
13 Access to cash and credit

Key points

- Higher risk gamblers are more likely to use ATMs/EFTPOS facilities in gambling venues for gambling than other gamblers. Although banning ATMs could potentially help address gambling harms, the costs are unclear and could be substantial.
 - Evaluation of the outcomes of the Victorian ban on ATMs should provide useful information on the impacts.
 - Other governments in the meantime should adopt less costly approaches to regulating ATMs/EFTPOS facilities, including a \$250 a day limit on withdrawals.
- Where credit is available in gambling venues, there is similarly a greater tendency for higher risk gamblers to use it compared with other gamblers. Thus, bans on the use of credit in gambling venues should continue.
- Gamblers are continuing to gamble with their winnings and a small proportion are avoiding payment of winnings by cheque.
 - Lowering the cash threshold to \$300 for gaming machine prize cheques would help higher risk gamblers, but would have little impact on non-problem gamblers.
 - Casinos should be exempt from this requirement in relation to prizes won by international patrons.
- Cheque-cashing restrictions should be compatible with other cash and credit restrictions to guard against unintended biases towards particular sources of cash and credit for gambling.
 - Gaming machine prize cheques should not be permitted to be cashed in venues, with casinos exempt from this requirement in relation to their international patrons.
 - Only self-drawn cheques up to a value of \$250 should be able to be cashed, with casinos generally exempt from this requirement.

13.1 Introduction

The availability of cash and credit in gambling venues has been an important area for harm minimisation actions by governments since 1999. This is in part due to evidence of a close association between the use of ATMs/EFTPOS facilities in

venues and problem gambling, as well as a strong preference of problem gamblers for their removal.

Several governments have commissioned policy development work and research into restrictions on access to cash and credit.

- The Australian Government released a report (KPMG 2002) on the functions and capabilities of ATMs and EFTPOS facilities to inform the development of a national harm minimisation strategy that would include limits on access to cash and credit in gambling environments.
- IPART (2004), in its general review of New South Wales harm minimisation measures, considered the prohibition on credit for gaming, the requirement that large payouts not be paid in cash, requirements on the location of ATMs, and ATM daily cash limits.
- The ACT Gambling and Racing Commission commissioned research into the use of cash facilities for gambling in the ACT (Centre for Gambling Research 2004b) as well as into the ACT restriction on the cash payment of winnings as part of a broader review of harm minimisation measures (McMillen and Pitt 2005).
- The Victorian Government commissioned an evaluation of its gaming machine harm minimisation measures, which included restrictions on ATMs/EFTPOS facilities and the cash payment of winnings (Caraniche 2005).
- The Ministerial Council on Gambling agreed at its July 2008 meeting that work commence on high priority areas, which included access to cash and pre-commitment technologies (Macklin 2008). At its meeting in July 2009, the Ministerial Council on Gambling agreed to several measures relating to access to cash and credit (MCG 2009b).
- The New South Wales Office of Liquor and Gaming Racing has sought tenders for research into, among other things, the impact of ATM location and withdrawal limits for ATMs in gaming venues (OLGR 2009a). It expects the results of the research to be ‘useful to the development of responsible gambling and related policy’ (sub. 247, p. 35). (The research will not consider EFTPOS transactions.)
- The Victorian Government commissioned research into the impact of changes to electronic gaming machine characteristics, including its proposed ATM ban, on play behaviour of recreational gamblers (Schottler Consulting 2009a).

In addition, three Senate Bills relating to problem gambling were introduced in 2008, of which two specifically applied to ATMs and cash facilities — the Poker Machine Harm Minimisation Bill 2008, introduced on 19 June 2007 by Senator

Fielding, and the ATMs and Cash Facilities in Licensed Venues Bill 2008, introduced on 3 September 2009 by Senator Xenophon.

All state and territory governments now have mandatory restrictions that focus on the means by which gamblers access cash and credit, including restrictions on:

- ATMs/EFTPOS facilities
- credit (including cash advances from credit cards)
- payments of gaming machine prizes as cash
- the cashing of cheques.

This chapter examines the effectiveness of these restrictions. In assessing this, the Commission has drawn on input from participants, state and territory prevalence surveys as well as on other research studies, including:

- a study of ATM use in ACT gaming venues by the Centre for Gambling Research (2004b)
- an evaluation of gaming machine harm minimisation measures in Victoria by Caraniche (2005)
- a report on gamblers' pre-commitment behaviour by McDonnell-Phillips (2006)
- a study of possible indicators of problem gamblers in venues by Delfabbro et al. (2007)
- a study by Schottler Consulting, which considered the impacts of the proposed ATM ban on recreational and other gamblers (2009a).

Appendix G summarises the relevant findings from these surveys and studies.

13.2 Restrictions on ATMs/EFTPOS facilities

Most jurisdictions have mandatory restrictions on:

- the location of ATMs/EFTPOS facilities — for example, prohibiting ATMs/EFTPOS facilities from the gaming floor of the venue; or prescribing the distance of ATMs from the gaming floor
- the number or value of ATM/EFTPOS transactions — for example, setting daily limits on the volume and/or value of transactions; or limiting the value of a single transaction (table 13.1).

Of the jurisdictions, only Tasmania has banned ATMs in hotels and clubs, with Victoria introducing a ban from 2012 on all gaming venues.

Table 13.1 Restrictions on ATMs/EFTPOS facilities in venues

	<i>ATMs</i>	<i>EFTPOS facilities</i>
NSW	<p>ATMs are banned from the gaming machine areas of clubs and hotels, and from within the boundary of the casino.</p> <p>Cash advances from credit accounts or credit cards are banned from ATMs in other areas of hotels and clubs with gaming machines.</p>	<p>EFTPOS facilities are banned from the gaming machine areas of clubs and hotels, and from the gaming areas of the casino.</p> <p>Cash advances from credit accounts or credit cards are banned from EFTPOS facilities in other areas of hotels and clubs with gaming machines.</p>
Vic	<p>ATMs are banned from the gaming machine area of a gaming venue.</p> <p>Cash withdrawals from ATMs outside the gaming machine area are limited to \$200 per transaction.</p> <p>After 2010, any ATMs located within a gaming venue must limit the amount of cash withdrawals to \$400 per day per card.</p> <p>After 2012, ATMs will be banned from gaming venues entirely and from within 50 metres of the gaming floor of the Melbourne casino. This will be subject to exemptions for small towns in regional Victoria where access to cash may be very limited.</p>	<p>EFTPOS facilities are banned from the gaming machine area of a gaming venue. Cash withdrawals from EFTPOS facilities outside the gaming machine area are limited to \$200 per transaction.</p>
Qld	<p>ATMs are banned from being in or close to gaming areas in venues.</p> <p>ATMs in other areas of clubs and hotels must only be available for the use of debit cards.</p> <p>The Government is examining withdrawal limits for ATMs within venues.</p>	<p>EFTPOS facilities are banned from being in or close to gaming areas in venues.</p>
SA	<p>Gaming machine venues and casino: ATMs are banned from gaming areas. Withdrawals are limited to \$200 per transaction per debit/credit card.</p> <p>Venues in 'isolated areas' can apply for an increased limit in certain circumstances.</p> <p>There is unproclaimed legislation that limits the number of cash withdrawals per card to one \$200 transaction per day</p>	<p>Gaming machine venues and casino: EFTPOS facilities banned from gaming areas and withdrawals limited to \$200 per transaction per debit/credit card.</p> <p>Casino table games: EFTPOS allowed, but access to credit accounts or credit cards are banned and there are limits of \$200 per transaction per card.</p> <p>There is unproclaimed legislation that limits the number of cash withdrawals per card to one \$200 transaction per day.</p>
WA	<p>ATMs are banned from being placed on the licensed gaming floor; and within 40 metres of an entry to the casino unless the ATM restricts a person to a cash withdrawal of \$400 per day from any debit or credit card.</p>	<p>EFTPOS facilities in the casino are permitted from the main cage and have credit access disabled so patrons cannot access funds through any credit account.</p>
Tas	<p>ATMs are banned from hotels and clubs, but are permitted in the casinos.</p>	<p>EFTPOS facilities are limited to one cash withdrawal for gaming per day in hotels and clubs. The restriction on EFTPOS facilities will be extended to casinos</p>
ACT	<p>ATMs are banned from the gaming areas of hotels and clubs. They are banned in the casino.</p>	<p>EFTPOS facilities are banned from the gaming areas of hotels and clubs. They are permitted only in the restaurant and bar area of the casino. Patrons are allowed to pay only for food and beverages using an EFTPOS debit facility. Cash advances or access to credit from any EFTPOS facility in the casino is prohibited.</p>
NT	<p>ATMs are banned from the gaming areas of hotels, clubs and the casino.</p> <p>ATMs have access only to debit accounts. Access to credit accounts banned.</p>	<p>EFTPOS facilities are banned from gaming areas of hotels, clubs and the casino.</p> <p>Cash withdrawals from EFTPOS facilities are limited to \$250 per day if funds are used for gaming in clubs and hotels.</p> <p>EFTPOS facilities have access only to debit accounts. Access to credit accounts banned.</p>

In addition to these individual state and territory actions, the Ministerial Council on Gambling agreed that following consideration of research underway, a nationally consistent limit on the amount a patron can withdraw from an ATM within a pub or

club in a 24 hour period should be considered (MCG 2009b). The Ministerial Council on Gambling also agreed that, in the development of a nationally consistent approach, the needs of rural and remote communities, areas with poor ATM access and tourism destinations should be taken into consideration.

The restrictions on ATMs/EFTPOS facilities seek generally to limit the ability of gamblers, particularly problem gamblers, to access a convenient supply of cash for gambling, thus:

- limiting the opportunity for gamblers to make impulsive withdrawals of cash
- providing a cooling off period in which gamblers, when leaving a venue to acquire more cash for gambling, might rethink their decision to continue gambling.

Restrictions on ATMs/EFTPOS facilities attracted considerable participant comment covering several themes, including:

- the adequacy of evidence in support of restrictions, particularly of the link between ATMs and gambling harms — box 13.1
- the effectiveness of restrictions on ATMs/EFTPOS facilities in helping to address gambling harms
- the adverse impacts of restrictions, particularly of banning ATMs from venues, on patrons of gambling venues, gambling venues and on providers of ATMs/EFTPOS facilities
- the adverse impacts associated with imposing restrictions on ATMs, but not on EFTPOS facilities
- the existence of self-regulatory alternatives to restrictions on ATMs/EFTPOS facilities such as gamblers setting their own limits through financial institutions, ATM self-exclusion, or through club member access to ATMs.

The remainder of this section addresses these issues.

The link between ATMs/EFTPOS facilities in venues and problem gambling

A threshold issue in judging the effectiveness of restrictions on ATMs/EFTPOS facilities is whether there is a link between such facilities in venues and problem gambling. The stronger the link, the greater the case for governments to intervene to restrict access.

Box 13.1 Participants' views on whether there is evidence to support restrictions on ATMs/EFTPOS facilities

Australasian Gaming Council

... there has been a paucity of research concerning the efficacy of restrictions and the negative impacts of restricting access to cash on consumers and the hospitality industry. (sub. 230, p. 16)

Victorian InterChurch Gambling Taskforce

Despite all the studies [Blaszczynski et al. 2001, ACIL 2001, New Focus Research 2004, Caraniche 2005 McDonnell-Phillips 2006] on the impact of ATMs in EGM venues on problem gambling behaviours, representatives of the Victorian EGM industry continue to argue that there is no evidence that removal of ATMs from EGM venues will have any impact on problem gambling behaviour. (sub. 220, p. 13)

Hunter Council on Problem Gambling

Many people's gambling problem is exacerbated by the ease at which they continue to access cash within the venue. Many problems spiral out of control when people begin to "chase their losses", by continuing to gamble despite already spending above what they can afford or above the limit they had set for themselves. Many people say they have made several trips to the ATMs within the venue to get "just another \$50, then just another \$50, and just one more \$50". (sub. 111, p. 2)

McMillen (leading researcher of the 2004 study on ATM use in the ACT)

My personal view has long been that ATMs should not be located in gaming rooms and that there should be daily withdrawal restrictions on ATMs in venue, although I also recognised that people will find ways of avoiding this restriction ... Over time, I have been persuaded that removal of ATMs is likely to be more effective as a harm minimisation strategy in most situations. However, there is an important distinction between opinion and scholarly analysis of data. (sub. 223, p. 37)

New South Wales Government

The NSW 2006 prevalence study revealed ... [that the] problem gambling group were nearly nine times as likely to use ATMs to withdraw money for gambling compared with pokies/gaming machine players overall (62 per cent versus 7 per cent).

However to respond to this indicator by recommending a complete ban on ATMs in gaming venues may not represent an appropriate policy response, given that research findings are inconclusive and ambiguous about the full effect of such a measure. This is primarily because self-reporting data is the most common source of evidence and little work has been conducted on the impact and effect of such a measure. (sub. 247, p. 34)

Clubs Australia

Easy, proximate access to cash may exacerbate the amount lost in a particular gambling session — but it is not the cause of such loss. The cause is the lack of control of the individual. The individual is a compulsive gambler and will find the money to satisfy their compulsion to gamble. (sub. DR359, p. 63)

There are several strands of survey evidence in relation to a link. The first relates to the use by gamblers of ATMs/EFTPOS facilities according to their gambling risk status. The second relates to the approaches taken by problem gamblers themselves

to impose limits on their use of ATMs/EFTPOS facilities. And the third is the views expressed by problem gamblers on the removal of ATMs from gambling venues.

