

Submission to the Legislative Council Sessional Committee Government Administration A Sub-Committee

Inquiry into recent developments in Government poker machine harm minimisation policy

September 2026

Introduction

We welcome the opportunity to make a submission to the Sub-Committee's inquiry. As the peak body for Tasmania's hospitality industry, including the hotels and clubs that operate electronic gaming machines (EGMs), we work directly with venues on the practical operation of gaming regulation, staff training and the day-to-day delivery of harm-minimisation obligations. Our comments are informed by that operational experience.

This submission has been prepared by Brad Upton, Manager – Gaming and Regulatory Compliance to industry members. Brad has 30 years' experience in the gaming and hospitality industry, giving him direct experience of venue operations, gaming management and compliance. In his current role he works across gaming reform, legislation and regulatory compliance, provides direct operational support to gaming venues, and analyses gaming industry data. He works closely with the regulator on the technical implementation of reforms and has examined harm-minimisation practice in other markets, including a recent industry study tour of New Zealand's gaming market. His work covers all aspects of gaming machines and includes meeting with governments and regulators around the country. That combination of frontline, operational, regulatory and analytical experience informs the practical assessments in this submission.

We support effective, evidence-based harm minimisation. Gambling harm is real and requires appropriate intervention. In our view, the package as a whole should be assessed against four practical tests:

- whether it is effective in reducing harm for the people who experience it;
- whether it is technically achievable with technology that exists;
- whether it is proportionate, both to the harm it addresses and to its impact on the many customers who gamble without harm; and
- whether it is capable of being implemented in Tasmania within a realistic timeframe and at a sustainable cost.

While we do not support every element of the Government's reform package, we consider that the package as a whole, on balance, delivers on the objective of harm minimisation. Our concerns with particular measures—the extended closure period, the cost of transitioning the gaming machine fleet to Ticket-In Ticket-Out (TITO) and the continuing reduction of Tasmania's EGM cap—are set out in section 2.

In our view, no other proposed reforms have the potential to deliver more immediate and direct harm-minimisation benefits for people seeking assistance than a modernised Tasmanian Gambling Exclusion Scheme (TGES) with immediate self-exclusion, facial recognition technology (FRT) and technology-controlled access to cash. These measures are practical and targeted. They share a common strength: they focus intervention on the people who need help, at the point where help can make a difference, rather than imposing the same restrictions on every customer. That includes the well over one million visitors who come to Tasmania every year, many of whom enjoy gambling as part of their visit to our hospitality venues.

Summary of our position

- The Deloitte report modelled mandatory pre-commitment on the assumption that a workable statewide system existed. No such system operates in any Australian state or territory. Its findings should be read as conditional projections, not as evidence of feasibility.
- We support the overall direction of the Government's package. Because its measures and timelines are defined, venues can plan, cost and fund the investment required.
- We consider a modernised TGES with immediate self-exclusion to be the single most important measure in the package, and the foundation for mandatory FRT. The two should be delivered as one integrated system.
- We support technology-controlled access to cash.
- We recognise the harm-minimisation and AML/CTF benefits of TITO, subject to a phased transition aligned with equipment replacement cycles.
- We support gaming care officers based within industry, where they can engage venues and staff most effectively.
- We do not support the extended seven-hour daily closure period, now in place, or an automatic and indefinite reduction of the EGM cap, without evidence that these measures will reduce harm.

1. Deloitte report

We were not involved in commissioning the Deloitte report and cannot comment on the Government's internal consideration or use of it. Our comments are therefore directed to the assumptions underpinning the report, particularly whether the proposed mandatory pre-commitment system was technically available and capable of being implemented as modelled.

The Deloitte report modelled the proposed mandatory pre-commitment card as though a defined, available and implementable system would be introduced across Tasmania. This was a significant limitation.

