

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

Inquiry into the 2025-26 Budget Estimates

Melbourne – Wednesday 4 June 2025

MEMBERS

Sarah Connolly – Chair

Nicholas McGowan – Deputy Chair

Jade Benham

Michael Galea

Mathew Hilakari

Lauren Kathage

Aiv Puglielli

Meng Heang Tak

Richard Welch

WITNESSES

Enver Erdogan MLC, Minister for Casino, Gaming and Liquor Regulation; and

Kate Houghton, Secretary,

Kathryn Bannon, Acting Deputy Secretary, Integrity, Regulation and Legal Services,

Suzy Neilan, Chief Executive Officer, Victorian Gambling and Casino Control Commission,

Chris Carter, Chief Operating Officer, Liquor Control Victoria,

Simone Cusack, Executive Director, Gaming and Liquor, and

Samuel Ho, Chief Financial Officer, Department of Justice and Community Safety.

The CHAIR: I declare open this hearing of the Public Accounts and Estimates Committee.

I ask that mobile telephones please be turned to silent.

On behalf of the Parliament, the committee is conducting this Inquiry into the 2025–26 Budget Estimates. The committee's aim is to scrutinise public administration and finance to improve outcomes for the Victorian community.

I advise that all evidence taken by the committee is protected by parliamentary privilege. However, comments repeated outside of this hearing may not be protected by this privilege.

All evidence given today is being recorded by Hansard and is broadcast live on the Parliament's website. This broadcast includes automated captioning. Members and witnesses should be aware that all microphones are live during hearings and anything said may be picked up and captioned, even if you say it quietly.

As Chair I expect that committee members will be respectful towards witnesses, the Victorian community joining the hearing via the live stream and other committee members.

Witnesses will be provided with a proof version of the transcript to check. Verified transcripts, presentations and handouts will be placed on the committee's website.

I welcome the Minister for Casino, Gaming and Liquor Regulation the Honourable Enver Erdogan as well as officials from DJCS. Minister, I am going to invite you to make an opening presentation or statement of no more than 5 minutes, after which time committee members will ask you some questions. Your time starts now.

Enver ERDOGAN: Thank you, Chair. I would like to begin by acknowledging the traditional owners of the land and paying my respects to their elders, past, present and emerging. It is a pleasure to be here. It is my first time appearing as Minister for Casino, Gaming and Liquor Regulation.

Visual presentation.

Enver ERDOGAN: We can go over to the review, and what a year it has been; you could say it has been a very busy portfolio. A lot has happened in the six months that I have had the privilege of being in this role. We have had legislation passed about cracking down on illegal tobacco and a tobacco licensing scheme. I will talk more about that further in the next slide, but before I get there, we are also modernising the liquor licensing scheme, enabling faster licence processing and helping businesses open sooner. I think that is key. It is important for hospitality, important for jobs and important for keeping Victoria's nightlife vibrant.

When it comes to gaming, we have had been quite busy with legislation, and just last week we passed our landmark legislation about carded or what I call account-based play. While gambling is a legal and popular activity, we know it also causes substantial harm. That is why these protections matter. These reforms put the power back in the hands of patrons, and letting them set their own limits and stick to them is important. The government has worked closely with industry and the community in developing these reforms and will continue to do that work. We have just passed one gambling legislation amendment, and we have another

coming before the Parliament, which is also about modernising our state's gaming licensing framework to make sure it is more consistent. The Bill includes a range of other measures, including reforms to reduce harm and crack down on money laundering. This ensures a gaming environment that is safer and more transparent.

The tobacco licensing scheme – I think there is big public interest in this issue. We are launching the toughest tobacco regulator in the nation. \$46 million in this budget, you will all notice, is about establishing tobacco licensing in Victoria. That includes additional support for Victoria Police in their important role as part of these reforms. Commencing in July, retailers and wholesalers must apply for a licence to sell tobacco in Victoria, and enforcement of the scheme will begin from 1 February 2026. The scheme introduces the toughest penalties in the country. Enforcement will be undertaken by dedicated licensing inspectors, and we will work with Victoria Police and law enforcement to combat this serious and organised crime through intelligence sharing.

