



LEGAL AFFAIRS AND SAFETY COMMITTEE

Members present:

Mr PS Russo MP—Chair
Mrs MJ Hart MP (videoconference)
Mr SSJ Andrew MP (teleconference)
Ms JM Bush MP
Mr JE Hunt MP (videoconference)
Mr JM Krause MP (videoconference)

Staff present:

Mrs K O'Sullivan—Committee Secretary
Mr B Smith—Assistant Committee Secretary

PUBLIC BRIEFING—INQUIRY INTO THE CASINO CONTROL AND OTHER LEGISLATION AMENDMENT BILL 2023

TRANSCRIPT OF PROCEEDINGS

Monday, 4 December 2023

Brisbane

MONDAY, 4 DECEMBER 2023

The committee met at 11.00 am.

CHAIR: Good morning. I declare open this public briefing for the committee's inquiry into the Casino Control and Other Legislation Amendment Bill 2023. My name is Peter Russo. I am the member for Toohey and chair of the committee. I would like to respectfully acknowledge the traditional custodians of the land on which we meet today and pay our respects to elders past and present. We are very fortunate to live in a country with two of the oldest continuing cultures in Aboriginal and Torres Strait Islander peoples, whose lands, winds and waters we all share.

With me here today are: Jon Krause MP, member for Scenic Rim and acting deputy chair, via videoconference; Steve Andrew MP, member for Mirani, via teleconference; Jonty Bush MP, member for Cooper; Michael Hart MP, member for Burleigh, substituting for Laura Gerber, member for Currumbin, via videoconference; and Jason Hunt MP, member for Caloundra, via videoconference.

The purpose of today's briefing is to assist the committee with its inquiry. This briefing is a proceeding of the Queensland parliament and is subject to the parliament's standing rules and orders. Only the committee and invited witnesses may participate in the proceedings. Witnesses are not required to give evidence under oath, but I remind witnesses that intentionally misleading the committee is a serious offence. I remind committee members that departmental officers are here to provide factual or technical information. Any questions seeking an opinion about policy should be directed to the Attorney-General or left to debate on the floor of the House.

These proceedings are being recorded by Hansard and broadcast live on the parliament's website. Media may be present and are subject to the committee's media rules and my direction at all times. You may be filmed or photographed during the proceedings and images may also appear on the parliament's website or social media pages. I ask everyone present to turn your mobile phones off or to silent mode.

McKARZEL, Mr David, Executive Director, Office of Regulatory Policy, Liquor, Gaming and Fair Trading, Department of Justice and Attorney-General

SCOTT, Mr Martin, Director, Policy & Projects, Office of Regulatory Policy, Liquor, Gaming and Fair Trading, Department of Justice and Attorney-General

THOMSON, Ms Victoria, Deputy Director-General, Liquor, Gaming and Fair Trading, Department of Justice and Attorney-General

CHAIR: I now invite you to brief the committee, after which the committee members will have some questions.

Ms Thomson: Thank you for the opportunity to brief you on the Casino Control and Other Legislation Amendment Bill 2023. The bill is the Queensland government's second legislative response to issues affecting the integrity of Queensland casinos. It seeks primarily to implement 11 recommendations of the external review into the Queensland operations of the Star Entertainment Group Ltd undertaken by the Hon. Robert Gotterson AO, KC. The review was undertaken in response to concerns that the Star Queensland's casino operations were being conducted in a way that was inconsistent with the objectives of the Casino Control Act 1982. Specifically, there were allegations of money laundering, criminal infiltration and other integrity issues.

