



LEGISLATIVE ASSEMBLY
FOR THE AUSTRALIAN CAPITAL TERRITORY

STANDING COMMITTEE ON JUSTICE AND COMMUNITY SAFETY

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Submission Cover Sheet

Inquiry into Cashless Gaming

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To the Standing Committee on Justice and Community Safety on the topic of Cashless Gaming

Firstly I'd like to thank the committee for looking at the important issue of cashless gaming. My name is [REDACTED] and I have somewhat of a unique perspective on this issue since not only am I employed by a major technology company, but I have lived experience with gambling issues. After self-excluding for a period and seeking treatment, I've been able to re-enter clubs for several years without experiencing any further gambling issues. For full transparency, my employer has several major contracts with gaming industry operators and equipment manufacturers both in Australia and around the globe, however, I personally have not worked on these projects and they account for only a small percentage of our global revenue.

To try and keep my submission succinct I've chosen a point-and-response format with excerpts from the terms of reference in blue.

[1. What the implementation of card-based cashless gaming technology in the ACT would look like.](#)

The dominance of several Australian-founded gaming equipment manufacturers internationally and multiple large international companies establishing large Australian divisions for the technical development of their products means the ACT can draw on a significant amount of domestic technical expertise when it comes to the implementation of a card-based cashless gaming machine system. Aristocrat Leisure, IGT, Light & Wonder (also known as Scientific Games), Utopia Gaming and Max Gaming all have existing solutions that would be relatively simple to roll out. These should be compatible with nearly all existing gaming machines in the ACT in the same way that Ticket-in Ticket-out (TITO) technology has been implemented nearly universally across the local venues. Cashless card-based gaming systems in my personal opinion are effectively a technical extension of TITO technology. On most gaming floors in the ACT, you'll find numerous makes and models of gaming machines seamlessly using TITO technology. Recently I visited a club in northern Canberra and noted machines made by no less than 7 different companies over a span of about 14 years (an eternity in technological terms) which all had implemented the same TITO system.

[2. Experiences in other jurisdictions of cashless gaming trials, with particular consideration to issues around implementation.](#)

Despite what some in the industry might have you believe, card-based cashless gaming systems are not complex or expensive to implement for venues and have been present in Australia since the late 1980s. When the Victorian Government legalised gaming machines under a route-operator system in 1992, Tabaret quickly developed and rolled out a cashless card-based gaming system to be used on its electronic gaming machines placed in venues across Victoria. Today any one of the previously mentioned vendors could relatively quickly provide a cost-effective cashless card-based gaming system far more secure and reliable than the Tabaret system 30 years ago. Many individual venues

interstate are starting to implement optional card-based cashless systems across their gaming machines as just a cost savings measure, after all, cash use is generally declining across the economy and the most common devices to break down on gaming machines often are the cash handling devices.

3. The nature and extent of money laundering that may be occurring in licensed premises in ACT through electronic gaming machines.

I can only provide limited input on this matter as I don't have a law enforcement history, however, the links between organised crime and the gaming industry are well documented. The recent findings related to the major casino's interstate especially show just how deep these connections are. With cash use declining at a considerable pace across the broader economy, criminal elements are increasingly going to rely on more cash-intensive industries like gaming to launder the proceeds of crime. Gaming machines are widely available and money laundering tactics can be very sophisticated. It would be extremely naive to imagine that ACT gaming machines aren't assisting organised crime to launder many millions of dollars per year.

The ACT does have one key measure which makes money laundering through ACT gaming machines slightly more difficult than in other jurisdictions however, the longstanding policy to restrict banknote acceptors installed on machines to \$5, \$10 & \$20 notes would make the process of money laundering harder just because of the greater volume of currency required at those denominations. It should be noted though that nearly all venues in the ACT have installed automatic cash terminals on their gaming floors which exchange higher denomination notes for these lower denomination notes, so these restrictions may only have limited effects on the amount of money laundering activity.

4. The extent to which card-based cashless gaming would impact organised crime in the ACT.

The introduction of a card-based cashless gaming system in the ACT would make laundering money through gaming machines far more difficult for organised crime in Canberra. Where cash can be used freely, anonymity provides cover to money laundering operations to evade detection. Naturally organised crime will find ways to adapt regardless of what types of reform are implemented, but the introduction of cashless card-based gaming would make the process of money laundering far more costly and time-consuming. Where large volumes of dirty cash can be laundered anonymously. A card-based cashless gaming system would require organised crime to establish networks of "mules" to try and obfuscate their activity, this would greatly slow down the process and increase the cost of the process. The increased size of a network of people increases the risk of an organised crime operation, and a cashless card-based gaming system would leave a significant digital footprint for law enforcement gathering intelligence.

5. The potential impacts on reducing gambling harm from electronic gaming machines in the ACT.

A card-based cashless gaming system has tremendous potential to reduce the amount of gambling-related harm in the ACT community.

Not only does it provide a tremendous opportunity for people to set a jurisdiction-wide limit on their gambling behaviour, but it would be very practical to introduce a “take a break” type feature into an online platform where people could privately lock their card for a certain period of time without actually self-excluding. People could also potentially use the platform to link to information about gambling harm, perhaps even privately message or book an appointment with a gambling counsellor.

