
9 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 take a less costly approach to regulating ATMs/EFTPOS facilities, including a \$200 a day limit on withdrawals.
- Where credit is available in gambling venues, there is a greater tendency for higher risk gamblers to use it compared with other gamblers.
 - Other than for online gambling and certain casino patrons, the use of credit cards for gambling, including for cash withdrawals, should be prohibited.
- Gamblers are continuing to gamble with their winnings and a small proportion are avoiding payment of winnings by cheque. Lowering the cash threshold for winnings cheques to \$250, for other than specific casino patrons, would help higher risk gamblers, but would have little impact on non-problem gamblers.
 - The effectiveness of this measure would be enhanced if, following a win, there was a forced break in play for the gambler and venue intervention.
- 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. Other than for cheques of certain casino patrons:
 - winners cheques should not be permitted to be cashed in venues
 - only self-draw cheques up to a value of \$200 should be permitted to be cashed
 - there should be no on-the-spot cashing of self-draw cheques.

9.1 Introduction

The availability of cash and credit in gambling venues has been an important area for harm minimisation action 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 recent 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 2009).

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 (box 9.1).

Box 9.1 Two Senate bills and restrictions on access to cash and credit

The Poker Machine Harm Minimisation Bill 2008 provided for the manufacture of gaming machines and the installation of ATMs and cash-back terminals that do not encourage problem and compulsive gambling. In relation to technical requirements for cash facilities in licensed venues, the Bill provides that a bank, credit union or other financial institution must not operate (or allow to be operated on their behalf) a cash facility that allows a cardholder to obtain, in any one transaction, or in total transactions on any one day, on any one debit or credit card an amount of cash greater than \$100. The Bill also provides that a corporation must not manufacture, sell, offer or expose for sale or supply a cash-back terminal that allows a player, by means of entering a gaming machine ticket into the cash-back terminal, to redeem more than \$100 in a single transaction

The ATMs and Cash Facilities in Licensed Venues Bill 2008 sought to limit and reduce the installation of ATMs and cash facilities in licensed venues. The Bill restricts financial institutions, corporations and persons from installing, owning or operating (or allowing to be installed, owned or operated on their behalf) an ATM or other cash facility at a licensed venue that allows a cardholder to obtain an amount of cash. EFTPOS, credit card terminal or other cash facilities are allowed at licensed venues provided they do not allow cash withdrawals. Where there are no other cash facilities within a five kilometre radius of a licensed venue, the Minister may exempt a financial institution, corporation or person from this restriction.

All state and territory governments now have mandatory restrictions, which 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 winnings as cash
- the cashing of cheques.

This chapter focuses on 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)

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- 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 (2009).

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

9.2 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 9.1).

In addition to these individual state and territory actions, the Ministerial Council on Gambling recently 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

An overview of ATMs/EFTPOS facilities in Australia and in gambling venues is given in box 9.2.

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 9.3
- 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.

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.

Table 9.1 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 venues.</p> <p>The Government has tendered for research to assess limits on ATM withdrawals and ATM location.</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 venues.</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 venues 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: 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 transaction per day.</p>	<p>Gaming machine venues: 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>
WA	<p>ATMs are banned from 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.</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 has recently being extended to casinos</p>
ACT	<p>ATMs are banned from the gaming areas of hotels, clubs and the casino.</p>	<p>EFTPOS facilities are banned from the gaming areas of hotels, clubs and the casino.</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>

Box 9.2 **ATMs/EFTPOS facilities in Australia and in gambling venues**

ATMs

ATMs provide customers of financial institutions with the capacity to access their accounts online for the purpose of cash withdrawals and other account management services. Access is through the use of debit or credit cards issued by financial institutions.

There were around 27 000 ATMs in Australia as at end June 2009 (RBA 2009). There were some 67 million cash withdrawals from ATMs valued at \$11.9 billion, with the average value of a transaction at around \$178.

There is some limited information on the number of ATMs and the number and value of ATM transactions in gambling venues. About 25 per cent of ATMs in Australia are located in licensed venues (ATM Industry Reference Group sub. 137, p. 8). A very small number of ATMs in 'gaming venues', about 1 per cent¹, are 'bank branded' (Australian Bankers Association, sub. 165, p. 4), with 99 per cent owned/operated by non-financial institutions.

EFTPOS facilities

EFTPOS facilities provides customers with the ability to pay for the supply of goods and services at the point of sale through an online debit of their savings or cheque (debit) accounts, with a resultant credit to the merchant's account. Access is generally through the use of a debit card, although credit cards may also be used to access linked debit accounts. While the service offered by EFTPOS is principally a substitute for cash and cheque payments, some merchants may also offer 'cash out' services, where the savings or cheque account is debited in return for the provision of cash by the merchant.