At the time of the report, no Australian state or territory operated a mandatory, account-based pre-commitment system across its hotels and clubs, and that remains the case today. Some jurisdictions have voluntary pre-commitment, trials or announced reforms, but none of these is equivalent to a compulsory statewide system operating across geographically dispersed hotels and clubs.

Internationally, the jurisdictions most often cited as examples of mandatory carded play, such as Norway and Finland, operate gaming machines through a single state-owned monopoly with a centrally owned and controlled machine network. That model bears little resemblance to Tasmania's market of privately owned hotels and clubs operating a mixed fleet of machines from multiple manufacturers. Experience in a monopoly system cannot simply be transferred to Tasmania.

The proposed Tasmanian system would have required substantially more than issuing customers with a card. It would have required:

- a statewide player identity and account system;
- integration with every participating gaming machine;
- integration with the licensed monitoring system;
- secure transaction and account records;
- banking, funds-management and reconciliation arrangements;
- privacy, cybersecurity and data-governance protections;
- controls addressing card sharing and identity misuse;
- equipment upgrades or replacement across the existing machine fleet;
- independent testing, regulatory approval and certification; and
- systems and support for venues and customers across Tasmania.

Each of these elements is a substantial project in its own right. Together, they amount to designing, building, testing and operating a new piece of statewide financial and identity infrastructure. In Tasmania that task is made harder by the age and diversity of the existing machine fleet, much of which was not designed to communicate with an account-based system, and by the need for the system to perform reliably in small regional venues with limited staff and IT resources.

By the time the card was deferred, the system had been designed, but it had not been built, integrated with gaming machines, tested or operated in any venue. A design is the equivalent of drawing up a house plan: it is an important step, but it is the simpler one. Building the

system, connecting it to every machine in every venue and proving that it works reliably is the difficult and costly part, and funding for that stage was never released.

We were not provided with evidence explaining how these matters would be resolved, who would fund and operate the system, or how long its development and statewide implementation would take.

International experience indicates the scale of investment involved. In 2017, Finland's state-owned gambling operator estimated that upgrading its fleet of more than 18,000 gaming machines to require player identification would cost between €50 million and €100 million. That estimate is not directly comparable to Tasmania's proposed card system, and it applied to a single operator that owned and controlled its entire machine network. However, much of the cost of an account-based system—the identity platform, account management, banking and security arrangements—does not shrink in proportion to the number of machines. In a market the size of Tasmania, those costs would be carried by far fewer machines, and integration would be more complex because the fleet is owned by many operators and supplied by multiple manufacturers.

The modelled outcomes also depend heavily on assumptions about how customers would respond to a mandatory card: for example, the extent to which people would set and keep to limits, rather than share cards, move to online gambling or stop visiting venues altogether. These behavioural assumptions are central to the results, yet they could not be tested against the operating experience of an equivalent system, because none existed.

The report's modelling may illustrate potential outcomes if its assumptions were realised. However, those outcomes are conditional projections. They should not be treated as evidence that the assumed system existed, was technically deliverable, or would necessarily produce the modelled behavioural response.

This does not mean that the report has no value. It means its findings must be understood within the scope of the task Deloitte was asked to undertake. Economic modelling of an assumed policy should not be confused with a technical feasibility assessment or an implementation plan.

For these reasons, we consider it reasonable that the Government reassessed the mandatory card proposal and turned to measures that can be implemented with available technology. A reform that cannot be delivered protects no one. A reform that can be delivered begins protecting people from the day it commences.

2. Government harm-minimisation measures

The package as a whole

We consider that the Government's package, taken as a whole, will support harm minimisation in Tasmania. While we do not agree with every measure, we support its overall direction.

In June 2026, the Treasurer wrote to us, the Commission and other stakeholders seeking feedback on the draft Ministerial Direction. Our view of the package is consistent with the advice we provided in response. In that advice, we recommended that the reforms be prioritised according to their likely impact on reducing harm: enhancement of TGES first, followed by FRT, ATM and EFTPOS cash-withdrawal controls, and TITO. This section addresses the measures in that order, followed by the measures we do not support.

