# PUBLIC

**THE LEGISLATIVE COUNCIL SESSIONAL COMMITTEE GOVERNMENT ADMINISTRATION A MET IN COMMITTEE ROOM 2, PARLIAMENT HOUSE, HOBART, ON MONDAY 9 NOVEMBER 2026.**

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

**The committee met at 12.00 p.m.**

**CHAIR** (Ms O'Connor) - Good morning, Mary, and thank you for coming along to today's hearing of the Legislative Council sessional subcommittee inquiring into recent developments relating to government policy on poker machine harm minimisation. At the table here we have Meg Webb, who's the Independent member for Nelson; I'm Cassy O'Connor, Greens member for Hobart; Clare Glade-Wright, Independent member for Huon; we also have Jenny and Ali, who are the secretariat for the committee; and Terry on *Hansard* today. Could you please state your name and the capacity in which you're appearing before us today?

**Ms BENNETT -** My name's Mary Anne Bennett. I'm appearing as an economist and public policy professional. I was, for a number of years, the coordinator of Anglicare's Social Action Research Centre, in which capacity I did quite a bit of work on gambling.

**CHAIR** - Thank you very much. Can I confirm you've received and read the information for witnesses guide sent to you?

**Ms BENNETT -** Yes, I have.

**CHAIR -** Thank you. I need to let you know that 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. The hearing is public, it's being broadcast, 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. 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 we'll consider your request. We're taking sworn evidence today; could you please take the statutory declaration in front of you?

**Ms MARY ANNE BENNETT** WAS CALLED, MADE THE STATUTORY DECLARATION AND WAS EXAMINED.

**CHAIR** - Thank you, Mary. As you know, this committee is looking into EGM harm-minimisation measures and the development of policy, particularly in recent years. Did you want to give an overview of your understanding of where Tasmania is at at the moment? You might in that also, as an economist, reflect on the findings of the Deloitte report.

**Ms BENNETT -** Absolutely. Having had the privilege of working for an organisation that assists people experiencing gambling harm, I'm a little bit concerned about the government's concept of harm and who is harmed by gambling. I feel that the Tasmanian Liquor and Gaming Commission in their advice, which was accepted by the then treasurer, regarding introducing a mandatory player card, was extremely well-founded advice and aligned

very closely with existing research about how to actually reduce harm. Rather than simply looking at what the change in legislation is - okay, we've changed it from four hours to seven hours - it's important to look at on the ground what difference does it actually make in terms of harm, particularly to the fact that most people harmed by gambling are not the people engaging in the gambling.

In considering that, I was very concerned when the government resiled from that commitment, which, I'm happy to be corrected, I believe they went to an election with that commitment in place. They then subsequently have announced what they've described as a 'strong suite of harm minimisation managers', and I am perplexed. I have to be honest; I have really tried to find the evidence underpinning the claim that it's a strong suite of harm minimization measures, and I've had a look at each of those against my background of research in this area, and I'd be happy to answer any questions about that.

In terms of the economic impacts, when we introduce measures that have social implications, where they improve, I guess, conditions for people who are disadvantaged, in most cases there is an overall cost to be borne by the taxpayer to implement that. In this case, the government did the right thing and got a very reputable firm to undertake quality research and quality analysis. My understanding of their consultation and their desktop research to do this was very thorough. They used Computed Generalised Equilibrium models, which is the gold standard for undertaking this sort of work. The amazing thing is, not only did they find that the proposed card would reduce the harm by an estimated about 50 per cent on the ground - that's amazing - and that would change the lives of so many children in Tasmania. But also, even when they took the absolute worst-case scenario - they tested a number of assumptions - and it was always going to deliver a massive payoff in gross state product. It was going to increase gross state product by between - I haven't got the numbers right in front of m - but $150 million to $250 million, something like that. I could check those numbers.

**CHAIR** - Yes. It's on page seven of the report where they find that the mandatory precommitment card -

> These reforms would deliver an economic uplift …

and says that:

> … the industry, itself, would be negatively adversely affected to some extent, but across the rest of the economy overall, excluding AGMs and hospitality, economic activities lifted by $625 million, resulting in a $230 million higher GSP by 2030.

It's substantial.