It is important to note that this bill is the second bill the government has introduced to address casino integrity. A first bill, the Casino Control and Other Legislation Amendment Bill 2022, was proactively introduced in May last year, before the Gotterson review was commissioned and before allegations against the Star had been substantiated. The first bill was, as I said, a response to casino integrity issues that had emerged interstate, firstly through the Bergin inquiry in New South Wales, which was completed in February 2021 and immediately led to a review of Queensland casino legislation to determine if Bergin recommendations were relevant here and if casino legislation was adequate to respond to the types of issues that had been identified in the Bergin inquiry. Accordingly, and with further consideration given to the findings of the Finkelstein inquiry commissioned by the

Victorian government, the first bill proposed substantial reforms to casino regulation in Queensland. It gave the government meaningful and viable disciplinary options such as pecuniary penalties of ultimately up to \$100 million; it required casino operators to proactively cooperate with the regulator and to self-report breaches; it has significantly enhanced the government's information-gathering powers in relation to casinos, for example, by allowing the chief executive to appoint an external adviser to look into casino operations; and it specifically allowed consideration of interstate inquiry findings as part of suitability determinations. Mr Gotterson, whose review was commissioned while the first bill was before the House, considered that the bill would go some way towards enhancing integrity and restoring public confidence in casinos.

In addition to inquiring into the operation of the Star casinos and providing advice to inform ongoing suitability investigations, Mr Gotterson was tasked with considering further improvements to casino legislation. He ultimately made 12 recommendations, six of which are related to mandatory carded play and other reforms such as precommitment, use of player card data and restrictions on the use of cash. Others relate to more specific findings related to casino integrity. One of those recommendations—the ability to appoint a special manager to a casino entity as part of a disciplinary action—was implemented during consideration in detail of the earlier bill, which passed on 14 October 2022 and received assent on 24 October 2022.

The disciplinary mechanisms provided for in the earlier bill, such as the appointment of the special manager and the \$100 million pecuniary penalty, were then successfully used in the disciplinary action against the Star following the Governor in Council's finding of unsuitability later in 2022. The previous bill went a significant way towards ensuring Queensland's casino integrity framework was fit for purpose but still improvements are to be made, as recommended by Mr Gotterson, whose remaining 11 recommendations are the primary purpose of this bill in front of you.

In relation to matters raised at the public hearing, we appreciate the views of the Alliance for Gambling Reform and the Office of the Information Commissioner. The alliance raised the importance of precommitment limits being binding and having default values. Precommitment limits will be binding. The bill acknowledges this at clause 43, which says—

(1) A pre-commitment system is a system under which—

...

(b) the casino operator does not allow a person to play a game ... in contravention of any of the limits that apply to the person.

On the matter of default limits, they were recommended by Mr Gotterson and the government has supported that recommendation in principle. Obviously there are issues with arriving at a limit that would be appropriate for all persons who visit a casino in Queensland and we will need to consult further on this particular matter. Victoria, in implementing its mandatory casino precommitment system, is not pursuing default limits.

I also acknowledge and appreciate the Alliance for Gambling Reform's views that mandatory carded play and related reforms must apply to clubs and hotels as well. This is not the policy the bill seeks to implement and is a matter for government. The government's intention at this time is to apply mandatory carded play and related reforms to casinos on the basis of the recommendations of an independent review into the integrity of a casino operator. Application of the reforms to clubs and hotels would involve stakeholders who have not been consulted in the development of this bill and who have not been invited to respond to the bill before the committee.

We also acknowledge concerns of the alliance and the Office of the Information Commissioner about the use of player card data. We certainly appreciate that there must be controls over the use of this data to ensure appropriate protections are in place. This is why the bill contains a specific regulation-making power to ensure this matter can be addressed in detail and in a flexible and responsive way. The intent of the bill as it relates to harm minimisation speaks for itself, and it would be entirely remiss of our regulation-making process and contrary to the bill's content to allow casinos to exploit player card data in a way that is harmful to individuals.

Finally, in relation to use of the term 'gaming' rather than 'gambling', as raised by the alliance, the bill does not seek to change this term throughout legislation. The change, which was not among Mr Gotterson's specific recommendations nor discussed in his report, would require over 1,700 changes to the Gaming Machine Act, which is not the act primarily sought to be amended by this particular bill. However, it can be noted that the main issue in gambling policy is harm minimisation and we use the term 'gambling harm minimisation'. We have, for example, a Gambling Harm Minimisation Plan for Queensland 2021 to 2025, which is entrenched in a public health approach to gambling harm minimisation, and the language used throughout is 'gambling' not 'gaming'. We also have the Office of

Liquor and Gaming Regulation's Liquor and Gambling Regulation Strategy, which sets out the steps that we are taking as a regulator to contribute to safer and more responsible liquor and gambling environments that minimise community harm.

