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27th January 2011

Committee Secretary
Joint Select Committee on Gambling Reform
PO Box 6100
Parliament House
Canberra ACT 2600
Australia

Gallagher Gambling Technology (GGT)

The Committee

Thank you for the opportunity to present our solution to the Joint Select Committee on Gambling Reform for the pre-selection scheme. Essentially, GGT is a technology Gallagher Security use now in the market worldwide. GGT incorporates a number of technologies which have been successfully deployed by Gallagher in order to manage health, safety and fatigue levels in vertical markets such as mining, ports, education and manufacturing.

The GGT system is simple in its approach and is ready to be implemented whenever the sub-committee decides on a pre-commitment program. For an individual to operate a Poker Machine, they present their card (membership card) at the reader. If the patron is allowed to operate a machine, as determined by the GGT software, the LED on the card reader will flash green and the relay output will change state to enable the Poker Machine to operate.

If the patron is not allowed to operate the Poker Machine due to them exceeding their pre-commitment that they have set, the card reader LED will flash red and produce a "denied" tone to indicate to the patron that they cannot operate the machine at this time. The system can be configured to send a message to pre-nominated persons or organizations via SMS and/or email in the event of this occurring.

GGT can be set up requiring them to acknowledge the fact by return SMS. If they fail to acknowledge their exclusion, the system can escalate the notification to other pre-nominated persons or organizations so that they can provide support to the patron. GGT will reset itself after a preset *poker machine free time* self-exclusion period allowing the patron to return to their gambling.

We trust this scheme is of some interest to the sub-committee and offers a cost effective solution that is ready to be implemented when the committee makes its decision.

Greg Phillips
General Manager
Gallagher Australia Pty Ltd

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Introduction to the Gallagher Group

Gallagher Group Company Profile

Focusing on the Animal Management Systems and Security systems markets, the Gallagher Group comprises an impressive portfolio of companies.

The Group includes the Gallagher Animal Management Systems, Gallagher Security Management Systems divisions, and the Sunplas Engineering, Gallagher Plastics, and PEC Fuel Pumps companies.

The companies draw on the Group's core competencies in research and development, manufacturing, marketing and asset management to deliver enhanced systems and products to an extensive international distribution network.

The Gallagher Group has established expansive, successful distribution channels in more than 130 countries. For each of the Group's core markets, distribution channels primarily consist of networks of regional offices, joint ventures and independent third party distributors.

Today the Gallagher Group continues to be owned by the Gallagher family. The Group has expanded into a multi-million dollar company with business interests the world over.

The Gallagher Group is a dynamic organisation, continuing to evolve as opportunities arise. Our success is attributed to our expertise in product innovation, astute business practices and adherence to our core values of integrity, ingenuity and honesty.



Global product leadership in our chosen markets is our goal.

Gallagher Group History

The Gallagher story started in the 1930's when Bill Gallagher senior, founder of the Gallagher Group, used his ingenuity to develop practical mechanical solutions for his underdeveloped farm.

When Joe the Horse used the Gallagher family car as a scratching post in the early 1930's, the horse could not have known what his annoying habit would lead to. It is doubtful that Bill Gallagher visualised his pioneering future when he set up the electric circuit that charged the car to break the horse's habit. A hard lesson for the horse, an innovative start for Bill.



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In 1937 Bill Gallagher made his first electric fence. He had read that in America they were using electrified wire to hold stock. He used mains power supply to power the fence until his circuit was deemed illegal and disconnected by authorities. Undaunted, he developed fences that were powered by batteries and Ford coils. They had their weaknesses, but it was a start.

Bill developed and experimented until, given their limitations, they performed as best they could. But by the early 1960's the battery-powered fences abilities had peaked. They only had full effect in small areas and their growth would have only been achieved through advances in technology that were not likely to occur for a while. Then, fortunately for the business of animal control, the law regarding main power supply usage was changed in 1961, and Power Fencing as the world knows it today, was legally born.

Among the many Gallagher strengths was, and still is today, the ability to recruit loyal and capable staff. They have held true the Gallagher philosophies, such as Quality Control and Attention to Detail.

The Company and products have won international recognition. The Gallagher Group won its first awards in the 1970s with the BEV Mains Energizer at the Orange Field Days in Australia, then they repeated this success at the New Zealand Field-days. The company continues to receive world class awards, due in no small part to the efforts of the staff of Gallagher Group.