Obviously we have the Victorian Gambling and Casino Control Commission, which continues to ensure integrity at the casino and across the gambling sectors. Its regulatory activities include a key focus on cracking down on gambling by minors, with a range of fines and disciplinary arrangements for companies failing to maintain this important limitation. The VGCCC has exceeded its target for regulatory action against high-harm breaches, and as you can see, the VGCCC has also taken on a new function in raising awareness for consumers about gambling products and their risks.

Gambling harm prevention is now better integrated with dedicated support services. There were big changes and obviously big investments as part of that in last year's budget, and we build on that this year. The new gambling harm prevention response model began on 1 July, and the new response model is better aligned with government services while maintaining cross-government collaboration. The new model enables greater integration, and the Department of Health now delivers gambling harm prevention, early intervention, treatment and support services. In my portfolio we continue to ensure the model is underpinned by strong evidence, and I was pleased to recently release the new *Gambling Harm Prevention Research Priorities 2025–2028*, which will inform the next round of grants into gambling research harm. You will see also the role of the VGCCC in terms of delivering gambling harm awareness for consumers.

We will go to liquor control as well. Liquor Control Victoria continues to go from strength to strength in terms of regulating the industry, with a key focus on improving processing times. Liquor licences are being issued 35 per cent faster. Liquor Control Victoria regulates over 23,000 venues across our state, including hotels, bars, nightclubs and bottle shops, but major events like the Australian Open, the grand prix and local community events that supply liquor are also important. Liquor Control Victoria has already improved outcomes against performance targets. We have new digital application forms that will support even quicker licensing decisions without compromising robust assessments, and Liquor Control Victoria is also improving its website to enhance the user experience so that people can get information when they need it. This is all part of our modernisation of the regulator.

The CHAIR: Thank you, Minister. The first round of questions goes to Ms Benham.

Jade BENHAM: Hello again, Minister. What did you call the mandatory carded play? Account-based play?

Enver ERDOGAN: Account-based play. The whole goal is that –

Jade BENHAM: Is that rebranding?

Enver ERDOGAN: No, carded play is part of having an account. The whole concept of the carded play is you have an account and you can set your limit and go from there. 'Account-based play' is more of a technology-neutral term, because there are mag strips, which are the cards, and in the future we may have a different account-based play. You might be on your telephone –

Jade BENHAM: But you still need a card to play it?

Enver ERDOGAN: You still need an account to play. The card gives you access to an account.

Jade BENHAM: What is the government forecast loss of revenue as a result of the carded play, or account-based play, particularly for regional venues or independent venues with gaming machines?

Enver ERDOGAN: I think it is important to say that we are beginning trials later this year, and it is obviously difficult to model what these changes will mean without actually having the trials take place. I committed when we passed the legislation to have a robust trial and evaluation. We are working on getting the right areas. I would like to see a trial in a metro and a regional location.

Jade BENHAM: Where would the regional one be? This is a cause for concern, particularly in border areas.

Enver ERDOGAN: I know, Ms Benham. I do not have an announcement to make today, but I think the department is taking that work. We will make an assessment of an appropriate regional location. We have not made a decision –

Jade BENHAM: Geelong?

Enver ERDOGAN: I am not going to speculate, but I think obviously you need to have a regional location that could be well serviced by government and the department. Places with access to a daily train service would be helpful, but obviously having staff and a public service able to support the venues is a key criterion. We have not made a final decision, so I do not have an announcement at this time.

Jade BENHAM: But you understand that the losses will be significant from community clubs that give back to communities as well if there is a 5-minute drive across the river where an account is not required?

Enver ERDOGAN: Ms Benham, what I have heard from the sector is that they are committed to minimising gambling harm, so they want to work with us in this trial. I think the trial, in the way that I have structured it, because we have changed the timeframes, will mean we will be able to have a robust evaluation at the end of that process. Now we have got the time to do that work. We have not chosen or selected the site – or areas, let us say, as it is areas where this will occur – but there will be a regional and there will be a metro, in my view, so that we can have the most robust comparison.

Jade BENHAM: I agree that no-one is disputing that gambling harm needs to be addressed, but pushing them over the river may not be the best way to go about that, perhaps. Can we just move on, because time is limited, to tobacco licensing. With the regulation of the tobacco licensing scheme, there is a target of 500 inspections in the next financial year. How are we going to be able to reach that? Are there particular hotspots across the state?

