



Submission by Tasmanian Hospitality Association to the Tasmanian Liquor and
Gaming Commission

Facial Recognition and Player Card Gaming Technologies to Minimise Gambling Harm in Tasmania

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Introduction

The Tasmanian Liquor and Gaming Commission (TLGC) has sought submissions on facial recognition and playing card gaming technologies and how these technologies can support minimizing gambling harm.

The Tasmanian Hospitality Association (THA) is the peak body that represents the ninety-one (91) electronic gaming venues in Tasmania and welcomes the opportunity to present the industry's views on the respective technologies.

The THA has provided a response below to the seven questions raised by the TLGC in relation to the two technologies.

Mandatory Pre-Commitment

However, the THA believes it is first important to raise concerns about the issue of mandatory pre-commitment, which has been raised as a potential operating regimen for whichever system may be implemented.

The THA strongly believes that a mandatory based pre-commitment system will lead to unintended consequences, such as increasing the uptake of unregulated on-line gambling.

The 5th Social and Economic Impact Study (**SEIS**) commissioned by the TLGC states that Tasmania has the lowest prevalence of problems gamblers in Australia, which has reduced from 0.6% to 0.4% of the population. On 1 July 2021, Minister Ferguson accepted the report and was reported as saying:

“The Tasmanian Liberal Government has put important measures in place to reduce problem gambling in our State and we welcome today's report which confirms that those measures are working as intended.”

The THA agrees with Minister Ferguson's comment that Tasmania has the measures in place to reduce problem gambling in the state, which is evident from the reducing number of gamblers experiencing problems. The THA believes therefore that there is no argument to support a mandatory pre-commitment system.

The SEIS report also notes that 6% of Tasmanians may be at some risk of experiencing problems with all forms of gambling, and through the Responsible Conduct of Gaming mandatory code of practice, the industry also believes it has in place the systems to engage with and work with these patrons to reduce the potential for harm to occur. The THA also believes that there is opportunity for the industry and the government to work together to make further improvements to the code, to better engage with patrons and further reduce the potential for harm to occur.

The THA has engaged with all jurisdictions around Australia and it is very evident that training of staff and their engagement with all patrons is the prime basis for a successful harm minimization strategy, and in identifying potential at risk patrons. Harm minimisation is about identifying and addressing change in behaviour, with the best form of assistance being through the relationship with staff within a venue.

Importantly the SEIS report notes that the 6% of Tasmanians who may be at some risk of experiencing problems with all forms of gambling, is made up of the following:

1.4% are at moderate risk &

4.8% are at low risk.

The THA is particularly concerned that this data is being misrepresented, with the impression being given that these figures are attributable solely to EGM gambling, when in fact these figures relate to gambling in all its forms. The THA is concerned if this is the basis for considering a pre-commitment system.

Further, the SEIS report indicates that 94% of Tasmanians are at no risk of experiencing difficulties with problem gambling and for this reason, it is important to ensure that any harm minimization system that is implemented does not unduly impact on the wider population, understanding that this is a recreational and entertainment product enjoyed by many Tasmanians. The THA believes that a mandatory system would place an unfair and unjustified restraint on the vast majority of Tasmanians who are not at risk or experiencing problems.

Having noted the industry's concerns about the issue of mandatory pre-commitment, below the THA has provided its response to the seven (7) questions provided by the TLGC in relation to its enquiry about the two technologies. A more detailed submission has also been attached, providing a more comprehensive response on how the industry believes the new technology and collaborative arrangements can be established, to provide support for those in need.

1. In your opinion, what do you see as the costs and benefits of Facial Recognition Technology (FRT)?

The Stennings Report, (*Gambling Harm Minimization Technologies* research paper, Stennings and Associates, March 2022), commissioned by the TLGC, notes that:

- Facial recognition technology has been used successfully in several South Australian gaming venues.
- While still in a trial phase in places such as Japan, Macau, New Zealand and the UK, there has been no evidence of weaknesses in the systems.
- There have been some concerns expressed regarding privacy, however according to the Stennings Report these have largely been overstated.
- The systems have generally been supported within the gambling industry due to improved security, preventing fraud and, importantly, preventing banned players from entering.

