

November 14th 2011

Committee Secretary
Joint Select Committee on Gambling Reform
PO Box 6100
Parliament House
Canberra ACT 2600

Dear Secretary,

Please find enclosed our submission to the current **Inquiry into interactive and online gambling and gambling advertising**. We apologize for the lateness of this submission due to heavy overseas commitments in recent months.

We are an Australian company who is a global provider of responsible gaming hardware and software systems for governments wishing to deliver safer gambling to its citizens. In May 2011 we won a *Top 20 Most Innovative Gaming Technology Products Award* at the Gaming Technology Summit held in Las Vegas, Nevada for our *Safety Net* system and associated biometric USB *Player Protection Key*.

In our submission we highlight the advantages of a more regulated framework for online gambling than currently provided by the IGA. We identify problems with the current legislation, identify the benefits of a regulated local market, how technologies exist to eliminate deception and fraud, and the need for an integrated harm minimisation regime in any online gambling environment.

We are happy to clarify any comments.

Yours sincerely,

Phillip Ryan
CEO & Managing Director

1. **THE NEGATIVE IMPACTS OF THE CURRENT IGA LEGISLATION**

The current IGA legislation means that Australians can very easily gamble with offshore sites that have been proven to:

- 'Rig' games to defraud players so they cannot win
- Not deliver regulated and reasonable returns to players
- Sell players credit card details on overseas black markets
- Have no care or responsibility to stop underage gambling
- Have no care or responsibility to offer harm minimisation policies
- Have no responsibility to pay taxes to Australian governments

Our company can provide references to incidents of the above occurrences, if so requested.

At the same time the current IGA restrictions placed on local gambling operators means that Australians are restricted from gaining access to local operators who are credible, reliable, potentially more responsible and who can be monitored and easily investigated by local regulators from across the diverse gambling, consumer affairs, corporations and banking industries. In addition billions of dollars of taxable gambling transactions are currently leaking off-shore.

Australians have literally nowhere to go in order to seek redress from current fraudulent offshore providers.

As a result it is clear that Australians are being exposed to higher risks of problem gambling and fraudulent activities than would be the case in a more highly regulated gambling environment provided by local online operators.

2. **THE BENEFITS OF LOCAL ON-LINE OPERATORS:**

If Australian operators are allowed to provide online services to local residents then there will be a natural consumer migration towards utilisation of local operators due to the increased value proposition they deliver.

Of course, Australia should also allow overseas operators who meet certain defined standards to be able to also deliver their products and services to Australians, though this should require their Australian operations to be conducted through local Australian-based headquarters which are subject to the full suite of rules and regulations of Australian law.

All other overseas gambling sites should be blocked by the Government through blacklisting administered by Internet Service Providers as an integral part of their local ISP licence to operate in Australia.

We support the proposition that regulated access to licensed providers located and operating out of Australia and subject to a strong regime of consumer protection will play a significant role in reducing harm to online gamblers and provide better outcomes for consumers.

However, we do not support the hypothesis that such an approach would pose risks, including an increased population of participants, which could in turn lead to a greater number of people developing problem gambling behaviours.

We argue that risk mitigation can be delivered by using the latest technologies to deliver:

- Effective integrated online player pre-commitment
- Effective self exclusion
- Effective elimination of underage gambling online

3. **NEW TECHNOLOGIES EXIST TO PROTECT CONSUMERS:**

Utilisation of the latest technologies offered by companies such as ourselves, through use of biometric USB flash drives can ensure players are unable to share their identities on-line. This ensures that players:

- Cannot pretend to be of gambling age when in fact they are underage
- Cannot gain access to online gambling once they have self-excluded for a defined period of time
- Cannot start to chase their losses once they reach their pre-set money and time limits for online gambling.

Indeed, utilisation of our company's technologies also allows for online gambling pre-commitment to be fully integrated with venue based poker machine pre-commitment – since every computer has a USB outlet and every poker machine can be fitted with our USB player tracking unit. This can create an environment whereby players can establish one holistic single daily or weekly monetary loss limit which will not be able to be exceeded across the multiple channels of distribution of their gambling activities i.e. their loss limit travels with them from venue to venue and from online operator to online operator.

4. **PLATFORM NEUTRALITY**

Indeed the implementation of pre-commitment can be widened across all gambling platforms using the latest technologies available to governments around the world. However, in order to achieve such an outcome it would be helpful to have platform neutrality.