Enver ERDOGAN: Yes, I think it is a really good question, Ms Benham. I think we need to have an intelligence-led, risk-based approach. I think that is key, because a lot of the people – illegal businesses – that sell tobacco are low risk. We are talking about the major supermarkets, the large convenience stores – they are not part of the illicit trade. This is about supporting them and stamping out the illicit trade, so it is risk based, intelligence led, working closely with police. That 500 figure will be for this financial year, understanding we will have boots on the ground from 1 February doing that work. Five hundred is a target, but I would like to focus more on quality than quantity in this space, because it is the criminal element we want to get to.

Jade BENHAM: Yes. So how many boots on the ground in terms of FTE are going to be allocated to tobacco regulation?

Enver ERDOGAN: We are going to have 14 staff in the regulator, but it is about smart enforcement. It is not about volume. I want it to be targeted to the criminal element. We will be working with Victoria Police closely because of that criminal element and the risks that that poses. I know that compliance efforts in many instances will need to be joined because of that risk.

Jade BENHAM: And when we talk about those 14 FTE, will that be across portfolios as well to inspect liquor regulation and gaming regulation – the carded play? Is it going to be the same 14 people?

Enver ERDOGAN: No, 14 dedicated to tobacco regulation.

Jade BENHAM: Okay. All right. Thank you. I know I am getting through these quickly because we have only got one session. If we can get onto liquor licensing, satisfaction is expected to be below the target of 85 per cent. We know about the wait times for liquor licences at the moment, and I know this from feedback I get to my office but obviously major stakeholder feedback too. What factors have contributed to falling under target?

Enver ERDOGAN: Victoria is home to a world-class liquor and hospitality sector, and we want to support them. We have made a number of announcements in this area. Part of our *Economic Growth Statement* was about making sure that people can get liquor licences without having to go through the planning process. For new businesses we are making the process more straightforward, but I would say that on many of the measures we were are ahead of schedule when I looked at it. Which performance measures are you referring to, Ms Benham? This is just for clarity, because when I looked at it I saw that they were performing ahead of previous years.

Jade BENHAM: Well, for example, let us talk about currently. How many liquor licence applications are currently outstanding or overdue?

Lauren KATHAGE: This is Danny. I hear the spirit of Danny.

Enver ERDOGAN: I am just looking at the data. The data shows we are ahead of where we were in previous years, because we have reduced the times in terms of the time people apply for a licence, to get a licence, and also the variations. Currently we are processing over 85 per cent of liquor approvals and permits within a set time of 77 days, and 46 days for bringing your own permits in line with our targets. So we are –

Jade BENHAM: 77 days, did you say?

Enver ERDOGAN: Yes. Eighty-five per cent of liquor approvals, licence permit applications and variations within a set time of 77 days.

Jade BENHAM: And do we have any indication of how many at the moment are overdue or outstanding?

Enver ERDOGAN: I am happy to take that on notice, I think.

Jade BENHAM: That would be terrific. There are significant delays in the liquor licensing process. Are there any causes that you are aware of?

Enver ERDOGAN: Look, yes, I have chats and meetings regularly with obviously the interim chair, and I thank him for his work at the regulator. There are a number of reasons. What we are seeing is that the sector has changed in the past. In previous decades, people would use professionals to make these applications. A lot of applications are being made by businesses themselves. There may be incomplete applications, with not all the information required to actually process and proceed. That seems to be a big barrier, but there are many other reasons as well. Obviously processes need to be improved and modernised, and that is why I think the digitalisation of forms will assist, because that will mean you cannot proceed to the next step unless you complete it – so, people making their own applications, not providing all the information, but also I think digitalisation is needed.

Jade BENHAM: Okay. But you will supply the numbers and how many are overdue?

Enver ERDOGAN: Yes, we will take that up. How many outstanding – we can do that.

Jade BENHAM: Okay. Terrific. The previous set time you said now is 77 days. Is that right?

Enver ERDOGAN: Over 85 per cent within that.

Jade BENHAM: Within those 77 days. Was it previously 40 days? In 2024–25, was it 40 days?

Enver ERDOGAN: I might just ask Kathryn, our deputy secretary.

Kathryn BANNON: Thank you for the question. With respect to the current performance metrics, it is now based with respect to the range of licences, as the minister referred to, so that is applications, variations through to transfers, if there is a sale of a business from one licensee to another. So there is a consideration of all of those licensees within that time window, and then the average number of days is 77 days. Previously there were applications accepted where there was incomplete information, and the performance measure included time reporting. There was a back and forth with licensees to receive a complete application form and the required information to undertake the necessary probity checks and steps with Victoria Police and council, so that has

been updated to reflect the new framework, where the licence is processed once all information has been received from the applicant.

