parameter where I literally couldn't lose the extra money, I wouldn't be talking to you today because I wouldn't be working in this space. I wouldn't have fallen into addiction as much as I did if I had proper safeguards in place around me. And that's online and it's with pokie machines. I think every addict I've spoken to - and I speak to so many people each week, and every day I get messages from people online who have fallen into addiction. Just last night I got a message from a fellow Tasmanian who asked me for help with pokie addiction because he went and lost his last pay cheque last night and couldn't go home last night. So, I spent two hours on the phone with someone last night, talking to them about it and trying to help them out of it. It's the same story every time. It's the access to being able to lose more money than you can afford.

If the access to chase your losses - and that was something for me. It wasn't about the win a lot of the time for me. It was about trying to make as much money as I possibly could. And then if I ended up losing more than I could afford, I ended up chasing those losses. So, having something in place that would actually stop me doing that, yeah, I wouldn't be sitting here talking today if that was the case because I wouldn't have become an addict. I really do feel that.

I think that with what's been recommended now, there is nothing that stops anyone chasing their losses. In fact, I think it makes it worse. It makes it easy for someone to chase their losses because you're going to move it away from actual physical currency. And a lot of the places you're going to be able to gamble, with pokies rooms, with this ticket-in, ticket-out system, it's actually going to be harder to track how much you've lost because I know, for me, if I was still with my addiction now, the first thing I would do when I walk into a door with this new system, I'd go and buy 15, 20 tickets at a time, if that's how much money I had in my pocket that day. And I'd sit there and lose all that. And then, if there was an ATM there, I'd go and probably get some cash out if I could and I'd go and get another ticket out.

When you're betting like that, your brain doesn't have rational thought. A lot of their argument is around, 'Oh, everybody has rational thought when they're gambling'. You don't. If

someone's experiencing gambling harm, rational thought goes out the window in an instant and you lose hours upon hours, and you don't know what you're doing a lot of the time. And you get to the end of it going, 'How much did I actually lose?'. And that was hard with the actual physical currency, let alone a virtual currency, where you've got to remember how many tickets you bought that day or how much you actually put on each ticket, or things along those lines.

It beggars belief to me that we are in a society where we know that this does so much damage, yet we are not putting the right things in place to stop the harm it causes. I'm not anti-gambling at all. I don't want poker machines removed, I don't want gambling banned in the country. But if we're going to have them because some people can use them okay, but if we're going to have them there, we need parameters in place to stop people falling into the harm they are at the moment, which is causing industrial levels of social harm across the country.

CHAIR - Thank you so much for sharing that with us, Mark.

Ms WEBB - Yes, it's a good question. And it ties into something that we hear quite a bit and that's reflected in the submission we have from industry, this notion that's often put forward from proponents of the industry that we shouldn't be imposing constraints on everybody just because some people, what they would say is a very small number of people, have a problem, and that somehow that's an unacceptable expectation that we would do that. I guess there's two problems with that that I'd really like to hear your view on with your lived experience, Mark. One is that that assumes that what's being proposed - in this case, a cashless card, it assumes that that's a constraint somehow that's unacceptably onerous on people. But it also assumes that when we balance out the harm being caused against people's ability to freely gamble as much as they like, that we should prioritise the ability to freely gamble as much as you like over the people being harmed. What's your reflection on those sorts of assertions?

Mr KEMPSTER - It's the same argument the gambling industry makes everywhere across the country - that we are a small percentage of people, and we know that's not true. As Tim said, half the money that comes from pokie machines comes from the addicts, so there can't be a small number of people in this country who are losing money to gambling harm through poker machines. It annoys the hell out of me every time I hear it because a cashless card, a mandatory card, is not taking away anybody's freedom to gamble. We're not telling people not to gamble; we're just putting things in place that help people not end up killing themselves or ruining their lives, or killing other people in their lives, or stealing or stealing from their local clubs. All this other stuff that comes from gambling harm is what we allow right now without having proper parameters in place.

A cashless card will do that. It won't stop anybody going to the casino and having their \$20 to \$30 bets with their friends, and having their social time around gambling. That's not going to go away with a mandatory card. It is - I was going to swear then, it's the silliest argument going around. Like, it just does my head in every time. I'm sure Tim would agree with me on that. He would have argued this point for years.

Rev COSTELLO - Yeah, it's a really interesting argument, Meg, in the sense that at the 1999 Productivity Commission inquiry, the industry asserted it's only 100,000 people in Australia who are addicted. The report found that, even if that's true, they affect five to 10 others. So, suddenly, you're up around a million people. I made the point, I remember, back in 1999, we had in Australia at that time about 50,000 people who were heroin addicts and there

was a heroin crisis going on. The *Herald Sun* here had the heroin deaths toll compared to the road deaths toll, and an extraordinary crisis. It was 50,000. At that time and still today, there was about 100,000 homeless people in Australia, and we know how distressing that is and how much focus and proper attention is given. And here was the industry saying: it's only 100,000 people. Now, we know it's much more than that. This was all pokies, largely, gambling back in 1999.

You're very familiar with how Anthony Ball, in 2012, went to the NRA conference in America. Anthony Ball was CEO of New South Wales clubs. There, he was taught at the NRA conference: guns don't kill people, never blame the gun; you blame the individual as people. He came back and they devised a 'gamble responsibly' message, sold it to State Governments: 'There's a few individuals who are irresponsible: the freedom of all the rest shouldn't be affected.' No, as we know, the machines are built for addiction. Simply blaming the individual is like the NRA saying the guns are not the problem, accessibility to guns are not the problem. That's why I constantly say our blind spot, when the world looks at us, is gambling harm. America's is guns, and we go 'they're mad'. But it's essentially the same arguments: 'The freedom of the majority', and 'it's very few, and they're just irresponsible, you could never help them'. It has always been a nonsense with the machines. State-of-art Aristocrat-made machines, they are one of the biggest pokies machines in the world, let loose here, built for addiction.

Mr KEMPSTER - I think we have, down here - well, there's a great example of how that affects people down here in the freedom of choice. Because we don't have the correct parameters in place, we have a well-known butcher down here who lost his life savings to the person who was looking after the books at that place because she had a gambling addiction. It pulled down all these other people into the addiction with them. So, if we had the right things in place, who knows where that person might be now. That family might not be as affected as they are now because we didn't have the right things there to try and stop this type of thing happening. It pulls down, like Tim said, five to 10 other people for every time someone falls into a gambling harm or gambling addiction. That freedom of choice then brings down a lot more people than the actual industry wants you to believe around this type of thing.

Ms WEBB - One of the things I'm interested to talk more about is the money laundering risk. As you would both be aware, we've been quite unique here in Tasmania in many ways now because we've had a coin-based system still operating with our poker machines here until now. Part of the reforms announced by the government in January that they intend to bring in is to move away from our coin-based system to have notes accepted on the machines as well as the TITO, the ticket-in, ticket-out system, so that you can play either directly with cash notes or with a ticket. It's been identified by our gaming commission that this opens us up to a risk of money laundering that we've really never seen before in this state because coin-based systems are fairly prohibitive about being an effective, efficient way to launder money. So, we've been a bit protected.

Rev Costello, you mentioned on the mainland that's been identified as a really key risk. Instead of noting that and maintaining our protection from it, we seem to be running headlong towards that risk. Is that something that you could comment a bit more on about the management of that risk and what this will mean for us in this state?

Rev COSTELLO - Yes, the real power of what converted then Premier Dominic Perrottet was the money laundering, the fact that the NSW Crime Commission said millions and millions of dirty money being cleaned up. New South Wales had note acceptors

that, at that time, could take up to \$7,000 if you wanted to load up all your \$100 bills in one go. The Crime Commission, supported by the Police Commissioner, supporting the cashless card, said, 'This is causing gambling harm throughout the community'. In other words, it's less than probably 30 per cent of people whoever play the pokies so, at one level, you could say, 'Oh, well,' as the gambling industry did, 'they shouldn't play, you know, it's free choice'. As soon as the Crime Commission in New South Wales said 'No, no, no, anyone whose house has been burgled, anyone whose kids have been sold ice, this is fuelled by pokies money laundering'. In your case, note acceptors and ticket-in, ticket-out. Your person unexplaining hot goods they've sold, drugs they've sold, now has a perfect disguise to explain their wealth. It's a massive, massive risk for Tasmania.

Mr KEMPSTER - And I haven't seen - again, it was so hard to find the substance of what this policy is, but the way I read it is that you could purchase as many tickets as you wanted at one place, but it didn't say you had to cash those tickets in at that same place. Correct me if I'm wrong, I couldn't read that anywhere.

Ms WEBB - No, that detail has not been made available yet.

Mr KEMPSTER - Yeah, and that's ridiculous because if I can go to a pub, if I have \$1000 of stolen money and I can go and buy however many tickets I want at that pub and then go and cash it in another pub, that's the quickest way to launder money going around. That is just crazy to think we're going to allow that down here, let alone all the other issues that come from that as well.

Ms WEBB - Some of the assertions would be that we can put protections in place around this and we can work with AUSTRAC to try to effectively mitigate the risks. From what you know of other states, are there any states with a pokies industry that's working effectively with AUSTRAC to try to mitigate the money-laundering risks?

Rev COSTELLO - I don't know of any, and AUSTRAC is completely swamped with what it's trying to follow up. We know that the regulatory powers have never really kept up with crime. In my home town here, we have tobacco shops being burnt down every week. Look, the fact that the defence is, 'We know we're opening the door to money laundering but we're going to trust AUSTRAC'. I have not seen that work in any state. I think it's quite implausible. Again, a gift to the industry whose business model is built on addiction.

Mr KEMPSTER - AUSTRAC are having horrible difficulties, as far as I'm aware, even policing the online side of gambling, which I work a lot more in, and that's with actual physical statements that every company has to have online. We're not going to have a physical statement for when you move money down here through these machines. For the pubs to have to try and monitor that and then report that to AUSTRAC when they think there's an issue, and then AUSTRAC to try and find a way to work it out in an investigation seems impossible.

Ms WEBB - Thanks for that. That's interesting to hear. Because it hasn't been an area of focus down here to date because it hasn't been a key feature of our pokies industry to date. It is one we probably haven't turned our minds to that greatly. Being informed by other jurisdictions will be very interesting, I think.

The other thing I'm wondering about is one of the proposed measures that comes under what the Government is calling a harm-minimisation package is as you are aware the

introduction of a TITO system (ticket-in, ticket-out). Now, on the face of it I'm wondering whether other jurisdictions that have got those sorts of systems in place now - and we know that many of the other states do - in those states is a TITO system regarded as being a harm-minimisation measure?

Rev COSTELLO - No, it's not. The bottom-line evidence is every year pokies losses are going up when fewer people are playing pokies. Pokies are on the nose, in my state, particularly. AFL clubs starting with Collingwood followed by Geelong, Melbourne, Footscray, Western Bulldogs, all said pokies are doing such damage in our community, we as football clubs can't have them and they have got rid of their pokies. And the losses still keep going up. It's why the ACT have brought in their form of a cashless card, because nothing is stopping the losses and the associated crime continuing. If it was a harm-minimisation measure, it's certainly not working and we don't think it is a harm-minimisation measure.

CHAIR - Well, it was put forward by the industry, so that should tell us something.

Rev COSTELLO - Of course.

Mr KEMPSTER - There's your answer.

CHAIR - I might throw it to Ms Glade-Wright now.

Ms GLADE-WRIGHT - You raised some concerns about the fact that the Liquor and Gaming Commission were not consulted when this package was being prepared. What are your thoughts on that? Can you tell us a bit more about your concerns?

Rev COSTELLO - Is this Jenny Bannister we're talking about?

Ms WEBB - Jenny Cranston.

Rev COSTELLO - Yeah, Jenny Cranston, sorry. I've spoken to her a number of times. Look, I think she was sideswiped against the evidence, a power play by the industry with a capture of the Government once Ferguson wasn't there as the minister issuing the direction. I think it was just a straight power play to sideswipe the person who knew the most, who was committed to harm reduction and the wellbeing of Tasmanians. I think it was appalling.

Mr KEMPSTER - I think we saw how emotional she was when she gave evidence in the last couple of weeks around how horrible she thinks the move away from this mandatory precommitment card is. That probably tells you everything you need to know about why they didn't want to go and have the Commission's thoughts on what's going on, because they would have been completely opposed to what's happened.

CHAIR - There's a risk here, isn't there, that the regulator with statutory responsibility for harm minimisation becomes knobbled in some ways, isn't there?

Rev COSTELLO - I think regulatory capture has been the name of the game. When pokies came into Victoria, and under Jeff Kennett were fast spreading everywhere, they came under Joan Kirner, but Jeff Kennett as a powerful premier talked about a gaming-led recovery, talked about pokies leading the way for Victoria. We had a regulator called the Victorian Casino and Gaming Authority. I made comments in *The Age* criticising it as being a captured

weak statutory body. I got sued for defamation by the Victorian Casino and Gaming Authority. I would have lost my house because they had Jeffrey Sher, the highest paid defamation QC in Australia, acting for the gaming authority, VCGA, but for Bracks winning the 1999 election, Labor winning and pulling the VCGA off. The regulator, from personal experience, was simply there basically to do the Government's bidding and the industry's bidding. And I have the personal scars, and you'll be pleased to know that my house is now in my wife's name and that sure helps keep me in the marriage, too.

CHAIR - But surely in that defamation case, I mean, truth and the public interest probably would have been a fine defence for you.

Rev COSTELLO - Yeah, it would have been. But I was a Baptist minister. I didn't have the legal money. Jeffrey Sher was charging \$15,000 a day. A hearing takes you two years. It was just that I wasn't really in a position to legally fund it.

Ms WEBB - I guess that leads actually to questions around policy development and how we're seeing that play out and how what's happened in Tassie does fit into that same national picture. What's been very clear here since the announcement on the 23rd of January [2026] of this suite of measures from the Government. We've fairly quickly established that, in terms of consultation on those and the development of those measures, the Gaming Commission wasn't consulted and had no input into it. We've spoken to Anglicare, who were made aware of those measures shortly before they were announced, but certainly didn't provide advice or input that supported them or indicated support of them. They've been staunch in their continuing advocacy for the card, instead.

We would understand, and have yet to explore further, what input industry had into the development of those measures. The Treasurer has said in the parliament in answer to questions that he consulted on the measures but has not clarified who actually did the policy work for him.

Is this a model of policy development that you have observed elsewhere in other jurisdictions of Australia, where state governments arrive at policy measures or initiatives that don't appear to have been developed through appropriate evidence-based and consultation-based channels?

Mr KEMPSTER - Sorry, before you start Tim, I just want to say that as far as I'm aware, and I'm happy to be corrected and I'll take it on notice, if need be, but we weren't consulted either. We met with the Treasurer after this was announced and he explained some of his decisions afterwards. So, far as I'm aware, there wasn't any lived experience or any type of advocacy group consulted on this.

Rev COSTELLO - And we had to seek that meeting. He didn't come out and consult us.

Ms WEBB - Thanks for clarifying that.

Rev COSTELLO - It was very clear that his mind was made up and we could not sway him.

Yes, in other jurisdictions that's the case, Meg. In Jacinta Allan's cabinet Melissa Horne was the Gaming Minister. She actually was serious about trying to bring about pokies reform,

and she and I were talking, she was consulting widely. The AHA basically threatened Labor with the mother of all campaigns if they proceeded with these reforms, and Melissa Horne had the Gaming portfolio taken from her and handed to another person, Minister Erdogan, who really has shown no interest in pursuing those reforms. So, even when consultation takes place, and in Victoria there have been advisory bodies that have included sometimes us and the industry, the consultation goes nowhere. The power plays of the industry are the final word. That's how it works.

Mr KEMPSTER - (inaudible 10.25.21 for 5 seconds) as well with the way the industry basically got their way with the online gambling policies in the last two to three months as well.

CHAIR - Well, we saw an example of what Reverend Costello was talking about before in the 2018 Tasmanian state election where Labor had taken a principled policy to the election and then the mother of all scare campaigns was launched by the Tasmanian Hospitality Association on behalf of the Liberals.

Rev COSTELLO - That's right, and their outspending in that election, if I'm right, Cassy, was extraordinary and I think a lot of that money was Australian AHA, mainland money and clubs' money also supporting of the THA.

