



Your Ref :

Our Ref : G02/19/08

Ms Lyn Beverley
Secretary
Joint Select Committee on Gambling Reform
PO Box 6100
Parliament House
CANBERRA ACT 2600

Dear Ms Beverley

INQUIRY INTO PRE-COMMITMENT SCHEMES

I refer to your letter of 16 February 2011 seeking information on the regulatory environment in Western Australia relating to gaming machines.

Please find attached a spreadsheet detailing the requested information.

Yours faithfully


DIRECTOR GENERAL

18 February 2011

Enc

Joint Select Committee on Gambling Reform – Inquiry into pre-commitment scheme

Regulatory Environment – Western Australia

Information Request	WA Response
<p>Description of regulatory and monitoring regime</p>	<p>Activities in relation to gaming in Western Australia are regulated by the following legislation:</p> <ul style="list-style-type: none"> • <i>Gaming and Wagering Commission Act 1987</i> • <i>Casino Control Act 1984</i> • <i>Casino (Burswood Island) Agreement Act 1985</i> • <i>Casino Control Amendment Regulations 2007</i> • <i>Casino Control (Burswood Island) (Licensing of Employees) Regulations 1985</i> • <i>Gaming and Wagering Commission Regulations 1988</i> <p>The Gaming and Wagering Commission of Western Australia is responsible for administering the laws of WA relating to gaming and wagering. The broad objectives and duties of the Commission in <u>respect of gaming and the casino</u> are to:</p> <ul style="list-style-type: none"> • formulate and implement policies for the administration and control of the conduct of gambling; • administer all matters relating to any casino complex, licensed casino, casino key employee, casino employee or gaming in a casino, pursuant to the <i>Casino Control Act 1984</i> and any casino complex agreement; • approve, or withhold approval from persons, premises, games, gaming equipment and gambling; • formulate and impose prohibitions and conditions relating to gambling; • licence persons employed in casinos, and to grant, revoke or amend approvals, permits and certificates relating to gaming; • seek, receive, disseminate or publish information relevant to gambling and the incidence of gaming and wagering and its effect in the community; • keep under review the conduct, extent and character of gambling operations and the provision, use and location of gaming facilities; • make recommendations to the Minister in relation to the control or supervision of particular kinds of gambling, or gambling in particular circumstances; and • enforce, and prosecute persons contravening, the laws relating to gambling.

The Commission does not employ its own staff and instead contracts these services from the Department of Racing, Gaming and Liquor.

In relation to licensing, the Department's Licensing Division is responsible to the Commission for all licensing functions relating to the casino and its employees. The Licensing Division is also responsible for the development and implementation of strategic and operational policy and undertaking reviews of legislation, consistent with Government direction and legislative requirements.

In relation to inspectorial/compliance functions, the Department's Compliance Division undertakes surveillance, inspections and audits on behalf of the Commission, and provides an inspectorial function at the Burswood Entertainment Complex (WA's only casino) from 7 a.m. to 3 a.m. the next day. The Compliance Division reviews independent certification provided by accredited testing facilities and audits all electronic gaming machines at the casino. In addition, information relating to the return to players is periodically reviewed to ensure that it meets the 90 per cent return as stipulated by the Commission. All games rules and changes to the rules are reviewed and assessed by the Compliance Division. The Commission also approves the number and layout of table games and electronic gaming machines via directions issued to the Casino under section 24 (1) of the *Casino Control Act 1984*.

Accounting and Internal Controls Policies and Procedures, Surveillance Policies and Procedures, Security Policies and Procedures, IT Services Policies and Procedures and Authorised Games Procedures for the casino are also monitored and all changes are assessed by the Compliance Division prior to consideration by the Commission.

The Compliance Division initiates corrective action, which may include education, issuing infringement notices, collecting evidence and preparing briefs for prosecution purposes. The Division will also investigate complaints and assist parties with dispute resolution.

The Burswood Entertainment Complex is owned by PBL (WA) Pty Ltd a wholly owned subsidiary of Crown Limited. The casino currently has approval to operate 1,750 electronic gaming machines and 170 gaming tables.

The casino regulation model is explained graphically in Attachment 2.