The THA is also of the view that:

- Facial recognition technologies provide immediate, real-time alerts about excluded gamblers entering a venue, to enable support to be provided in real-time, when they need help the most.
- These "cloud-based" systems are able to be accessed by venue managers and CSOs, helping to ensure that help can be provided immediately to those who are in need.
- The systems are also accessible to the industry regulators, providing a far superior means of monitoring and auditing the services that are being provided, in real-time.
- These systems also enable the current services to be streamlined, removing some of the more cumbersome administrative processes under the current arrangements, and enabling more resources and energies to be devoted where it is needed, in supporting problem gamblers.

2. In your opinion, what do you see as the costs and benefits of player card gaming (PCG)?

The THA is of the view that player card gaming is **not** a viable technology to reduce harm.

The THA agrees with the Stennings Report that card-based exclusion systems demonstrate significant limitations.

The Stennings Report cited a number of issues with card based self-exclusion schemes, including:

- low take-up;
- some questions regarding their ability to reduce gambler expenditure;
- some concerns about the potential to result in increased gambler expenditure,
- concerns regarding privacy;
- poor cost effectiveness;
- questions regarding the capacity of the systems to have a positive effect on gambler behaviour;
- card sharing and multiple card use issues;
- issues associated with data collection and retention; and
- issues around the high cost of implementation (eg Over the four year period to 2018/19, Victoria's YourPlay scheme cost nearly \$6 million to establish and operate, just under \$59 million in costs were incurred by the industry, and over \$2 was million in costs were incurred by the gamblers themselves).

The THA is also of the view that card-based pre-commitment systems are potentially open to human error.

3. From an implementation point of view for you as a (venue owner/provider of support services), what should the Commission take into consideration for the introduction of FRT?

There is an important opportunity with this new technology, and the changes to the current licensing arrangements, to develop a more collaborative approach to provide better, real-time support for those in need, and at the time when it is most needed.

As noted in the attached detailed submission however, there is a critical need to greatly improve the training that is provided to the in-venue staff to assist them in engaging with the problem gamblers, and to provide training to venue staff and community service organizations (CSO) in the operation of the new technology.

The Community Service Levee (CSL), paid for by the industry, was principally established to support gamblers in need of help and to reduce the levels of harm. The THA is also strongly of the view therefore that the capital and operational costs to establish and maintain this technology, and the training provided to the venue staff and CSOs, should be met from the CSL.

4. From an implementation point of view for you as a (venue owner/provider of support services), what should the Commission take into consideration for the introduction of PCG?

The THA is strongly of the view that a player card exclusion system should **not** be introduced in Tasmania as the evidence to date is that they have significant limitations, may not result in a reduction in harm, and have proven to be extremely expensive to implement, including placing a cost impost on the gamblers themselves.

5. What features of FRT would be most effective in reducing gambling harm?

Facial Recognition Technology provides the capacity to reach out to someone experiencing difficulties, when it is most needed, that is, when a registered gambler enters a gaming venue and is at risk of relapsing.

With this technology therefore, there is a vital opportunity to focus on prevention and provide assistance to the gambler before harm has occurred.

This “cloud-based” technology also provides the opportunity for the venue operators, CSOs and the regulator to work more collaboratively, and from a common database, reducing the potential for human error, providing a means to collectively improve the system, and providing a strong platform for monitoring and auditing performance.

6. What features of PCG would be the most effective in reducing gambling harm?

As noted for the reasons above, the THA is strongly of the view that a player card exclusion system should **not** be introduced in Tasmania.

7. Have you any other considerations or feedback from other jurisdictions on these two solutions?

The Stennings Report provides a provides a comprehensive overview of the problem gambler support and management systems currently in place nationally and internationally and, importantly, reviews the research into the efficacy of the various systems.

It is evident from the report that player card gaming systems exhibit significant limitations, are extremely expensive to implement (including for the gamblers themselves) and may not necessarily result in a reduction in harm.

While the experience is only limited at this point in time, the Stennings Report does demonstrate that facial recognition technologies are proving to be successful elsewhere and have not demonstrated any weaknesses to date.

Detailed Response

Facial Recognition and Player Card Gaming Technologies to Minimise Gambling Harm in Tasmania

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1. Introduction

The Tasmanian Liquor and Gaming Commission (TLGC) has sought submissions on facial recognition and playing card gaming technologies and how these technologies can support minimizing gambling harm.

The Tasmanian Hospitality Association (THA) is the peak body that represents the ninety-one (91) electronic gaming venues in Tasmania and welcomes the opportunity to present the industry's views on the respective technologies.

The THA is strongly of the view that the forthcoming changes to the current industry licensing arrangements, and the advances in modern surveillance technologies, have opened up the opportunity to establish a more collaborative approach with the industry, community service organizations (CSO) and the regulatory bodies, working together to reduce the level of harm that gamblers may experience.