Jade BENHAM: Okay, so the whole framework has changed, so that has changed the length of time.

Kathryn BANNON: That is correct.

Jade BENHAM: Okay. That offers a lot more clarity. Thank you for that. Going back to the gaming machines and the account-based play, do we know – and we are going to refer to budget paper 3, page 158. Can the government provide a list of venues that will be used for the trial? Obviously, as you said earlier, you cannot provide that now. But could you take that on notice, just because there are some very concerned venue owners around.

Enver ERDOGAN: Yes. I have always said that I want to consult with the community, so we will have announcements in the coming months on this, because I want a trial this year. I am more focused on an area. So we will pick areas, a metro and a regional at the very least, and then it will be –

Jade BENHAM: So, one of each?

Enver ERDOGAN: At least, yes.

Jade BENHAM: That would be deemed a trial if there is one of each.

Enver ERDOGAN: Yes, that is right. You need at least one of each – I think that is right. One regional, and then we will look at the metro settings. But I want to pick a geographic area so that does not disadvantage venues in the same geographic patch, and I think we have got to do that work very carefully, but we will have an announcement in the coming months. This year we will have an announcement.

Jade BENHAM: Okay. Will there be compensation paid to those who are forced to do the trial, even if it is one in metro and one regional? Will they be incentivised to do it?

Enver ERDOGAN: We are not proposing any form of compensation. I think it is an important learning opportunity for those venues to adapt, and also they will be supported with staff from our department with that process.

Jade BENHAM: You will have staff in the venues?

Enver ERDOGAN: The goal is to have staff at the venues assisting the operators, at least with the set-up.

Jade BENHAM: How will that work?

Enver ERDOGAN: We are working through the trial, so we have not got the final parameters of the trial, but I think that is something that we are exploring.

Jade BENHAM: Okay. So why did the government not deem it necessary to provide compensation for forcing businesses, who have done some modelling on this, for a trial that is costly to the point where it could see an impact in revenue of up to 15 per cent?

Enver ERDOGAN: I do not want to speculate on the potential impact, but I think the sector –

Jade BENHAM: Well, they have; they have done the numbers.

Enver ERDOGAN: But I think the sector understands the importance of gambling and harm minimisation, and that is where we see this. I think this is, for those venues, an opportunity to be ahead of the curve, because they will have seen the trial this time in a more supported environment, because the department will be there working with venue operators to make sure the rollout is as smooth as possible. I am not saying there will not be any hiccups with any trial, but the goal is to get that data, get the cleanest data, do a robust evaluation, and I look forward to those venues giving that robust feedback at the end of that process. That will inform the next stage of the work we do.

Jade BENHAM: Is there the possibility, if this trial does not work, for it to be cancelled?

Enver ERDOGAN: I think if the trial is not as successful as we would like, of course we are going to explore other options. I think when we had that debate in Parliament that was what I said and an issue that I know many of the Nationals MPs raised, I must say – from your own party, Ms Benham. How it will in fact impact border communities was something continually –

Jade BENHAM: Significantly.

Enver ERDOGAN: Significantly raised and consistently raised, and that is an issue that I understand, because in South Australia and New South Wales they have gone for a different model. They have gone for facial recognition technology, which is a bit different to account-based play because that is more about focusing on the people that have already excluded themselves – although New South Wales is looking for third-party exclusions as well. I can understand that concern, because as you said, these border communities are connected.

Jade BENHAM: So you are making those clubs and pubs pay for the mistakes that the casino made after the royal commission? These are mistakes that Crown Casino made.

Enver ERDOGAN: I think it is clear that the royal commission was focused on the casino, but I think there are learnings for all of us in this process. Crown have already implemented carded play at their venue, and they do say it has had a significant impact on them.

Jade BENHAM: Is there any further investment into gambling support for those that are now forced to gamble at home?

The CHAIR: Apologies, Ms Benham. We are going to go to Mr Hilakari.