**Ms BENNETT -** From an economist's point of view, economic theory sort-of says, 'I'm not [inaudible 12.08.00 p.m.] practice and good policy practice', is that you select the option that gives you the highest net benefit, then you look at the distribution of those benefits and if there's some compensation needed to a particularly affected industry, then you look at doing that. And that's the way that is generally a good policy approach. It's a very rare thing to have something that delivers such incredibly outstanding social justice outcomes, improved welfare and wellbeing for ordinary Tasmanians and also improves the Tasmanian economy and delivers 200 odd jobs.

**CHAIR** - There's a history here though, isn't there, of the gambling industry wielding enormous power over governments of both colours. Where we are today from where we were two years ago when the government was still committed to mandatory precommitment, it does point, doesn't it, to the influence of the gambling lobby on government.

**Ms BENNETT -** I don't have direct evidence of that. I know that from my reading of research that certainly the Grattan Institute has certainly expressed concerns and many lobbyists do. What I do know is there was some research done in Norway. This was interesting. Kraus and others did a piece of research where they surveyed experts from a range of sectors involved in gambling. They included regulatory bodies, so we'd be talking about like a Tasmanian Liquor and Gaming Commission. That's what we mean by regulatory body. Regulatory bodies, researchers, people who've worked in addressing harm that had actually occurred, and also people who worked in harm prevention and also the gambling industry, and they were specifically asking about voluntary self-exclusion and looking at what their different views were about its efficacy. They found that most of those sectors felt that, yes, it's an important part to have as part of your picture but it fell far short of being the mainstay of addressing gambling harm. They found that the only place they got conflicting feedback was from the gambling industry who had some different messaging around that. They wanted a lot of the barriers to self-exclusion removed but they also wanted barriers to removing self-exclusion removed. They wanted that all to be made very seamless and easy, so it looks like harm minimisation but isn't. The other thing that they were really, really strong on in their messaging was people's right to choose.

**CHAIR** - Well, that's what we hear here.

**Ms BENNETT** - So, I guess the question is they found that all the people trying to minimise harm had one lot of messaging, but that was the conflicting messaging coming from the gambling industry. That was research undertaken I think by Kraus and others, and it included Australian, Victorian, from a whole heap of countries.

**CHAIR** - I guess it goes to the question of what the motive is, and the motive of the industry will always be to profit.

**Ms WEBB** - I agree. I think that's an industry behaving normally to seek to maximise its profits. I think on this matter it comes back to what governments choose to do in the best interests of the public that they are responsible to in terms of choosing a policy that delivers best outcomes.

I was interested to hear you reflecting on the Deloitte report just now and I'm puzzled by something the Treasurer has put to us both in a submission to this committee and also when he was here for a hearing. He was essentially trying to dismiss, to some extent, the Deloitte report or indicate that it was limited in its usefulness in terms of what it tells us. And the way he framed that was to say that, 'The Deloitte report does not consider the impact of gambling on the state in its totality, rather, it focuses on the potential impact of a set of potential reforms to EGM gambling', which is the card they were looking at. It says:

> The Deloitte Report does not take into account state taxation revenue generated as a result of gambling activity, for example, and it considers social

> cost and economic impact from an integrated perspective rather than individually, as the SEIS does.

And he spoke about the Deloitte report contrasting with the SEIS (social and economic impact study), somehow suggesting that the SEIS was a more comprehensive look at things and the Deloitte report failed to consider various things and, therefore, its findings or suggestions weren't as credible. Can you unpack that a little bit for us from your perspective?

**Ms BENNETT** - From my perspective, the report would report on what the government had asked them to report on, so if the government feel it wasn't fit for purpose, it really comes back to what were the terms of reference for that report, so I don't think there's any grounds to be undermining the quality of the report. Their key source of data was the SEIS, and I've looked at all their references. They're all very, very credible. Very sound. Anything that has been left out of their report is because the government, I presume, where they say it's out of scope is because the government has requested them to do so. It's very hard to make an assessment because we've never been or I haven't found any information about what the proposed costs of introducing this would be.

**CHAIR** - When you say 'this', the mandatory precommitment card?

**Ms BENNETT** - Yes, sorry, the MAX Gaming report which, from what I've heard, my perception, is that the government felt that the cost was too much.

