

ELECTRONIC GAMING MACHINE LIVE TRIAL FRAMEWORK DOCUMENT.

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1 INTRODUCTION

1.1 Document purpose

Electronic Gaming Machine (EGM) types and games continue to evolve and display technological enhancements and innovations that present regulatory challenges in relation to the suitability of these types of products for approval.

Although EGM types and games can be considered technically compliant with the relevant standards and legislative requirements, the level of enhancement and innovation may challenge other aspects of the regulatory assessment process, in particular whether a product facilitates responsible gambling and minimises player harm. Without intelligence in relation to these aspects to support the assessment of the EGM type or game and mitigate any risks in approving the product, the decision-making process may be difficult, and the lack of supporting information may prohibit approval.

It is however important that the regulator support innovation in the gaming industry but also ensure that EGM type or games do not contribute to player harm and foster responsible gambling.

This framework will assist EGM manufacturers in understanding the regulatory process which may be implemented by the Victorian Commission for Gambling and Liquor Regulation (VGCCC) to allow some EGM types and games, which challenge the approval process, to be tested in a live trial environment.

1.2 Scope

To provide high-level details of an EGM live trial that may be used by the VGCCC, via a conditional EGM approval, to gather intelligence to assist with considering the suitability of a product for ongoing approval and operation in Victoria.

1.3 Legislative Considerations

In relation to the approval of EGM types and games, section 3.5.4 of the Gambling Regulation Act 2003 (GRA) states that:

- 1) *The Commission may, subject to payment of the prescribed fee, accept for evaluation gaming machine types and games.*
- 2) *The Commission may require a person who submits a gaming machine type or game under subsection (1) to provide any additional information or material that the Commission considers necessary for the evaluation.*
- 3) *The Commission may approve or refuse to approve a gaming machine type or a game, having regard to:*
 - a. *player return, game fairness and security and responsible gambling; and*
 - b. *any standards in force under sections 3.5.3 and 10.1.5A; and*
 - c. *the certificate of a person listed on the Roll, being a person referred to in section 3.4.61(1)(c).*
- 4) *An approval under this section is subject to any conditions imposed by the Commission.*

Section 3.5.4(4) of the GRA, as outlined above, provides the basis for the VGCCC to conditionally approve EGM types and games, subject to a list of conditions which provide details of the conduct of a live trial, including the date required.

2 EGM LIVE TRIAL

2.1 Defining an EGM Live Trial

An EGM live trial is a process governed by a conditional approval under section 3.5.4(4) of the GRA which will define a set of conditions to be used to trial an EGM type or game to gather information to inform the consideration of an ongoing approval.

An EGM live trial may be desirable if:

- 1) An element of the EGM type or game is sufficiently complex or innovative to warrant the conduct of a live trial and evaluation before approval can be contemplated.
- 2) There is insufficient information available to the VGCCC to adequately consider section 3.5.4 (3) (a) of the GRA, whether in respect of an EGM, game component, form of player engagement, or other consideration.

2.2 Products suitable for a Live Trial

To be suitable for a conditional approval to conduct a live trial, an EGM type or game must in the first instance be technically compliant with all existing standards and requirements.

EGM types and games will be assessed on a case by case basis to determine if a live trial is necessary to assist the regulatory approval process.

EGM types and games which may be subject to a live trial include those:

- 1) that contain a new or enhanced element which raises concern in relation to player return, game fairness, security, and responsible gambling, where reliable intelligence is not available to mitigate this concern.
- 2) where the innovation is so novel that applicable technical standards do not provide enough guidance/requirements to adequately attest to the product's suitability
- 3) where the new or enhanced element is such a significant deviation from the commonly accepted principle/concept or form of player player engagement,
- 4) An EGM manufacturer should consult with the VGCCC as soon as possible, prior to making a formal submission for approval, if it believes its product is such that a live trial may be required.

2.3 Conditions applicable to an EGM Live Trial

The VGCCC will consider various conditions that may be attached to a conditional approval of an EGM type or game to facilitate the conduct of a live trial.

These conditions may include, but are not limited to, the following:

- 1) **General Operational Conditions:** those conditions which will provide for the basic requirements of the live trial, including location, time, sample of EGMs, etc.
- 2) **Qualitative Requirements:** those conditions that will assist the VGCCC is assessing the qualitative performance of the live trial product, including observations, etc.

- 3) **Quantitative Requirements:** those conditions that will assist the VGCCC in assessing the quantitative performance of the live trial product, including player data to monitor spend and benchmarking of product performance (if applicable).

Conditions applicable to a live trial will be determined on a case by case basis and will be driven by the complexity of the innovation/enhancement and the level of concern noted in the initial regulatory assessment for approval.

Not all conditions noted below will apply to each product subject to a live trial.

2.3.1 General Operational Conditions

- 1) **Length of the Live Trial**
 - a. Live trials will *generally* span 90 to 180 days.
 - b. Live *trials* may be extended at the conclusion of the initial trial to assist with further intelligence gathering if deemed necessary.
 - c. Live *trials* may be suspended or ceased by the VGCCC if evidence of player harm or other regulatory concern is noted during the trial period.
- 2) **Location of the Live Trial Environment**
 - a. Live trials will be conducted across multiple and diverse venues and locations, where necessary and applicable, to allow for a representative sample of qualitative and quantitative data to be collected and assessed.
 - b. The *selection* of venues and locations must include a variety between:
 - i. metro and regional, and
 - ii. large (more than 50 machines) and small venues (less than 50 machines)
 - c. The applicant for a live trial may be required to negotiate and establish arrangements with venue operator/s to provide for observation and reporting of player engagement with the machine and game features.
- 3) **Location of the Live Trial Product within the Live Trial Environment**
 - a. The live trial product should be positioned in an area that facilitates player engagement and assists with *the* collection of useful data.
 - b. The live trial product and the comparable product (further details provided below) must be located within a reasonable distance of each other to assist with the collection of comparable data.
- 4) **Informing Stakeholder of the Live Trial**
 - a. Signage must be displayed within the venue and beside the live trial product to alert the player that the *product* is subject to trial conditions.
 - b. *Information* must be available to the player to alert them to the new feature/enhancement that is the subject of the live trial.
 - c. *Staff* within the live trial environment must be aware of the live trial product and be available and have adequate knowledge to explain its trial status and manner of operation to patrons.