The use of ATMs/EFTPOS facilities by problem gamblers

Numerous surveys and studies have found a link between ATMs/EFTPOS facilities and problem gambling (appendix G).

Delfabbro et al. (2007) found that multiple use of ATMs/EFTPOS facilities is significantly correlated with a higher risk of problem gambling behaviour. In particular, the authors found that:

- 86 per cent of venue staff had seen gamblers getting cash out on two or more occasions to gamble using an ATM or EFTPOS facility at the venue.
- 10 of 15 South Australian problem gambling counsellors also reported that their clients got cash out on two or more occasions to gamble using an ATM or EFTPOS facility at the venue.
- 73 per cent of problem gamblers (CPGI) — compared with 39 per cent of moderate risk gamblers, 24 per cent of low risk gamblers and 10 per cent of no-risk gamblers — reported that they got cash out on two or more occasions using an ATM or EFTPOS facility at the venue.
 - Problem gamblers were twice as likely as other gamblers to get cash out on two or more occasions using ATMs or EFTPOS facilities.

Commission estimates based on raw data from the Queensland household gambling survey for 2006-07 (30 000 adults) and for 2008-09 (15 000 adults) indicate that:

- low risk, moderate risk and problem gamblers have a significantly greater propensity than recreational gamblers to withdraw money from ATMs and EFTPOS facilities in a pub or club (table 13.2)
- moderate risk and problem gamblers have a significantly greater propensity than low risk gamblers to withdraw money from:
 - a venue ATM before gambling
 - a venue ATM during a gambling session
 - EFTPOS facilities in a venue (table 13.3)
- significantly more problem gamblers (98 to 100 per cent) than recreational gamblers (16 to 18 per cent) use the money withdrawn from EFTPOS facilities or ATMs in a pub or club for gambling (appendix G, table G.4).

Table 13.2 Frequency of accessing ATMs/EFTPOS facilities in a pub or club over the last 12 months, Queensland, 2008-09^a

Type of cash facility	Frequency	Recreational gamblers ^b	Low risk gamblers ^c	Moderate risk gamblers ^d	Problem gamblers ^e
		%	%	%	%
ATMs	Never, rarely	79.5	54.2	30.5	13.3
	Sometimes, often, very often	20.4	45.8	67.8	86.7
EFTPOS facilities	Never, rarely	90.1	80.4	66.6	49.1
	Sometimes, often, very often	9.9	19.4	33.4	50.9

^a Commission estimates based on raw data from the Queensland household gambling survey for 2008-09 (questions 26 and 28). The 2008-09 survey was of 15 000 adults. ^b Recreational gamblers — CPGI (0). ^c Low risk gamblers — CPGI (1 or 2). ^d Moderate risk gamblers — CPGI (3 to 7). ^e Problem gamblers — CPGI (8+).

Table 13.3 Accessing ATMs/EFTPOS facilities, Queensland, 2006-07 and 2008-09^a

By low risk, moderate risk and problem gamblers

Question	Frequency	Low risk gamblers ^b		Moderate risk gamblers ^c		Problem gamblers ^d	
		06-07	08-09	06-07	08-09	06-07	08-09
		%	%	%	%	%	%
How often do you withdraw money at a venue ATM before you start gambling?	Never, rarely	55.9	57.9	34.5	37.3	8.8	25.5
	Sometimes, often, always	43.4	41.5	65.4	60.2	90	74.5
How often do you withdraw extra money at a venue ATM during a gambling session?	Never, rarely	74.7	82.3	45.9	43.7	8.3	23.7
	Sometimes, often, always	24.8	17.6	54.1	54.2	91.7	76.3
How often do you obtain cash through EFTPOS facilities at the venue?	Never, rarely	69.1	76.6	52.1	63.9	36.9	54.7
	Sometimes, often, always	30.5	23.3	47.9	33.9	63.1	45.3

^a Commission estimates based on raw data from the Queensland household gambling survey for 2006-07 (question 100) and 2008-09 (question 75). The 2006-07 survey was of 30 000 adults and the 2008-09 survey was of 15 000 adults. ^b Low risk gamblers — CPGI (1 or 2). ^c Moderate risk gamblers — CPGI (3 to 7). ^d Problem gamblers — CPGI (8+).

A recent study for the Victorian Government (Hare 2009) found that, based on a sample of 2332 gamblers, problem gamblers (CPGI) had a greater tendency to use an ATM/EFTPOS/credit card for extra money for gambling during a single gambling session (p. 178). A card was used:

- twice by 31 per cent of problem gamblers compared with 9 per cent of moderate risk gamblers, 3 per cent of low risk gamblers and less than 0.5 per cent of non-problem gamblers
- three times by 12 per cent of problem gamblers compared with 3 per cent of moderate risk gamblers, less than 0.4 per cent of low risk gamblers and less than 0.05 per cent of non-problem gamblers.
- four or more times by 10 per cent of problem gamblers compared with 3 per cent of moderate risk gamblers, 0.3 per cent of low risk gamblers and 0.1 per cent of non-problem gamblers.

Although these and other studies provide strong evidence that problem gamblers make greater use of use of ATMs/EFTPOS facilities than other gamblers, there remains a question about causality — that is, whether the facilities *cause* problem gambling or whether *an effect* of problem gambling is the greater use of the facilities. Two further strands of evidence help to shed light on this.

Self-limiting behaviour by problem gamblers

One strand of additional evidence concerns the limits imposed on ATMs/EFTPOS facilities voluntarily by problem gamblers in an attempt to control their problem gambling. Problem gamblers may try to apply self-controls around their use of ATMs/EFTPOS facilities such as leaving debit and credit cards at home, asking financial institutions to set limits on cash withdrawals from accounts, or taking only that cash that they need for gambling.

McDonnell-Phillips (2006, pp. 31, 260) found that problem gamblers nominated ‘leaving ATM card or credit card at home’, ‘taking only what you plan to spend’, and ‘avoiding using ATMs to withdraw money at gambling venues’ as more effective rather than less effective control strategies.

Analysis of responses to the Commission’s survey of over 200 problem gambler clients of counselling services indicated that, in relation to control mechanisms in an attempt to keep gambling within limits:

- 50 per cent took to the venue only what they planned to spend
- 41 per cent left ATM/credit cards at home

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- 11 per cent contacted their bank or financial institution to lower the ATM withdrawal limit (appendix F, table F.17).

As part of their work on developing an ATM self-exclusion scheme, the Australian Hotels Association commissioned a survey, which found a strong preference amongst over 400 problem gamblers for such a scheme (Sweeney Research 2009):

- 83 per cent reported that ATM exclusion schemes would be at least somewhat effective.
- 67 per cent reported that they would be likely to participate in an ATM exclusion scheme that limited how much money they could withdraw from ATMs in venues that have gaming machines.
- 63 per cent reported that they would be likely to participate in a scheme that prevented them from withdrawing money from ATMs in venues that have gaming machines (p. 8).

The evidence that some problem gamblers have nominated as effective or used some self-control strategies, and indicated a willingness to use ATM exclusion schemes lends some weight to the view that the presence of the facilities in venues contributes to problem gambling.

The preference of problem gamblers for removing ATMs from venues

The second strand of additional evidence about the link between ATMs and problem gambling is the attitudes of problem gamblers themselves to the removal of ATMs from venues.

New Focus Research (2004, pp. 46, 48) found that:

- 96 per cent of self-identified problem gamblers in Victoria considered that banning ATMs at venues would be an effective initiative to reduce problem gambling.
- For 119 problem gamblers, banning ATMs was rated as the most effective of the 23 venue initiatives proposed.

McDonnell-Phillips (2006) found that, among 15 prompted ideas to help gamblers keep to their limits, 'removing ATMs from gambling venues' was rated in terms of its usefulness as first by problem gamblers (CPGI) (p. 295).

Analysis of responses to the Commission's survey of over 200 problem gambler clients of counselling services indicated that 74 per cent considered that removing ATMs from venues would work well (appendix F, table F.18). The measure attracted the highest level of support of a broad suite of measures proposed to

respondents, which included technologies that allowed gamblers to set spending limits on their gambling.

Summing up

There is considerable evidence that problem gamblers use ATMs/EFTPOS facilities much more than other gamblers. Although this does not show the direction of causality, the preference of problem gamblers themselves to see the removal of ATMs from venues suggests that the presence of those facilities contributes to problem gambling.

FINDING 13.1

While causality is hard to prove, easy access to ATMs/EFTPOS facilities appears to increase spending by problem gamblers. Problem gamblers use these facilities far more than other gamblers, and say they would prefer to see ATMs removed from venues so they can better control their spending.

This finding is not of itself sufficient to justify the introduction of restrictions on ATMs/EFTPOS facilities in venues by governments. It is crucial that the restrictions not only help address gambling harms, but also have limited adverse impacts on other gamblers or members of the community. This will vary according to the type of restriction contemplated.

Should ATMs be *banned* from venues?

There are several issues associated with assessing the effectiveness of banning ATMs, namely whether:

- banning ATMs would help problem gamblers
- banning ATMs would have adverse impacts on other patrons, gambling venues, providers of ATMs, and others in the community
- there would be additional adverse impacts from exempting EFTPOS facilities.

Would banning help problem gamblers?

As evident from participants views (box 13.2) there are several possible responses of gamblers to a ban on ATMs in venues. For example:

- the impulse and capacity of gamblers to obtain money to continue gambling could be lessened by the absence of ATMs in a venue

- gamblers could leave a venue to look for cash, but not return because their desire to do so has been reduced by the resulting break in play
- gamblers could leave a venue to obtain money to continue gambling
- gamblers could bring more cash with them to a venue in the first place.

Box 13.2 Participants' views on whether an ATM ban would help problem gamblers

Anon. problem gambler

... where the handy ATM is just a short stroll away, one is back playing [the] same machine often before the 3 minute reserve button expires ... However, if the ATMs were not on the premises, that machine would more than like be long gone before one got back. This effectively not only breaks the tie with that particular machine but also the heightened feelings associated with it. ... The other issue faced when leaving a club to obtain money is, upon re-entry one has to flash identification, therefore attention (real or imagined) is possible being drawn to one self. Assuming ATMs were not on the premises and certainly, there is no sure way to establish what people will do, but for an indeterminate number of those who don't yet have a problem or who are only in the very early stages of developing a problem, their sensitivity and self consciousness would more than likely be sufficiently intact to make it hard for them to contemplate going outside to look for money (one tends to feel more guilty/self-conscious if going out for money than for other 'innocent' reasons) and then have to come back and identify themselves again. For people in the above situation, even if they do leave the premises, once gone from there the spur of the moment desire to get more cash has a good chance of dissipating and so makes a return more of an impossibility, particularly with the added disincentive of having to produce ID again. (sub. 172, pp. 10, 11)

Anon. problem gambler

We will leave a "venue" to access an ATM. (sub. 148, p. 7)

Council of Gambler's Help Services

The Council is uncertain that people with gambling problems would 'subvert' a ban, though they may choose to bring larger amounts of cash to a gambling venue than is currently the case. They may also leave the venue to seek the nearest ATM when funds run out, however, this action may prove beneficial in terms of a break in play and opportunity to reconsider continuing to gamble. (sub. DR326, p. 25)

SA Council of Social Services

... if clients could only gain access to funds from outdoor ATMs, some may feel uneasy about using outside ATMs at certain times of the day or night and decide not to proceed with their gambling session, ultimately reducing their exposure to gambling. (sub. DR327, p. 11)

ATM Industry Reference Group

Patrons may simply access additional cash prior to entering a venue, potentially withdrawing more than what they would have done otherwise.

Patrons may be more likely to access ATMs prior to entering a venue that enable credit withdrawals (prohibited within gaming venues) and do not contain withdrawal limits that are in place in many gaming venues as a harm minimisation measure. (sub. DR324, p. 4)

There is limited evidence that gamblers, particularly problem gamblers, would be willing to leave a venue to obtain more cash for gambling. Delfabbro et al. (2007) found that:

- 72 per cent of venue staff had seen gamblers leaving the venue to find money to continue gambling
- 10 of 15 South Australian problem gambling counsellors had reported that their clients left the venue to find money to continue gambling
- 64 per cent of problem gamblers compared with 22 per cent of moderate risk gamblers, 3 per cent of low risk gamblers and 4 per cent of no-risk gamblers reported leaving the venue to find money to continue gambling
- problem gamblers were 3.7 times more likely to leave the venue to find money to continue gambling than other gamblers.

Without further evidence on the behavioural responses of gamblers, including problem gamblers, to a ban on ATMs in gambling venues, it is difficult to conclude unequivocally that a ban would be of assistance to them. Moreover, there could also be the unintended outcome that problem gamblers would seek to access ATMs outside of a venue that are not subject to other harm minimisation restrictions — such as on the use of credit cards — and that were beyond the ability for venue staff to observe or monitor.

Potential adverse impacts

Another issue relating to the effectiveness of banning ATMs is the nature and extent of adverse impacts of a ban on others, including non-problem gamblers.

Non-problem gamblers and other venue patrons

Participants from the gambling industry and the ATM industry considered that removing ATMs from venues would inconvenience and create safety risks for other patrons (box 13.3).

As discussed earlier, non-problem gamblers use ATMs in gambling venues, albeit their use is much less than problem gamblers.

