



**Growing & Protecting the Sport & Leisure Industry**

9<sup>th</sup> April 2013

FAO Caity Marsh  
Gambling (Triennial Review)  
Department of Culture Media and Sport  
100, Whitehall  
London SW1A 2BQ

Dear Caity,

Thank you to the DCMS for inviting BISL to contribute to the consultation process for the 2012 Triennial Review of Machines Strakes and Prizes along with other associated matters.

As you will no doubt be aware, through its membership BISL represents over 70% of the UK Machines and Gambling Industry with a full spectrum of business types from manufacturing, operating, distribution and retailing. We are also privileged to have most of the industry's legal and financial organisations within our membership which when viewed in the round, allows BISL to be both sensible and influential in equal measure when it comes to working with the many government departments that affect our members businesses and the respective regulators.

Subsequently, BISL has taken a pragmatic approach to the Triennial Consultation and it has not gone unnoticed that there is a timely shift in the requirements necessary to support change and development of regulation and law. This of course works both ways in that proposals for new laws and regulations require additional supporting evidence as much as proposals for changing existing laws and regulations does, which BISL believes is appropriate and balanced. Unfortunately, it will inevitably take a heterogenic Industry such as our gambling Industry a little longer to adapt and adjust to such cultural shifts than is probably imagined or indeed ideal. It is with this in mind that we at BISL view this Triennial Review as a positive but interim step towards a point in the near future when requests for a wider range of changes can be fully supported by the Industry with the necessary evidence and measures to enable easier decision making by government.

The importance of this Triennial Review should not be underestimated either. As is pointed out in the consultation document the last Triennial Review took place in 2001 and the Industry has been lobbying for reviews since 2004 when the subsequent review should have taken place. Whilst some parties are reluctant to accept that the Triennial Review process provided growth and stimulus to the machines sector, those who understand the recent history of this industry are in no doubt of this fact and the absence of such a review has forced changes to financial modelling and resourcing. The three year depreciation cycle was effectively broken through the demise of the Triennial Review.

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Not only has the financial cycle changed, the introduction of terminal/server based machine hardware has removed some of the need to regularly replace cabinets, therefore 'machines sales' today cannot be compared accurately with those of previous years. In many cases machine purchasing processes have given way to 'revenue sharing' models that are not geared to react to changes in stake & prize as the previous regime was more able to. It is likely that a number of Triennial Reviews will need to be scheduled and completed before financial models will change again.

It is also recognised that the current political climate for The Gambling Industry and the will to make progressive changes to Gambling Regulations is not as positive as it may have been at the time of previous Triennial Reviews. Taking into consideration this factor and the aforementioned requirement for additional evidence and support, the Gambling Industry has to adjust its methodology and approach to consultation processes and reviews. It has become clear through this particular Triennial Process that the UK Gambling Industry does not yet have the appropriate tools and measuring methods in place to produce and present the required evidence in an understandable and transparent format. The Industry still has some way to go in this key development area.

The other fundamental changes taking place are the increasing need for a better understanding of gambling behaviour and also for the development of systems and technologies to enable gambling consumers to have increased awareness and control over their own actions. This is of course relatively new and un-trodden territory for most of our members and therefore not an area that could be successfully navigated or developed without the support of those who have a better understanding of human behaviours and psychology. BISL has been alert to this evolving change for some time and has actively been discussing and exploring ways forwards in its members meetings and also looking at ways to bring key Industry figures together to support the drive for a cultural change. The result of this on-going work is the formation of P3, a group of influential gambling organisations that understand the need for, and wish to contribute to, the development of Proactive Player Protections (P3). Whilst P3 is still in its infancy, it does have enthusiastic support from the Gambling Commission, from the DCMS and from The Responsible Gambling Trust each of which will be called upon to help steer and inform the group at appropriate times.

BISL is of the view that the long awaited 2012 Triennial has come at a critical time for the Industry, particularly for Category 'C' machines which have been impacted the most by the lack of a Triennial Review. We are also aware that the timing is less than ideal with research into Category B machines only just begun, and with changes to B3 stakes and entitlements implemented as recently as 2011 yet to be fully established.

However, because the Industry (through no fault of its own) has been without benefit of adequate time to change its approach/methodology in engaging with the Triennial Review we believe that the 2012 Review is diluted as a result. It is important that the next review is within a timescale that does not unnecessarily disadvantage anyone.

