



ACT
Government

Discussion Paper

Lowering bet and credit limits for electronic gaming machines

Reducing harm from gaming while supporting sustainable clubs

Summary

The ACT Government has committed to progressing an ambitious program of reducing harm from electronic gaming machines (EGM), while supporting the sustainability of community clubs. A core component of this agenda is changes to the regulatory framework for electronic gaming machines to introduce better harm minimisation measures and safeguards.

The technological capability of EGMs operating in the ACT to accommodate these changes is a core issue, as is the potential costs of upgrading or replacing EGMs. The government sought advice from a technical consultant, BMM Australia, who considered the technological and cost issues associated with introducing the government's commitments.

The government's preferred way forward to progress its commitments, while future proofing the ACT's EGM regulatory environment, is through introduction of a Central Monitoring System (CMS) for EGMs.

A CMS would provide the government with significantly enhanced capability to monitor and control EGMs operating in the ACT. It would support the government in ensuring operators of EGMs pay the required taxes and duties on gambling revenue and allow improved oversight for anti-money laundering and counter-terrorism financing purposes. It would reduce the administrative costs and burden on both clubs and government by automating the collection of EGM revenue and other data.

Additionally, a CMS would allow the government to efficiently progress key harm reduction commitments including reducing the maximum bet on an EGM to \$5 and limiting the amount of money that may be credited to an EGM to \$100. Beyond facilitating these express government commitments, a CMS would establish the basis for further harm reduction measures such as cashless gaming combined with pre-commitment of money and time.

The most suitable CMS identified uses the QCOM network communication protocol developed and maintained by the Queensland Government. However, introducing a QCOM CMS in the ACT would require extensive changes in venues: indeed, the game installed on every EGM would need to be replaced with a game compatible with QCOM and IT network infrastructure would need to be deployed wherever EGMs operate. These changes are significant. However, the cost and scale of changes required using this approach, are lower than the alternatives discussed in this paper.

The government could engage a suitably capable private sector entity to operate a CMS under a long-term exclusive licence. This would allow the government to take advantage of existing technology and knowledge while also reducing the initial and ongoing cost to the ACT community.

This issues paper outlines the rationale for using a QCOM CMS to achieve a \$5 bet and \$100 credit limit and invites feedback on this approach.

Further progress on the government's preferred approach would consider feedback on the issues outlined in this paper and be subject to more detailed analysis of feasibility, including financial impacts.

Background

The *Parliamentary and Governing Agreement for the 10th Legislative Assembly* commits the government in item E5 to:

‘Introduce the harm reduction measures of \$5 bet limits and \$100 load-up limits following a thorough review and transitional plan to manage impacts on clubs, particularly smaller clubs that upgrade machines less regularly. A staged rollout of this reform should commence by the end of 2022 at the latest.’

The Parliamentary and Governing Agreement in items E2-4 further commits the government to:

- Target a further reduction in the number of electronic gaming machine licences in the ACT to 3500 by 1 July 2025, and support this through the introduction of incentives for Clubs to consider, including additional incentives to move to zero machines within a venue location;
- Establish a rigorous, across-venue self-exclusion regime across the ACT for people experiencing harm from gaming, with significant penalties for breaches. This exclusion regime will align with or exceed reforms currently progressing in NSW to allow exclusion by family members; and
- Match or exceed any further harm reduction gaming reforms commenced in NSW, such as cashless gaming.

For an EGM, a bet limit, also known as a ‘maximum stake amount’ or ‘maximum bet’, is the maximum monetary value that may be gambled in a single spin. A bet limit is intended to reduce the risk of loss primarily by reducing the amount of money that may be gambled on each bet. It slows the rate at which money may be expended.

The ACT’s *Gaming Machine Act 2004* and *Gaming Machine Regulation 2004* currently set the maximum stake amount in the ACT at \$10.

A load-up limit, sometimes called a ‘credit limit’, is the maximum value that a person may credit to an EGM in one instance. That is, once the credit limit is reached the credited amount must be fully expended or refunded before the EGM will accept further credit input by a player. A load-up limit is primarily intended to slow the rate of play by forcing a player to re-credit an EMG at frequent intervals but may also cause breaks in play where, for example, a person needs to obtain additional cash in suitable denominations to continue gambling.

