

31st March 2009

Gambling Inquiry
Productivity Commission
GPO Box 1428
Canberra City ACT 2601

Dear Sir/Madam,

Please find enclosed our submission to the Productivity Commission Inquiry into the Gambling Industry.

In our submission we discuss academic support for player pre-commitment in a gambling context; recent research findings from both overseas and Australia which confirm gambler support for pre-commitment; and discuss the new technologies available for providing player pre-commitment.

We argue against the use of problematic plastic cards and smart cards as the technology solution for pre-commitment; reference Australian Government commissioned research which supports our position; and discuss the significant advantages of utilising biometric USB keys in preference to plastic cards and smartcards - in particular their elimination of significant card sharing amongst problem gamblers; their ability to completely eliminate underage gambling; their elimination of the need for expensive card readers; their maintenance of the use of real cash rather than digital cash in poker machine gambling; their utilisation of the ubiquitous global USB communications standard rather than incompatible proprietary card standards; and their ability to provide players with loss limit protection across multiple channels of distribution of gambling using one single device.

We encourage the Productivity Commission to recommend the implementation of a uniform national pre-commitment solution across all poker machines installed in Australia using a non-exchangeable access device.

We would also encourage the Commission to undertake updated contemporary primary research into the current internet gambling habits of Australians across all forms of gambling e.g. TAB and bookmaker wagering, lotteries, sports betting, overseas internet casinos and poker sites etc. In our view this will demonstrate a significant rise in national online gambling activities by Australian consumers since the Commission's original report.

Yours faithfully

Phillip Ryan
Chief Executive Officer

1.1 Problem Gambling

Australians lose over \$15 billion PA in commercial gambling. Electronic gaming machines (or poker machines) are the most popular form of gambling, comprising more than 50 per cent of total gambling expenditure.

The gambling industry is now a significant industry in Australia, generating enormous wealth for casino operators, sports, wagering and lottery operators, hotel & club owners, gambling machine manufacturers, central network monitors, and significant taxation revenues for state governments.

The growth in gambling across the country in the 1990s has given rise to growing public concerns with problem gambling. These concerns have led to a proliferation of highly vocal anti-gaming lobby groups applying pressure to all state governments to reduce their dependency on gambling, and in particular, poker machine revenues, in order to minimize the negative social and economic impact on problem gamblers.

As the issue of problem gambling with poker machines intensifies, state governments across Australia have been applying various harm minimization regulations to poker machines (slower spin rates, maximum bet values etc) and to the gaming room environment (installation of clocks, warning signs, smoking bans etc). All such measures are aimed at reducing problem gambling.

To date none of these harm minimization initiatives has significantly reduced the incidence of problem gambling, therefore leaving society's concerns unsatisfied whilst continuing to threaten government taxation revenues.

Thus state governments are caught between trying to help problem gamblers, and also not wishing to enact any changes that would negatively impact their current gaming taxation revenues.

State governments however are under continued pressure to address public concerns towards poker machine addicts from a range of pressure groups including the churches, social welfare lobby groups and opinion leaders in the community.

It is well documented that 80% of problem gambling can be attributed to poker machines and that 94% of all poker machines in Australia are located in suburban hotels and clubs rather than casinos.

Current gaming operators have shown very little concern for problem gamblers (and indeed have been exposed in the media for attempting to exploit problem gamblers), and are consequently key targets for a wide range of public pressure groups.

1.2 The Social and Economic Costs of Problem Gambling

The elimination of poker machine problem gambling will therefore eliminate the vast majority of the social and economic costs of problem gambling in the community (since 80% of problem gamblers can source their addiction to poker machines).

Some of the currently identified social and economic costs of problem gambling include:

- Emotional distress of immediate families;
- Breakup of relationships;
- Depression;
- Emotional distress of parents;
- Emotional cost of divorces;
- Thought of suicide & attempted suicides;
- Impact of attempted suicides on immediate families;
- Productivity loss at work & outside work;
- Job change earnings loss; and
- Bankruptcies etc.

Ten years ago these social and economic costs of problem gambling were estimated by the Productivity Commission to be a minimum of \$1.369 billion PA, and up to a maximum of \$4.250 billion PA across the whole of Australia as a direct result of poker machines alone.