The continued evolution of online gambling platforms through smartphones and mobile devices, mobile gambling applications, social media websites and interactive television are important in this context. In addition, the ways in which the differing platforms used by the interactive gambling industry are currently subjected to regulation and the possible impacts of increasing convergence of communications technologies on this type of gambling uptake needs to be considered.

In a holistic pre-commitment environment across all distribution platforms it is technologically possible to consider opening up more continuous forms of micro-betting without increasing the risks of problem gambling and in a manner where player identities cannot be exchanged thereby reducing the opportunities for gambling fraud. Even match-fixing could be better monitored through increased accountability to player identification which is now available with the latest responsible gaming technologies.

Gambling Research Australia's (GRA) 2011 report *'Gambling and the Impact of New and Emerging Technologies and Associated Products'* notes that the converging capabilities of computers, mobile phones, interactive television, and other internet-enabled devices have the potential to allow consumers unlimited access to online gambling. As such, this increased accessibility could lead to increases in gambling-related problems, although research on the relationship between availability and problem gambling suggest that such risks could be mitigated if appropriate controls are utilised. It is unfortunate that the authors of this study failed to see the relationship between their identified concerns and our technology solutions, as part of their analysis.

In recent weeks FaHCSIA has released a research paper from the South Australian Centre for Economic Studies titled *"Problem Gamblers and the role of the Financial Sector"*. Its authors did pick up the benefits of our technologies (including our overarching SAFETY NET system and associated Player Protection Key "as part of their research analysis and report.

Under the heading of "Technological Advancements" in their report their concluding commentary was that with respect to our SAFETY NET system:

"Such a system would remove the issues relating to ATMs at gaming venues and reduce pressure on banks in this area. It may be in the interests of the banks to support the system, to be seen to be supporting a responsible gambling scheme. Financial counsellors and gambling counsellors could promote the scheme, as well as be an information source for clients"

With respect to gambling advertising we see risks associated with the current inconsistency of land based and online advertising protocols. For example, the conducting and promoting of land-based poker tournaments organised by hotels and clubs is permitted in Australia, whilst the provision and advertisement of online poker services is prohibited. This results in licensed venues in Australia promoting poker games managed by unlicensed overseas operators, who then promote their "free to use" overseas sites within these premises, which then link players to their 'pay to play' sites. Their 'free to play" sites are programmed to deliver abnormally high returns to player which then create the illusion of big potential wins for players on their 'pay to play' sites – which rarely occurs. This is illusionary consumer inducement being created and exploited by the current legislation.

5. **PHASED ADOPTION IS SUPPORTED**

In order to prove the viability of an effective operational model, we support the recommendations of the Productivity Commission regarding a gradual adjustment to the treatment of online gambling, with the initial legalisation of online poker in the first instance. This provides an opportunity to assess the performance of the regulatory framework, the effectiveness of harm minimisation interventions and, ultimately, the overall social and economic impact of online gambling on the whole community.

6. **MANAGING THE OUTSIDE WORLD**

We disagree with the proposition that the partial regulation of online gambling in Australia may pose a higher risk for consumers when compared to offline gambling. We also disagree that it is possible for consumers to readily circumvent any controls put in place to limit access (such as content filters and age-verification mechanisms). Technologies supplied by companies such as ours ensure such exploitation is not possible.

With respect to overseas operators, we have already noted that Australia should allow overseas operators who meet defined standards to be able to also deliver their products and services to Australians, though this would require their Australian operations to be conducted through locally Australian-based headquarters which are subject to the rules and regulations of Australian law.

All other overseas gambling sites should be blocked by the Government through blacklisting administered by Internet Service Providers as an integral part of their local ISP licence to operate in Australia.

Blocking of online gambling websites by internet service providers (ISPs) is undertaken by an ever increasing number of countries. Such measures are currently utilised to support prohibition in China and Thailand, and to support regulated access in France, Italy, and Denmark. Estonia has also recently adopted such measures.

In France, courts can direct ISPs to block unlicensed online gambling operators and fine those that do not comply. French ISPs have publically noted their dissatisfaction with these laws. In Italy, ISPs are required to block unlicensed gambling websites. ISPs can be fined if they fail to block unlicensed sites. In Thailand, ISPs are required to block all gambling websites. Failure to block the list of gambling websites can lead to termination of an ISP's operating licence.