BISL has supported the government's and the Industry's requests and recommendations for changes to Categories B1, B3a and C. We also fully support the Industry position on B2 (no change) and on

Category D non-money prize (crane grabs) which is a solution to a (arguably non-gambling) retail issue. With regard to Category D complex, BISL agrees with Industry's argument that because these machines have seen no change since the 1980's they have been left behind in terms of their 'value for money' proposition. BISL also supports the implementation of the additional social responsibility measures that the arcade sector is proposing are adopted with these changes.

What is equally important for BISL's members is that the next (Triennial) Review is scheduled three years on from the current 2012 Review - to 2015, where we will be asking for changes to other categories which will subsequently be supported with empirical evidence and if timescales allow, agreed added P3 player protections. BISL's members do not want to see the Triennial Review mechanism replaced until there is an agreed and workable alternative established, but we do welcome the government's support for a coherent approach which should be maintained throughout.

There is however an area of the government's objectives that we believe is misplaced and a cause for concern. This is the apparent fixation on the stake & prize relationship between machine categories, referred to as 'the regulatory framework' in the consultation document. Stakes and prizes are only two elements of a machines characteristics and therefore not an accurate indication of its true hierarchical position. The danger of course is that the regulatory framework can be very misleading when looked at in isolation and we would strongly advise that this crude method of benchmarking is therefore inappropriate and should no longer be used to inform the government's objectives.

**Summary of BISL's position taken from Appendix 2;**

Category B1 BISL supports the change to a £5 stake and the Industry proposal for a £10,000 prize

Category B2 BISL supports the 'no-change' position

Category B3 BISL supports the 'no-change' position

Category B3A BISL supports the proposed change to £2/£500

Category B4 BISL supports the essence of the change to £2/£400 but sees the differential between B3 & B4 as inconsequential, obsolete and unnecessarily prohibitive.

Category C BISL supports the proposed change to £1/£100

Category D non-money prize BISL supports the request for £2/£100

Category D complex BISL support the request for 20p/£10

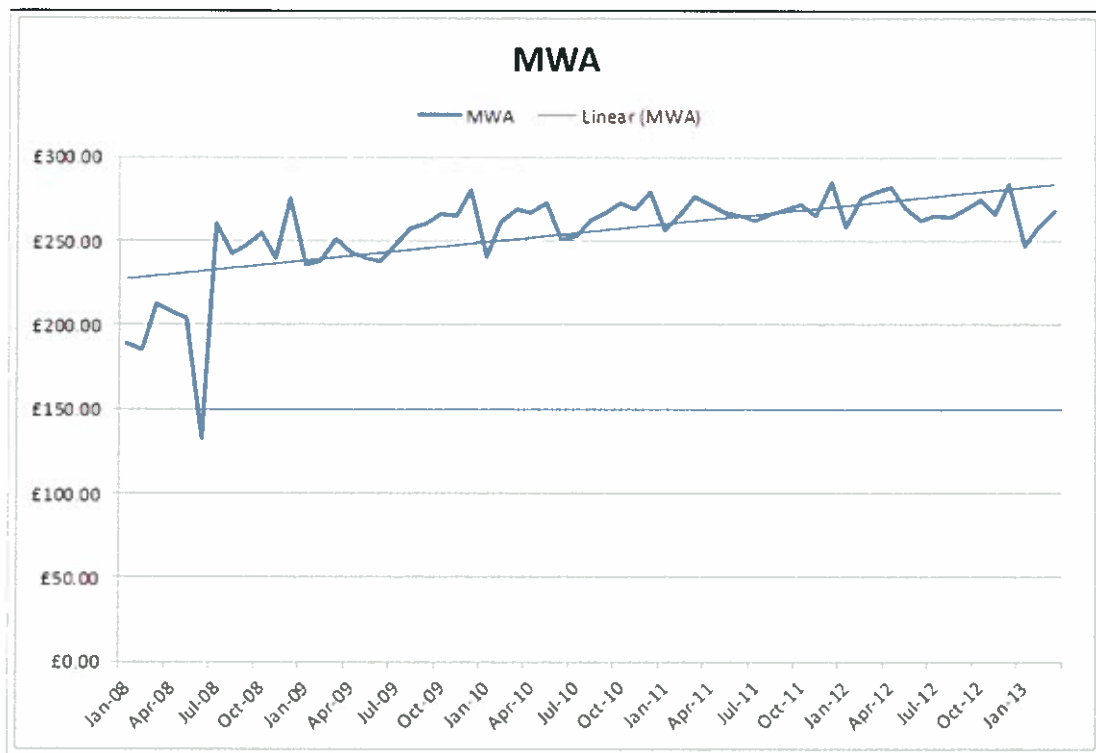
The last category identified for change is that of Prize Gaming. This category of Gambling at one time used to thrive in Bingo Clubs before MCB (mechanical cash bingo) expanded to where it is today. Games such as these are not regarded by any stakeholder that BISL is aware of as carrying any risk to the 3 x key objectives. When this category was competitive there was a range of fun and entertaining games played on a regular basis, none of which were a concern or contentious. BISL

believes that it is unreasonable to expect the industry or its suppliers to invest time and money speculating or innovating when government have been less than encouraging in this area. BISL's bingo members have been working with the Bingo Association to build the sensible and logical case for increases to stakes and aggregate stakes to allow these products to once again compete with MCB. BISL fully supports the Bingo Associations position with Prize Gaming and recommends that the industry's proposed changes be adopted accordingly.

