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Submission on Productivity Commission 2009, *Gambling*, Draft Report, Canberra, October 2009

Submissions have been called on the Productivity Commission 2009, *Gambling*, Draft Report, Canberra, October 2009 (“**Draft Report**”) issued by the Productivity Commission.

This submission is made by **Cashcard Australia Limited (“Cashcard”)**.

About Cashcard

Cashcard is one of Australia’s largest independent ATM networks, owning and operating over 5,500 ATMs around the country. Cashcard is focused on providing customers with access to funds at convenient locations including retail outlets, petrol stations, pubs and clubs.

Cashcard is a member of the First Data Corporation, a global leader in electronic commerce solutions, making payments more secure, efficient and convenient across a range of areas including EFTPOS, cheque acceptance, eCommerce and mobile solutions. First Data processes transactions in 66 countries and serves over 5.4 million merchant locations, over 2,000 card issuers and millions of consumers. In Australia, First Data works closely with financial institutions and governments to assist in the expansion of electronic payment acceptance and to promote advanced payment technologies.

First Data also operates the Cashcard Network through which network members obtain switching, processing and settlement services. Cashcard members are smaller financial institutions, often regionally based. Cashcard Network membership allows these institutions to provide convenient cardholder access to ATMs and EFTPOS across Australia.

To date, Cashcard has primarily provided its response to this inquiry through the ATM Industry Reference Group (AIRG).

About the Draft Report

Cashcard commends the Productivity Commission on its approach to developing the Draft Report and recognises the importance of clear and practical harm minimisation strategies.

Cashcard believes there are areas within Chapter 9 of the Draft Report, “Access to cash and credit”, that warrant further consideration and these will be outlined in this submission.

There are also areas of Chapter 7, “Pre-commitment strategies”, where Cashcard believes it could provide support regarding practical and technical aspects of the proposals; specifically around pre-commitment technologies.

Chapter 9: Access to cash and credit

Cashcard understands the importance of controlling access to cash in gaming venues as a part of harm minimisation legislation.

Cashcard wishes to draw the Commission’s attention to four areas for further consideration:

- The role of card issuers;
- The role of in-venue ATMs;
- Cash withdrawal limits; and
- Cash-out at EFTPOS.

Card issuers

The role of card issuers in the application of an effective cash withdrawal limit in gaming venues is currently not addressed by the Commission’s Draft Report.

As a result, Cashcard believes there is a significant gap in the Draft Report’s recommendations, which currently focuses on limits at the ATM, or device-level control.

This can provide only partial control of access to cash in gaming locations. Device-level control can be applied to ATMs within an individual network, but cannot monitor transactions on other networks, nor cash-out at EFTPOS.

Therefore, 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.

Unlike independent ATM deployers such as Cashcard, 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.

The role of in-venue ATMs

In the absence of a card issuer solution, Cashcard believes that in-venue ATMs provide an important point of control at the device level, whereby daily cash withdrawal limits can be implemented and monitored across individual ATM networks.

Cashcard is committed to supporting the development of an effective solution to problem gambling and already has the technology in place to support such a solution if this recommendation becomes part of gaming legislation.

At present, Cashcard does not grant access to credit accounts in gaming locations, works with venues to ensure devices are placed away from the gaming floor, and has clear signage on ATMs for problem gambling assistance. Cashcard devices also have the capability to provide differentiated on-screen messages by location or time of day.

Cashcard believes that in-venue ATMs should remain part of the overall solution to problem gambling, whilst still providing an important service to the vast majority of people who simply require convenient, safe and secure access to cash.

Withdrawal limits

Cashcard believes setting withdrawal limits at a reasonable level will be a vital step in developing effective harm minimisation legislation.

In setting the daily withdrawal limit, it will be important to strike a fair balance between protecting problem gamblers whilst also preventing undue inconvenience to the vast majority of patrons who are not problem gamblers.

Setting limits too low could have the unintended consequence of forcing both problem gamblers and other patrons to access cash from street-front ATMs that are not subject to withdrawal limits and provide access to debit and credit card accounts. This will not only lessen the control and impact of withdrawal limits, but also create a security issue by driving people to access cash outside of venues, often late at night.

It should be noted, Cashcard believes ATMs located in pubs and clubs not only offer consumers choice and convenience, but more importantly provide a safe and secure environment for withdrawing cash.

Cash-out at EFTPOS

To support ATM withdrawal limits - and assuming the absence of a card issuer solution as outlined above - Cashcard suggests the Commission considers recommending the removal of cash-out at EFTPOS in gaming venues.

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.

Chapter 7: Pre-Commitment strategies

If the Commission and other stakeholders believe a pre-commitment system would offer the most effective method of harm minimisation, Cashcard believes it has the knowledge, expertise and experience to contribute towards the development of a practical application of the Draft Report's recommendations.

Given the potential complexities of a pre-commitment system and the technological infrastructure that would be required to support it, a working group comprising various industry stakeholders may afford the best possible opportunity for any proposed measures to be effectively implemented.

Cashcard would welcome the opportunity to contribute to such a group.



In conclusion

Cashcard broadly agrees with many of the recommendations outlined in the Commission's Draft Report and supports harm minimisation as a concept.

In-venue ATMs can provide a valuable point of control for setting withdrawal limits in gaming venues and Cashcard already has the technology to do this.

Cashcard would welcome the opportunity to discuss any of the issues raised in the Draft Report or in this submission. If the Commission does require further detail or information, please do not hesitate to contact Cashcard directly.

Yours sincerely,

A handwritten signature in black ink, appearing to read "John Tait", is written over a horizontal line.

John Tait
Senior Vice President Sales & Marketing
and Director Cashcard Australia Limited