



9 December 2016

The Secretary
 Joint Select Committee on Future Gaming Markets
 Legislative Council
 Parliament House
Hobart Tas 7000
 By email to fgm@parliament.tas.gov.au

Submission to Joint Select Committee on Future Gaming Markets

Thank you on behalf of the Gaming Technologies Association ("GTA") and its members for the opportunity to provide input to the Joint Select Committee Inquiry into Future Gaming Markets.

This submission will provide the Committee with key facts about our industry in order to inform the Committee's deliberations and assist in addressing inaccurate claims that have been made about the gaming industry in recent times.

Poker machines are designed to be entertaining, and are a legitimate pastime that many Australians enjoy responsibly. They are only a single part of an entertainment experience enjoyed in pubs, clubs and other venues around Australia. Poker machine operations support the direct employment of many thousands of Australians including 4,061 people in Tasmania.¹

GTA welcomed the observation that prevalence rates have fallen and believes that this downward trend is continuing.² The gaming industry, government and the community have been working together for years to provide a properly regulated and responsible industry. Examples of responsible gaming features include clocks and currency meters on poker machine screens; in-venue and statewide self-exclusion programs and many other initiatives.

I trust that this submission proves useful for the Joint Select Committee's deliberations. I would welcome the opportunity to appear before the Committee or provide further information on any relevant matter which might arise during the inquiry process.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Ross Ferrar', with a small flourish at the end.

Ross Ferrar
Chief Executive Officer

¹ See table 30 on page 122 of the [Third Social and Economic Impact Study of Gambling in Tasmania, Volume 1](#) of November 2015.

² See – "Gambling" Productivity Commission Inquiry Report Volume 1, Australian Productivity Commission, 26 February 2010, Chapter 5, Section 8, available [online](#).



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About the GTA

The GTA is a not-for-profit company limited by guarantee, established in 1990 for the purpose of promoting the development of Australia's manufacturing resources.

The GTA's primary members provide gaming technology and equipment to hospitality venues in over 300 jurisdictions worldwide, including eight in Australia. GTA's primary members include Ainsworth Game Technology, Aristocrat Technologies, Aruze Gaming Australia, Ebet Group, IGT (Australia), Konami Australia and Scientific Games Corporation.

Background

GTA members supply Tasmania's poker machines. All of the GTA's primary members are public companies or part of a public company and their primary focus is the development and supply of new games and gaming machines.

While the terms of reference for the inquiry focus predominantly on matters that are appropriately the domain of poker machine operators, venues and their representative organisations, the GTA appreciates the opportunity to make a submission under Terms of reference (h) *any other matters incidental thereto* in particular to address the continuing misinformation promoted by some observers of this industry that may be presented to the Committee during the course of its work.

The GTA has developed a series of [Responsible Gaming videos](#)³ and [Fact Sheets](#)⁴ for public information.

Whilst the Responsible Gaming videos are intended to promote appropriate use of equipment supplied by GTA members, the focus of this submission is to provide factual, verifiable information about poker machines as set out below.

³ Available at <http://gamingta.com/index.php/responsible-gaming/>

⁴ Available at <http://gamingta.com/index.php/fact-sheet/>

Poker Machine Regulation

Australia's poker machine industry is accountable to strict regulatory and compliance requirements of State and Territory governments across Australia.

All suppliers are obliged to routinely provide regulators with full access to every aspect of their operations.

All poker machine suppliers must hold licences from the states and territories in which their machines operate. In order to receive licences, the operator must disclose their finances, their history and their activities in other jurisdictions in Australia and overseas.

Senior executives are personally licensed in each state and territory. This licensing process requires full ongoing disclosure of financial records including tax and bank records and full disclosure of their legal records.

All poker machines – and the games which operate on them – are submitted to independently accredited facilities for testing. The machines are then assessed by regulators before approval is considered.

No poker machine can legally operate anywhere in Australia unless it has previously been approved by the regulator and provided by a licensed poker machine supplier.

Our industry has a strong record of compliance with regulatory requirements and will continue to work to maintain confidence in the sector.