Thank you for the opportunity to make that opening statement. We now welcome the committee's questions and comments about the bill.

CHAIR: Sorry, I should have been paying better attention. As you were getting towards the end of your submission you spoke about the number of amendments that would need to be made if something were to happen. Could you just repeat that for my sake?

Ms Thomson: As the committee is aware, there are many pieces of legislation within the portfolio around gaming/gambling regulation. One is the Gaming Machine Act. What I am saying is that to amend right across the entire suite of legislation to omit the word 'gaming' and insert the word 'gambling' would be over 1,700 amendments to that suite of legislation. What we are doing through this process is to implement Mr Gotterson's recommendations, which were about destigmatising by referring not to problem gamblers but to people who are experiencing gambling harm, a gambling harm minimisation plan for Queensland et cetera.

Mr KRAUSE: Thank you for your submission. You touched on some of the submissions from the Alliance for Gambling Reform. I wanted to ask whether the department had any comment on the Norwegian model as was raised by the alliance and whether that was considered, or whether any other jurisdictions or models were considered compared to what is in the bill as it stands?

Ms Thomson: The Norwegian model compared to the Queensland model is very different. The Norwegian model operates with two state owned monopolies, one being a monopoly that looks after sports betting at EGMs and certain games and the other monopoly being around horserace-betting. I would also point out that there are no land-based casinos in Norway, so it is a very different model from the one which operates here.

There are elements of the Norwegian model that are similar to the controls that are proposed under this legislation, for example, precommitment schemes, exclusion and access to information. As a regulator, we looked across many of the other states and territories of Australia first and foremost. As you would appreciate, the Star operates in New South Wales as well as Queensland and so we have been working in collaboration and in coordination with the New South Wales Independent Casino Commission to ensure the reforms that we are progressing align generally with the reforms that are progressing in New South Wales. My colleagues at the table may wish to comment further on the Norwegian model and the research that was done to underpin the bill.

Mr Scott: As Victoria said, we mainly looked at the Australian jurisdictions—the legislation that had been introduced in Victoria and in New South Wales in relation to recommendations that were similar to what Mr Gotterson has recommended.

Mr KRAUSE: In relation to any regulations that will flow out of the bill, have they been prepared and provided to relevant stakeholders for comment?

Ms Thomson: The regulations are under development. Yes, they are not complete. That is work that is still underway. There will be extensive consultation as part of that development. We acknowledge the comments from the alliance and also from the Office of the Information Commissioner at the committee on Friday. They will certainly be consulted as we continue to develop the regulations that will support the bill.

Mr KRAUSE: Is Star being consulted about those draft regulations?

Ms Thomson: The Star and other Queensland casino operators will be consulted.

Mr KRAUSE: Is Star still subject to some sort of investigation or disciplinary action by the department?

Ms Thomson: Yes. I think a couple of weeks ago the member might recall that the Attorney-General extended the deferred suspension. She has now approved the remediation plan of The Star. That is subject to ongoing monitoring. The Star are still subject to oversight by a Special Manager, Mr Nick Weeks. I advise the committee that Mr Weeks has an oversight role in New South Wales as well, which gives us good coordination and collaboration in the oversight of the casino operator that operates in both jurisdictions. The Star are very much subject to oversight by Mr Weeks and his Special Manager team. Mr Weeks' appointment was extended for 12 months, which will take him to December 2024.

In relation to the oversight from the regulator, we are very actively monitoring all casino operators here in Queensland. We have a program of systems-based audits that are ongoing. We continue to have our inspectors embedded within the casinos. Queensland always maintained a casino inspectorate presence in the casinos, unlike some of the other jurisdictions. Our work is ongoing. We have done a number of investigations and prosecutions over the last 12 months including against The Reef. There is ongoing prosecution action in relation to The Ville and ongoing, as I say, oversight of The Star.