ACT law currently does not set a credit limit for EGMs operating in the ACT. In practice, EGMs operating in the ACT have a credit limit of either \$10,000, 7,500 or \$5,000. Proximity to the NSW market has resulted in EGMs approved for use in the ACT typically adopting the NSW credit limit, which has declined over time, because technical evaluation of ACT EGMs is typically conducted by technicians approved under NSW law.

Technical Aspects of Electronic Gaming Machines

Design features of electronic gaming machines

EGMs are structurally similar to personal computers, being comprised of hardware and software components, such as the game installed on a physical EGM. Compatibility between these components, alongside manufacturer support, influences the degree of upgrade or replacement required to enable adoption of a \$5 bet limit and \$100 load-up limit.

A change to the bet limit can affect the 'game dynamics', such as the number of lines of play and bet per line. Some games have a configurable bet limit, with the game dynamics designed to accommodate, for example, a \$5 or \$10 maximum bet. Other games do not allow this to occur.

A credit limit must interact with peripherals such as coin and banknote acceptors alongside non-cash input devices, such as tickets or cards. Some EGMs, particularly older EGMs, are not capable of accommodating a changed credit limit. However, newer EGMs typically allow for a configurable credit limit to cater for different regulatory settings across Australia.

Gaming systems

Like personal computers, EGMs can be connected as part of a network with a gaming system acting as host or server, monitoring and controlling individual machines. Gaming systems enable features like loyalty schemes, promotional rewards, precommitment, cashless gaming and linked jackpots. Some gaming systems also operate as venue management systems, providing features such as membership management and point of sale. These systems are already in use within individual clubs in the ACT, typically larger clubs that operate a larger number of EGMs.

Gaming systems rely on IT network hardware like cabling, network interface cards and network switches using a common network protocol to communicate with EGMs. The main protocols in use in Australia are X Series (used in NSW) and QCOM (widely used across other jurisdictions).

X Series is a communication protocol developed by the gaming machine industry for product development and consumer convenience purposes. EGMs in the ACT currently operate with the X Series protocol. QCOM was developed by the Queensland Government as a tool for improving regulatory oversight.

Central monitoring systems

A CMS is a type of gaming system used to monitor the operation and performance of EGMs. While a CMS might operate only within one very large venue like a casino, these systems can also operate across geographically distributed EGMs in different venues operated by different businesses. The EGMs in an individual venue are typically connected to a local host or site controller that is then connected to the wider system. The local host may be the same gaming system used by the venue for other purposes like jackpots, membership rewards and cashless gaming. A venue may also operate a separate system concurrently to enable these features.

A CMS is typically used to facilitate the assessment and collection of gambling taxes and for other regulatory purposes. These systems allow regulators to have better oversight of EGMs in operation by, for example, ensuring that only EGMs authorised for use and listed on an authorisation schedule for a venue are in operation at the venue. A CMS assists tax administration by collecting data about EGM revenue directly from EGM meters and log files. Manual tax reporting, as is currently required in the ACT usually on a monthly basis, can be computerised.

These systems are widely deployed across Australia, however operating models vary. In most jurisdictions, clubs and hotels are required to be connected to a CMS operated by a third-party. In some jurisdictions like NSW, Victoria and South Australia, there is a single monitoring system operator. Queensland allows multiple operators, with venues required to connect to any licenced monitoring operator and the government collecting tax and other regulatory data from multiple operators.

A CMS is primarily not a gambling harm reduction measure. However, a CMS may also support harm minimisation measures like pre-commitment, for example, as is the case with the Victorian 'YourPlay' system discussed later in this paper.

Function of bet and credit limits

Lowering bet and credit limits is intended to reduce the harm arising from gambling on EGMs.

Gambling harm may arise in a range of forms including financial, emotional/psychological and relational. The five yearly ACT Gambling Survey adopts a validated measure of population level gambling harm called the 'Short Gambling Harm Screen'. This measure includes 10 items strongly correlated with a larger 72-item harms list, with strong statistical validity and reliability. The screening tool asks respondents whether they had experienced the following harms in the past 12 months, with the individual giving a score between 0 and 10.