CHAIR - And most of it through the Australian Electoral Commission returns was untraceable, unattributable.

Rev COSTELLO - Unattributable.

Ms WEBB - To go back to a couple more specific things I wanted to get your thoughts on that are in the suite of measures that the government is proposing, and it's probably Mark's lived experience that I'm interested in here from his own experience, but also discussions with people who have experienced poker machine addiction as well. Breaks in play is what evidence tells us can be quite important and effective to help people manage the situation they're finding themselves in with that compulsive, addictive use of the machines. Moving to the ticket-in, ticket-out system and to note acceptors on the machines, it is hard to see how breaks in play can be facilitated.

The Treasurer here has suggested that having to reach into your pocket to get more money out to then feed into the machine is a break in play. Is that something you'd like to comment on, Mark?

Mr KEMPSTER - I'd love to comment on it, Meg. It's ridiculous, in short. A break in play needs to be, like, hours. It needs to be calculated in hours, not the ability to just put your hand in your pocket and go to a different machine and put more money into it.

So, I think with all the research shown and I've done so much looking into it myself to get out of my own addiction around how urges work, every single person I speak to who has gone through a gambling addiction, it doesn't matter if it's online or pokie machine, they told me the same thing that gambling urges and when you're in the zone when you're gambling 20 to 30 minutes is probably the amount of time you need a break for to actually try and get some control and get some type of rational thought back in your body.

What we have in place for this ticket-in, ticket-out system will not do that at all. As I mentioned, anyone is going through gambling harm or is wanting to go into a pub and bet, who's going through gambling harm, are going to go to those ticket-in, ticket-out machines, if there's no limit on how many tickets you can buy, and just buy as many tickets as they can afford and then put it through one machine. Once that one runs out, they'll move to the next machine, the next machine, the next machine. That's not having a break. That's just shopping for which one you think's best.

It's not going to work at all in the way it's actually framed now. For the Treasurer to think that - like, the way he thinks and when we've met with him, the way he thinks is just not the way gambling harm works at all. I don't think he has a true grasp on what this addiction actually is, how it actually works and how it will actually play out with people. If he thinks what he's put in place right now is a break in play, then he's truly mistaken in what he's thinking.

Ms WEBB - Thank you. And can you maybe expand a little bit more, just so we really fully understand, that that break in play, what it provides for and also in terms of your experience as a person who's using the form of gambling, whether it's poker machines or online as you say, but what difference that could make in terms of delivering people a safer experience?

Mr KEMPSTER - It will stop people chasing losses. It'll stop people falling into gambling harm a lot of the time. The problem I had was I had the ability to chase my losses and continually bet as much as I wanted to without the parameters in place to help me with that.

We're not taking away freedom of people by actually having things in place that help people not become addicts in these types of things. You have to have a proper amount of time to actually get the rational thought and the logical thought back in your own head to think about, 'Okay, I actually need that money to go and buy food; I need that money to go and pay for a car bill; I need that money to get home tonight.' And not having things in place that stop that, and nothing in this policy will help that, is the problem with it. It's going to allow people to continually sit there, load their pockets up with tickets or cash or whatever they decide the machines are going to take, away from the coin-based thing they do at the moment, and allow people to just continually chase their loss, which is where people fall into harm.

People don't reach out for help in this space until they are completely broken, almost suicidal - I was suicidal then, my addiction - because you don't want to put your hand up and ask for help until you are completely broken, which is why the facial recognition won't work, it's why these ticket machines won't work; it's why mandatory precommitment will work because it'll stop people chasing the loss to the point where they cannot function anymore and that's all they can think about.

Ms WEBB - That's a feature of the card, that the alliance I know is very supportive of, that not only do you have the precommitment elements, but the card provides for there to be programmed breaks in play also, is my understanding.

Rev COSTELLO - That's right.

Mr KEMPSTER - Yep.

Ms WEBB - So then that can deliver on that front well as well.

Rev COSTELLO - As well, exactly.

Ms WEBB - I was particularly interested to hear what you said then about the fact that these sorts of features, which can be providing breaks in play, aren't just helpful to people who are already in the throes of an addiction, and really at a bad stage of things, but it could potentially actually interrupt the development of an addiction at a much earlier stage because that's more of that preventative end of things, isn't it?

Mr KEMPSTER - And that's all we have to do. We don't want to be catching people at the bottom of the hill with the ambulances, and this is all we're going to be doing with what they've put in place. They're like, 'Oh well, we're going to help people once they become addicts'. Well, let's actually stop people becoming addicts in the first place, and that's what breaks in play and mandatory precommitment will do. We'll actually stop the harm that comes as people move into addiction as well.

Like, the downhill spiral that I took - I went from being a really sporty, fun-loving person to this angry, vindictive, horrible person to be around that I became, and became an absolute shell of the person I was and almost ruined my family and ruined my relationships in my life because I went on this slippery slope and I wasn't caught until I had no money left and, as I said, was suicidal at the end of it because of the person it had turned me into.

So, if we can catch people, and the mandatory precommitment card and that break in play that's built into that card will actually help people stop getting to that point where they need the help and they need the actual other government help from other health services and things along these lines that come from addiction. We can actually stop all that type of stuff if we put the right things in place and not just having big nets at the bottom of the hill catching people who are already broken and completely ruined people by the end of it.

Ms WEBB - Thanks, Mark.

CHAIR - Thank you, Mark.

Ms GLADE-WRIGHT - Thanks, Mark, for sharing those details - obviously very vulnerable place that you enter. From that perspective, how effective do you think the gaming care officers will be?

Mr KEMPSTER - Not at all, really. They'll be effective if they're not employed by THA, basically. I don't see - as Tim put earlier, you're basically putting Winfield in charge of lung cancer research by doing that. That's pretty much how it'll work.

They're going to - an industry being involved in gambling harm when their sole purpose is to make money off that harm is not going to work at all. So, if they have these type of gambling harm officers in place, they need to be a completely independent body to the gambling industry. We need more of them. I think, from what I read, they'd only proposed to have four or five across the whole state - that's just ridiculous -

CHAIR - Three.

Ms WEBB - Yeah, three - one in each region, apparently.

Mr KEMPSTER - Yeah, because that's going to work. Because you'll only have two or three people in each region suffering gambling harm, clearly. So, yeah, we need more if that's what they're going to do, as well.

In principle, they would help in some way, but the way that this policy and this legislation sets it out is not going to work at all. It's kind of a slap in the face to anyone like myself who's going through or trying to help people through gambling harm because it falls on people like myself and Tim and the Alliance and Anglicare and other places at the moment to try and help people, because the government don't really have any incentive to help people at the moment given the capture they have by the industry.

So, we need it to be separate from the industry and an independent body that can actually oversee this and actually take - if you're going to do it, do it properly, don't do it by half measures.

CHAIR - I wanted to explore with you the ethics of the current Government policy settings. Given that, this might sound a bit Pollyanna, but in broad terms it is a responsibility of Government to protect the public interest, it is a responsibility of Government to minimise individual and societal and economic harm - I might start with Rev Costello - on the question of ethics, what's your view of the harm minimisation - or whatever you want to call it - framework that the Government here is committed to?

Rev COSTELLO - This is a total ethical fail. This is a profound fail of the Government's primary duty. It issues the licences. These are public licences, and any issue of public licences is on the condition that you do not harm people.

As a friend of mine who's written a book on governance used at Harvard and elsewhere in Australia, he's sat on a huge number of public boards, he says, 'I was on a transport board. If there was a driver that had an accident, the board got a report and was all over, from a governance point of view, OHS and their duty of care,' and he said, 'How come this does not happen with gambling?' Well, effectively, the industry is delegated in this act or recommendations, you know, the governance ethical responsibility. It's actually not the industries, it's the governments and the Government is not, in an ethical governance sense, issuing licences with the due diligence that harm that flows from it is their responsibility ethically. It's a complete fail.

CHAIR - Do you want to add to that Mark?

Mr KEMPSTER - Like I said earlier, I think the role of, and you said, Cassy, the role of government for me, is to protect people and try and support the most vulnerable people in society. I've got a lot to say about Tassie government down here but I think in this situation, they've completely turned their back on me and they've turned their back on anybody else that's going through gambling harm and they've thrown it at the feet of volunteers and Anglicare and other places like us to pick up the pieces of the mess they're causing by their lack of an ethical stance in this space.

I'm disgusted, honestly, in the way it's turned out, this policy. I thought we were really going to get somewhere. I don't really know how a lot of the Government and Opposition party

can really sleep at night thinking this is the right way to move forward and think they are trying to help people and being ethically and morally good people when this policy is clearly anything but that.

CHAIR - Just to follow up on that, do you think what we're looking at here in terms of the framework that the Government has announced is really an acceptance of the level of harm in knowledge of the evidence that such a loose regulatory framework will cause more harm, and acceptance of the impact on families, on kids, on mental health, on community services? Would you agree that the government here seems to have accepted and, therefore, is okay with a level of harm caused by EGM¹ addiction?

Rev COSTELLO - Yes, that's the only conclusion I can reach, that they are accepting that. The reality is across the states and territories with pokies, public opinion has decided this is causing unacceptable harm, so the messaging from governments and territories is we have to respond to what the public know is causing harm. Even if they don't play the pokies, the knock-on effects of family members and friends, the knock-on effects of crime where all of us are drawn into a lived experience of such a failed, lax policy has turned the public against it.

The workaround governments are doing because they are captured by the industry is the very sort of act that's being proposed here: facial recognition and three community-based officers: it's window dressing and it's essentially a knowledge that the public know the harm, that they know the harm, and they've chosen to window-dress that they are acting.

The ACT has been acting. Melissa Horne, the previous gaming minister in Victoria, was acting and there was great public support and it's all been buried.

The same has happened in Tasmania, when Deloitte's report was so clear. And the Deloitte's report is simply echoing what every report has actually said about allowing people the right to gamble: in a free society you want to maximise freedom and prevent the harm and they have sidelined that and Jenny Cranston. This is clearly an acceptance that this industry is too powerful to take on, and we'll give them what they want, and we'll dress up that we're doing something.

CHAIR - Thank you. Clare has got a follow-up question to that.

Ms GLADE-WRIGHT - Just going into that a little bit more about ethics, the Act actually says, the *Gaming Control Act 1993* in the object of the act, says that:

- (b) take a public health and consumer protection approach to protect people, particularly people who are vulnerable, from being –
 - (i) harmed by gambling; or
 - (ii) exploited by gaming operators;

Would you say that this package is at odds with the object of the act?

Rev COSTELLO - Yes, it's totally at odds.

¹ Electronic gaming machine

Mr KEMPSTER - You couldn't get any further away from it. Like I said, I at the moment, every morning I wake up, I presume a government doesn't really care about my life or anyone who's going through gambling harm's life, as long as they fill in the coffers at their end with what they need and are happy to talk the talk and not walk the walk, basically. If you want to talk about how good your morals are and what good and ethical people you are, you just want to sit there and not do anything about this, then it probably says a lot about you as a person, when you just want to fall in line behind industry and capture instead of actually standing up and representing the people in your society who are going through this, which we know is huge in this state. You couldn't get more at odds in terms of what you've read out there, Clare, and what's actually going on at the moment.

Ms GLADE-WRIGHT - What would you like to say to the Treasurer then?

Mr KEMPSTER - I've got to get my thoughts together.

CHAIR - No swearing in the Committee.

Mr KEMPSTER - I've been very good today.

Rev COSTELLO - I am very disappointed in a person who is, like me, a Christian, and the foundation of that Christian ethic is that we have a duty of care to others, because their vulnerability where we can protect them from harm is fundamental to our Christian faith. I am very, very disappointed in this. I believed when Michael Ferguson reached out to me as Treasurer and we had discussions about what to do, that he actually, in his understanding of Christian faith, was doing something that I think is fundamental to Christian faith. I do not understand how the Treasurer can square this with his professed faith. It really is very personally distressing to me.

I'd say to the Treasurer, this is a capitulation, a complete capitulation, when the duty of the State is to not hand out public licences that harm people. I often hear the arguments of, 'Oh, well, we don't want a nanny state'. You know that was the argument run in Victoria back in 1963 when a Liberal premier brought in seatbelts, forcing people to - it was the argument that was run when I think it was Jeff Kennett brought in you have to fence your pool in your home. We often hear the freedom argument put when we know that protecting vulnerable people and having regulations to protect people who are going to be affected, as pokies is, in a devastating way, is a core ethical commitment. Whether you share my faith or you're secular or atheist or whatever, it's a fail.

Mr KEMPSTER - I totally agree. I'm the opposite to Tim. I'm not a religious person at all. I haven't been in my life, but to sit there and for him to think that this is what's the right thing to do, it just beggars belief to me that someone who has been through as much Government as he has, federally and at state levels and everywhere else he's been, he's lived a parliamentary life for his whole life and he's seen the harm that comes from this type of addiction and all addiction, so to think that he can sit there and look himself in the mirror every night and think, 'Yeah, I've done a good job here', I don't believe that. I think he's lying to himself if that's what he believes. I think he's doing that to appease the powers that be who run his party and who they're clearly beholden to in the gambling industry down here.

We can't forget how quiet Labor have been down here as well in terms of, they've become cheerleaders for the gambling industry down here right now as well. Their complete radio silence on any issue to the gambling harm in this state speaks volumes about the people they are there as well at the moment, and how much capture they've got as well.

As I've said, I've lost a lot of faith in government in the last four to five years with the work I do. That sucks because I generally used to really enjoy political type of debate and things like that, but the point we've got to now, where money seems to run everything and, to me, that's clearly what's happened here, and the lack of political will and the political cowardice that comes from it, is shocking to me.

Ms WEBB - Gosh, pretty interesting comments there, I think. Thank you both for those reflections. If I could skip to a different topic, one of the things I'm quite interested in, because it's raised in a submission we have from Hospitality Tasmania, from the industry peak body. They are particularly interested in, when it comes to the changes being made to the exclusion scheme, some of which I think are broadly supported by everyone, to improve that scheme and make it easy for people to self-exclude and have that work in a more functional way, but they're quite clear in their submission that there should be evaluation attached to the changes and the new arrangements put in place there, that there should be baseline data collected so that each measure can be evaluated once it's operating and the evaluation should focus on outcomes that matter.

Then they go on to list some things relating to the exclusion scheme could be tracked and data collected to see whether it's been effectively implemented or not. I really support the idea of evaluating the implementation of any new measure or any adjusted measure. Is that something you think is important across this whole suite of measures, not just the exclusion scheme, as the industry suggested focusing there - and if so, what would we be looking to evaluate or measure to tell what impact, if any, the suite of measures are going to have or will have?

Rev COSTELLO - Well, I think absolutely it's got to be evaluated across the whole suite, and I would argue that we've had numbers of national evaluations, all of which have said this is a dangerous, addictive, predatory product, and the industry has always opposed those evaluations and those findings. It has always opposed them. The bottom-line evaluation, of course, is do we continue to see pokies losses continue to rise? Because the rising is kids going hungry, it's suicides, it's more crime, it's more domestic violence. The Prime Minister's own domestic violence peer review panel that recommended a total ban on gambling ads said, 'Where there's gambling in the family, there's three times more domestic violence'.

There's been evaluation after evaluation which the industry always opposes. The one area they want evaluated is these measures and their evaluation will be, 'Are these measures costing us any revenue?' That's really the only measure for them - to which I say, any reform will cost the industry some commercial loss. Why? Because if I don't mind a drink, but if I knew 50 per cent of people buying alcohol were alcoholics, I would, in principle, give up alcohol. That's what's happening with pokies: 50 cents in every dollar going through is coming from people addicted and doing harm in our community. Therefore, a loss or a drop in revenue actually is the most valuable evaluation tool in terms of harm prevention.

Ms WEBB - Do you want to add anything to that, Mark, in terms of how would we know whether these measures are effective or not?

Mr KEMPSTER - Yeah, the profits they make and the money they're going to have to outlay to get a mandatory precommitment card in place has come from someone like me, who's almost ruined their life a lot of the time because of the gambling harm they've fallen into. If they want to - like Tim said, they won't even look at the valuation side of things in terms of how much money they could possibly lose, not the actual harm. They don't care about harm they cause, they have no interest in the harm that's being caused by the industry and by the pokie machines, otherwise we would have had something done 20 years ago. The proper valuation is around how much their profits have dropped down and that'll honestly be a good thing in terms of pokie harm minimisation in terms of gambling losses if the loss can't [inaudible 10.51.40] the actual revenue comes down a lot.

