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THE LEGISLATIVE COUNCIL SESSIONAL COMMITTEE GOVERNMENT ADMINISTRATION A MET IN COMMITTEE ROOM 2, PARLIAMENT HOUSE, HOBART, ON FRIDAY 25 SEPTEMBER 2026.

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

The committee met at 9.30 a.m.

Tasmanian Liquor and Gaming Commission

CHAIR (Ms O'Connor) - Good morning, Jenny. 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. Here at the table are my colleagues from Government Administration Committee A: Meg Webb, the independent member for Nelson who's seconded to this committee; myself, Cassy O'Connor, member of the Greens for Hobart; and Clare Glade-Wright, the Independent member for Huon.

Would you mind stating your name and the capacity in which you're appearing before the committee?

Ms CRANSTON - My name is Jenny Cranston and I am the chair of the Tasmanian Liquor and Gaming Commission.

CHAIR - Would you like to introduce your colleague at the table?

Ms CRANSTON - This is my colleague, fellow member of the commission David Hudson.

CHAIR - Good morning. Can I confirm you've received and read the information for witnesses' guides sent to you by the Committee Secretary?

Ms CRANSTON - I have, yes.

CHAIR - Thank you. 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'd like 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.

The committee is taking sworn evidence, so Jenny, I'll need you to take the statutory declaration in front of you, and also for David.

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Ms JENNY CRANSTON, CHAIR, and **Mr DAVID HUDSON**, MEMBER, TASMANIAN LIQUOR AND GAMING COMMISSION, WERE CALLED, TOOK THE STATUTORY DECLARATION AND WERE EXAMINED.

CHAIR - Thank you very much and thank you also for your submission - very precise and detailed. Would you like to make a short opening statement to the committee?

Ms CRANSTON - Yes, very briefly. Thank you for the opportunity to address the inquiry today. As you know, gambling is not just another product, and while it provides recreational enjoyment for many people, it does contain inherent harms that adversely affect the lives of many people. For this reason, it is regulated by legislation, and subordinate codes and rules. Just as alcohol is harmful for some people, driving a car is dangerous, working with electricity can be harmful, these are all industries, and many others, that require a regulatory framework to sit around them, and so with gambling.

In Tasmania, the *Gambling Control Act* was enacted by parliament to regulate this industry. Its object is to ensure that gambling is conducted fairly and honestly, and free from criminal influence. A lot of the commission's work is about that, and nothing to do necessarily with harm, but the other object of the act is to ensure that people, particularly vulnerable people, are protected from those harms that are inherent from gambling. I repeat, that's the object of the act; that is the point of the legislation, and the Tasmanian Liquor and Gaming Commission is at the heart of that object as the body legislated to protect from harm.

I think I've said it in the submission, but I'll say it again: the Tasmanian Liquor and Gaming Commission is the only entity in the state - body, organisation, individual, whatever - that has a legislative requirement to protect from harm. Treasury doesn't, you don't, at the moment, government doesn't, Anglicare doesn't, and certainly industry doesn't. So, it is regulated and legislated to protect from harm and we take that responsibility extremely seriously. We have done so over the last five years since this whole policy agenda around harm minimisation measures really began seriously. In that period, we've gone from the forefront of a nation-leading, player-card gaming initiative that was widely identified as the strongest and most robust harm minimisation measure that is available, and from there to where we are today.

On behalf of the commission, I look forward to further prosecuting that agenda in keeping with our statutory obligations.

CHAIR - Thank you, Jenny. Let's just talk about where we are today - and noting the commission's statutory responsibility to protect vulnerable people from harm, what is the commission's view on the current harm minimisation framework, in terms of its effectiveness?

Ms CRANSTON - Are you talking about ministerial direction that was given?

CHAIR - Yes.

Ms CRANSTON - I think we're on the record as saying that we were disappointed in its strength; that there were seven new measures in the draft that we saw back in January, and I guess none of those were what we were expecting.

We had been waiting 18 months at that point for a harm minimisation package to be delivered, as per the promises made in parliament at the end of 2024 by the Premier and the

then-minister. I guess when we saw that, we were surprised that it was, well, two things: that it was so detailed and specific about particular agendas that we hadn't been considering. Obviously, some - facial recognition technology, for instance - had been on the agenda, and we had been considering that given that many venues had already voluntarily introduced it. We also had been obviously thinking about the gambling exclusion scheme, which we know has some issues around its efficacy. So, that was another issue that we were looking at and talking to Anglicare about.

A couple of the other actions in that ministerial direction we were surprised to see. The two, I guess, that were a particular issue were the introduction of ATMs in hotels and clubs for the first time in Tasmania, and the introduction of a ticket-in, ticket-out system - especially that latter one that had never been on the commission's radar as a possible initiative that might be introduced, so that came as quite a surprise. We certainly, I think from the first moment, had concerns about the introduction of ATMs.

So, our initial reactions, Chair: surprise, disappointment, and then we sort of entered into a debate from January through to June, with the final issuing of the ministerial direction of debate with the Treasurer and others about other measures or raising concerns. And that's on the public record. The commission can't resolve from that; the letters have been RTI'd, so it's there, what the commission feels about some of those actions.

CHAIR - Before I throw to Ms Webb, given where we've come from and arrived in the last five years, is it unreasonable to take the view that in terms of harm minimisation, we've potentially gone backwards?

Ms CRANSTON - I think we actually said that in the very first letter of the 31st of March. I think some of those measures, particularly the introduction of ATMs, you know - certainly Ms Webb knows - that access to cash is a significant lever in terms of harm for people from gambling, and the introduction of an ATM means greater access to cash. So, it's almost definitional that that would be of concern, particularly when there's \$400 to be allowed to be taken from the ATM.

And I think that there is an attempt - and I have to acknowledge this - to make that a safer technology by the use of the facial recognition technology on it. That certainly makes it safer than just an ATM, because while the commission is yet to finalise any rules and so on associated with that, one person, one card and a limit is what is intended there, and that's safer than just an unfettered access to an ATM. So, there is an attempt to strengthen it, but nevertheless it is still easy access to cash in a venue that didn't exist before at that level, so that's the one that's bothering us most.

Ms WEBB - Thank you and I know we'll delve in more detail into each of the different measures, but I wanted to stay at a sort of general level as well to begin with, if I may. I think it's good to clarify that, from your correspondence that's been RTI'd and in the public domain, you have made it clear that you believe these proposed measures from the government are potentially more harmful than the status quo. I want to be really clear that that's the assertion you're making in that correspondence.

Ms CRANSTON - Well, I think collectively, the answer would have to be yes.

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Ms WEBB - Thank you and it's interesting because I note also from the RTI correspondence, in the response that you received from the Treasurer, he made a couple of comments and I wanted to test them with you for your further response to those things that he had said, and I'll read you the quotes that I'm interested in a response. His correspondence back to you said:

The suite of measures recently announced by the government will deliver immediate and practical harm-reduction outcomes while balancing effective consumer protections with proportional regulation, operational practicality and respect for personal agency. It is critical to look at the package as a whole, with each measure reinforcing the others rather than as isolated initiatives.

When you consider that statement and what he's suggesting there, do you believe that when you look at this set of measures as a whole, rather than each individual component, they present any more efficacious harm-minimisation impact than you have already assessed them to have?

Ms CRANSTON - I think that we would have to say no, I don't see it that way. I think that, as we're on the record as saying, facial-recognition technology is good if you have nothing else, and that certainly would help people who are already excluded from gambling, would help venues to identify them. That's a good piece, and if we can improve that through strengthening the gambling exclusion scheme, that would make that piece a whole lot better. But the other measures, I suppose, are either fairly minimal in their positive impact or they are allowing greater access to cash and, in the case of TITO, a system that would mean faster access to cash - and the ease and the speed with which you can acquire money and then put it through machines is a significant factor. The commission's not making that up. Anybody who has looked at any kind of literature research on it, the ease and the speed with which money can be attained and then put through machines is a significant factor in problem gambling.

Ms WEBB - Looking at the measures as a package in no way improves their efficacy in terms of harm minimisation?

Ms CRANSTON - I would think not.

Ms WEBB - Thank you. May I test one other statement from the correspondence? He also said in his letter back to you, and I quote:

The reforms announced should be understood as a balanced and practical package designed to reduce harm in the short term while allowing for future reform informed by evidence and national experience.

Do you see that these are measures which can be brought to bear in the short term and be positive in terms of reducing harm?

Ms CRANSTON - The only measures that I think are able to be developed, delivered in the short term are the closure hours, which we've had an attempt at strengthening.

Ms WEBB - We'll talk more about that.

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Ms CRANSTON - And the reduction in caps, which could start - that could be happening in the short term, and the gaming care officers are already in place; well, I don't know whether they're in place, but that's an initiative that could be in place. They're the three that could happen immediately or in the short term.

Ms WEBB - To what extent are those three measures that could be brought into play in the short term effective in your assessment in reducing harm?

Ms CRANSTON - Well, we said on the record again that action one, the closure hours, was pretty minimally effective as a harm-min measure because most venues were not operating outside the closure period anyway. The majority of licensed venues have out-of-hours permits that allow them after midnight. So, nobody was really out there operating around the four hours. They had already sort of self-imposed a much tighter timeframe. So, the venues that were beyond the 2 a.m. were small. Two or three venues beyond that. No, I think, five venues.

Mr HUDSON - Five venues the submission says.

CHAIR - Of 87?

Ms WEBB - We will come back to that in more detail as well. I am interested, those short-term measures, will they actually deliver meaningful reduction in harm in your assessment?

Ms CRANSTON - No.

Ms WEBB - Thank you. On that, where he says that 'this will allow future reform to be informed by evidence and national experience', is it your observation that this government has been informed by evidence or national experience on deciding on any of these proposed reforms?

Ms CRANSTON - I can't speak for that, Ms Webb. I mean, TITO does exist in every other state. So it is there as a system that's operating and practical, and I assume that there's lessons to be drawn from its operation elsewhere, but it hasn't come from the commission.

Ms WEBB - And is TITO regarded as a harm-reduction measure, based on national experience?

Ms CRANSTON - I haven't seen it regarded that way, no. That came as a complete surprise to us. We hadn't really turned our minds to TITO, so we were scrabbling a bit from the beginning in terms of what it meant and how it actually would operate. We may be still in that territory because, if you look at the timelines at the moment, the next piece of work needs to be done is the ATM. The TITO, we've got to provide a framework for its introduction, but I think the Treasurer himself has said that might take - for introduction, full implementation, should venues wish it - of a certain number of years. So, that's sort of there at the moment and we've just got pieces that we're working on in order. The first one was action one, obviously.

CHAIR - Can I just check with you, it's not that the commission was actually consulted on this, the efficacy of this suite of measures, is it, not in any meaningful way, the government effectively said, 'This is what we'll be doing.'?

Ms CRANSTON - No. We had a few disappointments on that day; that was one, that we had not been consulted, and there had been 18 months in order to consult us. We had been assured by various ministers along the way that we would be consulted on that measure right back to the end of 2024, and we weren't. So yes, we weren't consulted. But, I suppose then, we were more than disappointed at the content of the ministerial draft, ministerial direction in January, that was so detailed and so outside of anything that we had been thinking a harm-minimisation package might look like.

Ms GLADE-WRIGHT - Commissioner, your submission says that the commission is the only body in Tasmania with the statutory responsibility to minimise harm from gambling, is that correct?

Ms CRANSTON - Yes.

Ms GLADE-WRIGHT - So, I was surprised to hear you say that the proposed measures may even increase harm. Did I hear that correctly as well?

Ms CRANSTON - Well, they may. I mean, they're not considered harm-minimisation measures to some extent because of the access to cash and the speed and ease with which you can lose money.

Ms GLADE-WRIGHT - Then, I'm really interested if there's sort of a conflict with your obligations. Can a situation arise where your obligations to comply with a ministerial direction actually conflict with its statutory function to minimise gambling harm?

Ms CRANSTON - Yes.

Ms GLADE-WRIGHT - In that case, which obligation prevails, would you say? Or have you sought any legal advice on how you would deal with that situation?

Ms CRANSTON - I mean, it's not unusual for the commission to receive ministerial directions. I think what was unusual with the draft in January was the level of specificity and detail that it contained. That was perhaps another surprise. We thought action one, our attempt to strengthen the harm-minimisation aspects of action one - the closure of hours - was our attempt to perhaps manage that conflict a bit. We thought we could make it stronger by having a set of standard hours, 2 a.m. to 9 a.m. That is what happens in four out of six other jurisdictions, including New South Wales and Victoria. Standard closure hours would provide a greater protection, particularly for anybody, problem gambler presumably, who's venue-hopping. That wouldn't be happening in regional areas. That would be in the places where the venues are reasonably close like the so-called Golden Mile. We attempted to make it stronger, but then of course that decision that the commission had made - so that was our attempt to manage the conflict that you're talking about. We thought that this was a good decision, and that we would work our way through with rules and that we are required to put around enabling these measures to occur, that we could try to build in some protections as we went that would make the initiative stronger, but then we got a substitution ministerial direction which made us reverse that decision and go back to what it was. So, yes, there are some issues there that we are working through.

Ms GLADE-WRIGHT - At any point can you say, 'We responsibly can't implement these measures'? Is there a point where you can say that?

Ms CRANSTON - I think that's what we're in the process of considering now: that the July direction that ensured that we had to overturn our decision, because we have to comply with that direction. We did it, and we went back to the situation that was there, the status quo, the flexibility that the Treasurer spoke about. I guess it does raise questions about moving forward and our capacity to exercise our independent statutory functions if that action were to occur again. We are considering that in a great deal of detail at the moment, and we've got work to do and we have to make sure that we're right. But there is an inherent difficulty in the way in which the direction's been framed, and our statutory independence.

Ms WEBB - It's a very interesting line of questioning from the member. Thank you, Ms Glade-Wright, because it's almost undoubted that the commission will find itself in the same position again. When we look at the further measures to be introduced that you will receive directions, presumably, about in coming times, particularly around introduction of ATMs and the TITO system. The Treasurer, on the one hand, has been very clear in some public statements that the commission will be able to be putting particular arrangements and rules in place, and designing how that's going to work in practice. Yet we've already seen him come in at the behest of industry. He's also been clear on the public record that he overruled your decision on standard closure hours because of advocacy from industry.

I presume that if you try and put in any stringent rules or mitigating harm around the introduction of ATMs or the introduction of a TITO system, the two things you're most concerned about, the Treasurer is going to receive a hell of a lot of advocacy from industry, and come back and potentially overrule you yet again - is what we could anticipate. Is that what you anticipate looking forward? Do you feel that you have the ability to put in place and meet your statutory obligation to reduce harm when it comes to putting in place rules around those other measures?

Ms CRANSTON - Clearly, the Treasurer was unhappy with what the commission had done with his initial -

Ms WEBB - Well, industry was unhappy, and the Treasurer's made it clear he heard from industry they were unhappy.

CHAIR - The industry wouldn't accept the bare minimum -

Ms CRANSTON - Anyway, the Treasurer had raised with me those concerns that had been put to him. We persisted, and then he took the action that he took, and we were unhappy about that. We're at the point where you are. This has all happened in the last little while and we are not happy that this happened. We're not unhappy because we feel disrespected or we feel ignored. We feel unhappy because this is something for this commission in the work going forward, this commission in the future, years from now, that there needs to be, I think, some clarity around the statutory independence. Parliament enacted it, puts the commission in there with a certain set of functions and roles, and, yes, ministers are capable of directing the commission to do certain things. So, it's a fraught area, and the extent to which that his power - that's quite clearly there in 127 of the act - the extent to which that can be affected is something that we're grappling with.

So, we've seen a small skirmish and, I don't know, we are considering what happens next. But I hope that people know the commission is not going to resile from what it believes is its

statutory function and its care, as we have done, hopefully, in protecting people from harm. We haven't moved away from that as our primary function and concern, so as we move forward we will be continuing in that line. This might have all been a great lesson for all of us and so we'll proceed - that would be my hope - in a measured way, and that we can give effect to the intent of the policy directions, but that we can exercise our, I think, statutory role to provide for harm minimisation.

Ms WEBB - Can we talk about the closure hours area of the policy suite since we've already gone there a little bit? Can I move into that area to ask some further questions?

When the direction was first made and gazetted to address that aspect -

CHAIR - Direction No. 1 or No. 2?