There were around 670 000 EFTPOS facilities in Australia as at end June 2009 (RBA 2009). Some 19.6 million debit transactions involving cash withdrawals valued at \$1.1 billion were conducted through EFTPOS facilities, with the average value of a cash withdrawal of around \$58.

There is no published information on EFTPOS facilities in gambling venues. However, assuming that each business providing gambling services in Australia has one merchant operating an EFTPOS facility there are an estimated 5300 terminals in venues providing gambling services (ABS 2006).

Sources: Australian Bankers' Association (sub. 165); ABS (2006); APCA (2009); ATM Industry Reference Group (sub. 137); RBA (2009).

¹ As at March 2009, there were 84 bank branded ATMs (Australian Bankers Association, sub. 165, p. 4).

Box 9.3 Participants' comments on the adequacy of evidence

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)

The use of ATMs/EFTPOS facilities by problem gamblers

Numerous surveys and studies have found a link between ATMs/EFTPOS facilities and problem gambling. These are covered in 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 2006-07 household gambling survey of 30 000 adults (table 9.2) indicate that moderate risk and problem gamblers (CPGI) 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 9.2 Accessing ATMs/EFTPOS facilities, Queensland

<i>Question</i>	<i>Low risk gamblers^a</i>	<i>Moderate risk gamblers^b</i>	<i>Problem gamblers^c</i>	<i>All gamblers</i>
You withdraw money at a venue ATM before you start gambling	Never, rarely 55.9%	Never, rarely 34.5%	Never, rarely 8.8%	Never, rarely 48.2%
	Sometimes, often, always 43.4%	Sometimes, often, always 65.4%	Sometimes, often, always 90%	Sometimes, often, always 51.2%
You withdraw extra money at a venue ATM during a gambling session	Never, rarely 74.7%	Never, rarely 45.9%	Never, rarely 8.3%	Never, rarely 64.2%
	Sometimes, often always 24.8%	Sometimes, often always 54.1%	Sometimes, often always 91.7%	Sometimes, often always 35.5%
You obtain cash through EFTPOS facilities at the venue.	Never, rarely 69.1%	Never, rarely 52.1%	Never, rarely 36.9%	Never, rarely 63.3%
	Sometimes, often always 30.5%	Sometimes, often always 47.9%	Sometimes, often always 63.1%	Sometimes, often always 36.4%

^a Low risk gamblers – CPGI (1 or 2). ^b Moderate risk gamblers – CPGI (3 to 7). ^c Problem gamblers – CPGI (8+).

Source: Commission estimates based on raw data from Queensland Government (2008, question 100).

In a recently released study for the Victorian Government, Hare (2009, p. 178) found that, based on a sample of 2332 gamblers, problem gamblers had a greater

tendency to use an ATM/EFTPOS/credit card for extra money for gambling during a single gambling session. 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.

For example, New Focus Research (2004, p. 50) found 3 per cent of self-identified problem gamblers in Victoria reported employing strategies involving the cutting up of credit cards and ATM cards to try and stop gambling to excess. Much greater use was made of other self control strategies such as self-exclusion from venues.

McDonnell-Phillips (2006, pp. 31, 260) found that problem gamblers nominated ‘leaving ATM/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.

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 problem gamblers for such a scheme (Sweeney Research 2009):

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- 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.

The evidence that some problem gamblers have expressed an intention to impose limits voluntarily on their use of ATMs/EFTPOS facilities, or have 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 on the question of removing ATMs from venues.

For example, 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).

Preliminary analysis of responses to the Commission’s survey of problem gambler clients of counselling services, indicate that 74 per cent considered that removing ATMs from venues would work well. 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 more than other gamblers. Although this does not show the direction of causality,

the preference of problem gamblers to remove ATMs from venues suggest that the presence of these facilities is likely to contribute to problem gambling.

DRAFT FINDING 9.1

While causality is hard to demonstrate conclusively, 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 entirely from venues?

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

- banning ATMs would help problem and other gamblers
- there would be are 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 gamblers?

A particular issue about the effectiveness of banning ATMs (indeed, common to all restrictions on ATMs/EFTPOS facilities) is whether it would help gamblers, including problem gamblers. Participants expressed a range of comments about this (box 9.4).

There are several possible responses of gamblers to a ban in ATMs from a venue. 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

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- gamblers could bring more cash with them to a venue in the first place.

