



LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY

SELECT COMMITTEE ON ESTIMATES 2023-2024

Mr Mark Parton MLA (Chair), Ms Jo Clay MLA (Deputy Chair),
Mr Michael Pettersson MLA

ANSWER TO QUESTION ON NOTICE

DR MARISA PATERSON MLA: To ask the Minister for Gaming

[Ref: Portfolio area, MFG 168]

Hearing Date: 20 July 2023

In relation to: Gaming

- 1) The ACT Government's discussion paper on 'Lowering bet and credit limits for electronic gaming machines' describes the CMS as primarily 'a tax administration data collection assistant, where currently data is collected manually'. How many jobs will be impacted by a possible introduction of the CMS?
- 2) Will jobs be lost within the Commission or Access Canberra as a result of CMS introduction?
- 3) Is the introduction of the CMS a necessary by-product of reducing bet limits?
- 4) Has the ACT Government explored the technical capabilities of implementing cashless gaming in the ACT?
- 5) Can the reduction of bet limits be achieved through the implementation of cashless gaming?
- 6) Can the tax administration data collection of EGMS's be achieved through a cashless system?
- 7) What research evidence is the ACT Government using to proceed with \$5 bet limits on the basis of harm minimisation?
- 8) What research evidence is the ACT Government using to proceed with \$100 loadup limits on the basis of harm minimisation?
- 9) What is the proposed costing of the CMS?
- 10) What is the ACT Government's long-term plan for the number of EGM licences?
- 11) Is the cost-benefit analysis/reasoning of the implementation of the CMS based on the current number of EGM licences in the ACT remaining at 3500 for what period of time to justify the implementation costs?
- 12) Given evidence suggests that technological advances in cashless gaming will provide a very rigours harm minimisation protection for consumers, as well as the strongest form of anti-money laundering capabilities, would tax payer funds be more appropriately spent on the implementation of cashless gaming as opposed to a CMS?

SHANE RATTENBURY MLA: The answer to the Member's question is as follows: –

- 1) No ACT Government jobs will be lost as a result of possible introduction of a CMS. The regulatory effort involved in what are presently highly manual tax administration activities will instead be available for other, arguably higher value regulatory activities.
- 2) No.
- 3) As described in the Government's Discussion Paper of April 2022 for introducing a \$5 bet and \$100 load-up limit on ACT EGMs, the Government's assessment was that the introduction of

- a CMS is the most cost-effective means of achieving the government's policy commitment. The introduction of a CMS would also provide additional capabilities such as cashless gaming.
- 4) The ACT Government is currently exploring technological issues associated with introducing cashless gaming in the ACT. These issues will be canvassed in the government submission to the Standing Committee on Justice and Community Safety *Inquiry into cashless gaming*.
 - 5) No. Bet limits must be designed into the game software of an EGM.
 - 6) Tax administration data collection can be best achieved through a CMS or similar system. Cashless gaming might form part of the same system but is not itself related to collection of tax administration data. Local gaming systems that can provide cashless gaming within a venue can reduce some manual effort in collection of tax administration data but reporting to government remains a manual process without some further system.
 - 7) Reducing the bet limit of EGMs in the ACT from \$10 to \$5 would reduce the rate at which a person could lose money, impacting financial and related harm that a person could experience. A \$5 bet limit would be consistent with commitments in the *Parliamentary and Governing Agreement for the 10th Legislative Assembly*.
 - 8) Reducing the load-up limit of EGMs in the ACT to \$100 would reduce the rate at which a person could lose money, impacting financial and related harm that a person could experience. A \$100 load-up limit would be consistent with commitments in the *Parliamentary and Governing Agreement for the 10th Legislative Assembly*.
 - 9) The government is continuing to consider costings associated with implementing a CMS in the ACT.
Indicatively, and by example, the Tasmanian CMS is funded through user charges on EGM operators, with the base charge being \$2.43 per EGM per day for 2,500 EGM, or approximately \$70 million over a 20-year contract term.
 - 10) The government's current objective is to achieve 3,500 EGM authorisations by 1 July 2025.
 - 11) The financial model for a CMS in other Australian jurisdictions is based on a user charge levied on the number of EGMs connected to the CMS. The ACT's financial analysis is considering options including the model adopted by other Australian jurisdictions. The term of CMS contractual arrangements is typically between 10 and 20 years.
 - 12) The term 'cashless gaming' does not have single or commonly accepted meaning. At its simplest, cashless gaming is no more than the use of non-cash payment methods for EGM play. This could occur by allowing use of bankcards to credit money to an EGM, as is becoming common for vending machines. In this form, cashless gaming could in fact increase the risk of gambling harm because it involves a relatively frictionless form of transaction.

Cashless gaming may also be much more complex and involve a system that requires people wishing to play EGMs to create an account and use a physical or digital token, for example a card or digital wallet, to identify themselves as part of interacting with an EGM, including when crediting money to the machine. Without more, cashless gaming in this form will also not support gambling harm reduction.

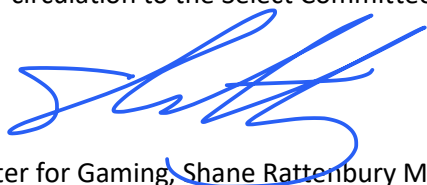
The potential for cashless gaming to advance gambling harm reduction arises from associated measures such as pre-commitment of gambling losses and time through account-based cashless gaming. Account-based cashless gaming may be 'local', in that its operation is confined within a single venue or group of venues run by the same proprietor. It may also be 'universal' such that the same player account and token (for example a card or digital wallet) is available for use on a jurisdiction-wide basis in any venue, irrespective of proprietor.

The ACT Government is not currently aware of a technology solution providing universal cashless gaming, with player accounts and pre-commitment, that does not rely on a CMS as trunk infrastructure. The Victorian Government's recently announced exclusively cashless gaming and mandatory pre-commitment policy is expected to leverage their YourPlay technology, which relies on the Victorian CMS. The Tasmanian Government commitment to exclusively cashless gaming and mandatory pre-commitment will similarly rely on the new Tasmanian CMS.

The ACT Government is also not currently aware of a cashless gaming solution localised to a single club or club group that will achieve the desired gambling harm reduction and crime prevention policy objectives.

Approved for circulation to the Select Committee on Estimates 2023-2024

Signature:



Date:

15/8/23

By the Minister for Gaming, Shane Rattenbury MLA