**Supporting Evidence for the Proposed Changes to Category C;**

Whilst the Industry is not yet prepared to produce evidence to the level now required to inform legislative change, we have included a review (appendix 1) carried out by BISL for the Gambling Commission into the 2011/12 Category C technical standards changes, completed in October 2012 that generally supports the positive outcome of those changes. This review is unfortunately distorted by a number of influencing factors that followed implementation of the changes but it does imply that even small changes in machine characteristics will invigorate product churn and machine sales, in this particular case the increase is judged to be approximately 5%.

Below is a graph showing Category C machine weekly income averages (MWA) from January 2008 through to January 2013. A sustained positive uplift can be seen over the second half of 2009, the period following implementation which our members expect to see again when moving to a £100 jackpot.



**BISL's responses to the Questions posed in the Consultation Document;**

Attached is an appendix 2 that shows the amalgamated responses from BISL members to the 32 x questions asked in the 2012 Triennial Review Consultation Document. It is important that the

appendix is read in conjunction with this summary letter so as to fully appreciate the views and concerns of our considerable membership group.

Yours sincerely

A handwritten signature in black ink, consisting of several loops and a vertical stroke, positioned below the text 'Yours sincerely'.

**Peter Hannibal**  
Chief Executive, Business In Leisure

## **Appendix 1.**

### **Review of Category C Machines Following 2011/12 technical Standards Changes;**

**Question 1; Has there been any uplift in category C income for machines utilising the new technical requirements, if so by how much, percentage increase?**

Answer 1; In Bingo and in AGC's there is a circa 12% improvement in income in Cat C. However, it is fair to say that most products currently designed for AGC/Bingo haven't taken full advantage of all of the Tech Standards mainly due to many of the newer style games not having holds, nudges or feature trials. Bingo & AGC's are just starting to see some new games testing with all of the features but too soon to confirm any income uplift.

In the 'high-tech' arena there has been a slight uplift in the cash box of games that use the new standards estimated to be in the region of 5%. However, it is difficult to isolate numbers from the normal week to week/month to month variations due to 4 main factors;

1. Diamond Jubilee
2. UEFA Euros 2012
3. Olympics & Paralympics and
4. The wettest summer on records for 100 years.

Since the new CAT C Tech Standards machines were only released in Jan 2012 there has been a gradual increase in the density of these models,

**Question 2; Is this uplift as a result of new spend, increased existing spend or cannibalisation from other machines, realise this may not be easy to answer but any anecdotal would be useful?**

Answer 2; In AGC's there is some evidence of cannibalisation between products. However, contrary to AGC's, in Bingo machine playing time is naturally restricted by the structure of bingo sessions therefore additional spend is mainly generated through the changes in the game structure.

In the pub environment our members are not aware of any evidence of cannibalisation from other machines or wet / food trade. Neither is the uplift a result of new or increased spends, it is our member's belief that some of the new features of the Tech Standards are the main reason for the increase, again somewhat difficult to quantify due to the variables mentioned above.

**Question 3; Has there been an increase in overall spend / retail GGY as a result of the category C technical standard changes (e.g. monetary value / percentage increase etc.)?**

Answer 3; With the events and extraordinary weather experienced this summer it is difficult to answer this question with any certainty. There is a general belief

that there has been a benefit from the introduction of the new tech standards of up to 5%.

**Question 4; Has the uplift resulted in any additional Capital expenditure (Cap X) for new category C gaming machines or a shift of existing Cap X from other categories of machine? If it has resulted in any increase in Cap X, by how much and what would this translate into numbers of machines overall?**

Answer 4; In the licensed retail \ pub sector, Cap Ex (or machine injection) is determined by pre-existing purchasing requirements based around KPI's within a contract or agreement. Typically a premium managed estate would require 8% injection per month for a 12 month aged estate, this has not changed and so has not translated into increased numbers of machines purchased.