Box 9.4 Participants' comments on whether ATM bans would help 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)

Centre for Gambling Education and Research

Moving ATMs away from gaming areas can force people to take a break in play, but other venue features discourage this — including 3 minute limits on reserving machines, drink and food service to machines, and technology that allows anyone to collect from a machine in the player's absence. Lack of other activities or entertainment, insufficient seating and limited areas in venues to escape the gambling facilities can also discourage players from leaving machines. (sub. 76, p. 12)

Although the attitudes of problem gamblers in respect of ATMs/EFTPOS facilities mentioned above provide evidence that banning ATMs might help them, a study by Delfabbro et al. raises doubts (2007). The authors 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.

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- Problem gamblers were 3.7 more likely to leave the venue to find money to continue gambling than other gamblers.

Without further compelling 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 an unintended risk for problem gamblers of an ATM ban in that they could access ATMs outside of a venue that are not subject to other harm minimisation restrictions — such as withdrawal limits or restrictions on the use of credit cards — and that were beyond the ability for venue staff to observe or monitor.

Potentially adverse impacts

Another issue about 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 facilities from venues would inconvenience and create safety risks for these patrons (box 9.5).

Box 9.5 Participants' comments on impacts 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)

As is apparent from the discussion earlier on whether a ban on ATMs would help address gambling harms, non-problem gamblers use ATMs in gambling venues, albeit their use is much less than problem gamblers.

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. 87, table 38)
 - although 35 per cent of recreational gamblers agreed with the statement that all ATMs should be removed from gaming venues, 55 per cent disagreed with the statement (pp. 99–100, 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).

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 (CPGI), 75 per cent of low risk gamblers (compared with 49 per cent of moderate risk gamblers and 51 per cent problem gamblers) reported that there would be ‘no effect at all’ in having no ATMs in venues on their enjoyment (2009, p. 73).

Overall, the survey evidence is mixed on the impacts to 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 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 number of ATMs in gambling venues, the Commission estimates the total cost of removing ATMs from all gambling venues could be between \$25 million and \$60 million.²

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).

² This cost estimate is based on two sources of data and assuming that 50 per cent of venues will be unable to relocate ATMs:

- 1) 5000 ATMs in licensed venues (ATM Industry Reference Group, sub 137, p. 5) at \$15 000 to \$25 000 per unit cost of removing and relocating the ATM from the venue is equivalent to \$37.5 million to \$62.5 million.
- 2) 2) 4200 hotels and clubs (ABS 2006) with 80 per cent providing an ATM (Queensland Government 2009, p. 19) and \$15 000 to \$25 000 per unit cost of removing and relocating the ATM from the venue is equivalent to \$25.2 million to \$42 million.

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 these impacts were overstated. 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 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 (about a one hour walk) 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 9.6). 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.

Box 9.6 Participants' comments 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 should to purchase a drink, 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)

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 Victorian Department of Justice 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, pp. 13)

Table 9.3 Impacts of having to use EFTPOS through a cashier at venues, Victoria

Per cent of gaming machine players

<i>Q: Having to ask a cashier for an EFTPOS withdrawal every time you need to access cash while at a pokies venue. If this was required to access cash, how would this affect your play?</i>	<i>Non-problem gamblers</i>	<i>Low risk gamblers</i>	<i>Moderate risk gamblers</i>	<i>Problem gamblers</i>
	N=703	N=192	N=80	N=25
Enjoyment				
Increase	1	3	4	21
About the same	77	64	47	39
Decrease	22	33	49	40
Money spent				
Increase	0	0	0	15
About the same	75	57	53	23
Decrease	25	43	47	62
Session length				
Increase	0	0	4	15
About the same	74	58	48	29
Decrease	26	42	48	56
Play frequency				
Increase	1	1	0	15
About the same	70	56	51	28
Decrease	29	43	49	57

Source: Schottler Consulting (2009, p. 71).

A recent 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 (2009, 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 (table 9.3). 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.

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

Resolving 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, risks and costs 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 does is limit a gambler's expenditure to the amount of cash that is brought into the venue on a particular visit. While this would be beneficial in the short term, 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.
- There are potentially large and irreversible costs associated with the physical removal and relocation of ATMs, estimated to be of the order of \$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.

Accordingly, the Commission does not recommend a ban on ATMs from gambling venues. That said, it considers that an evaluation of the outcomes of the forthcoming

Victorian ban on ATMs would provide valuable information to all jurisdictions about the benefits and costs of this approach.

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.

Were governments to introduce a ban on ATMs from gambling venues, the Commission considers that they should consider giving 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 (about a one hour walk) 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 7. 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:

- help problem and other gamblers
- have adverse impacts on 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 gamblers?

As noted by some participants (box 9.7), 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 2009), an Australian adult holds on average 2.5 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.

Box 9.7 Participants’ comments 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) .