1.3 Player Pre-Commitment Solutions

Researchers have discovered that 80 to 90 per cent of regular poker machine players experience loss of control over the amount of time and money they spend on these machines. Professor Mark Dickerson, who has been eminent in this field of problem gambling in Australia, and many other researchers, argue that players should be required to make logical pre-commitment decisions prior to playing poker machines. They argue that players are only able to make rational purchasing decisions away from the influence of these addictive machines.

Recent government inquiries and research studies have supported the implementation of player pre-commitment to reduce problem gambling.

1.3.1 The Kirby Inquiry into the Gaming Industry in Victoria

A significant number of submissions to the Kirby Inquiry into the Victorian Gaming Industry ⁽¹⁾ in 2006 called for consumer protection through the establishment of a pre-commitment system to allow players to make rational purchasing decisions prior to interacting with poker machines. Submissions supporting a pre-commitment system were made by both Members of Parliament and local branch members from within the government, as well as Members of Parliament from alternative political parties in the State of Victoria.

Submissions supporting the introduction of a player pre-commitment system were also received from numerous local councils, the Local Government Working Group on Gambling, Gamblers' Help, The Inter-Church Gambling Task Force, individual church organizations, academics, community organizations and a range of individuals.

Gambler's Help independently reported in their submission to this Review that their own survey revealed that 84 per cent of respondents in Victoria support a system that enables players to set spending limits before entering the gaming room.

Player limits are not new to gambling. They have existed in the United States since the introduction of a compulsory \$200 loss limit per cruise on gaming river boats in Iowa in 1991, and Missouri River Boats have had a compulsory \$500 loss limit per cruise since their inception in 1994.

Kirby ultimately reported in his Report to the Victorian Gaming Licence Review Team:

“What has been notable in discussions of measures to enhance responsible gaming and reduce problem gambling has been the support for exploiting the capacity of the monitoring system (as it stands or with enhancements) to develop harm minimization measures. There has been considerable interest in identifying trigger points in player activity in order to interrupt play. This potential, when linked to a universal system for pre-committing expenditure, does seem to be exceptionally worthy of detailed study as it will possibly be more effective than a range of other proposals for enhancing responsible gaming.” (Page 27, paragraph 3).

The Government of Victoria subsequently announced on 26th March 2008 that it will be introducing player pre-commitment on all new poker machines across the State of Victoria from 2010. At the announcement the Government mentioned that its pre-commitment solution might be smart card or a flash drive-style USB “key”.⁽²⁾

1.3.2 Ministerial Council on Gambling Pre-Commitment Report:

In 2006 the joint Federal and State Ministerial Council on Gambling released a report titled *“An Analysis of Gambler Pre-Commitment Behavior.”*⁽³⁾

This extensive 400-page report is a contemporary insight and analysis of the pre-commitment strategies adopted by gamblers across Australia.

The Report confirms (*Table 115*) that 88 per cent of current recreational poker machine players in Victoria, 84% of South Australian poker machine players, and a similar number of poker machine players across the whole of Australia, believe that the introduction of a *voluntary* pre-set loss limit would have either no negative effect on their enjoyment of gambling, or could indeed make their gambling even more enjoyable.

In the same table, 77 per cent of current Victorian recreational poker machine players believe that the introduction of a *compulsory* pre-set loss limit would have either no negative effect on their enjoyment of gambling, or could indeed make their gambling even more enjoyable. Similar results occur for players in the other states.

1.3.3 South Australian IGA Study & Pre-Commitment Trial

The South Australian Independent Gambling Authority has also recommended the introduction of a player pre-commitment program “for the reduction of problem gambling”.⁽⁴⁾

The Government of South Australia has subsequently announced that it is establishing a pre-commitment trial in four poker machine venues in South Australia. In one venue a smartcard is being utilized and in the other a Radio Frequency ID tag is being proposed. Unfortunately when players reach their loss limits they are able to continue playing, and merely lose access to any additional loyalty points – which happens to be in the operator’s best interests and not the best interests of the player who has established the original loss limit.

1.3.4 Queensland Pre-Commitment Trial.

Two separate trials of pre-commitment are currently underway in Queensland. These trials allow players to set limits, but once their limits are reached they can choose to play on other poker machines that do not monitor their limits.