2. Purpose of this Submission

This submission has been prepared by the THA to provide the views of Tasmania's electronic gaming machine venues on the merits of facial recognition and player card technologies in minimizing gambling harm in Tasmania.

The THA is of the view however that the operation of these technologies must be considered in the context of the management and governance arrangements that are in place, and for these reasons, this submission also provides the industry's views on the opportunity this technology represents in developing a more contemporary and collaborative approach to assisting gamblers experiencing difficulties and who are in need of help and support.

3. The Current System and Administration

The THA is of the view that the current system is not effective as there can be quite a lengthy delay between the gambler deciding they want to be excluded (often when they are in the venue), then making contact with a CSO, making the time to have their photo and details taken, following which the details are then uploaded onto the Government run website. Ideally this should happen at the venue, at the time the decision has been made.

The THA has also been advised by venues that, currently, in some cases the venue operators and their staff must rely on very poor-quality images, which are then downloaded from the government website in print form, which are then placed in confidential locations at the gambling venue (TAB and Keno included).

The system is therefore very reliant on the venue operator and staff memorizing what are, at times, poor quality images, in order to recognize when an excluded person has entered the venue.

Also, venue operators and their staff, while holding the responsibility to manage an excluded person who has entered a venue, have no knowledge of any support and counselling that may have been provided to the excluded gambler by the CSO.

The current training programs have also lacked insight into the manner in which venue staff interact with their patrons and the THA believes there is a need to listen to the industry's experience and needs, so that it can be more effective in working with problem and excluded gamblers.

Ultimately the current system is overly involved and unnecessarily time consuming to register a person onto the system. The poor-quality images and the reliance on staff to observe an excluded person entering a venue leaves the system vulnerable to human error, there can be a lengthy lag-time between referral and when counselling and support is provided, help is not immediately available for someone who in the process of relapsing, and there is a critical need to improve training provided to venue staff.

4. Facial Recognition versus Card Gaming Identification

In accordance with the *Gaming Control Amendment (Future Gaming Market) Act 2021*, the Tasmanian government directed the TLGC to investigate the extent to which facial recognition technology and player card-gaming pre-commitment identification systems could assist in minimizing gambling harm.

Prepared by Stennings and Associates (March 2022), the *Gambling Harm Minimization Technologies* research paper (the "Stennings Report") commissioned by the TLGC, provides a comprehensive overview of the problem gambler support and management systems currently in place nationally and internationally and, importantly, reviews the research into the efficacy of the various systems.

Card Based Pre-Commitment Systems

The THA agrees with the Stennings Report that card-based exclusion systems demonstrate significant limitations. The Stennings report cited a number of issues with card based self-exclusion schemes, including:

- low take-up;
- some questions regarding their ability to reduce gambler expenditure;
- some concerns about the potential to result in increased gambler expenditure,
- concerns regarding privacy;
- poor cost effectiveness;
- questions regarding the capacity of the systems to have a positive effect on gambler behaviour;
- card sharing and multiple card use issues;
- issues associated with data collection and retention; and
- issues around the high cost of implementation (eg Over the four year period to 2018/19, Victoria's YourPlay scheme cost nearly \$6 million to establish and operate, just under \$59 million in costs were incurred by the industry, and over \$2 was million in costs were incurred by the gamblers themselves).

The THA is also of the view that card-based pre-commitment systems are potentially open to human error.

At the same time, while the THA recognizes that card-based pre-commitment systems have the limitations detailed above, society is moving away from hard currency. For this reason, the use of card-based payments and other forms of digital payments is expected to increase, and the THA believes that **anonymous** card-based play will continue to have a future in Tasmania's gaming market.

Anonymous card-based systems should also be seen as a way of removing the occupational health and safety issues which have occurred with staff handling heavily weighted coinage associated with coin-only play options. Anonymous card-based systems also provide for greater security and lower insurance costs associated with holding coinage on site.

Facial Recognition Systems

According to the Stennings Report:

- Facial recognition technology has been used successfully in several South Australian gaming venues.
- While still in a trial phase in places such as Japan, Macau, New Zealand and the UK, there has been no evidence of weaknesses in the systems.
- There have been some concerns expressed regarding privacy, however according to the Stennings Report these have largely been overstated.
- The systems have generally been supported within the gambling industry due to improved security, preventing fraud and, importantly, preventing banned players from entering.