Much of the Bingo & AGC sectors are now acquiring new products through the revenue share model, so capex is not an indicator of increased activity.

Within the manufacturing sector, there has been no increase in capital allocation.

**Question 5; Where Cap X has shifted from other categories of machine what impact would this have had on machine purchases, Cap X expenditure for those categories?**

Answer 5; As above.

**Question 6; Do the players like the new machines and has it resulted in any change player behaviour (e.g. play using smaller stakes but at shorter game cycles for instance), again I realise this is not the easiest question to answer but any anecdotal would be useful?**

Answer 6; From the feedback our members have gathered, players do like the games that feature the new technical standards. The changes to the 'feature hold over' rules seem to be the main area that they appreciate and enjoy. However we do not have any detailed information as yet about how this is affecting their behaviour or play style. Whilst they have seen a small reduction in the average stake, this is just as likely to be due to other influences (such as recession etc.). However, it is not possible to determine what stakes are being played in an analogue CAT C machine as the technology isn't capable yet of producing that information.

As an additional comment, with the new Tech Standards Operators are now more likely to enable lower stakes, whereas in the past when all games were at the same speed they were less reluctant to.

**Question 7; How many legacy machines are likely/have been replaced by new machines as a result of the technical changes (please state actual or projected)?**

Answer 7; There are very few legacy machines in pubs to displace in the licensed retail / pub sectors as their model dictates that the age of the machine operated is rarely over 3 years old.

However, in Bingo & AGC's there has been a reduction of hundreds of legacy machines operated, representing 5% of the total Cat 'C' estate since the introduction of the new technical standards.

**Question 8; If you have manufacturers able to provide data, what uplift on category C (new standard) machine production/injection has occurred as a result of the technical changes.**

Answer 8; It takes quite some time for a game idea to go from a concept to a product that can be placed in front of the players. The first games released to market were existing concepts re-designed to take advantage of the new rules. To take full and complete advantage of the rules, new games had to be designed from the ground up. It has taken quite some time to come up with games that make the most of the new features the new tech standards allow. These games are only now starting to make their way into the market so manufacturers have not seen any measurable uplift in machine sales as yet.

**Question 9; Same for suppliers (if any in BISL), any uplift in category C injection into the market for all retail types.**

Answer 9; In the licensed retail \ pub sector, Cap Ex (or machine injection) is determined by pre-existing purchasing requirements based around KPI's within a contract or agreement. Typically a premium managed estate would require 8% injection per month for a 12 month aged estate, this has not changed and so has not translated into increased numbers of machines purchased. This of course may change as the newer game types as mentioned in Answer 8 start to pass the testing stage and hit the sales lists.



## Appendix 2 - 2012 Triennial Review Consultation Questions & BISL Response

Question	Machines Sector	Response
<b>Process:</b>		
<p>Question 1: How often should government schedule these reviews? Please explain the reasons for any timeframes put forward for consideration.</p>	<p>All</p>	<ul style="list-style-type: none"> <li>• The current Triennial Review was announced by John Penrose on October 13th 2011. Subsequent documents produced by the DCMS referred to the process as Triennial Review 2012. It therefore follows that the next Triennial (three yearly) Review should be scheduled for 2015, not 2016/17 referenced in point 3.3 of the consultation document.</li> <li>• The current process is, at the government's behest, some 7 x months behind plan. The Machines Industry should not be penalised for the government's inability to adhere to its own timetable, resulting in a schedule that pushes the Triennial timeline out to 5 x years.</li> <li>• The Triennial Review of machines stakes and prizes has been very effective in stimulating the development of new games as anyone who has a reasonable level of experience in this industry will concur. This in turn helps to keep the players engaged and to maintain the wider Industry in a healthier and more buoyant state. The lack of a Triennial Review since 2001 has been a key factor in the demise of many businesses directly and indirectly associated with the Machines Industry.</li> <li>• The Triennial Review allowed for reliable capital finance planning for machines operators and retailers.</li> <li>• A regular review of stakes and prizes has the added effect of preventing developers from looking for loopholes to exploit in regulations.</li> <li>• A Triennial Review allows the machines Industry to keep pace with Inflation. It is not to be assumed that these reviews will automatically trigger a change, as the outcome of the review may be to maintain the status quo. But every business needs to be able to</li> </ul>