Item no	Category	Item
1	Financial	Reduction of my available spending money
2	Financial	Reduction of my savings
3	Financial	Less spending on recreational expenses such as eating out, going to movies or other entertainment
4	Emotional/psychological	Had regrets that made me feel sorry about my gambling
5	Emotional/psychological	Felt ashamed of my gambling
6	Financial	Sold personal items
7	Financial	Financial Increased credit card debt
8	Relationships	Spent less time with people I care about
9	Emotional/psychological	Felt distressed about my gambling

While bet and credit limits act directly on financial gambling harm, they may also have an indirect effect on other harms.

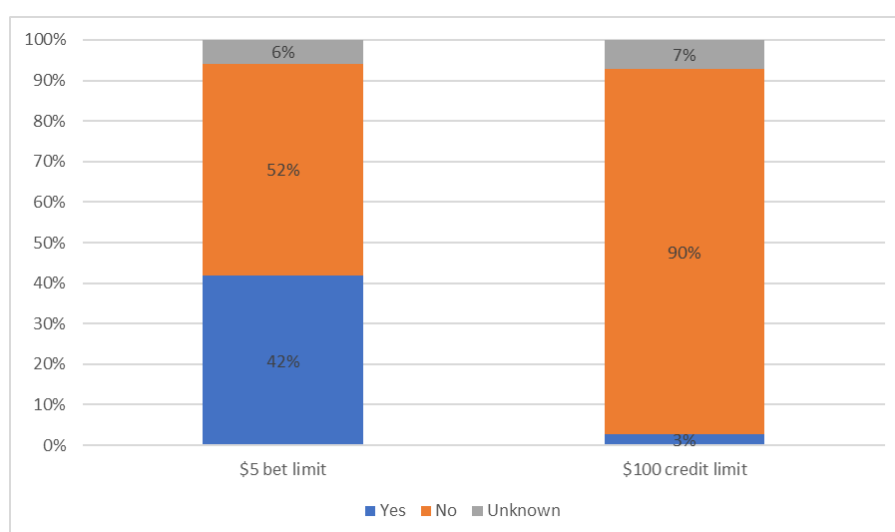
A reduction in financial gambling harm arises because lower bet and credit limits slow down the speed at which money can be spent and lost by a person when playing an EGM. A credit limit may also introduce breaks in play that may allow a person to reconsider whether they want to keep spending and losing money on an EGM.

Technical Options for Lowering Bet and Credit Limits

The 2020-21 ACT Budget allocated funding to allow the Justice and Community Safety Directorate to seek external advice about the technical issues associated with lowering EGM bet and credit limits. Following a procurement process, the Directorate engaged as a consultant BMM Australia, an experienced firm used by Australian state governments to test EGMs against legislative requirements and standards prior to their approval for use.

BMM Australia reviewed ACT EGM and peripheral approval records alongside EGM specification information supplied to the ACT Government by manufacturers to determine whether and which EGMs operating in the ACT can operate with a \$5 bet limit and \$100 credit limit. For those EGMs not capable of operating within these parameters, the consultant also considered the necessary degree of upgrade or replacement required to enable the limits to be adopted. Records relevant to a relatively small number of EGMs were not available to the consultant and therefore their capability is unknown.

The following chart shows the breakdown of EGMs capable of operating with a \$5 bet limit and \$100 credit limit of a total of 3,737 EGMs as at June to August 2021.



Among those EGMs capable of operating with a \$5 bet limit, approximately one third already operate at or below that limit because by design the maximum bet allowable for a game is \$5 or less. The consultant assessed the degree of change required to introduce a \$5 bet limit or \$100 credit limit for EGMs not capable of operating with these limits. Necessary change to EGMs ranges from relatively minor reconfiguration to upgrade or replacement of an EGM.