**CHAIR** - Or the industry felt that the cost was too much.

**Ms BENNETT** - Well, I can't comment on that. I can only say what I heard the government say.

I think a lot of this though, getting caught up in this, I think the value of the Deloitte report is to say that the policy they were proposing was not going to have some disastrous economic effect. It was going to have an economic benefit. Okay? We can quibble about at the edges - it's going to have an economic benefit, which is an extremely unusual thing for something that delivers harm reduction and I think that really brings us back to and, I guess when I was thinking about this, the place I went to was the act and what the responsibility of the government under the act is, and I think I wrote that down somewhere here, and I looked at what the act asked the government to do, the objectives, and what their suite of changes - I'm just going to call them a 'suite of changes' because that's really all they are. I couldn't find any grounds on which to call it a 'suite of harm minimisation'.

**CHAIR** - We haven't yet been able to either, just for clarity.

**Ms BENNETT** - The first objective is to ensure that gambling is conducted in a fair, honest, transparent way and is free from criminal influence. The introduction of Ticket-In, Ticket-Out, in my opinion, takes us in the wrong direction in respect to that objective. The general way in which the revised policy has come about has not really delivered on the transparency objective either.

When we move on to the next object of the act, we can see that the objective is to take a public health and consumer protection approach to protect people, particularly people who are vulnerable from being harmed by gambling and exploited by gaming operators. I think

there's a few key things that seem to be missing from the narrative I'm hearing from government. It talks about people harmed by gambling. It doesn't talk about gamblers, okay? The really important thing we know from the research is that when we're talking about gambling harm, people who register as low risk gamblers cause harm to other people. People who register as moderate risk gamblers, and this is using the Problem Gambling Severity Index (PGSI) which is the accepted measure. Moderate level gambling harms other people, I think it's up to four people. People who register as high-risk gamblers harm up to six people, other people, or on average six other people, so some of them harm more and some harm fewer.

The really important takeaway from this is that when you look at the number of people harmed by gambling, the vast majority of them are harmed by moderate risk gamblers, moderate and low risk gamblers. This is where, and it comes back to the Liquor and Gaming Commission really focused in on the key thing which is how about we help people to go in and just spend what they intended to spend. Surely, that's the ultimate free choice. If we did that, a lot of that harm that is recorded wouldn't happen.

The other thing I'd like to point out is that Australian National University's gambling research body estimates that around a third of those other people who are harmed are children, and I'd like to know how their free choice is incorporated in these decisions. I find that very alarming.

**Ms WEBB** - You might also clarify, just to help understanding around your answer there - which is very comprehensive, thank you - those PGSI categories: low risk, moderate and then high or problem gambler. Low-risk, people often think that means the person is at a low-risk, but in fact it actually means, perhaps you could explain, that they're already demonstrating signs of harmful gambling.

**Ms BENNETT -** Yes, so there is no risk, okay. So low-risk, there is a suite of questions, and I must admit I probably should have looked at them, so if you ask me questions specifically on that -

**Ms WEBB** - No, that's fine. We don't need to go into details, it's just to clarify.

**Ms BENNETT -** It's low risk, it's people who answer - I think, there's about nine questions - and they answer 'yes' to one or two of them. I think it's something like that.

**Ms WEBB** - They're already demonstrating some signs of harmful gambling?

**Ms BENNETT -** They're already demonstrating signs of harm, and the important thing, I think, the other thing I found really missing from the narrative was public health and consumer protection approach. Self-exclusion is not a public health approach, because it's an intervention after the harms occurred. A public health approach prevents the harm, or intervenes, certainly, at a much earlier point in the process. If you look at the research, some of the categories are - a public health approach tackles supply of gambling. Things like opening hours does come under a public health approach, and also, it doesn't rely on the behaviour of the individual, it acts at the point of supply. So, when we have mandatory default limits, the supply stops when people are reaching harmful levels, and it doesn't rely on the individual making a decision, that we know from the research, like, such a tiny percentage of people will actually make.

**Ms GLADE-WRIGHT** - Mary, I heard you talk about evidence, and that you sought some evidence to underpin the government's claim that these measures would minimise gambling harm. What sort of evidence are you talking about? What would you have expected to have seen?