Gallagher Security Management Systems, a division of the Gallagher Group, has leveraged off the solid base of experience in power fence technology to develop innovative perimeter security systems. PowerFence perimeter security systems and Gallagher access control and intruder alarm systems form the backbone of Gallagher Group's comprehensive offering to the security sector.

Through its intuitive business strategies and award winning marketing, the Gallagher Group has forged its place as a world leader in animal management and security management systems.

Gallagher Group Ltd



Gallagher Security Management Systems is a division of the Gallagher Group Limited, a privately owned New Zealand based company.

In addition to the Gallagher and PowerFence™ security systems, the Gallagher Group also develops and markets a wide range of Animal Management Systems.

Established in 1938, the Group is the operating company for an integrated international organisation, which encompasses the development, manufacturing, and marketing of its solutions.

Gallagher Group is a well-established global business group with distributors located in over 100 countries across Europe, North and South America, Asia, Africa and the Pacific.



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Australian Organisation Gallagher Security

The Australian group of companies covers the full range of the company's offerings. The products are delivered to the market via qualified distribution channels covering the entire country.

Some of our clients include:

- Three of the four major Financial Banking Institutions
- Australia's largest Australian and International Mining Companies
- Federal and State Government Departments and Organisations
- More than 80% of Australian Universities
- Defence and other government agencies requiring Type 1 High Security Systems.

Proposed Solution

Pre-Commitment Programme

The Gallagher Gambling Technology (GGT) is based on the gambler / club member setting and determining their own gambling limitations for their own specified time limit. This time limit maybe for the night out or for the next 3 months or for whatever they decide they can control or afford.

For problem gamblers, this time based solution could be set in line with their family involvement or with the help of an organisation such as Gambling Anonymous. This will all be controlled individually by each club member through the use of their club membership card through GGT. The average individual will make these decisions at the sign up for club membership or entry to a casino. The GGT allows the individual's card or cards to be used at multiple venues across the country whether they are at a club, clubs, pubs or a casino. The information is kept specific to the individual.

GGT incorporates a number of technologies which have been successfully deployed by Gallagher in order to manage health, safety and fatigue levels in vertical markets such as mining, ports, education and manufacturing.

We will record a unique key identifier from a master identification system (such as Medicare) to ensure the autonomy of each individual user of the system and prevent conflict when identifying a person and prevent a person being issued with two identities. We are able to interface to a master identification system to automatically obtain the key identifier and ensure data integrity and validity.



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Stage 1 - Time Based Control and Limitation

Gallagher Gambling Technologies

Scope of customisation:

- This GGT allows the specification of **how many times a cardholder / club member** can operate a Poker Machine, within a nominated time period, before the cardholder is denied access to all Poker Machines for a further configured amount of time
- The ability to be able to specify **how long a cardholder** can operate Poker Machines any one time before an alarm is raised and the cardholder's access to and the ability to operate a Poker Machine is cancelled for a further configured amount of time (Poker Machine free time)
- If a **cardholder leaves** and returns to the same or an alternate Poker Machine venue, before their **Poker machine free time** has lapsed, the GGT will deny access to any Poker Machine.

GGT Configuration

Each Poker Machine will be fitted with a smart card reader to be used to gain access to the Poker machine by use of the individual's smart card / membership card.

The GGT will control access to all Poker Machines within a venue. The system can be expanded to all venues within a club, region, state and nationally.

The GGT can be expanded to handle as many gambling machines in a venue as required. There is no limitation to the number of machines connected to the GGT system.

See diagram 1 – small club venue

See diagram 2 – larger club venue

See diagram 3 – state or national network



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Diagram 1 - small club venue