7. **ELIMINATING DECEPTION AND FRAUD**

Technologies such as those provided by our company help governments overcome the problem of the internet being an environment where deception is readily possible.

Let me give just one example. Our company is currently in negotiations with the Government of Washington DC in the USA regarding the deployment of our SAFETY NET system and Player Protection Key to eliminate underage gambling, reduce problem gambling through pre-commitment and precisely determine the geo-location of gamblers whilst they are online.

The DC Government has recently passed legislation legalising online gambling and they will be the first jurisdiction in America to deliver legalised online gaming to their residents and visitors. The DC Government is utilising its wholly owned DC Lottery Corporation to deliver its new online gaming platform. DC Lottery's CEO Mr. Buddy Roogow was recently at the Gaming Technology Summit in May this year at the same time as our company was being awarded a *Top 20 Most Innovate Gaming Technology Products Award*.

Mr. Roogow was sufficiently impressed with our Award-winning technologies including our ability to incorporate a GPS receiver chip into our Player protection Key to accurately confirm the precise latitude and longitude location of any online player. This geo-location capability is particularly vital to solving the geo-location requirements of current state gambling laws in the United States.

From an Australian context, our geo-location capabilities offers Governments the capability to determine which precise government should receive the taxation revenue of an individual player's turnover or betting losses – e.g. the state government operating the website of choice by the player, the state government of normal residence of the player or the state government in which the player is located at the time they are playing.

However, such technology also offers other significant operational benefits such as:

- Ensuring that players are not co-located and colluding by sharing their hands whilst playing others online.
- Eliminating the possibility of players using Identity Tunnels provided by VPNs in order to disguise their IP address and associated real geographic location.
- Eliminating the possibility of someone remotely driving a computer remotely located within a region, whilst located in another country (a major issue for US legislation).

8. **ANCILLARY FRAUD PROTECTION MEASURES**

We encourage the Government to utilise additional measures utilised by countries to support a new regulated access framework. These measures include enforcement by a legislated gambling regulator and by third party service providers such as financial institutions (as currently imposed on MasterCard and Visa in the USA by the US Government through the **Unlawful Internet Gambling Enforcement Act** of 2006) and internet service providers as discussed elsewhere in this submission.

9. **STRONG INTEGRATED ONLINE HARM MINIMISATION MEASURES ARE REQUIRED**

Since online gambling services are accessed through technology and require some degree of registration by the player, it is arguably relatively easy to build in certain harm minimisation measures. Some measures, such as self-exclusion, pre-commitment and age-verification, are already utilised by Australian-based providers of permitted online sports wagering services. In addition technologies also exist to monitor consumers and advise them online regarding the status of their account, the amount of time they have spent, and to assist them in maintaining control of their gambling behaviours.

Whilst online harm minimisation capabilities are extensive they currently have one key failing – they are not integrated.

Firstly, as a player I will be forced to make contact with say, a couple of dozen or more, independent online operators in order to set up any pre-commitment money limits and/or self-exclusion requirements.

Secondly, if I want to change my limits and self-exclusion I am going to be forced to re-contact the same large number of operators. The administrative time investment involved actually becomes a disincentive for players to initially establish or subsequently reduce or increase their limits.

Finally, and more importantly, if I have set up my \$500 maximum limit at each operator and lose \$500 at my main supplier, I will most likely be tempted to chase my losses by going to a second operator at which I may well lose another \$500 the same day – which will be double what I had originally intended to lose. The first and second operator did nothing wrong by following my original instructions. However, because the two independent operators are not inter-connected in any manner, the result has been that I have ended up chasing my losses and exceeding my own original budget which I established in a more rational period of decision-making.

This problem of exceeding my original set limit is compounded when there are potentially multiple online providers across Australia. For instance, even with just 12 licensed online operators I could end up losing \$6,000 (i.e. 12 lots of \$500) in one day when I had originally wanted the system to never let me lose more than \$500.

We encourage the Government to create a regulatory online gaming regime which will ensure that all responsible gaming money limits are centrally administered by an approved and regulated third party responsible gambling provider with appropriate technologies to ensure robust player identity.