EGM reconfiguration was assessed by BMM Australia as typically involving 1-4 hours of effort per EGM. Authorised technicians charge as much as \$500 per hour, meaning the cost of reconfiguring each EGM is between \$500 and \$2,000. EGM upgrade might require installation of new software such as a different game on existing EGM hardware, with a typical cost of between \$3,000 and \$5,000. This requires EGM manufacturers to be willing to supply new software compatible with existing EGMs. However, where a compatible game is not available, an EGM would require replacement. A new EGM costs between \$16,000 and \$24,000, depending on the manufacturer and factors like volume discounts.

Direct gaming machine modification

As shown in the earlier chart, introducing a \$5 bet limit is possible with reconfiguration of a little less than half of the EGMs already operating in the ACT. The remainder would require upgrade or replacement, with a smaller proportion, close to 20 per cent, requiring replacement.

However, very few EGMs operating in the ACT can accommodate a \$100 credit limit. BMM Australia assessed many EGMs, close to 40 per cent, as requiring replacement to accommodate this change. Among those EGM where upgrade is technically possible, the availability of suitable software could mean some of these EGMs must instead be replaced.

There may be some overlap among those EGMs requiring replacement to adopt a \$5 bet limit and those EGMs requiring replacement to adopt a \$100 bet limit. However, it is also possible some EGMs need replacement for only one of these changes, which will result in an overall greater proportion of EGMs that need to be replaced.

Overall, BMM Australia's analysis demonstrated that introducing a \$5 bet and \$100 credit limit through direct change to EGMs would involve a high cost to venues. This cost could be as much as \$73 million, with additional costs associated with administrative and regulatory change. However, BMM provided alternative options involving the use of a 'gaming system' to control EGM bet and credit limits. The indicative cost to venues of the most cost-effective option is estimated at \$11 – 17 million, with additional costs associated with system infrastructure and administrative and regulatory change.

Gaming system control

As a workaround to modifying the maximum bet and credit limit directly within each EGM it is possible, subject to some technical limitations, to use a gaming system to control these parameters.

X Series

Gaming systems based on the X Series protocol can control the credit limit only. Direct change to EGMs is still required to introduce a \$5 bet limit alongside introducing a gaming system for a \$100 credit limit. Achieving credit limit control using an X Series gaming system requires that an EGM accept credits by

cashless input only (for example, card or ticket based). That is, an EGM must have cash input devices disabled to allow an X Series gaming system to control the credit limit.

New cabling and network hardware must be deployed in those venues not already operating a gaming system, and gaming systems manufacturers typically charge an ongoing license and support fee while a system is in use. Venues would also require additional hardware in the form of cash redemption terminals to allow patrons to convert cash into cashless credits and redeem credits as cash. Lowering the bet limit to \$5 would require direct modification to each EGM, with a vary degree of required change as already discussed.

However, in addition to reducing administration and costs related to tax reporting when deployed as part of a CMS, introducing cashless-only gaming may also reduce the significant cost and logistical burden of managing large volumes of cash. Reduced use of cash may also reduce club compliance obligations arising from anti-money laundering and counter-terrorism financing legislation.

Alongside these advantages, an X Series gaming system would work with existing gaming machine games and communication hardware in use in the ACT. Clubs that already use a gaming system would have a lower cost of change and there would be a lower cost to government associated with regulatory approvals because these systems are already approved for use.

QCOM

Gaming systems based on the QCOM protocol can control both the bet and credit limit and can do so while allowing an EGM accept credits by both cash and cashless input. However, this requires that the game installed on each EGM be compatible with the QCOM protocol and consequently an updated game must be installed on every EGM operating in the ACT. The government is not yet aware of whether otherwise identical games are available in both X Series and QCOM variants.

As with an X Series gaming system, deployment costs would arise from new cabling and network hardware must be deployed in those venues not already operating a gaming system, alongside ongoing license and support fees.

Additionally, for those venues already operating an X Series gaming system, it may be necessary for these venues to operate a QCOM gaming system for bet and credit limit control in parallel with their existing system. For example, linked and progressive jackpots are integrally associated with credit input and other EGM meters, meaning that venues using an X Series gaming system for jackpot control would need to adopt the QCOM system for this purpose. Other gaming system features, like loyalty schemes and promotional rewards may continue as part of a separate gaming system.