Poker Machine Standards

Apart from prevailing standards such as electrical safety certifications, all poker machines are required to comply with the [Australian/New Zealand Gaming Machine National Standard](#)⁵ ("NS").

The NS has been developed by Australasian regulators in consultation with Accredited Test Facilities, licensed dealers, governments and stakeholders. The NS provide guidance for the design of gaming machines, game software and related equipment as well as a means of measuring to ensure common regulatory requirements will be met.

Poker Machine Testing

The technical requirements that every game and machine must satisfy before they can be approved for distribution and play are developed and enforced by State and Territory regulators.

⁵ Available at [https://www.treasury.tas.gov.au/domino/dtf/dtf.nsf/LookupFiles/GMNS2016.pdf/\\$file/GMNS2016.pdf](https://www.treasury.tas.gov.au/domino/dtf/dtf.nsf/LookupFiles/GMNS2016.pdf/$file/GMNS2016.pdf)

Every game and machine is tested by independent Accredited Testing Facilities (ATFs) before being submitted to regulators for approval.

ATFs employ highly-skilled, independent engineers, mathematicians and other specialists to assess gaming equipment against the technical requirements and make recommendations to regulators.

These recommendations are presented in the form of a test report and provide regulators with the information they need to determine whether or not to approve a game or machine.

ATFs are themselves subject to ongoing review by regulators with the quality of testing and reporting output regularly scrutinised.

In Tasmania, ATFs are required by the Tasmanian Liquor and Gaming Commission to comply with the [Code for Accredited Testing Facilities](#) (the Code). The Code requires ATFs to: engage in ethical business practices; maintain comprehensive records; make records available to the Tasmanian Government upon request; submit to regular inspections and notify the Government of any significant changes in internal governance.

Once poker machines or related equipment have been approved by regulators and installed in venues, they are monitored to ensure ongoing compliance with the standards under which they were approved.

Minimum and Maximum Bets

Every poker machine is programmed to have a minimum and maximum bet, with the minimum bet on most machines set at 1 cent.

A player electing to play at 1 cent per game could play for up to an hour for less than a dollar.

Players typically play every 6 seconds or so, taking into account breaks in game play such as free spins and other game features.

Each game has a maximum bet limit, which is \$5 in Tasmania. The purpose of having a range of options for game play is to give the player multiple choices.

Australia's maximum bet limits, which range between \$5 and \$10, are among the lowest in the world.⁶

Poker machines are designed to return a standard amount of money to the player which in some jurisdictions is required by law to be more than 85 per cent. However, most operators choose a higher rate of return, with an Australian average of 91 per cent.

⁶ For further information see page 32 to 34 of the [World Count of Gaming Machines](#)

There are no “near miss” machines in Australia. Only two outcomes are possible on gaming machines in Australia -- a win or a loss – one or the other is displayed for each and every bet.

It is important to note that, because they are playing games of chance, no two players will ever have exactly the same experience on gaming machines.

The Speed of Poker Machines

All poker machines in Australia and New Zealand have a reel spin of about three seconds duration. During the reel spin, the player is not able to interrupt the machine.

Everywhere else in the world, the player can interrupt the reel spin by re-pressing the PLAY button – which shortens the reel spin to potentially less than one-tenth of a second.

In Australia, on average a gamer will play every 6 seconds, taking into account breaks in game play such as free spins and other game features.

World Count of Gaming Machines ⁷

The GTA commissions an annual worldwide survey of gaming machine numbers.

Information for this survey is sourced from regulatory bodies, government sources, private company research, gaming industry bodies and directly from locations where machines are installed.

The machines that are represented in this survey are those that are legally installed. Where illegal machines exist, or where there is no regulation, the count is only based on the numbers of machines that can be verified. The survey also includes additional information, such as Maximum Bet limits.

This survey demonstrates that:

1. Australia has approximately 2.5% of the world’s gaming machines; and
2. Australia’s Maximum Bet limits are among the lowest in the world.

⁷ Available at http://gamingta.com/wp-content/uploads/2016/10/World_Count_of_Gaming_Machines_2015.pdf