In preparing that advice, we consulted Australian Hotels Association state bodies across Australia on their practical experience of harm-minimisation measures in other jurisdictions. The consistent feedback was that, if implemented as proposed, Tasmania's combination of TGES enhancement, FRT, cash-withdrawal controls and TITO would establish the strongest and most comprehensive venue-based harm-minimisation framework currently operating in Australia.

The package will impose real costs on venues, including investment in FRT, TITO-compatible equipment, cash-access technology and staff training. However, because the package is defined and its implementation timelines are set, venues are able to plan, cost and fund these projects. That certainty matters. Hospitality businesses, particularly smaller regional hotels and clubs, cannot responsibly commit capital to new equipment while the regulatory destination remains unclear. Where requirements are unresolved, projects are delayed or placed on hold, and the work does not flow to Tasmanian builders, electricians and other local trades. A defined package allows venues to invest once, in the right technology, rather than facing successive and potentially conflicting requirements.

Several of the measures also directly address identifiable weaknesses in Tasmania's existing harm-minimisation framework, using technology that already exists.

Tasmanian Gambling Exclusion Scheme

We consider enhancement of TGES to be the single most important harm-minimisation measure in the package. A modernised exclusion system is the foundation on which the other reforms are built: it provides a direct pathway for people seeking help, and it is the enabling platform for FRT. We have previously called for the TGES platform and self-exclusion process to be modernised.

The present system is administratively cumbersome and is not fit for contemporary statewide operation. Venues have encountered delays, duplicate records, outdated information and images that are old, blurred or otherwise unsuitable for reliable identification. Even well-trained staff cannot reasonably be expected to recognise an excluded patron from a poor-quality or significantly outdated image. The quality of the register therefore determines the effectiveness of the whole exclusion system.

The current process also lets people down at the moment they ask for help. A person can walk up to the bar and ask to be excluded. The venue can put a local exclusion in place on the spot, but cannot activate anything broader, and the person can walk out and into another venue down the street. A wider exclusion currently requires engagement with a care provider and, based on what customers report to venues, can take weeks to complete. That is not a failure on the part of the customer or the venue. It is a gap in the system, at exactly the moment the person has done the hardest part, which is asking.

Self-exclusion should be immediate and accessible at the time a person decides they need help. The decision to self-exclude often comes at a moment of crisis or clarity. If the process requires the person to visit a counsellor, attend an appointment or complete a lengthy administrative process before their exclusion takes effect, that moment may pass. Any delay risks losing the opportunity to assist someone at the point when they are ready to act.

The technology to close this gap exists. We have consulted an international provider that operates exclusion management systems across venues in multiple jurisdictions. The provider has confirmed that a base-level Tasmanian solution could be delivered within approximately three months, with a fully customised platform within a further six months. Its self-onboarding function allows a person to self-exclude from all participating venues in less than two minutes.

Counselling and support services should remain readily available, but should be optional rather than a precondition of self-exclusion. A modern system could offer a confidential referral to a counselling service during the self-onboarding process or, if the person prefers, send a secure invitation link that they can use later. Phone and video support should also be available for people who cannot easily attend an appointment, which matters particularly outside Hobart and Launceston. This would preserve immediate access to exclusion while creating a direct pathway to professional support.

The system should also support effective follow-up. At present, venue staff detect an excluded person, intervene and report the breach, and in practice that report is often where it ends. A detected breach may indicate a relapse or a renewed need for assistance. It should trigger contact from TGES or the care provider, a review of the exclusion and an offer of

further support, and repeated breaches should lead to escalating intervention rather than repeated identical reports from the same venue. Subject to appropriate consent, privacy protections and clearly defined responsibilities, breach information should be used to re-engage with the person, rather than treating the incident solely as a venue compliance matter.

