

Maxetag Pty Ltd
Responsible Gambling Trial
Submission
To
Responsible Gambling
Working Party

Maxetag Pty Ltd
809-811 South Rd.
Clarence Gardens
SA 5039

Responsible Gambling Trial (South Australia)

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Introduction

Maxetag Pty Ltd is a provider of Card/TAG enabled Gaming Loyalty Systems in South Australia, Queensland and Northern Territory, a total of 1200 Gaming Machines.

Maxetag has for some years been researching methodologies to implement a Responsible Gambling Training Tool using the Loyalty device to allow players to set limits on their gambling session spend .

Maxetag is proposing to trial this system in all States and therefore invites the Responsible Gaming Working Party to participate in the South Australian Trial.

It is envisaged that the South Australian Trial will be conducted as the first stage of a national trial.

Maxetag has provided documentation and made public submissions at the Independent Gambling Authorities public hearings in South Australia.

In anticipation of this involvement Maxetag requests that Responsible Gambling Working Party allow Maxetag to demonstrate the methodology to be implemented at the next RGWP meeting which we believe is scheduled for the 29th October 2008

It is noted that the in Section 4.4 of the 2nd Progress Report to the Minister of Gambling June 2008 certain criteria were proposed for a venue card model.

It is apparent from this that at that time the RGWP was not aware of the proposed Maxetag model and therefore some of the specified criteria are not met by the Maxetag System.

However we believe that the proposed Maxetag model offers an approach which will result in a higher player acceptance than the traditional card models.

This system was demonstrated at the Australian Gaming Expo in Sydney this year.

An over view of the system is attached.

Trial Criteria

Maxetag formally invites the Responsible Gambling Working Party to participate in the trial and to receive documentation and results of this study.

We have read and will comply with the Essential Minimum Criteria as tabled in Section 4.4 of the 2nd Progress Report to the Minister of Gambling June 2008.

Minimum Criteria

Maxetag states the following conformance to the minimum criteria

Cost Effectiveness

Maxetag will bear all costs in relation to this trial, submissions, research paper and resultant data analysis.

The trial will be conducted to operational Maxetag sites using existing equipment and TAGS.

It will be at no cost to the site operator.

Evidence Based

It is Maxetag's intention to make all trial results available to any interested party within the constraints of the Privacy Act. In particular we will seek advice and opinion from Gambling Research Australia and participation from other interested parties.

We welcome the Working Party's participation and Third Party evaluation of the trial

Flexible

It is our intention to modify the proposed methodology on evidence based results. We welcome any input by the Working Party which assists in providing a better solution.

Informed Choice

The trial will be supported by advertising media through-out the venue. Staff will be trained to show patrons how the system operates and patrons will be presented with a card outlining how to use the system

Integrated

The Maxetag System is operational in three states in and meets all current codes of practice in relation to the Gambling Acts.

Long Term

The Maxetag System is to be supplied at no cost to a venue which wishes to provide this service to their patrons. It is not the intention of Maxetag to use this product for commercial gain.

Privacy

The Maxetag System meets with all eleven Information Privacy Principles as set out in the Privacy Act 1988

Simple

The system has been designed to provide the simplest possible interface for a player.

A player can opt into the Responsible Gaming System at any time throughout their gambling session by simply pressing three buttons and placing their Identification TAG in the proximity of a Gaming Reader.

Variety

Maxetag will offer this system to all venues. A venue requires no special hardware to participate in the trial.

Voluntary

Over the past year Maxetag has liaised with our venues in relation to participating in the trial. We have had a very good response from all but have limited the trial to three venues.

Rules of Engagement

Maxetag accepts without question the proscribed Rules of Engagement .as set out in Section 5 - Conduct of Trials - 2nd Progress Report to the Minister for Gambling

Purpose and Approach

Maxetag understands and accepts that the RGWP will not endorse their product and that trial results will be used as informed advice to the Minister for Gambling.

The Maxetag Responsible Gambling System has been designed as a teaching tool its sole purpose is to encourage and train players to gamble responsibly.

This is a significant departure from the traditional policing and prohibition systems. It is therefore out intention to make this available to all players in our test venues this will obviate any skew in data caused by 'the chosen few 'syndrome.

The uptake by the players and whether they take action on set limits will be of significant interest.

We are to encourage players to use this system to learn how to gamble safely and responsibly.

Trial Overview

The requirements for this trial are as follows:

1. Suitable venues with between 15 to 40 machines. Venues should be in the Adelaide metropolitan area and should be within easy access of Maxetag personnel. They should have personnel and management who are sympathetic to Responsible Gaming and are fully versed in the trial and the expected outcomes.

Three venues have indicated that they will participate in the trial.