Box 13.3 Participants' views on the impacts of an ATM ban on other patrons

Australian Hotels Association

[Removing ATMs or EFTPOS facilities from venues will] inconvenience 99% of the population who are not problem gamblers ... and create safety issues for patrons. (sub. 175, p. 4)

Australasian Casino Association

Casino customers rely upon the availability of [ATMs] in order to purchase and enjoy a wide range of gaming and non-gaming entertainment. ... International and interstate visitors to Australian casinos expect that they can have safe and convenient access to cash from ATMs as most do not carry cash while travelling but rely on internationally accepted debit or credit cards to access ATMs. (sub. 214, p. 4)

ATM Industry Reference Group

Patrons may need to access cash at ATM locations in potentially less secure situations. (sub. DR324, p. 4)

There is also some direct survey evidence that non-problem gamblers and other patrons of venues would be adversely affected by the removal of ATMs (appendix G).

- The Centre for Gambling Research (2004b) found in its 2004 study of ATM use in the ACT that:
 - convenient access, security and safety were nominated as important reasons for gaming venue patrons for accessing ATMs in venues (p. 105, table 38)
 - non-gamblers, recreational gamblers and regular gamblers were divided on whether ATMs should be removed from gaming venues — for example, although 35 per cent of recreational gamblers agreed with the statement that all ATMs should be removed from gaming venues, 55 per cent disagreed (p. 119, table 48).
- A survey of 1000 people by UMR Research, commissioned by Clubs Australia, in September 2008, found that 56 per cent of people opposed the idea of banning ATMs in clubs and pubs, while only 29 per cent of people supported it. The percentage that supported the ban dropped below 25 per cent if those who never visited clubs and pubs were removed from the respondents (cited in Clubs Australia, sub. 164, p. 11).
- Commission estimates based on raw data from the Queensland household gambling survey 2008-09 of 15 000 adults indicated that, although 80 per cent of recreational gamblers *never or rarely* used ATMs in a pub or club, the majority of those that do (around 60 per cent) used the money for drink, food or meals (appendix G, tables G.4 and G.6)

However, it is not clear from this evidence that any adverse impacts on patrons would endure; in particular, whether many would adjust eventually by bringing sufficient money with them to the venues.

Moreover, a recent study for the Victorian Government suggests that there would be no significant effect on the enjoyment of recreational gamblers if ATMs were banned from venues. Based on a survey of 1000 gaming machine players, Schottler Consulting found that 86 per cent of non-problem gamblers, 75 per cent of low risk gamblers (compared with 49 per cent of moderate risk gamblers and 51 per cent of problem gamblers) reported that there would be ‘no effect at all’ in having no ATMs in venues on their enjoyment (2009a, p. 73).

Overall, the survey evidence is mixed on the impacts on non-problem gamblers and other patrons of gambling venues of removing ATMs from gambling venues.

The gambling industry

Participants from the gambling industry were concerned about the impacts on gambling venues from removing ATMs.

The Australian Hotels Association considered that the removal of ATMs/EFTPOS facilities from Australian hotels with gaming machines would ‘place many hotel jobs at risk’, have a ‘devastating financial impact’ on food and beverage sales and the viability of many hotels, and ‘cripple’ many small, rural and regional hotels (sub. 175, pp. 4, 44). It cited evidence from a survey of over 1000 hotels prepared for it by PriceWaterhouseCoopers (PWC 2009), which reported that:

- 84 per cent were ‘heavily reliant’ on withdrawals from ATMs and EFTPOS facilities, respectively, for food and beverage sales (p. 49)
- 72 per cent considered that the removal of ATMs/EFTPOS facilities would increase prices (p. 52)
- 95 per cent considered that the removal of ATMs/EFTPOS facilities would lead to a fall in employment (p. 52).

Clubs Australia noted that ATMs are located in clubs because they are ‘cash businesses’ and that cash is used in clubs for a variety of transactions relating to meals, drinks, entertainment, merchandise, access to sport and health facilities, membership applications and renewal, and gambling. It said:

Removing access to cash in clubs would require expensive changes to the way in which goods and services are billed and may lead to reduced demand, with consequential impact on revenue and jobs. (sub. 164, p. 11).

Clubs Australia went on to describe the competitive impacts of removing ATMs from gambling venues:

The proposal to remove ATMs from gaming venues would also create significant competitive disadvantages for venues without ATM facilities nearby. There are some clubs and hotels where ATMs are located very close to the venue. Those venues would be advantaged over others without easy access to cash if ATMs were banned from gaming venues. (sub. 164, p. 12)

Some adverse impacts on gambling venues from the removal of ATMs would be an expected consequence of the measure; it would be expected that if a ban effectively addressed problem gambling then there would be a concomitant reduction in gambling expenditure and, thus, revenue for the gambling venue with attendant consequences for employment. However, there would also be a reduction in non-gambling related sales such as in food and drink, which could be substantial.

The ATM industry

Those companies providing ATMs in gambling venues ('ATM deployers') considered they would be adversely affected by a ban, particularly in relation to their competitiveness compared with providers of ATMs on the street and EFTPOS facilities in venues. For example, the ATM Industry Reference Group said that:

As to the ATM industry itself, the increasing regulatory burden is having a negative effect on the small independent companies, their employees and suppliers. Decisions such as the one made in Victoria to remove ATMs from gaming venues in mid 2012 will clearly make it increasingly difficult for these independent operators to survive. ...

ATMs operate in a very competitive market place. Cardholders have a range of payment options. Those who prefer cash will seek it out. Removing the ATMs from one section of the industry will simply move cardholders out onto the street and toward and ATM operated by a major bank. We see considerable competition issues with this potential regulation ...

... removing ATMs (or limiting cash withdrawals) does our business severe damage pushing hotel customers either out to bank-owned, street front ATMs, or to the bar to make a cash withdrawal using EFTPOS. (sub. 137, pp. 8, 9)

There is also the cost of physically removing and relocating the ATMs from the gambling venues, which could be large and irreversible. Providers of ATMs in gambling venues suggested that the cost of relocating an ATM to a street front window (or wall) could be between \$15 000 and \$25 000 per unit. Based on this,

the Commission estimates the total cost of removing ATMs from all gambling venues could be between \$34 million and \$60 million.¹

Regional communities

Several participants considered that there were adverse impacts of removing ATMs from venues on smaller communities that would warrant special exemptions. For example, the ATM Industry Reference Group considered that ATMs provided a:

... valuable community service. This is particularly true in country and regional Australia, where in many smaller towns and suburbs, ATMs operated by members of the AIRG make up well in excess of 25 per cent of ATMs. These are communities that are not well served by the banks. (sub. 137, p. 6)

McMillen considered that residents in rural Victorian communities with limited access to banking facilities could be inconvenienced if ATMs were removed from their local club or hotel and that case-by case exemptions to the Victorian Government's proposed ATM removal policy would seem justified (sub. 223, p. 38).

Amity Community Services (who agreed with banning ATMs from venues), questioned 'whether this would be practical for small venues in remote locations given these may be the only ATMs available in the community' (sub. DR388, p. 5).

In its report for the Australian Hotels Association, PriceWaterhouseCoopers found from its survey of over 1000 hotels that hotels in non-metropolitan locations had the only ATM, or one of very few, in the local community (2009, p. 49).

However, some participants considered that an exemption was not warranted and that alternative arrangements outside of gaming venues should be considered. For example, UnitingCare Australia considered that ATMs should be removed from all gambling venues and said:

A vast majority of ATMs are located in city or regional centre venues, where banking services are readily available. For small rural communities, banking services need to

¹ This cost estimate is based on two sources of data and assumes that the cost of relocating an ATM from a venue is between \$15 000 and \$25 000 per unit.

- 1) There are 5000 ATMs in licensed venues (ATM Industry Reference Group, sub 137, p. 5). Assuming that 50 per cent of these ATMs will be relocated from the venue, the estimated cost of relocating an ATM from a venue is between \$37.5 million and \$62.5 million.
- 2) There are 5700 hotels and clubs (table 2.6) with 80 per cent providing an ATM (Queensland Government 2009b, p. 19). Assuming that ATMs from 50 per cent of these venues will be relocated from the venue, the estimated cost of relocating an ATM from a venue is between \$34.2 million and \$57 million.

continue to be provided, but are better located in venues that are not also gambling venues. (sub. 238, p. 39)

In the event of a ban on ATMs from gambling venues, an exemption may be needed for those venues in regional areas that have no readily accessible alternative banking facilities. This could be where a local population centre is 5 kilometres or more from the nearest banking facility.

The impacts of leaving EFTPOS facilities unrestricted

Several participants considered the impacts of removing ATMs from gambling venues, but enabling EFTPOS facilities to operate (box 13.4). Some were concerned about the competitive impacts of this as well as the increased burden on gambling venues to facilitate transactions. Others considered that enabling EFTPOS transactions could help gamblers.

Exempting EFTPOS facilities from a ban might be justified for the following reasons:

- As noted earlier, removing ATMs from gambling venues would adversely affect a number of non-problem gamblers and other patrons of gambling venues, although it is not clear how significant or enduring the impacts would be. These potential impacts could be avoided by allowing EFTPOS facilities to remain in the venue.
- EFTPOS transactions, which by their nature are face-to-face could potentially deter higher risk gamblers.
- Multiple use of EFTPOS facilities would provide venue staff with an indicator of the likelihood that the patron is a problem gambler and thus present an opportunity to intervene.

A recent Victorian study provided some evidence to suggest that problem gamblers are likely to be reluctant to make EFTPOS withdrawals in gambling venues, but so too might non-problem gamblers. Schottler Consulting surveyed the responses of 1000 Victorian gaming machine players to the recently advanced State Government policy of banning ATMs from gambling venues, but leaving access to cash by way of EFTPOS through a cashier (2009a, p. 71). The authors found that this had a smaller negative impact on enjoyment, money spent, session length and play frequency for recreational gamblers (non-problem and low risk gamblers) than on higher risk groups (appendix G, table G.12). They also found that the ‘overall trend’ was for all groups of gamblers ‘to feel somewhat negative’ about having to use EFTPOS for cash in venues.

Box 13.4 Participants' views on exempting EFTPOS facilities

Clubs Australia

Without cash, which is essential in clubs for efficient low-value transactions, queues for service would be significant. EFTPOS transactions have minimum spend requirement of approximately \$10. If a member does not have cash and there were no ATM available, they would have to perform an EFTPOS transaction for a \$2 coffee and potentially pay \$10 for it. ... A switch to solely EFTPOS cash withdrawal in clubs would be highly problematic. Clubs would require significantly more cash on hand, causing concerns about robberies, theft by staff, accidental loss and OH&S as well as requiring valuable time of busy bar staff. (sub. 164, p. 12)

Australian Hotels Association

It is unrealistic to expect hotel staff and patrons to process an EFTPOS transaction each time a patron without cash sought to purchase a drink, a meal or a packet of chips. ... It will simply not be possible for hotels to process large numbers of transactions in a timely manner. (sub. 175, p. 42)

Australian Bankers' Association

The EFTPOS network is a much simpler network than the ATM network. Due to technology and network limitations, it is not currently feasible to limit access to certain merchants while enabling full access to other merchants. However, merchants can decide not to accept certain cards through their facility or choose not to accept to give cash out to customers. Obviously, merchants can decide not to have an EFTPOS facility in their venue at all. (sub. 165, p. 4)

ATM Industry Reference Group

EFTPOS is a less sophisticated means of cash access than ATMs. Transaction control is completely reliant on the operator of the terminal, which, when coupled with daily limits of up to \$2000 combines to create a dangerous risk to problem gamblers. There are no systemic fall backs in place to provide for any daily, or transaction limits. So, to that point, allowing cash out on EFTPOS would create an easily accessible loophole to access cash for problem gamblers if this is combined with volume, or value limits at ATMs in licensed venues. (sub. 137, p. 9)

[if ATMs were banned] Venues may be forced to carry significantly higher levels of cash on premises to service EFTPOS — creating undue security risks for venue staff and patrons.

... those venues that are able to relocate their ATM within a small distance of their venue may hold a significant competitive advantage in comparison to those venues where suitable relocation was not possible. (sub. DR334, p. 4)

New South Wales Government

NSW considers that the use of EFTPOS in these venues can facilitate harm minimisation measures for problem gamblers. The face-to-face contact involved in an EFTPOS transaction may yield a harm minimisation outcome and a ban would remove the opportunity for human-to-human intervention. This is also based on available research. [unpublished report commissioned by the Department of Justice (Victoria) 2009]. The impact of having to access money via EFTPOS through a cashier was tested in a Victorian gaming machine player study. The results indicated a small impact on non-problem gamblers but a larger impact on the higher risk groups who reported that this would decrease their spending. (sub. 247, p. 35)

Victorian InterChurch Gambling Taskforce

... customers of licensed venues could benefit financially if ATMs were removed and cash was only available through EFTPOS withdrawals, as there is a service charge on every ATM withdrawal through a non-bank ATMs that make up more than 99% of ATMs in pubs and clubs. No such charge currently applies to customers making cash withdrawals on EFTPOS. (sub. 220, p. 13)

In addition to impacts on gamblers, allowing an exemption for EFTPOS transactions would create an additional burden on gambling venues, including added security risks associated with having to hold significant amounts of cash, and place current providers of ATMs in gambling venues at a competitive disadvantage to providers of EFTPOS facilities.

Summing up

Determining whether a ban on ATMs from gambling venues would be effective in addressing gambling harms is far from clear-cut.