Mathew HILAKARI: Thanks, Minister, and thank you, department officials, for your attendance this afternoon – not yet this evening, but we will keep going on and see how far we can get into that. Minister, I am hoping to take you to budget paper 3, page 70, and the line that I am hoping to look at is ‘Establishing a modern integrated tobacco and liquor regulator and supporting effective regulation’. Some of those funds have been expended already, and we have got some expenditure in the years out ahead of us. We also made an announcement today on this matter. But I am just hoping you can talk through what these funds can be expended on and how they will support the tobacco industry and the regulation of it.

Enver ERDOGAN: Thank you, Mr Hilakari. Yes, I did make an announcement, and I had the opportunity to speak to the media as well as I was coming into PAEC today. I think they were very interested in our new regulator, a tough new regulator – the toughest in the nation, I might add. It is focused on targeting the illicit trade and the criminal organisations that are soliciting this illegal tobacco. It is a significant investment – \$46 million is large – and it is about making sure that the regulator is set up to tackle this issue. It is hurting local businesses, it is fuelling serious and organised crime and it puts the safety of our communities at risk. We have all seen the impact it has had across our state and our city, and this scheme’s goal is to stamp that out. We know there are multiple layers and multiple factors for the growth of this sector, but we are doing our bit in Victoria. I think that is the key message that I want to say and for everyone to see nationally.

This regulator from 1 July will be in place. We are talking about some serious penalties – \$1.7 million fines for businesses, \$355,000 for individuals. But most importantly, I feel, the biggest deterrent will be up to 15 years imprisonment. I think that is a serious deterrent and it will make a serious impact on the sector. After constructive and cooperative work and consultation with the sector, we released today the findings of our regulatory impact statement. Upon feedback on the regulations that were going to be put in place, I can confirm that we will have annual fees of \$830 per year in relation to tobacco licensing. That will place us below New South Wales and below Tasmania, and much lower than what we initially set up with. I think \$1100 to \$1500 was what we said that it might cost; now we have landed on a position that is much lower. I know that the sector was pleased that we had taken on board their feedback. As minister I always pride myself on genuine and meaningful engagement and consultation, and I think that is what has happened. I thank some of the colleagues at the bench with me today that really undertook that frontline work, working with the sector. It is a really good outcome and I think we should all be very proud. And now – 1 July – the regulator begins.

Mathew HILAKARI: So we are just under a month away, which is great. I just hope we can talk about the new scheme. We talk about this in liquor licensing as well around unsuitable or high-risk applicants. How will

the new scheme deter those or ensure that those people who do make applications are of good character and should be involved in the industry?

Enver ERDOGAN: It is a really good issue that you have brought up today. I think a key factor has been the role of a fit and proper person test and the intelligence that goes with that. This will be the first time we will have a regulator. The fit and proper person test will not be just targeted to the individuals applying for these licences. Working with police, they will have obviously important intelligence about close associates. We know that people that run these businesses, as we have seen, might not necessarily have the premises or the business in their name – it might be a family member or an associate. And if so, if any of them are connected to criminal activity, we will have grounds to reject their application and weed them out of the sector. That is the goal. I think that will be a high test and will be backed up with tough penalties, where if people are found to be doing the wrong thing, they will face imprisonment of up to 15 years and also big fines. But in the first instance some of them will not even be able to get the licence because the police will have existing intelligence on them or their associates and they will be ruled out. It will be interesting who applies and how that application process goes, but we are working very closely with Victoria Police.

Mathew HILAKARI: Those people who gain a licence, many of them will already be working within the industry. How have we been working with them so far to make sure that they are ready to go as these regulations come in place?

Enver ERDOGAN: That is why we have allowed six months. The regulator starts on 1 July, but we are giving them up to just over six months to register because it will be a new process. I myself got an early introduction from the department; there is an electronic form and there is quite a bit of information you need to provide. We are talking about personal details for directors. There will be background checks as well with that – police checks we are talking about – and that will take some time. There is a lot of information to provide. Again, being the first of its kind, it will be onerous the first time. The goal is to get it electronic, make it quite a high threshold for the first time, and then from thereafter, if people are doing the right thing, it will just be a renewal process, so a bit more straightforward. It will be getting in that will be the issue, getting the licence the first time, because there will have to be some rigour around that. But from that point forward it will be a bit more straightforward, understanding that most of the people that will go through this process are legitimate businesses and we want to support them.