The desired optimal harm minimisation outcome is then easily achieved by providing through regulation for an integrated network of online operators who interact with a central responsible gaming database of players and their limits and self-exclusion status, which is automatically fed to the regulated gambling operators. As players lose or win funds this updated gambling data is also transmitted to the centrally regulated coordinating responsible gaming supplier.

In a gaming venue context what you don't want to occur is for a player losing their daily loss limit at one venue's poker machines, subsequently moving onto the venue next door and losing the same amount just because the two venue pre-commitment systems were not inter-connected. The potential exists under an isolated on-line operator model for this to occur and an industry structure and regulatory environment should be created to mitigate against such risks.

From an even wider holistic perspective, since our SAFETY NET system works on poker machines and the internet it is possible to deliver an integrated pre-commitment system across multiple channels of distribution since all major gambling service delivery channels are USB compatible i.e. self-serve kiosks, interactive TV, and even all mobile phone manufacturers are converting their cell phones and smartphones to USB connectivity by 2012. That means a player can set a daily or weekly loss limit and never exceed it, no matter what multiple forms of gambling in which they participate in a day

The latest predictive modelling software allows us to monitor and predict problem gambling behaviours and to flag such problematic behaviours back to consumers' in-situ.

We believe such predictive modelling; combined with integrated on-line pre-commitment, a third party responsible gambling service provider, in addition to robust player identification and location, should all form part of a regulated harm minimisation regime for online gambling in Australia.

10. GOVERNANCE, ADMINISTRATION AND TAXATION

We believe the Commonwealth Government should designate uniform national rules for internet gambling including designated national provisions for responsible gambling and its conduct online. These latter online regulatory provisions could be integrated into any upcoming regulating authority being considered for national pre-commitment regulatory controls under forthcoming federal legislation implementing the Gillard-Wilkie Agreement in 2012.

All gaming operator licensing and regulatory monitoring, complaints investigations and enforcing breaches should be conducted on a state by state basis, as currently occurs with licensed venues and operators.

Historically, Australian licensed online gambling providers have been licensed by the states and territories and have been highly compliant with the provisions of the IGA, with the majority of breaches made by operators located overseas. Such a regime should continue.

The Federal Government should collect the GST paid on services and the States receive all other operator and consumer taxes, in part as some level of compensation for losses accrued due to restructuring of the current poker machine industry. Individual states will no doubt establish taxation regimes which are benchmarked against their current venue based gambling taxation rates.

As noted in the examples above, the licensing of interactive gambling providers operating in Australia should also be controlled. For example, only Australian-based local or overseas operators with local offices could offer online gaming services.

11. **BAN THE USE OF CREDIT:**

Finally in order to ensure a truly responsible gaming platform the Government should not allow the authorisation of any online gambling by credit card. This view has been supported in research reports by leading academics across the globe.

For instance, Professor Mark Griffiths of the International Gaming Research Unit in Nottingham Trent University reported in September 2007 that digital cash is problematic in a gambling sense:

“Electronic cash: For most gamblers, it is very likely that the psychological value of electronic cash (e-cash) will be less than ‘real’ cash (and similar to the use of chips or tokens in other gambling situations). Gambling with e-cash may lead to a ‘suspension of judgment’. The ‘suspension of judgment’ refers to a structural characteristic that temporarily disrupts the gambler’s financial value system and potentially stimulates further gambling. This is well known by both those in commerce (i.e. people typically spend more on credit and debit cards because it is easier to spend money using plastic) and by the gaming industry. This is the reason that ‘chips’ are used in casinos and why tokens are used on some slot machines. In essence, chips and tokens ‘disguise’ the money’s true value (i.e. decrease the psychological value of the money to be gambled). Tokens and chips are often re-gambled without hesitation as the psychological value is much less than the real value.”

We encourage the Government to ban the use of credit cards for online gambling as this will only result in players gambling with funds they don’t have, and will directly result in significantly higher levels of pathological gambling in Australia.

APPENDIX A:

SAFETY NET

SAFETY NET is an Award –winning system for governments to utilize in their regulated delivery of responsible gambling. In May 2011 SAFETY NET was awarded a *Top 20 Most Innovative Gambling Technology Products Award* at the Gaming Technology Summit in Las Vegas, Nevada, USA.