**Ms BENNETT -** I look at peer reviewed research. As an economist - qualitative research is useful, but I've also had a good look at what quantitative research is available, and some of those things we need to put them together in our context. We can take something like the research that estimates the amount of harm and we can look at the SEIS data and we can make an estimate of how many people are harmed by gambling in Tasmania. I really went through each of those things put forward by the government and said, 'Well, how is that going to impact actual harm on the ground?' The mandatory closure period; for that to be a public health approach, it needs to be from the point of view of the Tasmanian citizen. In that, I mean, if I decide I want to go and use an electronic gaming machine, how many hours a day can I access those? That's a public health approach. So, if we allow venues to choose a different seven hours, we're not doing that. That's not a public health approach. So, in that sense, if it had been a set one, like a set seven-hour period, it could have impact. With a movable one, I can't see that that really makes any difference. Very few venues actually were open for those sort of hours anyway. You've actually got to look at what was the true situation we had, and what's the change; it's pretty minimal.

Ticket-In Ticket-Out was an interesting one, and I had to specifically go and look at this. Because in my many years of researching gambling harm minimisation, Ticket-In Ticket-Out is not anywhere listed as something that reduces gambling harm. Sometimes it is introduced as part of introducing a mandatory card, or something like that, but of itself it's actually, probably, a harm increaser. In that you're switching from money to tokenised money, and there's a large body of research that shows that people spend more if it's cashless, and that was certainly a concern of the Tasmanian Liquor and Gaming Commission, as I understand. We're looking at an increase in spending which is going to be an increase in harm.

Facial recognition technology - it's very unclear from the statement exactly how that's going to be implemented. It has some impact. I could possibly improve things, but it's only tweaking with a measure that is not a public health measure in the first place. It's after harm's occurred, so not much of an impact.

**Ms WEBB** - The card as an option obviates the need for facial recognition because it has built-in self-exclusion to the card.

**Ms BENNETT -** Absolutely. And, in my opinion, I think there's less invasion of your privacy but that's a personal opinion. That's not a research finding.

The cash limits mean nothing when you can just go to another ATM or you can go get another ticket or go to another venue, so this is not being viewed from the point of view of the user. All of these have been presented from the point of view of the supplier of the product. The same with the ATMs. Although, it's hard for me to give really hard and fast rules around your comment on this because there's so little detail. Introducing ATMs is really problematic. Even if you have a camera, and is it going to talk to the ATM down the road that they go to? How does it interact with people being able to use EFTPOS over the counter. That seems to me - yes.

Immediate self-exclusion. Yes, there's some benefit. Does it outweigh the harms of the other aspects? Because they have asked us to accept this as a suite of harm minimisation measures, so we need to look at the overall impact. I really question - I think there should be some research to determine whether that is the case because, from what I've read, it seems unlikely.

The gaming care office's independence is key.

**CHAIR** - Well, to be really clear, we've established through the hearings that they are industry promoted and supported positions.

**Ms BENNETT -** Yes, I understand that it will be Hospitality Tasmania who will be funded to provide these.

**CHAIR** - I think that's correct.

**Ms BENNETT -** I don't think it's appropriate to have those as a harm minimisation measure.

I think when I look at this as a suite of measures, it doesn't read as a suite of harm minimisation measures. It reads as a suite of measures that most of which will benefit industry.

**Ms GLADE-WRIGHT** - Okay, so just to summarise what you're saying there, I think I heard you say you didn't feel that there is very much evidence?

**Ms BENNETT -** No.

**Ms GLADE-WRIGHT** - And when you look at the Deloitte report and you look at the mandatory precommitment card, would you say that that has been well researched and that there is evidence of the effectiveness of that?

**Ms BENNETT -** Yes, absolutely. I think in one of the papers I wrote - it was some time ago that I did the research on this but I think we were comparing like a few percentage point changes in harm minimisation with facial recognition technology and improving self-exclusion. We're looking at 40 to 50 per cent reduction in harm with the card.

The problem with this suite of measures is I'm not even confident that the little bit of increase in harm minimisation from the facial recognition technology and the mandatory closures, those sorts of things that we can just say would have an impact. I suspect - I couldn't find any research, you'd have to test it - but I suspect that it would completely be wiped out by the harm increase of some of the other measures in this suite of measures.

**CHAIR** - Is there a potential for us to actually go backwards, as a result of these measures?

**Ms BENNETT -** Absolutely, I would say very much so.

**CHAIR** - I just wanted to, while we're thinking about these things, as someone who's worked with the Social Research Centre at Anglicare, just to outline to the committee what is

meant by human harm, and what does that look like at an individual, family and at a societal level?