The benefits associated with an X Series gaming system also arise with a QCOM gaming system, notwithstanding that it may also be deployed to lower the credit limit without requiring cashless gaming. Additionally, because QCOM can also control the bet limit, this approach avoids the need to replace gaming machines. It consequently has a lower cost to clubs than for an X Series gaming system approach.

Additionally, while technically possible for a QCOM gaming system to operate on a standalone basis, development of this protocol was intended to support central monitoring, and therefore adopting a QCOM gaming system to lower bet and credit limits in the ACT strongly infers introduction of a CMS.

Comparison of gaming system options

In either an X Series or QCOM gaming system approach to lowering bet and credit limits, the cost of implementation is expected to be lower than making direct change to EGMs. The need for replacement or significant update to EGMs is reduced or avoided. Comparison of the differences between these two options suggests that QCOM should be preferred.

Of the two gaming system protocols, a QCOM gaming system has the lowest expected cost to clubs. While deploying a gaming system has a similar cost in both options, X Series would require additional costs to introduce a \$5 bet limit. QCOM is in this respect a more capable protocol.

Additionally, when introduced as part of a CMS as is typically the case, a QCOM monitoring system operator meets the cost of most hardware and software requirements, with venues paying a regular fee based on the number of EGMs connected to the system. Venues would typically meet the cost of cabling and in some Australian jurisdictions an additional monthly fee is payable for EGMs that are part of a jackpot arrangement.

In the case of an X Series gaming system, venues usually pay a regular license fee to the system manufacturer in addition to meeting the upfront cost of deploying the system. When used as part of a CMS, as in NSW, venues also pay a fee to the CMS operator for each EGM connected to the system each month. While the change and associated cost for ACT clubs already operating an X Series gaming system might be lower, a greater cost is likely to arise for those clubs that do not currently operate a gaming system. This is typically the case in smaller clubs with fewer EGMs.

Relevant differences between the X Series and QCOM gaming system options are summarised in the following table.

	X Series	QCOM
Compatible with existing games/gaming systems?	Yes	No
Capable of bet limit control?	No	Yes
Capable of load-up limit control?	Yes, if cashless only	Yes
Game change required?	Yes, for \$5 bet limit	Yes, for gaming system compatibility
EGM replacement required?	Yes, if required for \$5 bet limit	No*
Hardware change required?	Yes, player interface module and enable cashless/disable cash input devices	Yes, player interface module and communication hardware
Central monitoring?	Possible but not required	Typically required

Initial costs to venues	Game update or EGM replacement EGM hardware Gaming system hardware and software	Game update Network cabling and associated infrastructure
Ongoing costs	Gaming system license fees Central monitoring fees, if CMS introduced	Central monitoring fees

* While EGM replacement is not required for a QCOM CMS, it is possible some older EGMs operating in the ACT may require replacement due to software and hardware compatibility issues.

Introducing a QCOM CMS in the ACT as part of lowering bet and credit limits is expected to be the most cost-effective option for both clubs and the government. It would lower government and club administrative costs for regulatory oversight and tax administration. Selecting a QCOM CMS would also allow the ACT Government greater choice when selecting a CMS. The ACT Government is only aware of an X Series CMS being deployed in NSW and with only a single operator. Conversely, there are several existing operators of QCOM monitoring systems across Australia, with this protocol adopted in all other Australian jurisdictions.

Beyond enabling lower bet and credit limits, a QCOM CMS could establish a foundation for enhancing harm reduction through other measures.

1. Is the government's rationale for preferring a QCOM CMS to deliver lower bet and credit limits sound? Are there better ways of achieving these commitments?

Other Measures

Cashless gaming and pre-commitment

Introduction of a CMS may also allow wider and more convenient use of cashless gaming technology. Currently, ACT venues may only make use of ticket-based cashless gaming, with ticket use and redemption limited to within a single venue. A CMS could be extended to allow for card-based cashless gaming through jurisdiction-wide player accounts. A person could register for a cashless card and credit money to it at any ACT venue. As with systems of this kind in other Australian jurisdictions, anonymous cashless cards could also be available subject to lower cash balance limits.