I just want to point out in the THA submission that they did point out at the end that it's taken too long to get any type of harm - we shouldn't be waiting any longer in terms of try to stop people falling into harm and we couldn't be delaying any longer. Given they've delayed it - deliberately tried to delay things for 20 years - it's a pretty interesting point they've made at the bottom of that.

Ms WEBB - Indeed. It's interesting because in that discussion we've just had, you talked about losses and, of course, in recent years, we've seen a significant escalation in pokies losses in Tasmania and very dramatically over the last couple of years. The 2025-26 financial year had losses of \$208 million - in excess of \$208 million - which is I think the highest ever loss we've recorded in this state, and it jumped up from about \$193 million the year before, so a really big step up. Earlier in our hearing conversation, Rev Costello, you mentioned losses going up in other states, but I wonder whether Tasmania's experience these past couple of years is out of step, in excess of what is being experienced in other states and whether you could reflect on that? Have other states seen such a steep increase that we have seen here?

Rev COSTELLO - Yeah, I can't off the top of my head answer that question. What I do know is that when there's cost-of-living pressures, when there's intensifying poverty, gambling losses go up. It's counterintuitive, but they go up. They go up because people feel shafted, 'Can't pay the rent or the mortgage anyway, maybe this is a solution'. The intensifying of the pain with those losses going up in a state, your state, that is struggling, which has I think the same number of pokies across the state as Crown Casino - where the losses at Crown Casino pokies have gone down. They've gone down, which is a good thing. That should be the direction and that's the ultimate evaluation: that people are being able to set limits and not do harm to themselves.

Ms WEBB - Do people understand that reduction to be fairly directly attributable to the introduction of the card system there across the board within the casino?

Rev COSTELLO - Yes, and it's why the pokies in hotels and pubs here have put the AHA, particularly, have put the mother of all scare campaigns on both sides, Liberal and Labor - we have a state election at the end of November - to not extend the cashless card from Crown pokies to pokies throughout the state. That's what Melissa Horne, the reforming Gaming Minister, was determined to do. And it's been dropped because they don't want to see losses happening elsewhere because they want - the harm and the damage does not matter to them. That's the bottom line.

Ms WEBB - When you say loss is happening elsewhere, do you mean the industry-incurring losses because of more effective harm minimisation?

Rev COSTELLO - Pokies venues have fought the extension of Crown Casino, which was to be extended. We have a system that can extend it fairly easily to all pokies across the state, and that has been why the government and the Liberal Party have both caved here in extending it, and those reduction of losses are the best measure of harm prevention at the end of the day.

CHAIR - Can I just check something? Having that mandatory precommitment card in place at Crown Casino, to your knowledge, Rev Costello, when you said that the revenue from the machines had dropped by 20, 25 per cent, but they're still profitable for Crown, aren't they? They're still raking in the money.

Rev COSTELLO - Oh, yes, absolutely. And this was the finding of the Royal Commission, apart from money laundering and Andrew Wilkie's work there at the tables. It found that the Crown pokies were obscenely profitable, obscenely predatory. So, no, their business is still doing, you know, fine out of pokies, but the drop means that actually people are setting their limits, not waiting until their lives are ruined and they self-exclude. That's the point that Mark was making. All this self-exclusion and a whole new technology to set it up is a complete nonsense that the industry wants to stave off. What actually does prevent harm, a cashless card and setting your limits.

Mr KEMPSTER - And it shows that people can go and enjoy. And as I said before, I'm not anti. I've been through addiction: I'm still not anti-gambling.

Those figures show that people can still go and have a bet if they want to with this card in place. It's just brought down the actual harm that's come from it. It's a pretty easy scenario to work out in your own head, I would have thought.

CHAIR - Thank you.

The question in policy and political terms, I think, and given Rev Costello, that you've been waging this campaign on behalf of vulnerable people for more than a quarter of a century, the question to my mind is: where to from here, and your thoughts on how you effect that change so that we do have a regulatory framework in place that doesn't cause such profound harm?

Rev COSTELLO - Yes, the curious thing about the Tasmanian argument, that we have to wait for other national leadership is, on the mainland there was a legitimate argument that when Melissa Horne was pushing reform as the Labor Gaming minister that in the border towns in Wodonga, if Victoria introduces it, people can just go over the border to Albury where there hasn't been reform and play.

Now, that's not really the case in Tasmania. There was some legitimacy in saying it would be best if we do this together. Unfortunately, the Minns Government has proved utterly captured by the pokies industry and no reform is happening.

There will be an election in March [2027] and gambling will be on the agenda and the community attitudes in New South Wales hasn't changed to needing pokies reform. But on the

mainland with adjoining borders, the same argument between Tweed Heads and Coolangatta. But Tasmania was in the best position to lead because you don't share a border. You actually could have done this.

Where to from here? Look, we just have to keep on raising our voice. I console myself by saying with tobacco and their hold on sports sponsorship and accessibility, it took 25 years campaigning.

This is taking much longer than it should because of both the political capture and regulatory capture.

But we have one public opinion, and this really is the irony for me and the tragedy, you know, on sports betting and bans on advertising - the Murphy report, 80 per cent of the public wanted it. Normally, politicians will lick their finger, put it up to the wind, say there go the people, I must follow them, I am their leader. I really thought we would get this. And the power of the vested interests, which were AFL and NRL, the free-to-air TV companies and the sports betting companies with their donations defeated 80 per cent of the public interest.

With pokies they see the same.

The focus moved in some ways from pokies to sports betting because, as I said, with pokies it was less than 30 per cent of the public that play the pokies. So, you could argue, well, just don't play them. With sports betting ads, a million ads a year, every Australian has lived experience with gambling. Parents going, 'How come my kids know the odds on the AFL game?' Everyone suddenly was going, 'Gambling, and how's it shaping my kid's language and taking over AFL and NRL?' And yet with 80 per cent the public wanting a ban, we failed. We got ads reduced to three ads an hour. A free-for-all after 8:30 pm at night, which is not even half-time in an AFL or NRL game. But we have to console ourselves by saying we've won the public, we have won the public and we have to keep working on that.

CHAIR - Thank you, Reverend Costello. Mark, what about a final word from you?

Mr KEMPSTER - At the moment, I think we're going through like an epidemic of gambling harm across the country, in Tasmania in particular as well. I probably see it more because I'm down here and I work down here and work with a lot of people down here. But the way gambling harm is increasing day on day is just ridiculous. I can't keep up with the amount of messages I get. As I said, I was on the phone to somebody last night, I think because I've become such a media face for the alliance and the work I do and

[11:02:24 - 11.02.40 audio cuts out - Teams]

CHAIR - Mark, you have both frozen.

Mr KEMPSTER - that goes on. We have to do something around stopping the harm and like stopping the actual escalation of this before we lose an entire generation of people to gambling harm in Tasmania and across Australia.

I was down at a school a month ago and gave a talk at a school about gambling that I just told them my story and I never impose my views on people, but I just go and tell people my story and they can take what they want, and these were a group of 17- to 18-year-old men and

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I reckon there's probably 120 to 130 people in the room and three quarters have put their hand up and said they were already gambling.

And that's shocking to me that we've got to a point where it's become so normalised across Tasmania and across the country that we are at a point where we just accept that's the norm these days when we shouldn't be accepting that as a norm. We need to be helping people and putting things in place to actually help people not fall into gambling harm, and this is one thing we can do. We have the measures to try and stop at least one part of it.

There are arguments that people will go online or to different places and things like that, but we can at least stop one thing and get one thing right and we have that opportunity to do this right now. We have the reform here. We have a chance to actually do something right now before

[11:03:48 - 11.04.02 audio cuts out - Teams]

Ms WEBB - Mark, we've lost your sound.

CHAIR - Thank you, Mark. We just lost a bit of your sound at the end there.

Mr KEMPSTER - It was really good as well, Cassy, I felt on fire there as well.

CHAIR - What's that? Sorry.

Mr KEMPSTER - I was on fire then, as well. I was speaking really good then. You missed my best bit.

CHAIR - You were very good, and we did get most of it, so don't stress.

That concludes our hearing for this morning. I'm sure I speak for the whole Committee when I say we really appreciate your time and your insights. Thank you for taking the time to provide evidence to our Committee today. The evidence that you provided at this hearing, as I said earlier, is protected by parliamentary privilege and I need to take this opportunity to remind you that comments that you may make to the media or others outside of this room, even if you repeat what you've said here, will not be protected by privilege. Is that clear?

WITNESSES - Yes.

Rev COSTELLO - Thank you.

CHAIR - Thank you again so much for joining us and have a top day.

Mr KEMPSTER - Awesome. I appreciate it, Thank you.

The witnesses withdrew.

The Committee suspended from 11:04 am. to 11:15 am.

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Hospitality Tasmania

CHAIR - Good morning, gentlemen, and welcome to today's hearing of the Legislative Council Sessional Committee inquiring into recent developments relating to Government policy on poker machine harm minimisation. At the table here today we have Simon Scott, who's part of the secretariat to the Committee, Independent Member for Nelson, Meg Webb, myself, the Greens Member for Hobart, Clare Glade-Wright, Independent Member for Huon, Ali Scott down there and Terry in Hansard.

This is your opportunity to introduce yourselves. Could you please state your name and the capacity in which you're appearing before the Committee?

Mr KELLY - Martin Kelly, I'm the COO of Hospitality Tasmania.

Mr UPTON - Brad Upton, I'm the Gaming and Regulatory Manager for Hospitality Tasmania.

CHAIR - Thank you. Can I confirm that you've both received and read the Information for Witnesses guide sent to you by the Committee Secretary?

WITNESSES - Yes.

CHAIR - All the evidence taken at this hearing is protected by parliamentary privilege, allowing individuals to speak with freedom without fear of being sued or questioned in any court or place out of parliament. I need to remind you that any comments you make outside the hearing may not be afforded such privilege. This hearing is public, which means that members of the public and media may be present. The evidence you present is being recorded and the *Hansard* version will be published on the Committee website when it becomes available. This hearing is also being broadcast. Should you wish for some, or all of your evidence to be heard in private, you need to make that request to the Committee, and the Committee will consider your request.

Mr BRAD UPTON, MANAGER, GAMING REGULATORY COMPLIANCE, AND **Mr MARTIN KELLY**, CHIEF OPERATING OFFICER, HOSPITALITY TASMANIA, WERE CALLED, MADE THE STATUTORY DECLARATION AND WERE EXAMINED.

CHAIR - Thank you, Martin and Brad. Thank you also for your submission to the Committee and for agreeing to appear before us today. Did you want to make an opening statement to the submission?

Mr UPTON - I'll start with the most important point. Nobody in our industry wants to see anyone harmed by gambling or by any other product or service we provide. Our messages have been consistent for years. Help should be targeted to those people who need it, using practical measures that can actually be delivered. We said that before this package was announced, and we're saying it today. That is why venues have invested in facial recognition systems. Fifty-one venues already have it because we understand the advantages it brings. We don't agree with every detail of the package, though we support the package's direction.

On the card, it was planned but never built, tested or operated. A plan isn't a working system. The Deloitte report modelled what might happen with a system that has never been operated anywhere in Australia. Its findings are based on assumptions and not facts. Even in February 2024, the then Treasurer Michael Ferguson acknowledged the card was complex and would take longer than first expected. At the same time, the commitment on facial recognition was left to venues to take up individually. Venues did. Fifty-one have installed it since that time on their own. But years of the complexity of a venue-wide card system that needs to be accounted for every transaction means there's still no statewide system.

Our concerns have always been the card didn't exist and that it was a blunt instrument applying to everyone who plays, rather than targeting help at those who need it. The time that has been wasted on trying to create this non-existent system over the practical and implementable systems that are in use has been a mistake. The priority now should be implementation. For people experiencing gambling harm, every day spent debating proven solutions is another day in which those protections are not available.

CHAIR - Thank you. Can I just check something? You said that the card-based system hasn't been tested or used anywhere in Australia. Isn't it in place in Crown Casino?

Mr UPTON - Sorry. In a jurisdiction like Tasmania, as a jurisdictional-wide option. Crown Casino is an individual entity that operates a card as an individual entity.

CHAIR - Yes, so it has been tested?

Mr UPTON - Sorry, I apologise. Yes, it has been tested in one, but it has not been tested in multiple venues.

CHAIR - Okay, thank you. I'm interested in exploring the role of Hospitality Tasmania in the policy that's before us now and the framework that was announced on the 23rd of January [2026] this year. Perhaps Martin or Brad, either of you could just step the Committee through how you worked with the Government to develop this policy, given that the Government's previous policy had been a very clear commitment to a mandatory precommitment card?

Mr KELLY - We didn't work with them to develop a policy. We have positions on gaming that Brad has outlined, and we put those positions to the Government for them to form their policy. Our stance has always been that the proposed card didn't exist, it doesn't exist and has not been implemented anywhere in the world in a jurisdiction like Tasmania. I guess your question was, how did we work with the Government. They were the views we put forward to Government. We put forward to Government that we believe the best and most immediate harm measure that can be implemented is facial recognition technology with an improved modernised TGS scheme.

CHAIR - Okay, we'll go to the facial recognition technology before too long. So, is it fair to say Hospitality Tasmania engaged very directly with the Government well prior to the announcement in January [2026] of this year, and that the suite of measures which Hospitality Tasmania advocated for and broadly supports is the same suite of measures that the Government ultimately put in place?

Mr KELLY - It's absolutely correct that we presented, I guess, our view of the world. Not all of our view aligns with the Government's measures.

Ms WEBB - Can we get some details on that, if I could have a follow-up question. In terms of putting forward the measures that you were advocating for, can you step us out in terms of a timeline about when you put forward those proposals to the Government ahead of when they ultimately, on the 23rd of January [2026], announced the Government suite of measures?

Mr KELLY - We'd probably need Brad to do that.

Mr UPTON - Our view's been very consistent with these measures. Our submission to the Gaming Commission in May of 2022 outlines exactly these proposals. This was well before any Government direction. And our consistent message has been an improved TGS system with facial recognition support and access to quicker harm minimisation is what industry wants, with a targeted approach with systems that are actually implementable, practical and existing currently in the country.

Ms WEBB - In terms of the measures announced on the 23rd of January [2026], when did the Treasurer speak with you about those measures?

Mr UPTON - Our first meeting was with the Treasurer on, I believe it was the 14th of February [2026]. I'd have to find the dates. The 12th or the 14th of February was the first meeting with us. Like the Commission, we were probably disappointed that we weren't consulted prior to the announcement, like some other parties were, on the harm minimisation packages. We found out like everyone else. My first meeting with the Treasurer was on about the 26th, 24th of February - I'd have to check those dates, it's one of the two, when I was brought in to provide some expert technical advice on current systems and how they may operate in our market.

Ms WEBB - Prior to that, presumably, across a period of time that the Government was developing the suite of measures and finalising them, Hospitality Tasmania wasn't consulted with or advised, or information or technical expertise wasn't sought from you about those measures prior to them being announced on the 23rd of January [2026]?

Mr UPTON - We've been very consistent in our message of what we believe are practical measures. In every consultation paper, I think, we've put forward to the Gaming Commission, it's the same message. We haven't wavered from that. Our position is very firm on the fact that an updated TGS system with self-onboarding and facial recognition are key linchpins to developing a system which will prevent harm to industry.

Ms WEBB - Since the 2022 submission you put in, what are the other occasions that you would have put forward, in submissions or in other sorts of writing or correspondence, your advocacy for those positions?

Mr UPTON - We go back to 2022. Since then, there's been letters to the Treasury or to Liquor and Gaming: later in 2022, 2024 when we responded to the player and cardless cashless gaming system. Again, in October of 2024 when we submitted the Tasmanian venue submissions back to those: and in December of 2023 as well.

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Ms WEBB - Thank you. And so, prior to the 23rd of January, when would be the most recent time prior to that that you had met with the Treasurer or his office about gaming policy?

Mr UPTON - I had not met previously with the Treasurer to that date that I first mentioned, on the 24th of February [2026].

