



UK Gaming

3rd April 2013

Department for Culture, Media and Sport
gambling.consultations@culture.gsi.gov.uk
Caity Marsh
Gambling (Triennial Review)
Department for Culture, Media and Sport
2-4 Cockspur Street
London SW1Y 5DH

On behalf of International Game Technology (IGT), I welcome the opportunity to respond to the Gambling Act 2005: Proposals for Changes to Maximum Stake and Prize Limits for Category B, C and D Gaming Machines 15 January 2013 consultation document. We greatly appreciate the opportunity to comment and participate in the review process the Department has established.

As a leading technology provider, IGT's games represent a market share of approximately 49 percent of the installed B1 machines in Great Britain. Because this is the only category of device we provide to the market, we respectfully limit our comments to addressing only those questions contained in the document relating to the B1 machines in Package 4: Government's preferred options.

IGT is wholly committed to ensuring that our products deliver the highest quality gaming experience for our customers, while operating in accordance with the spirit and objectives of the Gambling Act. We view this as an opportunity to ensure our customers have more choices in the gaming content they offer as well as ensuring they continue to benefit from new technologies to help keep Great Britain's gaming environment vibrant and competitive.

Again, thank you for the opportunity to participate and respond. We look forward to final outcome of this consultation.

Sincerely,

A handwritten signature in black ink, appearing to read 'Sabby Gill', written over a horizontal line.

Sabby Gill

IGT-UK Gaming

2610 The Crescent, Birmingham Business Park
Birmingham B37 7YE
Telephone: +44 (0)121 779 7777
Fax: +44 (0)121 779 7175
www.igt.co.uk

Registered in England No: 04562679

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Package 4: Government's Preferred Options

Question 7: Do you agree with the government's proposal for adjusting the maximum stake limit to £5 on category B1 gaming machines? If not, why not?

- a) Yes, IGT strongly favors increasing the maximum stake to £5. It has been nearly 9 years since the last increase in maximum stake for the B1 machines. During that time, hundreds of new games and pay tables which utilize higher stakes have been developed and successfully implemented in other global markets. Increasing the maximum stake will result in the casino's ability to offer their customers a wider choice of B1 games.

Question 8: Do you consider that this increase will provide sufficient benefit to the casino and manufacturing and supply sectors, whilst also remaining consistent with the licensing objectives of the Gambling Act?

- a) Yes, we believe increasing the maximum stake to £5 will benefit the casino and manufacturing and supply sectors by enhancing the product offering. This will further maintain a clear distinction in the stakes and prizes offered in a casino, while preserving the protections in accordance with the intentions of the Gambling Act.
- b) It should be noted that while beneficial, the industry-wide impact of increasing the maximum stake is rather muted as the universe of B1 gaming machines in Great Britain is fewer than 3,000 and represents approximately 1 percent of the total estimated gaming machines in the market. The 1968 law's restriction of 20 machines per casino is a significant commercial impediment as it does not allow these venues to meet customer demand for machine gaming. The restriction also significantly reduces the potential for development of new products for the UK market by gaming machine manufacturers and this in turn leads to the stagnation of the casino operators business.

Question 9: Do you agree with the government's proposal for adjusting the maximum prize limit on B1 gaming machines?

- a) Yes, IGT endorses increasing the maximum prize limit on B1 gaming machines.

Question 10: If so, which limit would provide the most practical benefit to casino and machine manufacturers without negatively impacting on licensing objectives of the Gambling Act?

- a) IGT supports increasing the maximum prize limit to £10,000. The pay tables and existing software availability mean that a £5 stake and a £10,000 prize could be implemented efficiently and at minimum cost to the industry as the existing stake and prize ratios would be maintained. This ratio is consistent with those found in other international jurisdictions.
- b) We see nothing in this proposed change that would negatively impact the licensing objectives of the Gambling Act. We would further point out that a 2009 research study commissioned by the Gambling Commission (at the request of the government), entitled "A Qualitative Study of Machine Gamblers" suggested that jackpot size is not a significant determinant of problem gambling behavior.



Question 11: Are there any other options that should be considered?