There is some research evidence that cashless gambling poses a risk of harm. Cashless transactions are 'frictionless' meaning that a person is separated from the experience of using and losing money. Much like credit card debit, cashless gambling without additional controls could lead a person to quickly expend more money than they intended or have the financial capacity to bear. Moreover, cashless EGM gambling may reduce the effectiveness of a lower credit limit because cashless transactions happen almost

instantaneously. The break in play involved with a cashless transaction is likely to be significantly less than that involved when loading credits to an EGM using cash.

Despite these issues, cashless gaming can be combined with other features that mitigate these risk and have a harm reduction potential. Some jurisdictions, such as Victoria, have extended their CMS to introduce voluntary pre-commitment of time and money, and features like player activity statements that detail a person's gambling expenditure, as part of a cashless gaming system. Victoria's 'YourPlay' system is voluntary for EGM players to use but mandatory for venues across the state to offer. People can register for an account-linked card or obtain an anonymous player card at any gaming venue. The monitoring system operator in Victoria also operates the pre-commitment system.

Cashless gaming has the potential to provide ancillary benefits. In 2018-19, nearly \$2 billion was expended on EGMs by the ACT community, with \$166.9 million retained by venues after paying out winnings. Reducing the need for venues to manage cash may reduce the costs arising from counting, securing and transporting the large volume of cash used by EGMs. The government is yet to confirm and quantify these potential cost savings, which will require industry advice. Additionally, venues and the government would gain improved oversight for anti-money laundering and counter-terrorism financing purposes.

Extending a CMS in this way will require careful examination of information privacy issues and financial controls, which may result in legislative amendment.

Gambling exclusion

Self-exclusion allows gamblers to elect to bar themselves from gambling. In the ACT, self-exclusion is coordinated by the ACT Gambling and Racing Commission rather than private service providers as is the case in most other Australian jurisdictions.

A person may approach a venue or the Commission to seek a self-exclusion or may have a self-exclusion facilitated by the ACT's gambling support service. Venues may also impose a gambling exclusion in certain circumstances.

Procedurally, a person wishing to bar themselves from gambling does so by executing a deed that is provided to the Commission. The Commission then notifies by email the venues identified in the deed that the person is excluded from gambling at the venue. Venues are responsible for managing access to gambling so that excluded people comply with the deed. Usually this requires staff at a venue to identify an excluded person based on a photo supplied by the Commission and intervene if the person attempts to access a gaming area.

Some Australian jurisdictions have begun to trial facial-recognition technology as a way of reducing reliance on human intervention as part of gambling exclusion schemes. Cameras in and around a gaming area compare the 'facial signature' of people entering the gaming area to a database of excluded people and notify venue staff when a match is identified. Staff must then intervene to remove an excluded person from the gaming area. This technology is relatively new in Australian and brings a range of technological and legal challenges. It is also relatively expensive.

As an alternative technological enhancement to gambling exclusion, the ACT Government could work with the chosen CMS operator to include gambling exclusion as part of the system. In this approach, the CMS would prevent excluded gamblers from accessing EMGs with an account-linked card at any gaming venue in

the ACT. It would remain necessary for venue staff to check a person's exclusion status when issuing an anonymous player card. While this approach might occur alongside cashless only gaming, it might also be feasible for the CMS operator to design a solution that requires an access card to unlock a gaming machine while still accepting cash input.

As with cashless gaming and pre-commitment, extending a CMS in this way requires careful examination of information privacy issues and may require legislative change.

2. Should cashless only gaming be introduced as part of a CMS? What benefits would this provide to clubs?
3. What harm minimisation measures should accompany cashless gaming?
4. Is an EGM player card worth pursuing as a technological enhancement to the gaming exclusion scheme?

Safeguarding CMS information

Introducing a CMS, particularly involving pre-commitment or cashless player accounts, may create information privacy and related risks. Information in a CMS could also be useful for loyalty and similar schemes that pose potential gambling harm risks if this information is available for advertising, promotional or other inducements to gamble.

Conversely, a CMS may contain information that would allow for proactive intervention when a person appears at risk of gambling harm. For example, the South Australian Government have been trialling an 'automated risk monitoring system' as part of their casino monitoring system. This system monitors patron gambling behaviours to identify at risk and problem gambling and alerts casino staff when intervention may be warranted.