Ms WEBB - Well, Hospitality Tasmania.

Mr KELLY - I personally haven't either, so I would struggle to give you any exact -

CHAIR - No, that's fine. I just want to check something with you.

Mr KELLY - I would struggle to give you any exact dates on that, other than to say that it's been an issue that we've advocated for.

CHAIR - Thank you. Outside meetings with the Treasurer or engagement with the Treasurer, Hospitality did engage directly with the Premier, didn't it, after the announcement of the cashless card, mandatory precommitment card?

Mr KELLY - I can't answer that. I didn't. I can't answer that, but I would assume those conversations would have been ongoing. I'm not sure I'm answering your question there.

CHAIR - Okay. So, neither of you were party to any meeting directly with the Premier?

Mr KELLY - I personally wasn't, no.

Mr UPTON - No.

CHAIR - Okay, all right.

Ms WEBB - Do you want to keep going on this line?

CHAIR - Well, is it possible, then, I mean, perhaps another Hospitality Tasmania representative engaged directly with the Premier. Because it would seem certainly to me that there was direct engagement with the Premier, who came out reasonably early in the piece and said they were pressing pause on mandatory precommitment. Maybe you could take that on notice?

Mr KELLY - Yep, happy to do that. I guess I could say that our CEO and our president -

CHAIR - Could have been Mr Old, for example.

Mr KELLY - would have met and would have had conversations, I would assume, with the Premier and Treasurer throughout the whole process. But happy to take that on notice and provide those if we can.

CHAIR - Okay. Can I just go to a statement that you made earlier about the evidence base on the harm minimisation measures that have been put in, or will be put in place, particularly facial recognition technology. I'm not sure where the evidence base of the minimisation of harm from this technology comes from. Are you able to enlighten us?

Mr UPTON - Yes, certainly. From an industry perspective, from venues that have installed facial recognition technology, there's been an increase of around about 800 per cent detection of people who are on the exclusion database. Facial recognition helps in detecting a person before they walk into a gaming room. However, it doesn't help - and this is where the self-onboarding and the TGS update comes in, it doesn't help people get themselves onto the exclusion database. But my records show that we've sat underneath 400 people on the exclusion database since 2014. So, I would suggest that access to the TGS, access to being self-excluded, is a major barrier to the system and harm minimisation being effectively implemented.

CHAIR - Okay. We had evidence yesterday from Rev Chris Jones from Anglicare, who described the suite of measures that are put forward by Government, supported by Hospitality Tasmania, as having minimal or minuscule effect in terms of harm minimisation. What's your response to that?

Mr KELLY - Facial recognition technology combined with the improved exclusion scheme, which we don't have, that is the key to improved harm minimisation. At the moment, what we have is a system that will quickly identify someone who walks through the door, as against the previous system where a staff member needed to physically identify someone from a scratchy old photo that might be one of the 300 photos they've looked at. The ability for a staff member to detect an excluded patron, I guess, is quite compromised under that old system. Facial recognition technology allows that to happen immediately.

CHAIR - Realistically, there's quite a thin evidence base around the impact of facial recognition technology on preventing addiction to gambling, isn't there? There's actually no evidence of that.

Mr KELLY - I don't think I claimed it prevents addiction.

CHAIR - All right. Well, let's say this: there's quite a thin evidence base that the facial recognition scheme reduces harm because, in many ways, it's kind of the ambulance at the bottom of the cliff, isn't it?

Mr UPTON - I'd actually beg to differ. I've spoken with venues who've implemented this and they have interjected with someone who's walked into a gambling room who is on the exclusion database before that person has actually been able to sit down and play a gaming machine and spend a dollar. That person reacts in a much more positive manner of being asked to leave politely through the venue, without being alerted to everyone else as to what's going on, that person responds a lot better. So, is it the ambulance at the end of the cliff? No. Is it someone standing at the top of the cliff going, 'Hey, you've asked for help, here's the help that you've asked for'? We can implement that.

The problem that we have is that we can't get enough people to register themselves onto the register. Now, be that because it's too complex, be that because there is a tarnished image of someone who has asked for help, I couldn't give you an exact answer for that. But I can tell you that less than 400 people every year have sat on the exclusion database list, and that is a concern for everyone that is involved in the industry. It should be a concern for the commission, it should be a concern for this Committee, and it's definitely should be a concern for Anglicare and the care providers that are the ones there helping, trying to get and alert these people that

there is help out there. So, they should be able to get help and then the venue should have the tools and resources available to them to provide that help when it's there.

Mr KELLY - Just in terms of the evidence, I'm not sure if you're referring to a study, but in a past working life, I was the General Manager at Vantage Hotels, and I was involved in the installation of facial recognition technology at the Claremont Hotel, probably nearly four years ago. And instantly we saw a much greater success rate at identifying problem gamblers and being able to intervene immediately before any interaction with a gaming machine occurred.

Ms GLADE-WRIGHT - I think the point that Ms O'Connor was trying to make was that the facial recognition technology is really only capturing those people who have already self-excluded, and that that number is relatively small compared to the number of people who are gambling in Tasmania. Therefore, it really is that ambulance at the bottom of the hill.

Mr KELLY - I see it as intervening at the start of the process. It enables venue operators to identify people at the start -

Ms GLADE-WRIGHT - At the start of when they begin to gamble, or when they have just begun to self-exclude?

Mr UPTON - It helps at the point where someone has had the courage to put their hand up and say, 'I need help'. The challenge at the moment for that person is that they can either option to have, (a), a venue exclusion, that singular venue, which means they can walk out the venue and walk to the next one; or, (b), they can go through the process of getting themselves on the exclusion database, which I'm informed by people takes eight to 10 weeks and requires a face-to-face meeting. For someone who has had the courage and conviction to say, 'I need help', for that to be the process - and the ambulance at the bottom of the hill, I actually take offence to that. I've stood in a venue where someone has come up to the bar and said, 'I would like to exclude'. The only thing that myself and the venue can do is exclude them from that venue because of the current system. That person says, 'No, no, I would like to exclude from everyone in Tasmania, I want to quit gambling.' Great. It's a fantastic thing and that person should be supported for having that courage, but the system lets them down.

Ms GLADE-WRIGHT - How many people do you think are addicted to gambling in Tasmania who haven't self-excluded?

Mr UPTON - Well, if you go off the SEIS report, I think it was 0.4 per cent of people are problem gamblers. There's another section, at-risk of problem gamblers. Let's say, for an argument's sake, that's 1,700 people and we only have 400 on the exclusion list. There is only 25 per cent of people who have a problem, perceived by the SEIS, that is actually getting the help that they need. The access needs to be easier to get that 75 per cent the help that they need.

Now, I know the other care providers and interested stakeholders have provided some input and submissions to these and I note very similar. We are like them. We would like to get help to those people that need help. Unfortunately, the card does not exist, and the card is a blunt instrument that applies to everyone. This needs to be targeted. You know, aged people need an access to a system that is not potentially digital. They need someone to walk them through the system. A younger person may not want to have a face-to-face. We all know that they use digital technology and communicate via messages. They don't like to talk to people.

There should be easy and accessible ways for every Tasmanian to get help if they would like help.

The recreational gambler who doesn't want help and doesn't need assistance should be allowed to have the choices that they want and make the decisions that they would like to make.

Ms GLADE-WRIGHT - We saw a lot of evidence in lots of reports and we heard it in lots of our hearings that a precommitment card would capture everybody and it would be 100 per cent cover, rather than a self-exclusion which is just looking at a very small percentage of gamblers.

Mr UPTON - Correct, so for the 0.4 per cent of problem gamblers and the 1.7 per cent of at-risk or low-risk gamblers, where you are going to put an implement in place that's going to impact north of 95 per cent of Tasmanians just to support those small ones. We should be putting our energy and effort into getting help to those people that need help, not into impacting everybody.

Ms GLADE-WRIGHT - You use that word 'impact'? How would it impact people?

Mr UPTON - As in, how would the card system impact people?

Ms GLADE-WRIGHT - Yes.

Mr UPTON - Well, there is a privacy issue, there's an anti-money-laundering issue. There are many, several things that sit behind the carded system that would impact people.

Mr KELLY - I think the point is that the card doesn't exist, and nowhere in the world is there a jurisdiction that has rolled this card out. So, our position is that has got to be developed from scratch. Can I say that the initial announcement by the then Treasurer of this card was back in 2024. I think it's 2024, maybe even 2023. Here we are nearly 2027. No one has been able to say, 'Here is this card'.

CHAIR - Crown Casino has.

Mr KELLY - Sorry, again I'll reiterate across a network of independently owned venues in Tasmania, the way -

Ms GLADE-WRIGHT - Is that really a reason not to implement it, though?

Mr KELLY - Well, it doesn't exist so how do you implement something that hasn't been shown to work?

Ms WEBB - It's been designed. The industry refused to be involved in the first tranche of consultation for designing the card. Once it continued without industry involvement, industry then did involve itself in the second tranche of consultation on the development of the card. The understanding we all have is that the development of the card was completed right up to the point that the government needed to provide some further funding and commitment to it to move into an implementation phase. So, saying it doesn't exist, of course, there has to be a first jurisdiction that implements it. We were underway in that process in this jurisdiction until the government stopped it. So, the fact that it that happened and the Government stalled

it doesn't mean it can't exist. It just means the political will for it to exist hasn't been delivered on. Correct?

Mr KELLY - But what we have now is a plan for what a card might look like. There's no detail around that plan, about how much it will cost, about what timeframe it will take, about how it will work, what are the challenges, what are the roadblocks that need to be overcome to implement that card.

Ms WEBB - My understanding from the Gaming Commission is that that piece of design work and solving issues that have been identified around what will need to be tackled in implementation, has been done, that they've interacted with Tabcorp and MaxGaming to look at how those issues will be solved. They've arrived at solutions to them. But we have not been able to implement them because the Government stalled it at that point. So, we can all agree that yes, solutions have to be found to issues that are identified, but just because the implementation has been stalled doesn't mean that it's not possible, does it?

Mr KELLY - I don't know how you implement something that doesn't exist, though.

Ms WEBB - Everything hasn't existed until it's existed, so we're designing a system, and unless the Government decides to fund it and commit to it, we can't put it in place. It doesn't tangibly exist yet because we can't do it until the Government says so. That's the barrier at this point, correct?

Mr KELLY - I'm sorry, I don't know how to answer that differently.

Ms WEBB - I think we can all agree the card doesn't exist yet because the Government has stalled it.

CHAIR - You might just let Martin try to answer.

Mr KELLY - I guess I'm probably repeating myself. I'm not sure how you implement something that doesn't exist. I guess an analogy of a house. You can plan a house, I can draw a sketch of a house that is very different to a detailed plan of how a house can be built. Now, my understanding with the Commission is that they met with MaxGaming about the time that the Government changed their position, but they're only at that stage of sketching a house, if I can use that analogy.

CHAIR - I mean, the analogy is I think they had architects' drawings of the house because of the amount of work that had gone into developing the precommitment framework.

Mr KELLY - I'm not aware of that and I have not seen that, and we've not seen that in the jurisdiction.

Ms WEBB - That's fair enough. Industry may not have been engaging to that level to be aware of the full extent of the work that had been done. Perhaps that's the case.

Mr KELLY - Sorry, to clear the record, it may be the possibility, and I'm sure we'll get to venue closures, that the industry body wasn't consulted.

Ms WEBB - Okay. Can I just clarify with you then: the Commission put out a consultation paper specifically to industry at the end of 2023 as the first thing it did to progress development and implementation of the card. The first thing it did was put out a consultation paper to industry at the end of 2023. Is that correct?

Mr UPTON - There was an industry consultation paper put forward, which we responded to the branch on and were informed that we didn't have to respond to the first one, and that we could wait for the second tranche of consultation to come through.

Ms WEBB - So, you didn't respond in any detail to the consultation paper that was put out specifically for industry as the first effort of consultation on the card?

Mr UPTON - In detail, no. We did approach the branch based on the time of year that was going on. It was Christmas time in hospitality, a busy period of time, and request whether we had an extension or, from my memory, whether we had an extension or if we could facilitate a later date. And we were informed that it was okay because there would be a second tranche of consultation to come through.

Ms WEBB - Which happened in 2024, and there was a broader consultation engaged in then, at which point you did engage, the industry did engage?

Mr UPTON - Yes.

Ms WEBB - So, to suggest that industry wasn't engaged with when there was an industry-only effort in the first instance and then a broader effort which industry was still invited to be part of, and in fact participated in, in the second instance doesn't sound like a lack of effort to engage with you from the Commission.

Mr UPTON - Sorry, what was the question again?

Ms WEBB - Well, you were saying that industry wasn't engaged with. So, I'm trying to clarify on what level industry wasn't engaged with.

Mr UPTON - I don't believe I said that industry wasn't engaged in that. However, I could take it on notice and look back at that information. What I can tell you is -

Ms WEBB - Just now at the table, when we were talking about whether you were aware of the design work done, you said, 'Perhaps it's because we weren't consulted and weren't engaged with.'

Mr UPTON - Sorry, yes.

Ms WEBB - So, I'm trying to clarify how would we understand that you weren't engaged with when it appears that you were engaged with a number of times?

Mr KELLY - I wasn't around at the time. I don't mean to deflect. I would have to find out what engagement occurred back at that time.

CHAIR - You might take that on notice?

Mr KELLY - Yes.

CHAIR - Thank you. I wouldn't mind going to some of the specific measures that the government has announced. Are you comfortable with that at this point, or have you got more on this one?

Ms WEBB - There are things from earlier that I will follow up on, but it will come up as we discuss [inaudible 11.42.28].

CHAIR - Okay. Your submission talks about supporting effective, evidence-based harm minimisation. We've had witnesses come before us, Anglicare, the Alliance for Gambling Reform, who've talked about the minimal harm minimisation effect of the suite of measures that the government has announced. If we can just talk about something for example, like ATMs in venues, just stepping back, no matter what your view is on pokies, that would seem to be almost a harm promotion measure because what it will do is make access to funds much easier for someone who is stuck at the machine and losing their salary.

Mr KELLY - I actually sat before the Commission about eight years ago on this topic. ATMs don't make access to cash easier than what currently exists in a gaming room. So, in a gaming room, I can walk up to the counter and I can do an EFTPOS withdrawal for cash. All we're saying is that an ATM, but supported with facial recognition technology and with controls around the cash that can be taken out of that ATM, is actually a tighter control than currently exists.

CHAIR - What sort of controls around the cash that you can take from an ATM would the industry support?

Mr KELLY - Well, I think at the moment the cash-out limits in an ATM in the casino is \$400. Now, we could argue that it should be more than \$400. There would be arguments it should be less than \$400.

CHAIR - In a day, like someone can withdraw \$400 in a day, and that's sort of the cap on their expenditure? Is that what you're saying?

Mr KELLY - That's what currently happens at casinos.

CHAIR - Casinos. Okay. But it's not correct, is it, for Government to say that introducing ATMs into gaming venues is part of a suite of harm minimisation measures?

Mr UPTON - The current access to cash, as Martin pointed out, is a pen and a piece of paper, and the hope that a staff member can remember the person that may come back later and see a different staff member. So, the controls currently around access to cash in a hotel and a club are, for want of better words, lacking technology to try and help support compliance to regulatory reform.

CHAIR - Okay.

Mr KELLY - I guess, I think what's being argued is that by putting an ATM, it makes cash easier to access. I don't think it does because -

CHAIR - Well, you don't have to go up and ask a person to give you cash at the cashier's. So, you just go to the machine, stick your card in -

Mr KELLY - And it's programmed to limit what you can do, so you're not relying on a human to not make a mistake. If that ATM is programmed to limit cash out to \$400, and if it's supported by facial recognition technology, then a person can be identified doing their withdrawal. So, you're actually containing their ability to access cash.

Ms GLADE-WRIGHT - It's only if you've self-excluded, right?

Mr KELLY - Well, in terms of the facial recognition technology, yes. But if your card, if you're using -

Mr UPTON - Sorry to interject. They're separate systems with facial recognition. Self-onboarding exclusion is one system. Facial recognition in regards to cash out is designed to prevent the handwritten controls that are in place, operate in a separate system that detects the person, allocates them with a token, attaches their card to that token so the card can't be shared, and prevent multiple transactions, or transactions above, sorry, the daily limit that has been set by the commission.

