



# ***ATM Industry Reference Group***

**Submission from the ATM Industry Reference Group  
to the Productivity Commission Draft Report into Gambling -  
October 2009**

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## **About the AIRG**

The ATM Industry Reference Group (AIRG) was established in early 2008 to provide an industry voice on regulation of Automatic Teller Machines (ATMs) in licensed premises with gaming facilities. Three organisations are involved, representing close to 50 per cent of all ATMs currently operating across Australia and more than 90 per cent of all independently operated ATMs.

The Members are:

- The BANKTECH Group Pty Ltd
- Customers Limited
- First Data International (Cashcard Australia Ltd)

Members of the AIRG are not involved in the business of gaming. They provide services for bank customers to access their cash in convenient locations via ATMs.

## **ATMs in licensed premises**

ATMs have become increasingly commonplace in licensed venues over the past decade, coinciding almost exclusively with the increasing prevalence of independent ATM deployers.

A number of reasons exist for the popularity of ATMs in licensed venues, but convenience is the key underpinned by the fact that these businesses remain largely driven by cash trade. A typical venue patron also uses the in-venue ATM because it is a safe and convenient place to withdraw cash for the purpose to spend elsewhere. They provide cardholders with a level of privacy, are well lit, have CCTV coverage and often have security staff nearby.

Importantly, ATMs in licensed venues offer safe and secure environments for the handling of cash in venues, especially after dark.

Hotels in particular are heavily reliant on ATMs for food and beverage sales. The level of food and beverage sales is generally the most important element influencing the success or failure of licensed premises. Such sales are predominately cash-based.

## **Response to the draft report**

Members of the AIRG would firstly like to thank the Productivity Commission for its level of consultation with the group through the inquiry process and for this opportunity to provide feedback in relation to the draft report of October 2009.

The AIRG will confine its comments to Chapter 9 of the report, which covers access to cash and credit within gambling venues.

### **Draft finding 9.1**

***While causality is hard to demonstrate conclusively, easy access to ATM/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.***

#### **AIRG comment**

The group does not disagree with the potential for the availability of cash within a gambling venue to be an issue for some gamblers who are unable to control their gambling activity.

However, as the Commission notes in its draft report, causality between problem gambling and the access to cash in venues is difficult to demonstrate with confidence and even if such a link was found, it would not of itself justify the introduction of government restrictions on ATMs/EFTPOS facilities in venues. We note that there are already a range of harm minimisation measures in place at venues in regard to the availability of cash.

The Commission's finding that problem gamblers use ATM/EFTPOS facilities far more than other gamblers does not necessarily correlate with the frequency of ATM use that the group's members experience when examining usage across gaming and non-gaming licensed premises. The ATM transaction volumes across gaming and non-gaming licensed premises as a whole are not materially different. Members of the AIRG would be happy to share further detail with respect to this information as required.

The issue highlighted by the report that access to ATM/EFTPOS facilities may increase spending by problem gamblers is in conflict with the increase of ATMs in gaming venues post the Commission's initial inquiry into gambling in 1999.

Draft finding 4.6 of the Commissions' draft report of October 2009 states that problem gambling prevalence rates appear to have fallen somewhat.

At the time of the initial inquiry into Australia's gambling industry in 1999, the availability of ATMs and EFTPOS was still in its infancy. ATMs were only a relatively recent addition to licensed premises, including those with gambling facilities.

In line with the regulatory allowance for non-bank ATMs, and the emergence of independent ATM operators, we have witnessed throughout the early 2000s the introduction of ATMs into licensed venues (including those with gambling) across the country.

Therefore, access to cash within licensed venues has significantly increased over the past 10 years. Meanwhile, the incidence of problem gambling has decreased slightly, indicating that access to cash within gaming premises potentially has minimal impact on the spend of problem gamblers.

Research into this issue, has, to date, been largely inconclusive. Professor Jan McMillen, Adjunct Professor to the Centre for Gambling and Addictions Research, National Institute for Public Health & Mental Health Research, Auckland University of Technology has previously indicated that proper research and analysis of data is required before determining potential policy shifts.