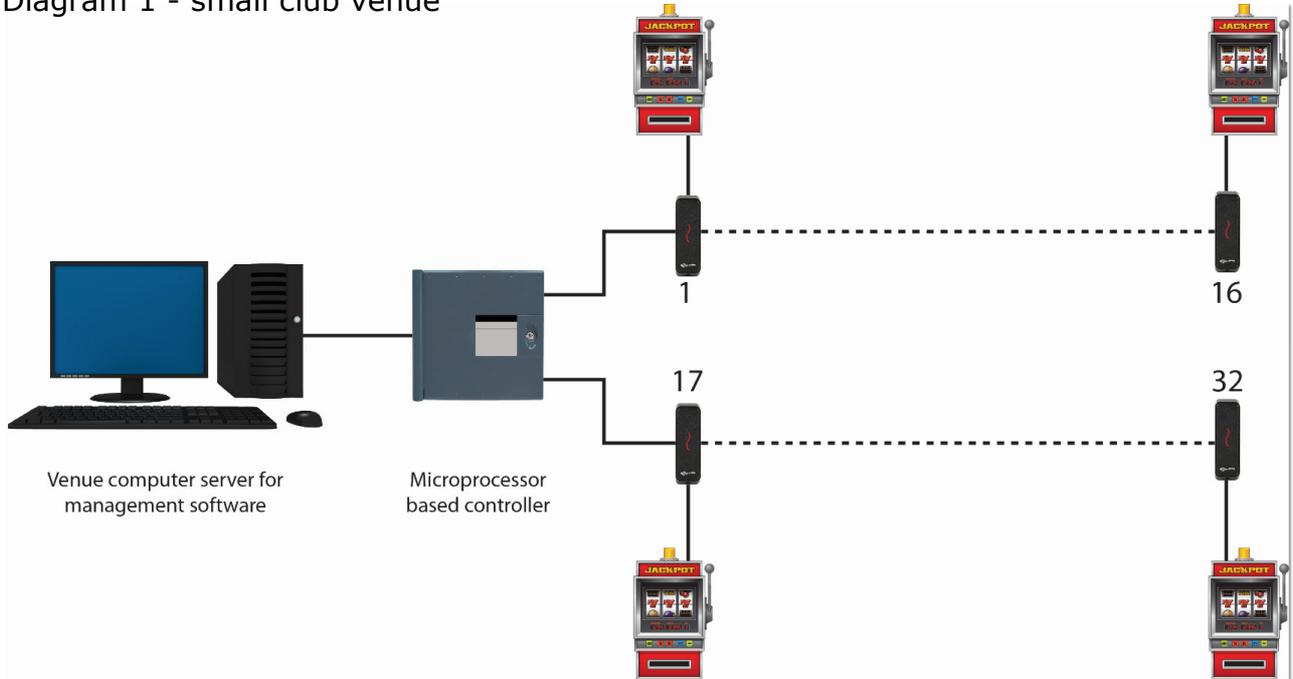
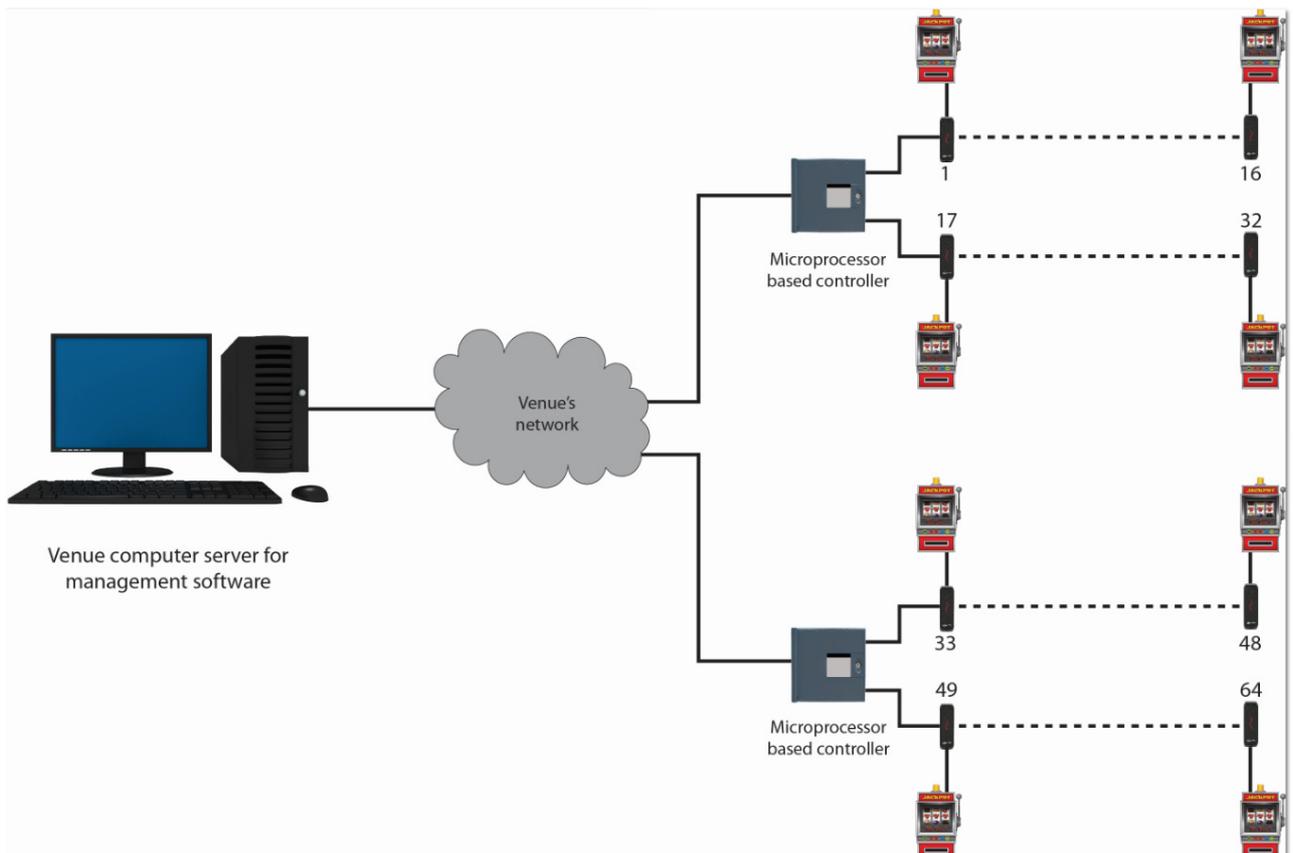