Ms GLADE-WRIGHT - And if I have different cards?

Mr UPTON - Your face is the one that is allocated a token so you, as a face, would have a \$400 limit, if that's the number that is chosen. There's a consultation paper from the Commission, which we're responding to at the moment, which is referencing some of these items. That face has \$400, the card links to your face so that the card can't be shared, and that \$400 is the limit for that person. If you have six cards, the limit is only still \$400 for that person. If you give your card to Cassy and ask Cassy to get cash out for you, that card will get declined because it's already been linked that day to your face.

Now, let's be very clear that money taken out from pubs and hotels currently, and under the new system with an ATM, a lot of that money is from tourists. A lot of that money is from people who can't access banks in regional communities, cannot access ATMs in regional communities. The number of venues that tell me the ATM from the bank down the road is broken, is offline, is not working, and people come into the venue to take cash out and then walk back out the door because they're going down the West Coast and have heard that there's no EFTPOS, and they need cash to pay petrol, or they need cash on their person, is outstanding. This is just a way of helping these venues that have a current cash-out system of \$200, manual, relying on staff to remember information, and putting in technology to help support those.

Mr KELLY - Can I go back to your questions? At the moment, if I was in a gaming venue and I had two cards, there is a high chance I would go undetected doing multiple withdrawals exceeding the daily limit because I would go up with a card, the staff member would record the last three or four digits on my card. If six hours later I go back up with a different card, there's every chance I wouldn't be detected. However, through an ATM properly programmed, then that can be contained.

Ms WEBB - I completely agree with you that the current system is so flawed that we need to fix it, for sure, for all the reasons you've already said. I think there's pretty universal acknowledgement of that. A system that assists for that to happen is a good positive step. The

sort of ATMs that you described there, Brad, does that technology, that you're aware, exist and is in use somewhere that we are readily able to import, and you see that being something that the industry is receptive to and able to do quite readily?

Mr UPTON - Yes. The short answer is yes. The technology exists and is something I've personally used myself.

Ms WEBB - In a venue environment? Is it in use somewhere that you can point to for us?

Mr UPTON - In use in the manufacturer's showroom, unfortunately. It's not regulated in other jurisdictions. Ours is the only one that will have the regulation around facial recognition or biometric.

Ms WEBB - So, at the moment, that's not being used anywhere, that facial recognition system, as part of an ATM?

Mr UPTON - As part of an ATM, is not being used anywhere in Australia to detect the person.

CHAIR - Like the mandatory precommitment card.

Ms WEBB - So, the technology is there, and then potentially can be brought in. There'd also be opportunities, potentially, to deliver an improved outcome through the current EFTPOS system too, I imagine, that we could look at?

Mr KELLY - The system's, you know, potentially broken, so absolutely. I guess we would advocate that ATMs are a way of closing down that gap, that loophole.

Ms WEBB - Where are things up to with Hospitality Tas's involvement with the Commission to put these reforms the Government has put forward in place? Because that's one of the early timeline ones, isn't it?

Mr UPTON - We were written to on Friday in regards to their proposed suggestions.

Ms WEBB - Are they looking at what you've just described, the system you've described?

Mr UPTON - They had an industry consultant support them on their information. The industry consultant met with the manufacturers and suppliers that we've been dealing with and talking to for many years, and have come back with some questions, suggestions and feedback that they'd like to see, including, as we always say, the unintended consequence of something. These are things that we're working through, and I think we have to the end of October [2026] to provide feedback to the Commission in response to that, and we will provide feedback to the commission.

Ms WEBB - Given that it hasn't been implemented anywhere and we don't have a set of rules and regulations that are standard somewhere else to look at needed here relating to the use of those machines if they were brought in, what's your understanding of the sorts of rules or regulatory constraints, given the biometric privacy risks there?

Mr UPTON - The company that we're using, or the two companies, and other facial recognition companies are very well versed in the privacy laws of Australia and what needs to be put in place and what measures need to be looked at, including ensuring that the person is very aware that their image is being used for the purpose of complying with the regulatory act.

CHAIR - Can I ask just on that? Will venues hold that facial recognition data, because it's biometric, personal data. Who will be responsible for protecting that data?

Mr UPTON - The privacy and regulations that the commission set would dictate, in line with the privacy of Australia rules and acts, of where that data sits. It has to be housed in an Australian server, in my understanding. It doesn't sit with the venue; it sits with the ATM, and the data is wiped. From an ATM point of view, if it's a trading day, then that's when the data is wiped, at the end of the trading day, and not held.

CHAIR - Sorry, just to be really clear on this, you said that the data will sit with the ATM. The ATM sits in a venue. I don't know if Hospitality Tasmania has developed its thinking around this particularly, but are you saying that all of that biometric data would be stored in the machine on the venue, off in the cloud? Where would people's personal data be stored?

Mr UPTON - I would have to take that on notice from the manufacturer. That is some technical specifications that I wouldn't be able to give you a genuine answer on, but I know that it would comply with all the relevant laws that it has to on that basis. The venue doesn't need the biometric data or want the biometric data. It is purely used to support that person and ensuring that they do not access more cash than they are regulatorily allowed to.

Ms WEBB - Who owns the ATMs there if they're placed in the venue? Is it the venue that owns it? Is it a separate third party?

Mr UPTON - It would be the manufacturer or supplier of the ATM or EFTPOS cash-out terminal, would be owned by the company that provides and supplies it.

Ms WEBB - Are they networked? If there's the same company supplying it to venues across the state, which I guess is what we might imagine might happen if we are allowing them to be introduced, and there's this particular product that's available potentially to be brought in. Are they then networked across different venues to be able to be connected?

Mr KELLY - I suggest no, in the same way that an ATM in Salamanca Place is not connected to an ATM in North Hobart. I'd say the answer to that is no.

Ms WEBB - Okay, interesting.

Ms GLADE-WRIGHT - Just on the ATMs, before we move on. I don't know if I'm not understanding something correctly, so if you wouldn't mind just helping me understand. We heard from the commissioner that she's very concerned about the ATMs in venues because of the greater access to cash. You've explained that the FRT² on the ATM will be able to limit the access to \$400. Why would she be concerned that there's greater access to cash? What's

² Facial recognition technology

different about these measures than what is existing now? And if I do take out \$400 from the ATM, can I then also go to the bar and tap my card and take out cash there?

Mr UPTON - I'm unsure on the Commission. I couldn't speak for her as to her views or concerns around it, outside of the fact that on the record she did say, like us, we are concerned with the current system, and I have been in venues where someone has come back to the bar a second time, had a second staff member, had a second card. And it was only because someone else in the room knew that that person had been up earlier they were able to prevent them from taking multiple money. The commissioner herself said that she knows that occurs. The ATM provides biometric data to prevent that from occurring. So, from a safety point of view, I think it acts in a better manner than what the current system does.

Ms GLADE-WRIGHT - So, how much cash can I access now, currently?

Mr UPTON - Currently you can access \$200. However, I'll caveat that with -

Ms GLADE-WRIGHT - So, we're doubling it?

Mr UPTON - I'll caveat this with one bit for you: it is one transaction up to \$200. Most people would walk into a venue - and I was there the other day in one and I asked for \$50 cash out only to be informed that you're only allowed one transaction of up to \$200. Now, I only took the \$50 out, but I have seen others take a minute and question their decision whether \$50 was all they wanted or did they want more and sometimes they take \$200 when that's not what they intended to take out.

The one-transaction rule has unintended consequences of sometimes making people take out more money than they need just in case they want to go down the road, they want to buy a chicken schnitzel, they want to buy beer and they just want to make sure they've got enough cash in their wallet to buy whatever it is they want. The ATM provides that security around those measures.

Ms GLADE-WRIGHT - But we can also agree that we're going to double the access to cash?

Mr KELLY - Yeah, that \$200-limit has been I think in place since 2012. That \$200-limit hasn't increased for 14-odd years, so I don't think an increase is unreasonable.

Ms GLADE-WRIGHT - You say it's not unreasonable, but we've doubled the access to cash. So then can we also agree that perhaps that's not really a harm-minimisation measure when you can potentially double your loss?

Mr KELLY - It's a better harm-minimisation measure than is currently in place, where people have greater access to cash, would be my argument.

CHAIR - Well, on the cash, we're moving here from a coin-based system to a system that accepts notes. So, again, if you just apply common sense and logic, the potential for higher losses is real there. Are you able to explain how providing the machines can accept notes is a harm-minimisation measure?

PUBLIC

Mr UPTON - As it currently stands, there is no input or load-up limit in Tasmania into our gaming machines. So, you could walk in there, walk up, get \$1000 from the coin change machine that exists in the venue and put that into the machine. Under the proposed regulations, the load-up limit of \$100 prevents anyone from loading up more than \$100 -

CHAIR - In one go.

Mr UPTON - Before those credits are exhausted, is my understanding from the direction that the commission is looking at taking. Once those credits are exhausted, then they can start the process again, which gives them the opportunity to stop and think whether that's the right process to follow.

CHAIR - Right. But they've - okay, well, let's just say they don't walk up to the cashier and get \$1,000 worth of coins. What they do before they get to the venue is go to a couple of ATMs and withdraw \$1,000 in cash and then they can go into the venue and put all of that \$1,000 in cash through the machines.

Mr UPTON - Sorry, are you talking currently? Or are you talking for the ticket-in, ticket-out -

CHAIR - No, this is once you've got machines that take notes you've got significant potential, I'd have thought, for higher losses, but you've also got, and we've heard this evidence, significant potential for money laundering, don't you?

Mr UPTON - No. To answer the money laundering one first, the answer would be no. As far as money laundering, the limit of \$100 into a machine by default is a lower-risk factor for AUSTRAC than the current system which would allow for unlimited money to go into a machine.

CHAIR - Coins.

Mr UPTON - Coins.

CHAIR - Big difference, though. If you're restricted to putting coins in a machine or feeding \$50 or \$100 notes in, there's a big difference.

Mr KELLY - I'm not an expert in laundering money, but there are a lot of easier ways to do it than through a gaming machine, even with ticket-in or through coins.

CHAIR - I thought it had been identified by - was it the Productivity Commission as a money laundering risk?

Mr KELLY - Absolutely. Look, if we're talking ticket-in, ticket-out, that can potentially open up that risk, absolutely.

Mr UPTON - And we're referencing against the New South Wales system which allows for up to \$5,000 to be entered into a machine. From a money laundering point of view, that becomes an easier avenue than when it's \$100 and you have to play that before you can progress to the next choice.

PUBLIC

Mr KELLY - What it does do is it provides an audit trail, though.

CHAIR - Putting cash in machines?

Mr KELLY - Oh no, sorry, I was referring to ticket-in, ticket-out.

CHAIR - Oh right, sorry, we'll get to that.

Ms WEBB - I'm just sticking with the note acceptors for a minute. So, you can load up - if the limit is, is it \$100 you can load on at a time?

Mr UPTON - Yes.

Ms WEBB - So, you can literally do that with one note, if you wanted to.

Mr UPTON - The Commission would have to set those regulations. I couldn't speak for it around the country.

Ms WEBB - Yes, compared to coins, you'd have to put in fifty coins, at least.

Mr UPTON - There are varying denominations that are and aren't allowed.

Ms WEBB - Either way, even if we were to have the lowest set of that, you can't put more than a \$5 note in at a time to get to your hundred. That's 20 notes you've put in, compared to having to put in at least 50 coins to get to the same amount of money. So the fact that we have a no cap currently on the coins that can be loaded in, there's a physical constraint there, given that there's a lot of coins that you'd need to load more than 100 or 200 or 300 even at any given time, correct? So, note acceptors we're loading up quite quickly with notes.

Mr KELLY - I don't think note acceptors were presented as a harm-minimisation measure in the package.

Ms WEBB - It's part of the suite of measures that is pointed to the harm minimisation.

Mr KELLY - So, a note acceptor -

Ms WEBB - That's okay, maybe we're agreeing, and we can move on from it because if we're agreeing, it's part of the Government suite that they've announced. The Government describes that suite as 'harm-minimisation'. It could be contested that this is not a harm-minimisation measure and while we may quibble about different arrangements relating to it, maybe we just all agree it's not a harm-minimisation measure and that's fine, we move on.

You're clear -

Mr UPTON - There are parts where the coins and notes, they both take time to insert into the machine.

Ms WEBB - Sure.

Mr UPTON - A \$5 note takes time for the machine to accept it, read it, validate it, and apply the credits to the machine: \$5 in coins, arguably, takes less time than a \$5 note.

Ms WEBB - Would the industry support putting a \$5 note limit on what can be fed into the machine at any given time one by one?

Mr UPTON - We would not support anything that doesn't have evidence behind it to support the harm minimisation.

Ms WEBB - What does the evidence tell us then about what the appropriate denomination that should be allowable to be fed into the machines?

Mr KELLY - I'm not across it.

Mr UPTON - From an evidence point of view, I could only rely on the other jurisdictions around Australia. I would certainly suggest that a \$100 note probably would not be allowed to be entered into a machine. A \$50 note is a different story and it's probably the most accepted around the country as the maximum note that would be accepted into a machine.

Ms WEBB - So, the industry here at a State level would point to other jurisdictions that accept \$50 notes into machines and use that as a benchmark for advocacy when the Commission comes to set these rules?

Mr UPTON - When the Commission comes to set the rules, we'll look at what is widely available in Australia and other jurisdictions and provide our feedback as to what we see as the most viable option for that.

Now, the Commission by itself as an independent body can set whatever they choose to do.

Ms WEBB - I'm just wondering because, in your submission, the industry quite strongly states support for harm minimisation and evidence-based harm minimisation, and I think we probably all agree that setting a denomination limit of \$5 or \$10 delivers a greater harm-minimisation outcome than a \$50 denomination allowable, so presumably then you would support that?

Mr KELLY - That's not something that's been discussed but we would be happy to discuss what that appropriate limit is and have input into that.

Ms WEBB - Would there be any reason the industry would argue that the denomination limit of what can be fed into the machine shouldn't be based on harm-minimisation outcomes?

Mr KELLY - No, I'm not sure the -

Ms WEBB - What's the criteria we would use to decide what denomination is the appropriate cap?

Mr UPTON - The ability of the technology that exists would be one of the major barriers and without finding some -

Ms WEBB - It's just a programming issue, though, right?

Mr UPTON - You would have to talk to the Commission or MaxGaming or whoever sets the program around that as to what that looks like.

CHAIR - Presumably, it's just a slot for cash, isn't it? Why would the technology differentiate necessarily between a \$5 note and a \$100 note.

Ms WEBB - Well, it does because we set rules about it but it's just programming, right? We can decide there's not an actual -

CHAIR - Technological barrier.

Ms WEBB - technological barrier to deciding the denomination.

Mr UPTON - There should not be, no.

Ms WEBB - What criteria should we use when we think about what limit of denomination should be the highest denomination that can be used? What's the criteria we should use because I would imagine there'll be many who contend let's have harm minimisation as the criteria we use here. Is that something the industry supports?

Mr UPTON - Look, we haven't been in a position of reviewing anything the Commission's put forward on this and what that might look like. Have we looked at the detail to that level? No. We would review that when that was presented to us as what options the Commission was considering.

Ms WEBB - It's interesting. Hopefully, there's nothing disingenuous about the industry's assertions about strong support for harm minimisation and if there's no reason -

Mr UPTON - We certainly support harm minimisation and we will look to what the Commission thinks.

Mr KELLY - The whole thing is I don't think we feel, rightly or wrongly, that the level or even noting note acceptance is not a massive issue, the biggest issue that I think we've put forward is that facial recognition technology and the exclusion scheme being modernised.

CHAIR - Can I just check, if the facial recognition technology - despite the fact there's no real evidence base - actually works and the effect of that is losses to venues, will the industry keep supporting that technology?

Mr KELLY - I think we've openly said that we're supporting harm-minimisation measures.

CHAIR - Do you expect that technology, if it's put in place, to actually reduce player losses?

Mr KELLY - I don't know the answer to that.

CHAIR - But if it were working as a harm-minimisation measure, you would think that would be the metric.

Mr KELLY - Well yeah, if there are people gambling with harm and it stops them from gambling, then yes, it would reduce that revenue.