- a) IGT respectfully suggest that the Minister consider increasing the number of B1 gaming machines allowed in the casinos authorized under the 1968 Act. The licensed casinos are the only sector of the British gambling industry where the total machine supply is limited. Within this sector there are restrictions both on the number of casinos permitted and the number of machines per casino. By contrast, other sectors may unilaterally deploy an unlimited number of machines, either because there is not a national restriction on the number of venues, or no restrictions on certain classes of gaming machines. Given the very high levels of robust control and supervision on casinos, they are the safest environment for patrons to gamble. As such, it is in these venues that the machine count should be increased to best meet the demands of the British players.

We recommend B1 machine parity for the casinos authorized under the 1968 Act (20 machines) with those authorized under the 2005 Act (150). In practice, not all casinos would likely install the maximum number of machines, but rather size their machine count to meet their business demands. This change would provide them with the flexibility to maximize their business objectives within the economic constraints of their respective markets and in accordance with the objectives of the Gambling Act. It should be noted that increasing the authorized number of B1 machines in casinos offers an opportunity for more modern and sophisticated data capture from the machines, through economies of scale. Conversely, the current constraints on the numbers of machines at casinos, makes such monitoring systems and software economically unfeasible.

Should B1 machine parity between the casinos authorized under the 1968 and 2005 Acts be deemed not viable, IGT recommends a lesser measure of simply doubling the number of allowable machines at the 1968 venues to 40. Increasing the number of machines would have the single largest benefit to the casino and manufacturing and supply sectors, whilst also remaining consistent with the licensing objectives of the Gambling Act.

- b) IGT also recommends the Minister should increase the Committed Payment Limit in line with the proposed increase in maximum stake. This parameter is referenced in the Gaming Machine (Circumstances of Use) Regulations 2007, Paragraph 9, 2(a) and manifests itself as the maximum value that can be transferred from a 'bank' to 'credits' in order to play the game. The current permitted transfer value is £10 which is five times the currently permitted maximum bet. If the maximum bet is increased to £5, then it would be necessary to additionally press a transfer button or similar every second game. In practical terms this is unreasonable and we recommend that the committed payment limit is increased to £50. This would follow the precedent set when the maximum stake was previously increased to £2.

Similarly, IGT recommends increasing the Payment Limit defined in the Gaming Machine (Circumstances of Use) Regulations 2007, Paragraph 7, 2(b). Presently £20, this limits the amount that can be loaded to a gaming machine by a single action or button press. IGT recommends raising this to £50 to maintain the ratio of the Payment Limit to the maximum stake. Note that the value of £20 was chosen by the department as being the value of the largest bank note in common circulation at the time. In addition to the practical necessity of this change, £50 notes are clearly more common now and are certainly common currency in casinos.



Question 12: The government would also like to hear from the casino industry and other interested parties about what types of consumer protection measures have been trialled internationally, which have been found to be most effective and whether there is any consensus in international research as to the most effective forms of machine-based interventions?

- a) IGT has a long held commitment to Responsible Gaming and consumer protection as evidenced by the fact that we are the only gaming machine manufacture that employees a full-time Director of Responsible Gaming. We have funded and studied many basic and anecdotal research projects on the subject, and have engaged in Responsible Gaming (RG) technology trials with our international customers. At the heart of a successful RG program is jurisdiction specific research, as the most successful measures tend to reflect the specific objectives and cultural mores of the jurisdiction and the range of gambling products made available to gambling patrons.

We view consumer education as highly important in promoting how to play safely. Coupled with public education, there is a need for a strong and continuing casino employee education and awareness program. Of the technology based approaches, we believe carefully constructed machine-based interventions can be effective in mitigating problem gambling. These have been shown to help "at risk" players to achieve greater control. However, these types of player management tools should be voluntary so that players can make customized choices about the features that are most relevant to them. Mandatory or overly intrusive uses of such measures are known to cause a loss of enjoyment for regular gamblers who comprise the vast majority of casino patrons, and in some cases exacerbate problems for problem gamblers.

IGT would be pleased to trial some machine based informed player measures with selected customers on selected banks of machines.

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