In this process I have had a chance to meet with a number of people – the Master Grocers Association. We have had input from the Australian Association of Convenience Stores. I met with the CEO of On the Run – they run convenience stores as well. He gave me his feedback about what is occurring. I think it is important that we stamp it out. The legitimate businesses will be protected, and that is the goal of this new scheme.

Mathew HILAKARI: We all know that illicit tobacco is not a Victoria-only issue; it is nationwide but also international. How is it proposed that the new regulator will work with other jurisdictions and with enforcement bodies to make sure they have the best success in Victoria?

Enver ERDOGAN: Yes, definitely. I think it is clear what we are experiencing. Victoria is not unique. I noticed that Premier Minns spoke about this issue recently as well, so it is clearly occurring in other major cities and other states across the nation. There are multiple layers. We are doing our bit with the tough new regulator, but there are definitely discussions to be had with other jurisdictions and with the Commonwealth. We have got a partner in the Commonwealth. It is important we work together to stamp out this illegal industry. Already we have got Taskforce Luna. I might share with you what that is doing. It is kicking goals in terms of making serious arrests – 130 arrests and over 200 search warrants, which seized close to \$40 million worth of tobacco and vaping products. I think that is important that we do that work, but there is more to do. We are talking about border and customs and Victoria Police working with Federal Police. We are talking about our relationship with the Commonwealth but learning from each other as well. I think it is clear what has happened in this sector has had a big effect on communities, especially on community safety. We need to protect honest, legitimate Victorian retailers, and that is why we have set up this tough new regulator with tough new penalties.

Mathew HILAKARI: And always whenever a new regulation system or scheme is brought in, and as it is ongoing as well of course, there is a big educative role that needs to be played. So how are we making sure that we tick that off as part of the process? Because there will be businesses that are not aware of the regulation as

fulsomely as they should be. How are we making sure we get out there and make sure that education part is done?

Enver ERDOGAN: Definitely a public awareness campaign will accompany the new regulator.

Mathew HILAKARI: Everyone would have watched the media events this morning, I know, but if they missed it for some reason whatsoever.

Enver ERDOGAN: And if they missed some of the reporting or the 7.30 report a couple of weeks ago. But I think we do have direct communication with a lot of retailers that have expressed interest, and part of that is plain English and multilingual information and resourcing are important. A lot of small businesses are owned by members of our multicultural communities that are doing the right thing, so we need to make sure that they understand the regulations so that they can comply. I think there is work to be done through a mix of media: radio, TV, digital, print and multicultural translation. I think we need to do it all. We need to cover everywhere – a big information piece using the existing infrastructure as well. I know retailers will do their own work as well. I think some of the major retailers have expressed an interest in making sure we get around these laws and making sure we strengthen them as much as possible. Everyone needs to understand that selling tobacco without a licence will soon be illegal, and the government is serious about cleaning up this industry.

Mathew HILAKARI: All right. Thank you. And I might take us to another area of your responsibilities, which is gambling regulation and reform, and to page 118 of the *Department Performance Statement*. It puts aside about \$74 million for the regulation of gambling, liquor and tobacco, but more importantly, I am really interested in the gambling compliance audits and harm minimisation elements of it. I am hoping you could speak to those.

Enver ERDOGAN: Yes, definitely. I have got Suzy Neilan. For those of you that may not know, Suzy is our CEO of the Victorian Gambling and Casino Control Commission. I am sure she could say quite a bit about the work of the regulator. Suzy, if you wish to maybe explain some of the role, but I think it is clear that we are taking this very seriously, and we know the devastating consequences gambling can have on individuals, families and communities. I know, Mr Hilakari, you have been very passionate about these issues, and we have had a number of discussions, as have many members in this committee and in the Parliament who have raised them with me over this time. But we have made a number of reforms in gambling harm minimisation. The 4 am to 10 am closures for clubs and venues that had pokies at night, I think that was key. Clearly there was a pattern of predatory behaviour going on. We have stamped that out. We have got new spin rates, up to 3 seconds on all new gaming machines. We have talked about load-up limits. From a government perspective, there has been really good policy and legislation. A thousand dollars down to \$100 – that will be good to provide that kind of brake and let people think about what they are doing. But the Victorian Gambling and Casino Control Commission conducts hundreds of targeted compliance. Maybe I might hand over to Suzy, because we have got the CEO here. It is not every day we get the CEO of one of our important regulators to talk about some of the work.