Question	Machines Sector	Response
		<p>keep pace with inflation in order to effectively compete.</p> <ul style="list-style-type: none"> <li>• There is no evidence to show that previous Triennial Reviews have caused any harm, problem gambling or threats to the 3 x key principals. This is evidence in itself. It is therefore difficult to produce further evidence to prove the negative (that further changes won't cause harm or problem gambling).</li> <li>• Under the new 'evidence based' regime, 3 x years between reviews allows time to assess the impact of previous changes before making decisions upon the next.</li> </ul>
<p>Question 2: The government would like to hear about any types of consumer protection measures that have been trialled internationally, which have been found to be most effective and whether there is any consensus in international research as to the most effective forms of machine-based interventions. The government would also like to hear views about any potential issues around data protection and how these might be addressed.</p>	<p>All</p>	<ul style="list-style-type: none"> <li>• BISL has an objective to explore and identify options for player protection measures on an on-going perpetual basis.</li> <li>• BISL are aware that the Queensland and Saskatchewan Governments have been making good progress with machine player information and gambling awareness information</li> <li>• BISL is not aware of consumer protection measures that have been trialled and proven to be effective however, this is not to say that such systems do not exist and that may well be identified through further research.</li> <li>• There is a view amongst some BISL members that for the collection of machine player's data to be effective, the process will have to remain anonymous. Whichever method is deployed, BISL will need to be convinced that in doing so players will not be deterred from the principal act of playing machines.</li> <li>• In the event that player data collection is anonymous, any data protection issues are moot.</li> </ul>
<p>Question 3: The government would like to hear from gambling businesses, including operators, manufacturers and suppliers as to whether they would be prepared to in the future</p>	<p>All</p>	<ul style="list-style-type: none"> <li>• BISL and its members are prepared to work with the regulator and the respective government departments in the development of processes and systems to improve intelligence leading to improved player controls and protections.</li> </ul>

Question	Machines Sector	Response
develop tracking technology in order to better utilise customer information for player protection purposes in exchange for potentially greater freedoms around stake and prize limits.		<ul style="list-style-type: none"> <li>• Data assessment models and disciplines will need to be developed that are able to separate players with high spending patterns from those that may have a problem and would benefit from a form of intervention. Players who spend within their means are very likely to be offended if they are mistaken for a problem gambler, this situation must be avoided.</li> <li>• It is unclear as to how long it will take to develop these systems and to then develop disciplines and models to render them effective. In the meantime it is sensible to maintain the Triennial Review calendar until such a time that it can be effectively replaced with player protections and subsequent 'greater freedoms'.</li> <li>• It is also unclear as to what changes in legislation will be required to enable the 'greater freedoms' referred to in the consultation document or indeed how long it will take to effect such changes.</li> <li>• Investment in the development of these technologies with no obvious commercial benefit will make the task difficult. Therefore, consideration should be made for the proposal to be accompanied by incentives within the Tax and HMRC remit to ensure early &amp; effective adoption.</li> </ul>
<b>Package 1:</b>		
Question 4: Do you agree that the government is right to reject Package 1? If not, why not?	All	<ul style="list-style-type: none"> <li>• BISL agrees that the government is right to reject Package 1.</li> </ul>
<b>Package 2:</b>		
Question 5: Do you agree that the government is right to reject Package 2? If not, why not?	All	<ul style="list-style-type: none"> <li>• BISL agrees that the government is right to reject Package 2.</li> </ul>
<b>Package 3:</b>		
Question 6: Do you agree	All	BISL does not agree with all of the

Question	Machines Sector	Response
<p>with the government's assessment of the proposals put forward by the industry (Package 3)? If not, please provide evidence to support your view.</p>		<p>government's assessment of the proposals put forward by the industry (Package 3) for the following reasons;</p> <ul style="list-style-type: none"> <li>• Category B1. We agree with the government's assessment in this category and BISL look forward to working with its casino members and the wider industry in developing player controls and protections.</li> <li>• Category B2. We agree with the government's assessment.</li> <li>• Category B3A/B4. We agree with the government's assessment.</li> <li>• Category C. We agree with the government's assessment.</li> <li>• Category B3. BISL does not agree that any reference to the regulatory framework is of any real relevance other than for cosmetic purposes. Neither does BISL believe that a £1,000 prize would significantly change the nature of the B3 product. Such assessments are highly subjective as is the conclusion in 3.46. However, BISL does agree with the comments in 3.44 that there is more to be understood from the 2011 changes.</li> <li>• Category D. BISL echo's the government's concern that whilst these machines are primarily regarded as amusements, the fact that they are popular with children must be taken into consideration.</li> <li>• Category D Crane Grabs. BISL does not agree with the government's assessment that Crane Grabs should be likened or compared to Category C machines which have spinning reels and pays out cash prizes. The distinction that the government is looking for is that one pays out goods (that cannot be re-played), the other pays out cash. It would not be unreasonable to view this particular product category in a retail context.</li> <li>• Category D Complex. BISL does not agree with the government's assessment that these products are not amusement products. But it does agree that 'sufficient public protections' are</li> </ul>