On the one hand, there is evidence of a close association between the presence of ATMs (and EFTPOS facilities) in gambling venues and problem gambling. That problem gamblers would like to remove ATMs from venues confirms that the presence of these facilities contributes to problem gambling.

There are, on the other hand, a number of uncertainties and risks associated with banning ATMs from gambling venues.

- It is likely that a significant proportion of higher risk gamblers would leave venues to seek out alternative ATMs. Were they to use these ATMs, these gamblers would not be subject to restrictions that normally would apply to in-venue ATMs/EFTPOS facilities such as restrictions on cash advances from credit cards, nor would they be visible to venue staff or other patrons.
- It is not clear to what extent non-problem gamblers and other patrons would be inconvenienced by the removal of ATMs. Although there are security concerns for patrons seeking cash from street-front ATMs, these patrons might eventually adjust by bringing cash with them to gambling venues from ATMs that were in safer locations.
- All that an ATM ban can do is limit a gambler's expenditure to the amount of cash that is brought into the venue on a particular visit. However, the real limit on gambling expenditure is the gambler's income. Thus, any gambling expenditure that might be 'saved' because of the ATM ban, may well be spent the next time the gambler visits the venue. But this depends on the strength of the break in play; once the gambler leaves the venue after running out of cash, there may well be a reconsideration of their decision to return at a later time to spend the amount 'saved'.

In addition to these uncertainties and risks are the costs associated with an ATM ban.

- There are potentially large and irreversible costs associated with the physical removal and relocation of ATMs, estimated to be up to \$60 million.

-
- If cash withdrawals from EFTPOS facilities continued, there would be extra costs on gambling venues associated with managing these transactions and security issues in having to hold more cash on premises and possible negative impacts on non-problem gamblers.

For these reasons, it is not clear that a ban on ATMs from gambling venues would be cost-effective. An evaluation of the outcomes of the forthcoming Victorian ban on ATMs would provide valuable additional information to all jurisdictions about the benefits and costs of this approach.

FINDING 13.2

Although a ban on ATMs from gaming venues has the potential to assist problem gamblers, it has uncertain benefits and costs, including the risk that problem gamblers would seek to subvert the ban in various ways.

RECOMMENDATION 13.1

The Victorian Government should, as soon as possible, develop methodologies for evaluating the impending ban of ATMs from gaming venues, including the collection of baseline data. It should then evaluate the effectiveness and outcomes of the ban after its implementation.

Were governments to introduce a ban on ATMs from gambling venues, the Commission considers that they should give exemptions to a venue where:

- there are no other banking facilities easily accessible by local population centres in regional areas. This could be where a local population centre is 5 kilometres or more from the nearest banking facility
- they offer a solution that effectively restricts gamblers' access to ATMs in a venue as discussed later in respect of self-regulatory mechanisms.

A ban on ATMs in gambling venues would not be necessary if governments introduced pre-commitment of the kind recommended by the Commission in chapter 10. Compared with a ban, this would more directly target the ability of gamblers to manage their gambling expenditure.

Withdrawal limits

Setting limits on withdrawals from ATMs/EFTPOS facilities in gambling venues raises similar issues about effectiveness to that of a ban on ATMs, namely whether withdrawal limits would:

- help problem gamblers

-
- have adverse impacts on other patrons, gambling venues, providers of ATMs, and others in the community.

Both these issues depend crucially on the design features of withdrawal limits.

Would withdrawal limits help problem gamblers

As noted by some participants (box 13.5), withdrawal limits would have little effect in helping problem and other gamblers where they could be easily surmounted.

- Limits on the volume or value of transactions could be overcome by gamblers using multiple cards on ATMs/EFTPOS facilities. That gamblers have multiple cards appears likely. Based on data from the Australian Payments Clearing Association (APCA 2010a), an Australian adult holds on average 2.6 debit, credit and multifunction cards.
- Limits on the volume of transactions, such as one transaction per day, could lead to gamblers taking the maximum permissible cash out of ATMs/EFTPOS facilities in the one transaction.
- Limits might not be binding on gamblers if they embody ‘generous’ cash thresholds.
- Where limits are binding on gamblers, they could leave a venue and visit an alternative ATM or cash source.

What limit for withdrawals?

An important issue therefore is the level of limit on withdrawals. A too generous limit might not help problem gamblers deal with their gambling problems. But a limit that is too strict might adversely affect non-problem gamblers and other patrons of gambling venues.

The Commission notes that the Victorian Government has just introduced a daily withdrawal limit of \$400 across all gaming venues, and the South Australia Government has unproclaimed legislation that allows for a \$200 a day limit across venues (table 13.1).

Box 13.5 Participants' views on whether withdrawal limits would help problem gamblers

Anon. problem gambler

The ideal solution is to remove ATMs entirely but if this is not possible then maybe a very strict limit on how much can be drawn out for the day. However, having multiple cards could negate this benefit to a large extent. Setting limits on amounts that can be withdrawn but still allowing multiple transactions is counterproductive. What makes this whole situation very difficult is that it is all very relative as even a limit of a couple of hundred dollars per day might be disastrous for some people. Although allowing multiple transactions of limited amounts is in itself a quite useless measure, it would however make a lot of sense if ATMs were located where only the staff can allow access to them. While probably argued as not a feasible or acceptable solution, it would more than likely scare many away who are using ATMs for the 'wrong' reasons and would make it glaringly obvious to staff if someone were making multiple trips to the ATM. (sub. 172, p. 31)

Regis Control

No state limits the number of transactions per 24 hours or beyond in gambling venues. The lowest limit is in South Australia at \$200 per day which still equates to \$1400 per week and \$73 000 per year, which is still way above the limit proposed in the recent Harm Minimisation Bill 2008. In reality the limit is that actually imposed by the card issuer, because a problem gambler can obtain more than one transaction a day. This actual limit can be up to \$1000 per day for credit cards and \$1600 per day for debit cards. For example, a CBA customer using Keycard together with a MasterCard can obtain \$1600 every 24 hours from an ATM. Problem gamblers often have multiple credit/debit cards from different banks (for obvious reasons) thereby obtaining far more cash than one ATM transaction allows. A number of other countries have in effect restricted ATM withdrawals by adopting cashless gaming with a daily, weekly or other periodic limit and banning the use of cash (notes/coins) in EGM machines. (sub. 82, pp. 11–12)

Cashcard Australia

... venues with more than one cash access point — those housing more than one ATM device from different deployers, as can sometimes be the case in larger gaming venues, or offering EFTPOS cash-out — will allow problem gamblers to exceed a daily withdrawal limit.

... card issuers are able to monitor and place restrictions on an account holder's withdrawal level across all cash access points in gaming venues.

Therefore, implementing restrictions from the card issuer level would prevent problem gamblers circumventing withdrawal limits by using other cash access points. (sub. DR330, p. 2)

Clubs Australia

South Australia currently has a withdrawal limit in gaming venues of \$200 and Victoria currently has a limit of \$400, yet both states have a similar prevalence of problem gambling to every other jurisdiction which does not have a withdrawal limit. Queensland has no withdrawal limit but has a lower prevalence rate than SA, which has a withdrawal limit; in turn SA's prevalence rate is lower than Tasmania which was a ban on ATMs in gaming venues. This casts doubt on any suggestion that bans on ATMs and withdrawal limits are a 'silver bullet' for reducing problem gambling. (sub. DR359, p. 65)

SA Council of Social Services

... if the gambler can only make one withdrawal of \$200 at the venue and was then required to leave the venue to obtain further funds, it would give the customer a 'timeout' to evaluate the need or desire to continue to gamble. (sub. DR327, p. 12)

There is some evidence of the magnitude of withdrawals from ATMs/EFTPOS facilities in gambling venues.

- In its 2004 ACT study of ATM use, the Centre for Gambling Research found that, although most patrons who used ATMs/EFTPOS facilities in venues withdrew less than \$100 in a single transaction (table 13.4), a greater proportion of self-identified problem gamblers than recreational gamblers and non-gamblers withdrew between \$100 and \$200 from ATMs in the venue. Regular gamblers, recreational gamblers and non-gamblers tended to withdraw more than \$200. However, the samples upon which these findings are based are very small.
- Two participants provided information on the average value of ATM withdrawals. However, these average withdrawals maybe more reflective of the default transaction limits set on ATMs (typically \$200) for security and other purposes than of users' actual cash demands.
 - The average value of ATM withdrawals from hotels and clubs in the different jurisdictions that are serviced by the ATM Industry Reference Group is between \$98 and \$110 (table 13.5), which is much less than the average ATM withdrawal of \$190 for all ATMs across Australia (appendix G).
 - The RSL (Vic Branch) noted that the average transaction from an ATM located inside an RSL was \$107, the average transaction for a metropolitan RSL was \$108, and the average transaction in a regional RSL is \$104 (RSL Submission Concerning the Removal of ATMs from Licensed Gaming Venues in Victoria, p. 3).

In addition, the 2003 Victorian longitudinal community attitudes survey found that 86 per cent of gamblers and 87 per cent of non-gamblers agreed with the statement that ATMs in clubs, hotels and casinos should have a withdrawal limit of \$200 a day (Centre for Gambling Research 2004a, p. 137).

Although not directly relevant to withdrawals from ATMs/EFTPOS facilities, a recent study for the Victorian Government (Hare 2009) indicated the amount of money that gamblers tended to bring with them to gambling. The study found that, based on a sample of 4676 gamblers, around 86 per cent brought up to \$200 with them to gambling, with 5 per cent bringing more than \$200 (p. 175). Moderate risk and problem gamblers had a much greater tendency, than non-problem gamblers, to bring more than \$200 with them to gambling.

On the basis of this combined evidence, the Commission proposed in the draft report that withdrawals from ATMs/EFTPOS facilities in gaming venues be limited to \$200 per day.

Table 13.4 Usual amount withdrawn from ATMs/EFTPOS at any one time in ACT gaming venues, 2004^a

Amounts	ATMs				EFTPOS facilities			
	Non-gambler	Recreational gambler	Regular gambler	Self-identified problem gambler	Non-gambler	Recreational gambler	Regular gambler	Self-identified problem gambler
	% (n)	% (n)	% (n)	% (n)	% (n)	% (n)	% (n)	% (n)
\$50 or less	48 (72)	45 (31)	22 (6)	40 (4)	68 (19)	58 (7)	50 (4)	-
\$51 to \$100	39 (59)	44 (30)	44 (12)	30 (3)	21 (6)	33 (4)	25 (2)	-
\$101 to \$200	9 (14)	10 (7)	4 (6)	30 (3)	11 (3)	8 (1)	13 (1)	-
\$201 to 500	4 (6)	1 (1)	4 (1)	-	-	-	-	-
\$501 to \$1000	-	-	-	-	-	-	-	-
> \$1000	-	-	-	-	-	-	-	-

^a Responses from patrons who have withdrawn money from ATMs/EFTPOS facilities in ACT gaming venues in the last 12 months. Some shares do not add to 100 per cent due to rounding and non-responses/don't know.

Source: Centre for Gambling Research (2004b, p. 93, tables 22 and 24).

Table 13.5 Average value of an ATM withdrawal in hospitality venues serviced by the ATM Industry Reference Group^{a b}

State	Average ATM withdrawal
	\$
New South Wales	110.14
Victoria	98.21
Queensland	100.54
South Australia	98.66
Western Australia	98.19

^a Excludes casinos. ^b Based on 4935 ATMs operated by ATM Industry Reference Group members.

Source: ATM Industry Reference Group (sub. 137, p. 5).

Because of concerns raised by participants about the limit (box 13.6), the Commission sought and received contemporary information from the ATM Industry Reference Group on the daily distribution of cash withdrawals from ATMs in gaming and non-gaming venues.² The information showed that:

- nearly 85 per cent of cash withdrawals from ATMs in gaming venues involved amounts below \$250 per card per day, while just over 15 per cent involved amounts of \$250 or more per card per day
- the distribution of cash withdrawals across gaming and non-gaming venues were very similar.

According to this new evidence, setting a withdrawal limit on ATMs/EFTPOS transactions of \$250 per card per day is unlikely to cause significant impacts for non-problem gamblers and other patrons of gambling venues, and might help those at risk of gambling harms.

The cost to the ATM industry of complying with such a withdrawal limit is not likely to be significant. The ATM Industry Reference Group has already advised the Commission that it was not opposed in principle to financial limits and noted that its members were already working towards compliance with Victorian legislation to limit cardholders to a maximum withdrawal limit of \$400 within a 24 hour period. (sub. 137, pp. 12–13).

Should casinos be exempt from a daily withdrawal limit?

In the draft report, the Commission recommended that casinos be exempt from the proposed cash and credit restrictions in relation to their ‘high rollers’ and international visitors. The main reason for exempting casinos was that they were ‘destination venues’ for these groups of patrons.

² The daily distribution of cash withdrawals was estimated from data on the total amount of cash withdrawn from a card per day. The data were collected over a two week period to smooth fluctuations from day to day (weekends versus weekdays) and from one week to another (pay week versus a non-pay week). The chosen two week period involved no unusual or seasonal consumer spending patterns. Gaming venues included hotels and clubs with gaming machines, TABs, racing premises, and casinos.