- a. Port Adelaide Football Club - system installed
- b. Parafield Gardens Community Club – system installed
- c. Sussex Hotel – system installed

We consider that these venues give a good cross section of the Gaming Industry in SA.

2. The trial will be conducted over a period of three months at which time all logged information and reports will be made available to interested parties.
3. The systems in these venues will require software version 5.70HM installed in the Gaming Machine Terminals. We will also require an upgrade to the Server software and database to include the HM parameters. The Foyer Printer will require software version v2.0.1 – HM. The rest of the system is standard as installed.
4. A stand alone internet connection for system monitoring. Due to traffic constraints and the opportunity for data corruption we should not use the existing venue internet connection for the purpose of monitoring the trial.
5. A RAID 1 backup drive should be installed in the Server to ensure data integrity due to server downtimes and system resets.
6. Printed documentation giving clear guidelines to venue personnel. This should take the form of A4 laminated sheets with easily read large print, bullet point instructions.
7. The same form of information should be made available to trial participants as a hand-out and should also be displayed at appropriate sites in the venue gaming room.
8. Information given to players will be different to that supplied to staff so it is important that documentation is clearly marked as to its intended purpose.

Maxetag proposal

The Harm Minimization proposal is based on the system described in patent application 2005211607 'A Gaming System with Spending Control and a Method of Gaming with Controlled Spending'.

As this patent application is currently under examination it is important that we do not publicize the patent content more than necessary to achieve our goal.

A Gaming System with Spending Control.

The Maxetag system differs in operation from most card based models. The standard approach is to offer a player smart card which contains pre-set gaming limits or a magnetic swipe card which identifies a player to pre-set limits held on a central computer.

In both cases the player must set limits at some pre-determined time before commencing play. The action of setting limits can be undertaken at the cashier by request, at some form of interface ATM style device or over the Internet.

This is a major impediment to players using a Harm Minimization System. To ask a player to request a gaming limit is set by a staff member, who they may know well, will stop many players participating. It is also not appropriate to expect a player to set limit at a future time. In the majority of cases playing gaming machines is an impulsive action; a player makes up their mind to play a gaming machine a short time before going to a venue. Setting a limit too far before commencement of play or at a constant pre-determined value is also an issue. Players circumstances may change from day to day therefore a limit set today may not be appropriate tomorrow. This can lead to players setting limit which of little use or totally inappropriate.

The Maxetag system allows a member to set two forms of limit, a master limit which can be set in a central computer by a request to the cashier and a daily limit which can be set **at** the Gaming Machine **before or during** play.

This is a critical factor in player acceptance; a player should **at any time before or during play** be able to set a limit. This limit is a daily limit which expires at the venue closure and can be re-set to an appropriate value each day. Once set it will trigger appropriate action when reached or exceeded.

Should a player not wish to set a value the system will default to the master value providing it has been set, if not set then no harm minimization will apply to that player.

Further to this the Maxetag system can operate anonymously, there is no requirement for an individual to be identified to the system if they do not wish to do so. Each TAG device has an exclusive encrypted identification number which is used to identify transactions.

Limits can be set relative to that number rather than a membership or other method which may identify individuals.

Detailed Methodology

The system described in patent application **2005211607** can be applied to the existing Maxetag Rewards/ Cashless system with some simple software changes.

No changes to hardware, installed product or TAG devices are required.

Requirements

The Maxetag system uses a passive non-contact electronic TAG device to identify venue members, carry prize information and perform cashless gaming functionality where allowable by legislation.

This system is described in Australian patent application **2005211599 Cashless Gaming System and Method** and US patent application **No. 11/232630**.

The following describes the system and the component parts which will be used in the harm minimization trial.

1. Each participant will be issued with a TAG device.
2. Each Gaming Machine will have a user interface installed and software linked to that Gaming Machine's identification number.
3. Each user interface will communicate with a central computer(server)
4. Each user interface will have a clearly legible keyboard for player limit entry
5. The central computer will be interfaced to the Government Data port and extract information relating to machine turnover and individual plays.

Operation

A participant will be required to have a TAG issued to them by the venue. The TAG will have an encrypted identification number which will identify the participant to the system.

This information will be stored on an exclusive sector of the TAG memory.

A participant on receiving a TAG will be asked if they wish to set a Master Daily Limit, if so, a form will be filled in by the participant and the data entered into the system relative to the exclusive TAG ID number.

The Master Daily Limit will remain in force for the life of the TAG.

A participant may alter the Master Daily Limit after a 24 hour period by a written request form to the venue

The participant on approaching a Gaming Machine can elect to set a limit for today's play.

This limit will remain in force relative to the TAG for the full period that the venue is open. Resetting on the following day when the venue re-opens.

The Maxetag system has a special purpose keyboard to allow a participant to easily set limit, the following describes the keyboard actions required.