Suzy NEILAN: Yes, thank you, and thank you for your question. Minimising gambling harm is one of our key statutory objectives at the VGCCC, and we integrate harm minimisation into all of our regulatory functions – that is licensing, monitoring, education and enforcement. We take a strong regulatory position when a provider breaches their obligation to minimise harm, and that can be seen through some very strong enforcement action and fines that we have issued for repeatedly breaching harm minimisation obligations. Particularly you may be referencing the VGCCC. We assumed responsibility for the gambling harm awareness and education amongst community and industry that was previously managed by the VRGF. In that some key initiatives included delivering Gambling Harm Awareness Week, and that campaign reached 1.79 million Victorians in October. We also rebuilt the VGCCC website and expanded our social media presence, with a focus on educating both industry and the community of the harms of gambling as well. We have also developed a long-term strategy to shift community attitudes towards gambling harm to guide our 2025–26 campaigns. We also conducted sentiment research with 3000 Victorians to better understand the perceptions and inform targeted harm awareness initiatives.

Mathew HILAKARI: And Ms Neilan – or of course I am always happy to hear from the minister – I am just taking you to page 118 of the *Department Performance Statement*, and the line I am looking at is ‘Proportion of high harm gambling breaches resulting in regulatory action’. You know, I think there is a

reasonable result there, because we are at 97 per cent as opposed to the 95 per cent target that is the expectation for this year. But I am hoping that you can talk through some of those breaches and some of the regulatory action that was then taken.

Suzy NEILAN: Certainly. I will give you some examples that I can speak to. We have successfully pursued 13 venues and Tabcorp for allowing minors to gamble, including matters against the Peninsula Club, Coburg TAB, the Duke of Edinburgh Hotel and the Australian leisure and hotel group. We have also prosecuted wagering service providers for not meeting their regulatory obligations. For example, we have pursued four Victorian bookmakers, subject to appeal in the Victorian Civil and Administrative Tribunal, for various offences that have caused harm to consumers, and separate to the \$4.6 million fine with Tabcorp through the VGCCC's court action, we imposed other fines to 43 separate occasions that totalled \$274,000. So we have been very active in the compliance and enforcement space over the last year.

Mathew HILAKARI: What are some of the examples of the issues that were found when you were undertaking those actions? What are some of the specifics? What have gambling venues been doing?

Suzy NEILAN: Allowing minors to gamble or access the floor. Maybe where they have not had gambling harm awareness staff that have been present on the floor is another example, and they may be allowing betting in real time when that is prohibited. So there is quite an array.

Mathew HILAKARI: Okay. In terms of harm minimisation, it is obviously a stronger part of the role. What are we using to inform us about harm minimisation and how we are getting our research base? I know as a committee we looked into this when we were looking at tobacco, liquor and gambling. One of the challenges we saw was that there were not always great research bases for this. So what are we doing to get that research base?

Suzy NEILAN: Yes. We have the interdepartmental committee that manages the work that was previously done by the Victorian Responsible Gambling Foundation, and that is providing some research through to the work that we do. We are learning that early intervention is sort of critical, so we are working with industry on how we can have interventions targeted at harm minimisation before it results in harm as well.

Enver ERDOGAN: Yes. And, Mr Hilakari, as minister I have been proud to talk about the grants in this space. We do a lot of research and a lot of funding for research, and in the past we have done research on youth gambling, sports betting and social environmental factors. So we have already funded a lot of research in this space and there is a lot of public interest. You are right: it is about building that evidence base, especially with new and emerging technologies, and there is a bit of overlap between Victorian and Commonwealth regulation here that I am getting into. But we have done research in this space, and we have got to make sure that we have independent gap analysis of what is happening in the sector. So we are not just listening to academics, we also listen to people who have lived through it as well. So I think we have got a lived-experience kind of group as well that gives feedback for the department and to me. I think that is important work that we do.

I know many of the justice settings are no different, in terms of gambling being in the same department: lived-experience groups really give us some of the greatest insight, to be frank. I think knowing from people's own experience and them sharing that with us, the lived experience committee has embedded the voices of people who understand what it means to them and the work that we are doing. It is so meaningful, and their insight really guides a lot of the work that the department does. As minister, I see it really at the end of the scope, but a lot of the people in the department are doing that day-to-day work, building up the policy framework to try to minimise harm. We are doing that in a range of sectors, and I think the grants are important. Academia is always keen to do this work.