Box 13.6 Participants' views on whether a \$200 daily withdrawal limit is too little or too much

ATM Industry Reference Group

[With withdrawal limits there must be] a balance between protecting problem gamblers and not unfairly inconveniencing the majority of ATM users as it could also have the unintended consequence of reducing spending in licensed venues which are largely cash-based operations and depend on patrons' ready access to reasonable cash sums for their business revenues. A daily withdrawal limit of only \$200 may produce such unintended consequences. (sub. DR324, p. 5)

Council of Gambler's Help Services

If a ban is not instituted, cash withdrawals should be limited to \$100 per day Victorian data indicates Gambler's Help clients spend less than \$200 per session on average suggesting a \$200 ceiling on withdrawals is too high to be an effective harm minimisation measure. This is particularly so when taking into account the fact that many gamblers will have brought some cash with them, and that particularly for gamblers on pensions or benefits \$200 is a significant sum. (sub. DR326, p. 24)

Australian Hotels Association

It is extremely important that any research into ATMs in hotels look not only at the impact on gamblers, but on all patrons in the venue.

Non gamblers will certainly be inconvenienced by an ATM withdrawal limit and this must be recognised. Why should the impact on all patrons in a venue be ignored? (sub. DR385, p. 36)

Community Clubs Association of Victoria

[Within the context of the 2012 ATM ban in Victoria] Suggesting a limit on EFTPOS cash withdrawals be limited to \$200 per day will create many problems for our clubs and their patrons. Our clubs are multi-faceted providing services beyond gambling — memberships, bistros, bars, entertainment are currently also paid via EFTPOS cash withdrawals as well as normal EFTPOS transactions. (sub. DR366, p. 13)

Mittagong RSL Club

[a \$200 a day limit] would have a significant effect on our business revenue and customer amenity if implemented. A significant number of ATM/EFTPOS transactions at our business are non-gaming machine related. We not only operate gaming machines, but we have large dining, restaurant and function operations, where customers are required to pay cash for those transactions. A \$200 a day limit is totally unfeasible for these business transactions. (sub. DR312, p. 4)

ATM Industry Association

ATMs are designed to dispense cash to bank customers and cardholders. They are not poker or gambling machines. It is illogical to think that ATMs can feed the habit of gambling.

A problem gambler will gain access to their banking funds regardless of whether there is an ATM in the gaming location. For example, they can bring pre-withdrawn cash with them or use an EFTPOS Cash Out arrangement on the premises. One cannot prevent a person from accessing his own banked money when they want to withdraw it. (sub. DR420, position paper, p. 1)

However, the Australasian Casino Association expressed concerns about the proposed exemptions, generally considering them to be impractical, and considered that casinos be broadly exempt from the Commission's proposed cash and credit restrictions. For example, in relation to the application of withdrawal limits on ATMs to casinos, the Australasian Casino Association said:

... casinos cater for a diverse range of visitors. Casino customers rely on the availability of ATMs in order to purchase and enjoy a wide range of gaming and non-gaming entertainment. ... The suggestion that a \$200 daily withdrawal limit should apply to all customers except for "high rollers" and international tourists is not only impractical but demonstrates a fundamental misunderstanding of how casinos operate, the services they offer and the type of customer that frequents casinos. (sub. DR365, pp. 12–13)

And further:

... many casino customers do not play EGMs but visit casinos to exclusively play casino table games ... as well as visit restaurants, attend a show or a function or a conference. This equally applies to large casinos such as Crown, or a regional casino such as Jupiters Townsville. Apart from being destination venues, this is what distinguishes casinos from other gaming venues. (sub. DR365, p. 13)

On the other hand, several other participants questioned the desirability of any exemptions for casinos (for example, Council of Social Services, sub. DR369; Amity Community Services, sub. DR388; RSL & Services' Clubs Association, sub. DR374; Parramatta Leagues Club, sub. DR341), or had particular concerns about the application of any exemption to high rollers (for example, BetSafe, sub. DR345; Clubs Australia, sub. DR359; Kildonan UnitingCare, sub. DR339; UnitingCare Australia, sub. DR387). For example, BetSafe said:

A distinction needs to be made between international high rollers and other categories of gambler. In our opinion, it is appropriate for exemptions to apply to casino gamblers who are overseas residents and come to Australia as tourists or on junkets. One means of identification is to require the person to present their passport showing a short-term tourist visa. These overseas visitors should be entitled to a liberal range of financial options as their presence in Australia is only temporary.

By contrast, BetSafe considers that the current approach by casinos of nominating residents as "high rollers" based on their gambling expenditure to be flawed. Wealthy Australian residents can easily arrange for their gambling funds to be deposited in a casino account by electronic transfer or cheque. A considerable number of "high rollers" in casinos are in fact problem gamblers who are gambling beyond their means. If they don't have a personal assistant to arrange for the funds to be deposited into their casino account, or if they don't have a chequebook, then their status as genuine "high rollers" should be questioned. (sub. DR345, p. 6)

Also, UnitingCare Australia considered that:

The problem is that casinos often classify problem gamblers as high rollers and subject them to a range of inducements and other conduct that gets them into trouble. There is no effective regulation of how Australian residents can be classified as high rollers. (sub. DR387, p. 18)

Determining the extent to which certain cash and credit restrictions apply to casinos depends on the balance of benefits and costs, which are likely to vary between casinos and gaming venues located throughout the community. A daily withdrawal limit of \$250 per card on ATMs/EFTPOS facilities would entail fewer benefits and higher costs in casinos, tipping the balance in favour of an exemption for this venue type.

- A daily withdrawal limit is only likely to provide modest benefits for higher risk players of gaming machines, which would justify action only when the costs of the measure were also low
- A daily withdrawal limit inconveniences some recreational gamblers, but the significance of these costs is likely to be much higher in casinos:
 - casinos are the exclusive provider of table games, where people tend to place larger bets by the nature of the games, but do so only irregularly
 - many casino patrons are from overseas or interstate, with the casino visit part of a tourist experience (true destination gambling), in which normal spending constraints are lower
 - casinos also provide a wider range of other entertainment and hospitality services than clubs and hotels, and a low limit would adversely affect patrons' capacity to access these.

It would be impractical to impose the withdrawal limit for gaming machine gambling in casinos, but not other purchases, since that would require supervision of how people used their withdrawn cash.

Accordingly, the Commission considers that casinos should be exempt from a withdrawal limit on their ATMs/EFTPOS facilities. That said, as seen later in this section, such a wide exemption does not apply to the Commission's other proposals for cash payment of gaming machine prizes and cheque cashing restrictions, which are more targeted.

In contrast to casinos, the range of patrons and forms of gambling offered in hotels and clubs are much narrower. Imposing a daily withdrawal limit on ATMs/EFTPOS facilities in these venues would be likely to have a different, and positive, benefit-cost outcome. While the benefits of a daily withdrawal limit are still likely to be modest, the adverse effects on non-gaming machine patrons and non-gaming machine revenue, are likely to be much lower than those in casinos.

Other issues about a daily withdrawal limit

One issue raised by Cashcard Australia is whether there was a need for EFTPOS transactions if withdrawal limits were imposed on ATMs. It argued for the removal of the cash-out option from EFTPOS facilities:

Without this, the impact of ATM cash withdrawal limits could be negligible as gamblers will have a second and uncontrolled access point to funds. There is no systemic fallback for control of EFTPOS and the control aspect is completely reliant on the operator of the terminal.

By removing cash-out at EFTPOS, in-venue ATMs can be used as the single point for accessing cash within a majority of gaming locations. Only those venues that house more than one ATM network will then provide a means for problem gamblers to potentially circumvent the restrictions. (sub. DR 330, p. 3)

As noted earlier in relation to ATM bans, there are merits in continuing to permit cash out from EFTPOS facilities, but subject to the same withdrawal limit as on ATMs. The face-to-face nature of EFTPOS transactions could deter higher risk gamblers. EFTPOS transactions provide venue staff with the opportunity to monitor gamblers and to intervene as appropriate. And prohibiting a cash-out option on EFTPOS facilities could inconvenience non-problem gamblers and other patrons. For these reasons, the Commission considers that there is no basis for removing the cash out option from EFTPOS facilities.

Another issue raised by the Australian Bankers' Association (sub. DR381) pertains to the 'level' at which withdrawal limits (and indeed any cash restrictions) are imposed. It opposed imposing restrictions on 'card issuers' (for example, banks and other financial institutions) due largely to the impacts this would have on the broader 'payments system' and advocated that:

Obligations should be imposed on licensees of gaming venues to ensure the effectiveness of proposed strategies that restrictions are implemented on the cash facilities within their venue. Licensees should be required to ensure that the operator of the device — that is, the ATM deployer or the [EFTPOS] merchant — have in place technologies, protocols or processes to restrict access to cash ... (sub. DR381, pp. 4-5)

The Commission envisages that any restrictions on ATMs/EFTPOS facilities would be levied on ATM deployers and EFTPOS merchants, rather than through 'card issuers'. Implementing restrictions at the venue level is likely to be less costly than through card issuer with the potential impacts this might entail for the broader payments system. The ATM Industry Reference Group, which represents major ATM deployers, said it was not opposed to the concept of a daily withdrawal limit and had the capacity to meet the current Victorian \$400 limit (sub. DR324, p. 5). (Although Cashcard Australia noted that setting limits through the 'card issuer'

level would avoid the scope for problem gamblers to avoid restrictions — box 13.5).

A third issue raised by some participants is the impact of withdrawal limits on remote communities and the scope for exemptions. The Northern Territory Government, for example, noted that its jurisdiction contained a ‘highly dispersed population’, and there was a lack of alternative banking facilities to those provided by licensed liquor and gaming businesses (sub. DR410, p. 3).

As noted earlier in relation to a ban on ATMs from gambling venues, an exemption from a withdrawal limit may be needed for those venues in regional areas that have no readily accessible alternative banking facilities. This could be where a local population centre is 5 kilometres or more from the nearest banking facility.

A final issue raised by some participants is the scope for exempting venues from any withdrawal limit where they offer an ATM self-exclusion option (for example, the Australian Hotels Association, sub. DR385, p. 38). This, and other self-regulatory approaches, is discussed later in this section.

Summing up

A daily withdrawal limit on ATMs/EFTPOS facilities presents similar issues to a ban on ATMs from gambling venues. Both offer the scope of providing benefits to problem gamblers. However, compared with an ATM ban, the risks and costs associated with a daily withdrawal limit are probably less and more easily reversed.

Although the ATM industry indicated that they are already able to meet the Victorian \$400 a day limit, the Commission considers that this limit is unlikely to be sufficient to assist problem gamblers.

The Commission considers instead that, based on the limited evidence available, a limit of \$250 per day on withdrawals from ATMs/EFTPOS facilities could help address gambling harms without unduly affecting non-problem gamblers and other patrons or having other adverse impacts.

Casinos should be exempt from this withdrawal limit. Compared with clubs and hotels, casinos offer a broader range of gambling and other services and attract a broader range of patrons. A withdrawal limit would thus have greater costs for casinos.

An exemption from a withdrawal limit may be also needed for those venues in regional areas that have no readily accessible alternative banking facilities. This

could be where a local population centre is 5 kilometres or more from the nearest banking facility.

The daily withdrawal limit should be adjusted periodically to account for inflation.

Such a withdrawal limit could be repealed if mandatory pre-commitment of the kind proposed in chapter 10 were introduced.

Removing ATMs from the gaming floor

Although governments have largely required venues to remove ATMs/EFTPOS facilities from gaming floors, there is evidence from participants to suggest that more could be done to ensure the effectiveness of the measure in relation to their location and visibility in venues. For example, a problem gambler noted:

[ATMs might not be in the gaming rooms] but they are just around the corner somewhere. ... a short stroll from the gaming room will hinder very few. (sub. 172, pp. 3, 31)

Wattle Range Council said:

In almost all local venues, ATM machines whilst placed outside the gaming room are often only a few feet from the electronic gaming machines. There is no screening from sight and sounds of the gaming machines while the gambler withdraws money from their account. This can undermine people who intended only to spend a set amount on gambling to compound their losses. (sub. 233, p. 2)

And PokieWatch.org (sub. 199, pp. 67–72) provided evidence to the Commission gathered from its ‘inspections’ of over 180 hotels and clubs in South Australia, Queensland and Victoria about the location and visibility of ATMs relative to the ‘pokie area’. It found that despite restrictions in regard to the location of ATMs vis a vis the gaming floor, ATMs continue to be visible to gamblers, indicating that this meant that ‘prescriptive regulation is required to enforce responsible pokie gambling practices’ (p. 67).

The Victorian InterChurch Gambling Taskforce, which opposed relocating ATMs to another part of the venue, noted anecdotal evidence to suggest that this led to increases in ATM withdrawals:

A former gaming floor manager stated to the Taskforce that when the Victorian Government required venues to remove ATMs from the gaming area the venue he was a manager in placed the ATM in the foyer. This resulted in a substantial increase in the amount of money withdrawn from the ATM and a substantial increase in the money lost on EGMs in the venue. The gaming floor manager speculated that this was because people who made multiple withdrawals for the purposes of gambling gained a greater sense of privacy with their withdrawals once the ATM was in the foyer compared to

when the ATM was in the gaming area where patrons felt they could be observed more readily by staff. Further, the ATM was not far enough away to allow the gambler a genuine break from their session. (sub. DR357, p. 4)

On the other hand, Clubs Australia noted that there were costs to venues in where they positioned their ATMs:

ATMs are already banned from the gaming room floor in most jurisdictions and this is sufficient. Due to layout and size, venues will face different challenges in operating an ATM at a “reasonable distance” from the gaming room. The gaming room might be near the venue entrance. In that case, the gaming room cannot be moved because the machine requires access to electrical outlets and it would be prohibitively expensive to switch rooms just to create distance between the gaming machines and the ATM. In other venues, particularly large clubs, the gaming room is not walled off from other areas. It would be expensive and impractical for those clubs to make the ATM ‘invisible’ to patrons on the gaming floors. (sub. DR359, p. 66)

The Commission considers that the effectiveness of relocating ATMs from the gaming floor would be improved by requiring that the facilities not be proximate to, nor visible from, gaming floors, and that they should be in full sight of venue staff and other patrons.