Ms WEBB - The first one is the one I'm talking about.

Initially on Wednesday the 24th of June, a direction to the commission was gazetted and point (1) of that direction was that the Liquor and Gaming Commission is to:

1. Extend the mandatory closure period for gaming areas in hotels and licensed clubs that are operating gaming machines to be seven continuous hours every 24-hour period, effective from 1 August 2026.

That was the wording gazetted on 24 June. Can you describe, then, what the commission did in order to develop its approach to how that would be implemented?

Ms CRANSTON - As we always do, you take the direction; we're required to do this. Let's have a look at what data is available; what research can we access. The Liquor and Gaming Commission asked for the data about out-of-hours permits and who was operating when. We received that data and, as we've already mentioned, 84 out of the 89 venues were already operating within a 2 a.m. closure time. We hadn't picked on 2 a.m., except that the Vantage Group of hotels had got ahead of us and suggested that they were looking at, you know, 2 a.m. to 9 a.m. They were the ones that were operating till 4 a.m. So, we had that sort of in mind. We looked at interstate and what was happening there and we got some research about risky behaviours at night - the late-night hours. We had a look at the small number of venues that would actually be affected with some kind of standard hours, so without making a determination about what they would be, we asked the five venues that operated after 2 a.m.: what hours do you think? What would you do? We got those responses. We weighed that up against the interstate experience. We looked at the risky behaviours and we also looked at the evidence that we hold about the venue hopping - and we actually got the CCTV footage, sadly, of a gentleman who moves between venues.

Ms WEBB - To maximise the number of hours he can continue playing?

Ms CRANSTON - Yes, and nobody picking up that he was an excluded person. So, we've got that evidence, so we know it happens. Intuitively, 12 o'clock till 1 o'clock to 2 o'clock to 3 o'clock to 4 o'clock, there's a span of hours that we could do something about if we actually standardised it within the seven hours that we were asked to do. We did all that, we sent out to those stakeholders. The time was quite short, as you'll appreciate, between us getting onto that

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and then getting to the 1 August deadline. So, we confined it to - well, it was less than that, Ms Webb, because we have to talk about it, we have to think what the strategy is, we have to get the data, we have to absorb the data. We have to look at all of that. We have to construct the letters to the stakeholders. They have to go out. Gave them a week, I think, to come back. Then the commission has to get together again and work out what happened. So, it was quite a tight timeline in the end. Anyway, that was the decision that we came to and then we have to, of course, in a formal sense, make a rule. That's also a statutory determination that has to happen, and then let stakeholders know that that was what was happening.

Ms WEBB - You published that rule I think, did you?

Ms CRANSTON - Yes.

Ms WEBB - That was formally published under legislation.

Ms CRANSTON - Effective 1 August. So, not at the moment that we published it, but in keeping with the date that had been set in the direction.

Ms WEBB - Then the Treasurer heard from industry strongly objecting to this, and on Wednesday 29 of July another gazetted direction replaced the previous one from 24 of June, and the wording was slightly altered in point (1) of that direction to read:

Extend the mandatory closure period for gaming areas in hotels and licensed clubs that are operating gaming machines to be seven continuous hours every 24-hour period without specifying the start time of the closure period, effective from 1 August 2026.

To shut the door on what you had just developed through that process of consultation and looking at evidence and made a rule about, and therefore the rule had to be scrapped.

Ms CRANSTON - Yes, and so we met again and made the rule, as per the Treasurer's instruction, and then we had to let stakeholders know, basically ignore the previous, and here we are. This is the amended 1 August rule that's now in place and operating.

CHAIR - Can I just get some clarity on that? That all happened very, very quickly at the end of July this year, didn't it, where the commission was on a path on an understanding based on the original ministerial direction and then, within the matter of short days before it was to come into effect, it had been reversed.

Ms CRANSTON - Three days.

Ms O'CONNOR - Three days. Not ideal.

Ms CRANSTON - I mean, partly driven by the fact that we - I can't exactly remember when we advised the stakeholders that we'd made that determination, then there were a few days of silence, and I had let the Treasurer's office know, which is normal practice, that we were going to do this.

Then the Treasurer rang me on the Friday night and we had a discussion. I sent him at that point an email that had some information in it around some misconceptions that he had

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been, I would believe, given that venues would have to close their doors and that there were lots of somewhat frightening stories about the impact of that standard hours. So, I corrected the record, and then I said we would get a proper briefing to him the next week. That was on the Friday night. Then we worked hard on the weekend to address some of the concerns. He also sent a letter to us at that point and wanted to know how we had arrived at that decision, what we had based our decision on, why hadn't we consulted with Hospitality Tasmania, the peak body, why, et cetera. We responded to that in a briefing that we sent him on the Tuesday, and then he made the decision on the Wednesday and let me know. So, there was a bit of toing and froing about it.

Ms WEBB - Could we make a request for that documentation to be provided to the committee?

Ms CRANSTON - Yes, what would you like?

Ms WEBB - We can write to you after this hearing with a request for the documents you've just mentioned there - correspondence documents you've just mentioned.

CHAIR - You also mentioned in your submission a briefing paper to the Treasurer addressing the issues he'd raised.

Ms CRANSTON - That's the one I'm referring to.

CHAIR - It would be good if we could have a copy of that briefing paper.

Ms WEBB - We will write with detail about that. Thank you.

Ms CRANSTON - Yes.

Ms WEBB - To be clear there, was it your understanding in the consultation and the research that you had done when you were initially developing your rule to set standard hours, was it your understanding that there would be significant economic impact on venues, that there would be job losses as a result of that new rule being brought into play.

Ms CRANSTON - No. We thought that, given the information that we had, that, as I said, Vantage Group had already said, 'We're going 2 a.m. to 9 a.m', and that was in line -

Ms WEBB - Which was what you were going to set as the ruling?

Ms CRANSTON - Well, we were thinking of, by that stage, but they'd already said that because the contents of that direction, the seven hours, was known since January. So people had been thinking that was going to happen since January, and they'd already said that. So, there were a couple of other venues that were maybe - I'm not sure now but Mark can probably help me - that closed at 3 but wanted to open 2 until 9 -

Ms WEBB - Three until 10.

Ms CRANSTON - Three till something. There were only - apart from the Vantage Group, only two other venues. So, we thought, at most, we would be talking about a couple of hours for a couple of venues, and we knew what those venues were and they weren't venues

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that were experiencing financial difficulty. They were the inner-city 'Golden Mile' - Glenorchy, mainly, I think.

Ms WEBB - So, the economic impact of an hour or so for a venue and the jobs impact, in your assessment, had been fairly negligible.

Ms CRANSTON - Well, in that briefing, which you've now asked for, we told the Treasurer that we thought that had been way overstated: that 74 venues were completely unaffected and then the impact on the others was an hour or so at most. At that point, that was only two venues.

CHAIR - Can I just quickly check on that? The Treasurer asked whether you'd consulted with the Tasmanian Hospitality Association on the way the commission was seeking to implement the direction. Was there an opportunity to talk to the THA, noting that they'd have had very ready access to the Treasurer's office, but for the commission?

Ms CRANSTON - We were worried about the timeline, and it's not unusual when you are talking about matters that are involving a small group - one venue or a small group that the commission talks to. I mean, they're our licensed venues. We are able to talk to them. We thought putting it through the bureaucratic structure of the Hospitality Tasmania, when the vast bulk of venues this had nothing to do with it; it didn't concern them in the slightest because they didn't have permits that allowed them to do it. So, I suppose we thought the number of venues is really small, this is targeted, the clock is ticking, we need to give them some time to come back to us. The week was the maximum we could allow, really, before the August - we had to change a rule and so on, if that was the way it went. So, we thought that the impact was small, that not going through Hospitality Tasmania was proportionate in regards to the impact and the number of venues and the number of hours involved. We really didn't expect there would be such a big response to this.

Ms O'CONNOR - Can I just check, given the number of venues that you say were already quite comfortable with that seven-hour standardised closure, and the fact that the Treasurer changed the approach quite dramatically, that was on the basis of how many venues that would have been potentially negatively affected?

Ms CRANSTON - Well, the commission only asked those venues which had late-night trading, so anything beyond midnight, I think - where's Mark? Beyond midnight? The venues that we asked? Yes, the ones that operated after 2 a.m. When it came down to it, after the weekend, it was a venue that wanted to open earlier than that - 7.

CHAIR - 7 a.m. in the morning?

Ms CRANSTON - Yes, 7 or 7.30. It became an early-morning issue rather than a late-night issue.

CHAIR - That was a single venue or a single company?

Ms CRANSTON - A single venue.

CHAIR - A single venue wanted to open at 7.00, 7.30 in the morning?

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Ms CRANSTON - Yes, which would not have been allowed in the standard hours.

CHAIR - Can I ask, are you comfortable naming that venue?

Ms CRANSTON - I can't actually remember it, to be honest. It's in the city. That's all I know.

CHAIR - Extraordinary.

Ms CRANSTON -Yes, indeed. I think that the Treasurer was pleased with - when I spoke to him on the Tuesday morning - that the weekend had seemed to calm everybody down a bit. But it was this one venue, and for that venue that was maybe two hours. We hadn't looked at that, and that's probably our fault. We didn't look at the early opener. We were looking at late night. Late-night gambling is more dangerous because alcohol is involved. The research is much stronger around it, and that's what we were looking at. I will say that it wouldn't have made any difference to our decision.

CHAIR - Just one of 87 venues that arced up, and here we are.

Ms WEBB - Just before we move on, I know we've got plenty to talk about, and we've been on this for a while, but you mentioned other jurisdictions. Four other jurisdictions have standardised closure hours, and presumably those have been in place for quite some time, I'm imagining. Do you see an inconsistency in the government claiming we have to adopt a nationally consistent approach to a pokies card, and nationally consistent approach to, for example, introducing TITO now, and pointing to other jurisdictions and what they do, but on this kicking up against following other jurisdictions and introducing standard closure hours?

Ms CRANSTON - I think we all do things, Ms Webb, that are sometimes inconsistent internally. But yes, if you were wanting to strictly stick with what other states were doing, yes, it's inconsistent. I think it's probably at the margin, really.

Ms WEBB - Thank you. Can we talk about ATMs, please? One of the suite of measures announced by the government was introducing ATMs with facial recognition capability which, as you have mentioned in your opening statements, will be the first time we've ever allowed that in this state -

Ms CRANSTON - Apart from casinos.

Ms WEBB - Apart from casinos, of course. As you've characterised it, I think I'm not being inaccurate, it is quite a disturbing development because of access to cash being such a key issue of potentially increasing harm that's occurring. The Treasurer's letter in response to you that came out through RTI said that:

Under the government's policy, cash withdrawals will be capped to \$400 per person per day.

We already have an existing facility where people can get money out through EFTPOS transactions in venues up to \$200 a day. What's your understanding about how the \$400 available through ATMs will interact with, be replacing or in addition to, the current EFTPOS arrangements?

Ms CRANSTON - I don't think you can have both. I think that the Treasurer's view is that if venues adopt the ATM with facial-recognition technology, that the EFTPOS would no longer be required. You wouldn't have both.

Ms WEBB - We will then be banning EFTPOS access in venues?

Ms CRANSTON - Well, that's a current code rule that the commission has set. We have long been unhappy with the EFTPOS operations in hotels and clubs, because it's clunky. The only way you can do it is to make sure that staff are trained so that if a person, you've got to take a note of the card, and make sure that that's recorded manually. Then if that person fronts again, that the card is checked or someone else brings the card, but the card is checked. That doesn't always happen; we know it doesn't always happen.

Ms WEBB - The current EFTPOS system is a very flawed system in your view already in terms of providing protection from harm?

Ms CRANSTON - Pretty much. There's probably places where it operates really well, but we know because venues self-report it as a transgression. We've been gathering that information for some time - years - when we thought we were having - I need to say this - we're not just gathering information, we thought with the card, the player card, that would come in, this issue would go away, you wouldn't need it. We were holding - well, like a lot of things we were holding our responses because we thought the card would take care of an awful lot of things that you could rewrite the code practically because you wouldn't need it.

Ms WEBB - It delivers on all fronts, the card. We'll talk about that more while you're here with us today. But in terms of the ATMs, then, they potentially have the ability to be more effective than EFTPOS because if they do have the facial recognition and they can stop people from taking more than \$400. Is that technology actually available to us, though? Are you aware of it anywhere else in operation in this way?

Ms CRANSTON - Well, we are working on this. This day next week we are speaking to the person who helped us with the card, a consultant that we have who's an expert in gaming technologies and we're hooking into him next Friday. We have some preliminary information. It's not readily available, but it is available and I don't know the expense of it, and I don't quite know how it will work yet, but all will be revealed next Friday for us.

I have to say, hospitality industry is adamant it does exist and it's operational and that it can be adopted. We have not experienced that yet and our expert adviser will tell us about that next week. So, let's assume it is. Let's assume they're correct. There is then a whole raft of work that has to happen around the certification of those machines, that they do actually stop at whatever limit that you set on them - they actually don't allow any more money out. There has to be certification of every single venue that will adopt this technology, and we have to make rules about how far at the casino they have to be a certain distance from the gaming areas, 20 metres, I think 20 metres.

Ms WEBB - Current ATMs at casinos which don't have facial recognition.

Ms CRANSTON - Don't have facial recognition but have a limit on them.

PUBLIC

Ms WEBB - Presumably would have to have facial recognition if this rule comes in?

Ms CRANSTON - I haven't thought about that but yes, presumably.

Ms WEBB - Can I check then the limit, that \$400 daily limit that can be withdrawn through these ATMs in venues once they're presumably there: the limit is associated with the person's facial recognition, not with the cards that they use.

Ms CRANSTON - Well, that's something that we're still working on, because you have to be careful about people swapping cards.

Ms WEBB - For example, I have four different cards for different accounts in my wallet, so can I use the ATM to get money out from four different accounts.

Ms CRANSTON - I'd love to be able to answer these questions for you, but please be assured we know about the issues, we just don't know yet how this will all play out in reality in a machine. It's not just the person who needs to be recognised, it's the card as well so that somehow you have to link that as one transaction, then you can't have the person using another card or that card going to another person. You have to have a double protection there.

Ms WEBB - The irony of this, given the fuss that was raised about the complexity, apparently, of a pokies card and how difficult it was going to be and complex for each person to have a pokies card to use in machines, and what would we do if people swapped cards, and here we are contemplating, from what I hear, you describe, something far more complex in terms of regulating it and ensuring that it works.

CHAIR - Or at least as complex.

Ms CRANSTON - I don't know how complex it will be. I'm not even sure yet until we have this further interrogation of what's available, whether you can do both those things at the same time. The commission has already identified that as a risk, and then there'll be the cost associated with that.

Ms WEBB - With installing them and purchasing them?

Ms CRANSTON - Purchasing them.

Ms WEBB - Which will be a cost that's borne by the venues.

Ms CRANSTON - I assume so. As you know, the commission has no function in relation to the financing of anything. One of the issues around the player card was we reached the point where the commission couldn't go any further anyway because money needed to be expended with Maxgaming. The commission doesn't control the purse strings. You might have to ask the Treasurer who's paying for that, but I would have assumed it was the venues. They're presumably the ones who want this. Same as facial-recognition technology that is currently borne by the venues who have installed facial-recognition technology.

At the moment the commission has reviewed what's operating at the casino but not what has been installed in hotels and clubs and that will have to be regulated. We'll have to have some kind of rules around how FRT works.

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Ms WEBB - I would like to come back to that in more detail but I think we're still on ATMs at the moment.

CHAIR - Yes. Just on the introduction of ATMs into venues, where did that policy approach come from, to the commission's understanding? Is this something that's happening around the country or has been permitted around the country already?

Ms CRANSTON - I can't answer that question because I haven't done that scan. They are in the casino in Tasmania. They're not in hotels and clubs in Tasmania and never have been, and it certainly wasn't an idea that the commission would see as putting forward ever as harm minimisation.

CHAIR - Well, potentially, it's a harm promotion policy, isn't it?

Ms CRANSTON - To be fair, if we could replace the \$200 EFTPOS withdrawal process that we allow now with its imperfections which means people can exceed that and have exceeded that - we know that because venues have told us - if we could replace that with an ATM that had facial-recognition technology that didn't allow multiple cards or person-swapping cards or any of that and that only allowed \$200, you would be much better off, wouldn't you? You would be much better off than the system that exists now. If you could also place it away from gaming rooms which the EFTPOS is required to be - obviously, that happens at a bar or a counter with staff - and you could place it far enough away from gaming areas, which might mean it has to be in the car park, then that would be an improvement. To be fair, that is an improvement if the limit was the same.