Ms WEBB - I've got a few questions around that one. How would we know if it's working?

Mr KELLY - How would we know that what was working?

Ms WEBB - The facial recognition technology in terms of reducing harm? What would you like to see measured on that front?

Mr KELLY - We'd probably like to see the number of detections versus current of those people on the exclusion database. As far as exclusion database, we'd like to see an increase in the number of people enrolled into the database that have requested help into that system. We'd also like to see some measures around what happens with that person once they have been detected, that's showing someone who has put their hand up, asked for help, has relapsed, gotten to the bottom of the cliff, the venue's been able to stop them before they've fallen to the bottom. What help is then provided after that matter would be the next question. Because from a venue's perspective, we know we report an exclusion breach. We don't know what happens after that exclusion breach, and we would hope that that person is provided with the adequate care and counselling that they require.

Ms WEBB - Thank you. I agree. Again, there's probably not necessarily a lot of disagreement from my point of view with industry's assertions that we need to improve the current exclusion scheme. I absolutely agree with that, and I would like to see more people provided with help and support around it, absolutely. Other advocates we've heard from and perhaps also me personally, it wouldn't be surprising to anyone, are on the record that not supportive of facial recognition technology, not because it doesn't have some marginal value in particular circumstances, but because other technology like a card properly implemented delivers all the outcomes we're looking for without having to do that - and more outcomes, greater outcomes more broadly. The preference against facial recognition is more to do with a more preferable technological solution that delivers on more fronts.

In terms of facial recognition technology, the analogy around the ambulance at the bottom of the cliff, I know we have different viewpoints about that. You're thinking about it from the perspective of just the person on the exclusion register and that this delivers a better outcome. I think potentially it does, in the absence of a better overall approach - potentially being the card. But the advocates who are talking about it from a different perspective are talking about from the spectrum of harm. Facial recognition technology associated with an exclusion scheme does nothing at any early stage to prevent the development of an addiction or harm occurring. We know that people only enter help programs and then a small number of those enter the exclusion scheme when they're at a very desperate end of things, so that the marginal and as Rev Jones yesterday said, the minuscule positive outcome - which is definitely there, but is it for a very small slice of the overall trajectory of harm. I think that that's where we're differing on that. I'm not discounting what you're saying about benefit. We just have a different perspective on where that sits in the broader context. Does that sound reasonable to you?

Mr KELLY - We are saying the technology we're talking about can stop harm at the source as someone enters a room.

Ms WEBB - For somebody who's on an exclusion scheme. It's doesn't stop harm anywhere - that person is at the end of a journey of harm.

Mr KELLY - We're not saying that facial recognition stops somebody out in the suburbs from being exposed or doesn't prevent them being cast as a problem gambler.

Ms WEBB - It doesn't prevent any harm that's occurred.

CHAIR - Because they haven't been able to self-exclude.

Mr KELLY - Sorry?

CHAIR - Because they haven't been able to self-exclude.

Mr UPTON - Correct. They haven't been able to self-exclude and I think as one of the other submissions says, a family member hasn't been able to provide them with the guidance or help. Now there's a whole range of conflicts and issues and privacy that sits behind third-party or family-member referrals to the exclusion scheme, but the biggest challenge isn't that person who has got onto the system and that FRT system supported the staff member in identifying them. That person genuinely needs help and has asked for help.

Ms WEBB - The system should work, shouldn't it? The system should work better for them.

Mr UPTON - For those absolutely, I've seen the photos that come through and unfortunately, it's very hard to detect these people based on the photos in the current printed forms that venues are required to put into place.

CHAIR - This is the reason there's such strong advocacy for precommitment cards.

Mr UPTON - We can understand your precommitment card. At the moment, though, the technology currently exists for facial recognition, for self-onboarding and an updated TGS. These things exist currently. The card, whilst in a planning stage and a design stage, does not exist. What we're asking for is the currency of stuff that is available right now. The measures that were available five years ago, four years ago, three years ago, that we just get on and put these in place. Let's help those that we can help and let's work out what else and how better we can start to help these people, but we need to do something right now.

CHAIR - Can I just check on that? When you talk about helping these people, we heard from Rev Costello earlier and he talked about that roughly 50 cents on the dollar of gambling venue revenue comes from people who are addicts. So when we talk about facial recognition technology being able to help people who've had that place in themselves where they recognise their addiction and seek self-exclusion, that's a very small percentage of people who have a gambling addiction, isn't it? The business model of the industry is built on addiction because about half of its revenue, according to experts like Rev Tim Costello, come from people who are addicts.

Mr KELLY - With hotels and pubs in Tasmania, it's all cash gambling. As we've spoken about, it's coins, so I don't know how you would actually trace who's lost the money because the venue doesn't know who's lost the money. There is no audit trail.

Ms WEBB - Our SEIS actually tells us that, so the research we do here on a regular basis actually gives us - and again, I'm the first one to say that's very limited research. I think the common understanding amongst experts and academics in the space is that it undercounts people who are affected and undercounts losses because of the methodology. But that's fine; let's work with what we've got. That tells us - it reinforces what that broader evidence says about half of the losses going through are coming from people harmed by gambling. We have local evidence about that. We have national evidence about that too. I don't think anyone's contending that that's not the case.

Mr KELLY - So an exclusion, an improved exclusion scheme and facial recognition technology would stop those people?

Ms WEBB - Well, no, it doesn't stop those people. When you say 'those people' - people harmed by gambling - people on an exclusion scheme are a tiny slice of the people on a trajectory being harmed by gambling. Let's be really clear.

Mr KELLY - If you make it easier than it currently is for people to get on that exclusion scene then that captures those people.

Ms WEBB - I'm happy to move on. There's another area around FRT I want to get to.

CHAIR - That's right, but I'll check with Clare. Did you have a follow up on this particular line of questioning?

Ms GLADE-WRIGHT - I'm still formulating.

Mr KELLY - May I address a question you asked earlier? You asked about ATMs, so the answer to that is no. The industry isn't advocating that you would be able to do both.

Ms WEBB - And it's your understanding that the policy will only be one?

Mr KELLY - That's our understanding.

Ms GLADE-WRIGHT - I think we did establish that the access to cash will double.

Mr KELLY - The amount of cash you can get.

Ms GLADE-WRIGHT - Yes, which means that the potential loss is double - which is hard to say then it's a harm minimisation.

Mr UPTON - That's drawing a conclusion that every dollar withdrawn from a hotel or club is used for gambling, and our evidence suggests that that is not the case.

Ms WEBB - That's not what the question implies, actually. It means that if the money is being withdrawn to use in poker machines, the amount that's now available is double.

PUBLIC

CHAIR - The amount you can lose in any one hit is double.

Mr KELLY - We could probably argue about this for a long time. It's a much lower - it was an amount that was put in place 2014 or 2011, whenever it was. It's a -

Ms WEBB - So, a CPI increase on that would be seen as being a reasonable place to land, presumably.

Mr KELLY - Can I maybe just cite an example of the escalation of costs in a pub. In terms of beer, if we go 14 years ago, beer goes through two excise increases a year. So -

Ms WEBB - That's a very particular product though, isn't it?

Mr KELLY - It is, so the beer's gone up 28 times.

Ms WEBB - If we just thought CPI, though, because CPI is more of a standard measure.

Mr KELLY - I guess all I'm saying is \$200 is -

CHAIR - What about \$300? I mean, why is the industry settled on \$400?

Mr KELLY - Well, I don't know that we're necessarily settled on \$400.

CHAIR - Oh, well, that seems to be -

Mr KELLY - \$400 is what's in place in the casinos. Look, I think we could probably go round in circles on what the right amount is for -

Ms WEBB - Can I go back to FRT and ask a couple of questions around current use of FRT?

CHAIR - Yeah, but just before we do that. So if, for example, the Liquor and Gaming Commission put forward a framework that limited the withdrawal from onsite ATMs to \$300, would the industry resist that?

Mr UPTON - We're currently working through the Commission's response, and the \$300 limit is tabled in the Commission's letter of consultation. We're just going through working that out at the moment as to certain factors that we believe may or may not be impacted by it. Inflation is one, as Martin said, the cost of buying something in a hotel has increased, the cost of living has increased -

CHAIR - That's right.

Mr UPTON - And so they're things that all need to be weighed up upon that number, and we'll work through that response to the Commission in time.

CHAIR - Have you engaged with the Government about the Liquor and Gaming Commission's proposal around ATMs?

Mr KELLY - We only received that letter yesterday.

CHAIR - Oh, okay, so you haven't put in a call to the Treasurer yet?

Mr KELLY - No.

Ms WEBB - I'd like to ask a few questions about the current use of FRT in the industry, because you referenced that in your submission, and it's something we've been made aware of as well. I think it's just over 50 venues currently using FRT technology. We don't have a system in place yet for it formally. So, I'm interested just to understand some parameters around that. What rules or regulations govern the use of that system currently by venues?

Mr UPTON - By venues currently it's determined by the TGS database and the rules that sit around the TGS database, who can access and the photos that are available from the TGS database. It's fed information through the New South Wales - they've got a regulatory reform or guideline document currently in place whilst they build their regulations around facial recognition, they've put forward some framework and guidelines. We've utilised those. We've utilised the South Australian market, which has facial recognition as well, and information from the suppliers and manufacturers of the software and technology that exists in Australia and New Zealand.

Ms WEBB - So just to be really clear, then, venues have installed a system that then interacts with the current exclusion scheme and uploads photos?

Mr UPTON - No, the venues are required currently - because the TGS database is out of date and can't interact directly with the system - venues are required to upload manually the photos that are provided to them, or the revocations that come through as a manual process.

CHAIR - So every person who self-excludes is being uploaded to every venue?

Mr UPTON - No, every -

CHAIR - Not uploaded, sorry, the proposal would be every person who self-excludes under the new scheme would be uploaded to every venue, the photo, statewide?

Mr UPTON - Yeah, assuming the exclusion - since it's at the exclusions then currently allows for venue or statewide exclusion, or selected-venue exclusion. It would be up to the commission to regulate around how that sits. But, yes, the short answer would be that everyone that uploads, if they chose to, would have every venue as an exclusion and that exclusion would be immediate.

Ms WEBB - I'm just trying to clarify, though, where we're at at the moment. So, let's come back to current use. So, currently, because the exclusion scheme isn't technologically capable of uploading photos, each venue that's installed a system then takes a physical copy of the photo to upload into their FRT system themselves. They each do that?

Mr UPTON - A digital photo, yes.

Ms WEBB - A digital photo, so then what are the rules around, or what are they complying with, in relation to the use of that image, protections of that image, privacy issues

or storage issues around that image? You mentioned New South Wales and South Australian guidelines. Are they formally in place here in an enforceable way?

Mr UPTON - No, our commission hasn't put forward any formal documents despite back in, was it February of 2024, when Minister Ferguson at the time said that that should be investigated for venues who want to put in place. There are regulatory guidelines for other jurisdictions but not currently for Tasmania. So, as an industry body we've been working with the venues around best standards for Australia and that includes who has access to the system, privacy controls, how long an image is held for or not held for depending on whether they're matched with the exclusion database and all these aligned to the current regulatory guidelines around CCTV footage that the Commission currently put in place, which is 30 days of video footage for a venue, is kept and stored.

Ms WEBB - But currently there's no formal, enforceable or auditable standards or rules put around the use of FRT?

Mr KELLY - No, not from a gaming perspective. That data would fall under, I guess, the protection of normal privacy laws - completely separate from gaming.

Ms WEBB - Do the systems hold those images and that data? Do they hold that somewhere in the cloud? Are the systems self-contained, not connected to the cloud or what? What is the nature of the systems currently?

Mr UPTON - They're a system that is separate from the venue's existing CCTV system. They're not interacting with any other system outside of the exclusion database that the venue has. With a cloud-based server based in Australia that monitors that image, when that person is removed, that image is deleted from a tracking point of view, if you like. If you walked into a venue today with facial recognition, I'll assume you're not on the exclusion register, I couldn't speak.

Ms WEBB - Let's imagine I am.

Mr UPTON - Let's imagine you are. It would detect you and it would hold the footage of you for 30 days in line with the requirements from Liquor and Gaming. If you were not a detected person or excluded person, that image would be deleted. It is not required. It is not stored. It is not kept. It is removed from the cloud.

Ms WEBB - Is there data about this provided through to the commission or collected in any way that's auditable currently about the operations of these systems that are in place now - in terms of where they're in place, something that tells us that they're in continual operation, for example, something that would tell us how often they're identifying people on the exclusion register and then we could match against how those are responded to and have that as a dataset?

Mr KELLY - With a socialised system, that's what would happen.

Ms WEBB - I understand that's what we're looking ahead to.

Mr UPTON - Currently no, because the Commission doesn't have rules or guidelines around it. However, the system has the capability to do exactly that, provide the report.

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Ms WEBB - Do you as the peak body of the industry collect any information from venues that are operating these systems currently about their use and effectiveness or just their stats or data? Are you auditing or monitoring in any way?

Mr UPTON - No. Anecdotal would be the only information we could currently provide on that based on the fact that there is privacy concerns and there are parts around this that don't sit with us there with the venue. Certainly, from a commission point of view, the commission would have the ability to regulate this and have access to such source information.

Ms WEBB - In terms of how these systems are practically operating at the moment in venues, has there been any interaction with gambling support programs or services that informs how they operate - so that makes sure its trauma-informed and that appropriate practices are there - because my understanding is, for example, that alarms go off and things like that?

Mr KELLY - At the moment it is purely a detection device. What happens when someone walks through the door and is picked up by the camera, there's a red light goes around the screen that will flash to say someone's being detected to attract the staff member's attention. I think there may be an audible. It's not a fire alarm.

Ms WEBB - Who is it audible to?

Mr KELLY - To the staff in the gaming room.

Ms WEBB - Right. Others in the gaming room?

Mr UPTON - They would possibly hear it, but they wouldn't necessarily know: it may be just the phone ringing.

Mr KELLY - The staff member then goes and checks the screen, identifies the person and then approaches them and asks if they are the person identified and can then take appropriate action to remove them.

Ms WEBB - Thank you. Have any of the industry venues, or you as peak body for the industry, sought clarification that there's no legal issues against current Commonwealth or state laws with the use of these FRT systems currently?

Mr UPTON - Yeah. So, as an industry body and certainly some of our major groups have had legal advice around this. The manufacturer or software company used to detect is an expert in this field and they have certainly all the privacy and laws, the information that is required, the signage that is required for a venue to ensure that someone is aware that their face is being used for the purpose of an exclusion database, like there is at the entry way which says that there's 30 days' worth of CCTV footage. Anyone who enters any venue, be it gaming or into a bar, is having their video image captured and stored on a device for excess of 30 days to meet the current regulatory requirements.

CHAIR - Who owns that data during those 30 days?

Mr UPTON - My understanding would be the venue owns the data, and the Commission can request it. It's kept at the request of the Commission.

Ms WEBB - Just to be thoroughly clear there, you said that the legal advice is that it's compliant with all Commonwealth and state privacy laws, and other laws that may apply, the current use?

Mr UPTON - Yes.

CHAIR - What about the system that's going to be put in place? Has there been any legal advice sought or provided?

Mr KELLY - All that data would be held centrally by the Commission, so that data would be - that's certainly our understanding.

Mr UPTON - Our view, as an industry body, is that the Commission should hold this footage and this data. This is not venue responsibility to hold the data and see what happens with it post a detection. That's the Commission to ensure that the correct pathway is followed for support for that person. The current systems have been designed exactly like that, so that even when the Commission gets to a position that they would like to have all that data themselves and control the system, that those venues have hardware that can directly map, without talking to any of their systems directly, to a government website system.

CHAIR - In terms of the venues' costs of implementing the facial recognition technology and the adjustments to ATMs, is it expected that the venues would carry the costs?

Mr KELLY - That's what's happened so far. The venues have installed FRT technology at their own expense.

CHAIR - I'd like to ask you about ticket-in, ticket-out and how that could in any way be regarded as a harm minimisation measure?

Mr KELLY - Ticket-in, ticket-out is, I guess, low on our list of level of importance, if I can put it that way. Ticket-in, ticket-out does potentially create a break in play, and it's about the load limits. And there was another element to it.