Question	Machines Sector	Response
		also required to accompany any changes.
<b>Package 4: Category B1</b>		
Question 7: Do you agree with the government's proposal for adjusting the maximum stake limit to £5 on category B1 gaming machines? If not, why not?	Casinos	<ul style="list-style-type: none"> <li>BISL agrees with the government's proposal for adjusting the maximum stake limit to £5 on category B1 gaming machines</li> </ul>
Question 8: Do you consider that this increase will provide sufficient benefit to the casino and manufacturing and supply sectors, whilst also remaining consistent with the licensing objectives of the Gambling Act?	Casinos	<ul style="list-style-type: none"> <li>BISL considers that this increase will provide benefit to the casino and manufacturing and supply sectors, whilst also remaining consistent with the licensing objectives of the Gambling Act.</li> </ul>
Question 9: Do you agree with the government's proposal for adjusting the maximum prize limit on B1 gaming machines?	Casinos	<ul style="list-style-type: none"> <li>BISL agrees with the government's proposal for adjusting the maximum prize limit on B1 gaming machines.</li> </ul>
Question 10: If so, which limit would provide the most practical benefit to casino and machine manufacturers without negatively impacting on the licensing objectives of the Gambling Act?	Casinos	<ul style="list-style-type: none"> <li>A £10,000 jackpot maintains the current stake/prize ratio currently enjoyed by casino slot players.</li> <li>The £5/£10,000 stake to prize is not significantly different to other products within the casino environment and therefore should not upset the current retail balance.</li> </ul>
Question 11: Are there any other options that should be considered?	Casinos	<ul style="list-style-type: none"> <li>No</li> </ul>
Question 12: The government would also like to hear from the casino industry and other interested parties about what types of consumer protection measures have been trialled internationally, which have been found to be most effective and whether there is any consensus in international research as to the most effective forms of	Casinos	<ul style="list-style-type: none"> <li>There are a number of different systems in operation in various jurisdictions, however BISL are not aware that there is any evidence available to show how effective these systems are in delivering player or consumer protections.</li> <li>BISL is taking steps forward in working with its members and other key stakeholders to research and develop additional player protections and controls.</li> </ul>

Question	Machines Sector	Response
machine-based interventions.		
<b>Package 4: Category B2</b>		
<p>Question 13: The government is calling for evidence on the following points:</p> <p>a) Does the overall stake and prize limit for B2 machines, in particular the very wide range of staking behaviour that a £100 stake allows, give rise to or encourage a particular risk of harm to people who cannot manage their gambling behaviour effectively?</p> <p>b) If so, in what way?</p> <p>c) Who stakes where, what are the proportions, what is the average stake?</p> <p>d) What characteristics or behaviours might distinguish between high spending players and those who are really at risk?</p> <p>e) If there is evidence to support a reduction in the stake and/or prize limits for B2 machines, what would an appropriate level to achieve the most proportionate balance between risk of harm and responsible enjoyment of this form of gambling?</p> <p>f) What impact would this have in terms of risks to problem gambling?</p> <p>g) What impact (positive and negative) would there be in terms of high street betting shops?</p>	LBO's	<ul style="list-style-type: none"> <li>• a) BISL is not aware of any reliable evidence that points to current B2 stake and prize limits being the direct cause of problem gambling. Casinos continue to offer opportunities to stake far in excess of £100 and similarly, we are not aware of any reliable evidence that points to this activity being the direct cause of problem gambling.</li> <li>• c) BISL welcomes the research into Category B machines undertaken by the Responsible Gambling Trust. In the absence of any current valid research, we look forward to understanding how the research informs us about Category B play.</li> <li>• d) BISL is not in a position to answer this question but are open to engaging in dialogue and discussion to support seeking answers.</li> <li>• e) As with the previous questions, BISL believes that the results of the research must be shared and understood before any arbitrary changes are made to B2 stakes or prizes.</li> <li>• g) Any reduction in the stakes of prizes to B2 machines will have an impact upon revenues. Many Betting shops are dependent upon machines revenue to support the overall viability of their business. Therefore, reduced revenues lead directly to reduced viability which could easily result in the closure of some outlets and the inherent loss of jobs.</li> </ul>
<p>Question 14: a) Are there other harm mitigation measures that might offer a better targeted and more effective response to evidence of harm than reductions in stake and/or prize for B2 machines?</p>	LBO's	<ul style="list-style-type: none"> <li>• BISL is not currently aware of other harm mitigation measures that might offer a better targeted and more effective response to evidence of harm than reductions in stake and/or prize for B2 machines. However, we are alert to and empathise with the view that such measures need to be developed</li> </ul>

