

Consultation on Minimum Technical Equipment Standards for Jackpots

A jackpot system is a gambling device linking a number of gaming machines. Jackpot systems take a set percentage of the turnover of all games played on linked gaming machines to create a 'pool' of money available to be won as an additional or separate prize.

Many gaming machine societies utilise jackpot systems and, depending on the type of systems used, will be affected in different ways by the proposed minimum standards. However, even if your society does not operate a jackpot system, you are still welcome to comment on the proposal contained in this consultation.

The attached document contains a set of proposed minimum technical requirements for jackpot systems and how they interact with gaming machines. The major changes that would result from these minimum standards are:

- Non-downloadable jackpots would not be approved for use after 1 July 2009;
- Current downloadable jackpots using the Progressive Gaming International Australia Ltd supplied (Mikohn) jackpot controllers with the SINFO protocol would not be approved for use after 1 January 2012.

What this means, and the reasons for these changes is discussed below.

Why withdraw the approval for non-downloadable jackpots?

Until recently, there have been minimal requirements against which jackpots have needed to be approved and rather it has been a matter of the Department being satisfied of the operational integrity and fairness of any jackpot system prior to approval. Currently, only a few jackpot systems are approved for use in New Zealand. However, with the introduction of the Electronic Monitoring System (EMS), advances in technology, and the requirement for 'player information' to be available on gaming machines, it is necessary for a complete minimum equipment standard to be introduced

There are currently two descriptors for jackpot systems that are authorised to operate at gaming machine venues: jackpots that electronically download jackpot win information to gaming machines (downloadable jackpots) and jackpots that do not download this data (non-downloadable jackpots).

A reason for the anticipated withdrawal of non-downloadable jackpots is to ensure compatibility with the requirements of the Gambling (Harm Prevention and Minimisation) Regulations 2004. From 1 July 2009, all gaming machines will be required to provide game and player information at the election of a player and, for player information, through an interruptive feature ('pop-up'). The information provided on 'pop-ups' includes information on a player's net wins or net losses in a gaming session.

Currently, the minimum equipment standards that cover the requirements for the provision of information on net wins and losses allow, in the case of a non-downloadable jackpot, for the use of a message to state that any jackpot wins are not included in the total. This will not be possible when the regulatory requirements become mandatory from 1 July 2009. The withdrawal of non-downloadable jackpots is essential to ensure the accurate and complete provision of information as envisaged by the regulations.

In addition, depending upon which type of jackpot is used, the EMS reconciles class 4 gambling turnover and win information differently. Non-downloadable jackpot systems are currently required to connect directly to the EMS site controller because they do not communicate jackpot wins to gaming machines. This makes the gaming machine proceeds (GMP) reconciliation process more complicated and can affect the initial accuracy and timely validation of reporting by EMS of GMP at the venue, society and national level. It is also considered that the withdrawal of non-downloadable jackpots will simplify venue compliance with the Class 4 Game Rules which are more extensive for non-downloadable jackpots.

Why withdraw the approval for the SINFO protocol?

Downloadable jackpot systems currently communicate with gaming machines using the SINFO protocol. The SINFO protocol allows for one-way communication of 'win information' to the winning gaming machine. However, because this information is only sent one-way, the jackpot cannot verify whether the gaming machine has received the message. Any discrepancies are now picked up through a reconciliation process at the venue.

The use of a two-way communication protocol will ensure that the jackpot system can verify that messages are received by gaming machines and enhance the security around win information and gaming machine contributions to the jackpot pool. The 1 July 2012 deadline for compliance has been proposed to provide a better 'grand parenting' pathway to the new technology in the course of a normal equipment replacement regime. This recognises that the use of a two-way protocol will also likely require game software to be upgraded at the same time.

What are the costs of these changes?

The cost of changing jackpot equipment will differ depending upon the type of jackpot system you currently use. Some non-downloadable jackpots may be

able to be upgraded to avoid the cost of a brand new system. In some instances, if you wish to continue operating a jackpot at the venue, a new jackpot system may be required to replace your non-downloadable jackpot. You will need to contact your jackpot supplier in order to ascertain whether an upgrade would be possible.

The non-downloadable jackpots that are affected by these minimum standards are:

- EZI – Bucks Jackpot System
- Totalux Jackpot Equipment
- Mikohn Mystery Link Controller

For those downloadable jackpot controllers that use the SINFO protocol, they would require upgrading before 1 January 2012. The downloadable jackpots that are affected by the minimum standards are:

- Cashcade Mystery Jackpot Link
- Download Mystery Jackpot Link

Timing

Following this consultation process, it is envisaged that these minimum equipment standards will be introduced as soon as possible having taken into account feedback as appropriate.

The Department recognises that the deadline proposed by this standard may, in some cases, cause difficulties for societies in light of other recent compliance costs. Should your society anticipate genuine difficulty arising from this standard, please outline your concerns to the Department in any response you wish to make.

How to make a submission

The attached minimum equipment standards document for jackpot systems is mainly a very technical document and it is largely designed for manufacturers and testing laboratories. In drafting these standards, the Department has had them reviewed by manufacturers and the Australian Gaming Machine Manufacturers Association (AGMMA) as well as holding discussions around the contents.

If you consider you need advice on these standards, it is advisable that you contact your normal gaming machine and jackpot distributor or technical staff. Should you have any technical questions you would like to pose to the Department, you are, of course, welcome to contact us directly.

Please forward any technical queries to Bruce Manuge, Senior Technical Advisor, on (04) 495 9343, or by email: bruce.manuge@dia.govt.nz.

Alternatively, please contact Angus Hyatt, Policy Advisor, on (04) 495 7271, or by email: angus.hyatt@dia.govt.nz .

Please address any written (or electronic) submissions to:

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Please provide any submissions by Friday, 1 February 2008

Yours sincerely

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