The THA is also of the view that:

- Facial recognition technologies provide immediate, real-time alerts about excluded gamblers entering a venue, to enable support to be provided in real-time, when they need help the most.
- These “cloud-based” systems are able to be accessed by venue managers and CSOs, helping to ensure that help can be provided immediately to those who are in need.
- The systems are also accessible to the industry regulators, providing a far superior means of monitoring and auditing the services that are being provided, in real-time.
- These systems also enable the current services to be streamlined, removing some of the more cumbersome administrative processes under the current arrangements, and enabling more resources and energies to be devoted where it is needed, in supporting problem gamblers.

The THA therefore is not supportive of the player card-based exclusion systems as it believes they may not result in a reduction in harm, at the same time as being very cumbersome to administer and will not necessarily result in the support being provided when it is most needed.

The THA is, however, very supportive of the adoption of facial recognition technology, as it believes it will be a far more reliable system, that will provide immediate notification to venue staff, and the CSOs that a self-excluded person may be in need of help. This will mean the system can be more focused on prevention.

Importantly, the THA is of the view that the change to Tasmania’s licensing model presents an opportunity to improve the operations, at the same time as taking advantage of advances in technologies, to be more effective in minimizing harm. In this way we can ensure Tasmania continues to lead the country with the safest gaming industry in our pubs and clubs, while keeping it as an entertainment product for the vast majority of people that play for recreation.

5. How the Industry Would See the System Operating

Registration

Self-exclusion using the facial recognition technology will remain as a voluntary system, whereby someone experiencing difficulties with gambling in a venue can initially approach venue staff and seek help. Staff will then be able to encourage the gambler to register using the facial recognition system in the venue.

Once an individual is registered an alert will notify the venue and the CSOs when they next enter a gaming venue.

Changes to the current training system will be required for staff as this new system has the benefit of working in real-time as opposed to the current system, and as venue staff will now have the capacity to register an individual if they are in need of support.

In line with current procedures, if a person experiencing difficulties approaches venue staff, this should also allow that person to immediately be referred onto the relevant CSO for help and support, whether or not they choose to be self-excluded.

Importantly, as this system operates as soon as a person approaches venue staff, action can be taken that will reduce the likelihood that an individual will reconsider their decision, if they otherwise have time to think on it overnight.

Being a cloud-based system, CSO staff can also be trained to register gamblers seeking support, if they first approach the CSO.

Being a voluntary system, as is the case with the current system of cataloguing excluded gambler images, the relevant procedures and protocols can be established to address issues associated with privacy.

Operation

The real-time benefit of having a live facial recognition system means that for the first time, venue staff have the opportunity to register individuals at a time when they decide they need help. Facial recognition technology also streamlines the current system greatly, as a venue registered person will be instantly excluded and allows the CSOs to make immediate contact with that individual.

Once a person is registered, with facial recognition technology located in venues, both venue managers, appropriate staff and CSOs are instantly notified in the event that a self-excluded person has entered, enabling them to reach out immediately and offer assistance to someone who may be at high risk of relapsing.

Importantly, as a cloud-based system with all gaming venues participating, regardless of the gaming venue that a self-excluded person may enter, that venue, the CSOs and TLGC will be alerted, regardless of where the venue is around the state.

The moment the system sends out an alert, the CSOs can then reach out to the gambler (such as via SMS or phone call) and immediately take steps to assist them.

It is important to note however that encouraging problem gamblers to participate will continue to be reliant on effective engagement by the venue and their staff, as well as the CSOs working with operators and their clients. For this reason, while the new technology will greatly enhance the capacity

to monitor problem gamblers, training and education of venue managers, staff and the CSO counsellors will continue to be essential in delivering a successful service.

Being cloud-based and accessible by the venue, the CSOs and TLGC staff, the system will also provide more accurate data about the response and services provided, its operation, the outcomes achieved, and will be fully auditable by the TLGC.

In turn this will provide a strong platform for the industry, CSOs and the regulatory body to work together, to provide ongoing improvement to the system, and to provide a better service the people who are in need.

Importantly, the cloud-based system will enable the overall service to be streamlined, reducing the potential for duplication and ensuring there is a seamless service and response to support problem gamblers.

The system will of course require protections, providing only for authorized and monitored access, to protect and preserve the rights of participants.

