

21st January 2010

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

Dear Mr. Banks,

The Gaming Technologies Association (GTA) has unfortunately submitted recent evidence to the Commission that is incorrect, most certainly in regard to the solution Responsible Gaming Networks has developed. It is vital that the Productivity Commission recognise this error.

GTA claim it is difficult and fraught with dangers to attach any type of equipment, particularly pre-commitment devices, to poker machines. Yet the global Gaming Standards Association which represents all key global gaming machine manufactures (such as IGT, Aristocrat, Bally, GTECH etc) is actually encouraging its members (including Australian GTA members) to do just the opposite, as evidenced in their GDS standard protocol which is promoted in the attachment provided (GDS_sheet_final.pdf). You will note that the Gaming Standards Association has created a global standard for the connection of a range of working equipment to gaming machines, unsurprisingly including a whole range of USB devices.

Now in Australia we have developed a system to address the market's needs without actually having to directly connect our USB keys into gaming machines. We have simply used current player tracking units with their current inbuilt hardware and software, attached them to gaming machines, and then just replaced their input plastic card with a USB key.

These current standard player tracking units are already regulator approved to interface with poker machines from both a power and data perspective. Furthermore these player tracking units already exist across multiple states in Australia. We have simply replaced their current bulky internal card reader with a USB key reader. As indicated in our evidence to the Commission in Brisbane, poker machines in Australia already have a pre-allocated physical space in which to install these player tracking units.

The Gaming Technologies Association has never once sighted or assessed our solution and so is unfortunately misguided in its conclusions, in so far as they relate to our technology.

As a result the Gaming Technologies Association is wrong in its assumption that devices such as our USB key are required to interface with the gaming machine software in order to perform their function. All interfacing continues to take place between the player tracking unit and the gaming machine (as currently occurs in all player tracking units operating across

Australia). Just like a current simple magnetic stripe plastic card doesn't directly interface with the poker machine, neither does our USB key.

Thus there are no subsequent concerns in relation to any operational integrity of the gaming machines. As a result there is:

- no co-development of interfacing required between the device supplier and the original gaming machine manufacturer since the player tracking units continues to function as normal
- no additional external software is required
- no need to resubmit modified games and machines to relevant jurisdictional approving authorities as they remain untouched by the change
- no additional coordinating of the installation of the device in accordance with its approvals on every gaming machine beyond that which currently occurs with player tracking units or TITO attachments.

Consequently there are no significant third party costs to be incurred by the gaming machine manufacturers.

Since the access device's power is taken from the player tracking unit itself (just as currently occurs with electrical card readers) there is no additional impact on the gaming machines power, data or electromagnetic fields operations in a standalone or networked environment.

The Victorian Commission for Gambling Regulation has recently approved our installation of a fully operational and working pre-commitment gaming machine in the Melbourne offices of our technology and development partner Unisys, using our USB keys and player tracking units. Naturally our equipment will be fully certified by all appropriate regulators as it is deployed across the country beyond our launch market of Victoria.

A number of overseas GSA members located in the USA and Europe have also already reviewed our solution and have no technical concerns with it whatsoever.

Finally, all of our messages to players can be delivered on the screens of our player tracking units using both visual and audio sound capabilities and simply don't need to be interlaced with game screens which is a more technically complex, expensive and time delaying implementation pathway.

We urge the Productivity Commission to ignore the inaccurate representations by the GTA.

Yours sincerely,

Phillip Ryan
CEO & Managing Director

GDS Basics



ABOUT GDS

What is GDS?

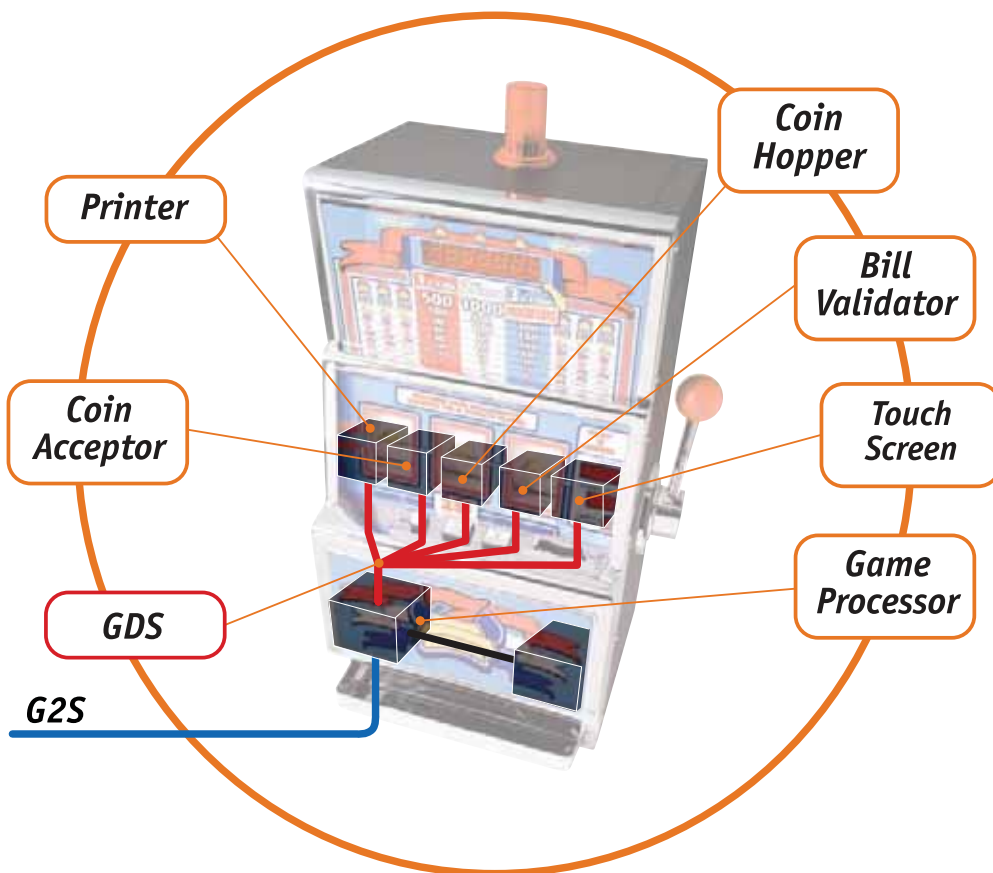
Gaming Device Standard, or GDS, is a standardized communication protocol that links peripheral devices to a slot machine. Devices such as bill validators, card readers and ticket printers use GDS to connect and communicate to the gaming machine.