CHAIR - How does it provide a break in play? Simply that the player has to go up and get another ticket?

Ms WEBB - But you could buy a lot in the first place, right?

Mr KELLY - I don't know if you can.

Mr UPTON - What was the question?

CHAIR - The question is, because we have the submission here from the Treasurer, and he talks about each of the measures that the Government's adopting as part of its framework. He talks about ticket-in, ticket-out as a harm minimisation measure. I'm just struggling to understand how it could be. If you could explain that, that would be helpful.

Mr KELLY - I think it's again, in the scheme of it, it's well down the level in terms of harm minimisation measures. It does create a break in play, allowing for what you've said. It creates an audit trail, so arguably, there are some benefits.

Mr UPTON - There's no load limit on coins. There would be a load limit on ticket-in, ticket-out which creates what is nationally recognised as a break in play from gaming manufacturers and from the gaming industry, caveated that with, I'm sure, the other side of the fence, so there's a break in play, standing up, moving away from the venue and going away.

Ms WEBB - Or at least moving away from the machine.

CHAIR - When you talk about a load limit, what do you mean in relation to ticket-in, ticket-out?

Mr UPTON - At the moment, I could put \$200 into a coin-based machine without any break or stop and spend that entire \$200. Based on the ticket-in, ticket-out, you would load a note or a ticket on to that machine, and you would not be able to load another one until that -

CHAIR - What's the proposed limit on the ticket-in, ticket-out?

Mr UPTON - I believe in the ministerial direction it says \$100 on cash and \$200 on tickets.

CHAIR - If I get you right on this, the only component of the TITO system that could be regarded as a harm minimisation measure is the amount of time it might take a player to expend their ticket allocation, then go up and get another ticket? It's the break, isn't it?

Mr UPTON - I would say it would be the amount you can load in one turn, should we say, or one note in. And then, obviously, the fact that that has to be utilised or cashed back out before a secondary -

Ms WEBB - It's not actually getting up, though.

CHAIR - Just to be really clear, across the range of measures that we've been talking about here today, confirmed by yourselves, neither ATMs in venues nor ticket-in, ticket-out have significant harm minimisation measures, because either or both of you have said at one time in relation to those subjects, 'Well, that's not top of our list of harm minimisation', so?

Mr KELLY - I would say ATMs tighten up accessibility to cash, so it is one measure in those suite of measures; it has a role to play and it is much better than the current system, which is a remedial process.

CHAIR - Okay. Do you have a question, Clare?

Ms GLADE-WRIGHT - I just wanted to know the definition of a break.

CHAIR - It's getting off your seat, isn't it?

Mr KELLY - That's the Commission's definition, isn't it? I think it's actually just getting up from the machine and -

Ms WEBB - At least having to move away and have a physical break from the machine, is my understanding.

Mr KELLY - That's the Commission's definition.

Ms WEBB - It's not the industry's definition, though. Having to reload the machine is the industry's definition of a break in play.

Mr KELLY - I don't think we've formed a definition.

Ms WEBB - Sorry, just to be clear on that, though, is there a formal industry definition of a 'break in play', because you did mention a minute ago -

Mr UPTON - I will have to take that on notice. I couldn't give you whether there's a formal position on that. We haven't discussed it.

Ms WEBB - Sorry, it's just that about a minute ago you referred to an industry -

Mr UPTON - It is considered by industry.

Ms WEBB - Right. Reloading the machine is the break?

Mr UPTON - The stop is that when you load the machine and can't continue to load that machine -

Ms WEBB - Until you've expended -

Mr UPTON - That would be why, in other jurisdictions, there are load limits around different things. Different jurisdictions have different amounts: and, obviously, \$100 becomes the most stringent of any state and jurisdiction in Australia.

Ms WEBB - I understand.

CHAIR - Can I just check on the question of money laundering which has been raised with us as a potential risk? Ticket-in, ticket-out would, unarguably, wouldn't it, increase the risks of money laundering because people can just turn their money into a ticket?

Mr UPTON - It totally could. I would be interested in the Committee's view on how this would occur, or the other people on how that would be money laundering. Whether you would sit there, put \$100 in, press collect, take a ticket out, put \$100 in, press collect, take a ticket out, you've then got ten \$100 tickets that you have to take to a cashier to redeem. Now, those cashiers are trained through the AUSTRAC and AML programs that they have. That is what they term as a suspicious transaction, and that needs to get recorded and flagged in the system, identification checked. There are a whole range of measures that sit with AUSTRAC and AML compliance that prevent what you're referring to as being an effective way of laundering money.

Ms WEBB - That's why in other jurisdictions, when they've had royal commissions or investigations, these things have been identified quite clearly. We're looking at that and thinking about, okay, what features will we need to have here that would address the money laundering risk that other jurisdictions have very clearly identified as existing with ticket-in, ticket-out systems. For example, how many you can buy at a time, whether they're transferable

between venues, those sorts of features. It's a legitimate line of questioning because in other jurisdictions formal investigatory processes have identified this risk.

Mr UPTON - Yes, correct. It is absolutely. And I think one of the other ones you'll find, I think from the report from New South Wales, was that organised crime were purchasing winning tickets from players and people. The AUSTRAC programs and staff training - and especially in Tasmania, we work very closely with AUSTRAC, the federal body that governs this, and training and staff implementation about noticing, identifying and moving to that space to make sure this doesn't happen in Tasmania. We are quite aware of what happens in other jurisdictions, and staff are trained to try and identify that. If someone comes up with a ticket that's not theirs, then that becomes a question that needs to be asked around compliance.

CHAIR - If there's a risk in other jurisdictions of money laundering and the New South Wales Crime Commission, for example, has identified that risk, what is it that we can do here with a ticket-in, ticket-out system that would be any different, that could take away that risk to the greatest extent possible?

Mr UPTON - The load limit becomes one because you can't physically load what would be deemed, in the eyes of an organised crime or anti-terrorism, to be significant funds that you would need to launder. You would not be able to load that much through a machine.

Secondary to that would be other further measures that the industry are putting in place, which includes digital Know Your Customer checks, suspicious matter reporting, that we've been working with AUSTRAC and the major banks to ensure that these matters are addressed and measures put in place to ensure that that is not a risk or a considered risk in Tasmania.

Ms WEBB - Is it your expectation that the tickets will be anonymous tickets, or will be linked to the identity of the person who's bought them here in this state?

Mr UPTON - Our understanding would be that they would be anonymous tickets.

Ms WEBB - Right. So, that's obviously an issue that has been identified as potentially problematic because it opens up the risk. So, what about being able to buy tickets in a venue and then go to another venue and to cash them out at another venue?

Mr UPTON - Tickets would only be available for the venue that you purchased -

Ms WEBB - Right. So, that's what you expect?

Mr UPTON - Expect that they are not interchangeable between venues. The technology doesn't exist for that.

From an anonymous perspective, I would suggest, or would think or hope, like the current system which requires identification for a payment of a winning by a bank or anything over \$1,000, that there would be an identity check requirement by the regulator around that, potentially, which would allow venues to be able to ensure that that person is not a suspicious transaction.

Ms WEBB - Although it doesn't help if people are going to purchase winning tickets off other people, or if people load up one ticket on one machine and another one on another, and

another one on another, play the minimum amount and then go cash out the tickets so they're basically able to get through quite a bit, even though they're only loading up each one.

Mr UPTON - Depending on the system designed by the regulator, the cash out quickly, as you termed it, is something that in other jurisdictions is actually alertable to staff members that it is a suspicious transaction, you move tickets quickly.

Ms WEBB - And what's the venue and the staff response to that when that alert has occurred?

Mr UPTON - We currently don't have TITO.

Ms WEBB - Sure. What's your understanding from other jurisdictions that you've just referenced?

Mr UPTON - They would investigate that situation, depending on -

Ms WEBB - In what way do they do that? And do we have data on that?

Mr UPTON - I'm not sure whether there's data existing on that. We don't have data at hand that would suggest that. However, staff, similar to the FRT alert going off, would be alerted to the fact that a person has conducted something that is suspicious. That may be that they go and have a conversation with them and work out whether it was just someone who chose the wrong machine and wanted to go and play a different machine, or someone that is acting in a very suspicious manner.

Mr KELLY - There are AUSTRAC requirements to report those sort of matters.

Ms WEBB - It would be interesting to see. I know AUSTRAC also are potentially - it'll be interesting to seek from them information about how closely they look into that stuff as well.

CHAIR - I just want to double-check something on the ticket-in, ticket-out, for anyone who is watching, real clarity: would it be you get your ticket through an electronic transaction or could you pay cash for a ticket?

Mr UPTON - My understanding or expectation would that it would be cash. If the government or commission -

CHAIR - So, you can pay cash for a -

Mr UPTON - Well, you can use cash at the moment for a pokie machine. I would be hazardous to suggest that bank transfer onto a ticket would be what the commission would look to regulate against. I think that would be - you're concerned about access to cash. That's a -

CHAIR - And money laundering, cash laundering.

Ms WEBB - So, it's via a machine? Like, you're buying the ticket from a machine rather than across a counter from a person? What's your expectation?

Mr UPTON - In other jurisdictions, what happens, you walk into a venue, there would be a what they call a cash redemption terminal that would change your notes from a \$50 note to five \$10 notes, if that's what you chose to have. You would be able to transfer that money onto a ticket. Given that there are certain load-up limits that sit behind that, that would be something that the commission would have to regulate at the terminal, the cash redemption terminal. Or you could walk to the machine and put your \$20 note straight into the machine and that would apply your \$20 worth of credit, play for five minutes, press collect, take your \$15 that might be left and move to the next machine with that ticket.

Ms WEBB - Thank you for clarifying. So, there's no human interaction in that at all?

Mr UPTON - Venues are staffed and there is human interaction. At the moment -

Ms WEBB - Sure, but in the transaction parts of that there's not?

Mr UPTON - In some of those transaction parts, there's not. However, at the moment, there is also not because there's coin change machines, so I could take \$200, go and get \$200.

Ms WEBB - I agree, but I think we did agree that coin change is -

Mr UPTON - But what this allows is the staff more time to actually be on the floor and actually visibly working around to ensure that there are not things going on that are suspicious or harm, or people that potentially need to have a break.

Ms GLADE-WRIGHT - It was really great to hear you say at the very beginning that you don't want to see anybody harmed. And then I also picked up on your comments around the challenges with getting people to register themselves for the self-exclusion, and that there is a challenge there that needs a bit of work. We've just heard in a lot of the hearings about how the precommitment card would capture all of those people and solve all of these kind of issues that will still exist without it. I want to go to the precommitment card again because you were talking about the fact that it doesn't yet exist and that's the issue for you. If it did exist somewhere, would you be open to it then?

Mr KELLY - I think we've said, right, and I'm sure it's in our submission that we support a measure that can be enacted but targeted as well. In our opinion, the mandatory card is a whole-community blanket approach, whereas we support targeted approaches to people who genuinely have concerns or issues.

Ms GLADE-WRIGHT - The blanket, I guess, is that safety net. It captures everybody and ensures that everybody won't be harmed. Whereas a targeted approach is only for those people who've already got to that stage of harm. So, I'm really interested, if it did exist, would there still be resistance?

Mr UPTON - Look, if it existed and there was an evidence base that said that supported harm and genuinely did what everyone suggests it may do, if you could create it at a cost that is reasonable and fair to whomever might have to foot the bill - and we know that the Commission said it stopped when they asked for money. We know that in Finland in 2017, it was estimated to be somewhere between €50 million and €100 million, or \$160 million, to create a banking system and network that supports it. So, absolutely -

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Ms GLADE-WRIGHT - I'm so glad you brought that up. Can I just go into that a little bit more because I've just been doing some maths and I've worked out - I've had to convert everything to Australian dollars from the euros, but that €50-100 million works out to be around roughly \$4,500 to \$9,000 Australian dollars per machine. And we heard that the TITO system is actually going to be around \$3,000 to \$4,000, which is quite similar.

Mr UPTON - Unfortunately, whilst you are right, if you divide the euros into the number of machines in Finland and multiply it by the machines in Tasmania, you would come out with that number. Some of that money sits behind a banking network, some of that money sits behind the fleet of machines. There are costs that don't spread across or reduce because you've got less machines, I suppose is the answer to your question. That is a number that is, unfortunately - some things are costed around that, so it's not a direct line: 100 machines cost \$10,000, therefore, it's \$1,000 a machine. There is actually sunken costs in different things like banking networks, et cetera, that are required as part of that. But granted, yeah, there is a significant cost. Look, the ticket also doesn't exist - the card doesn't exist.

Ms GLADE-WRIGHT - Yeah, but neither does TITO, and so if the TITO costs are quite similar -

Mr UPTON - TITO does exist.

Ms GLADE-WRIGHT - But not here yet.

Mr UPTON - Not in Tasmania.

Ms GLADE-WRIGHT - So, there's still costs that you have to incur.

Mr UPTON - There are costs, but there are second-hand parts, and manufacturers and suppliers around Australia that operate in that market that can significantly reduce the cost on that to venues.

Ms GLADE-WRIGHT - Are you suggesting, then, that it is the cost burden of the precommitment card that is the crux of the issue?

Mr UPTON - No, I said that that's one factor of several, outside of the fact that it doesn't exist. The card is not an approach that we believe, as industry, would support it. There is data and evidence that we had that said 70 per cent of gambling would be eroded, which meant there was numbers of hotels, staff, et cetera, that were impacted. Granted that the report suggests that all that money stays in Tasmania. Unfortunately, some of that money is tourism money that would not exist in Tasmania, it would not stay in Tasmania, it would be taken overseas.

CHAIR - Well, it could be spent somewhere else in Tasmania, to be fair.

Mr UPTON - May be spent elsewhere.

Ms WEBB - Okay. Now, you suggest -

CHAIR - Can we just make sure Clare's finished on her line of questioning. Sorry.

Ms GLADE-WRIGHT - Go, if you've got it on your -

Ms WEBB - [inaudible 12.45.10] that tourism spending on pokies makes up any significant amount of the pokie spend in this state. What data do you have on that? It's a furphy that the industry has been putting forward for decades, and there is no evidence to support it.

Mr KELLY - No, I certainly said that we don't know who's spending the money. There's no tracking in the cash system. There is no tracking, so I guess there's no evidence.

Mr UPTON - Look, anecdotal evidence suggests, based on the number of Tasmanian adult population and the number of tourists that we get each year as adult population, would suggest that a proportion of spend in the industry comes from tourism.

Ms WEBB - In the broader business, not on the pokies?

Mr UPTON - It's hard to split on.

Ms WEBB - When we ask people what they've done here in the state with the surveys as they go out, I don't believe you have data to point to, to say that they played the poker machines.

CHAIR - Well, they might have gone to the casino.

Ms WEBB - Well, that's fine. We might collect data on that, but pokies spend [inaudible 12.46.05].

Ms GLADE-WRIGHT - Going back again, so if it did exist and if it didn't cost too much?

Mr KELLY - Well, I'll come back to the point it's not targeted.

Ms GLADE-WRIGHT - Can we not -

CHAIR - [inaudible 12.46.16] this is what the issue is.

Ms GLADE-WRIGHT - Can we go, then, into this point about targeted, because I heard you say that you don't want to see anyone harmed, and that you've identified the challenges of the self-exclusion, so the precommitment thing, that safety net for everybody.

Mr UPTON - What we're saying is that system, the exclusion scheme and facial recognition technology, that can be implemented now to prevent harm. The card doesn't exist and no one, to the best of my knowledge, has come up and said, 'we can have this card' by a date. It doesn't exist.

Ms GLADE-WRIGHT - My question was hypothetical. If it did exist. We're taking that bit out of this discussion. It does exist.

Mr UPTON - If we took the hypothetical out, we would look at the evidence that was sitting around it at that point in time and making -

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Ms GLADE-WRIGHT - Did you look at the Deloitte report? That was pretty resounding evidence, we thought.

Mr UPTON - The Deloitte report was written from a position of assumption that the card actually exists and operated. So, did we look at it? Yes. Did we utilise that as information? Absolutely. There was information in there that was good and relevant. However, it was based on an assumption and was written on the basis of the card existed and the card operated.

CHAIR - It does exist and it does operate. It's at Crown Casino.

Mr KELLY - It can't be rolled out in this jurisdiction, is what we're saying.