- Relocating the facilities sufficiently away from the gaming floor could provide a small break in play in which gamblers could reconsider their decision to withdraw cash.
- Concealing the facilities from view of the gaming floor could help reduce the impulses of gamblers on the floor to withdraw cash.
- Public visibility of the facilities to venue staff and other patrons could deter problem gamblers who might be self-conscious about their withdrawals and would create an opportunity for venue staff to intervene.

However, because of the costs associated with physically relocating ATMs from one part of a venue to another, imposing further distance and visibility constraints on ATMs should only apply to those venues that have not yet complied with the current restrictions.

Self-regulatory mechanisms

Several participants drew the Commission’s attention to existing self-regulatory mechanisms that enable gamblers to set their own limits on their use of ATMs/EFTPOS facilities (for example, Clubs Australia, subs. 164 and DR359; the Australian Bankers’ Association, subs. 165 and DR381; the ATM Industry

Reference Group, subs. 137 and DR324; and the RSL of Australia (Vic Branch), sub. 245).

For example, gamblers could:

- leave their debit cards at home or with family or friends for safe-keeping and bring only that amount of cash with them as is necessary
- make use of a venue's 'mind your ATM card' service (Clubs Australia, sub. 164, p. 14)
- request their financial institution to set limits on their debit cards — although these limits would apply across all points of access (ATMs and EFTPOS facilities) and not just in gaming venues (box 13.7).

Box 13.7 Setting limits through banks

The Australian Bankers' Association noted a number of ways in which banks can assist their customers to manage their finances.

... banks offer customers further options to manage their finances and expenditure, including upon request, varying their maximum daily withdrawal limit (where possible).

In this instance, a customer (card holder) would contact their bank and request that the maximum daily withdrawal limit on their debit card be reduced. Depending on the type of bank account, the bank would respond to the request by implementing a maximum daily withdrawal limit that differs from the standard limit. However, it should be noted that the new maximum daily withdrawal limit would apply across all points of access (ATM, EFTPOS and cash facilities), not just ATMs in gaming venues.

Furthermore, a bank would not take this action without an explicit instruction from their customer requesting that the maximum daily withdrawal limit on their debit card be reduced, for example, to assist them manage their gambling expenditure. (sub. 165, p. 3)

And

...some banks offer customers further options to manage their finances and expenditure, including upon request, introducing a "two to sign" process (where possible). This approach requires the customer (account holder) to impose a restriction on the use of their account (ie no debit card) and a nominated additional account signatory to agree to a restriction on the withdrawal of money from the account (ie over the counter in a bank branch). (sub. DR381, p. 7)

Some participants also noted the development of new mechanisms to enable gamblers to limit their use of ATMs/EFTPOS facilities in gaming venues themselves.

One such mechanism involves gamblers setting their own limits on ATM/EFTPOS use when seeking self-exclusion. The ATM Industry Reference Group advised the

Commission that it was working with the Australian Hotels Association (NSW) to explore how such a system would work.

As part of entering [a] voluntary Deed of Exclusion, the person seeking exclusion could also volunteer details of their ATM card(s) and the venues where they did not want ATM access. This card and venue data could then be provided to the ATM provider (via an Industry/Government body) and the card could then be blocked from use at the venue's ATMs or all gaming venue ATMs. ...

If the ATM providers are satisfied the Deed of Exclusion process is robust, we do not require any information other than the card number and the venue(s). We would also expect some mechanisms that would refresh the Inactive Card Data periodically. Timeframes for each activity (including contacting the ATM provider, establishing the card number on the system etc) would need to be agreed but otherwise we do not see any significant impediments. (sub. 137, p. 10)

The ATM Industry Reference Group noted that there were issues still to be resolved — such as how the message that the transaction has been declined would be delivered to the cardholder and where the database and cardholder information would be stored — and was working on a pilot (p. 11).

As noted earlier, the Australian Hotels Association commissioned a survey of over 400 problem gamblers, which found a strong preference for such an ATM self-exclusion scheme (Sweeney Research 2009). The survey also found that, when offered a choice between removing ATMs from a licensed venue and an ATM exclusion scheme, 38 per cent chose the former option and 62 per cent the latter (p. 9).

This mechanism need not be limited to patrons seeking self-exclusion, but could be offered to all patrons. The ATM Industry Reference Group said:

The opportunity to prohibit access to ATMs within venues for problem players could also be offered to those patrons who do not wish to self-exclude, but rather seek a means to better manage their level of gambling activity. Restricting their access to cash within a venue may provide assistance to such individuals as part of a range of tools, including counselling and other harm minimisation initiatives.

We firmly believe that sufficient technology based options exist to provide a high level of protection for problem gamblers while ensuring that venues are not materially disadvantaged and that the majority of patrons can continue to readily access cash for their needs both inside and outside the venue. (sub. DR324, p. 6)

Indeed, the RSL of Australia (Victorian Branch) has proposed to the Victorian Government that its member clubs be exempt from a ban on ATMs from venues if they offered ATMs to their members under conditions of restricted access (sub. 245). Essentially, this would involve ATMs being located in a physically restricted space in the venue accessible only to club members with appropriate

membership cards and viewable from anywhere in the venue. The membership cards could be programmed to include various limits on access to the ATMs, including limits on access by self-excluded persons and daily transaction limits. The ATMs themselves could also be programmed to accommodate limits. The Australian Bankers' Association also noted similar initiatives overseas to restrict access to cash in gambling venues through a combination of self-exclusion and ATM technology (sub. 165, p. 6).

The effectiveness of these different self-regulatory mechanisms depends on the awareness of gamblers of these alternatives, the incentives gamblers face to impose limits on their own behaviour, and on the incentives venues face to introduce necessary supporting measures that reduce harms.

The Commission considers that there is a role for governments in better promoting the ability of gamblers to already set limits with their financial institution. As noted by Clubs Australia, 'Promotion of the opportunity to limit daily withdrawals and how to do it ... would empower all consumers, not just those that gamble' (sub. 164, p. 12).

One relatively cheap way to do this is for governments to mandate the placement of warnings and appropriate messages on ATMs. Casinos already place warning and help messages on their ATMs (Australasian Casino Association, sub. DR365, p. 12). And the technology is available to display 'responsible gambling messages' on ATM screens (ATM Industry Reference Group, sub. DR330, p. 5). However, there would obviously be difficulties in relation to the placement of warnings and messages on EFTPOS facilities, due to their size and how they are used (Clubs Australia, sub. DR359, p. 66).

Were governments to introduce bans or withdrawal limits on ATMs, they could consider exempting venues with self-regulatory mechanisms that restrict ATM access — such as proposed by the ATM Industry Reference Group/Australian Hotels Association (NSW) and the RSL of Australia (Victorian Branch) — where they are proven to be effective in addressing gambling harms. An important consideration in this regard would be the extent to which problem gamblers would take up the self-regulatory mechanism.

Conclusion

The weight of evidence shows that there is a strong link between ATMs/EFTPOS facilities and problem gambling. Moderate risk and problem gamblers are likely to access ATMs/EFTPOS facilities in venues for gambling more often than other patrons. Moreover, that problem gamblers would like to better control their

gambling by removing ATMs confirms that the presence of these facilities in venues contributes to gambling harms.

However, for some types of restrictions, particularly a ban on ATMs from venues, there is the potential for unintended consequences for problem gamblers, for adverse impacts on non-problem gamblers, and for large and irreversible costs for gambling venues and providers of ATMs.

The Commission thus sees advantages in a moderate and less costly approach to the regulation of ATMs/EFTPOS facilities in venues by fine-tuning existing requirements, while awaiting the outcomes of the proposed Victorian ban on ATMs. This approach includes imposing on gaming venues, apart from casinos, a daily cash withdrawal limit per card from ATMs/EFTPOS facilities of \$250.

As noted earlier, a withdrawal limit on ATMs/EFTPOS facilities could be repealed if the Commission's proposed pre-commitment system as recommended in chapter 10 were adopted.

RECOMMENDATION 13.2

Governments should modify existing regulations of ATMs/EFTPOS facilities by introducing the following changes in gaming venues:

- *cash withdrawals from ATMs/EFTPOS facilities should be limited to \$250 a day except for casinos*
- *ATMs/EFTPOS facilities should be a reasonable distance from the gaming floor, visible to the public and venue staff, yet not to gamblers from the gaming floor*
- *warning and help messages should be clearly visible on ATMs.*

13.3 Using credit for gambling

Most jurisdictions have mandatory restrictions on the use of credit for gambling. These are typically of the following forms:

- bans on 'credit gambling', which are bans imposed on venues, or their employees, from offering credit or loans to patrons for the purpose of gambling
- restrictions on the use of credit cards or access to credit accounts through ATMs/EFTPOS facilities in gambling venues for gambling.

However, some jurisdictions continue to allow cash withdrawals from credit cards in gambling venues in limited cases (ACT — ATMs outside the gaming area of

hotels and clubs, Western Australia — ATMs in the casino non-gaming area, and Tasmania — ATMs in casinos).

Some previous studies for, or reports to, government have considered the use of credit cards and access to credit accounts for gambling.

- In its report to the Australian Government, KPMG recommended that the Australian Government negotiate with the states and territories to ensure that all ATMs that ‘serve gaming locations’ do not enable access to credit accounts (KPMG 2002, p. 5).
- IPART (2004) recommended that the New South Wales prohibition on credit for gaming applying at the time should continue without amendment (p. 67). However, it noted that organisations involved in lottery products claimed that this measure is less relevant to them as they are less likely to be harmful and that they experienced administrative difficulties and costs when selling non-lottery products through credit.
- The Centre for Gambling Research in its report to the ACT Government on ATM use in ACT gambling venues considered that restrictions on accessing credit accounts from ATMs/EFTPOS facilities be clarified to improve their effectiveness (2004b, p. 178).

Is the rationale for credit restrictions in gambling venues appropriate?

The restrictions reflect concerns that people may gamble beyond their financial means or beyond what they earn. They also reflect concerns that credit availability may exacerbate the financial difficulties of problem gamblers.

Several participants commented on the need for credit restrictions in relation to gambling. The New South Wales Government noted that its prohibition on cash withdrawals from credit accounts through ATMs/EFTPOS facilities is:

... intended to deny individuals with a tendency to gamble access to money that they do not have, or cannot afford to repay. Preventing access to credit for gambling purposes is seen as a key strategy to limit the impact of problem gambling. (sub. 247, p. 34)

Clubs Australia (along with several other participants from the gambling industry) called for the Australian Government to ban credit betting and the use of credit accounts for gambling, including online gambling (sub. 164, p. 5) and said:

It is Clubs Australia’s view that there is a clear difference between allowing a person to use money from their cheque or savings accounts to gamble as they see fit, and allowing a person to gamble on credit, where losses can be much higher and interest required on those losses. Banning credit betting would give the additional benefit of

preventing stolen credit cards being used to gamble. This would also help in the current environment of easy access to credit cards. (sub. 164, p. 34)

UnitingCare Australia noted that one of the adverse impacts of problem gambling is consumer debt:

The national level of consumer debt, particularly credit card debt, has grown considerably over the past decade. A significant amount of this consumer debt has been created by expenditure on gambling. Financial counsellors frequently see problem gamblers who have unsecured debt in excess of \$50 000, which is unlikely to be repaid.

In many cases, gamblers take out a succession of credit cards and other loans, using the newest sources of credit to maintain the minimum repayments on the older debts, which are usually maintained at the maximum limit. Eventually creditors will decline applications for credit. However, this may only occur after a very large total debt has been incurred. In the most extreme instance, one woman incurred total unsecured debts of \$280 000, all of which was lost gambling.(sub. 238, p. 34)

Consumers generally take into account a range of factors when using credit to make a purchase. These factors include the convenience of the purchase, the detailed recording of the transaction in the consumer’s credit accounts, the fee of using credit cards or credit accounts relative to debit cards in ATMs/EFTPOS facilities, and the future interest payable a record of transactions. Using credit is not just about going ‘over budget’ in a particular period, it involves the inter-temporal management of a consumer’s finances.

Although gamblers generally may be like other consumers of goods and services in respect of their use of credit, there is survey evidence that higher risk gamblers appear to use credit for gambling more than other gamblers. Moreover, higher risk gamblers appear incapable of using credit rationally with consequent adverse impacts such as accumulating losses (appendix G and table 13.6).

Table 13.6 Use of credit cards to get cash advances for gambling, Queensland, 2006-07 and 2008-09^a

<i>Frequency</i>	<i>Low risk gamblers^b</i>		<i>Moderate risk gamblers^c</i>		<i>Problem gamblers^d</i>	
	<i>2006-07</i>	<i>2008-09</i>	<i>2006-07</i>	<i>2008-09</i>	<i>2006-07</i>	<i>2008-09</i>
	%	%	%	%	%	%
Never, rarely	94	93.2	80	89.9	74.6	73
Sometimes, often, always	5.2	6.6	20	8	25.4	27.1

^a Commission estimates based on raw data from the Queensland household gambling survey for 2006-07 (question 100) and 2008-09 (question 75). The 2006-07 survey was of 30 000 adults and the 2008-09 survey was of 15 000 adults. ^b Low risk gamblers — CPGI (1 or 2). ^c Moderate risk gamblers — CPGI (3 to 7). ^d Problem gamblers — CPGI (8+).