Mr KRAUSE: Do you think the regulations will be finalised before that 12-month period is completed?

Mr Scott: That is the intention, yes.

Mr KRAUSE: It was noted at the public hearing on Friday that Star was not on the witness list for this bill. Are you concerned that Star is not giving evidence in relation to this?

Ms Thomson: They made a confidential submission. That is my understanding. My understanding is that that would be a matter for the committee to raise with The Star. In relation to your question about the regulations, as I said before, with the work of the Special Manager and also the Queensland regulator, the major failing that was found by Mr Gotterson was around money laundering and criminal infiltration. As well as the Queensland regulator and Mr Nick Weeks, The Star is subject to regulatory oversight by other bodies including AUSTRAC. They have had ongoing work in relation to all of the casino operators as well. We work in an environment with other regulatory agencies. You may be aware that ASIC also has proceedings against all of the previous directors of The Star. There are a number of regulators who oversight the casino operators.

Mr HUNT: You might have seen the hearing with the Office of the Information Commissioner. They were talking about the data collection and some concerns around that. I have one question but it has a couple of different parts. You talked about the specific powers that are built in. Could you, first of all, run through those and also run through what data is going to be collected and how that is going to be stored?

Mr Scott: A lot of that does come down to the regulations. Like Victoria, the bill contains a regulation-making power to deal with the collection and storage of data. That is primarily where protections, for example, will be built in. Additionally, there is a specific prevention on marketing data—casinos being able to sign people up without consent for marketing. People must consent directly.

In relation to what information will be collected, it will be prescribed in a regulation. Player card information is basically defined by the bill as information that is obtained by the casino operator from the issue of a player card or the use of a player card. It will be identity information and game information. Mr Gotterson made certain recommendations about what a player card must collect. That includes buy-ins and buy-outs and matters of that nature.

Casino operators will be required to provide de-identified player card information to the chief executive periodically in accordance with the regulation. That will be a collection of statistics related from the use of player cards presumably, spend per game, aggregates, averages—that sort of thing. The detail is in the regulation. The chief executive will also have the ability to request player card information through a notice that is issued to the casino operator. That notice can be issued for the purpose of the administration and enforcement of the act in relation to the casino or research by the chief executive or another entity. If the request is for research purposes, those can only seek de-identified data. If it relates to the administration and enforcement of the act, it can be information that would identify a person or it could be de-identified, depending on what the requirement was. I realise the question is more about the protections, I presume, of that data when it is held by the casino operator. Ultimately, that will be a matter for the regulation.

Ms Thomson: In relation to the second part of your question, which was about why the regulator needs access to this type of data, this legislation is about minimising gambling harm and also ensuring casinos remain free from criminal influence. Mr Gotterson identified numerous cases as part of his review where people who should have been excluded from Queensland casinos were in fact encouraged to come to Queensland. It is important as a regulator that not only do we have de-identified data so we can monitor trends and activities at a rolled-up level but every now and then we might have investigations where we are looking in terms of how the internal controls that the casino should have are identifying people at risk of gambling harm or people who should not be on the casino property.

It would be important for us as a regulator to be able to see the data, to see the spend. One of the things that is known in the research about gambling harm, for example, is that—if you look at patterns of spend and all of a sudden there is a big spike in somebody's spend, you would want to ask

questions such as: what did you do when you saw this spike in expenditure? How did you intervene? Then you would trace back and test the systems against the actual interventions the casino is making. At both an aggregate level and at an individual level, that information is critical for the regulator to check compliance with the internal control systems.

CHAIR: Steve?

Mr ANDREW: No, Chair. What I was going to ask has been pretty much covered.

Ms BUSH: This bill is in response to those recommendations in the Gotterson review, which is primarily around disrupting that criminal element, but it is a good opportunity to look at harm minimisation generally, which is fantastic. I think we were all quite compelled by what we heard from the alliance in some of their commentary, and you have responded to some of that. They did mention some of the features that they would like to see in the regulations around a carded cashless system, identity verification and the introduction of friction limits on automatic top-ups. Could you elaborate on maybe some early thinking on what those features might be in a regulation, or is it premature to do that?