Diagram2 - larger club venue





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GGT Operation

In diagram 1, the Gambling venue has 32 Poker Machines. Each machine will be fitted with a smart card reader and an input and output to allow 'low level' interfacing to the Poker Machine. Up to 32 Poker Machines can be managed by a microprocessor based controller. If a venue has more than 32 Poker Machines, a second controller is added to manage the next 32 machines (see Diagram 2). The system can be expanded further by simply increasing the number of controllers. The controllers communicate with each other and so 'know' if a patron is operating multiple machines connected to different controllers. Each controller has an onboard processor and memory and can operate independently if there is a failure of the network communications or the GGT computer.

To operate a Poker Machine, a patron presents their card at the reader. If the patron is allowed to operate a machine, as determined by the PMM software, the LED on the card reader will flash green and the relay output will change state to enable the Poker Machine to operate.

If the patron is not allowed to operate the Poker Machine, the card reader LED will flash red and produce a "denied" tone to indicate to the patron that they cannot operate the machine at this time. The system can be configured to send a message to pre-nominated persons or organizations via SMS and/or email in the event of this occurring.

When a patron is operating a poker machine and reaches their maximum Poker Machine operating time, the relay output for the poker machine(s) will return to its normal state and the machine(s) will cease to operate. The system can be configured to notify the patron via SMS of their exclusion from operating a Poker Machine and requiring them to acknowledge the fact by return SMS. If they fail to acknowledge their exclusion, the system can escalate the notification to other pre-nominated persons or organizations so that they can provide support to the patron.



