

## **GBG response to the Supplementary Consultation: Machine allowance for arcades and bingo halls**

### **1. If you are an operator, are there additional costs associated with Options 2(a) and 2(b) which would not occur under Option 1, Option 2 or Option 3?**

Whilst these additional Options would bring improvements from the current 80:20 position, the impact of changing to a 'like for like' scenario is likely to incur additional costs for some to rebalance the in-venue hardware numbers to any of the new ratios suggested.

This cost will be different on each size and type of premises. The irony of any of the 'like for like' ratios is that it is not the ideal way to alleviate the environmental issue and cost of unpopular machines being left switched on purely to make up the numbers. The additional cost and environmental impact is less with Option 2(b) than any of the other Options.

### **2. a) If you are an operator, how would Options 2(a) and 2(b) impact the number of Category B, Category C and Category D cabinet gaming machines which you site?**

Most operators are predicting minimal impact on the number of B3 machines with Option 2(a) as we said with original Options 1 & 2. Option 2(b) would see a small increase in B3s across the wider estate nationally as we said with Option 3. Any increased number of B3 machines will have digital technology with player protections and tools to support safer gambling.

We are aware that by removing tablets from contributing to the total numbers of machines, some traditional bingo clubs will see an increase in unpopular Category C and D gaming machine cabinets just to maintain the current level of B3 cabinet numbers. This is unlikely to be the case for AGCs or high street bingo premises who are likely to remove older, costly to maintain Category C and D machines.

### **b) How would Option 2(a) and 2(b) impact the overall number of in-fill machines and tablets which you site?**

Again, this varies dependent upon size, type and Grandfathered status of any particular premises. Some GBG Members said they will remove some or even all of their infills, others have said there is likely to be no change.

With both Options, but particularly with Option 2b, there will however be some improvement on the ability for operators to tailor their product offer to meet consumer

preferences and needs as opposed to complying with what the regulator has stipulated.

**3. If you are a licensing authority, how would Option 2(a) and Option 2(b) impact your ability to regulate gambling?**

We are aware that the existing 80:20 entitlement causes confusion with many Licensing Authorities. One of the core reasons that makes Option 3 attractive is that it removes a large element of this confusion regarding machine number entitlements for regulators. Changes to the machine entitlements that include 'like for like' criteria will require very clear and understandable guidance from the Commission in the Guidance to Licensing Authorities on the different types of hardware devices.

**4. Please rank Option 1, Option 2, Option 2(a), Option 2(b), and Option 3 from 1-5, with 1 representing your preferred option.**

Proposed changes such as these inevitably upset the status quo and, depending on whether you are an operator, retailer, manufacturer and in what premise type, will determine what answer you give to this question.

For example, those with an interest in tablets and Category Cs will prefer no change or Option 1 and conversely, those wanting to remove all unnecessary machines will prefer Option 3.

Having canvassed all GBG Members we have reached the following centre ground with the ranking of the 5 Options:

| Order of preference | Option |
|---------------------|--------|
| 1 <sup>st</sup>     | 2b     |
| 2 <sup>nd</sup>     | 1      |
| 3 <sup>rd</sup>     | 2a     |
| 4 <sup>th</sup>     | 3      |
| 5 <sup>th</sup>     | 2      |

**4a. If your preferred option is Option 2(a) or Option 2(b) please explain why you prefer this to the option you preferred in the original consultation.**

As mentioned above, this will depend largely on whether you are an operator, retailer or manufacturer and then what type of premises you are involved with. However, of these two Options, Option 2b would be more future proof and ensure the benefits to consumers last longer than Option 2a would.

**4 b. If your preferred option is Option 1, Option 2 or Option 3 please explain why you prefer this option over Option 2(a) and Option 2(b).**

N/A

**5. Do you have any additional insights or evidence relating to recent trends in GGY, profit and costs for bingo and AGC operators?**

GGY is not the same as profit and during the time period cited in the consultation document, the industry has and continues to face substantial increased costs which we cited in the original consultation on this subject. The financial pressures on the land-based industry include inflation, interest rates, energy costs, COVID debt repayments and Minimum Living Wage, costs which cannot be passed on to the consumer. .

**6. How would you define (a) a cabinet, (b) an in-fill and (c) a tablet to clearly distinguish between the three device types?**

There is a danger here in that hard definitions stifle and hamper development and innovation. Technology is continually evolving as are consumer trends and demands, and this important business area is subject to the ‘growth duty’ standards that cover all regulated areas.

We suggest any definitions needs to be contained somewhere that can be easily updated such as the Gaming Machine Technical Standards (GMTS) . Technology standards need to continually evolve and for this sensitive area of regulation to keep up/pace with those changes, we strongly suggest that GMTS is the appropriate home for these definitions.

| Device         | Potential definitions  |
|----------------|--|
| <b>Cabinet</b> | <ul style="list-style-type: none"> <li>• A large stand alone cabinet</li> <li>• Wider than a typical player standing upright</li> <li>• Minimum 500mm wide</li> <li>• Integral stand alone power supply (not solely reliant upon batteries for operation).</li> </ul>                      |
| <b>Infill</b>  | <ul style="list-style-type: none"> <li>• A smaller machine that sits between cabinets</li> <li>• Narrower than a typical player – less than 500mm</li> </ul>   |
| <b>Tablet</b>  | <ul style="list-style-type: none"> <li>• Typically a handheld device similar to an iPad or Samsung Tablet that is mobile</li> <li>• A device that can easily be carried in your hands (possibly stipulate a maximum weight)</li> <li>• Remote server supported gambling machine</li> </ul> |

Additionally, recognised dictionary definitions for a tablet include;

- Small flat computer that you operate by touching the screen.
- A tablet computer, commonly shortened to tablet, is a mobile device, typically with a mobile operating system and touchscreen display processing circuitry, and a rechargeable battery in a single, thin and flat package.