Ms Thomson: It is probably premature to comment in terms of the regulations, but I will comment generally in terms of what the research and the science tells us. We do have a research arm within the liquor, gaming and fair trading portfolio. What we will be seeking to do as part of developing the regulations is ensure the friction that is currently there with the use of cash is replicated in a cashless scheme. For example, at the moment—I know the alliance explained it to the committee—we have ATMs away from where the EGMs are. That means that people have to get up, get out of their chair, have a break in play and go over and get their cash. What we would be seeking to do is replicate that type of friction within a carded cashless system.

One of the other things that is available through that type of technology is, whilst it is not friction, to have pop-up messaging and to give people real-time data about their play. It is about allowing that messaging to come through in the technology. We will be looking at the best research. We have some very good academics in this country who have written extensively on cashless technology and how to embed friction within those systems.

We currently have under the Gambling Harm Minimisation Plan for Queensland 2021-2025 a pillar around technology and design. That is about how you design player safety and how you minimise gambling harm into the systems. We are very fortunate to have industry, community and academics sitting at the table with us now talking about what cashless looks like and how you can design a system that promotes gambling harm minimisation into the system rather than relying on the player.

The informed choice model is not the Queensland government's position. The position is that it is a public health approach with prevention at its heart. That is what we will be seeking to do. I know that was a bit of a long answer to your question. Rest assured we will keep working on the regulations, but we will be informed by the science, the evidence and through the consultation, some of which already exists in bodies that provide advice to government.

Ms BUSH: Thank you. That is a great response. I have other questions but I am happy to pass it around. Victoria, you mentioned the harm minimisation plan. It is a bit off topic, but when ordinarily would you be looking to do the refresh of that? I know that it goes until 2025. In terms of timing, when would you start doing that work?

Ms Thomson: When the Attorney-General suggests that I do that work, I imagine that we will be having a conversation about that next year, in 2024. I will, however, say that we have an evaluation framework that sits under that plan. Again, it has been driven by some good science. We had some external people provide advice around that plan. We will be looking at that next year. We have ongoing evaluation around things like our gambling help services, which we have evaluated in the past 12 months or so. We continue to try and improve. For example, we know that we need to do more in relation to at-risk communities, whether they be First Nations communities, CALD communities, young people or new migrants. There is ongoing evaluation and refreshing. There are programs that we are continuing to develop and work at. There is still a lot to deliver under this plan. It really is a very comprehensive plan. Again, I expect that we will turn our minds to a refresh probably in the second half of 2024. We still really are in the midst of a lot of delivery.

Ms BUSH: Is there much going on in terms of harm reduction? I know there is. We heard from the alliance that the substance of the harm is actually really occurring in community—in sports clubs and some of the poker-driven work. What is happening in that space from the department?

Ms Thomson: Member, you might be interested to know that this year, for the first time since 2017, we administered the Queensland Gambling Survey. The top-line results of that will be ready shortly and then we will be reporting on that to government early next year. That will be really insightful. As you can imagine, the world has changed significantly in terms of the gambling environment since 2016-17. One only has to look at sports betting and at online betting to get an indication of that. That survey should give us a good indication in terms of the product types people are using. We have also embedded for the first time some particular questions which look at risk factors—for example, playing of the EGMs post 2am. Again, we are really looking forward. It is a large-scale, population-based survey which will give us very good insight and good intelligence into where we might need to direct our regulatory efforts and what leadership we expect to see from people who are given the privilege of holding any type of licence to run a gambling product in this state.

We are constantly working with the pubs, the clubs and the casino operators. We are doing some work around wagering providers as well at the moment. We have a partnership with Queensland Cricket which is all about 'forget the bet and focus on the love of the game'. We do things like that. We do public awareness, trying to raise awareness and reduce the stigma. Our Let's Start Yarning About Gambling campaign with First Nations communities was all about encouraging help seeking. Then, of course, our inspectorate is doing more and more in terms of the proactive auditing of all gaming environments and gambling environments to see what sorts of assessment processes are in place and how to assist them to better manage and mitigate gambling harm risk in their venues. The Office of Liquor and Gaming Regulation has prepared a compliance program for the next 12 months. It has gambling harm audits and work with wagering providers as one of its key activities.