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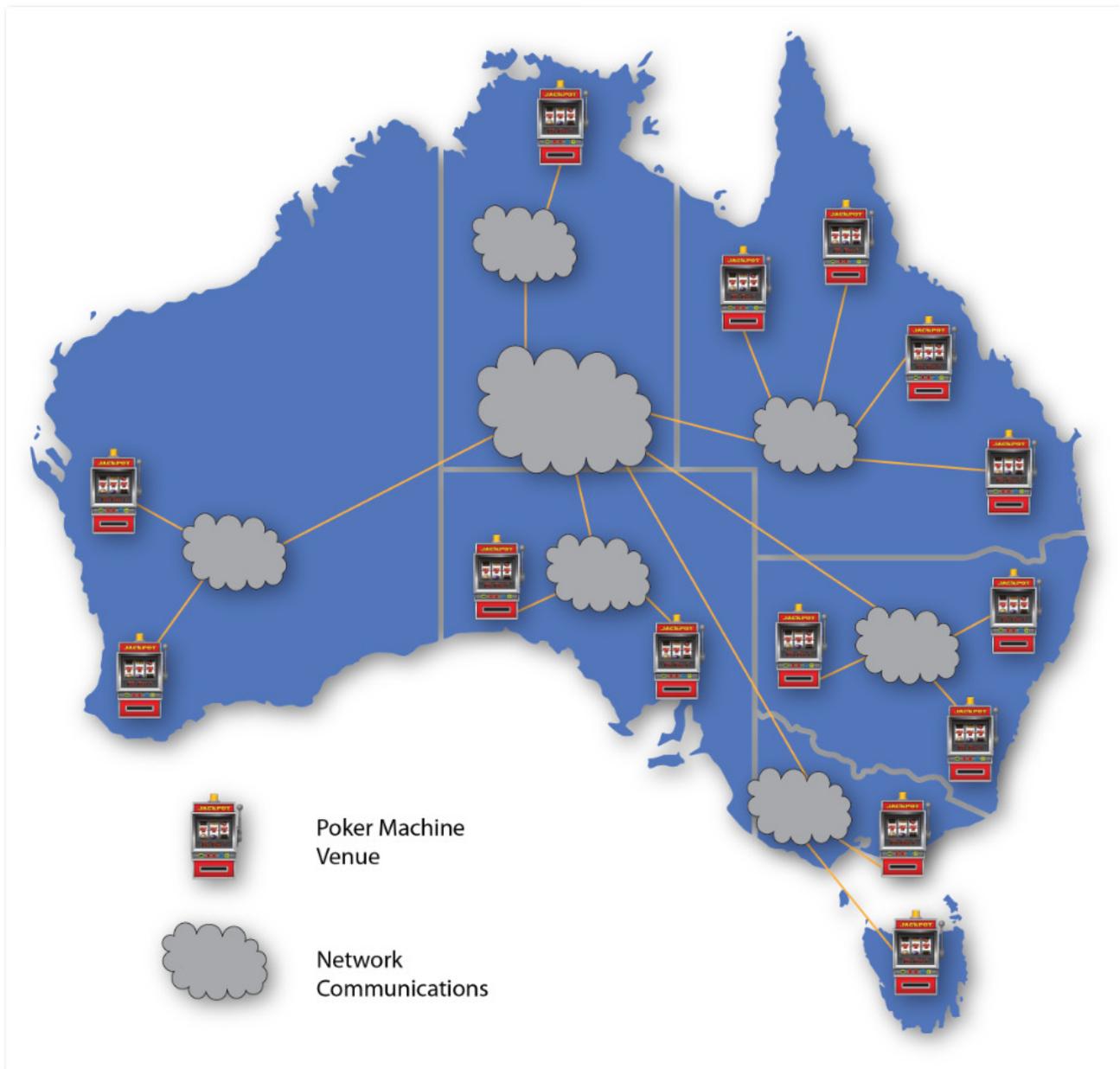


Diagram 3 - State or National Network

Patrons will be able to have multiple venue cards (multiple club membership cards). Regardless of which card is used the Poker Machine operating time will be recorded against the individual person.



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Stage 2 - Time and Spending Limit Control

This will require the co-operation of the Poker Machine Manufacturers and the provision of communications protocols that can communicate the value of the money spent at the Poker Machine.

In addition to the operating time limitation of Stage 1, the second stage will incorporate the ability to set individual player spending limits.

Implementation Timeline

Through the extensive and highly trained Gallagher Channel to market, we are able to roll out this Pre-Exclusion Programme as soon as legislation is passed. We have multiple channel partners already certified and trained in the 8 states and territories across Australia who compete within their channel and offer highly competitive pricing.

Stage 1

First trial venue – 2011

Multiple venues – 6 months (after comment and review and fine tuning)

Interstate venues – 12 months (diagram 3)

Stage 2

Assuming cooperation from the Electronic Gambling Machine manufacturers, we anticipate stage 2 rollout to be within 12 months.

System Benefits

- The GGT system is independent of the Gambling Industry and therefore the clubs or casinos need very little involvement if that is what the sub-committee decides.
- The GGT system can be managed at many different levels. The venue, regionally, by State or even nationally. This can be changed at any time by the sub-committee as the legislation is rolled out. This accommodates different state laws.
- Scalable – can be installed in small venues through to large Gambling venues.
- It does not involve the general staff of the Gambling venue. It puts no onus on the staff.
- Larger clubs or casinos may wish to have access to gambling support services to help with problem gambling. GGT can be programmed to notify them when needed.



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- Access to the system is secure. Individual access to the system is protected by passwords, an encrypted database and encrypted communications ensure the system security and the individual's information is totally confidential.
- The system will continue to operate in individual venues, independent of the club's, pub's or casino's computer system or network.
- Full reporting on the use of the system is available if required.
- The system can be programmed to notify any individuals and/or support services organizations, via SMS or email or both, when an individual reaches time or spending limits on a continuous basis or exceeds their self-exclusion commitment.
- The GGT system functions independently of any state or national network, hence should a server failure occur, the individual gambling machines will still function as usual at club level. This is a failsafe system should the sub-committee wish a state or national system.

Cost

We envisage the equipment cost only, for the control of 32 Poker machines has a recommended retail price of \$19,840 (ex GST) or \$620.00 (ex GST) per Poker Machine.

Greg Phillips
General Manager
Gallagher Australia Pty Ltd

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