SAFETY NET® has been designed to eliminate problem gambling and under-age gambling from gambling venues, gambling machines and internet gambling networks. It is built on the premise that *“problem gambling is characterized by difficulties in limiting money and/or time spent on gambling which leads to adverse consequences for the gambler, others, and for the community.”*

The authoritative **USA Casino Journal** wrote in June 2011:

“The SAFETY NET system guarantees the age and identity of a player, allows money and time limit setting by gamblers, delivers truly effective self-exclusion capabilities, eliminates minor age gambling, and also eliminates card sharing by casino loyalty program members. These functionalities result in increased levels of responsible gambling, reduced overheads and legal risks associated with gaming venue supervision of minors and self-excluded problem gamblers, and therefore encourage government expansion of safer gambling across newer channels of distribution e.g. internet and self-serve kiosks.

A key component of the SAFETY NET system is its biometric USB Player Protection Key, which has many significant advantages over plastic cards and smartcards. These keys deliver instant player authentication through the use of on-board fingerprint biometrics; cannot be shared amongst players; operate on the ubiquitous USB standard; and have a large internal storage capacity to operate standalone, when required.

“This product empowers the player to have assistance in making gaming decisions,” said a judge, who called the product a “must” for every casino. “This empowerment could help casinos long-term as players are not exceeding budget and burning out too soon.”

In a recent independent **United Kingdom Gambling Commission** report titled *“Cashless and Card based Technologies in Gambling”* the Gambling Commission reported:

“The ‘SAFETYNET’ system is the only system in the world to provide a comprehensive consumer protection solution which can be easily used both offline, across multiple types of machines, as well as online over the internet”.

The **French Casino Journal** recently reported (in direct translation):

“A new technological solution to combat excessive gambling, and to monitor and tax remote gambling”. During the last conference organised by the European Association for the Study of Gambling in July, one presentation in particular captured the interest of the researchers present: an innovative solution capable of eliminating both the problems of age and excessive gambling on the internet as well as in gambling venues. An equation, that up until now, no one has been able to fully solve.”

Our SAFETY NET[®] system has a number of primary components:

1. Biometric USB Player Protection Key[®]

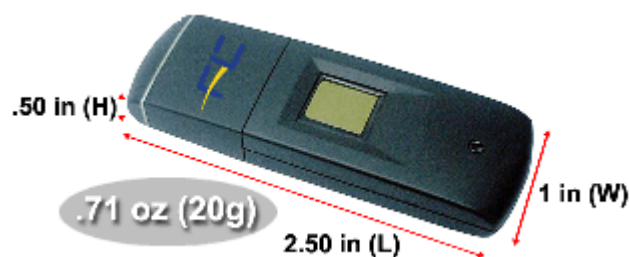
The primary component of the SAFETY NET[®] system is the Player Protection Key[®] which utilizes state-of-the-art technologies, and connects with every gambling network in the world.

Gamblers can establish dollar loss limits and duration of play limits which they believe are reasonable prior to undertaking any gambling activity and these limits are imbedded into their personal Player Protection Key[®]. The Government and/or Government regulator can also establish its own over-riding limits for all players.

All gambling is restricted until a player confirms their identity as the original owner of the Player Protection Key[®]. This eliminates key sharing amongst gamblers, and in particular amongst problem gamblers.

The Player Protection Key[®] is a simple plug-and-play device that connects directly into devices without the need for a special reader, since it is built around the ubiquitous Universal Serial Bus (USB) standard. A Player Protection Key[®] has an extensive lifespan of 10 years.

An example of a Player Protection Key[®] from RGN's wide range is included below:



Each Player Protection Key[®] has the in-built capability to recognize its owner so as to eliminate the possibility of player exchange of a Player Protection Key[®] amongst problem gamblers. It does so using biometric fingerprint recognition hardware and software, rather than Personal Identification Numbers (PIN), which can be shared and exchanged between problem gamblers.



There is no need for central storage of player fingerprints since each Player Protection Key[®] retains the encrypted biometrics of its original owner for later comparison with every subsequent user. Each Player Protection Key[®] will simply not operate unless its original owner is using it. The Player Protection Key[®] therefore is a truly unique key allocated to each unique player.

In May 2006 the Nevada Gaming Commission in Las Vegas released *Mobile Gaming System Policies and Technical standards for gambling using biometric devices*.⁽¹¹⁾ Our Player Protection Key[®] exceeds these Nevada Gaming Commission's technical standards.