Ms BUSH: In terms of precommitment limits, I think Tasmania is going in that direction. I was interested to hear you say that Victoria had considered that but were not moving in that particular direction. Can you share any rationale around why they are not doing that or why Queensland has the position that we do not believe that should be a feature of the scheme?

Ms Thomson: Without having the opportunity to speak with the Victorian regulator specifically about that, I think part of the issue is: lots of individuals are different. People who are incredibly wealthy like to gamble and people who cannot afford to gamble like to gamble. There are many different types of individuals. Academics also talk about ensuring people have some control. If their limits are too high or too low, you might have unintended consequences. For example, people will not want to exclude themselves for five years because they might want to feel that they are socially still part of a club and that will take them away from people they meet and their friends and family group. It really is a tricky balance. That might be part of the Victorian government's thinking around having one limit for all people in their population. Marty, you might want to talk about the precommitment level that we have set on.

Mr Scott: If I remember correctly, Victoria was of the view that persons should have the agency to determine their own limits, in full view and understanding of that person's specific circumstances rather than default limits. I will just add: we have not arrived at a position on default limits as yet. It is on the table and it will be consulted on.

Ms BUSH: Great, thank you.

Mr HART: How far down the track is the department in determining the regulation?

Mr Scott: We have yet to consult. We will be consulting I think early next year. Some of the work we have done already in consultation has given us a pretty good view of what certain stakeholders think the regulations should contain. For example, we know what the alliance thinks and we know what some other stakeholders think. We have some detailed information from academics on what they think it should contain. We need to consult properly on that issue, but we have some background views already.

Mr HART: What does that do to the time frame for implementing these reforms?

Mr Scott: It depends. We have to consult on when we can commence the regulations as well. We know that Star will obviously be some way down the track towards implementing these reforms, because it has to do so in New South Wales by I think August next year.

Ms Thomson: August 2024.

Mr Scott: Star will have a significant head start on this, but we need to talk to the other operators and establish their comfort with how long it would take them to do what the regulations specify that they must do. We hope it could be done, for example, by the latest other jurisdiction, which is December 2025, at the absolute latest, subject to consultation.

Mr HART: Is this all going to be based on player cards and things like that?

Mr Scott: Yes.

Mr HART: How many different player cards are there out there?

Mr Scott: There are loyalty cards. There are player cards out there but we need to mandate it and arrive at the requirements that relate to Mr Gotterson's recommendations, basically.

Mr HART: Will you be looking to change to some sort of standardised player card, loyalty card or something?

Mr Scott: We will consult on that. I imagine for the two southern casinos, both of which are operated by Star, having a single one that works across both casinos is probably not a massive impost. For the northern casinos there are interface issues, privacy issues and information-sharing issues that would arise if we were to try to do one card that worked across all of Queensland—keeping in mind we are only talking about casinos at this point. Does that answer the question?

Mr HART: It creates a whole lot of other questions, actually. When you were talking before about the types of information that the department will get back, did you say it was de-identified?

Mr Scott: The department will get back de-identified data periodically, directly from casino operators, just as a part of ongoing reporting. The chief executive can also request identified data for enforcement and administration purposes.

Mr HART: How does that assist with keeping criminals out of casinos?

Ms Thomson: As I said before, when people of that nature come to the regulator's attention, that is when this power will be very useful, because we will be able to request data from the casinos to trace back and have a look at their play and their information and to press the casino operators in relation to the implementation of their systems and their controls and identify whether or not those controls were effective based on the evidence before us. That is why individual player data is very important. Ultimately, they can have a fantastic system on paper, but as a regulator we need to ensure it works in practice. From time to time, that means having a look and testing it against particular individuals.

Mr HART: Will this be a matter, then, of you giving a name to the casinos and asking, 'Has this person gambled at your facility?' or is it working the other way, where they give you a list of names and you go back and say, 'Well, we're concerned about that guy'?