In our view, a modernised TGES should include:

- secure online and in-venue self-onboarding with appropriate identity verification;
- capture of a current, good-quality photograph at the point of exclusion;
- near-real-time distribution of new and updated exclusions to all venues and FRT systems;
- data-quality controls to remove duplicate and outdated records;
- an optional, confidential referral to counselling, at onboarding or later, with phone and video support options;
- consent-based follow-up by care providers when a breach is detected, with escalating support for repeated breaches; and
- clear processes for third-party exclusions and for varying or ending an exclusion.

Tasmania requires a centralised TGES with these capabilities. It would transform TGES from a largely administrative exclusion register into a practical, responsive harm-minimisation and support system. We strongly encourage the Commission to prioritise its implementation as soon as practicable.

Facial recognition technology

Industry has consistently and publicly supported the use of FRT, solely for the purpose of identifying excluded patrons, as one of the most effective practical tools available to protect them. We are on the public record promoting its use because the technology exists, is already operating in Tasmanian venues and we know from direct experience that it works.

The effectiveness of any exclusion scheme depends on detection. An exclusion only protects a person if the venue can recognise them when they arrive. Under the traditional model, staff are expected to recognise every excluded person from a set of photographs. As the register grows, as staff change and as images age, that task becomes practically impossible, particularly in busy periods. FRT addresses this weakness directly: it checks every entrant consistently, at every moment, regardless of staff turnover or how busy the venue is.

More than 50 venues have voluntarily invested in FRT because operators recognise that staff observation alone cannot reliably identify every excluded person. Feedback from venues has been overwhelmingly positive, particularly about how much easier and more effective the technology makes the exclusion process for staff. Tasmania is therefore not starting from a

zero base. These venues have adopted hardware and operating standards informed by established frameworks used elsewhere in Australia and, based on our discussions with technology providers and installation partners, we are confident the remaining venues can be equipped within a 12-month implementation period.

Importantly, FRT can identify an excluded patron as they enter the venue or gaming area. This gives staff the opportunity to approach and assist that person before they begin gambling—before a single dollar has been spent—rather than discovering the breach after gambling or financial loss has occurred. It changes the system from one that often responds after the event to one capable of intervening before harm occurs.

Early intervention also changes the nature of the conversation. Because staff can speak with the person before they have used a gaming machine, the interaction is calmer and far less likely to be confrontational than an approach made after gambling has taken place. This substantially reduces the risk of an intervention escalating into abuse or, in some cases, violence towards staff, and makes staff more confident to act.

We recognise that facial recognition raises legitimate privacy questions, and that community confidence is essential. These questions can be addressed through clear rules. FRT used for exclusion can be configured to compare entrants only against the exclusion register, to discard non-matching images, and to require a staff member to verify any alert before an approach is made. We recommend that the mandatory framework set statewide technical and privacy standards covering accuracy, data retention, security, human verification of matches and independent auditing.

We have demonstrated the current technology to numerous elected representatives and other stakeholders. These demonstrations have shown how straightforward it is for venue staff to operate, how quickly alerts can be received and acknowledged, and how effectively it supports the enforcement of exclusions.

For FRT to reach its full potential, the TGES upgrade and immediate self-onboarding capability described above are critical. The technology relies on current, accurate information and suitable images being available to venues without delay. A person seeking help should be able to self-exclude quickly and have that exclusion communicated across relevant venues in near real time. FRT and a modernised TGES should therefore be treated as parts of one integrated harm-minimisation system, rather than as separate measures.

Together, a modernised TGES, immediate self-onboarding and mandatory FRT—supported by appropriate technical standards, privacy protections and accurate information—would provide a targeted and practical response. It would focus intervention on people who have excluded themselves or been excluded, rather than imposing mandatory identification requirements on every customer.

Controlled access to cash

We have advocated for several years for technology-based solutions that allow venues to comply reliably with access-to-cash requirements, and we support the Government's decision to introduce ATM and EFTPOS cash-withdrawal controls supported by identity-verification technology.