While there are existing controls on advertising, promotional or other inducements in the *Gambling and Racing (Code of Practice) Regulation 2002*, these controls would require review to ensure that they remain fit for purpose in the context of a CMS.

Automated risk monitoring poses information privacy and human rights questions that equally warrant examination. Legislative amendment may be required to provide limits on collection, storage, use and disclosure of information as part of a CMS.

5. What information collection, storage, use and disclosure controls should be adopted as part of introducing a CMS?
6. Should CMS information be available for use as part of proactive intervention when a person may be at risk of gambling harm?
7. Should the government have access to information about EGM user behaviour?

Transitioning to lower bet and credit limits

Summary of the options

The most cost-effective option for introducing a \$5 bet and \$100 credit limit for ACT EGMs in line with the government's commitments is through introduction of a QCOM central monitoring system. Based on the advice received by the government so far, this CMS option has a greater technical capability to deliver the government's commitments and brings the potential for additional harm reduction measures. A QCOM CMS can be used to introduce both a lower bet and credit limit and do so without requiring cashless gaming.

Achieving the government's commitments by direct EGM change is much more expensive and involves a significant scale of change. While an X Series gaming system could be used to lower the credit limit to \$100 and is already in use in some ACT clubs, it is not possible for a gaming system based on this protocol to introduce a \$5 bet limit. As a result, this approach is more costly and requires a greater scale of change than that of a QCOM CMS.

Given existing private-sector capability and technology, purchasing a system and services for its ongoing operation is likely to provide the lowest cost, lowest risk path to implementing a CMS in the ACT. While the government could establish a new market where multiple CMS operators may provide this service, the small scale of the ACT and small number of EMGs in operation in the ACT suggests that the government should instead engage and exclusively license a single CMS operator.

Issuing an exclusive CMS license would simplify and reduce the costs associated with government regulatory oversight via a CMS. It would also allow the government to negotiate with the provider to set an affordable fee charged to venues. Government control over this fee would benefit venues. Additionally, the government would gain better control over minimum service standards for the CMS operator, which would assist in preventing the possibility that the CMS might cause interruptions in the operation of EGMs.

In some Australian jurisdictions, the government levies a fee on the holder of a CMS license. The government then has the opportunity to pass on this revenue to clubs, in whole or part, to reduce the cost of introducing the system. For example, in NSW the government met the cost of the fee paid by venues to the CMS operator during the first few years of its operation.

Considered overall, a QCOM CMS provides the greatest potential benefits to clubs and the government, while delivering the government's commitments at the lowest cost and is the government's preferred option for achieving its commitment to introducing a \$5 bet and \$100 credit limit.

8. Are there existing measures and government-imposed costs that could be reduced or removed as part of introducing a CMS?

Next Steps: Introducing a QCOM CMS

Several activities are required to deploy a QCOM CMS in the ACT and transition to lower bet and credit limits under this approach. These include:

- Amendment of legislation to establish a framework for a single CMS license
- Industry engagement to support development of a robust statement of requirements for the CMS operator
- Procurement of a CMS operator, including an Expression of Interest process and selection of a single operator
- Development, deployment and commissioning of the CMS to ACT EGM venues, including change to EGM games
- Commencement of the CMS and lower bet and credit limits.

The government could complete this process with a CMS deployed by mid-2024. Introducing lower bet and credit limits would follow commissioning of the CMS. The stages of work and potential timeframes are summarised in the following table.

Stage	Approximate timeframe
Industry consultation and development of legislation	April-July 2022
Legislation introduced	August 2022
Industry consultation and business analysis for feasibility and definition of CMS requirements	August-December 2022
Market sounding	February-March 2023
Procurement of CMS operator including regulatory approvals	March-December 2023
Develop and deploy CMS into ACT venues including regulatory approvals	February-September 2024
Commission CMS and commence its use	October-November 2024

As part of working towards introduction of a CMS the government proposes to reduce EGM authorisations to 3,500 and if possible, reduce the number of venues at which EGMs operate. Prioritising incentives towards older EGMs and venues with fewer EGMs would reduce the costs of deploying a CMS and may assist the government to secure a CMS operator.