What technologies does GDS use?

GDS leverages the well-known, existing interface standard, Universal Serial Bus (USB) as the foundation for GDS specifications.

How was it developed?

GDS wasn't developed by a single company. It was the result of years of collaborative work between worldwide gaming manufacturers, suppliers, operators and regulators. They are all members of the Gaming Standards Association (GSA), the international gaming trade association that facilitates the development of open standards in the industry.



A PRIMER ON GAMING STANDARDS

Open standards help create interoperable and affordable solutions for everyone. They also promote competition by setting up a technical playing field that is level for all market players. This means lower costs for developers, manufacturers, and ultimately gaming operators.

Why open vs. proprietary?

Proprietary protocols have resulted in more than 30 different "languages" required to allow various types of gaming equipment to function properly and communicate with each other. In many cases, communication between machines and management systems is impossible. Open standards will enable gaming operators to have more valuable information to run the business, to increase operations efficiency and to ensure innovations that will change the face of the gaming industry.

GSA open standards are developed by many different groups – manufacturers, operators, regulators, and suppliers. The resulting standard is a cross-pollination of ideas, a much richer protocol than can be developed by a single company, alone.

How can gaming operators be more involved?

Become a member of GSA, and let your voice be heard. Help to shape the future of the industry. Let your system and gaming manufacturers know that you want the capabilities and innovation that open standards provide.



Point-of-View



WHAT GAMING OPERATORS SAY ABOUT GDS

How do you see GDS changing the way you do business?

GDS gives us a “plug-and-play” world of peripherals. First, we’ll be able to choose peripherals based on features, reliability and serviceability rather than compatibility. Second, we’ll do diagnostics and swap-outs much more quickly and without taking games out of operation for a period of time. Most important, GDS works with other industry standards, G2S and S2S, to provide rich information throughout the organization to maximize operational efficiency and ultimately profits.

For example?

When I plug a mouse into my laptop via the USB port, my laptop knows what it is and how to work with it. GDS provides the same functionality for slot machine peripherals. For example, if I plug in a bill validator, the slot machine knows I’ve plugged in the bill validator and it knows all about it – manufacturer, model number, firmware version, what bills it accepts, etc. Also, since all bill validators talk the same protocol, it doesn’t really matter to the slot machine which one is currently in use.

Using another industry-standard protocol, Game-to-System (G2S), the slot machine can then send the information about the bill validator up to the central management server, where the slot information database can be automatically populated. That, in itself, saves time and eliminates human error.

Now, suppose a new \$50 bill is released in the near future, like the recent \$20 bill. With GDS and G2S working together, we can take the new firmware the bill validator supplier gives us, and at 3 a.m. we can automatically load the code into all the bill validators on the gaming floor. No more manual swap-outs, no more disruption on the gaming floor. It’s that easy.

How will GDS provide rich management information?

Here’s an example using the same bill validators. Using GDS and G2S, information is being exchanged constantly between the peripheral, the slot machine and the central management systems.

Let’s say, every Friday at 2 a.m., a small analytical server examines the bill validator information and reports that 100 games out of the 3000 games on the floor have a high bill misread percentage. Using that information, we know immediately that those machines need to have their read-heads adjusted or replaced.

That’s just one item that helps us better manage the slot floor. Using GDS and other standards, we can collect and analyze hundreds of datapoints that will enable us to manage more efficiently and save tens of thousands of dollars in operations costs.

What does the future look like with GDS?

Like the computer and telecommunications industries, the gaming industry will operate in a “plug-and-play” world. As operators, GDS will give us many more choices for peripherals. Peripheral control, diagnostics and service will be streamlined. And next generation products will offer all sorts of new features and capabilities that will help us build and retain satisfied customers.

Together, GDS, G2S and S2S offer greater operations efficiency, more and richer information to inform our business strategies, and ultimately increased revenue and profits.

As a gaming operator, how do you reap the benefits of GDS?

You say to your peripheral manufacturers, “Here are some capabilities I want to be able to implement on my gaming floor and in my back-of-the-house systems. You are my peripheral developer, and if you want to continue in that role, you need to implement GDS.” It’s that simple.

GSA TOOLKITS

What: Development suites that enable system and game manufacturers to implement standards quickly and successfully.

Why: Manufacturers will have a higher degree of confidence that the game and the system will communicate properly from the moment of installation.

How: Simulators, testers and developer’s notes enable developers and manufacturers to test interoperability, simulate communications and test the protocol implementation in real-world circumstances.

Availability: GSA is working with third party developers to create standards toolkits. Check www.gamingstandards.com for availability.

About GSA

The **Gaming Standards Association** (GSA) was established in 1998 to set and support industry-wide interface standards designed for the gaming industry. International in scope, GSA is a non-profit corporation headquartered in Fremont, California and led by a Board of Directors that represents a voting membership of more than 60 corporate members worldwide.

www.gamingstandards.com