Data collected	On behalf of the Commission and the WA Government, the Department captures a range of data. This is generally published in the Commission's Annual Report.
Technology/communication protocols between regulator and gambling providers	There are three main technology systems in operation at the Burswood Casino. The Department has limited access to these systems and generally access is only required when an investigation or audit on behalf of the Commission is underway.
Brief description of work on implementation of a pre-commitment system	<p>The new IGT Advantage system (Advantage) was commissioned for implementation at Burswood Entertainment Complex in May 2010.</p> <p>Advantage is an important system for monitoring and managing electronic gaming machine (EGM) play, loyalty point schemes and machine performance, as well as other operational activity.</p> <p>The Advantage system is supplied and manufactured by International Gaming Technology and provides considerable functionality. Some of those functions relate to responsible service of gaming features, such as player pre-commitment limits and player activity statements. These features enable players to control and monitor their gaming activities, and were a requirement of the Commission in granting approval for the Advantage system.</p> <p>Some of these features are yet to be implemented and will require further certifications and testing before being fully implemented.</p>
General Notes	<p>Section 22(1)(a) of the <i>Casino Control Act 1984</i> states in part:</p> <p><i>Subject to this section, the Commission, by notice published in the Gazette, may— declare any game, except for a game played with poker machines, to be an authorised game for the purposes of this Act...</i></p>

Further, section 85 of the *Gaming and Wagering Commission Act 1987* states in part:

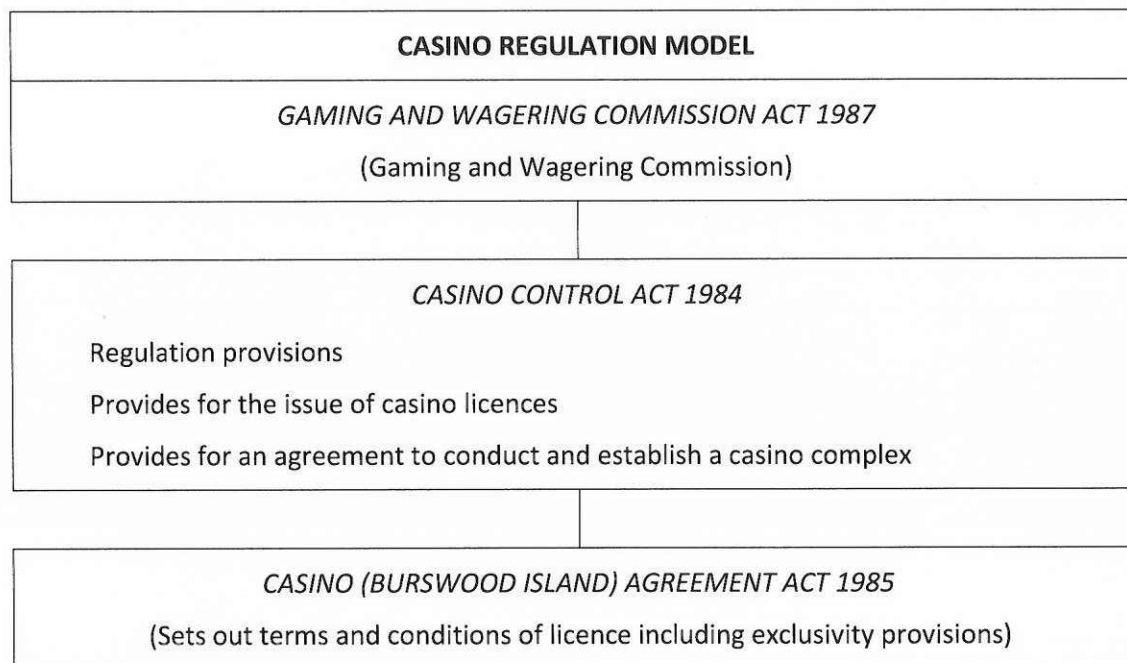
The conduct of gaming by means of, or the playing of games using or the making of bets by reference to—