Installation, maintenance and management

The THA is of the view that the installation, management and maintenance of the hardware and software, along with staff training, venue support and reporting on performance, is best managed by the industry itself. As the THA is the peak body representing the current ninety-one venues, the THA is best placed to manage these aspects of the system on behalf of the industry.

Counselling and Support Services

As is currently the case, counselling and support services would continue to be provided by the CSOs, the new technology providing them with more real-time knowledge to know when a registered person may be in need of help.

Capital, Installation, Operation and Training Costs

The system will not only require the installation of a number of cameras, but will require the purchase of computer technology, cabling and installation to participate.

For this reason, to ensure there is full participation, and with facial recognition as the most effective way to provide real-time help to those that require assistance, the proposal is for the capital costs (including in-venue cameras and associated hardware), installation, management, maintenance and staff training to be funded out of the Community Service Levee (CSL).

The THA is strongly of the view that the CSL, which is funded by the industry, was established for the purposes of maintaining harm minimizing strategies in the industry, and the implementation of this worthwhile system to better support and assist problem gamblers should be funded from the levee.

6. Roles and Responsibilities

An opportunity exists to streamline the current system, providing for a more efficient and effective service. Importantly, this system allows for a clearer definition of the respective roles and responsibilities of key players, as well as having access to the same common database

Tasmanian Gaming Commission

As the regulator the TLGC has overall regulatory responsibility for the system, including any relevant legislation and regulation, and monitoring performance. The THA proposes the establishment of a Steering Committee to operate under the auspices of the TLGC, made up with representatives of the TLGC, the THA and the relevant CSOs. This Steering Committee would not be a policy making body. However, the THA believes with better communication and understanding of the issues among all parties, a much better service can be provided to those in need, and a greater capacity in responding to any operational issues that may arise.

The Tasmanian Hospitality Association

The THA's role is to manage the development, installation and maintenance of the in-venue hardware, and contracting the system operator. The THA's role also is to deliver services training to staff and operators with a focus on the in-venue needs, and also to report to the Steering Committee and the TLGC on behalf of the current ninety-one gaming machine venues.

The Venue

The responsibility of the venue operators and their staff is to engage with gamblers in the venue, to provide the best practical advice when approached by a person experiencing problems, to advise them of the services available, and to enable them to be registered on the system in real-time, and to help them manage their difficulties at the time they are experiencing them.

Community Service Organizations

As is the case currently, and with the support of the Community Service Levee (CSL), the community service organization's role is to provide counselling and support services to the problem gambler. The CSO's role is also to report to the Steering Committee and the TLGC on the services provided.

7. Benefits and Outcomes

The proposed facial recognition system provides an instant alert to the venue managers and staff, CSOs and the regulator when an individual is registered and if they have entered a venue.

This is a critical benefit of the facial recognition system compared with the current system and any card-based exclusion systems, in that support can be provided at the time when the gambler most needs it, as opposed to being provided after harm may have occurred. In this way the technology enables the focus to be on prevention and education.

Equally important, it provides for a collaborative approach with each key stakeholder fulfilling their respective roles and working together from a common database system. This will play an important role in ensuring that help is provided as and when it is needed and minimizing the potential for errors and mistakes.

The use of the facial recognition technology is also far superior to the current system and card-based exclusion systems because it will provide an alert the moment a self-excluded person enters a gaming venue, regardless of which venue the self-excluded person enters, and wherever this may be in the state.

Importantly the facial recognitions system will eliminate the unintended human error that exists in the current system.

8. Governance & Oversight

Both the THA and CSOs will report to the TLGC in accordance with the requirements of any grant deeds that may be entered into to establish and operate the facial recognition system. If the Steering Committee model is adopted, this will also help ensure the service can be provided in a seamless manner, with any issues or difficulties arising being able to be addressed among the respective organizations and service providers.

The THA is of the view that this provides an important opportunity for the industry, community service organizations and the regulatory body to work collaboratively in delivering a more effective, real-time support and counselling service to those gamblers who may be in need.

9. Evaluation

As with any system, a comprehensive evaluation of the facial recognition system when in operation will be important, not only to demonstrate that the system is achieving the objectives that are set, but to be able to respond, adjust and improve the capabilities of the system and ensure that the best service is being provided to those in need.

With the establishment of the Steering Committee, the industry, CSOs and TLGC can develop an evaluation program that can provide an in-depth picture of the effectiveness of the facial recognition technology, the outcomes from the support and services that are provided, together with an overall measure of the reduction in harm being achieved.

Kind Regards

Steve Old



CEO
Tasmanian Hospitality Association