CHAIR - If the limit was the same and if the ATMs are appropriately placed. What's the commission's understanding of how that policy would be given effect in venues? Is the commission able to guide where those ATMs are placed to minimise the harm?

Ms CRANSTON - We certainly can do that. We have a rule in the casino where they have to be placed: 20 metres away from the entrance to a gaming room. The casino is a big operation. You can do that easily. It's not so easy in a smaller venue and a gaming area but, and I'm not saying it would be necessary, but that's a commission rule that we would -

CHAIR - That would come down to a commission rule - the placement of those machines, so long as it's not undermined by a ministerial direction of some sort, No. 3.

Ms CRANSTON - Yes. The other aspects of what I was just talking about, I guess the more complex you make it with a single-person FRT and card somehow linked so that cards can't be swapped, you might be adding to the costs. I'm not even sure that's possible, by the way. That's just something that the commission has internally discussed. We have a list of questions for the expert next week. Then we have the \$400, which has been clearly made by the ministerial direction.

Ms WEBB - Can I step one more on this to try and draw a line under it?

If we had our pokies card system in place, is there any need at all to consider these matters about installing ATMs with whatever characteristics they may or may not have, or does the pokies card in fact make that a non-issue going forward?

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CHAIR - You mean the mandatory pre-commitment card.

Ms WEBB - The mandatory pre-commitment card we were developing until end of 2024.

Ms CRANSTON - Well, each person would make their own choice about how much they were willing to lose if it was defaulted to the levels that were set. It wouldn't matter whether you could get extra money from an ATM in a hotel if you were already at either your own limit or the default limit.

I guess it still makes it a bit easier if you had - well, no, maybe not.

Ms WEBB - It wouldn't matter here nor there about the ATM if we had the mandatory pre-commitment pokies card in place.

Ms CRANSTON - No because the personal agency that the Treasurer speaks about would be in place. People make their own decisions about how much they are willing to lose with that card, up to the default limits.

Ms WEBB - Or beyond the default limits, if they're able to demonstrate that that's something they can manage financially?

Ms CRANSTON - Yes, correct.

Ms WEBB - Thank you. I'm interested in the remaining questions you have about this policy proposal for the ATMs being put into the venues, and what more the commission, wants to know about it. Are you able to share with us either in summary here now in answer to the question, or is it something we could seek from you later in terms of the matters that you are seeking to clarify about this policy?

Ms CRANSTON - I think we're seeking to clarify whether it exists, as Hospitality Tasmania assures the Treasurer and us that it does, that it conforms to what the ministerial direction says and then it will conform to what we would want to do to make it safer, like a distance from a gaming room, say. We've also got to think about the certification of it and how that is checked. The point about the certification is, does it stop at - whatever limit you say it is, \$400, \$200, \$100, whatever, that it does actually stop; it will not allow any more money. You need to make sure that the machine operates; at that point it will stop. Now, that would require testing of the machine at the beginning, and I would imagine ongoing testing of the machine, because things fail and things go wrong and suddenly someone's getting \$1000 out of the machine. So, there will be a whole lot of questions around the certification that the machine is fit for purpose, it does what it says it will do and that we are happy with it, and who pays for that.

Ms WEBB - Is that a role that the commission would need to then take on board?

Ms CRANSTON - Absolutely.

Ms WEBB - The initial certification and the ongoing checking that the machines are compliant with the functionality they are supposed to have?

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Ms CRANSTON - If we were doing the checking, which we can't, the liquor and gaming branch doesn't have people who do that kind of testing. We have independent testers of machines all over the state that do that. It would have to be that kind of service.

Ms WEBB - That'll be an additional regulatory cost, in effect, if those machines are in place?

Ms CRANSTON - If we go that way. We haven't - we just have a whole lot of questions to be asked at this point and certainly certification was one that we talked about at our last meeting, but there's a few things - distance from gaming areas, certification, the limit and -

Ms WEBB - Can I also ask if there's any interoperability across different venues? Because I noticed in the Treasurer's response to you in the RTI'd released material, his letter of 17th of April, I believe, he said this, 'Facial recognition technology,' in the ATMs he's talking about, 'will enable these limits to be enforced consistently and accurately, replacing the current paper-based register system.' He said, 'This represents a significant improvement in compliance, oversight and enforceability.' He said this, 'including preventing circumvention of daily limits across venues.' In saying that to you, it sounds also like, if you've taken out your \$400 in cash at an ATM in one venue, you then won't be able to take it out in another venue. Is that your understanding of how the policy is expected to work, that there's actually a networked system of some sort with these ATMs?

Ms CRANSTON - I actually think that's a really good idea. We hadn't put our mind to that; we hadn't discussed it. I mean, the ATM discussion, and I'm hating to sound like we're not across this, we are, but we need to take expert advice and it's happening next Friday. Now, that's a good question though.

Ms WEBB - That's okay. For our purposes it's just interesting to hear about the level of clarity there is or isn't around the policy that's been put forward and is now being put into effect under the Treasurer. When he says things like that in a piece of correspondence to you as a commission, that this would include 'preventing circumvention of daily limits across venues', it sounds like he's making a claim that there will be enforcement of daily limits across venues. So, I don't know whether his statement in that letter then is inaccurate or misleading, or whether he even knows how this system - his system - is supposed to work.

Ms CRANSTON - I'm not sure. You'll have to ask him, but you remember that one of the benefits of the player-card system from 2024 was that it was across all venues and that was a really, really, really important element of that card, but I just don't know - do you Mark - whether the ATMs are capable?

Mr BRAZENDALE - A networked ATM, I think, would be very difficult.

Ms WEBB - You might have to get the information from Mark and then relay it to us.

Ms CRANSTON - Mark is saying a networked ATM would be very difficult to achieve.

Ms WEBB - So your current understanding, and I accept you're still getting advice, but your current understanding is that a network system of ATMs across the venues to stop that circumvention of daily limits by people moving from venue to venue is not a realistic possibility for us to look at?

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CHAIR - As far as you know?

Ms CRANSTON - As far as we know. But don't forget people could walk outside and go two steps down the road and get it out of an ATM down there. We can't, I guess, solve all problems.

Ms WEBB - Well, unless we have a pokies card. We solve most problems with that, don't we?

CHAIR - What's your next line of questioning, Ms Webb?

Ms WEBB - I thought we could go to ticket in, ticket out.

Ms CRANSTON - I knew you'd go to ticket in, ticket out.

Ms WEBB - Well, we might just start with the two areas that you were most concerned about in the correspondence that you put to the Treasurer.

Ms CRANSTON - Yes, absolutely.

Ms WEBB - It was the ATMs and the TITO systems that were the ones that you felt, potentially, put us backwards from status quo rather than improved harm minimisation of current arrangements?

CHAIR - So maybe start with how TITO would work.

Ms CRANSTON - Mark, you better come up.

CHAIR - And if we do that, Mark, you'll need to swear in.

Ms WEBB - Is that alright?

Ms CRANSTON - I'm sorry Mark. I know you don't want to do this.

CHAIR - You knew this was a risk when you came along today.

Ms CRANSTON - I'll try not to call on you.

CHAIR - Mark, if you wouldn't mind swearing the statement in front of you.

Mr MARK ANDREW BRAZENDALE, ASSISTANT DIRECTOR OF COMPLIANCE, LIQUOR AND GAMING BRANCH, DEPARTMENT OF TREASURY AND FINANCE, WAS CALLED, TOOK THE STATUTORY DECLARATION AND WAS EXAMINED.

CHAIR - Mark, if you wouldn't mind letting us know what your job title is?

Mr BRAZENDALE - I'm the Assistant Director of Compliance with the Liquor and Gaming Branch, Department of Treasury and Finance.

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CHAIR - Thank you. Jenny do you want to -

Ms CRANSTON - I'll try. This was a fairly difficult first couple of meetings with the Treasurer because, as I said before, we were scrabbling to understand in any detail what 'ticket in, ticket out' meant. As I understand it, a patron enters a venue, there's a ticket in, ticket out process happening here. The gaming machine looks as it does, but it will have banknote acceptors in it, which is something that will need to be added along with a card or ticket reader - not a card reader, a ticket reader. You tell me as soon as I do something that's not correct.

Mr BRAZENDALE - Yep.

Ms CRANSTON - Let's say you come with cash. You can just walk in with \$300 whatever, and you can go up to the machine and you can insert the notes into the acceptor on a gaming machine to a maximum of, according to the direction, \$100 and that's the process that typically occurs in other jurisdictions, so you enter your cash. Or you can go to and get a ticket or not. The ticket comes out of the machine.

Mr BRAZENDALE - There is the opportunity to get a pre-purchased ticket from a cashier. The commission hasn't made a decision whether that will occur or not.

CHAIR - A ticket to do what?

Mr BRAZENDALE - Instead of putting the cash into an ATM, into the machine, you can purchase the ticket at a cashier station and put the ticket into the machine.

CHAIR - And play until the cash on the ticket runs out?

Mr BRAZENDALE - Yes.

Ms CRANSTON - And you might do that if you didn't have the cash to put straight out of your purse to put into the machine. You might use your card to get cash onto a ticket and then you can put the ticket in to the same level.

Ms WEBB - Can I just ask a quick question there because it sort of points to interactions between a TITO system and then an ATM in a venue? If we end up with a TITO system and ATMs in venues, could you get your \$400 out of the ATM and feed that in through the note acceptor, but also then go use your cards to buy tickets up to a value of anything that you like and then use those as well and, therefore, there's not really any constraint through either system?

Ms CRANSTON - So, to use the ATM, it'll be a debit process, so only a debit. So yes, you could walk in, you could take \$400 out of the ATM in cash and then -

Ms WEBB - Use the note acceptors.

Ms CRANSTON - Use the note acceptors, yes.

Ms WEBB - But then you could also go up to the counter that's selling the tickets, if you've got a ticket purchase system in place, use your card again to purchase tickets to another

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\$400 or more, and then use the tickets to use the machines as well. So, you've got two ways you can use the machines?

Ms CRANSTON - Yes, the limits on the TITO are \$100 going in, I think this is right.

CHAIR - Cash?

Ms CRANSTON -Cash. Two hundred if you use the ticket, so if you go and get money put onto the ticket or buy the ticket, first 200 -

CHAIR - Sorry, 200 -

Ms CRANSTON - Dollars.

CHAIR - Maximum?

Ms CRANSTON - Yes, per ticket.

CHAIR - Each ticket is to the value of \$200?

Ms CRANSTON - Potentially, you don't have to do that much, but potentially yes.

CHAIR - Obviously I don't play the pokies very much.

Ms CRANSTON - You either ticket or cash, but let's use cash just for the moment. So, a \$100 credit comes up, you play and you lose. You can put another \$100 in and the credit comes up, you play and you lose. You can put another hundred, stop me if I'm wrong, another \$100, and you can keep going all day.

CHAIR - Yes.

Ms CRANSTON -With no limit.

Ms WEBB - As long as there's \$100 notes, or however much in your pocket?

Ms CRANSTON - That's right.

Ms GLADE-WRIGHT - Just a follow-up. The Treasurer says in his letter that it will introduce forced breaks. When you're saying you can then just put in another \$100, can you do that straightaway or what's the forced break that he's referring to?

Ms CRANSTON - I don't know, to be honest.

Ms GLADE-WRIGHT - So that's not very clear at the moment.

Ms CRANSTON - Well, it could be if you didn't have, as Ms Webb just said, the \$100 continuously in your pocket.

Ms GLADE-WRIGHT - Right.

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Ms CRANSTON - But it is not forcing a break anywhere, unless you wanted to replenish away from the machine. This is one of the documented issues with ticket in, ticket out, and the ease and speed with which you can lose money, is that it does not enforce breaks in play, necessarily. It doesn't matter, either using cash through the bank note acceptor, I don't suppose people come in with thousands and thousands of dollars worth of notes, but, potentially some, and then an extra \$400 and then sit down. You could just keep feeding \$100 in without a break. When I say without a break, without actually getting off the feet, that's my definition of a break. Not that you stop and take a sip of your drink, or that you put your hand in your pocket and take more money. You actually get off the seat and you go to a cashier, or maybe the ATM or whatever, but that you take a break away from the machine. That doesn't have to happen in that process.

Ms WEBB - In fact, you could have the cash in your pocket, the \$400 you get out of the ATM, plus you could go to the counter that's selling tickets and use your card to buy more tickets, up to \$200 each, and then bring them or not?

Mr BRAZENDALE - No. You can't buy tickets using a card. You can only buy tickets using cash.

Ms WEBB - Okay, pardon me.

CHAIR - Why is that?

Mr BRAZENDALE - At the moment the commission hasn't made that decision, but that's what it would probably more than likely do.

Ms WEBB - Is it because that's the way it works in other jurisdictions?

Mr BRAZENDALE - Yes, as I understand it.

Ms WEBB - That brings us to a very significant aspect of the TITO system. There's plenty to talk about the TITO system, but that brings us to the significant aspect, which is, for the first time ever in this state, introducing a TITO system will be introducing a significant money-laundering risk into our pokies environment. Is that correct?

Ms CRANSTON - Correct.

Ms WEBB - Can you talk us through that and how we've been protected against that, to some extent, compared to other jurisdictions to date?

Ms CRANSTON - Well, at the moment, as you know, the way in which you feed money into a poker machine in a hotel or club is through coins. If you're a money launderer, you've usually got a large amount of money that you wish to put through a machine, and it's unlikely that you would get \$10,000 worth of coins.

Ms WEBB - Not practical with a coin-based system.

Ms CRANSTON - It's not practical and you need a wheelbarrow to put it in and then bring it back. Yes, it's not a practical system that allows that sort of money laundering easily.

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Ms WEBB - So, we've been protected from that in this state?

Ms CRANSTON - I think so, yes. I'm not by the way, necessarily a proponent for the coin base. I wish we could find something else, but it is clunky -

Ms WEBB - Like a card system, a mandatory precommitment card?

CHAIR - Or a \$1 bet limit or a \$2 bet limit.

Ms CRANSTON - Yes. That's been, I guess, the clunkiness of the coin system and the need to have the machines collecting the coins in the hoppers and all of that. It is a clunky system and it is an old-fashioned system and it is a system that only probably exists in Tasmania.

Ms WEBB - And yet it has protected us from money-laundering activities probably to a large extent.

Ms CRANSTON - Probably. I think anybody in a hotel or club with a large amount of money and getting coins is going to be extremely obvious. Unfortunately, the commission doesn't have any oversight on the AUSTRAC regulations that venues are obliged to do because it's not our remit but there are a whole lot of strict regulations that venues are supposed to be following in regard to suspicious transactions. The casinos are right across it, they know it extremely well and they are very good at all of their AUSTRAC obligations. I can't say that with the same level of certainty about hotels and clubs but there are meant to be AUSTRAC-identified staff, people who know about this and are watching carefully for suspicious transactions.

Ms WEBB - So the need for venues in Tasmania to be much more vigilant and capable of looking for compliance with this is going to be much more escalated when we have a TITO system rather than the current system.

Ms CRANSTON - I would think so because of the money laundering danger, apart from anything to do with harm.

Ms WEBB - In terms of the money laundering, is it a given essentially that the intent to bring in a TITO system opens us up to a significantly higher risk of money laundering and we would expect to potentially see that emerging as another issue to be dealt with in our sector?

Ms CRANSTON - I don't know. I can't say significantly higher, but the risk is certainly greater than it is, I would think, than it is now.

CHAIR - Can I ask, does it also potentially lead to higher losses if you're allowing cash notes and volume to go in through a TITO system?

Ms CRANSTON - Maybe. There's a comment I read recently. I think that ease and speed, do they potentially lead to greater losses? Sort of, you would think so, intuitively but I can't answer that.

Ms WEBB - Is there not evidence telling us that a cash-based system with notes creates higher losses and a higher level of harm?

Ms CRANSTON - I don't know the answer to that definitively.

CHAIR - Just quickly, is there an example of TITO working in other jurisdictions? What can we learn from its operation anywhere?