1.3.5 Tasmania's Views on Pre-Commitment.

The Government of Tasmania recently announced in March 2009 that whilst they support loss limits using "smart technologies" they are keen to see a national standard for pre-commitment. They noted that "Player pre-commitment technology is changing around the world and it can only be dealt with at a national level. Even smart card technology has been replaced in some places by a USB Player Protection Key".⁽⁵⁾

1.3.6 The Nova Scotia Pre-Commitment Pilot

The Province of Nova Scotia in Canada trialed a voluntary pre-commitment system for Video Lottery Terminals/poker machines and has reported that:

- 80 per cent of players felt the system encouraged them to play more responsibly;
- 75 per cent of players believed it encouraged responsible play in others;
- Over 90 per cent of players said they would recommend the system to other players;
- 87 per cent of players supported a mandatory system for anyone playing machines.
- Over 90 per cent of players said they would acquire a mandatory card.

However, Nova Scotia also discovered that 37% of players shared their player pre-commitment cards for periods up to one week. In addition card sharing was directly correlated to a player's problem gambling index score.⁽⁶⁾ In other words, problem gamblers were more likely to share their pre-commitment cards.

In their recent analysis of this player pre-commitment program in Nova Scotia Canada, the Las Vegas Gaming Institute at the University of Nevada noted, "*gamblers 'beat' the responsible gaming system through substantial card sharing*". They also noted, "*In the future.... biometric devices (that require for instance, a thumbprint to start play) or facial recognition technology could take care of many of these challenges (in that they could eliminate the step where an identification card is needed)*"⁽⁷⁾

1.3.7 Pre Commitment Implementation in Singapore

The Singapore Government has mandated that its first two casinos must have pre-commitment in place for all gamblers, whether they are residents or tourists, when the casinos open in late 2009 or early 2010. Player pre-commitment must be provided across the full gamut of casino gambling including poker machines, cards, roulette etc.

In addition the Government has set in place criteria to exclude from both casinos all gamblers who are government welfare recipients or bankrupts. There are also procedures for family members to exclude members of their own family whom they believe are problem gamblers. In addition both casinos must provide capabilities for all players to self-exclude.

Local residents will also be required to pay an entrance fee of S\$100 per visit or S\$2000 PA.

The Government has already identified 28,000 Singapore residents who will be excluded from both casinos, and they expect to have identified 55,000 by the time the two casinos officially open.

1.3.8 Pre-Commitment Implementation in Norway

The Government of Norway has recently taken over ownership of all poker machines (or VLTs) in that country from private operators. The Government has recently commenced returning the machines, but with player pre-commitment capabilities associated with the new network.

In addition to player pre-commitment capabilities the Government of Norway has decided to introduce its own global pre-commitment limits for all players. As a result all players who lose more than K400 per day (AUD88 per day) or K2200 per month (AUD488 per month) will be switched off the network even if their own daily limit is set at a higher value.

1.3.9 Existing Pre-Commitment in Australian Gambling

Here in Australia, Betfair gamblers have player pre-commitment loss limits for their sports and wagering gambling, which were introduced by the Government of Tasmania for use by gamblers across Australia. In addition all bets by individual gamblers are monitored.

Crown Casino has a player pre-commitment program in Melbourne for their poker machine players, and all bets by individual participating players are monitored. However, when a pre-commitment limit is reached the player can still gamble but will not receive any additional loyalty reward points.

Thus the setting of player pre-commitment loss limits and the monitoring of players in a gambling context:

- Is not new
- Is supported by players across the world
- Is supported by poker machine players in Australia, and
- Is already mandated by governments across the world, including Australia.

1.4 Player Pre-Commitment Technologies

There are a number of pre-commitment technologies to help players and Governments eliminate problem gambling. They include the use of plastic cards, smartcards and biometric USB keys.

1.4.1 Magnetic Stripe Plastic Cards

The difficulty with simple magnetic stripe plastic cards is that players, and in particular problem gamblers, can share their cards and PIN numbers without risk. In addition simple magnetic cards can be easily skimmed or copied, as evidenced by recent bank card frauds. These types of cards are currently often used in gambling loyalty programs.

Crown Casino uses simple magnetic stripe plastic cards for their Crown Club loyalty program. In a recent Court case reported in the Age newspaper on February 14th 2008, a Bendigo Bank supervisor charged with defrauding the Bendigo Bank of more than \$5 million, claims she was “seduced” by Crown Casino’s loyalty program and would visit the casino “two or three times a week, spending up to \$20,000 at a time on their \$1 poker machines”.