The present arrangements rely on manual, paper-based processes and on staff recollection. This means unintended human error occurs. The current process does not give venues a reliable way to identify the same person accessing cash more than once, particularly across different staff members, shifts and points of access within the venue.

As FRT has already shown for exclusion, technology can do this far more reliably. Card verification and facial-recognition-enabled cash-access terminals can enforce a daily limit per person, providing a more reliable and auditable safeguard than the existing manual system can.

This is not new technology. It is an existing solution that can be adapted to Tasmania's regulatory environment without developing a bespoke system, and suppliers have advised that compliant systems can be supplied and operating within the timeframe.

This is harm minimisation that works in the background. Customers are not inconvenienced, while the limit is applied consistently to everyone. It also matters for regional communities: as bank branches and ATMs close, the local hotel is often one of the few places where residents and tourists can reliably obtain cash. A reliably enforced per-person limit is a better response than restricting cash facilities altogether.

Ticket-In Ticket-Out

The introduction of TITO will come at a significant cost to industry. Our opinion is more than half of the gaming machines currently operating in Tasmania cannot support TITO without cabinet replacement or significant equipment upgrades. Some older machines cannot be converted at all, and parts for others cannot always be reliably sourced. However because TITO is an established system operating in every other Australian state, venues may be able to reduce costs by sourcing second-hand compatible equipment—an option that would not exist for a bespoke system.

Despite that cost, industry recognises the harm-minimisation and AML/CTF benefits that can be built into a properly designed TITO framework. Limits on the amount that can be loaded onto a gaming machine and transferred onto a ticket can restrict the amount available for continuous play. Those limits also create a natural break in play and an opportunity for the customer to reconsider whether they wish to continue. A TITO framework also reduces the amount of cash handled in venues, improving staff safety and cash security, and creates an auditable record of ticket transactions that supports AML/CTF obligations.

Tasmania is a small market, and suppliers must meet demand from larger jurisdictions at the same time. Technical standards should be settled early, and in consultation with industry, so that venues purchasing equipment in the meantime do not invest in machines that must later be replaced. A staged transition would also allow the regulator and industry to focus resources first on the measures with the most direct harm-minimisation benefit—TGES enhancement and FRT—while still achieving full TITO implementation over time.

Gaming care officers

The package includes gaming care officers to help venue staff identify indicators of harm, respond appropriately and strengthen referral pathways to support services. We support this measure, and we believe the officers are best placed within the industry peak body.

The success of the role depends on venue engagement. Officers will only be effective if venues welcome them, make time for staff training and act on their advice. As the organisation that already works with venues every day on compliance, training and the practical delivery of harm-minimisation obligations, we have the relationships and access to make that happen across metropolitan, regional and remote Tasmania.

Placing the officers with industry also means the education they provide can reflect how venues actually operate: the layout of a gaming room, the pressures of a busy shift and the difficulty of approaching a customer who may be experiencing harm. Staff are more likely to engage with, and act on, advice from people who understand their working environment. The result is better help for customers and better understanding across the industry of how to identify and respond to harm.

We recognise that concerns have been raised about industry employing officers whose role is to reduce harm. Those concerns are best addressed through transparency and accountability, rather than by placing the officers where venues are less likely to engage. The officers will report to the Commission quarterly and annually, and we support that reporting focusing on outcomes—such as staff trained, venue interventions supported and referrals made—so that the effectiveness of the role can be assessed.

Gaming-area closure period

The seven-hour mandatory closure period has applied since 1 August 2026, with venues able to choose when their closure period falls. We did not support the increase from four hours to seven hours each day, and we maintain that position.

A 75 per cent increase is significant and, in our view, disproportionate. We are not aware of clear evidence that extending the existing shutdown period by a further three hours will materially reduce gambling harm.