Ms CRANSTON - Well, I think when we turn our mind to TITO, which will be after ATMs and FRT, we would certainly be seeking the experiences from elsewhere. They're long established in all other states, I think?

Mr BRAZENDALE - Yes.

Ms CRANSTON - The system's not new.

CHAIR - It's not novel.

Ms CRANSTON - No, that's right.

CHAIR - But as it is with the suite of measures that were in the second ministerial direction for the whole harm minimisation framework, TITO would be something that the industry is able to get behind, wouldn't it, like ATMs back in gaming venues and the like.

Ms CRANSTON - Can I say, again to be fair, like I said with ATMs, if we could get rid of what's currently there with all its flaws and have an ATM system that didn't allow more cash and that put in all of the protections that the commission would like to see about multiple people and cards and so on, if we could get some rules around TITO, I don't think that the commission is necessarily opposed to the TITO as a system, but we definitely would want to see enforced breaks in play.

That can be about the limits that are put in or it could be about timeouts completely. There would be a whole lot of things that we could consider that we haven't even thought about yet. Well, we've sort of thought about them, but we haven't articulated them anywhere. There could be things that we could do that would make that system stronger. The money laundering risk, I think, it will definitely be greater than what's there now. But as I said, I'm not really a great fan of the coin-based system, but TITO, yes, we would, and breaks in play is one of those things that you would need to make. And however people got the next round of money, does that have to be with a person where you actually interact with a staff member who's looking at your behaviour and who's making judgments about - is there any evidence here of harm whereas if it's from, say, a cash redemption terminal that's way away from any staff, that's not a good idea either.

So, the commission has to think about how you supervise the whole use of the TITO system and the rules that you put around it, and to be honest, we have not got there yet. We only got this direction a while ago. We're working through it.

Ms GLADE-WRIGHT - I'm picking up on a comment that the Treasurer made in his letter back to you saying that implementation requirements and operational controls will be determined under the commission's authority. Do you feel confident that you'll be able to work in some measures that will -

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Ms CRANSTON - I do feel confident, yes. I think we've all learnt a lesson from the closure hours. The commission has been involved with mandatory code changes over many years where industry has not been happy about certain things that the commission has done. Go back beyond five years that there's often argy-bargy around various things that the commission would like to do. I think that will continue, but I think we have a way forward.

Ms GLADE-WRIGHT - He also says that 'TITO removes the ability to continuously load machines', which is at odds with what you've just explained to us. Why do you think he's got that so wrong? Where is he getting that advice and how is it so different?

Ms CRANSTON - Would it be because of the \$100 limit? I think the thinking is that if you put a limit on the \$100, that's all that you can load onto the machine at any one time. So, \$100 in, up comes \$100 credit and you work your way through it and when that's gone, that's the break. I think that's the thinking, but you might ask him about it.

Ms WEBB - Sounds like in his view, having to reach into your pocket means it's not continuous loading of the machine.

CHAIR - That's your break.

Ms WEBB - You very clearly raised in your correspondence to the Treasurer the money laundering risk of a TITO system, and his response to you is notably silent on that. He responds to a whole range of other concerns that were in your letter but doesn't say anything, I don't believe, on that risk. Have you sought to provide further advice to him about that or raise those concerns again, and I'm particularly interested, given that you raised it so clearly in that initial letter, has the Treasurer or anyone in his team that would be working on this, sought to come back to the commission to get more information and advice about the money laundering risk of TITO?

Ms CRANSTON - No, we haven't and they haven't, to the commission. We haven't provided any further advice and have not been asked. I suppose it was made very clear right at the beginning that the draft had been to Cabinet and that was it. I tried very hard on that first morning, but it had already been to Cabinet.

Ms WEBB - We know that the commission wasn't consulted with or provided no input or evidence-base or advice into that piece of work that went to Cabinet because you didn't find out until after the Cabinet decision had already been made. The Treasurer is on the parliamentary record saying that he consulted with industry and with Anglicare. We know that Anglicare wouldn't have endorsed a range of these measures and they're on the public record of not endorsing them. We will speak further with them about it. Presumably the work that went into informing this set of measures came entirely from industry essentially. Would that be your understanding or assessment of the origin of these policies and the policy work behind them?

Ms CRANSTON - I can only say that the commission was not consulted.

CHAIR - It's a logical assessment, though.

Ms WEBB - The other assessment is, work could have been done on this suite of measures by the Liquor and Gaming branch of Treasury, without the commission knowing that

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that work was being done for the Treasurer. Would that be correct that that could have occurred?

Ms CRANSTON - I would think not. I mean, the Liquor and Gaming branch does wear two hats. It supports the work of the commission and in carrying out all of its regulatory responsibilities, including policy work, but it is also part of the State Service. But my understanding is - and I have absolutely no reason to think, even a smidgen, that the Liquor and Gaming branch was providing advice to the Treasury on ATMs and TITO systems as harm-minimisation measures. I would be very surprised if that was the case. I'm speaking about the Liquor and Gaming branch.

Ms WEBB - That's interesting, because I know that on the parliamentary record on Wednesday the 18th of March, and that during that week the Treasurer was asked a number of questions across the Tuesday, Wednesday and Thursday of the sitting week in the lower House about the origin of these policy matters, particularly ATMs and TITO. On the Wednesday the 18th of March he was asked by Ms Johnston, member for Clark, about the Ticket In, Ticket Out and the ATMs, and whether that was from Hospitality Tasmania as a proposal that was then taken to Cabinet. Mr Abetz, the Treasurer, in his reply to that question in parliament, building on an answer he provided the previous day talked about, and I'll quote this aspect of it:

To the detail of the question, there is the commission and the commissioner. The commission is the person who provides advice in Treasury and Finance and he has the name of Jonathon Root, that is well known, and there is the commission and that is run by Jenny Cranston. She is the one who is, if you like, the regulator, whereas, the commissioner and those within Treasury and Finance provide advice. They provided advice to me, and for the benefit of Cabinet. So there is that distinction between commission and commissioner. I know it is nuanced, and I didn't quite get it right yesterday. That's why I corrected the record to make it absolutely clear.

He goes on to say some more things, but that's a quote from him. It sounds like he was quite mistaken and unclear there because he's misidentified Mr Jonathon Root. I believe Mr Jonathon Root's the Commissioner for Licences, which is different to being a gaming commissioner. And his commissioner for licences role would have had nothing to do with providing advice on gaming harm-minimisation, I don't imagine. Perhaps you can correct me if I'm wrong in that.

Ms CRANSTON - I guess I see the Commissioner for Licencing, who's the Deputy Secretary of the department, I don't see him as part of the Liquor and Gaming branch.

Ms WEBB - Right. So, in terms of policy advice and policy work that was taken to Cabinet, that could have come through that aspect of the Liquor and Gaming branch that Jonathan Root is responsible for, the Deputy Secretary?

Ms CRANSTON - I can't, I don't know. I would speak pretty strongly about the branch, but I can't know about other parts of Treasury, who have the function of providing advice to the Treasurer, to be fair.

CHAIR - And preparing Cabinet submissions.

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Ms WEBB - He doesn't speak about the Liquor and Gaming branch in his answers though, doesn't he, which is interesting.

Moving on: do you expect to be asked to provide advice and an evidence base on how to mitigate the money laundering risk of TITO systems?

Ms CRANSTON - I don't expect that, no.

Ms WEBB - Given it's your statutory role to provide advice on those matters, particularly in terms of preventing criminal activity associated with gambling, that's a statutory role the commission has, why wouldn't it be an expectation that the commission would be asked to provide advice on the introduction of a new measure that presents a significant money laundering risk?

Ms CRANSTON - Because you're asking me to get inside the asker's head. I don't know. The commission hasn't been asked for much input to date.

CHAIR - Can I just ask, would you like to be asked for your advice?

Ms CRANSTON - That's our role, yes. We're just trying to do our job and, as I said at the start, that is about protecting people from harm. We take it seriously. But would I expect to be asked is a different matter. If we were asked, then definitely we would relish it. We are quite limited in the AUSTRAC space because that's a separate entity, a separate piece of legislation, and we have no investigative - we can't go into venues and start asking about their AUSTRAC processes. We have no remit there. But I'm not sure AUSTRAC has the person power to be doing it either, so I'm not sure anybody's doing it, to be honest.

CHAIR - If the Treasurer did ask for the commission's advice on the money-laundering risks from the TITO, what might the commission say in terms of the level of risk?

Ms CRANSTON - I think it would need two things. You need to manage the access to cash and the flow of money into machines because that's how it gets laundered. Very little play and then it comes out the other end. And I'm not sure the Treasurer has any responsibility either for ensuring that - They do have a responsibility, licence holders, but not to us. So, I'm not sure how you would - you would hope that the regulation and the processes sitting around their AUSTRAC responsibilities were robust.

CHAIR - But it's a real risk, isn't it, of money laundering? It's not an insignificant risk?

Ms CRANSTON - It's a risk. I have got no idea about the level of money laundering that Tasmania is subjected to.

CHAIR - No, that's right. But if we put this system in place, I think we've established that there is an obvious elevated risk of money laundering, criminal activity.

Ms WEBB - It worries me to hear you describe the fact that, in the context of an elevated risk of money laundering, the AUSTRAC responsibilities that the venue holds, and the staff in the venues hold, are perhaps not necessarily well looked at in terms of compliance, monitoring

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or assessing the degree to which they're being met. And it sounds unclear as to whose responsibility it is to ensure that they're being met. Is it unclear?

Mr HUDSON - One of the options is the gaming support officers that are being supplied by HT. One would hope that potentially they would be the source of information around money laundering and things that need to be done.

CHAIR - There's only half-a-dozen of them being employed.

Ms WEBB - There's actually three - one in each region.

CHAIR - Half of half-a-dozen.

Ms WEBB - And the Treasurer has been clear that those roles are being put with industry because they don't want to conflict them with a compliance role that the commission has. Therefore, they shouldn't sit with the commission apparently, and they shouldn't sit with gambling support program operators either because it shouldn't be muddying their role. Their role is educative and capacity-building, apparently. We'll talk more about this, I'm sure. It would be hard to imagine the Treasurer would see it as appropriate that they would have a compliance role, I would have thought.

CHAIR - And that wasn't to be their primary purpose, was it? They're called care officers.

Ms WEBB - Legally, who is responsible for monitoring compliance with that then?

CHAIR - AUSTRAC would be responsible, the Commonwealth entity.

Ms WEBB - On a practical level, how does that work?

Ms CRANSTON - It's a piece of Commonwealth legislation. The responsibilities are placed now on hotels and clubs. It is not the role of your inspectors to start looking at AUSTRAC.

Mr BRAZENDALE - AUSTRAC have their own compliance people, and they do compliance right around the country. They use various systems to do that, some intelligence, some physical inspections. They look at what reports come through. So, they do have processes. It may be a question you might want to talk to AUSTRAC about.

Ms CRANSTON - We also in, maybe it was in the last newsletter that we put out, we did a thing on AUSTRAC. We met with AUSTRAC, and this is where we've got some of our information about - well, my understanding was they did not have the resources to do extensive venue-by-venue compliance audits. That was what they said that day. But we put a piece in the last newsletter, maybe the last or the one before, that talked about reminding venues about their AUSTRAC responsibilities. And maybe we could do more in that space, just reminding people that you are required to do stuff around this, or talk to Hospitality Tasmania that they need to talk to their venues about this. But we've got no legislative role. We can't get in there and start inspecting, or looking or monitoring or doing anything.

Ms WEBB - Do venues face penalties for not meeting their AUSTRAC obligations if it's found they don't?

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Ms CRANSTON - I would imagine they do, yes. Certainly, some of the casinos have faced big penalties for not doing.

Ms WEBB - I wonder how Tasmanian venues feel about an escalation in the risk and the potential escalation in their risk to facing penalties if they can't meet their obligations.

CHAIR - They wanted this policy. We might just take a short break, noting that you have generously given us quite a lot of your time today and we've got a hearing until 1 pm. So, we'll stop the broadcast in a second and resume at 11.20 am if everyone's okay with that.

The committee suspended from 11.01 a.m. to 11.20 a.m.

CHAIR - Welcome back, everyone. Before we had a short break, we were talking about some of the government's suite of what they describe as harm-minimisation measures. I think Ms Webb has another line of questioning that she'd like to take us to now.

Ms WEBB - Just a final question I wanted to have on the TITO systems that we were discussing prior to the break, before we move on to others. That's around practical implementation. What are we looking at in terms of the venues across the state implementing such a system? What new technology is needed? Will we be retrofitting existing machines or will they need to purchase new machines? And where will the cost sit with all of that?

Ms CRANSTON - To the extent that they are able, the machines can be retrofitted. They'll need a banknote acceptor and they'll need a ticket reader.

Mr BRAZENDALE - Ticket printer.

Ms CRANSTON - Ticket printer, sorry. The fact is that a lot of the machines in Tasmania are old and may not be able to be retrofitted.

Mr BRAZENDALE - There's a small percentage that are too old to be retrofitted, but not a large percentage. They won't be able to be converted. But the majority of machines in Tasmania will be able to be converted to allow TITO.

Ms WEBB - If we introduce the TITO system, the machines that are too old to be converted will have to be replaced by machines that can be set up for the system? They won't be able to exist in their old form; they'd need to be under the new system?

Ms CRANSTON - Yes.

Ms WEBB - Okay. So, that'll be a cost incurred by the venue?

Ms CRANSTON - Again, you need to ask the Treasurer about that.

Ms WEBB - The retrofitting of machines: again, presumably a cost incurred by the venue, would be your understanding?

Ms CRANSTON - Yes.

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Ms WEBB - Around the additional potential compliance and regulatory costs for that system once it's in place, what do you anticipate those to be and the consequences for the commission out of that?

Ms CRANSTON - As I said, we've not really turned our minds to TITO in great detail. But, obviously, the compliance of the machines then would fall to the compliance branch, so there would be regulatory costs there. Whether they are any greater than what's there now, I don't know. Maybe.

Mr BRAZENDALE - There would need to be some type of monitoring system that monitored TITO because there's financial transactions in that. And so, venues have to know what tickets have been collected, what tickets haven't been collected. Uncollected tickets have to be dealt with a certain way by the legislation. There would there need to be some type of monitoring occur for that, and that would need to be put in place.

Ms CRANSTON - And that would be also involving MaxGaming.

Mr BRAZENDALE - That is one option. It could be the monetary operator or, in other states also, they have a third party that does it as well.

Ms WEBB - That's a centralised monitoring function. We already have that centralised function that MaxGaming currently undertakes for other aspects of our system, so potentially it could be wound in with that. Or it could be yet another player in the field coming in to do it as a separate centralised function?

Mr BRAZENDALE - Yeah. Both models operate interstate.

Ms WEBB - Is that something that venues then need to be paying for as a centralised function, as a sort of fee-for-service type arrangement? How would that be covered?

Ms CRANSTON - I would imagine. That's what happens now though. They pay MaxGaming for their services.

Ms WEBB - Are you aware of any costings that have been done on what this will mean for venues in terms of implementing the system by practically putting the machines or retrofitting the machines, putting new ones in where needed, and then an ongoing compliance fee of some sort?

Ms CRANSTON - I did have some advice that I think you provided, Mark. This is very early days and this is one manufacturer. So, this is a manufacturer, has advised that TITO hardware upgrades will cost somewhere in the range of \$3000 to \$4000 per machine. However, the final cost per machine is subject to what was originally supplied in the original EGM and what peripheral equipment is already being used. And then it goes on to additional EGM metalwork could increase the hardware by up to \$2000 to \$3000. So, we really don't know, but there's significant costs per machine even if we stick with the \$3000 to \$4000. If you have 30 EGMs in your venue, that's \$90,000 to upgrade them.

CHAIR - Can I just check, first of all, where has that advice come from?

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Ms CRANSTON - It has come from the Liquor and Gaming branch. One manufacturer has advised us. This is very early days when we were, again that word 'scrabbling', trying to find out what this would mean. I don't think we can verify that amount at this stage, but it's not insignificant what will need to happen per machine.

CHAIR - The presumption is that every EGM in Tasmania would have this new bolt-on modification of TITO tech.

Ms CRANSTON - Well, I think so. I can't see that you'd be operating two systems and that you'd keep some machines that will do coin and some that will do this. I can't imagine that that would happen.