When you join Crown Casino’s loyalty system, you are given a free cash voucher to wager on their table games – a less than perfect means of encouraging responsible gambling behaviour.

1.4.2 Smartcards with Digital Cash

Smartcards have very limited storage capacity (32 KB) and can also be shared amongst players and problem gamblers. An additional risk with smartcards is that they traditionally contain digital cash, which increases the risks of problem gambling since players lose a sense of reality of the actual money they are losing over time. This is why the Federal Government commissioned 2002 KPMG Report into Problem Gambling attributable to ATMs and EFTPOS machines, recommended that smartcards *must be avoided by Australian Governments as a solution to problem gambling.* ⁽⁸⁾

The reason for this concern is that giving players digital cash is similar to the effect of providing gamblers and in particular, problem gamblers, with a credit card. Players very quickly lose touch with reality and how quickly they are gambling away their funds. It is far better to ensure players use real cash to gamble on poker machines. This ensures they are constantly reminded of their accumulating losses.

This view has been supported in subsequent research reports by academics across the globe. For instance, Professor Mark Griffiths of the International Gaming Research Unit in Nottingham Trent University reported in September 2007 that digital cash is problematic in a gambling sense:

“Electronic cash: For most gamblers, it is very likely that the psychological value of electronic cash (e-cash) will be less than ‘real’ cash (and similar to the use of chips or tokens in other gambling situations). Gambling with e-cash may lead to a ‘suspension of judgment’. The ‘suspension of judgment’ refers to a structural characteristic that temporarily disrupts the gambler’s financial value system and potentially stimulates further gambling. This is well known by both those in commerce (i.e. people typically spend more on credit and debit cards because it is easier to spend money using plastic) and by the gaming industry. This is the reason that ‘chips’ are used in casinos and why tokens are used on some slot machines. In essence, chips and tokens ‘disguise’ the money’s true value (i.e. decrease the psychological value of the money to be gambled). Tokens and chips are often re-gambled without hesitation as the psychological value is much less than the real value.” ⁽⁹⁾

1.4.3. Biometric USB Keys

Responsible Gaming Networks (RGN) has designed and built the SAFETY NET[®] system to overcome all of the preceding inadequacies, using the latest world-class technologies.

SAFETY NET[®] has been designed to eliminate problem gambling and under-age gambling from gambling venues, gambling machines and internet gambling networks. It is built on the premise that *“problem gambling is characterized by difficulties in limiting money and/or time spent on gambling which leads to adverse consequences for the gambler, others, and for the community.”*⁽¹⁰⁾

The SAFETY NET[®] system has three primary components:

1. Biometric USB Player Protection Key[®]
2. Player Pre-Commitment loss limits & gambling duration limits
3. Networked Player Connection to all Machines

1.4.3.1 Biometric USB Player Protection Key®

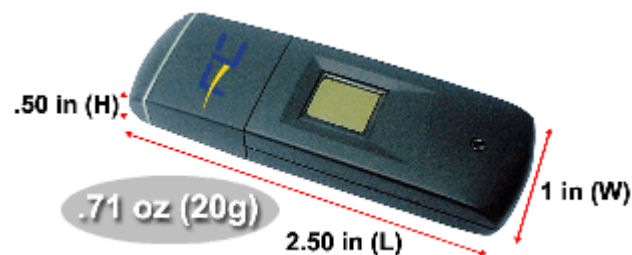
The primary component of the SAFETY NET® system is the Player Protection Key® which utilizes state-of-the-art technologies, and connects directly into every gambling machine or poker machine network in the world.

Gamblers can establish dollar loss limits and duration of play limits which they believe are reasonable prior to undertaking any gambling activity and these limits are imbedded into their personal Player Protection Key®. The Government and/or Government regulator can also establish its own over-riding limits for all players.

At gambling venues, all poker machines are locked, or entry to a venue is restricted until a player inserts a valid Player Protection Key® and confirms their identity as the original owner of the Player Protection Key®. This eliminates key sharing amongst gamblers, and in particular amongst problem gamblers.