*any gaming machine (not being a video machine authorised for use in a licensed casino pursuant to the Casino Control Act 1984...) of the kind generally known or described as a poker machine, fruit machine or roulette machine or any machine in the nature of or similar to a machine of that kind...
is prohibited and constitutes unlawful gaming...*

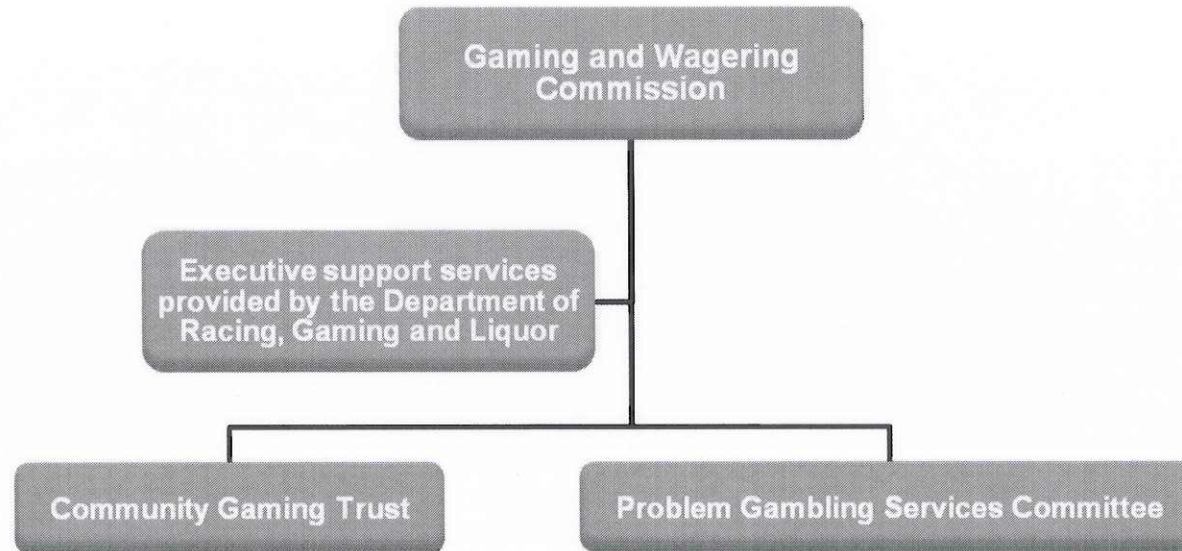
The prohibition against the introduction of poker machines (as exist in other State and Territories) in WA emanated from various inquiries conducted into gaming in Western Australia.

In the absence of a definition for 'poker machine' or 'gaming machine' in the Casino Control Act, it was determined that the Commission would approve gaming machines at the Casino that replicated table games and that required some intervention or decision making on the part of the patron. Any machine whereby upon the insertion of a coin, the automatic action of the machine determined the outcome, is considered by the Commission to be similar to a poker machine and is not approved for play at the Burswood Casino. Attachment 3 provides the similarities and differences between poker and electronic gaming machines of today.

The Casino Regulation Model is set out below.



Operational Structure



Attachment 3

The matrix below provides the similarities and differences between poker and electronic gaming machines of today.

Item	Poker Machine	Gaming Machine
Hardware (In 1985 a poker machine was dissimilar to other machines and could be easily differentiated. Today the hardware is the same)	X	X
Double-Up option	X	X
Second screen feature	X	X
Linked machines and linked jackpots	X	X
Symbols (In 1985 poker machines had distinct symbols such as 7's, cherries, oranges (fruit), bars and cards (Ace, King, Queen and Jack))	X (All types of symbols are being used)	X (Cards, dice, balls eg. keno, bingo and arishinko)
Spinning reels	X	
Fixed symbols on reel	X	
Return to player	85 -87 %	90% & above
Bet strategy - number of lines - bet per line	X X	X X
Speed (With harm minimisation issues the speed of poker machines is being increased to 3 – 5 seconds per play)	1 – 2 seconds	5 seconds minimum
Start button*		X
Winning combinations (lines)	Multi line/multi directional	Horizontal and vertical lines

* On some poker machines there is no start button. Once a bet is placed and the number of lines is selected, the machine is automatically activated and the result is determined.