Some participants also provided graphic illustrations of the extent to which problem gamblers misuse credit for gambling. For example, Kildonan UnitingCare noted a case where one problem gambling client acquired an \$80 000 credit card debt, ‘mostly due to his excessive EGM gambling’ (sub. 163, p. 5). And the Anglican Diocese of Brisbane noted a case where a client had applied for and gained four separate credit cards from which he sourced cash advances for gambling and that the combined liability for the cards was \$35 000, which far exceeded his and his wife’s capacity to finance (sub. 140, case study, p. 2).

Summing up, the Commission considers there is strong evidential support for the view that moderate risk and problem gamblers are much more likely to use credit cards and access credit accounts than other gamblers for the purpose of gambling. These gamblers are, thus, at risk of accumulating losses and of being placed in a position where they are unable to manage their financial affairs appropriately. There is thus a prima facie case for having credit restrictions.

Other issues about effectiveness

Although there is a tendency for moderate risk and problem gamblers to use credit more than other gamblers, several issues arise about the effectiveness of credit restrictions.

One issue is whether these higher risk gamblers would avoid the restrictions in some way. For example, gamblers could leave gambling venues to use other credit facilities to withdraw cash for gambling. Or, where access to debit accounts were available in gambling venues, gamblers could supplement those accounts with cash obtained from credit. Playup Interactive Entertainment said that:

Another example of legislation focusing on the method or tool rather than the principle is where in some states credit betting is prohibited however the vast majority of consumer accounts are funded using consumer credit cards. This makes a mockery of the very principles that underpin the legislation. (sub. 130, p. 8)

There is little survey evidence about the behavioural responses of moderate risk and problem gamblers to credit restrictions. In its survey of 297 venue managers in Victoria, Caraniche (2005, table 6.20) indicated that 7 per cent reported that gaming machine players were leaving the venue to use ATMs with credit facilities to avoid or circumvent harm minimisation measures.

A second issue is the extent of adverse impacts on other patrons, who may be inconvenienced by the restrictions, and on gambling venues, which may experience added compliance costs and loss of non-gambling related revenues (such as losses in food and drink sales).

However, the Commission has not seen any evidence to suggest significant inconvenience to patrons or of adverse impacts on venues.

- Indeed, the use by patrons generally of credit for gambling appears from survey evidence to be very small — probably reflecting the extent of restrictions that currently exist (for example, Centre for Gambling Research 2004a, b; Office for Problem Gambling 2006; SACES 2008b — appendix G).
- Moreover, that some major participants from the gambling industry support a national ban on credit for gambling suggests that, if anything, the impacts of restricting credit in gambling venues are of no great concern to them.

A third issue about the effectiveness of restrictions relates to venue compliance. For example, the Centre for Gambling Research (2004b, p. 178) noted that some ACT venues were not clear about what the credit restrictions meant. Delfabbro (2008b) noted that although the provision of credit to gamblers is prohibited in gambling venues, there ‘are numerous reports of these regulations being violated in some venues, and suggestions that stronger penalties be imposed on venues that fail to comply’ (pp. 147–8). The level of venue compliance naturally depends on how clear is the wording of regulations and on education of venues by regulators.

A final issue for effectiveness relates to the differential treatment of venues and gambling forms, with many participants raising concerns (for example, Clubs Australia, subs. 164 and DR359; BetSafe, sub. 93; Gaming Technologies Association, sub. 147; the Council of Gambler’s Help Services, sub. 132; Falkiner, sub. 2). The bulk of concerns was concentrated on the differences in credit restrictions between land-based gambling venues and online gambling providers. Although such differences might adversely affect the competitiveness of the different gambling providers, they might also be justified. There is no other way of paying for online gambling other than through the use of credit cards or an accepted electronic payment facility; indeed, the use of credit cards for online payment for goods and services is a typical commercial practice. This is examined further in chapter 15 on online gaming and the Interactive Gambling Act.

Conclusion

Other than for online gambling, the Commission considers that there is a strong case for maintaining bans on the use of credit cards and access to credit accounts in (land-based) venues for gambling. Moderate risk and problem gamblers are more likely than other gamblers to use credit for gambling in venues and are, thus, more at risk of accumulating losses. Unlike other consumers of goods and services, these

higher risk gamblers are more likely to be placed in a position of not being able to manage their debts effectively.

While banning the use of credit cards and access to credit accounts from venues is not likely to make a large difference — for example, higher risk gamblers could leave the venue to access an ATM that permits use of credit cards — it is a low cost option having fewer costs for non-problem gamblers and other venue patrons.

It is possible that, if the use of credit cards and access to credit accounts for gambling is so restricted, but debit accounts continued to be accessible in gambling venues, higher risk gamblers could supplement those debit accounts with additional funds sourced from other lines of credit outside the venue. Such behaviour could be ameliorated through the introduction of a tight withdrawal limit on ATMs/EFTPOS facilities in gambling venues, as the Commission has already recommended.

Banning the use of credit cards and access to credit accounts for gambling would continue to be warranted if effective pre-commitment of the kind proposed in chapter 10 were introduced. Although such pre-commitment would enable gamblers to more directly control their gambling expenditure, credit bans are a low cost measure to assist problem gamblers who are more likely than non-problem gamblers to get into financial difficulties through accumulating debt.

FINDING 13.3

Other than for online gambling, restrictions prohibiting the use of credit cards for gambling are justified.

13.4 Payment of gaming machine prizes as cash

All jurisdictions have introduced mandatory restrictions on the cash payment of prizes (sometimes referred to as winnings) from gaming machines,³ although they apply different cash thresholds and other related rules such as probity checks and the immediacy with which cheques must be paid.

For example, in the ACT, the maximum cash payout of winnings from gaming machines is \$1200. In Queensland, hotels and clubs must pay winnings over \$250 by cheque unless a higher cash payment limit is approved (such a limit would not normally exceed \$1000). Casinos must pay winnings by cheque where

³ A gaming machine prize, or winnings, generally refers to what the gaming machine pays out following a bet. It is to be distinguished from the credits on a gaming machine that result when a gambler inserts notes or coins in order to play the machine.

requested by the patron. And in New South Wales, hotels and clubs must pay prizes over \$2000 (changed from \$1000 in May 2006) by cheque or by electronic transfer of funds to an account nominated by the prize winner. Patrons can request winnings under \$2000 to be paid in a similar manner. Prize winning cheques must be identified by the words ‘Prize winning cheque — cashing rules apply’. The casino must notify winners of prize above \$1000 that they can be paid by cheque and must pay the prize by cheque upon request.

Restrictions on the cash payment of prizes seek to:

- prevent gamblers from ‘reinvesting’ winnings, gambling longer than intended and accumulating losses
- give gamblers a ‘cooling off period after big wins’ (McMillen, sub. 223, p. 36)
- protect the security of patrons leaving the venue, as ‘patrons carrying large amounts of cash are at greater risk of being robbed when leaving a venue’ (New South Wales Government, sub. 247, p. 35).

Several studies for, or reports to, government have considered the effectiveness of restricting the cash payment of prizes (for example, Caraniche 2005; McMillen and Pitt 2005; IPART 2004). All of these studies and reports recommended no substantial changes to existing requirements. However, some of them observed that gamblers attempted to avoid cheque payments by gambling below the cash thresholds and other perverse outcomes.

Preliminary analysis of responses to the Commission’s survey of problem gambler clients of counselling services indicate that lowering the threshold for prizes to be paid by cheque was considered by 42 per cent to work well. However, 31 per cent reported that it would not work.

Do gamblers ‘reinvest’ their prizes?

A threshold issue for assessing the effectiveness of the restrictions is the extent to which gamblers ‘reinvest’ their prizes from gaming machines and the tendency of problem gamblers to do so compared with other gamblers.

Some participants providing treatment services noted the tendency of gamblers to gamble with their large winnings. UnitingCare Children, Young People, which recommended that the cash payment of winnings be limited to \$1000 or lower, noted that:

Problem gambling clients at the GAFS have reported that they are most likely to gamble while they have access to cash. One client stated that they gambled over \$5000 in one day and much of this money was the proceeds of a large win they had received

that day. When the client left the club they had lost their winnings and their pay. This example suggests that reducing large cash payouts to gamblers can reduce the overall losses inevitably experienced by problem gamblers. (sub. 90, p. 6)

These views are supported by surveys and studies, which show that a sizeable proportion of gamblers overall gamble with their prizes, and that problem gamblers have a greater tendency to do so compared with other gamblers (for example, Centre for Gambling Research 2004a; Delfabbro et al. 2007; McDonnell-Phillips 2006 — appendix G).

For example, in their study on possible indicators of problem gamblers in venues Delfabbro et al. (2007) found that:

- 80 per cent of venue staff had seen gamblers putting large wins amounts back into the machine and keeping playing
- 10 of 15 South Australian problem gambling counsellors reported that their clients put large win amounts back into the machine and kept playing
- 78 per cent of problem gamblers and 37 per cent of moderate risk gamblers, compared with 20 per cent of low risk gamblers and 11 per cent of non-risk gamblers, reported they put large wins back into the machine and kept playing.
- Problem gamblers were two times more likely than other gamblers to do so.

This and other survey evidence collectively supports the case for general restrictions on the cash payment of prizes.

Do gamblers simply avoid the need for cheque payment?

Existing regulatory arrangements for cheque payment relate to ‘winnings’. Winnings are the amount that the player removes from the gaming machine at the end of the session. (They equate to prizes, less losses, plus cash inserted yet not staked).

A concern about the current arrangements is that gamblers may avoid a cheque payment requirement by gambling below the prescribed cash threshold for winnings, encouraging a tendency also to bet away prizes.

There is some survey evidence for this behaviour (for example, AC Nielsen 2007; Caraniche 2005; McMillen and Pitt 2005 — appendix G).

Moreover, the 2006 New South Wales gambling prevalence survey asked a question of respondents about whether they avoided payouts by cheques. The survey showed that overall 2 per cent of gamblers who played gaming machines reported gambling away part of their winnings to avoid a cheque payout. But ‘at risk’ gamblers and

‘low risk’ gamblers reported a greater tendency to do so than non-regular gamblers and non-problem gamblers (table 13.7).

Table 13.7 Gambling away part of winnings to avoid payout by cheque, NSW gambling prevalence survey, 2006^a

<i>Frequency</i>	<i>Total NSW (n=634)</i>	<i>Non-regular gamblers (n=303)</i>	<i>Non-problem gamblers (n=154)</i>	<i>Low risk gamblers (n=79)</i>	<i>At risk gamblers (n=98)</i>
	%	%	%	%	%
Never, rarely	97	99	100	94	83
Sometimes, often, always	2	1	0	6	17

^a Base is NSW residents who played pokies/gaming machines in the last 12 months. Risk group defined by CPGI.

Source: AC Nielsen (2007, p. 88).

Overall, the survey evidence suggests that, while a small proportion of gamblers intentionally gamble down to below cash thresholds to avoid a cheque payout, there is a much greater tendency for problem gamblers to do this than other gamblers.

What limit for the cash payment of prizes from gaming machines?

Given the tendency for people to gamble away prizes on gaming machines — resulting from lack of control, dissociation or avoidance of a cheque payment for winnings — there are grounds to issue cheques for *prizes*, rather than winnings. The key issue is what the threshold should be for such a payment, which has to balance several considerations (some of them raised by participants in response to the draft report — box 13.8):

- Too low a level would mean that many recreational gamblers would not be able to take their wins as cash or that it would unreasonably shorten their playing time for a given initial stake. The re-investment of small prizes is what allows a gambler to get a reasonable time playing on a gaming machine. It would also impose a compliance burden on venues if they were continuously writing cheques when there were few harm minimisation benefits.
- Too high a level would undermine the goal of discouraging impulsive betting of large prizes.

The Commission gave further consideration to the \$250 threshold proposed in the draft report, following concerns industry participants raised about compliance costs (box 13.8).

Box 13.8 Industry participants' views on a \$250 cash limit for prizes

ALH Group

The proposed measure is not supported by any research and the recreational player unfairly bears the social cost of this policy measure. A withdrawal of \$250 may not represent a big win for many recreational players, yet under this proposal they lose use of their own money over a 2-3 day cheque float period.

Administrative costs of processing cheques on \$250 payouts are substantial. A cheque minimum of \$1000 is administratively workable.