The Player Protection Key® is a simple plug-and-play device that connects directly into devices without the need for a special reader, since it is built around the ubiquitous Universal Serial Bus (USB) standard. A Player Protection Key® has an extensive lifespan of 10 years.

An example of a Player Protection Key® from RGN's wide range is included below:



Each Player Protection Key® has the in-built capability to recognize its owner so as to eliminate the possibility of player exchange of a Player Protection Key® amongst problem gamblers. It does so using biometric fingerprint recognition hardware and software, rather than Personal Identification Numbers (PIN), which can be shared and exchanged between problem gamblers.



There is no need for central storage of player fingerprints since each Player Protection Key® retains the encrypted biometrics of its original owner for later comparison with every subsequent user. Each Player Protection Key® will simply not operate unless its original owner is using it. The Player Protection Key® therefore is a truly unique key allocated to each unique player.

In May 2006 the Nevada Gaming Commission in Las Vegas released *Mobile Gaming System Policies and Technical standards for gambling using biometric devices*.⁽¹¹⁾ Our Player Protection Key[®] exceeds these USA Gaming Commission technical standards.

Each Player Protection Key[®] has an on-board fingerprint scanner and its versatility comes from the fact that it does not require batteries to either operate or retain data in its extensive flash memory.

A Player Protection Key[®] can store up to 64 Gigabytes (64,000,000 KB) of data in flash memory and can store, retrieve and analyze data. It carries its own digital certificates certified by VeriSign to authenticate the networks to which it is connected, and can encrypt all on-board data. If anyone attempts to tamper with the Player Protection Key[®] it simply locks itself and cannot be read. A backup copy of all gambling data on the Player Protection Key[®] is stored on a central mainframe computer.

Players are given a Player Protection Key[®] free of charge. To obtain a Player Protection Key[®] they may be required to produce personal identification (drivers licence or passport etc) in order to establish “100 points” of identification. This is equivalent to the standards required by Australian banks to establish a bank account. This ensures that no under-age gamblers gain access to a Player Protection Key[®] or the gambling network.

Each player’s identity may be associated with a key, or alternatively each player may be anonymously registered and their fingerprint within the key used to create a unique player code which ensures they are unable to obtain multiple Player Protection Keys at the same time.

Overseas and interstate visitors can also be provided with a Player Protection Key[®] by paying a small fully refundable deposit.

Distribution of the keys can be undertaken using individual gambling venues and other major retail outlets (e.g. Australia Post outlets).

1.4.3.2 Player Pre-Commitment Loss and Duration Limits

Each Player is able to register their own maximum gambling loss limits (for a day, week, month or year) and maximum durations of play in their Player Protection Key[®]. A Government and/or Government Regulator also has the capability of registering maximum gambling loss limits and durations of play standards for all players living or playing in its jurisdiction.

Players can continue to use real coins and notes when gambling on poker machines. If any pre-commitment loss or duration limits are exceeded (either the player’s or the regulators) then the Player Protection Key[®] will become inoperative and the player will be unable to gamble on any gambling machine or venue in the network for a defined period of exclusion.

Those players consistently exceeding their own pre-commitment limits (or are gambling at levels considered to be exceeding normative limits) can be counselled by professional problem gambling & financial counselors, and if warranted, can be excluded from playing on any network of centrally monitored machines through subsequent Player Protection Key[®] de-activation and lockout.

A player can also establish their own zero dollars and zero time limits at any time thereby creating an ideal *self-exclusion* program that cannot be circumvented across the entire network. Third-party exclusion can also be applied to individual keys.

Players can be regularly provided with reports on their entire gambling activities year-to-date and over regular periods, either on-demand (over the Internet or at a self serve kiosks) or via the mail.

1.4.3.3 Networked Player Connection to All Machines

Our Player Protection Key[®] will communicate with every poker machine within a defined gaming machine network of a single town/city, state or an entire country.

The Gaming Standards Association and its members who are all the major global poker machine manufacturers have already adopted the ubiquitous USB connectivity standard for global gaming machines.⁽¹²⁾ This standard has been chosen in preference to the multitude of very different and proprietary plastic card and smartcard standards currently existing in the marketplace in other industries. This standard provides USB connectivity for poker machines and for the roll-out of a single national and global standard for all poker machines, without the added expense of additional card readers and the complexity of multiple card standards existing across different venues, states or countries.