In her submission to the Australian Senate Community Affairs Committee Inquiry into the ATMs and Cash Facilities in Licensed Venues Bill 2008, Professor McMillen states, amongst other issues:

- *“...However many factors other than access to cash from ATMs and EFTPOS affect problem gambling behaviour and prevalence. Restriction on or removal of ATMs and EFTPOS alone are unlikely to reduce problem gambling prevalence”*
- *[In reference to a study conducted by Professor McMillen in 2004 in relation to the access to cash in ACT clubs] – “That ACT study did not find an unequivocally strong relationship between problem gambling and the use of ATMs in ACT clubs”*
- *“We found the removal of ATMs from gaming venues would inconvenience a significant proportion of ACT club patrons, recreational gamblers and non-gamblers*
- *“Rather, the research indicated that a daily limit on the amount that can be withdrawn from ATMs and EFTPOS would be a more effective and acceptable harm minimisation strategy”*

## **Draft finding 9.2**

***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 seek to subvert the ban. An evaluation of the Victorian ban on ATMs should provide useful evidence.***

### **AIRG Comment**

We concur with the Commission’s draft finding that a total ban on ATMs from gaming venues has uncertain benefits and costs, including the risk that problem gamblers could seek to subvert the ban.

As the Commission has noted, full understanding between the access to cash in venues and problem gamblers is unclear, particularly in regard to causality. Without such understanding, without clarity in regard to the potential unintended consequences of prohibition and in recognition of the needs of non-gambling venue patrons (the majority), it is simply not feasible to consider a ban on the placement of ATMs in venues.

In particular, we note that in relation to the potential banning of ATMs in venues there would be a range of unintended consequences including:

- 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
- Patrons may need to access cash at ATM locations in potentially less secure situations
- 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
- Creation of an uneven and unfair competitive landscape between venues may take place – 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
- Venues may face significant costs identified in the Commission’s draft report to physically remove and relocate existing ATMs

These unintended consequences are in addition to the impact on non-problem gamblers and non-gambling venue patrons who would be materially disadvantaged by the removal of ATMs, possibly impacting their enjoyment and in turn potentially causing detriment to the licensed hotel or club that they frequent.

#### **Draft recommendation 9.1**

***Governments should fine-tune existing regulations of ATM/EFTPOS facilities by introducing the following changes in gaming venues:***

- ***Cash withdrawals from ATM/EFTPOS facilities should be limited to \$200 a day.***
- ***ATM/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 ATM/EFTPOS facilities.***

***The Commission seeks views on the practicability of exempting casinos from draft recommendation 9.1 in relation to their high rollers and international visitors.***

#### **AIRG Comment**

The AIRG supports the implementation of harm minimisation measures targeted at assisting those individuals with a gambling problem, while not disadvantaging non-problem and non-gambling patrons in venues.

We believe that it is reasonable to place ATM/EFTPOS facilities outside of gaming floors; to ensure that warning and help messages are clearly visible; to restrict the availability of credit; and to have in place sensible withdrawal limits.

We note that the technology and functionality is available to display responsible gambling messages on the screens of ATMs within venues.

#### **\$200 withdrawal limit per day**

The AIRG is not opposed to the concept of a daily withdrawal limit. Group members already have measures in place to meet current guidelines and regulations including the imposition of a withdrawal limit of \$400 within a 24-hour period, which is to take effect from January 2010 across all Victorian gaming venues.

We note for the purposes of the Commission that the Victorian restriction is a rolling 24-hour period per card and not per calendar day. Therefore a patron will not be able to make a \$400 withdrawal at 11.59pm, and then make another withdrawal a couple of minutes later at 12.01am. Rather, they will be forced to wait for the passage of 24 hours before being able to make any further withdrawal at that venue.

In recommending withdrawal limits, we believe the Commission must achieve 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.

It is important that patrons have sufficient access to cash without being forced to leave a venue to access additional funds, especially in remote areas or late at night. We also point out that a significant number of hospitality venues are located within tourist areas where the ATM provides a valuable role in enabling cash access (especially after normal bank/retail hours) for use at local tourism attractions/facilities.

It is the belief of the AIRG that the best solution would be for the Commission to work with the AIRG and the hospitality industry to conduct appropriate studies and analysis of operations in order to determine an appropriate 24-hour cash withdrawal limit. This determined limit will ensure that access to cash is not unreasonably restricted and will allow patrons of licensed venues to retain convenient and safe access to cash in conjunction with effective harm minimisation measures.

Once this issue has been researched and determined based on accepted evidence, the AIRG believes that a national approach to such a limit would help ensure consistency across jurisdictions from a regulatory, patron and management perspective.

### **Self-regulatory mechanisms**

While it received some attention in the draft report, we believe the extension of existing self-exclusion programs to encompass the banning of access to ATMs within nominated venues for self-identified problem gamblers has merit, and warrants further attention from the Commission, respective governments and industry.

The AIRG would be happy to work with the Commission on suitable solutions to enable this functionality so to ensure it has benefit for identified problem gamblers.

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.