Question	Machines Sector	Response
<p>b) If so, what is the evidence for this and how would it be implemented?</p> <p>c) Are there any other options that should be considered?</p>		<p>and BISL will play its full role in supporting such developments.</p>
<b>Package 4: Category B3</b>		
<p>Question 15: Do you agree with the government's proposal to retain the current maximum stake and prize limits on category B3 gaming machines? If not, why not?</p>	<p>Bingo, LBO &amp; AGC's</p>	<ul style="list-style-type: none"> <li>BISL agrees with the government's proposal to retain the current maximum stake and prize limits on category B3 gaming machines as the benefits from the changes to stakes and to entitlements that came into force in 2011 are not yet fully understood.</li> </ul>
<p>Question 16: Are there any other options that should be considered?</p>	<p>Bingo, LBO &amp; AGC's</p>	<ul style="list-style-type: none"> <li>No</li> </ul>
<b>Package 4: Category B3A</b>		
<p>Question 17: Do you agree with the government's proposal for adjusting the maximum stake limit to £2 on category B3A gaming machines? If not, why not?</p>	<p>Social/Members Clubs</p>	<ul style="list-style-type: none"> <li>BISL agrees with the government's proposal for adjusting the maximum stake limit to £2 on category B3A gaming machines.</li> </ul>
<p>Question 18: Do you consider that this increase will provide sufficient benefit to members' and commercial clubs, whilst also remaining consistent with the licensing objectives of the Gambling Act?</p>	<p>Social/Members Clubs</p>	<ul style="list-style-type: none"> <li>BISL believes that these new stakes will provide members clubs with a more attractive product that will not impact other sectors of the Industry.</li> <li>Players of these machines already play B3 machines at these stakes in AGCs and Bingo Clubs therefore the change is unlikely to affect the licensing objectives.</li> </ul>
<p>Question 19: Are there any other options that should be considered?</p>	<p>Social/Members Clubs</p>	<ul style="list-style-type: none"> <li>No</li> </ul>
<b>Package 4: Category B4</b>		
<p>Question 20: Do you agree with the government's proposal for adjusting the maximum stake to £2 and maximum prize to £400 for</p>	<p>Social/members Clubs</p>	<ul style="list-style-type: none"> <li>BISL agrees in part with the government's proposal for adjusting the maximum stake to £2 and maximum prize to £400 for category B4 machines.</li> </ul>

Question	Machines Sector	Response
category B4 machines? If not, why not?		
Question 21: Do you consider that this increase will provide sufficient benefit to members' and commercial clubs and other relevant sectors, whilst also remaining consistent with the licensing objectives of the Gambling Act?	Social/Members Clubs	<ul style="list-style-type: none"> <li>• BISL does not consider that this increase will provide sufficient benefit to members' and commercial clubs and other relevant sectors for the reasons in the answer to Question 22 below.</li> </ul>
Question 22: Are there any other options that should be considered?	Social/Members Clubs	<ul style="list-style-type: none"> <li>• The number of B4 machines in the Industry is comparatively small. Therefore, as a result of limited sales opportunity the Category receives very little R&amp;D focus from the suppliers leading to less attractive products.</li> <li>• Under the government's proposal for adjusting the maximum stake to £2 and maximum prize to £400, the difference between B3 stakes &amp; prizes and B4 stakes and prizes would be inconsequential and therefore irrelevant and unnecessary (other than for cosmetic purposes).</li> <li>• If common sense were to prevail, then the B4 stake should be £2 as per the government's recommendation, and the prize raised to £500 so that the category is able to benefit from the B3 product development effort. This is BISL's recommendation.</li> </ul>
<b>Package 4: Category C</b>		
Question 23: Do you agree with the government's proposal to increase the maximum prize to £100 for category C machines?	Cat 'C'	<ul style="list-style-type: none"> <li>• BISL agrees with the government's proposal to increase the maximum prize to £100 for category C machines.</li> </ul>
Question 24: Do you consider that this increase will provide sufficient benefit to industry sectors, whilst also remaining consistent with the licensing objectives of the Gambling Act?	Cat 'C'	<ul style="list-style-type: none"> <li>• The increase will provide a more attractive jackpot to machine players.</li> <li>• The change in prize is inevitably going to create new game generation and therefore stimulate additional machine sales.</li> <li>• There is no evidence to support the view that increases in jackpots cause any additional harm.</li> </ul>