Ms Thomson: I envisage that it could work both ways, but, primarily, I would imagine that into the future, once we have this available to us, we might want to take a bit of a random audit look at, for example, some of the high-value players to test the systems against individuals, not just at an aggregate kind of level but as a deep dive into particular players.

Mr HART: Does this legislation give the department the opportunity to share that data with other departments and other jurisdictions?

Ms Thomson: There are provisions in the casino legislation for information sharing, but it is very much limited to the entities that are listed in the schedule—for example, other regulatory agencies and, I do believe, the Queensland police.

Mr HART: Given that all of the states seem to be doing something different here, has there been any consultation with the federal government about having nationwide legislation around this area?

Ms Thomson: As far as I am aware, there is no move for national casino legislation. As I said before, we are collaborating with New South Wales in particular, because The Star operates in both states. There is also a national forum for casino and gambling regulators across the country. I sit as the Queensland regulator and representative on that body. We do work together to harmonise, but the environments are very different. As you point out, you can see different things that Tasmania is doing, for example. They are setting some spend limits. You can then see Western Australia, where they have only one casino and that is the only place there are electronic gaming machines. Then in Queensland we have three different casino operators, if you like: The Ville, The Reef and The Star Group. There is a lot of variety around the country, but we are working particularly at a higher level.

One of the things this bill puts in place which I think is worthy of comment is the suitability reviews. That will happen for every casino operator no longer than every five years. That is something that has been in place in New South Wales, for example, and will add to the regulatory oversight of casino operators. This bill does seek to implement that, which will not only provide a level of scrutiny and oversight but also align us with what already happens in New South Wales.

CHAIR: You said that the schedule will dictate whom the information can be exchange between. I have not looked at the schedule, but no doubt the cash transactions regulator will be on that list.

Ms Thomson: AUSTRAC is on that schedule, yes, Chair; correct.

Mr KRAUSE: Ms Thomson, you mentioned earlier on in response to my question that you understood—I think that was your word—that Star was making a confidential submission. How did you become aware of that?

Mr Scott: Star did inform us they made a submission and provided us with a courtesy copy voluntarily.

Mr KRAUSE: My follow-up to that, which has sort of been answered but I will ask it anyway, is: have the department or Mr Weeks had any discussions with Star about them attending the committee and giving comments about these proposed laws or regulations?

Ms Thomson: The department has not. That would have to be a question you ask Mr Weeks.

Mr KRAUSE: Is Mr Weeks able to appear? Other than a matter for the committee, is Mr Weeks able to appear?

Ms Thomson: Again, that would be a question for Mr Weeks.

CHAIR: Part of the motivation behind this legislation, I understand, comes from the Gotterson review. The card will not extend to all games within the casino, will it?

Mr Scott: At least not initially, Chair. We anticipate what would happen. With gaming machines, for example, we know carded play is feasible. It would be beneficial, we think—subject to consultation—to initially apply carded play to gaming machines. There would be procedural issues that you need to work out for table games. If a person hits their limit in the middle of a round of poker, how does that game continue? That all needs to be worked out and applied. The bill does, however, allow carded play to apply to activities related to games such as chip purchases and redemptions, which might be sufficient to capture table games. It might not give us the data Mr Gotterson wants. We will look to enhance it down the track. Initially, we can adopt the same approach that other jurisdictions are adopting and apply it to gaming machines in the first instance and later on perhaps to table games. Certainly we will be looking to apply it as widely as possible across the casino.

CHAIR: When I go to the casino I go up to the cashier to get my chips. I do not need a card to do that?

Mr Scott: Well, it will depend on what the regulations prescribe. Hopefully, at some point they would require you to use a card to do that. Initially they might just apply to gaming machines.

CHAIR: If I am a carded player and I go into the casino with my cash, I then hand the card over with my cash. I know there has been a lot of talk about minimising gambling harm, but are the limits put on players designed to minimise gambling harm or are they designed to deter money laundering?