2.3.2 Qualitative Conditions

- 1) **Player Surveys**
 - a. A player survey must be made available to players and staff within the live trial environment must encourage players to complete the survey.
 - b. The player survey will need to be endorsed by the VGCCC before the live trial commences.

- c. It is expected that player survey questions and responses will provide information to assist the VGCCC's evaluation of section 3.5.4 (3) (a) of the GRA¹.

2) *Player Observation*

- a. The venue operator of the live trial environment must be encouraged to gather any intelligence in relation to the performance of the EGM type and game while in the trial conditions, which may include a request to document player behaviors while engaging with the trial EGM type or game.²
- b. The EGM manufacturer may be required to perform their own observations and provide the VGCCC with details of these observations.
- c. The VGCCC may conduct their own onsite/offsite observations³ of players engaging with the EGM type or game during the conduct of the live trial.

2.3.3 Quantitative Conditions

1) *Performance Data*

- a. EGM performance data must be captured, assessed and reported by the manufacturer in relation to the conduct of the live trial product/s.
- b. The manufacturer should ensure all reasonable steps are taken to provide performance data specific to the concept/innovation, subject to the live trial, i.e.; specific data in relation to a player's interaction with the feature/concept innovation.
- c. Generic EGM performance data may include, but is not limited to:
 - i. the daily turnover per EGM;
 - ii. the daily theoretical win per EGM;
 - iii. the daily games played per EGM;
 - iv. frequency/probability that different feature/innovation appear and/or is used by players (dependent on the element of the EGM subject to the trial)
 - v. the average bet per game played; and
 - vi. the average tracked player session times.

2) *Comparative Data Analysis*

- a. Where feasible, the live trial product must be benchmarked against:
 - i. a comparable product, being a similar type product with similar features, or
 - ii. another relatively new EGM type or game in the venue without that feature/element subject to the trial

3) *Other Data Available*

- a. During the conduct of the EGM live trial, the VGCCC may request the capture, recording and reporting of additional data to inform the assessment process.

2.4 Other Possible Conditions

1) *Use Data of an External Consultant in the Conduct of the Live Trial*

- a. Depending on the complexity of the product or the issue/challenge it presents, the VGCCC may require that the live trial be facilitated by engagement of an external consultant, i.e. a suitably skilled entity/individual to scope, perform and analyze data in relation to the live trial.

¹ The minimum number of player survey results determined as acceptable may include 20-60 survey results per month through the specified period of the trial.

² Where required, observation and reporting of patron and player engagement would be a component of arrangements negotiated between the applicant and venue.

³ Offsite observations may be undertaken via VGCCC access to venue security camera footage.

This will be determined on a case by case basis, and where required, all costs incurred will be borne by the applicant. Terms and scope of the work would be agreed between the applicant and the VGCCC.⁴

2) *Development of a Live Trial Plan (LTP)*

- a. The manufacturer will be required to provide the VGCCC with a LTP, for its consideration and endorsement outlining the particulars of the live trial, taking into account the conditions of the approval. The VGCCC will review and endorse the LTP, before the live trial is permitted to commence. The LTP must include, but will not be limited to the below information:
 - i. Venues participating in the trial
 - ii. Location of the trial EGM's, within the trial venue/s
 - iii. Details and location of EGMs to be used to assist with the comparative analysis
 - iv. Copies of player surveys
 - v. Details of live trial signage within the trial venue/s
- a. Any amendments to the LTP will need to be re-submitted for endorsement.

2.5 Use of Live Trial data Post the Live Trial Period

As part of the conditional approval, the VGCCC will require that unadjusted trial data (both qualitative and quantitative) be provided at regular intervals throughout the trial, such as on a monthly basis.

Prior to the conclusion of the trial, at a time stipulated in the conditional approval, the manufacturer will be required to submit a report in relation to the trial, to support a re-submission of the EGM type or game for assessment as to whether it can be approved without the noted conditions.

The VGCCC will consider all the available information when assessing the ongoing suitability of the EGM type or game.

As part of its decision-making process, the VGCCC may consult with other relevant stakeholders, such as the Department of Justice and Community Safety and the Victorian Responsible Gambling Foundation.

Following consideration of the available live trial information, if the VGCCC is unable to determine the re-submitted approval application of the trialed EGM type or game, the VGCCC may seek an extension of the trial or deem the product unsuitable and refuse the application.

2.6 Other Information

Any failure to comply with all the conditions of the live trial may result in the VGCCC voiding the approval and requiring the immediate cessation of the operation of the trial product.

The VGCCC may choose to suspend or discontinue the trial at any point throughout the trial period if evidence indicates any issues with player harm, responsible gambling or other regulatory concerns.

The VGCCC will publish all details in relation to the trial product and location on its website to provide transparency to external stakeholders.

⁴ Depending on the complexity of the product or the issue/challenge involved, the scope of work required of an external consultancy may include live trial supervision, issue identification and escalation, data capture and analysis, reporting, or other requirements.

Document Information

Document Details

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Version Control

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1.1		EGM Live Trail Framework Document	LMA Approvals
1.2	02 December, 2024	EGM Live Trail Framework Document	Regulatory Services Division

Document approval

This document requires the following approval:

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