You could have a feature like email reports showing how much time and money a person had spent on gaming machines within a certain time period, so people would actually be able to quantify their gambling activity. Reports could include clear messaging like “You spent more time and money gambling than [percentage] of residents in the ACT” which could have clear impacts on somebody’s gambling decisions.

From a data perspective, it would give the ACT government effective real-time reporting on gaming machine activity in the community, and when people self-identified as having issues with their gambling, you would have a ready source of data to anonymise and use for data mining in gambling research (with their consent of course).

The card-based cashless system also has the potential to vastly improve the self-exclusion system in the ACT. Presently there’s an inconsistent venue-by-venue system that relies largely on staff memory to be effective. Adding a technological layer means that a person could self-exclude and (providing payouts required identity verification) prevent them from any chance of using gaming machines within the ACT.

In addition to this, I’ve personally had people disclose that they feel they have gambling issues but choose not to self-exclude because the ACT uses a whole-of-venue exclusion model where the patron is not allowed within venue premises at all, not just the gaming areas.

In my personal self-exclusion experience, there have been significant issues. I self-excluded from all gaming machine venues in the ACT for a period of five years when I first began experiencing gambling harm. The club that processed my exclusion failed to send notifications to some other licensees, meaning I kept receiving promotional materials from clubs that did not know I had self-excluded and I had to individually contact the clubs to let them know. During the period of exclusion I had no ability to attend countless events (whether social or professional) held at clubs because the exclusions covered the whole premises and getting special permission to attend an event from venue management was basically impossible even if you have somebody willing to not leave your side for the duration. This inability to visit any part of a club actually caused rumours to emerge that I’d been banned from all licensed venues for some sort of altercation or misbehaviour at one point, and I had to show my deed of exclusion to certain people to quash these rumours.

I eventually found out that the expiry of the deed of exclusion didn’t actually mean the exclusion had necessarily ended either. I was invited to a function held at a large club and given multiple club board members were attending and my exclusion expired over 12 months previously I accepted the invitation assuming I would be allowed to at least enter the part of the club the function was being held in. I was refused entry and advised that the expiry date on my deed of exclusion didn’t matter and that under club rules I was excluded until I had gone through a re-entry procedure. I completed the steps of the procedure and notwithstanding that I had a letter of support from the club's own gambling counsellor and another from my treating psychologist, the club denied my application to re-enter without reason or explanation. Whilst other clubs actually provide a fair and reasonable process

for re-entry, and I have been able to re-enter them without issue for some time now, I have no way of knowing which individual clubs have these punitive farce re-admission schemes that never re-admit a person regardless of how much treatment they've had and how much support to re-enter. As such, I still avoid events and functions unless they're at venues I know I can enter. A cashless card-based gaming system could make it very practical for a single jurisdiction-wide self-exclusion scheme limited to the gaming activity of venues, and people such as myself would no longer be arbitrarily punished by permanent exclusion simply because we asked for help to begin with.

6. Any legislative or regulatory considerations that would be required if card-based cashless gaming were to be implemented in the ACT.

In my personal opinion, the regulatory/legislative considerations are the hardest part of implementing a cashless card-based gaming system in the ACT. From a technical perspective connecting approximately 4,000 gaming machines (fewer than many individual casinos in the United States have) over a relatively small land mass like the ACT is not particularly complicated. Any number of companies have very straightforward technical solutions for achieving this in a very reliable secure manner and could do so relatively inexpensively.

I've condensed my thoughts on the regulatory/legislative considerations here to a few bullet points to try and keep things brief:

How will money loaded onto a card be handled and disbursed/where would unspent funds be stored?

At what stage would unspent funds on a card be considered abandoned and subject to escheatment?

What measures for data privacy and security would be followed and who would be responsible?

What access would the government, law enforcement or researchers have to the data, and how would our process be followed?

What systems would be in place to detect "mule" cards being used to engage in money laundering and what would the penalty be?

What technical back-ups would be in place in case catastrophic data loss occurred and where would this data be physically held?

How would system data be accessed and by whom in the case that a dispute between a patron and a venue occurred?

How would monies be handled in the case that the original owner of the card is deceased or otherwise incapacitated?

These are just some of the regulatory/legislative considerations I can think of.

7. Any cross-jurisdictional issues that may arise from the implementation of cashless gaming.

Jurisdictional issues are always going to be a consideration when it comes to any reform like this in the ACT. In a perfect world, the NSW Government would implement a statewide cashless card-based gaming system of their own and the ACT could join in with a co-implementation the same way interstate lotteries and TAB pooling are achieved, but the inconsistent positions taken by consecutive NSW governments on this issue doesn't leave me with much hope for that. The ACT however has ample experience developing similar technologies. The MyWay card implemented by Transport Canberra across bus and light rail runs off a widely distributed network of locations and has proven reliable over the past decade, and there's no reason a similar model would not be as successful and easy to use for the general public for a cashless card-based gaming system. In my eyes, the world is so connected today that it's probably easier and cheaper to implement such a system than at any point in the past and the ACT should not let the uncertainty across the border stop it from taking the opportunity.