

## Joint Select Committee on Gambling Reform

## Inquiry into the prevention and treatment of problem gambling

Public hearing Wednesday, 2 May 2012 – Question on notice

Proof Transcript of Evidence, page 53:

*Senator XENOPHON: ...suppose there is a requirement for a machine to be mandatory precommitment ready...*

*Senator XENOPHON: ...machines that are \$1 bet capable with a smaller jackpot...*

*Senator XENOPHON: On notice, could you explain on what basis you make these assertions as to actual costs and provide a breakdown of those costs. I do not want it now, but you have made certain assertions in your submission about what the costs would be: \$5,000 for three years old or younger, \$9,000 or more per machine that is between three and five years old and \$25,000. Could you please in due course provide a breakdown of how you got to that figure.*

On 2 May 2012 it was explained to the Committee using a Supply flow chart<sup>1</sup> that mandatory precommitment and/or a \$1 maximum bet limit and a \$500 payout limit would require redevelopment of existing games.

No games currently operating on Australian poker machines can support mandatory precommitment or a \$1 maximum bet limit and a \$500 payout limit without redevelopment or replacement.

Where a machine is three years old or younger, the equivalent of a “game change” (ie: the replacement of existing game software with new, approved game software) is required. A “game change” currently costs at least \$5,000.

Where a machine is between three and five years old, the machine’s hardware platform capacity will typically be insufficient for the new software to operate. Accordingly, additional capacity must be installed in the form of an upgraded platform which in turn will require an operating system upgrade. This will increase the cost to between \$8,000 and \$10,000 depending on the Original Equipment Manufacturer.

Where a machine is older than 5 years, the hardware platform and operating system are typically no longer able to be supported and spare parts are no longer available. The machine must be replaced in its entirety at a cost whose mean is currently around \$25,000 depending on the Original Equipment Manufacturer.

<sup>1</sup> The Supply flow chart is available at <http://gamingta.com/library.html>