Question	Machines Sector	Response
<b>Package 4: Category D</b>		
Question 25: Do you agree with the government's proposal to increase the maximum stake to £2 and the maximum prize to £60 for category D crane grab machines? If not, why not?	Cat 'D'	<ul style="list-style-type: none"> <li>BISL supports the government's proposal to increase the maximum stake to £2, but from a value for money and a retail perspective the maximum prize should increase to £100 for category D crane grab machines in order to compete effectively. There has been no change for many years and the value of the prize has been diminishing with inflation for some time now. BISL does not agree with the government's assessment in comparing a £100 goods prize from a crane with a £100 cash prize from a Category C machine.</li> </ul>
Question 26: Do you agree with the government's proposal to increase the maximum stake to 20p and the maximum prize to £6 for category D complex (reel based) machines? If not, why not?	Cat 'D'	<ul style="list-style-type: none"> <li>BISL agrees with the government's proposal to increase the maximum stake to 20p but does not agree that changing the maximum prize to £6 for category D complex (reel based) machines is sufficient or relevant. Changing the stake to 20p is as big a step as moving the prize to £10 which would be in line with the government's proposal for Category D combined below.</li> </ul>
Question 27: Do you agree with the government's proposal to increase the maximum stake to 20p and the maximum prize to £20 (of which no more than £10 may be a money prize) for category D coin pusher machines? If not, why not?	Cat 'D'	<ul style="list-style-type: none"> <li>BISL agrees with the government's proposal to increase the maximum stake to 20p and the maximum prize to £20 (of which no more than £10 may be a money prize) for category D coin pusher machines.</li> </ul>
Question 28: Do you consider that the increases will provide sufficient benefit to the arcade sector, whilst also remaining consistent with the licensing objectives of the Gambling Act?	Cat 'D'	<ul style="list-style-type: none"> <li>BISL considers that the increases will provide sufficient benefit to the arcade sector and BISL welcome and support the additional social responsibility measures proposed by the arcade sector accompanying these changes.</li> </ul>
Question 29: Are there any other options that should be considered?	Cat 'D'	<ul style="list-style-type: none"> <li>No</li> </ul>
<b>Costs and benefits:</b>		

Question	Machines Sector	Response
Question 30: Do you agree with the methodology used in the impact assessment to assess the costs and benefits of the proposed measures? If not, why not? (Please provide evidence to support your answer)	All	<ul style="list-style-type: none"> <li>The methodology used in the impact assessment to assess the costs and benefits of the proposed measures appear to be reasonable.</li> </ul>
Question 31: Do you agree with the government's approach to monitoring and evaluating the impact of changes to inform future reviews? If not, why not? (Please provide evidence to support your answer)	All	<ul style="list-style-type: none"> <li>BISL believes that it is important and good business sense to monitor and evaluate the impact of all future changes and agrees with the government's approach.</li> </ul>
Question 32: What other evidence would stakeholders be able to provide to help monitoring and evaluation?	All	<ul style="list-style-type: none"> <li>Going forwards, BISL's members are able to provide statistical data for the relevant sectors, including Pubs.</li> <li>BISL suggests that the regulatory returns for route operators be amended to identify and monitor machines of all categories sited in pubs</li> </ul>
<b>Prize gaming:</b>		
Question 33: Are there other sectors in addition to bingo that currently provide gaming under prize gaming rules?	Bingo/AGC	<ul style="list-style-type: none"> <li>Social &amp; Working Men's Clubs</li> </ul>
Question 34: Were the Government to change the stake and prize limits (including aggregate limits), would this encourage more operators to offer prize gaming?	Bingo/AGC	<ul style="list-style-type: none"> <li>These changes will be viewed as better value for money leading to more games and more people playing bingo.</li> <li>Prize Gaming has suffered over the years with the increase in popularity of MCB (mechanical cash bingo). This increase will bring it back to a competitive position.</li> <li>Innovation is important and stimulus to the development of this sector is critical. This increase will facilitate such innovation and development which has been lacking for some time.</li> </ul>
Question 35: What type of products would the industry look to offer as a result of the proposals?	Bingo/AGC	<ul style="list-style-type: none"> <li>Bingo Games with prizes linked across venues on a pari-mutuel basis</li> <li>It is unrealistic to expect a struggling bingo industry to spend scarce resources speculating on the</li> </ul>

Question	Machines Sector	Response
		<p>innovation of new games 'just in case' we see a successful Triennial Review, never mind an increase in stakes and aggregated stakes for Prize Gaming. In the past there have been many fun and enjoyable games played in this – low risk, non-contentious category.</p>