Mr Scott: It is both, to be honest. The precommitment limits are separate from the cash restriction. Recommendation 2 of the Gotterson report is for a \$1,000 cash limit, which is the most cash the casino operator can accept from a person for the purpose of gaming in a day. That does not mean that a person could not have a precommitment limit lower than \$1,000. A person could still set their own limit to whatever it is; it is just that they will not be able to use cash of more than \$1,000. Once again, that \$1,000 amount is an amount to be defined in the regulation, and we will consult on it and work out whether it is the right amount.

CHAIR: For example, if a person of wealth goes into the casino, \$1,000 will not even touch the sides. We heard some urban myths about that. How will that be controlled?

Ms Thomson: Through cash limits.

CHAIR: Who sets the cash limits?

Ms Thomson: The cash limit will be set within the next tranche of work we are doing. Mr Gotterson recommended \$1,000.

CHAIR: That will not sit well with some of the wealthy well-heeled.

Mr Scott: It is only a cash limit. They can still spend more than \$1,000 but not in cash.

CHAIR: They would have to use a credit card?

Ms Thomson: Their digital cashless tool. It is all about tracing the money. You are right in terms of these provisions being about harm minimisation but also to ensure integrity and lawfulness in the operations of casinos. The committee may recall vision of various instances, particularly down in Crown Victoria, of people turning up to the cage with esky bags full of cash and presenting that. The cash limit of \$1,000 a day is to ensure that type of behaviour is no longer seen.

CHAIR: You can go in with \$1,000, but then you can use your debit card to increase your limit?

Ms Thomson: Yes. It is about having identity linked to that so we can see who the person is. What form that takes is still to be worked out from a technology point of view and regulation point of view. There are different systems available for us to look at, but it is about a cash limit—not having cash and untraceable cash in casinos. It is about linking identity to players and assuring identity.

CHAIR: I understand that, for example, Star already has a carded system which attaches to their loyalty program, I believe. Is the process then going to be sped up because of the fact they already have that data within their system as to their regulators, for want of a better description? There is already that information available; am I right in assuming that?

Mr Scott: Star already has a card-based system. It is voluntary, of course, yes, and we would need to mandate it. Yes, it may form the basis for what is eventually mandated in New South Wales. I imagine it would be a good starting point. They are also working towards a mandatory system in New South Wales which will additionally speed it up for them.

Ms Thomson: One of the things we need to be thinking about as well as part of systems and approvals and thinking about loyalty programs, for example, is to ensure that in implementing this we are not allowing operators to incentivise gambling through loyalty systems. That would be an important design feature of where we land.

Mr HART: I am just wondering about this card system. If you go to a casino, you can put a card into a poker machine and that works quite well. How will this work at a roulette or blackjack table or something like that? Just waving a card around does not mean you are gambling with the money that is just associated with that card.

Mr Scott: That is one of the issues that needs to be worked out through the regulation. If we applied carded play to chip purchases and redemptions, that is probably a light-touch way of doing it.

Ms Thomson: You can also have systems that integrate the card and the cash; for example, digital systems as well. There are options that we do need to look at. I guess the key principle is about making sure there is not anonymous, de-identified play through the technology systems.

Mr HART: Do you have any transitional arrangements in place? It does not sound like this is going to happen anytime soon.

Ms Thomson: As Marty said before, Star will be required, through the New South Wales regulator, to have their systems in place by August 2024. The technology is still being developed and there are still systems issues that need to be worked through. The bill does not provide for transitional arrangements of any nature, but, as we said, that is something we will be consulting on as we continue to prepare the regulation.

Mr HART: Have you spoken to Star about how close they are to having that system in place?

Ms Thomson: Not specifically. As I said before, we know they are working towards August 2024 to meet the requirements of the New South Wales regulator. We do talk to them about their technology and their systems generally. Our team at the back end is also doing some work from a technical point of view. As the regulations are being consulted on, we will be putting all of those things together.

CHAIR: There being no further questions, that concludes this public briefing. Thank you for your attendance here today. Thank you for your written briefing in relation to the submissions that were made. There were no questions taken on notice. Thank you to our Hansard reporters. A transcript of these proceedings will be available on the committee's webpage in due course. I declare the public briefing closed.

The committee adjourned at 11.57 am.