**Ms BENNETT -** Yes, far reaching. I guess the easiest one for us to get our heads around is the money that goes missing from the family budget. But it's not just from the family budget; they're not spending that at local businesses. So, the Deloitte report tells us that, at the moment, the level of gambling that's happening through poker machines is - if we could reduce that harm, we'd also increase how much is spent in local businesses to the tune of $150 million, or more. So, we're talking about children being able to participate in school activities, we're talking about the family being able to pay their basic bills. There's enormous psychological harm that occurs, partly because of impacts on parent-child relationships, parental-partner relationships.

**CHAIR** - Shame.

**Ms BENNETT -** Shame, absolutely. It brings down this barrier. We know that the incidence of family and domestic violence is higher in households in which one of the parents gamble. There are health impacts, there's definitely psychological health impacts, and a lot of those happen in the low- to moderate-risk end. There are intergenerational impacts, like, they're huge.

**CHAIR** - Maybe we could just unpack that a little bit, before I go to other questions? For children in families or family units that are afflicted by gambling addiction, that brings with it a level of trauma, doesn't it?

**Ms BENNETT -** It does.

**CHAIR** - How does that happen? Explain that?

**Ms BENNETT -** Look, every family's unique, and every story is unique. But we do know that, firstly, there's a lot of family and domestic violence. We know there's a lot of conflict in households where one of the parents gambles. Obviously, with - and it depends on the impact of the spending, but I'm sure the first thing to go is optional extras at school. In many cases those children are going to feel very different to their peers at school and disengage from their schooling. We know that's part of the picture of having inadequate household resources. They also miss out on the time with their parents; quality time. That time spent gambling is time not spent with them. It's also around your focus, like, what's at the centre of your life? Is it your child, or is it a pokies machine?

**CHAIR** - Well, that, I mean, that is the question of addiction, isn't it?

**Ms BENNETT -** That's right, yes, and it's a central issue for all addictions.

**CHAIR** - Yes.

**Ms WEBB** - Back to the Deloitte report. I'm still interested to unpack what the Treasurer's theoretical criticisms are of this report, and assess their validity, if any. He seems to suggest that because the report, on his assertion, doesn't take into account revenue collected by the government in its calculations of benefits or costs, that makes it somehow, it would appear, less useful or less accurate. Is it your understanding that that is a missing element of

the calculations in the report? Depending on your answer to that, I've got some more questions around it as well.

**Ms BENNETT** - That's a good question.

**Ms WEBB** - If it's something that you're not immediately familiar with, we could ask you to take that on notice and come back to us.

**Ms BENNETT** - I'm not immediately - I'm happy take that on notice. I would have to look at - I know there was something they said was not in scope.

**Ms WEBB** - One of the things that might be useful then for you to consider when you look at that on notice for us. If we're able to think of the revenue collected by government from pokies, currently let's say it's a ballpark $50 million a year.

**Ms BENNETT** - Right.

**Ms WEBB** - And if the Deloitte report is saying that we're going to be potentially halving the money that's spent on poker machines from harmful gambling, that's only going to be a proportion of the $50 million a year revenue. So, for example, research would tell us about half the money that goes through poker machines comes from people being harmed. So let's say $25 million is the quantum thereabouts from harmful gambling and if we're to reduce it by half with the card, we're talking about $12.5 million or thereabouts that the government's missing out on in revenue. So just with that broad ballpark picture in mind, it would be interesting for me to know if it hasn't been taken into account yet in the Deloitte report, would that sort of quantum of money make a great deal of difference to where they've landed on their assessments of the costs and benefits of card or not, is that is that an amount of money that vastly changes whether we deem a card to be very beneficial or not?

**Ms BENNETT** - No, and I think it's - this is completely useful information. The government knows exactly what's not included in this. There is nothing to stop the government taking Deloitte's report and telling us how much MAX Gaming said it was going to cost to put the system in - and given their estimated decrease, you can calculate what the reduction in revenue is. My question is why haven't they released that? Why not do that?

**Ms WEBB** - If they were interested in a best outcome for our state, it's the sort of thing you would expect them to have been interested to pursue.

**Ms BENNETT** - But they've not told us that.

**CHAIR** - I think they hid it under Cabinet confidentiality, didn't they?

**Ms WEBB** - Well, at the moment I don't think they're the Deloitte report is even very readily findable in the public domain because -

**Ms BENNETT** - It's interesting, I couldn't find it when I looked when this committee started, but when I looked for it the other day, it's there.