1.5 Internet Gambling:

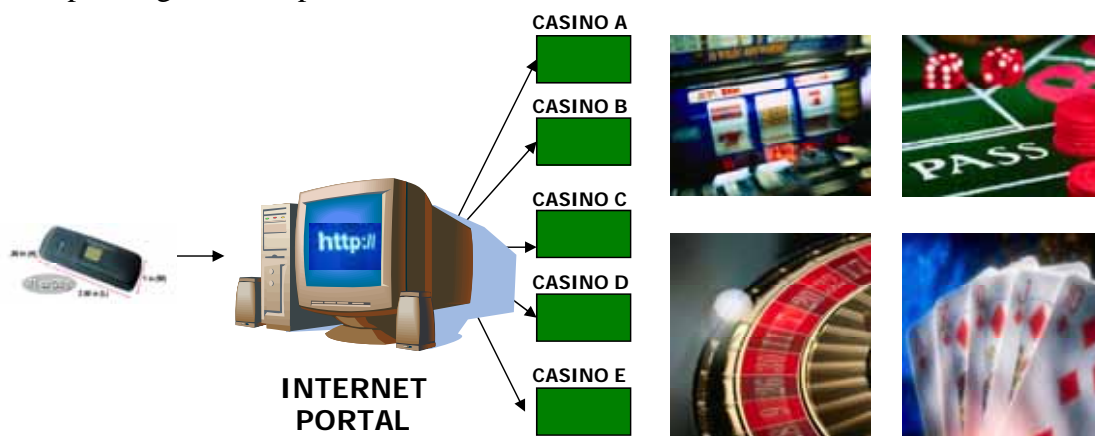
Our Player Protection Key[®] is already internet-ready and compliant. Regulators can be assured that internet players are not under age and that their gambling activity is not breaching their personal pre-commitment loss limits.

In light of increasing internet gambling usage and an inability to capture taxation revenues from overseas gambling providers, our system provides national and state governments with the technology that provides confirmation of player identity (to ensure under age gamblers are restricted), combined with technical capabilities to audit gambling activities (in order to capture full taxation benefits), overlaid with technology that detects and restricts any growth in the incidence of problem gambling.

Deployment of our solution involves the establishment of an internet portal site in each country or state, easily accessible by all online gamblers. This site provides links to all government accredited gaming, wagering, sports betting, lottery and other approved gambling providers licensed, regulated in that country or state.

Internet users simply log onto this portal site and activate their biometric USB Player Protection Key[®] on their personal computer. Responsible Gaming Network's back-end systems then confirm their identity prior to allowing any gambling.

The operating model is provided below:



Internet users are free to choose their preferred gambling provider(s) from the full range of government accredited providers, on an on-going basis.

Users will be assured that sufficient consumer and financial transaction regulation is being provided through government regulation of all accredited providers on the site.

Gamblers will only need to establish one set of pre-commitment loss limits with Responsible Gaming Networks (RGN) which then apply across the full range of gambling providers, rather than being required to establish their pre-commitment limits with thousands of individual gambling providers. Players can establish self-exclusion limits. Governments can decide whether residents of other states or countries can gain access to the site.

Once a player has been electronically accredited by RGN as the owner of the individual key, their individual limits and their remaining limit for the day will be passed over to the gambling provider of their choice.

Each gambling provider monitors the player against their remaining daily limits. At the conclusion of their playing activity, each player's limits are updated by RGN.

1.6. Whole-of-Market Gambling Coverage

The Player Protection Key[®] has the in-built memory capacity of 64 Gigabytes to store all gambling activities for all players across all forms of gambling, such as the internet (sports betting), electronic devices (wagering outlets, lottery outlets), and interactive television services. This allows every resident to establish within their single Player Protection Key[®] a 'whole-of-gambling' loss limit.

Regulators thus have the added benefit of obtaining a 'whole-or-market' profile of player gambling expenditure over multiple channels of distribution (e.g. gaming machines, casinos, lottery tickets, wagering etc) from within both the terrestrial market place and digital market space using a single Player Protection Key[®].

1.7 The Issue of Privacy

With respect to privacy, consumers of today accept the use of unique identifying devices and the recording of their product usage and the setting of monetary limits across a range of industries.