1. Press the SELECT Button
2. Using multiple key presses on the \$5, \$10, \$20 buttons to increment the displayed value until the required daily limit is reached.
3. Press the LOCK Button and Place the TAG on the 'TAG ON' reader.

All of the above functions are prompted on a BLUE high visibility LCD panel mounted in the user interface.

These keyboards are already installed in all venues using the Maxetag System

When the TAG is placed on the user interface it will send a message to the central server (PC) identifying the TAG and the required limit. This limit will be stored in an encrypted form in the central database with a reference index using the TAG exclusive number.

The limit set will be decremented by each play (spin) on the gaming machine and incremented by each win until play stops or the amount reaches a zero value.

Should a player wish to stop play on that Gaming Machine, the player can log off by placing their TAG back onto the user interface or by LOGGING ON to another Gaming Machine.

The limit is set through-out the venue for the full period of play regardless of which machine is played and providing that a player LOGS on to each machine..

The action taken on a zero limit value being reached (the set values being exhausted) is to be decided in co-operation with the venue and any interested party or by specific government legislation.

It may take the form of an audible signal, a message, , a pager signal to an onsite Responsible Gaming Officer, a stop play signal the Gaming Machine or any combination of these parameters or other method deemed appropriate.

A player may at any time, go to a foyer terminal and identify themselves with their TAG to receive a printed report on their gaming activities.

This report will contain Total Dollars Spent, Total Dollars Won, Total Time Played, if any set limit was exceeded and the difference between the limit set and the actual amount played.

This limited information has been selected as appropriate as too much information given to a player may actually have an adverse effect.

For instance, if a report showed individual plays on machines and that a particular machine paid better than another a player may assume that this is a lucky machine and therefore be encouraged to bet more on that specific machine.

As play information is logged for all players, players who elect NOT to set a limit can still obtain a printed report on their days gaming activities.

Offering a printed report from the foyer terminal allows a player to monitor their gaming activities without requesting information from a staff member which in some circumstances may be an impediment to this action.

Outcomes

All actions requiring a player to participate in the Maxetag Responsible Gaming System have been chosen after many years of research into the use of electronic devices for this purpose.

We believe that this is the best possible choice of parameters to encourage player participation.

The prime criteria are,

1. **Player anonymity** – a player should be able to choose whether they are identified within the system or not.
2. **No Third Party** - A Player should be able to set limits without third party assistance
3. **Immediacy** - A Player should be able to set a daily limit immediately before commencement of play
4. **Limits** – A Player should be able to set an overriding limit and a daily limit
5. **Operation** – The method of setting limits should be as simple as possible
6. **Timing** – A Player should be able to set a limit at any time before or during play
7. **Alerting** – A Player should be alerted when approaching and when exceeding a set limit
8. **Reporting** – A player should be able to obtain a printed report of their gaming activity without third party intervention.
9. **Privacy** – At all times a player's right to privacy should be respected.
10. **Non-exclusion** – A player should not be excluded because of a disability

All of the above criteria are achievable within the Maxetag System.

Trial Parameters

The following is an outline of what parameters should be tested within this trial.

How these tests should be conducted and how the outcomes should be presented.

Due to the methodology used in the Maxetag system **ALL** players may participate, we do not have to select an exclusive group of test participants.

This will result in a more effective trial and show clearly whether players will voluntarily participate. Participation will of course be encouraged but the final responsibility will be the players.

It should alleviate any data skewing caused by the 'chosen few' syndrome and give a clearer result on player acceptance of this methodology.

User Acceptance

Any attempt at instigating an electronic based form of responsible gambling, where a participant must do something, requires as a first point, user acceptance. If it is not simple, and requires a minimum of user interaction it will not be used.

This has been borne out in our trials with Loyalty/Reward systems where even when something is given away for free, a benefit to a player; they are reluctant to use a card/tag.

It may be perceived by the Player that the effort required may in some cases outweigh the advantage. In a good Rewards system a usage rate of 20 to 70 percent is considered the norm.

It is therefore the most critical factor in this proposal, it must be easy and intuitive for the player to set limits and use or unless it is mandatory they may just not use it.

User Acceptance Test

The parameters for user acceptance are:

1. It must be offered to a wide range of participants
2. Clearly instruct the trial participant on how to use the device. Spend time with each participant to ensure they fully understand what is required. Offer on-going assistance, this can be by a suitable telephone contact or from venue staff, the Internet or by printed matter.
3. From the stored information on the Server Database monitor each participant to ensure that they use the device during each gaming room visitation.
4. Follow up, interview and document trial participants who stop using the system or use it intermittently.
5. Interview participants on how they perceive the system and act of feedback.

Alert Methodologies

It is important that the correct methodologies are used to alert players to any limit being approached or breached.