Each Player Protection Key[®] has an on-board fingerprint scanner and its versatility comes from the fact that it does not require batteries to either operate or retain data in its extensive flash memory.

A Player Protection Key[®] can store up to 128 Gigabytes (128,000,000 KB) of data in flash memory and can store, retrieve and analyze data. It carries its own digital certificates to authenticate the networks to which it is connected, and can encrypt all on-board data. If anyone attempts to tamper with the Player Protection Key[®] it simply locks itself and cannot be read.

Players are given a Player Protection Key[®] free of charge. To obtain a Player Protection Key[®] they may be required to produce personal identification (drivers licence or passport etc) in order to establish "100 points" of identification. This is equivalent to the standards required by Australian banks to establish a bank account. This ensures that no under-age gamblers gain access to a Player Protection Key[®] or the gambling network.

Each player's identity may be associated with a key, or alternatively each player may be anonymously registered and their fingerprint within the key used to create a unique player code which ensures they are unable to obtain multiple Player Protection Keys at the same time.

Overseas and interstate visitors can also be provided with a Player Protection Key[®] by paying a small fully refundable deposit.

Distribution of the keys is undertaken using individual gambling venues and other major retail outlets (e.g. Australia Post outlets).

Our Player Protection Key is manufactured in the USA and is more than a simple USB flash drive. It has achieved FIPS 140-2 Level 3 accreditation and consists of an on-board microprocessor, encryption engine and partitioned memory. Its manufacturer is currently accredited with the US Department of Homeland Security, the US Departments of Justice, Treasury and Veterans Affairs.

2. Player Pre-Commitment Loss and Duration Limits

Each Player is able to register their own maximum gambling loss limits (for a day, week, month or year) and maximum durations of play in their Player Protection Key[®].

If any pre-commitment loss or duration limits are exceeded (either the player's or the regulators) then the Player Protection Key[®] will become inoperative and the player will be unable to gamble on any gambling network for a defined period of exclusion.

A player can also establish their own zero dollars and zero time limits at any time thereby creating an ideal *self-exclusion* program that cannot be circumvented across the entire network. Third-party exclusion can also be applied to individual keys.

Players can be regularly provided with reports on their entire gambling activities year-to-date and over regular periods, either on-demand (over the Internet or at a self serve kiosks) or via the mail.

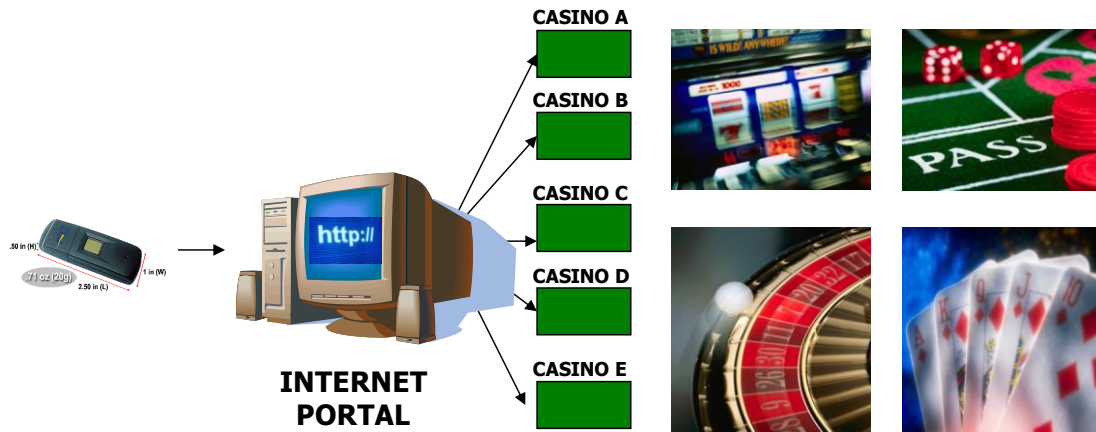
3. Application to Internet Gambling:

Our Player Protection Key[®] is internet-ready and compliant. Regulators can be assured that internet players are not under age and that their gambling activity is not breaching their personal pre-commitment loss limits.

In light of increasing internet gambling usage and an inability to capture taxation revenues from overseas gambling providers, our system provides national and state governments with the technology that provides confirmation of player identity (to ensure under age gamblers are restricted), combined with technical capabilities to audit gambling activities (in order to capture full taxation benefits), overlaid with technology that detects and restricts any growth in the incidence of problem gambling.

