



Gary Banks AO
Chairman
Productivity Commission
GPO Box 1428
Canberra City ACT 2601

18 January 2010

Dear Mr Banks

During my participation in the Productivity Commission's public hearings in Canberra on 15 December 2009, a topic arose about which I would like to add some background information.

Commissioner Sylvan raised technology which had been presented at the previous day's public hearings in Brisbane, involving the insertion of some kind of device onto the front of existing gaming machines. My comments at the time were that plugging a device into the front of a machine and making it work are two very different things.

Firstly, it is expected that any device added to a gaming machine will require interfacing to the gaming machine software in order to perform its function. This introduces significant concerns in relation to the overall operational integrity of the gaming machine and would require, at minimum:

- formal co-development of the relevant interfacing between the device supplier and the original gaming machine manufacturer
- development of technical standards by each jurisdictional approving authority, against which such a device can be tested and approved
- internal quality assurance testing by the gaming machine manufacturer
- external software testing by appropriately licensed independent testing laboratories against approved technical standards
- re-submission of the modified games and machines to the relevant jurisdictional approving authority
- coordinating the installation of the device in accordance with its approvals on every gaming machine
- consideration of the commercial cost of undertaking all of the above.

Secondly, any device added to a gaming machine will alter the electrical and related "signatures" of the machine, requiring re-testing and re-certification of all machines whose configuration has been changed. This is best illustrated by the testing and certification required of new gaming machines in Australia - which includes electrical safety, electro-magnetic and radio frequency emissions, climatic requirements and magnetic interference as outlined on page 29 of our submission of 31 March 2009.

The above applies to both the power input requirements of any device added to a gaming machine (which would be provided from the gaming machine's power supply) and the output characteristics of the device (which may in turn alter outputs of other components within the gaming machine, particularly with respect to electro-magnetic and radio frequency emissions).

To complicate matters, gaming machines are generally installed in close proximity to each other, which may bring about unexpected changes to the cumulative "signature" outlined above and may require testing of an installation in its entirety as well as each gaming machine.

Thirdly, as we indicated on page 15 of our submission of 18 December 2009, warning information should be delivered in the context of players' activity, on the game play screen. Should any device be considered which provides warnings or similar information, we question its effectiveness unless such information is provided directly on the game play screen.

Yours sincerely

Ross Ferrar
Chief Executive Officer