Regulatory neutrality: there are no payout (cheque) restrictions on TAB, Lotto etc. (sub. DR340, p.3)

Clubs Australia

... the real issue for clubs in setting such a low ceiling lies mainly in the costs of administering [a low thresholds], compared to the doubtful benefit of assisting a problem gambler, and the inconvenience that would flow to recreational gamblers. (sub. DR359, p. 68)

A survey conducted by ClubsNSW of 16 clubs for the 12-month period from November 2000 to October 2001, when the cheque cashing limit was set at \$1000 showed that this small number of clubs alone generated 67 664 cheques in compliance with the regulation — causing a significant administrative burden, along with a growing security risk. (sub. DR359, p. 60)⁴

ClubsNSW was also of the view that cheque fraud (forgery) increased after the introduction of cheque cashing legislation. Cheque fraud involves persons acquiring a cheque from a club then altering the content details thereon. The obligation to issue cheques in quantities that would be generated by a limit of only \$250 would no doubt increase the likelihood of increased forgery. (sub. DR359, p. 69)

[the option of winnings being electronically transferred to the player's account] has not proved popular in clubs, with patrons and many clubs are not in position to carry out this type of transfer. It requires players to carry around and furnish a club with their banking details — not a convenient or desirable arrangement for many patrons, especially those who play casually in a number of venues. In addition, many clubs do not use their internet access to facilitate electronic payments. ... (sub. DR359, p. 69)

Clubs Australia has received feedback that interstate and overseas visitors are often placed in a situation where issuing winnings by cheque creates unnecessary complications and difficulties. This arises, because such patrons have restrictions on being able to cash a cheque — for example, they are leaving that day or the next day, or do not have an account with a financial institution in this country, or both. (sub. DR359, p. 70)

RSL (Queensland Branch)

With the limit set at \$250 there would be significant overhead and costs associated with the payment by cheque or direct debit facility.

Patrons may also not be comfortable with providing personal banking details to the venues to arrange transfer. (sub. DR360, p. 5)

It modelled the likelihood of a gambler receiving prizes of specific amounts based on a real gaming machine game and on assumptions of player styles for recreational

⁴ This translates to less than one cheque being written every hour for the venues concerned (assuming that they are typically open for more than 12 hours a day for around 360 days a year).

and problem gamblers (and commensurate with prevalence surveys) (box 13.9).⁵ The results showed that a modest increase in the prize threshold to \$300 significantly increased the average time between issuing cheques (by around 70 per cent) and that this would reduce even further the inconvenience to recreational gamblers.

The Commission also sought and received from a large Sydney club information about the compliance burden of a \$250 cheque threshold. This information indicated that the number of cheques that the club would have to write a year, as well as the associated costs, would increase by over thirty fold. The increase in costs assumed a fixed cost of writing each cheque.

However, the increase in compliance costs for a venue is not likely to be this high with a \$300 threshold.

- The Commission's modelling above suggests that the number of cheques that would be written would be much less than with a \$250 threshold.
- Rather than a fixed cost per cheque, one would expect cost-efficiencies associated with writing more cheques. (The more cheques that are written, the lower is the per cheque cost.)
- The introduction of the Commission's proposed \$1 bet limit and \$20 input limit are likely to lower the intensity of play by gamblers and, thus, the likelihood of prizes of this magnitude.
- Cheques of this low limit are unlikely to require compliance with (onerous) anti-money laundering and counter-terrorism financing legislative requirements.

Thus, a \$300 limit is probably more appropriate than a \$250 limit. Larger amounts would fail to achieve the goal intended for this measure.

Another practical issue would be how to trigger cheque (or debit) payment. Under current arrangements, gaming machines are programmed to stop if a prize payment exceeds the regulated amount. The same arrangement could be applied to a \$300 limit. However, a drawback of the current arrangements — which would be exacerbated by a lower prize threshold — is that a gambler playing a mystery progressive machine close to its payout point would be frustrated by an enforced machine shutdown. In addition, while unlikely, some gamblers may win \$300 more than once in any session of play, requiring two cheques to be written. (The odds of that happening for a win of \$1000 are remote).

⁵ The game was provided to the Commission in confidence by a gaming machine supplier.

Box 13.9 Modelling the likelihood of winning a prize of \$250

As shown in chapter 11, the average amounts bet per button push on gaming machines by non-problem gamblers is below a dollar and, as regulators have told the Commission, average stakes per button push range around 50 cents for some popular gaming machines. While gaming machine prize structures vary, the probability of winning hundreds of dollars on a 50 cent stake are low. For example, using a real gaming machine game, the odds of someone winning a prize of \$250 when playing 5 lines and 2 credits per line on a 5 cent machine (50 cents per button push) was around 1 in 390 000 for each button push. Of course, the probability of winning \$250 is better than this for an hour's button pushes, though it is still not very high. This indicates that the styles of play often adopted by recreational gamblers will not lead to many wins of this order.

That is not true for problem gamblers. They play longer, for more sessions and at greater intensity than recreational gamblers. To illustrate, the probability of winning \$250 on the simulated gaming machine when a gambler was betting \$2 for every five lines (that is \$10 for each button push) is around 1 in 210. Given their playing styles, prizes of \$250 or more will rarely occur for recreational gamblers, but occur quite often for problem gamblers. Accordingly, a prize threshold around the \$250 level (as proposed in the draft report) targets problem gamblers well. Not only would this reduce the scope to impulsively bet away prizes (saving them money), but would provide an additional indicator of problem gambling, which could supplement those already described in chapter 12. A gambler who is constantly collecting prizes of \$250 or more will have spent large amounts of money and has a much higher likelihood of having a problem.

These disadvantages could be overcome by modifying gaming machines to include an internal bank or some other feature that quarantines discrete amounts of prize money from play, while allowing players to continue their gambling session. Once the session concluded, the venue need only make out a single cheque (or electronic funds transfer) for the total prize money. Although this approach would reduce the associated administrative burden for venues of writing out more cheques (or making more bank transfers), there would be a gaming machine modification cost. To keep this cost down, such modification would need to be introduced along with other gaming machine design changes recommended in this report.

There is the possibility that a problem gambler might return at a later time to gamble their prize money once the cheque or bank transfer is cleared. However, the enforced break arising from not being able to use the prize money until it is cleared, may be sufficient for a problem gambler to reconsider whether to use the cash to gamble (or for family members to access the cash).

In conclusion, the Commission considers that governments should require gaming venues to pay any prize from gaming machines above \$300 by cheque or direct

credit to the gambler's account, giving effect to this by incorporation of an internal bank or other feature in the machine. The time frame for implementation should be in keeping with other recommended design changes (chapter 19).

This measure would have little or no effect on the enjoyment of recreational gamblers, but would prevent problem gamblers from immediately playing on with their prize money. Moreover, venue staff would have an opportunity to identify gamblers making many wins above \$300 — a strong indicator of large overall losses and a risk factor for problem gambling — and to intervene as appropriate

Casinos should be afforded a limited exemption for their international patrons as they are likely to be significantly inconvenienced by a cheque, and a bank transfer may be difficult for the casino to make. Exempting this class of patron from the restriction should not be unduly costly for the casino to implement.

The \$300 gaming machine prize limit should be adjusted periodically to account for inflation.

RECOMMENDATION 13.3

Governments should require venues to pay any gaming machine prize that is above \$300 by cheque or direct credit to the gambler's account, except for prizes won by international visitors in casinos. This should be given effect by:

- ***requiring that, by 2011, all new gaming machines incorporate an internal 'bank' or other feature that is capable of doing this***
- ***activating this feature on machines having the capability by 2014.***

The measure should be implemented for all machines and venues by 2016, with an exemption until 2018 for venues with less than ten machines that also face significant implementation costs relative to revenue.

13.5 Cheque cashing

Most venues have their own policies about cashing patrons' cheques for gambling, including on gaming machines, and some do not cash cheques at all (for example, Parramatta Leagues Club, sub. DR341).

Jurisdictions have introduced mandatory restrictions on cheque cashing by gambling venues, though cashing of cheques may be permitted outside the gaming area. For example, in New South Wales, hotels and clubs are restricted to cashing one cheque from a person per day that is payable to the venue and limited to \$400. Third party cheques cannot be endorsed by the payee to the venue. Hotels and clubs

must bank any cheque within two working days. Different restrictions apply to the casino. In Tasmania, hotels and clubs are restricted to cashing one cheque from a person (personal or any other type) per day, but there is no limit on the amount. Restrictions were introduced in July 2009 to ensure that cheques drawn on Australian banks were banked within five business days from when the venue accepts the cheque. And in Victoria, hotels and clubs are not permitted to cash cheques of more than \$400 for the purpose of enabling the playing of gaming machines. Different restrictions apply to the casino.

Mandatory cheque-cashing restrictions can also apply to the cheque payment of prizes (such as in New South Wales and in Tasmania).

The Ministerial Council on Gambling agreed at its July meeting in Brisbane to investigate a national approach to the ‘placing of limits around the ways in which cheques could be cashed in venues’ (MCG 2009b).

As evident in some state and territory gambling prevalence surveys, venues rarely cash cheques for gambling (for example, Centre for Gambling Research 2004a; Office for Problem Gambling 2006; SACES 2008b — appendix G and table 13.8). This probably reflects the mandatory requirements in those jurisdictions. It might also reflect the policies of venues themselves.⁶

Table 13.8 Cashing cheques for gambling at the venue, Queensland, 2006-07 and 2008-09^a

<i>Frequency</i>	<i>Low risk gamblers^b</i>		<i>Moderate risk gamblers^c</i>		<i>Problem gamblers^d</i>	
	<i>2006-07</i>	<i>2008-09</i>	<i>2006-07</i>	<i>2008-09</i>	<i>2006-07</i>	<i>2008-09</i>
	%	%	%	%	%	%
Never, rarely	98.6	99.3	97	99.0	98	93.5
Sometimes, often, always	0.8	0.6	2.8	0.8	2	6.5

^a Commission estimates based on raw data from the Queensland household gambling survey for 2006-07 (question 100) and 2008-09 (question 75). The 2006-07 survey was of 30 000 adults and the 2008-09 survey was of 15 000 adults. ^b Low risk gamblers — CPGI (1 or 2). ^c Moderate risk gamblers — CPGI (3 to 7). ^d Problem gamblers — CPGI (8+).

However, there is evidence from those same surveys, as well as other studies, that moderate risk and problem gamblers, including players of gaming machines, are

⁶ This might also reflect the fact that cheque transactions are much less common than fifteen years ago — since 1995, the number of cheques written per day has declined by 130 per cent (APCA 2010b).

more likely to use cheque-cashing facilities than other gamblers (appendix G and table 13.8).

A particular concern about cheque-cashing restrictions is their capacity to conflict with other restrictions on cash and credit and, thus, the potential of the restrictions collectively to distort gamblers' choices about where to obtain cash for gambling, including on gaming machines. This reflects a general problem common to all cash and credit restrictions; namely, the restrictions are directed at the means by which cash and credit are accessed, rather than the amount that gamblers can spend.

Thus, for example, if there were liberal cheque-cashing requirements, but:

- a ban on ATMs in gambling venues, gamblers might have an incentive to bring cheques to be cashed at the gambling venues
- a limit on how much could be withdrawn from ATMs, a gambler could draw a cheque for a greater amount and cash that at the gambling venue
- a ban on the use of credit cards or access to credit accounts in gambling venues, this could be circumscribed if gambling venues cashed cheques prior to bank clearance
- gamblers could cash their prize cheque in the venue and continue to gamble, undermining the purpose of requirements for a prize cheque in the first place — namely, to provide a cooling off period for gamblers.

Ideally, the interaction of cheque-cashing restrictions should be compatible and consistent with other restrictions on cash and credit. This is to reduce any unintended biases developing in gamblers towards a particular source of cash or credit for gambling.

Based on this reasoning, the Commission proposed in the draft report that the threshold for cashing cheques be the same as the proposed daily withdrawal limit from ATMs/EFTPOS facilities, and that the cashing of prize cheques by the venue be prohibited. The Commission also proposed a carve-out for casinos for their high rollers and international visitors.

Several participants from the community sector argued that the cashing of self-drawn cheques was an extension of gambling with credit and, thus, should be prohibited. For example, the Council of Gambler's Help Services said:

Personal cheques should not be allowed for the same reason that credit betting is prohibited. Whilst technically speaking an individual must be able to cover funds presented in cheque form, in reality a cheque is not tangible money in the way that cash is. For people with gambling problems, capacity to present personal cheques also creates and opportunity for fraud, either as an intentional act or through a need to

obtain money to continue gambling in the heat of the moment, only to discover subsequently that funds are unavailable to cover the cheque. (sub. DR326, p. 26)

However, there are likely to be strong incentives for gaming venues to ensure that, when presented with a cheque by a gambler, there are sufficient funds in the gambler's account. For a venue to do otherwise is not to exercise commercial prudence. Moreover, banks typically impose penalties for dishonoured cheques — not only on gamblers who write them, but also on the venues that present them.

In conclusion, the Commission considers that cheque-cashing restrictions should be compatible with recommendations 13.2 and 13.3.

- The threshold for cashing cheques to enable play on gaming machines should be the same as the proposed daily withdrawal limit of \$250 per card imposed on ATMs/EFTPOS facilities. Casinos should be exempt from this requirement for the same reasons given earlier for exempting them from the proposed daily withdrawal limit on ATMs/EFTPOS facilities.
- The cashing of gaming machine prize cheques should be prohibited. Casinos should be exempt only in respect of their international patrons. Exempting this class of patron from a cheque cashing restriction should not be unduly costly for the casino to implement.

The cheque cashing limit should be adjusted periodically to account for inflation.

RECOMMENDATION 13.4

Governments should require that gaming venues:

- ***do not cash out gaming machine prize cheques, except for international visitors at casinos***
- ***set limits for self-drawn cheques corresponding to those that apply for withdrawals from ATM/EFTPOS facilities (recommendation 13.2), except for casino patrons.***

Although such an approach to cheque cashing will not necessarily prevent all avoidance behaviour amongst higher risk gamblers, it is likely to help reduce some of it.

It is unlikely that the thresholds embedded in cheque-cashing restrictions would still be warranted if the Commission's proposed pre-commitment system were introduced by governments. This system is more able than the thresholds to directly target gamblers' expenditures.