CHAIR - Can I just double-check while we're on that topic, and I know we'll get to the cap on EGMs in a little while, but what is the current number of EGMs in Tasmania in both casinos, pubs and clubs, noting that it was 3233 in January this year?

Ms CRANSTON - It is 3293.

CHAIR - So, an extra 60 EGMs have come on since January this year - 3293. And according to the government's policy, that is now the cap on the number of EGMs if it was the number at June this year.

Mr BRAZENDALE - It's 3308, as at today.

CHAIR - 3308.

Mr BRAZENDALE - Yep. And in hotels and clubs, 2331, so it's 19 under the hotel and club cap.

Ms CRANSTON - And casinos might not need - they already have banknote acceptors.

Mr BRAZENDALE - Correct.

Ms CRANSTON - And they take cards of some description. I think they have some capacity, they wouldn't be looking at those sorts of costs at all. So, it's more the hotels and clubs.

Ms WEBB - Can I check on those numbers? The pokies loss figures for August just went up online at 9 am this morning and when I looked there, it says 3293 machines. Presumably that was the end of August. You've said as of today it's 3308?

Mr BRAZENDALE - Yes.

Ms WEBB - That's 15 more machines have been put into play this month, in the last 25 days.

Mr BRAZENDALE - Yes.

CHAIR - Incredible. But not really.

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Ms WEBB - When do we have a cap come into effect under the proposed measure from the Treasurer that will set a cap wherever it happens to be at that time? When is that date?

Mr BRAZENDALE - On 1 July.

CHAIR - After 30 June this year.

Mr BRAZENDALE - Yeah.

Ms WEBB - Why are we still adding machines?

Mr BRAZENDALE - These applications were prior to 30th of June.

Ms WEBB - Okay. How many more machine applications are in the pipeline that were prior to 30 June that could still then end up being put into venues? Are the 15 we've just seen in the last 25 days the last tranche of them, or are there more in the system coming through?

Ms CRANSTON - There are more and it will take it to the maximum cap allowed.

CHAIR - What is the maximum cap again, sorry?

Ms CRANSTON - For hotels and clubs, it's 2350. They were all from, I guess, the draft in January through -

Ms WEBB - It gave six months to get your applications in to max up your number of machines.

Ms CRANSTON - Unfortunately, that was the perhaps unintended consequence of that announcement, that people -

Ms WEBB - Really, do you think unintended? Even if it was unintended, it is fairly predictable that we would then, for the first time ever - let's be clear here and you can confirm this for me, we will then, presumably, in the next couple of months, reach the cap for the first time ever in this state.

Ms CRANSTON - Correct.

Ms WEBB - So we've supercharged a rush of new machines into our sector, reached the cap. And now we theoretically have a reduction coming under this policy. If and when machines are relinquished, a certain percentage of those will stay out of the sector.

Ms CRANSTON - Yes, correct.

CHAIR - But where is the incentive for relinquishment of a money-making machine?

Ms CRANSTON - Well, relinquishment happens - we've had a couple of instances where venues have, for instance, gone into liquidation, and so those machines have been removed, if you like. So, that happens. Or if the transfer doesn't happen to a new licence holder. So, it will be slow.

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CHAIR- Can I just double-check: the total number of machines in casinos, pubs and clubs, what's the cap for that again? Is that 3350?

Ms CRANSTON - No, that's for hotels and -

CHAIR - So, hotels is 2350.

Ms CRANSTON - And then the casino, 1180, and the total number, 3530.

CHAIR - 3530. In the commission's view, is that almost at saturation point, that a cap has been set that is effectively close to saturation point of how many EGMs you could have in Tasmania?

Ms CRANSTON - That cap was set a long time ago.

CHAIR- Yes, I think Peter Gutwein was treasurer when it was set.

Ms CRANSTON - I think it's in the act, isn't it, Mark? So, it's 1993.

Ms WEBB - I think it's well older than that, and I think at the time it was saturated.

Mr BRAZENDALE - It was reduced by 150 from the original one from 1993.

Ms CRANSTON - So, it's been there for a long time and neither, I think, the casino sector or the hotel and club sector have reached the cap. We've always been under the cap.

Ms WEBB - Prior to now?

Ms CRANSTON - Prior to now.

CHAIR - The system seems to be working as the industry planned.

Ms CRANSTON - And I don't think, necessarily - that is actually still quite a small number of machines per head of population compared to the rest of Australia.

CHAIR - I guess it's where they're targeted -

Ms CRANSTON - Exactly, exactly.

CHAIR - as much as anything else, isn't it, because they're targeted in areas of socioeconomic disadvantage?

Ms CRANSTON - Yes, of Tasmania generally. Yes, that's correct.

Ms WEBB - On that, when it comes to harm minimisation measures that we might contemplate, and in your statutory role, the commission might be contemplating - raw numbers is a fairly blunt way to try to determine the level of harm that might be being caused. Is that a fair comment?

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Ms CRANSTON - Yes, but government has introduced a community impact process around a new venue getting gaming machines. Not if a venue was wanting to go from 15 to 20 or 30, but where a venue is new and a licence is being sought, there is a legislative process, a regulated process, that requires a community impact process to be gone through so the community gets an opportunity to comment on whether they want that to happen.

Ms WEBB - Yes. So, that was one of the measures that came through in the gaming amendment bill that came through in 2021-22, that period. Has that ever resulted, to date, in there being a 'no' given to any venue that was seeking to put pokies in as a result of community input and consultation?

Ms CRANSTON - We've just considered, as part of this process you're talking where we've got closer to the cap, we've just considered a new venue in -

Mr BRAZENDALE - George Town and Legana.

Ms CRANSTON - George Town. And we're quite helpful in this process. We send the data sets that give all of the IRSAD socioeconomic information and whatever's around, the schools and whatever. We give all of that out and we received no objections to new licensed venues in George Town and Legana.

Ms WEBB - Sure. But my question to you was around, have any venues that have newly applied since this community interest test has been available since 2021-22 been denied new access to pokies as a result?

Ms CRANSTON - I can't think that the answer's yes. I can't think.

Ms WEBB - I don't believe that there has been, personally.

Ms CRANSTON - No, I don't think there has. I can only think of The Globe as the other one, and there were no objections to that. I mean, the test for the commission, after that whole process is gone through, is what's in the community's best interests or what's in the public interest? Something like that. It's pretty hard for the commission to make a decision. We could, but when you get no objections from anybody.

Ms WEBB - But I guess, in theory, the community might also feel like, well, how many is worthwhile? If you got five, would that warrant saying no to the venue? If you got 10, if you got 50, if you got 100? What's the criteria by which you then decide it's not in the community's interest to say yes to this venue having pokies? Although is it really a meaningful test even, in the act, given the lack of clarity around what amounts to a reason to say no?

Ms CRANSTON - Well, I can only call on my experience previous to this role as chair of the Liquor Licensing Board, where the test in that act was: what's in the community's best interests? We made quite a lot of decisions about not granting liquor licences. It's the same sort of test, quite a lot of decisions. And we've been referred matters from the Commissioner for Licensing, which is our role. Our statutory role is to receive referrals from him around liquor licensing, so we've done a couple of those. I can't remember if we've - I think we have said no, not in the community's best interests, on liquor licensing. So, that is a broad remit, but it works both ways. Lawyers would like that to be much tighter and much more black and white, but you have to bring in a whole lot of other issues about -

CHAIR - Do you mean the public interest test?

Ms CRANSTON - Yes.

Ms WEBB - On the reduction in caps, can I ask another question? The government paints that, or the Treasurer paints that, on his assessment, as a common-sense indicator that less poker machines, less harm. On your assessment and on all evidence, can it be claimed that the measure that they have detailed in providing for the opportunity for the cap to be reduced is a genuine harm minimisation measure?

Ms CRANSTON - I don't know that any work has been done on that. I mean, there is work done on density, but I think this is a bit at the margins in terms of that. I don't know the answer to that.

Ms WEBB - So, there's nothing to say that we will see any material impact in reducing harm as a result of the measure detailed around -

Ms CRANSTON - Unfortunately, and I do think - I could be wrong, that the rush to get to the cap was unintended. I think that personally.

CHAIR - Could have been foreseen, though.

Ms CRANSTON - I didn't foresee it. I didn't know. I did think - and this is still true whether we're at the cap or not, that it will take a long time for a meaningful - because we've now got to wait for authorities to be surrendered or whatever, and then you're taking half.

Ms WEBB - Only half of them are then taken out of the available pool?

Ms CRANSTON - Yes, that's right. So, it will take a long time to even get back to kind of where we were.

Ms WEBB - That's right. So, we're going to be in a very interesting position where, at 22 January this year, before these announcements were made, we were nowhere near the cap, never had been. This announcement was made on 23 January by the Treasurer that, as of 1 July, whatever the number was at that stage would become the new cap. And after that, any time they were relinquished, half of them would stay out of the pool altogether, therefore, theoretically, over time, perhaps diminishing the number.

Ms CRANSTON - Yes.

Ms WEBB - Then what happened was we immediately had a rush of applications for more machines, and we're now going to be meeting the cap. So, how many more machines have we got from 22 January this year through to now? How many more machines have we had put into the sector?

Ms CRANSTON - I don't know the January figures.

Ms WEBB - It would be great to get that figure. We might write to you about it afterwards just to be really clear on how much it's driven more machines.

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Ms CRANSTON - I've got the latest data, but you want to go back to January.

CHAIR - According to the Liquor and Gaming branch, in January the total number of machines this year was 3233. We now have 3308.

Ms CRANSTON - I think you should take out the casino.

CHAIR - Okay.

Ms WEBB - Then we'll need a different breakdown. We might write to you to get that figure because clearly, as you've just said, the amount that we've driven into the sector from the announcement on 23 January, it'll take a long time to reduce by that amount and even bring us back to where we were on 22 January this year, thanks to the Treasurer's so-called harm minimisation measure. That's more of a comment than a question, but is that a fair assessment of the situation we find ourselves in?

Ms CRANSTON - Well, I think the data speaks for itself, doesn't it? And I do think - I'm just trying to find that letter, but I think the commission made comment in our letter of the 31st of March - maybe we didn't.

Ms WEBB - No, I think you did mention it.

Ms CRANSTON - Yes, see. That's where I say 'unintended'. So, just going back, yes, maybe the commission was naïve:

The commission sees no detriment in this initiative but notes that historically the current EGM caps has not been met. The commission does not see this initiative have an impact on levels of gambling and it is not seen as a harm minimisation measure.

So, we said that in March, even though we perhaps were wrong about not increasing caps.

Ms WEBB - Would you revise that assessment then, given what you now know about the fact that it's driven potentially tens if not hundreds of machines into our sector in the last six months?

Ms CRANSTON - Well, it's about the level of harm that those extra machines would cause. If they're already in a venue, so a venue had 15 and they've gone to 20, and the number of the instances are like that, aren't they, where they have increased.

Ms WEBB - Topped up to their maximum?

Ms CRANSTON - Topped up, yeah. Or maybe they had 15 and they went to 25. They didn't have to go to 30. Is there an extra level of harm? What's the measure of harm? I don't think their cohort walking through the door changes as a result of having more machines. But they must clearly think it's a profitable exercise or they wouldn't do it. Why would they pay all the extra costs for the extra machines and then the compliance oversight of them if they didn't think there was a greater return?

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Ms WEBB - And surely, we would also just look to raw losses that we track month to month. We know that for the year 2025-26 we've had the highest-ever pokies losses recorded in this state of over \$208 million.

Ms CRANSTON - Correct.

Ms WEBB - Which includes the time that this escalation of machines has been beginning to be underway. Would you see that as an indicator?

Ms CRANSTON - Well, that's the data, that's what it says. That's what the data says: \$208 million loss is our latest figure, and that's higher than it's ever been.

CHAIR - It's a lot of suffering.

Ms WEBB - We've been trending up in losses, for the last three years at least, each year. When I look at that and I look at what occurred in 2023, 1 July 2023, when we switched to individual venue licences, it looks to me like the trend up in losses originates from that period of time. Has the commission made any assessment of any correlation between a change to individual venue licensing and escalating losses year on year?

Ms CRANSTON - Just trying to think this through. There's no doubt that since 1 July 2023 the pie is now cut two ways rather than three and, therefore, the losses recorded at the venues are higher. That's correct, isn't it? Significantly higher, so much more profitable. I'm just not sure if that figure - I think an assessment of the net, you've got to then take out they're now paying extra for machines, they're not having Network Gaming looking after everything for them -

Ms WEBB - I'm just talking about losses, though. I'm not talking about what they're pocketing as profit, although we do know that they're pocketing a significantly higher percentage than they used to pocket as profit. But in terms of loss, it doesn't matter how we cut the pie up after the loss is made. In terms of losses, it's been trending up since we changed to individual licences.

Ms CRANSTON - Yes.

Ms WEBB - Which was anticipated and predicted prior to the change.

Ms CRANSTON - Why did that happen?

CHAIR - That's the new question, isn't it?

Ms WEBB - We knew it would be a more competitive environment.

CHAIR - So they're working harder to lure patrons in.

Ms WEBB - They then pocketed a massive profit. They've all done renovations on their venues. They offer much more subsidised other offerings in their food and beverage suite. They've made a much more attractive environment for people to draw people into. And now we're seeing higher losses as a result, which was entirely predicted ahead of the change, was discussed as the legislation came through the parliament in some detail. Is it something that the

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commission made any representations about or was aware of as a risk as we changed to that model?

Ms CRANSTON - No, we had not a lot to do with the future gaming markets process. That was run, I'm not sure -

Ms WEBB - By industry, I believe you'll find.

Ms CRANSTON - Was it run within the Liquor and Gaming branch, Deb Davidson? The commission was consulted, but it wasn't our process. We weren't running that. Licensing and the matter of the deed, which was what it was really all about, the deed that had existed with the Federal Group, had nothing to do with the commission at the time, and so we weren't really involved. And I mean, yes, I guess, intuitively, venues were about to become more profitable, both in a revenue sense and a capital sense, because the pie was being cut differently. But there were also greater overheads for them that they hadn't had to take responsibility for when Network Gaming did that work. How that washed out, I guess, we hadn't really turned our minds to, or thought it was any of the commission's business, really. And it wasn't our business. But that's the net effect of it. And yeah, I think putting together that profitability and what they can do with that extra profit to make the venues more attractive might well be the answer for the losses.

CHAIR - Can I just check something? When noting that you said that the commission had very little to do with the future gaming markets process, given the commission's statutory harm-minimisation responsibilities, was there any point at which the then-treasurer sought some advice from the commission on the human impact of that walking away from the deed and individual licensing of pubs and clubs?

Ms CRANSTON - No, I don't recall any specific request. The commission appeared before the joint select committee leading up to that and I think we expressed views there about concern about a monopoly. Whoever that monopoly belonged to, it didn't seem like a good idea, particularly when the giving of it might have been without any real return to the Tasmanian people. But as far as Network Gaming was concerned, we were on the record as saying that they were a good corporate citizen. They got onto things quickly and they managed compliance, and they assisted venues to meet their regulatory requirements. So, we weren't particularly concerned about that aspect of it. But again, our opinion was not sought or we didn't provide it. We had a big role to play in those when the licensing was all passed and then we had to have new licences for every single venue. That was a huge thing. Every licence had to be reissued.

CHAIR - Are there still 92 licensed venues in Tasmania? What's the total number of licensed venues?

Ms WEBB - It was 92 at the end of August.

Mr BRAZENDALE - Ninety-two includes the casinos. Ninety hotels and clubs.

CHAIR - Ninety hotels and clubs, okay.

Ms WEBB - While we're on the topic of that change that occurred on 1 July 2023, the switch to the new individual venue licensing, I've made the observation that there's an upward

trend in losses since that time. I think anyone who looks at the data can see that that's the case, to the point that we had highest-ever losses in 2025-26 of \$208 million. As you've said, the commission hasn't delved into that, but the commission has been responsible for a whole range of regulatory and compliance matters since the change. Has the commission noted any other trajectories or changes around compliance matters since the change to individual licences? I think you just said that the centralised model under the Federal Group assisted the industry and the venues to some extent quite centrally, and so may have been assisting them in matters. Now they're doing them themselves.

CHAIR - Who monitors compliance?

Ms CRANSTON - The commission. Well, this is Mark's job, the inspectorate.

Ms WEBB - Are there any observable changes in trajectory to other sorts of things that we monitor compliance-wise around these licences?