CHAIR - It is not that it can't be. It's just that there's a policy position taken that it won't be at this point.

Mr KELLY - Well, it hasn't been developed to a position where it's outside of a singular venue.

Ms GLADE-WRIGHT - It doesn't mean it can't be developed.

Mr KELLY - It doesn't mean it can't be, but it certainly hasn't been at this point.

Ms GLADE-WRIGHT - I'm just interested, then, in the costs involved with TITO and implementing all these other measures. What are the costs to industry for what's proposed?

Mr UPTON - Without giving commercial confidence information, there are several costs across each of them. Each one has a varying level of cost to a venue. We're working through that with our members and industry suppliers to try and ensure that the cost is feasible and attainable so that they can implement it as quickly as possible.

Mr KELLY - Correct me if I'm wrong: we could probably say an FRT system which has been installed at the cost of venues is - can I say this? I don't know - is probably \$15,000 to \$20,000 cost.

CHAIR - Per venue?

Mr KELLY - Per venue.

Ms GLADE-WRIGHT - Have you had a look at what a precommitment card would cost you? I mean, you've given those Finland figures there, which have done some - .

Mr UPTON - No, because I haven't been able to get into the banking network to understand what cost that would have to create a banking network for Tasmania to allow for the transfer of cards and funds from venue to venue, which doesn't exist currently.

Ms GLADE-WRIGHT - It appears to me, with my basic maths here, that the two options seem to be quite similar.

Mr UPTON - On your paper there, yes, they would appear to be that way. But it's not until you scratch the surface on some of these. We talk about, and the Commissioner refers to

in her letter to us, about the unintended consequences and understanding what they are. The unintended consequence of the card system is you need to create a banking system: you need to understand who pays the GST; you need to understand where money transfers; who has responsibility for debt to the player; who has responsibility for capturing the cash; who has the responsibility for reporting to AUSTRAC from a money-laundering point of view. There are lots of layers to it that are not answered.

Ms WEBB - All achievable with continued work if the stall hadn't occurred, because that's where the Commission was at, right? They had designed to a point but they were told to stop. They actually had laid out a timeline for implementation. So, it's not that. There's nothing theoretical about where they got to, on the evidence from the Commissioner. They'd designed, they'd worked with industry, they'd worked with Tabcorp and MaxGaming about how it would be implemented. They had a design that was ready to progress to an implementation stage. They had a timeline. It needed a Government decision, and we would have had it by now if we'd gone with their timeline.

Mr UPTON - You'd have to ask the Government that question.

Ms WEBB - Yes, we will, don't worry. One hundred per cent.

Mr UPTON - I couldn't answer or talk on behalf of the Government. I couldn't talk on behalf of the Commission or MaxGaming as to where everything was at with that, but that's certainly a great question, Meg, and one I would suggest that you ask the relevant parties. Unfortunately, that's not us.

Ms WEBB - Yes, of course. However, you're very pleased that it's not progressing because it's not your preference to see that in place, is it? Even if we could lay out for you everything about, 'Here's how it's designed, here's the implementation in detail, here's the timeline, it's going to cost similar to putting the TITO and the other in place, so there's not really a non-comparable cost', it's still not going to be your position to support it?

Mr KELLY - Our position, I guess, is in the submission that we believe the best, most immediate, time-effective way to implement some harm minimisation measures is through the TGS scheme and facial recognition.

CHAIR - The experts in the field disagree with you, but they're not here.

Mr UPTON - And our experts suggest alternatives to some of these people, as well.

Mr KELLY - We can disagree.

Mr UPTON - Absolutely. The challenge, Cassy -

CHAIR - Do you engage experts?

Mr UPTON - Absolutely, all the time. Cassy, look the challenge is at the moment, I think that all those submissions you have and industry all want to go in the same direction. We all want to reduce harm, albeit to varying levels of how much harm is being reduced and how much that impacts everyday people's lives. We want to make sure that it's measured. We want to work with them. And to date, you know, in fairness, I think it might have been COTA about

being approached. No, we haven't had a great relationship or an approach to some of these other bodies. And part of the gaming care package allows that to facilitate and move to a position where industry and care providers can actually work together and understand better the challenges and how we address some of these concerns.

Ms WEBB - How do you think that would look? Sorry, Cassy.

CHAIR - No, no. I'll come back to a question I think needs to be answered.

Ms WEBB - How would that look, because those advocates, of course, are going to look to the broadly accepted evidence from experts who would point to specific harm minimisation measures that are shown to be effective that you have objected to every step of the way? So, on what basis would you like to effectively engage with those sorts of bodies and advocates and organisations fruitfully?

Mr UPTON - We'd like to understand how the support is provided, what the pathway is, how these people can access help, how we work better to ensure that not only young people with digital technology, but older people can access the support, or the help or understanding. We would like to make sure that the people aren't shunned or to force embarrassment because they want to ask for help. Putting a sign on the back of a toilet door to say 'Here's the gambler's helpline' kind of removes it out. They can bring the conversation to the public, bring it out in front and make sure that everyone's having the conversation in an open environment, would be the best way to actually address some of these concerns and challenges.

Ms WEBB - So, the fact that those support organisations and people in that space who are experts in it have said to you really clearly, from their point of view, categorically, the card is the way to deliver the whole full range of best outcomes in the space, you have outright rejected that?

Mr UPTON - With due respect, their evidence in their reports are their opinions.

Ms WEBB - No, it's not. It's evidence based on a whole range of non-industry folk, for sure. I accept that industry doesn't want to provide evidence that this would work.

Mr KELLY - With all due respect, I think we've actually - it doesn't exist, so -

Ms WEBB - It can exist if we want it to.

Mr KELLY - But it doesn't exist.

Ms WEBB - But it could exist if we wanted it to, and if you supported it, it would.

Mr KELLY - It doesn't exist.

Ms WEBB - If you supported it, it would.

Mr KELLY - Well, I think the measures that we've outlined -

Ms WEBB - Which do nothing to prevent harm at the early stage.

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Mr KELLY - With due respect, that's your opinion. We hold a different opinion to that.

Ms WEBB - No. You point me to where facial recognition will prevent harm occurring for people.

Mr KELLY - My opinion is different to that. My opinion is that that will stop people, that will get people at the point of entry to a gaming room -

Ms WEBB - How will it stop addiction occurring?

Mr KELLY - It will stop someone entering a gaming room.

Ms WEBB - A card will. A card will stop addiction occurring.

CHAIR - I might just -

Mr KELLY - I can't say it again: it doesn't exist.

Ms WEBB - It could do. If you wanted it to, it could.

CHAIR - Can we just get some clarity on the gaming care officer roles? As we understand it, there'll be one in each region. It's been put to us that those roles should be funded through the community sector, an entity like Anglicare, for example. Is the funding for the gaming care officers going to Hospitality Tasmania?

Mr KELLY - We are waiting on a deed to fund those roles. We don't know how much money that will be, so we don't know whether it will be two or three, or six or eight people. So we're waiting on a whole lot of information on that. But yes, the gaming care officers will come under the umbrella of Hospitality Tasmania.

CHAIR - And so, has Hospitality Tasmania put in a funding pitch for those roles?

Mr KELLY - We were asked by the Director of Liquor and Gaming to provide input to that. We put forward a couple of options and, I guess, we put forward a preferred option out of that.

CHAIR - Okay. Can you see the arguments for those roles not being funded through industry, if the goal here is harm minimisation, which inevitably eats into the profits of venues?

Mr KELLY - The argument will be that conflict of interest. I would say that Hospitality Tasmania doesn't profit from gambling or from poker machines. I would say that our job in the industry is to go out and support members delivering in their venues, and we are best equipped to get access to venues, to have venues engaged with these roles, because engaging with these roles is going to be critical to their success. And I think we do that on a day-to-day basis in other areas of the business. I think it makes sense that they sit with us.

CHAIR - Okay. What's the quantum of funding that Hospitality Tasmania gets each year from the Tasmanian Government?

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Mr UPTON - I wouldn't know the answer to that question. We would have to take that on notice, sorry.

Mr KELLY - Yeah, I could give you a rough figure, but I'd be guessing to some degree.

Mr UPTON - Best to take it on notice than offer a figure that would be incorrect.

Mr KELLY - Can I take that and come back to you?

CHAIR - Okay. Is there any deed of agreement, or written understanding of any other form, between the Tasmanian Government and Hospitality Tasmania in relation to this suite of measures?

Mr KELLY - No. Sorry, could you repeat that? I just need to make sure I've got the question.

CHAIR - There's a few things that are happening here, some of which, presumably, will require Hospitality Tasmania to play a role. I'm just wondering, are there any other areas, you know, whether it's TITO or facial recognition, where there's been any understanding?

Mr KELLY - No.

CHAIR - Okay. When was the last time Hospitality Tasmania made a political donation to either the Liberal or Labor parties?

Mr UPTON - You'd have to check. They're all matters of public record, I believe, political donations. You would have to check the website. I couldn't tell you off the top of my head.

CHAIR - Yeah, they're matters a public record sort of a year to 18 months after the donations happen, which is why I thought it might be, given the history of Hospitality Tasmania contributing towards the Liberal and Labor parties -

Mr UPTON - Not information that we brought in preparation for this meeting, and one that you would have to take on notice, unfortunately.

CHAIR - It is a practice - we have seen historically that the Tasmanian Hospitality Association donates significant sums of money to both the Liberal and Labor parties in Tasmania. It's been a practice of the THA, so now Hospitality Tasmania's newly badged, presumably, it is still Hospitality Tasmania's practice to contribute towards the political parties who design the regulations for the industry?

Mr KELLY - We make political donations, yes.

CHAIR - Yeah. I'm glad to say the Greens have never taken one from you and have never been offered one.

Mr KELLY - You could ask. I'm sure we could sit down and talk about it.

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CHAIR - No way. Thanks very much. We've got our integrity to worry about there. But are you happy to take on notice the question about donations in the last two years, for example, to either the Liberal or Labor parties?

Mr KELLY - That would be on the public record anyway. So yes, sure.

CHAIR - They'd be public record through Hospitality Tasmania's annual reports, or through the electoral commission and that's a process that takes 12 to 18 months after the donation's been made?

Mr KELLY - Well, yes, I'm sure we'd be happy to provide that information.

CHAIR - Okay. Thank you very much. Can we go to the issue now of caps on machines? What's the industry's view on the government's proposal here to start, albeit very slowly and after a number of new licences have been sought, reducing the number of EGMs?

Mr KELLY - I think in the last three years there have been three venues close and three venues open. There's been little change in the number of venues. I think I read that there have been some applications for additional machines that move towards the cap. I guess our position on that is that we don't know of any evidence that says a reduction in the number of machines or an expansion in the number of machines will have a material impact on harm minimisation.

CHAIR - Is that because you're not looking for the evidence? Because logic tells you that if there's less machines, less access, that's one less block of opportunity for someone to pour their money into a machine.

Mr KELLY - I'm not sure if you've got a 30-machine venue, taking two or three machines out of a venue, for example, is going to make a great deal of difference.

CHAIR - But over time, if the Government's two-for-one proposal around EGM machines is given effect over time, say, there might be less machines in venues, which is less opportunities to lose money.

Mr KELLY - If we were shown there was evidence that that would have an impact, then we'd be happy to consider that.

CHAIR - The industry is going pretty well at the moment, isn't it? We've just had record losses of \$208 million in the most recent reporting of player losses. Are you hearing reports from venues that they're pretty happy with the way things are going at the moment?

Mr KELLY - Business is pretty tough out there, is what we're hearing from businesses at gaming, non-gaming right across all of our membership base. In terms of gaming revenue, and having spent a bit of time in the industry, markets fluctuate, so gaming has actually been in long-term decline.

CHAIR - That's interesting because Meg keeps a -

Ms WEBB - Prior to COVID, losses to poker machines were slowly declining to some degree. Since COVID, we had an immediate jump up and since then we've been going up. The

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last two years, very significant jumps each year. Do you have an explanation for that spike? The \$208 million is the highest ever recorded.

Mr KELLY - How much is the spike, and how much of that is attributable to hotels and pubs, would be my question.

Ms WEBB - Hotels and clubs, and casinos, and it can be broken out. The spike is across the board regardless of location, casino or non-casino. The spike in the last two years is dramatic.

CHAIR - Very sharp.

Ms WEBB - It was \$193 million, or thereabouts, the year before and in 2025-2026, \$208 million. That's a massive percentage spike in losses, and that was similar the year before. We've had two years very consistently of big spikes. What do you attribute that to?

Mr KELLY - I don't know. Outside of general market fluctuations, I don't know what's caused that.

Ms WEBB - That's not a general market fluctuation, is it, \$193 million to \$208 million? It's not a normal market fluctuation.

Mr KELLY - Across two years.

Ms WEBB - Across one year. That's a one-year change.

Mr KELLY - What are we talking about in percentage terms there?

Ms WEBB - Well, that's like a 20 per cent change.

CHAIR - We are talking about \$15 million extra that's come out of the pockets of Tasmanians, pretty much.

Mr KELLY - I don't know what has driven that.

CHAIR - Places like Devonport and the Golden Mile in Glenorchy.

Ms WEBB - So, the industry has no explanation for the particular spike these past two years?

Mr UPTON - Outside of the fact that in 2025 tourism spend grew by 8.7 per cent; I believe gaming revenue grew by 5.4 per cent. So, not all money can be attributed to Tasmanians, not all money can be attributed to tourism. And I know that you referenced earlier the fact that there is no out-bounded tourism survey on whether they spent money in a hospitality venue or in a gaming venue on that. But I would question whether it pertains to our industry and our state as a tourism state that we don't want tourism money to come into Tasmania or be spent in Tasmania.

Ms WEBB - It's nothing about that, is it? Also, let's just play that out. If your contention is that a significant amount of that spike is related to tourists spending them on poker machines,

what a shame that would be for our state, because every dollar spent on a poker machine delivers very little in relation to jobs - three jobs per \$1 million spent. If those tourists spent those dollars literally anywhere else in our economy, particularly anywhere else in our hospitality economy or tourism offerings, it would deliver significantly higher jobs outcomes and economic benefit and economic activity. So, what a shame.

CHAIR - Confirmed by Deloitte.

Ms WEBB - What a shame if tourism dollars are being spent on our poker machines and we can attribute that to the spike of the last two years, which I think there's no evidence to say we can. But what a shame if that was the explanation. What a shame for your industry if it was - sorry, your industry more broadly, not your pokies industry. Your broader remit that you're responsible for as Hospitality Tasmania, including the non-pokies venues, all of which would have benefited far greater from any money spent in them than the pokies venues benefited from the money spent on their pokies.

CHAIR - Will we take that as a statement?

Ms WEBB - Yes, sorry.

CHAIR - Is there a question, though, you'd like to follow up with?

Ms WEBB - Well, I'm just wondering if there's an explanation, but there doesn't seem to be, and the one provided appears to be one that would be a really sad and sorry outcome if it was true.

CHAIR - Okay. Do you have any more questions at the moment, Ms Glade-Wright? Do you have any more questions, Ms Webb?

Ms WEBB - That covered the last area I wanted to talk about. Thank you.

CHAIR - Do you have any final words you'd like to share with the Committee?

Mr KELLY - No, I don't think so.

Mr UPTON - From mine, the only thing I would say now is that every day we spend debating this, let's just put the measures in place that exist and let's work forward to what else can work in the industry and what else can work to help minimise harm. But we shouldn't be delaying those practical measures - updating the TGS, updating self-onboarding and facial recognition, to at least make a start towards some harm minimisation.

CHAIR - Yeah, okay. Thank you for that. I mean, the reason that we're debating this issue now, obviously, is that parliament has decided we need to have a look at the Government's shift in policy and the implications of that.

Thank you both so much for taking the time to provide evidence to this Committee. The evidence you've provided at the hearing today, as I said earlier, is protected by parliamentary privilege. I take this opportunity to remind you that any comments that you may make to the media or others outside of this room, even if you repeat what you've said here, will not be protected by privilege. That's pretty clear to you, isn't it?

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WITNESSES - Yes.

CHAIR - Okay. Martin and Brad, thank you so much again for coming in and answering our questions. We really appreciate it.

The witnesses withdrew.

The Committee adjourned at 1:07 pm.