**Ms WEBB** - It's because we asked questions about it at our last hearing about where it was.

**Ms BENNETT** - Building Tasmania now have it. If you if you search for the name of the report, it will come up.

**Ms GLADE-WRIGHT** - We spoke a little bit about this, but I just want to unpack it a little bit more. I'm really interested in the Deloitte report and how reducing poker machine spending can actually benefit the economy. And we did speak a little bit about it, but can you explain just in really straightforward kind of economic terms, why reducing expenditure on poker machines can actually increase economic activity and employment? Like how does that actually work?

**Ms BENNETT** - Okay, so, when we spend more than we want to in poker machines, it comes from somewhere. It comes from other spending, and more productive spending. So, when we spend on poker machines, we don't do anything really productive with that money. It's gone. But if we put it in our bank and it's invested somewhere else, it creates more value. It also - by reducing government expenditure on healthcare, government expenditure on prisons, court systems, we get an increased -

**CHAIR -** Police.

**Ms BENNETT** - Police. That's right. We get an increase in productivity, as well, that's another thing that they found, was that when you get a reduction in the use of pokies, where you get higher productivity from workers - I mean, they list them -

**CHAIR** - There's a small business impact, too, obviously, isn't there? That's very positive.

**Ms BENNETT -** And a small business impact, absolutely. I guess a proportion of - I won't go down that pathway, actually, that's going to lead me somewhere not very useful to you. Basically, it's taking away money that would be spent in their community, in local businesses, and I don't understand why businesses in Tasmania aren't up in arms about it, to be honest, when this report tells us that there's $150 to $250 million that could be circulating in Tasmania's economy and added to our gross state product. It's the classic problem that economists find, where if we introduce this card, the benefits are spread over everybody but that the costs of it are borne by one sector, so you get far harder pushback from that sector and you don't get as much of, I guess, collective response from the community.

I think most people in the community have got no idea how much poker machines are costing them personally. I think they think it's harming other people; they don't realise that, as a taxpayer, as a Tasmanian taxpayer, they are paying for the healthcare, the police, the courts, they're paying in that those people aren't coming in and spending in their business because they're putting the money in a machine. I don't know how we help people to understand that better. I really don't.

**Ms WEBB** - It's mostly on the government to understand it in the first instance, and it's clearly in the public interest to go a certain direction, but unfortunately they're not taking. It's true that money spent on poker machines doesn't generate the employment that the same money spent in virtually any other sector will generate. Is that your understanding of the economic impact?

**Ms BENNETT -** Absolutely. It doesn't generate - it generates barely any employment. It's a machine. It's the perfect money maker, really.

**CHAIR** - We've just clocked, I think, the highest ever losses for Tasmanians through the machines. So, any even nod to harm minimisation that might be happening right now is obviously having zero effect.

**Ms BENNETT -** Yeah. I mean, we know for example that - well, the only harm minimisation measure, really, that they have in place is exclusion, and the Treasurer's talked a lot about that. But to be honest, we know that moderate-risk gamblers, 96 per cent of them don't seek help, almost 98 per cent of them have never used self exclusion. Even when we look at problem gamblers, 80 per cent of them don't seek help and almost 90 per cent of them don't self exclude. So, I think we can see what a tiny impact that particular measure has. It is important, I don't want to undermine it as an important component, but to put it forward as a strong suite of harm minimisation measures I think would be very hard to defend.

**Ms WEBB** - And it's more easily delivered via a card anyway than what is proposed by the government.

**Ms BENNETT -** Absolutely.

**Ms WEBB** - What we're seeing is, as the Chair alluded to, increases in pokies losses over the last couple of years pretty steeply. We're on track with losses this year as well to be seeing another high figure because even in the first three months - July, August, September - on the figures that have come out for this financial year, we're sitting up $18 million, $17 million, $17 million - that's very high levels. We'll be at $200 million-plus again for this financial year. Do you have any reflections on that and the degree to which that should indicate an urgency around meaningful measures for harm minimisation?