Ms CRANSTON - I don't know that we've got a trajectory for it, but I do know that one of our biggest compliance issues is the use of CCTV in venues. Month after month after month, we deal with the failure of CCTV systems to even something as simple as hold the required number of days for recording. And this was one of our concerns about FRT, that if you can't get CCTV right, then something bigger like FRT as a major harm-min measure - as CCTV is as well, but it's there for a whole lot of other reasons. So, that's a big, that certainly - I don't know, would you say it's increased, Mark? I haven't got a trajectory of it.

Mr BRAZENDALE - No.

Ms WEBB - Could we seek some data from you, if we write to you afterwards, about some of these matters and how they're tracking across time?

Mr BAZENDALE - It's in your annual report, all the compliance disciplinary matters.

Ms WEBB - We might seek a consolidated data set so we can see changes over time, if that is okay?

Ms CRANSTON - Yes.

Ms WEBB - Great, we will write to you about that, thank you.

Ms CRANSTON - The other thing that we've just noticed is that a greater number of exclusions and a lot of those are, however, and it's interesting, venue operator exclusions rather than self-exclusions or third-party exclusions. So, self-exclusions have tracked upwards.

CHAIR - They have?

Ms CRANSTON - They have, yes.

CHAIR - What do we think that's about?

Ms CRANSTON - I don't know. Maybe people being more aware of the dangers and the harms of gambling.

CHAIR - Cost of living?

Ms CRANSTON - Cost of living. The venue operators have significantly increased, I think mainly driven out of the casinos, rather than hotels and clubs doing venue exclusions. I don't know whether that's a result of FRT either way or not. But certainly, if you're talking about trajectories, that's another one, the exclusions.

Ms WEBB - But exclusions increasing, venue exclusions where the venue puts a patron on the exclusion list, rather than the patron themselves putting themselves on the list?

Ms CRANSTON - Yes.

Ms WEBB - Why would FRT be linked to the venue doing that? Because FRT more comes into play about whether people are breaching their exclusion. Why would you use facial recognition technology to put someone on an exclusion list?

Ms CRANSTON - I thought that with FRT it would drop.

Ms WEBB - Okay.

Ms CRANSTON - That presumably, if it's working, people aren't getting through the door of the casino. Yet venue exclusions are increasing, and increasing at the casinos.

Ms WEBB - I wonder whether that's because we've seen a lot of interstate casinos pulled up on a whole range of things to do with pokies, and casinos are actually just operating at a higher level of responsibility now around patron care. That's just a supposition from me.

Ms CRANSTON - I think that the two casinos here are operating at a higher level of care, certainly, than when I first started experiencing work with them. I think they do. I think that all of our attention tends to focus on, not exclusively, but on the hotels and clubs because the casinos are a different beast. They're a destination for gaming. You know what you're doing when you go there. Not exclusively gaming, but a casino, by definition, you're going to game. I do think that the Federal Group does a very good job at the casinos, I have to say, in terms of their compliance. We have very few issues with them from a compliance perspective at the casinos. They have pubs of course, they have hotels and clubs - hotels rather. But yes, a good plug for them. But it is still a harmful environment.

CHAIR - Can I ask, before we move on to some of the other measures, the question I meant to ask early in the piece: If you had to describe what best-practice harm minimisation would look like for Tasmania, or summarise what it looks like, how would you portray that?

Ms CRANSTON - Without getting into specifics, I would say a system where people can make informed decisions about how much they wish to spend and, therefore, lose. Data, decisions, we have it on everything else just about in our lives - how much online shopping, how many books I've borrowed at the library. So, data about how much, that I can make an informed decision. And then, having made a decision, that I spend what I intend to spend so I don't get trapped in a process where I might lose control, or in the zone, as we call it, and I spend more than I intend to spend.

Those two principles have guided the commission from way before this period, back when we introduced, with the Federal Group, a premium player program in the casinos. That's that loyalty program at the top, the high rollers to be honest, but they were the principles that were guiding us then, and they've stood us in good stead. People make informed decisions about how much they wish to spend and they spend what they intend to spend. Guess what that leads you to?

CHAIR - Mandatory pre-commitment.

Ms CRANSTON - Well, we did start with that thinking as principles when we were looking at the two technologies that the upper House had said to Michael Ferguson direct you do this, so we were looking at them. You start with a card, and the casinos have had anonymous cards or player loyalty cards for years and years and years. You start with a card. An anonymous card does nothing because it doesn't help you to make an informed decision. It just lets you in, it's just an entry. But a registered card will start that process. And so, in developing that player card, we almost kept inexorably leading towards, spend what you intend to spend. Well, there needs to be some system that says, 'I want to spend this much on this session'. I won't say it wrote itself, but it just was inexorable. If you were given that remit - and I reckon anybody who'd been given that remit that said come up with these two technologies, facial recognition, and recommend the strongest harm-minimisation measure, you would arrive at the player card with loss limits mandatory.

Ms WEBB - Can we talk about facial recognition now because, unfortunately, the government has turned its back on the player card even though we were well down the path of developing it. And I think we'll talk more about that later. But it has reverted certainly to the facial recognition technology being implemented in association with the exclusion scheme, and some updated improvements to the exclusion scheme which, as you said, are welcome because they will genuinely make the scheme more usable and more immediate. In terms of the facial recognition technology, let's be really clear: you have described this as, at best, an additional tool to mitigate already existing harm, and you didn't recommend it in your initial research report of 2022, where you did recommend the card. Do you want to give us a very quick overview of the limitations of facial recognition technology?

Ms CRANSTON - Well, it's aimed at people who have already experienced the harm, so it has already been impacted on them. So it's good, yes, it's good if it helps them to manage that harm by stopping them from going somewhere where they would have an inclination or an urge, this is an addiction, to enter a licensed venue. It certainly helps them. But it doesn't do anything about stopping them getting to that point. This is why we take any disciplinary action for excluded persons really, really seriously. They rely on us. They've already reached rock bottom, they've self-excluded, they've been through processes with Anglicare and they've had counselling in that, and then they're let down by either the venues or the system, or whatever. So, it helps that group of people. It helped maybe. Not all of them. Not every person who self-excludes will seek to subvert their own self-exclusion order, but some will because they're driven to do. So, it's great for that group of people. But it doesn't stop harm, it doesn't -

Ms WEBB - It doesn't prevent harm in any sense?

Ms CRANSTON - No, it doesn't stop the journey that gets them to that point.

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Ms WEBB - If we had a mandatory pokies card, will we need facial recognition technology?

Ms CRANSTON - No. And the report clearly says that in 2022. Clearly, that if you have this, you don't need this, so we're not recommending for that to happen. But I think it does say somewhere - I won't be able to find it quickly enough, but it does same somewhere that in the absence of a player card system, this would be helpful.

Ms WEBB - For a small slice of people.

Ms CRANSTON - Yes.

Ms WEBB - I'm interested to talk about the current use of facial recognition technology already by venues. We don't have an official system where it's linked to our exclusion scheme yet.

Ms CRANSTON - No.

Ms WEBB - But there are a number of venues utilising it that have put it in themselves.

Ms CRANSTON - Yes.

Ms WEBB - Does the commission have a line of sight over how many venues that is and what that technology that's being used amounts to?

Ms CRANSTON - I think they're all using a similar facial recognition system, those who've bought it and have installed it. I think it's not official in the sense that the commission had never satisfied itself that the privacy concerns around FRT were fully met. And, of course, there's a privacy act that needs to be taken into consideration, and we did not feel that we were ready to - and also when they started doing this the player card was still on the agenda. I don't know. Do you know, Mark, how many venues?

Mr BRAZENDALE - Roughly 50 per cent.

Ms WEBB - Fifty per cent of the current 90 venues?

Mr BRAZENDALE - Yes. The casinos both have it.

Ms WEBB - They have it anyway, but of our pub and club venues, 45 out of 90 are using facial recognition. So, does the commission or the branch have any responsibility for monitoring and compliance of anything in relation to those systems in use in half the venues?

Ms CRANSTON - No.

Ms WEBB - If they are using them for the purpose of identifying excluded persons, which is sort of the intended future system that's being put forward by the government, they must be having to, in some sense, link their facial recognition technology in their venue to that system. At the very least, they must be taking photos provided of excluded patrons and uploading them into the system. Would that be your expectation?

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Ms CRANSTON - It's not linked to the central exclusion scheme system because that belongs centrally and it belongs to government. It doesn't even belong to the commission. I think it's a government system. But, of course, every venue can download the images that are on that system. This is how they identify a self-excluded person coming through the door.

Ms WEBB - Normally they would have that in a paper system in the book?

Ms CRANSTON - Yes, but we don't send out a paper system. They get it and they might download a paper system at the venue so that the staff can look when you come in who's there physically.

Ms WEBB - Is it legal for them to upload the photos of excluded patrons from the government system that you've sent them into their facial recognition system that they have independently in their venue, not being monitored, or not for compliance, not connected to any regulated activity? Is it legal for them to use the photos in that way?

Ms CRANSTON - This is the whole question about FRT, and Bunnings putting up an FRT sign.

Ms WEBB - Sorry to interrupt you, but before we get to the intended system, I'm interested in this question about the current use of FRT in venues that isn't part of a government-endorsed or commission-monitored system. Is it your understanding that it is legal? According to the law, are they allowed to take the photos of excluded persons in the government's exclusion system and upload it into the FRT system they have operating at their venue and are currently using for identifying excluded persons?

Mr BRAZENDALE - As a user, they have access to all the images of the people excluded from their venue, and that is information that they receive. What they do with that, they need to ensure they comply with all relevant federal legislation.

CHAIR - Presumably, the people whose data is on those databases provided to pubs and clubs have given consent for their, effectively, biometric data to be shared.

Mr BRAZENDALE - Yes.

Ms CRANSTON - But it's not necessarily to be put on FRT systems.

Ms WEBB - That's the reason I am checking. And in terms of compliance with Commonwealth legislation, I mean, does it comply with our *PIP Act* in the first instance? And then in terms of compliance with federal legislation, who checks that compliance?

Ms CRANSTON - This is why the commission didn't go there, to be honest. We've looked at the system at the casinos and there are big signs, just as there are in stores or whatever, where you might enter that say, 'Walk through this store, you're subject to -'. That's a good thing that people actually know whether they're excluded or not; that's advice that people entering have. I don't know whether those signs exist in venues.

Mr BRAZENDALE - The obligation is for the venues to comply with the relevant legislation. That's their obligation.

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Ms CRANSTON - We were trying not to take on responsibilities that we have no legislative remit over. I know that might seem like we might be walking away from an important issue, but we can't do anything about it because it's someone else's legislation.

Ms WEBB - I'm just trying to clarify the current situation. I know that the government's intention is to take us down this path further and you've identified big question marks over privacy, how privacy is being dealt with, how that's legislatively going to work out. But we have a current system already in place for half the venues that they're using off their own bats that it is intersecting with our government exclusion system, and there is a question mark there over privacy matters that is currently unanswered and nobody's responsibility much.

Ms CRANSTON - The first group to start this was the casinos, who wrote to us many years ago now, saying that they wished to introduce this. There was an exchange of letters and we said, 'Well, we have concerns about the privacy aspects of this'. They took legal advice and sent back a letter saying, 'We believe that we are fully compliant with Commonwealth legislation, blah blah, blah'. So, we just said, 'Well, it's your responsibility. Off you go.' So, they have taken legal advice and they are convinced that they are able to do it. We've watched it down there and it seems to be a very sound system. Then other venues started adopting it and then, as this agenda, I suppose, got a head of steam as a replacement for the player card gaming, everybody sort of started adopting it as an alternative, even though it's very limited in terms of its aspect.

I suppose to answer your question specifically, we give the images, we upload them. That part is all okay. They've got them there. Then what do they do with them? Well, they run them off, they print them out, they have them in books and they put them into their FRT system. We have not said they can't do that.

CHAIR - Where are those images cached?

Ms CRANSTON - They come from the central exclusion register and they are sent to venues.

CHAIR - And that sits in Treasury, the exclusion register?

Ms CRANSTON - Yes. People, I think, when they know, when they go through the process with the counsellors and so on, they know that, obviously, their images are going to go to the venues that they identify as where they wish to be excluded from.

Ms WEBB - Until this point in time, though, that is meant to be printed out in a book that sits there for staff to refer to if needed. They haven't necessarily explicitly consented to them being uploaded into systems that, at this point in time, none of us here around this table, I don't believe, can say how well those systems are protected, how well those systems are being monitored for compliance with legislation, what the privacy protections are, in fact, in place? That's not something - correct me if I'm wrong, that anyone sitting at this table can attest to.

Ms CRANSTON - Correct.

Ms WEBB - Thank you. In terms of how these systems are practically working at the moment, the ones that are in place in half the venues, does the commission have any concerns in terms of patron care about the way they operate? My understanding, from what's been

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described to me about the way they operate, is that the facial recognition is present at the entry into gaming areas and it's connected to an alarm. When someone who's in the exclusion scheme and, therefore, uploaded into this facial recognition system at the venue, enters the gaming area, an alarm goes off to alert staff. Then staff, presumably, respond appropriately in some fashion. Is that your expectation about how these systems should work? And does the practical operation of that system, with an alarm going off, something you regard as appropriate patron care, knowing that the patrons here are highly vulnerable people?

Ms CRANSTON - The only FRT system that we've looked at was at the casino. An alarm went off, but it was inside the boxed area.

Ms WEBB - So you're not aware of how it works in the community?

CHAIR - Only the staff heard the alarm?

Ms CRANSTON - Yes, so there's an area with a glass thing -

Mr BRAZENDALE - The cashier area.

Ms WEBB - But we can't attest to how it works and how audible the alarm is, or who's able to hear the alarm in community venues, pubs and clubs in the community?

Mr BRAZENDALE - This would be a question you need to talk to venue operators about.

Ms WEBB - As the commission, would it be of concern to you if there wasn't a similarly appropriately private way that the identification alert goes off in the community venue?

Ms CRANSTON - I think it's unfortunate if it's a big alarm and then staff descend on a person coming through who's already vulnerable. That kind of stigma, I think that would be unfortunate. Weigh that up against the fact that they might come in and continue to gamble when they're already in trouble emotionally, financially, whatever, broken.

Ms WEBB - Are you aware of there being any components in the current training programs that are there around responsible service of gambling that relate to the use of FRT systems and the exclusion scheme, knowing that it's not yet a mandated part of our picture?

Ms CRANSTON - No.

Ms WEBB - It's not part of the training?

Ms CRANSTON - No, we have not included it.

CHAIR - This was an interesting one that originally I think I heard about across the Estimates table when the Treasurer announced that, as part of their new approach to harm minimisation, they'd be having a number of gaming care officers in venues. We'll just go back to the original set of questions. Was the commission consulted about these positions? And does the commission have a view on how effective one gaming care officer in each region of the state will be in terms of providing that presumable support for patrons and gambling addicts in venues?

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Ms CRANSTON - Yes, we were consulted ahead of the decision about gaming care officers. We wrote, and this letter from the commission is the 12th of December. Our concerns originally related to the fact that we did not think that something called a gaming care officer should be employed or managed by Hospitality Tasmania, or whatever it was then called. That seemed to represent a rather obvious conflict of interest to us, where an industry whose members profit from gambling shouldn't oversee officers whose core responsibility is the reduction of gambling-related harm. They seemed to be in conflict. We thought, and we suggested, that it should be an independent service. We suggested Anglicare, somebody like that, that would employ and manage those officers. We also raised concerns about the number of the officers, that was vastly inadequate if you were looking at the state of Tasmania. So, yes, we outlined a number of shortcomings in that proposed model that we thought we would put forward to the minister. That was at the end of 2025, I think. And it proceeded.

CHAIR - Without any adjustment based on the commission's advice?

Ms CRANSTON - Not as far as I can recall, no.

Ms WEBB - Was there a response to the letter?

CHAIR - Yeah, was there any formal response?

Ms CRANSTON - I'm not sure. I don't know. I haven't got it, no.

CHAIR - You can't remember there being a response specifically? That's not to say there might not be one because we all forget things from time to time.

Ms CRANSTON - I'm surprised, in my extensive dragging up of documents, that I haven't found it. But I can't say. I can't remember.

CHAIR - Would it be possible for us to have a copy of that piece of correspondence that you have before you which is the commission's source?

