Dear Ms Marsh

**Gambling Act 2005: Triennial Review of Gaming Machine Stake and Prize Limits for Category B, C and D Gaming Machines (The Triennial Consultation)**

We refer to the Triennial Consultation and support the submission by BACTA representing the British amusement industry.  The review of stakes and prizes will assist thousands of small family businesses, many of which represent an important part of coastal tourism, machine suppliers, manufacturing, bingo, sporting and working mens clubs, pubs, LBO’s and the casino sectors.  We believe these measures provide a lifeline to a legitimate industry that provides fun and entertainment while striking the right balance to deliver social responsibility best practice.  The substance of the submission is summarised below:

·         The review of stakes and prizes should continue on a triennial basis because of the timeframe required for development of games, industry investment and the legislative process.

·         **Category B1** – We support the NCIF recommendation of £5 / £10,000.  While we support exploring effective measures to underpin social responsibility we do not believe that sufficient is known about player monitoring technology and look forward to working closely with DCMS, Commission and Stakeholders to investigate international best practice in this area, address serious issues regarding privacy and civil liberties and determine how. it might relate to the UK.

·         **Category B2** – The Government has called for evidence of why they should apply the precautionary principle and change the current provision of B2 machines. BACTA is proud of its record on social responsibility and remain committed to pursuit of the Licencing Objectives including ensuring that the vulnerable including children are protected from gambling related harm. BACTA  submits that Government and Regulators  also have  a responsibility to be consistent and act on evidence.  BACTA believes that if the Government does not exercise the precautionary principle  all adult premises should be immediately entitled to offer B2 machines to give effect to an even playing field.  The siting of B2 machines in LBOs, AGCs, bingo clubs and casinos should be reviewed in the context of the Category B research being undertaken by the RGT.

·         **Category B3 –**BACTA believes there is a strong case for an increase in the prize to £1,000.

·         **Category B3A -**£2 /£500.  We agree with the government’s proposal for B3A and B4 which will greatly assist a range of clubs, including sports clubs, cricket clubs etc which will form a focus for activities that underpin the legacy of the UK Olympics.

·         **Category B4 -**£2 / £400 (see above)

·         **Category C** - £1 / £100

·         **Category D (non-monetary prize - cranes**) - £2 /£100 (or £75) non cash

·         **Category D (pushers)**- 20p /£20 (combined cash and non-cash where limit is £10 cash)

·         **Category D (monetary prize)**-20p / £10 cash**.**  The government’s proposal of £6 is of no value to the customer or the industry. There is no evidence of gambling related harm from these games and they are played in an environment of family supervision.  The prize level has remained unchanged since 1997 and if inflation was applied to the prize level it would be approximately  £9. The attractiveness of the product has been eroded as it competes with other leisure products including mobile, the internet and social media.  If £10 is granted the industry will agree not to seek a further increase for a 10 year period and to participate in benchmarking research regarding the playing of Category D machines.

·         **Category D (combined monetary and non-monetary prize) (other than coin pusher or penny falls**) – eg reel based machine paying out a combined monetary and non-monetary prize eg a voucher -20p / £16 (of which £10 maximum cash).  In the pre consultation to this Triennial Review, a subsection of Category D was excluded in error.  We therefore submit that this category should also be reviewed in order to assist the arcade sector, particularly those small family businesses at the seaside.

It must be noted that the above submissions are on the basis that the taxation rates applying to  each machine category will remain unchanged by ensuring that appropriate amendments are made to the Finance Act. If increases in stake and prize result in a product being subject to a higher tax rate because of the failure to amend existing taxation bands, the intended benefits will be entirely vitiated.

**Social Responsibility – Enhanced code to underpin stake and prize increases in the 2013 review**

We are proud of our record on social responsibility and our trade association BACTA will continue to explore ways in which it can work in partnership with other stakeholders within the gambling industry, the Gambling Commission and Government to be a world leader in evidence-based social responsibility best practice.  Without making representations on behalf of any other trade association, BACTA proposes to work with the other associations to develop improved social responsibility that demonstrates the industry’s real commitment to the social responsibility agenda.

This will ensure greater protections for those using gaming machines to ensure that the licensing objectives including protection of children and the vulnerable are strengthened.