Deployment of our solution involves linkage to all government accredited gaming, wagering, sports betting, lottery and other approved gambling providers licensed, regulated in that country or state.

Internet users simply log on and activate their biometric USB Player Protection Key[®] on their personal computer. Responsible Gaming Network's back-end systems then confirm their identity prior to allowing any gambling.



Internet users are free to choose their preferred gambling provider(s) from the full range of government accredited providers.

Users will be assured that sufficient consumer and financial transaction regulation is being provided through government regulation of all accessible accredited providers.

Gamblers will only need to establish one set of pre-commitment loss limits with Responsible Gaming Networks (RGN) which then apply across the full range of gambling providers, rather than being required to establish their pre-commitment limits with thousands of individual gambling providers. Players can establish self-exclusion limits.

Once a player has been electronically accredited by RGN as the owner of the individual key, their individual limits and their remaining limit for the day are automatically passed over to the gambling provider of their choice.

Each gambling provider monitors the player against their remaining daily limits. At the conclusion of their playing activity, each player's limits are updated by RGN.

4. Whole-of-Market Gambling Coverage

The Player Protection Key[®] has the in-built memory capacity of 128 Gigabytes to store all gambling activities for all players across all forms of gambling, such as the internet (sports betting), electronic devices (wagering outlets, lottery outlets), and interactive television services. This allows every resident to establish within their single Player Protection Key[®] a 'whole-of-gambling' loss limit.

Regulators thus have the added benefit of obtaining a 'whole-or-market' profile of player gambling expenditure over multiple channels of distribution (e.g. gaming machines, casinos, lottery tickets, wagering etc) from within both the terrestrial market place and digital market space using a single Player Protection Key[®].

APPENDIX B:

RESPONSIBLE GAMING NETWORKS PTY LTD:

The Company:

Responsible Gaming Networks Pty Ltd is an incorporated Australian company, which delivers the world's most reliable player tracking, self-exclusion, pre-commitment and player analytics available in the global gambling industry. Our solution operates across all types of venues, gaming machines, the internet, self-serve kiosks, mobile phones and interactive televisions using state-of-the-art biometrics and digital network technologies.

Our Products:

Responsible Gaming Networks Pty Ltd has developed its SAFETY NET[®] solution to deliver these defined outcomes by bringing together Australian and US technology and expertise, integrated by our global Intellectual Property.

Our overarching SAFETY NET[®] solution guarantees age and identity, monetary and time limit setting, and truly effective self-exclusion capabilities for gaming operators, responsible governments and financial institutions. Simultaneously it ensures social and financial harm minimization for all gamblers.

A key component of our SAFETY NET system is our biometric USB Player Protection Key[®], which has many significant advantages over plastic cards and smartcards.

In particular it:

- Operates across all venues and over the internet without any modification;
- Completely eliminates identity sharing amongst gamblers (and in particular amongst problem gamblers);
- Completely eliminates underage gambling at venues or over the internet;
- Provides automatic and effective player self-exclusion without any need for operator supervision;
- Utilises the ubiquitous global USB standard; and
- Provides players with responsible gaming protection across multiple channels of distribution using one single access device.

Our solution operates online and with all types of gaming machines (including VLTs, slots etc) from all global gaming machine manufacturers.

Our Management:

Our Chief Executive Officer and Managing Director is Mr. Phillip Ryan.

Phillip is the founder of Responsible Gaming Networks Pty Ltd and has 30 years experience in government affairs, media relations and the gambling industry. Prior to establishing the business he

was Executive General Manager, Corporate Affairs at Tattersall's (one of Australia's largest public gambling companies) and previously Group Manager, Global Communications at the National Australia Bank in Australia.

Phillip has a Bachelor of Science degree in nuclear physics and computer studies which provides him with an extensive knowledge of new technologies; an MBA to build the case for a new paradigm in public policy thinking; a Masters in Marketing to market our value proposition to governments, operators, opinion leaders and the general public; and a post-graduate Diploma of Education to build stakeholder knowledge of key issues.

Phillip is an accredited gaming industry employee under the auspices of the Victorian Commission for Gambling Regulation.

Our company's profile is available at our website: www.responsible.com.au.

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