**Ms BENNETT -** Absolutely. We know that money lost through pokies is associated with really high levels of harm. If we look at Western Australia, for example, they spend as much on gambling as the rest of Australia but have the lowest levels of gambling-related harm, and the key difference in Western Australia is they only have poker machines in their casinos, so when we see the increase in expenditure on gambling, the increase in expenditure on poker machines is a specific concern, okay. So, often the industry will say, 'Oh, people will take up other forms of gambling'. Well, we know from the data from Western Australia and its comprehensive analysis of the Household, Income and Labour Dynamics (HILDA) data in Australia - it's a long running survey of the Australian community to get data about what's called panel data - and looking at that really, really high-quality research shows absolutely, without a doubt, every extra dollar put into a poker machine is more harmful than a dollar put into another form of gambling.

**CHAIR** - Is that because of the addictive nature of the machines?

**Ms BENNETT** - I suspect, yes. It's the high intensity. So, when you buy a lottery ticket, you've got to wait till it's drawn. The intensity of play, and there's been heaps of work on this, a lot of research on this, that's shown that - and measuring neurological responses, that poker machines, the way they are designed does actually influence your next decision to play, and the higher intensity, the less other parts of your brain, your executive function, is coming into play.

Coming back to what the government is actually proposing bringing in, brings in an important thing about bringing in cashless gaming without any guardrails is extremely worrying. There's three reasons why that can cause more gambling harm. One of them is disassociation. Firstly, you tokenise money, and you don't have the pain of payment. The actual act of putting the money in the machine is in itself - they've done neurological studies and they've shown it's quite a different response when you put money in the machine compared to when you've just got a, you know, I guess, an amount digitally that you're playing with.

**Ms WEBB** - It makes it real that you're actually spending money.

**Ms BENNETT** - Yes, it does. And it's measurable, like it's neurologically measurable. There's a dissociation effect, but a really important one is it has a worse effect on people who are vulnerable and I think this is a really important point because there's three parts of your brain that you can use at any one time. There's your auditory functioning, there's like a map of what you're seeing, and then there's your executive function that's working out what's going on. People use money as a shortcut because they know they can't do those mental calculations at the time. Ordinary people do that. We all do that. We actually know we can't do the math, as they would say, as we're playing. When we tokenise the money and then we have losses disguised as wins and all sorts of stuff like that, it becomes really hard for people to actually monitor 'I came in with this much money, how much money do I still have?'

Studies have shown that that effect is more intense for older people and it's more intense for people in the lower two quartiles of income. So, we're talking about this being likely to adversely impact the most vulnerable people in our society.

**CHAIR** - I wanted to ask you about demographics, because there's some assumptions that may be at play in government, and in the border community, about where risk lies in the population. We know that poker machines are located in areas of relative or high socio-economic disadvantage. As someone who spent a lot of years doing policy work in this area, I know you'll avoid making sweeping generalisations, but could you unpack a little bit the demographics of risk here?

**Ms BENNETT -** Yes. Look, at the end of the day, we've got a population who already - like, before they walk into a poker machine venue, are really struggling to pay for housing, food and medicines. For those people, when you're already in that situation, you haven't got a secure situation to defend, so to speak, you go, 'This is a hope for me', and it's false hope. But you always hope that this might turn things around for you. If you're the person who's actually in that situation, you do tend to go, 'Well, I already can't pay the rent, I already can't do this, but maybe if I put some money in poker machine, I can get a little something', or they just do it because they enjoy it. The problem is it's selling hope to people who really need a different solution. It really ties in with failures in other areas in our system. The question is why are these people so desperate in the first place?

**CHAIR** - Failures of education, failures of health, housing -

**Ms BENNETT -** Housing, failures of providing people with enough money to live on that you make people desperate enough.

**CHAIR** - That's arguably the industry's business model here, isn't it? Its business model, and I put this to the industry the other day when they came in, the business model relies on what the literature describes as 'problem gamblers'. The business model relies on suffering.

**Ms BENNETT -** It also relies on new people, all the time. New people giving it a try. Can you imagine how much more likely that is with an ATM in the venue? You see those bright lights and think, 'Oh, I've never done that, I might give it a go.' If you can just go to an ATM and get the money out, it's a lot easier, isn't it? I mean, that's not research, but they obviously want ATMs in their venue -

**CHAIR** - To make it easier for people to access cash to put in the machine.

**Ms BENNETT -** It's easier to access money, cash, yes.

**CHAIR** - You've been through the Deloitte report, obviously, you've seen the picture it paints of the way Tasmania could be?