The most recent completed Tasmanian prevalence study put around 0.4 per cent of adults in the problem gambling category, with further groups at moderate and low risk. Those people need real, targeted help. Closure periods, however, apply equally to every customer, whether or not they are experiencing harm. They are therefore a blunt instrument. Their burden falls mainly on the large majority of customers who gamble without harm, while their benefit depends on the assumption that people who are experiencing harm will not simply gamble at other times or on other products.

That assumption is doubtful. Online wagering, and illegal offshore online casino products, are available 24 hours a day on a mobile phone. Unlike a Tasmanian venue, those products operate without trained staff, without in-person observation and without FRT or exclusion enforcement. Illegal offshore sites operate outside Tasmanian regulation altogether. A person displaced from a regulated venue into that environment is not safer; they are harder to reach.

We recommend that the extended closure period be independently evaluated after an appropriate period, against clear measures of success, so that its effect on harm can be weighed against its cost. Measures that restrict every customer should be required to demonstrate their benefit.

EGM cap and future reductions

Tasmania already has one of the lowest rates of EGMs per adult among Australian jurisdictions that permit gaming machines in hotels and clubs.

We question whether permanently removing one machine from the cap for every two machines surrendered or forfeited is necessary or proportionate. An automatic reduction operates without reference to evidence: it would continue regardless of whether harm is rising or falling, or whether the other measures in the package are working.

Any future reduction in supply should be based on demonstrated harm-minimisation outcomes, assessed once the targeted measures in this package are operating, and reviewed periodically rather than operating automatically and indefinitely.

3. Making the package work in practice

The success of the package will depend on how it is implemented. we offer the following observations, drawn from our direct experience supporting venues and our engagement with other Australian jurisdictions and international markets.

Sequencing. FRT depends on accurate exclusion data. TGES modernisation and immediate self-onboarding should therefore be delivered before, or at the same time as, the FRT mandate, so that venues are not required to operate new technology against an outdated register.

Technical standards. Standards for FRT, TITO and cash-access technology should be finalised early and developed in consultation with industry, suppliers and the regulator. Clear standards, provided in advance of regulations changing, give venues and suppliers confidence to invest and avoid costly rework.

Smaller and regional venues. The cost of new equipment falls hardest on small and regional venues, which also face higher freight and maintenance costs and fewer local technicians. Implementation timelines and any transitional support should take account of their circumstances, so that the package does not unintentionally force viable community venues to close.

Training. Staff are central to every measure in the package. Training should be practical, consistent across the state and focused on how staff can use the new tools to identify and assist people who need help.

Evaluation. Baseline data should be collected now so that each measure can be evaluated once it is operating. Evaluation should focus on outcomes that matter, including how quickly people can exclude themselves, completed referrals and follow-up after exclusion breaches, as well as the performance of TGES and funded support providers. Publishing those evaluations would allow everyone to see what is working and to refine the package over time on the basis of evidence.

4. Conclusion

We do not agree with every measure in the Government's package. However, we recognise that the measures are intended to operate together and, when fully implemented, can provide stronger and more immediate protection for people who need help.

We have consistently argued that the most effective way to reduce gambling harm is to combine proven, practical measures that reach the people who are experiencing harm, rather than relying on blanket restrictions that affect every customer, do little for those at risk and, in some cases, simply move the problem elsewhere. The Government's package largely reflects that approach.

The mandatory card progressed to a design, but it was never built, tested or operated. As an industry, we are still not aware of any operating system capable of meeting the requirements set out by the then Treasurer at the time of its announcement.

A modernised TGES, immediate self-onboarding, FRT, controlled access to cash and TITO each address different weaknesses in the current system. The Government's package should be assessed on how effectively these measures operate together in practice, rather than by the number of restrictions imposed or whether Tasmania has replicated another jurisdiction's approach.

The test should be whether the package works in practice: whether it reaches people before harm occurs, and whether it remains proportionate for the broader community and respects the freedom of choice of the many Tasmanians who gamble without harm.

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.

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Hospitality Tasmania

GAMING LOUNGE