Sound or Audio Alerts

Sound may alert the player but may also attract the attention of other players or staff. This may be seen by the player as inappropriate.

Gaming venues are usually noisy environments so the level and type of sound needs to be identified.

Players are usually intent on their game play so attracting attention will require considerable study.

It is also of little use to sound impaired players.

User Acceptance Test

The following criteria will require study, reporting and analysis;

1. Audio signal strength – does it attract the attention of all participants
2. Signal Tone – Does it interfere with the other players/ staff or become annoying.
3. Players – Can a participant identify a sound as being directed at them.
4. Training – Does every Player know what to do when the sound is heard
5. Effectiveness - Is this an effective method of attracting a players attention

Visual Stimulus

Visual signals on the player interface are of little use unless a player's attention can be attracted to it.

As a Player's prime objective is to play the Gaming Machine it is difficult to attract their attention to another area particularly when positioned above their line of sight.

With the Maxetag Rewards system players are used to hearing a specific sound and turning their attention to the player interface. This combination of sound and visual signals can be used to study whether players will respond the same manner to a limit being exceeded signal.

User Acceptance Test

1. Message – Does the visual message impart a responsible action on the players part
2. Understanding – Does a player understand the meaning of this message
3. Action – what percentage of players take action of receiving a message.
4. Outcome – What action do players take on receiving a limit exceeded message

Staff Alert

It is proposed that for the duration of the trial, each venue would have a Responsible Gaming Officer on duty at all times.

This staff member will be supplied with a Radio Pager linked to the Harm Minimization system.

If a player exceeds a preset limit the RGO will be alerted to the limits exceeded and the Gaming Machine Floor Number via the pager.

It will be the responsibility of the RGO to alert the participant that a limit has been exceeded.

Staff will be trained in how best to approach a participant and the correct vocabulary to use when addressing the participant.

User Acceptance Test

1. Message - Interview participants who have been approached to find the most effective vocabulary.
2. Effectiveness - Log whether it was effective in the participant ceasing play.
3. Response - Measure the staff response time (Pager Signal to LOG OFF)
4. Outcome – Does this method give a positive result for the majority of participants.

Gaming Machine LOCK

This method is described in patent application 2005211607 "A Gaming System with Spending Control and a Method of Gaming with Controlled Spending".

This method is possible in all jurisdictions by modifying the operation of the Gaming Machine Bill Acceptor and or Coin Mechanism.

The implementation of this methodology would require the permission of the particular government authority in each jurisdiction.

This has NOT been sought at this time and therefore it is not our intention to trial this method unless requested to do so.

It is however the most effective harm minimization methodology, but, as it controls individual's right to choice may not be accepted by players

Under this system an interface device would be installed in each gaming machine which would trigger the inhibit signal on the Gaming Machine Bill Acceptor and or Coin Mechanism.

This device would be a 'two way device' which would not interfere with the normal operation of this signal from the Gaming Machine.

All gaming machines would be 'locked out' from the insertion of coins/notes. The inhibit signal will cause all coins/notes to be rejected.

All players will be required to have an issued non- contact TAG device.

On approaching a Gaming Machine a player would TAG ON to the Player Interface Module using the TAG.

At this point the player will have the choice to set a limit as previously described or select the 'ALL' button which will enable the Gaming Machine Bill Acceptor and or Coin Mechanism for unlimited play.

In this way player who do not wish to participate in the Harm Minimization System can 'opt out'.

The fact that they must LOG ON and press a button is purposeful as it is in the venues interest to ensure that ALL players are logged as accepting or non-accepting.

This is positive evidence that a player has in fact determined that they do not wish to set a limit.

If a limit is set the Gaming Machine will accept credits until that limit is reached at which point no further credits will be possible. A Master Limit will always override any other set limit.

Credits are calculated in the same manner as described earlier – total available credit = limit + wins – spend.

So if the limit is set at \$20 and a player wins \$20 and there is no loss then a player has a credit of \$40 that can be transferred between machines in the venue.

Should a particular jurisdiction wish to trial this methodology we have all of the necessary hardware available to implement it.

As the hardware must be installed in a Gaming Machine it will require testing by the relevant authorities.

In some jurisdictions the same result can be achieved by sending an inhibit signal to the Gaming Machine via a communications port or the Data Collection Server or directly as in GSA and SAS type protocols.

This is not possible in the current South Australian VLC System as no such interface exists.

Summary

It is not the purpose of this document to detail every action within the trial but to give guidelines and description to the main requirements and why this is an appropriate methodology.

Formal trial parameters and documentation will be provided at the commencement of the trial.

The Maxetag proposal meets with the criteria set out in the South Australian Responsible Gaming Working Parties Reports and the Independent Gaming Authority's public hearings in South Australia.