**Ms BENNETT -** Yes.

**CHAIR** - Or could've have been.

**Ms BENNETT -** Could still be.

**CHAIR** - Could be.

**Ms BENNETT -** If anybody has the guts to bring it in.

**CHAIR** - Yes, the history here of the gambling industry getting governments to do what it wants is long and sorry and reaches back decades. But your overall impression of the findings of the Deloitte report - and I know this is asking you to make a political comment - but as someone who is a social researcher, how it feels as someone who's been in this sector for a very long time, looking at the human fallout of EGMs, to read a report like this, and understand how the world could be, to where we are now, which is the subject of this committee's work. What are your observations? How do you feel about it, as a professional?

**Ms BENNETT -** As a professional, both in economics and policy, I would have thought that something that can deliver such outstanding improvements in reducing harm, like, reduce player expenditure by 23 to 46 per cent and also deliver the huge benefit to the economy and to jobs.

**CHAIR** - And to children.

**Ms BENNET -** My gut feeling is that the technical term for it is a 'no brainer'. We know that 90 per cent - we don't know the exact figure, but surveys have indicated that we could introduce this and about 90 per cent of the population would be really happy with it. I really question what's going on when we're not delivering something that the government's own report that everyone participated in the consultation for this; I know that Anglicare was well consulted, I know that the hospitality industry was well consulted, and I know that Deloitte has done a lot of work for the industry, so they're a pretty independent body to be undertaking this work.

My husband is a year 12 teacher and one of his students wrote an essay about gambling, and one of his suggestions - and actually I don't know if it was boy, I think it doesn't really matter - one of their suggestions was that whenever the government spent taxpayers' money on a report like this - and I don't know what this report cost - that if they did not accept the recommendations of the report or they acted against the recommendations of the report, that they should have to republish a report on exactly why and provide evidence.

**CHAIR** - What a fine idea.

**Ms BENNETT -** Year 12. Year 12, I say.

**CHAIR** - Yeah, the kids are all right.

**Ms BENNETT -** They are.

**Ms WEBB** - That would be accountability, wouldn't it? Because, in fact, this report was put up on your website without even being mentioned by the government on 23 January this year.

**Ms BENNETT -** This student was saying it in relation to the Peta Murphy report, but I think this falls in the same ballpark.

**CHAIR** - Same principle.

**Ms BENNETT -** The other thing I guess that I just wanted to add was around the ticket-in, ticket-out, and we don't have any evidence of where that suggestion came from as a harm minimisation measure. But I would like to point out that the government did receive advice that that could be harmful, and it's here in the Deloitte report that says -

**CHAIR** - It identified a money-laundering risk.

**Ms BENNETT -** Yeah.

> Moving from a cash- to card-based EGM ecosystem is, in the absence of harm minimisation features, likely to increase player losses, particularly for those at moderate to high risk of problem gambling.

So, the government has actually received that advice that they have commissioned themselves, so they asked for it, and they've then taken that information that they have and have done something that their own report says will increase harm. I don't understand why they would do that.

**Ms WEBB** - Would it surprise you to learn that in the hearing with the Treasurer, we also ascertained that advice on Ticket-In-Ticket-Out proposal did not come from Treasury, from the liquor and gaming branch of Treasury. That was not in the suite of measures put forward by the liquor and gaming branch. It didn't come, of course, we would all understand, from the gaming commission either. The Treasurer wasn't able to identify any source of where that proposal came from, other than in his own mind and his common sense.

**Ms BENNETT -** Well, if you do - you won't find it as a harm-reduction measure because it's not a harm-reduction measure or a harm-minimisation measure. If you do a basic search on Google, it won't pop up as a harm minimisation measure.

**Ms WEBB** - Do you think bringing forward a measure you're positing as harm minimisation in a suite of harm-minimisation measures from a government unable to identify a source or an evidence base for that measure complies with the intent of the act?

**Ms BENNETT -** I couldn't find how the suite of measures could be described. By looking at what the act said - the objectives of the act, I did not see how these, as a suite of measures, met those objectives.

**CHAIR** - I think that's a reasonable place to end our hearing today. Thank you so much, Mary, for sharing your deep professional insights with us on this subject. And thank you for taking the time to come and present evidence, evidence to us today.

The evidence you 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. Is that clear to you?

**Ms BENNETT** - That's very clear there, yes.

**CHAIR** - Again, thank you so much for coming in today.

**The witness withdrew.**

**The committee adjourned at 1.00 p.m.**