Ms CRANSTON - Is that part of the list you're going to ask me?

CHAIR - We'll send you the list and maybe just check back and see if there was any response from government. What is the commission's understanding of how those gaming care officers might work in terms of mitigating harm?

Ms CRANSTON - We had a meeting with Hospitality Tasmania. I can't remember whether it was earlier this year, Mark. Yes, it was earlier this year?

Mr BRAZENDALE - Yes.

Ms CRANSTON - And we raised the matter of the gaming care officers with them. I think that their understanding of the role was that it would be sort of educative in terms of regulatory responsibilities in hotels.

CHAIR - What does that mean in practical terms? Does a gaming care officer see someone who's been sitting in front of a machine for four or five hours, obviously not going well, and go over and approach them and have a chat to them?

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Ms CRANSTON - No.

CHAIR - What is educative? What does that mean in a venue sense?

Ms CRANSTON - Educative of staff.

CHAIR - Of staff and only of staff? So, no care engagement with patrons?

Ms CRANSTON - No. Well, I think it would be practically impossible. Like for the number of care officers, the number of venues and the size of the state and the distances between, they're not going to be doing that level of care on patrons. My understanding was it would be care instruction: how to identify maybe problem gaming behaviour, how to assist staff when they see that because this is a very difficult area, how you approach someone and how you say 'Maybe that's enough', 'Time out', and all of that. That was our understanding of what was said that day, that it would be staff educative.

CHAIR - Okay. Are those positions to be funded by Hospitality Tasmania or individual venues? Do we know anything about how that would be rolled out?

Ms CRANSTON - My understanding was that they were being funded by government, but you might put that question to the Treasurer.

CHAIR - Yes, we'll do that.

Ms GLADE-WRIGHT - You said that three was vastly inadequate. What do you think is a more appropriate number?

Ms CRANSTON - Well, at that stage there were 92 venues and you had three staff so, given the distances, particularly if you're looking at the north, the north-west. We said:

Greater effectiveness would be achieved through regular onsite presence and a substantially higher number of officers. We strongly recommend an increase in the number of officers if you proceed.

In New South Wales, we pointed out, there are a number of responsible gambling officers that are employed in venues. One RGO is present whenever venues with more than 20 gaming machines are in operation. That would mean, if you take that logic, you wouldn't need 92 but if you were going for 20, you'd need 60 or something like that. So, it was way short of anything meaningful. That's the New South Wales model by the way.

Ms GLADE-WRIGHT - So, in that model, they're there permanently if there's more than 20 machines?

Ms CRANSTON - In New South Wales?

Ms GLADE-WRIGHT - Yes.

Ms CRANSTON - I think so, yes.

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Ms WEBB - That's basically somebody on staff who's tasked in this role the whole time, monitoring patrons and -

CHAIR - And teaching staff how to watch out for them.

Ms CRANSTON - This advice is at the end of 2025, so it's a year old but it says:

These officers are employed by the venue, having completed an Advanced Responsible Conduct of Gambling certification. This requirement is critical for providing on-the-ground support to patrons, enabling early intervention and proactive engagement to reduce gambling-related harm.

Ms GLADE-WRIGHT - It sounds like they do have a bit more of a relationship with the patrons, not just the staff.

Ms CRANSTON - Well, they're on venue if you've got 20 or more.

Ms GLADE-WRIGHT - But your understanding of the gaming care officers in this proposal is just for staff, not the patrons?

Ms CRANSTON - Yes, that's my understanding.

Ms GLADE-WRIGHT - That's quite a big difference.

Ms WEBB - That New South Wales model, to me, sounds like - and this may not be correct, maybe they don't require all staff to have done responsible service of gaming, but they must have at least one staff member who is an RGO who must have done that training.

Ms CRANSTON - Advanced Responsible Conduct of Gambling certification, which we don't have.

CHAIR - So, that's a course that they can undertake through training providers, and we have nothing similar to that in Tasmania?

Ms CRANSTON - Well, we have a course but not that advanced, by the sound of it. I haven't looked into this, by the way, but it sounds like it's something on top of what we would have, which is the qualification, the training, that you do to get a certificate to operate or interact with gaming patrons.

CHAIR - Okay. And that doesn't involve, to your knowledge, that duty of care sort of approach to patrons necessarily?

Ms CRANSTON - I think it would.

CHAIR - Okay.

Ms CRANSTON - But that to me sounds like getting a Masters on top of a Bachelor or something. It sounds like a next-level advance. For those particular one only. Everybody would have levels of training, but there's this one that's specific. That's what it sounds like.

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Ms GLADE-WRIGHT - So, the number of venues that have more than 20 in Tasmania is how many?

Ms CRANSTON - We just made that up.

Mr BRAZENDALE - We don't know that number exactly. It's probably more like 70.

Ms WEBB - Now that we've bumped up the numbers in the last six months, probably most have hit their 20 or more. On the training, because if we do mandate training for responsible service of gaming to staff who are going to work in the venues, but we don't have a requirement like we do with responsible service of alcohol. So, for example, if I'm in a pub serving over a bar and you are notably intoxicated, I can't serve you under responsible service of alcohol. And I can be penalised and the venue can be penalised for doing so if I did. We don't have a similar arrangement in place for responsible service of gaming in venues. So, even if a staff member observes someone who is displaying notable signs of an addiction and a difficulty in controlling their gambling, not acting, and continuing to allow that person to access the poker machine, has no penalty attached to it under our system? That's correct?

Ms CRANSTON - Not exactly. But I know what you're saying. If we're dealing with a disciplinary matter and we see a person in a gaming area, and there's staff around not doing anything, missing the fact that it's a minor or missing things that they ought to pick up under the code, we will - not the person, but that could be a matter for disciplinary action against the licence holder.

Ms WEBB - But that's lightly monitored. And it's not about whether they're a minor. Being a minor is a whole different thing. There are penalties for having minors in licensed venues. There isn't a penalty, though, on them if they have failed to engage with and appropriately respond to somebody who is demonstrably not in control of their gambling?

Ms CRANSTON - We would need to know they were demonstrably not in control. How do we know that?

Ms WEBB - Do venues report on how often their staff intervene?

Ms CRANSTON - No, they're not required to. No.

Ms WEBB - No, they're not required to. So, we have absolutely no line of sight over - and I'm linking this back to the gaming care officers because the gaming care officers, on paper, look like they are supposed to help venue staff be better at identifying indicators of harm, and strengthen referral pathways and interventions that they can offer in venues for staff. Gaming care officers are supposed to help staff in venues do that. We will have no way of knowing how effectively that occurs and what difference it makes because we don't currently monitor, collect data, have any line of sight over interventions that currently occur, data-wise or even anecdotally?

Ms CRANSTON - No. Only if we're viewing CCTV as a matter of disciplinary action, sort of second-hand you'll see staff walking past and not doing anything.

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Ms WEBB - As a commission, do you think there's value in there being some form of data collection from venues around how often they've intervened and offered support to patrons who are demonstrating signs of gaming intoxication, I guess?

Ms CRANSTON - Look, I think it wouldn't harm, it wouldn't be harmful. What would we do with that information, and would it be accurate when it came to us? The gaming care officers, they do have to report to the commission. There does have to be a report wrap-up of the activity. So, we might get -

Ms WEBB - What would that include?

Ms CRANSTON - I'm not exactly sure.

Mr BRAZENDEALE - We haven't worked through that yet.

CHAIR - They're not on the ground yet, are they, the gaming control officers?

Ms WEBB - Care officers even.

CHAIR - Sorry, care officers. They're not employed, it's not in place yet, as far as we know?

Mr BRAZENDEALE - No.

CHAIR - Do we have a timeframe on that?

Mr BRAZENDEALE - I'm not aware of that, no.

Ms WEBB - Just to be clear, they're going to be employed by Hospitality Tasmania, likely funded by the government, because I think that's part of the arrangement that's been made. They're funded by the government to Hospitality Tasmania who employs them and then they report to the commission?

Ms CRANSTON - No, I think Hospitality Tasmania probably has to say, 'X, y, z, this many venues visited, this many distances travel, this many staff training'. I imagine that government won't just hand over, it's not normally the practice of government to just hand over funds. There's some kind of -

CHAIR - Hospitality Tasmania, I don't know, there's a bit of history here.

Ms CRANSTON - I imagine there would be a 'here's the money' and then there must be some report. And maybe it's not to the commission. I could be thinking where else would it go, you can have a look at this report.

Mr BRAZENDEALE - It's in the directions. They provide quarterly and annual reports to the commission, and then the commission, if there's any concerns, it will then go to the Treasurer, we'd report those concerns to the Treasurer.

Ms CRANSTON - But I imagine it'll be like that: how many visitations, how many lectures did you conduct, how many one-to-ones? I can't imagine it's what Ms Webb was talking about.

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Ms WEBB - No, I'm talking about meaningfully monitoring how effectively we actually support patrons who are demonstrating signs of harm.

Ms CRANSTON - Well, perhaps that's when the commission -

Mr BRAZENDALE - Reviews its code.

Ms CRANSTON - Reviews it, yeah, that we put something stronger in around that kind of level of reporting.

Ms WEBB - If we're going to invest in gaming care officers who are supposed to improve these things, how will we know whether they're improved if we have no way of measuring what goes on?

Ms CRANSTON - Activity, we'll be measuring activity.

Ms WEBB - That's widgets, right? It's not outcomes or impact.

Ms CRANSTON - No.

Mr BRAZENDALE - The commission was waiting to review its code pending the outcome of player card gaming. And, of course, now that's no longer happening, the commission's going to do a fulsome review of the code in 2027. There's a lot of things the commission will probably consider at that point.

Ms CRANSTON - We could have probably wiped out just about the whole code if we'd had the player card, so we were holding that, because what was the point? Wait, wait, wait. Then the harm-min package, well, we didn't want to have crossovers in case there were things. The commission now has to - and Mark, I know he doesn't want to hear this, but it might be quicker than 2027. We have to get cracking on that review of the code. It's quite limited in terms of the number of things that it can look at. It's actually in the act.

Ms WEBB - It specifies in the act.

Ms CRANSTON - Yes. But one of them is access to cash.

Ms WEBB - Can we move on to talking about the pokies player card a little bit? Obviously, progress ceased at a certain point. But can you explain to us in a summarised way the point of development that we had reached in terms of the card and its readiness to be implemented in Tasmania at the time that the government pulled the plug on it?

CHAIR - It's very well laid out in the submission.

Ms WEBB - Thank you. I appreciate that and you might like to highlight and then we can ask some questions about some elements of it.

Ms CRANSTON - From the announcement that the government was proceeding in 2022, 2023 was mostly - well, Maxgaming wasn't yet even employed when we were heading

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towards the new licensing agreement, so there was a huge amount of work happening. Come 1 July 2023 we started..

Ms WEBB - I'm really keen to know where we got up to. Where were we at the point that the plug was pulled?

Ms CRANSTON - Well, the plug was never really formally pulled for quite a while. There were the words 'pausing' and there were the words 'deferral', and so on. But we had got to the point we were having a meeting with Maxgaming. I had just about nailed every design issue, like what did the card look like, what identification did you need to get a card, what, what, what, what, what - millions of things that you wouldn't even think of. There was a long list of things that Maxgaming needed to know a commission decision on to build it, so it was really important, and we had done all that work. That was actually, by the way - the announcement came through, this is August, that the Deloitte report had been commissioned. So, we're actually sitting in that meeting with Maxgaming when that came on these guys' laptops and we all went, 'Oh, God'. Anyway, we kept going. So, the commission had done all of that work. My recollection of it is that we had then advised - I'm not sure which minister we had by then.

Ms WEBB - You were probably in the process of losing Mr Ferguson and gaining a new minister.

Ms CRANSTON - No, it was post that, well past that.

CHAIR - Minister Jaensch?

Ms CRANSTON - I think it was Minister Jaensch. It was Minister Street and then Minister Jaensch. I am not sure which one of those. But my understanding is that we were now at the point because, just to reiterate, the commission has no capacity to fund anything. We'll do the brainwork, with the branch, of course, and Maxgaming, and there it is ready to go. But there needs to be a signature for the next tranche of money to go to Maxgaming to get on with it.

Ms WEBB - Get on with the design of the card? You had the parameters all set?

Ms CRANSTON - This was the design. This piece is the complete design of what this looks like, from go to whoa.

Ms WEBB - So, the funding was required for what then?

Ms CRANSTON - For them to build it, for them to take that now and make that into the build.

Ms WEBB - So, that's the stage that we got up to? Ready to go, ready to be built?

Ms CRANSTON - I believe so. I think that just required one signature to make that happen.

Ms WEBB - Can I just clarify then that if there was a significant change of heart, or change of something, in this state and the government of the day decided to pick the card back

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up, are we at a point where that work could be picked back up and continued then from the point of being ready to be built, given the right funding and support from the government?

Ms CRANSTON - Look, I can only answer that truthfully in that I asked this question - and David, you were there, of Tabcorp, whom we met at our monthly stakeholder meeting. Did we meet Tabcorp last month? Yes. I asked that question specifically, as I have asked them before: 'Where is the work, because I think it's our IP. I think we own this, the commission and the branch, and Maxgaming, but they were paid to do the work. Does it still exist somewhere? Have you sold it, for instance? Have you deleted it?'. And the answer that I got from the -

Mr BRAZENDALE - The chief risk officer.

Ms CRANSTON - The chief person who we'd been dealing with the whole time -

Ms WEBB - At Tabcorp?

Ms CRANSTON - Not the CEO of Tabcorp, but the person that we'd been dealing with through the Maxgaming process. It is still there.

CHAIR - Where is there?

Ms CRANSTON - Maxgaming, Tabcorp, somewhere. I'm not a techo. In my mind, it's like this box of stuff and there's the design and it's still sitting there. I don't know whether it's in reality like that, but it's still there, according to Maxgaming. And I've asked that question before because I do feel strongly that it's our IP. And it was nation-leading, if we can say that about ourselves. It was. And it's still there.

Ms GLADE-WRIGHT - Have you had any legal advice around the IP?

Ms CRANSTON - No.

Ms GLADE-WRIGHT - Finding out whether it actually is and whether you own it?

Ms CRANSTON - We probably don't own it. We're the Crown. Probably not. We're state servants. We probably don't own it. But government owns it.

CHAIR - The government would own it if it got a consultant to do the work.

Ms CRANSTON - The difficulty is about the money because we don't control any of that. And that would take us to - when did Leonie Hiscutt do the -? That was the critical -

CHAIR - The announcement in the Legislative Council?

Ms WEBB - That's in response to my motions?

Ms CRANSTON - No, that's not, yeah. So, October 2024. And I know - and there's the date. On 31 October I met with the next minister, Mr Jaensch, who, honestly, he was terrific. He was trying very hard to get his head across what was quite a complex - the rest of us had been on this journey for a number of years and he was trying to understand it because I think at that point, he was the person who had to sign for the next tranche of money, and so we were

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going through it in great detail. Then, on 19 November, government announced that it had been deferred. He was still minister then because he rang me and told me that it was going to be deferred. Then it happened in parliament the next day, I think.

CHAIR - Okay. I did want to explore this timing with you. You sat down with the new minister, Minister Jaensch, on 31 October and you had a conversation with the minister then about progress on the mandatory precommitment scheme.

Ms CRANSTON - Mm.

CHAIR - Taking on board what you said about him trying to get his head around a complex portfolio and policy area, was there any indication given to you at that point that the government might not be proceeding with player card gaming?

Ms CRANSTON - No, he certainly did not say that at all. He was quite enthusiastic and conscientious, I guess, is the word, in trying to understand it. Because he was the signatory, he was obviously a person who wasn't going to sign something that he didn't understand. So, it was quite detailed and quite a complex meeting. I suppose, Chair, we started to feel a little bit nervous when the terms of reference for the Deloitte report were announced because why would you do that at that point -

Ms WEBB - If not to try to sabotage?

Ms CRANSTON - Well, it just made us feel like the ground might be shifting. And industry was quite vocal in the media around that time.

CHAIR - Noting that the Deloitte report did not come back with the answers that the government hoped it would, and, in fact, reaffirmed the social and economic value of strong harm minimisation in the sector.

So, about two-and-a-half weeks after that meeting with Minister Jaensch, at which no indication was given to the commission that all the work that had been done would not be followed through with, there was an announcement that the player card gaming scheme had been deferred. How did you find out about that? You said there was a phone call. Was that phone call on the 18th, the day before, from Minister Jaensch, so you had 24 hours' notice maybe?