Mathew HILAKARI: Great, and I am really glad to hear about the engagement with people with lived experience. I think it is really important to hear their voices. I am going to move on to liquor licensing and regulation and harm minimisation. I am going to take us to the same page and pretty much the same line item, and that is the proportion of high-harm liquor breaches resulting in regulatory action. I am just hoping for a bit of an explanation on –

The CHAIR: Apologies, Mr Hilakari. I am going to go to Mr Puglielli.

Aiv PUGLIELLI: Thank you, Chair. Good afternoon. Minister, with regard to the delay of the commencement of the carded play trial, was this delay a request of the Australian Hotels Association?

Enver ERDOGAN: I think I was clear, Mr Puglielli – we had this debate in the Legislative Council – that the delay was about making sure that we futureproofed this important reform. I am committed to precommitment account-based play, but we have got to look at a system that can stand the test of time. Obviously carded play is one option, but that relies on magstripes, which have been around for decades. I think for account-based play, we talked about that in other contexts that people are not using cards as much. We need to make sure that for these reforms we get it right, and we are also looking at what is happening in other jurisdictions – South Australia and New South Wales, being the bordering states – to make sure our system is aligned with them.

Aiv PUGLIELLI: Thanks. Can I ask about facial recognition technology?

Enver ERDOGAN: Yes.

Aiv PUGLIELLI: Are you aware that that technology only works for people who have already got self-exclusion in place? Proportionally that is a very small number of people.

Enver ERDOGAN: I think facial recognition technology is quite successful for the people that have self-excluded. There are 13,000 people that have self-excluded, and the current method relies on staff kind of being able to identify the 13,000 faces, which is not really very practicable. So I think it is important. It might be complementary. That is the model that South Australia has. New South Wales seems to be going to that model with some slight changes. They have not landed on their final position yet, but I would say it is not and/or. There is potentially a different purpose.

Aiv PUGLIELLI: So that particular technology, therefore, for people who have not self-excluded is not offering them a harm reduction?

Enver ERDOGAN: The short answer is that facial recognition is targeted to self-exclusion. New South Wales is looking at self-exclusion potentially with third-party exclusion. That is why I said New South Wales will be very different. I am closely watching what they are doing. But in itself, as it exists, it would only be for the people that have self-excluded – for people with an identified problem, not necessarily for the people with an emerging problem – so you are right in that regard.

Aiv PUGLIELLI: Are you aware that the industry has been pushing for that technology instead of the precommitment and carded play system?

Enver ERDOGAN: I think the industry has been committed to seeing gambling harm minimisation in a way that is sustainable. We have to understand that gambling is a legal sector in our state. It is important that it is regulated well to minimise harm, but it is a legal sector that needs to be sustainable going forward as well. I think the sector has made a number of suggestions. Facial recognition technology is what is in place in South Australia statewide and New South Wales seems to be going down that path with that model with a few changes, but in Victoria I am committed to account-based play.

Aiv PUGLIELLI: Can I ask about the social cost of gambling in Victoria? Research conducted by CQU, I understand, was completed in October 2024. When is that report due to be made public?

Enver ERDOGAN: I might ask Kathryn. Our Deputy Secretary might know the due date of that report.

Kathryn BANNON: I need to take that one on notice and come back to the committee with that detail.

Aiv PUGLIELLI: Sure. Thank you. That is appreciated. Minister, do you accept the industry are not going to accept harm reduction measures that hurt their profit margins?

Enver ERDOGAN: I think we know whenever government makes reforms there will be, regardless of this portfolio or other portfolios, people that may have a different view. I think we are committed to seeing harm minimisation. That is why we introduced the closures from 4 am to 10 am. That is why we increased spin rates. That is why we introduced load-up limits, and at Crown we have even gone further.

Aiv PUGLIELLI: Are you prepared to give an assurance that prior to any ministerial direction you could give you are going to meet with people who have lived experience of harm from poker machines outside of just committee formats?

Enver ERDOGAN: I think that is important.

The CHAIR: Thank you, Mr Puglielli. Apologies.

Minister and officials, thank you very much for taking the time to appear before the committee. The committee will follow up on any questions taken on notice in writing, and responses are required within five working days of the committee's request.

The committee is going to take a short break before beginning its consideration of the youth justice portfolio at 5:20 pm. I declare this hearing adjourned.

Witnesses withdrew.