One needs to go no further than our own bank to recognize that we all:

- Have to produce 100 points ID to use their services
- Have our financial transactions recorded by the Bank, and they can be made available to the Government if requested
- Have the Bank impose its own limits on us as to the amount of our own money that we can gain access to from one of their own ATM machines

Our mobile phone network provider requires us to:

- Have to produce 100 points ID to use their services
- Have all our telephone calls recorded by their company, and they can be made available to the Government if requested.
- Set our own limits on the amount of usage we make on our pre-paid mobile phone.

Today we are also videoed as we travel in a taxi and as we shop.

1.8. United Kingdom Review of Cashless and Card Based Technologies:

In a recent independent UK Gambling Commission report released in December 2008 on “Cashless and Card based Technologies in Gambling”⁽¹³⁾ the report noted that our ‘SAFETYNET’ system was the only system in the world to provide a comprehensive consumer protection solution which can be easily used both offline, across multiple types of machines, as well as online over the internet (see Table 4 page 36).

The report continued: *“For extra security, some companies have introduced systems which require biometric identification, such as fingerprints, alongside card-based or cashless technology. This ensures that the person who owns the card is the only one who is able to use it. Responsible Gaming Networks of Australia offer a Player Protection Key the principal component of the ‘SAFETYNET’ system consisting of a Universal Serial Bus (USB) key and biometric identification system which can be used with any form of gambling (Ryan 2008). The system comprises of a USB key which can plug into any EGM, gambling network, home PC or laptop computer in the world, providing it offers a USB port. The USB key also contains a fingerprint scanner for biometric ID. All new computers have USB capability and the Gaming Standards Association, which represents all EGM manufacturers, has globally adopted the USB standard. The ‘SAFETYNET’ system offers cashless gaming, consumer marketing and player protection.*

According to Ryan (2008) the key characteristic of this system which differentiates it from any other system currently on the market is that one key can be used to access all forms of gambling, both offline and online. Hence players can set one pre-commitment level which applies to every form of gambling they may wish to undertake rather than only being able to set limits in one gaming establishment. The incorporation of biometric ID may also eliminate the capacity for card sharing and underage gambling”.

1.9 French Casino Journal:

The French Journal Des Casinos reported in September 2008⁽¹⁴⁾ on our Player Protection Key technology as a result of a presentation by our Chief Executive Officer at the 7th European Conference on Gambling Studies and Policy Issues in July 2008 which was titled “Beyond Smart Cards to Smart Technologies”.

The French Casino Journal article was titled: *“A new technological solution to combat excessive gambling, and to monitor and tax remote gambling”.*

The Journal reported: *“During the last conference organised by the European Association for the Study of Gambling in July, one presentation in particular captured the interest of the researchers present: an innovative solution capable of eliminating both the problems of age and excessive gambling on the Internet as well as in gambling venues. An equation that, up until now, no one had been able to fully solve.*

The device, named “Player Protection Key”, consists of a biometric USB key which players can obtain from their usual gambling venue (casinos, lottery outlets, etc.) after proving their age and identity. On the key, a player can securely store their gambling limits in terms of spending or playing time, by day, week and month. It scans their fingerprint to ensure that no one else can use the key and gamble in their place. This solution, conceived and developed in Australia by Responsible Gaming Networks, is ideal for online gambling as every player inevitably has a USB port on their computer. It can also be used on any gaming machine: lottery terminals, slot machines, personal betting terminals or interactive television.

RESPONSIBLE GAMING NETWORKS

Responsible Gaming Networks is focused on identifying and eliminating problem gambling from the gambling industry utilizing state-of-the-art biometrics and digital network technologies.

Responsible Gaming Networks has developed its SAFETY NET[®] solution to identify and eliminate underage and problem gambling from terrestrial and digital gambling networks. It brings together USA and European technology companies and global patents pending from Australia.

The Responsible Gaming Networks technology solution can be deployed to domestic and international geographies where governments are under pressure to provide public policy solutions to rising public concerns on the social and economic costs of problem gambling.

Responsible Gaming Networks' solution SAFETY NET[®] can also be applied to on-line gaming applications as it guarantees the age and identity of players for gaming service providers, responsible governments and financial institutions. Simultaneously it ensures social and financial harm minimization for all gamblers.

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- ⁽⁴⁾ *Independent Gambling Authority Report, Inquiry into Smartcard Technology June 2005.*
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