Ms CRANSTON - It might have even been the 19th. I can remember it was very -

CHAIR - Sudden?

Ms CRANSTON - Yes, I think it might have even been the 19th. He might have been running off to parliament to - I could find it on my phone, but I think it was the 18th or the 19th. My gut feeling is it was the 19th, just before the announcement was made.

CHAIR - Without breaching any confidence, it was a personal conversation between you and the minister, but you're both public authorities: what was the minister's explanation for why the government had decided not to proceed with the player card gaming scheme?

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Ms CRANSTON - Look, to be honest - and I think this is why I'm thinking it was the 19th, it was really hurried. I don't think I heard bells ringing, but it was that kind of timeline. He just said, 'Look, this is what the government wants to do: it wants to defer it'.

CHAIR - 'Defer'?

Ms CRANSTON - 'Defer' was the word, and that - look, I don't think he said any reason, and I respected that governments have a right to change their minds. So, it was a very short conversation, but he paid respect. He told me before the announcement, but it was a very short timeline.

Ms WEBB - Pattern of behaviour there, in terms of when the commission is engaged with before announcements are made, as in very last-minute. I could probably go on with other things on the card. Interestingly, the argument at the time, and it continues to be something that the government points to, is that we couldn't strike out on our own, as it were, on a national level; that we should be waiting to see what other jurisdictions do in a pokies card space. What's your view of that contention, because I do note, and perhaps you could explain this more fully, there are cards-based systems in operation already. Here in our own casino environment, and certainly casino environments in other jurisdictions use a similar card-based system. What merit is there in saying we needed to wait for a national approach?

Ms CRANSTON - Well, I don't know. You would have to ask - I'm not even sure who was our minister then. That was Guy Barnett by then. That was the fourth minister, I think, and the Premier who were making those statements. They don't know this, but the other states were looking at us, they were contacting us. We don't operate in an island; they're all talking to us, the other regulators and, you know, cheering us on. 'What help can we give?', hoping that they might get there themselves. It had been said to me that sometimes it is easier to do things in small jurisdictions and I think that's probably true. So, I would have thought that it would have been something to be really proud of.

CHAIR - We led the country.

Ms CRANSTON - We led the country. I'm going to cry. That you would be proud of that. So, I don't know why that had to be the case. But I do know, and other jurisdictions - I can't give you the dates or whoever, wouldn't name them anyway, but other jurisdictions were saying things like 'Be careful' because their hospitality associations were somewhat rampant, because they all saw Tasmania as the thin edge of the wedge, and if it was successful here, it would flow.

Ms WEBB - On that, it sounds like it would be difficult for any single jurisdiction to be the first mover if that's the experience that we had as a state, when we were taking that leadership role and forging ahead with the work to be done. And the warnings that you heard through similar interstate colleagues was that other jurisdictions were hopeful we would get there, and that the industry was going to be bringing influence to bear to stop it. Presumably that's going to be the case for any jurisdiction that might similarly want to move forward.

Ms CRANSTON - Or, indeed, the Commonwealth Government.

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Ms WEBB - Or indeed. You were right there in the midst of developing the arrangements around the card, when we were in the process of developing it. Was there any practical reason that Tasmania could not have gone ahead implementing that card-based system?

Ms CRANSTON - I think it was both minister Jaensch and the Premier in parliament on, I think, the 19th of November, where the reasons given were complexities, costs and timing. I did a radio interview the next morning, in the public interest, because we were being besieged somewhat to have 'what's the commission's view of this?', so -

Ms WEBB - You're an independent statutory entity. You're allowed to share a view.

Ms CRANSTON - You know my history there, though. So, I did a radio interview and I think I said at the time, it's no more complex than it ever was and, to some extent, we had cracked a lot of the complexities intellectually. There were still complexities about implementation because, unlike the licensing reforms, where everybody was on board because they wanted it to happen, this would have been somewhat difficult to implement smoothly, because there was opposition to it. But the complexities in design and the build and that were always as they had been. The costs, from our perspective, hadn't changed. We had given some indicative costs back in 2022. In fact, minister Jaensch congratulated the commission on the costs being still, two years later, round the same area that they had been, the first project to come in two years later on budget. But whether there were other cost factors that had come into play, you would have to ask the Treasurer.

Ms WEBB - And when you say costs, do you mean costs to government?

Ms CRANSTON - Yes.

Ms WEBB - Rather than costs to industry folk?

Ms CRANSTON - Well, maybe both, because industry folk, that would be another reason for their opposition. But as far as the commission was concerned - but again, we don't get involved in the costs because we haven't got the funds. None of those reasons were, certainly not the complexities. That wasn't the case.

Ms WEBB - It didn't appear insurmountable to you?

Ms CRANSTON - No.

Ms WEBB - When you think now about what's on the table to be implemented under this new suite of measures from the government - and you think about ATMs in venues and the complexity around facial recognition, elements of that, TITO systems to be brought in, new arrangements around facial recognition technology, if you're thinking about complexity of implementation, potential cost of implementation, how do you regard the comparable complexity and costs across the player card and progressing with that compared to progressing what we have now proposed?

Ms CRANSTON - I'm not sure about the costs because I don't know what costs there will be. I mean, the difference is what I just said, the implementation. This would be a raft of initiatives that industry wants, so we're not going to have the same level of opposition that we might have had trying to implement the player card. If, at that time, venues made it extremely

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difficult for that process to run smoothly, there would have been a bit of chaos out there. I mean, to a certain extent, we control the power because of MaxGaming. They could just say, this is it and this is now happening. But there would have been card readers that needed to be added to machines, so you need access to the venues and you need to have that work happening. There's no doubt implementation would have been not smooth, probably, given their level of opposition to it overall. But if you've got government backing and if you've got the commission's powers, then it will happen even if it's not smooth.

CHAIR - What was the projected costing on the rollout of the player card scheme, the one minister Jaensch commended you on getting basically right?

Ms CRANSTON - This was a report from Tabcorp in April 2024 that's got some high-level costs. I don't know whether this is commercial-in-confidence or not, so maybe I shouldn't use that one. I'll use what's in our report, which was informed by our understanding at the time. Only I won't be able to find it.

Ms WEBB - This is your report of 2022?

Ms CRANSTON - Yes.

CHAIR - So, that costing is a matter of public record, is it? I just don't recall the costing.

Ms CRANSTON - I don't either, to tell you the truth.

CHAIR - That's fine. We can check that later.

Ms CRANSTON - We were still looking at - this report says that the costs have been budgeted at \$3200 per EGM, based on data from Victoria.

Ms WEBB - Sounds like a similar amount to the TITO system, doesn't it? Except it delivers absolutely every other outcome we want, including -

Ms CRANSTON - But that's only EGM. And then \$2 million would likely be required for EMS system development, so that's a MaxGaming -

Mr BRAZENDALE - Monitoring system.

Ms CRANSTON - Monitoring sort of stuff. That might not be all the costs. Minister Jaensch may have been privy to other costings that I, of course, was not. This was our estimate of costs when we were charged with the role of getting on with the card. So, there were some indicative costs in 2022. I've got it, this MaxGaming, that's roughly around the same in 2024. And minister Jaensch - that's April - when we spoke in October 2024, may have been privy to other costs that had arisen in the meantime. I don't know that. But he definitely said that at that stage, it was looking like - and the commission's conversations with MaxGaming were saying more or less the same thing, that it was going to be around whatever we said.

Ms WEBB - From what you're describing, it sounds to me like matters that were pointed to around complexity and costs were one thing, but we know now from what you've said that they didn't appear to be insurmountable. It's likely they're also relatively comparable to costs and complexity for the suite of measures proposed now anyway. It sounds to me like what you

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identified as the key difference is a recalcitrant industry who would oppose the implementation of a player card and not oppose the implementation of the suite of measures that they've convinced the government to progress as of January this year. Is that the key different factor, if we were to think about the implementation of these two potential pathways forward?

Ms CRANSTON - Look, I can't really answer that. All I can say is that the industry response to the player card gaming in Tasmania was pretty vigorous, and you only have to look at the media commentary on them. Forget about other things that were happening in the background. The industry was fairly vigorously opposed to the player card system.

CHAIR - Compare that to now: they're very happy.

Ms CRANSTON - That's all I can say.

Ms WEBB - In terms of the Deloitte report, I think from what you've already said to us today, and it's a probably similar response to when the Deloitte report was announced back in 2024, there was some concern that it was in order to help put an end to the card, potentially, by showing that it would be not a good way forward. I must say, when the Deloitte report was made public in January this year, just quietly popped up onto the State Growth website with no comment or fanfare from the government whatsoever, it's a striking report. Has the commission taken a look at the Deloitte report and what it says about the likely impact of implementing the card, and their assessments or analysis that the commission has made of that report, or even just observations?

Ms CRANSTON - No, we haven't. I mean, we've read it obviously, and we talked about the release of it and so on, and it's an amazing report.

Ms WEBB - Was the commission surprised at how positive the findings were of this report in terms of the card?

Ms CRANSTON - Yes, surprised at the report. Not really surprised at the outcome because -

CHAIR - Because the evidence speaks for itself, doesn't it?

Ms CRANSTON - Yeah. If anyone had asked, my gut feeling was that it would show what it did: that there are many, many venues in Tasmania that don't have poker machines that are not as lucrative as those that do, but they are operating in very remote communities. I had just been in Waratah and Marrawah. No poker machines. You know, really, really remote places where the hotel is the centre of the town, and lots of places all over Tassie that don't have poker machines. And in some of those places where they do have it, they're quite disadvantaged communities. I doubted that the spend would then - that's what this shows as well, that the spend would be such that people would be exceeding \$5000 a year. They could be expending \$3000 a year and still spending way more than they had or wanted to spend, but that they wouldn't necessarily be going over the limits.

I was also surprised that the Deloitte report basically said about the session, the amounts of money expended by very low-risk gamblers were nowhere near what the default limits were, so the recreational gambler would not have been affected by the PCG.

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I was surprised at the level of detail and the modelling that they did, but my gut feeling told me that that would be the sense of Tasmania. But it -

CHAIR - Doesn't it also tell us that the industry here relies heavily on the losses from gambling addicts as part of the business model? We can call them 'problem gamblers', but given that the mandatory pre-commitment card, after what you just said, would target the people who have an addiction, primarily, the industry resisted the introduction of that card, knowing that it's, in fact, people with a gambling problem or an addiction, who underpin the success of their businesses.

Ms CRANSTON - Well, if you look at the socioeconomic data, the highest losses are in those places with the greatest - and that's not just true of Tasmania, by the way, that's everywhere, so what is that about?

CHAIR - Well, that's about deliberately targeting areas of disadvantage for the placement of your machines. Knowing.

Ms WEBB - But also because, of course, people who are experiencing an addiction to pokies can live anywhere as well and can be from any socioeconomic group. But, correct me if I'm wrong, I believe our social and economic impact studies that occur here regularly in the state have consistently identified what we know to be true from other broader studies done nationally: that around half the money lost to poker machines comes from people who are experiencing harm. So, I think the fact that anything that genuinely mitigates that and reduces it, and prevents that from occurring, is going to have a significant profit effect on the venues.

Ms CRANSTON - I think harm minimisation, almost by definition, has to mean fewer people gambling or fewer people gambling for the same amount of time or less money going in, otherwise it's not a harm-min measure. So, it is going to mean less revenue. It has to. That's what the Deloitte report says, too: that every industry will benefit, apart from the EGM sector. Every.

Ms WEBB - Because we know that money spent in any other circumstance, virtually, will have a better economic outcome than money spent on poker machines. Interesting. I was surprised, not at the findings, as I think you've just expressed, but that it was so clearly arrived at, and through this process of this commissioned report, which I think was commissioned for an entirely different purpose -

Ms CRANSTON - It's not this commission's report.

Ms WEBB - Sorry, this report commissioned by the government -

Ms CRANSTON - Sorry. I get you.

Ms WEBB - Commissioned by the government, I think, for an entirely different purpose, to paint a different picture of the card. It paints such a strong positive picture of the card.

CHAIR - And the compelling case for it.

Ms WEBB - I'm mindful we're getting close to the end.

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CHAIR - We've got five more minutes before the hearing closes, if you've got some final questions you want to take us to.

Ms WEBB - We've covered most of the areas that sit within that suite of harm minimisation - and I say that in inverted commas each time, harm minimisation measures the government announced in January. Are there any aspects of that list of measures, the implementation timelines, that we haven't discussed here today that you think are of consequence, from the commission's point of view, to put some information on the public record about them at this stage of things, when we're thinking about what it means for us as a state to be going down that path?

Ms CRANSTON - No, I think we've got a fair bit of thinking and consideration to do about moving forward in terms of this suite of measures and also, as Mark alluded to, the mandatory code that needs to be reviewed now, the list of things we've been piling up waiting to have a look at. I guess we're still committed to the harm-minimisation measure and whether that means, to the extent that we can, trying to strengthen what's there or striking out. We can make some rules of our own under the code, or we have the power to make rules, generally, that are about gaming activity. We might have to look at that as well. But what can the commission do to continue to prosecute the harm-minimisation agenda and to do that within keeping of its statutory responsibilities? We intend to do that. We've been unwavering in that and we will continue that journey.

CHAIR - Is it possible that, through the review of the mandatory code, you won't be able to strengthen it; you'll only be able to adjust it. And potentially it will be weakened because of the effect, for example, of ATMs in venues and cash in venues and those sorts of things?

Ms CRANSTON - We have to look at the whole thing, I think. How it all fits together.

Ms WEBB - To be really clear, though, you're very constrained in terms of the mandatory code and what you can beef up in there in order to fulfill your statutory duty around harm minimisation. It's still incredibly constrained. You can't just go with what you know to be, for example, a best-practice approach if it doesn't already fit with pre-existing policy parameters set by government.

Ms CRANSTON - Yes. So, the two areas in the code that really are important are the access to cash. That is an area we could look at. There are things in there about clocks and stuff like that. The access to cash and inducements we could look at.

Ms WEBB - Could the minister, the Treasurer then, if it looked like you were going down that path, come out with a new direction to prevent you from including certain matters like that?

Ms CRANSTON - Well, this is what we would have to look at at the time, if such a direction came, and the level of specificity in that direction and the detail of it.

Ms WEBB - It'll be interesting because I presume you'll be interacting with industry, consulting really thoroughly, as you move forward with reviewing the code. Industry will have a heads-up on what your thinking is around possible tightening or strengthening of measures.

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Ms CRANSTON - Look, I think we've undertaken to work, also, with the Treasurer and his staff because that's been somewhat absent. There's meetings and there's letters, and there's meetings and there's letters, but to actually work constructively together, perhaps. Everything that's happened to this point has maybe brought us to a new position, I'm hoping, and we can move forward with the commission unfetteredly, if that's a word, doing its job, which is to protect from harm.

CHAIR - A reasonable person would form a view in recent years that the commission has been fettered in doing its job.

Ms WEBB - For the avoidance of doubt, does the commission still have a firm position on its preferred way forward, in terms of delivering on its statutory mandate for harm minimisation, its preferred policy pathway forward for the state, given no other constraints?

Ms CRANSTON - Well, it would be the player card gaming, as proposed in 2022, a version of that even. Maybe this is something that I'm talking about for the future. But I don't really want to talk about this in too much detail because we haven't raised it with the Treasurer. We have certainly raised it in the meeting that we had with Mr Barnett at the end of 2024, when he was the minister, that we would like to pitch the card. To have a registered card as the bare minimum, that people can make informed decisions about their spend. If you've got a card that's registering it, they can do that. It's not with mandatory precommitments or default loss limits, or any of that other stuff, but just a card, a registered card that allows people to make informed decisions about how much they wish to spend.

Ms WEBB - Which is empowering for the consumer, is it not?

Ms CRANSTON - Correct.

CHAIR - And would minimise harm, you would think. Thank you so much for giving so generously of your time today. The hearing is concluded. But before you go, and on behalf of the whole committee, thank you for providing evidence to us. It is protected by parliamentary privilege and I need to remind you that any comments that you make to the media or others outside of this room, even if you repeat what you've said here, will not be protected. I'm sure you understand that.

The witnesses withdrew.

The committee adjourned at 1.02 p.m.