There appears to be only very limited evidence on the behavioural responses of gamblers to existing withdrawal limits in venues. Caraniche (2005) found that, of the ‘small number’ of responses received on Victorian gaming machine players’ experiences of tactics or actions used or seen employed by other players at gaming

venues to overcome harm minimisation measures, the most common related to the use of ATMs at gaming venues. Two particular strategies reported were players going to different ATMs to withdraw cash outside the venue, and players continually withdrawing up to the \$200 limit each time they used an ATM in the venue (2005, table 5.42).

Despite the lack of evidence on the behavioural responses of gamblers, the Commission considers that, in principle, withdrawal limits are likely to be more effective in helping to address gambling harms if they are:

- set on a daily basis
- embody an appropriate threshold.

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 ATM Industry Reference Group considered that the Victorian limit of \$400 a day to be a ‘reasonable amount’:

The limit needs to be sufficient to allow patrons (often couples operating a joint account) to have an enjoyable time at a venue without being forced to leave that venue to access additional funds. (sub. 137, p. 12)

However, as Regis Control noted, even \$200 a day could amount to a significant amount of cash for gambling (sub. 82, p. 11 and box 9.7).

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

- 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, depending on the jurisdiction, which is much less than the average ATM withdrawal of \$178 for all ATMs across Australia (table 9.4 and box 9.2)
- 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 9.5), a greater proportion of self-identified problem gamblers than recreational gamblers and non-gamblers withdrew more than \$100 from ATMs in the venue.

Table 9.4 Average value of an ATM withdrawal in hospitality venues serviced by the ATM Industry Reference Group^{a b}

<i>State</i>	<i>Average ATM withdrawal</i>
	\$
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).

Table 9.5 Usual amount withdrawn from ATMs/EFTPOS at any one time in ACT gaming venues, 2004^a

<i>Amounts</i>	<i>ATMs</i>				<i>EFTPOS facilities</i>			
	<i>Non-gambler</i>	<i>Recreational gamblers</i>	<i>Regular gambler</i>	<i>Self-identified problem gambler</i>	<i>Non-gambler</i>	<i>Recreational gamblers</i>	<i>Regular gambler</i>	<i>Self-identified problem gambler</i>
	% (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. Percent responses rounded.

Source: Centre for Gambling Research (2004b, pp. 75–6, tables 22 and 24).

In addition, there is evidence from the 2003 Victorian longitudinal community attitudes survey that 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 recently released Victorian study on gambling (Hare 2009) indicated the amount of money that gamblers tended to bring with them to gambling (p. 175). Hare found that, based on a sample of 4676 gamblers, around 59 per cent brought up to

\$200 with them to gambling, with 5 per cent bringing more than \$200. Moderate risk and problem gamblers had a much greater tendency, than non-problem gamblers, to bring more than \$200 with them to gambling.

Overall, according to this evidence, setting a withdrawal limit on ATMs/EFTPOS transactions of \$200 per card per day would probably not unduly impact on 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).

Summing up

Compared with banning ATMs from gambling venues, setting an effective withdrawal limit on ATM/EFTPOS facilities is likely to be less costly. A daily limit on what can be withdrawn from a facility per card is also less likely to be avoided by problem gamblers and other gamblers.

Providers of ATMs have indicated to the Commission that they are already able to meet the Victorian \$400 a day limit. However, the Commission considers that this limit is unlikely to be sufficient. There is evidence that the usual amounts withdrawn from gambling venues are \$100 or less and that problem gamblers are more likely to withdraw amounts greater than \$100 compared with other groups of gamblers. The Commission thus considers that a limit of \$200 per day on withdrawals from ATMs/EFTPOS facilities would probably help address gambling harms without unduly affecting non-problem gamblers and other patrons. Such a withdrawal limit could be repealed if mandatory pre-commitment of the kind proposed in chapter 7 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 (box 9.8).

Box 9.8 Participants' comments on removing ATMs from the gaming floor

Anon. problem gambler

[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

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)

For example, 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 Commission considers that the effectiveness of this measure 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 self-regulatory mechanisms in respect of ATMs/EFTPOS facilities (Clubs Australia, sub. 164, the Australian Bankers' Association, sub. 165, the ATM Industry Reference Group, sub. 137, and the RSL of Australia (Vic Branch), sub. 245).

One such mechanism focuses on gamblers setting their own limits on their use of ATMs/EFTPOS facilities. 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. Gamblers could make use of a venue's 'mind your ATM card' service (Clubs Australia, sub. 164, p. 14). Or gamblers could request their financial institution to set limits on their debit cards. For example, the Australian Bankers' Association said that:

... 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)

An extension of this alternative 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)

Although 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 part of this work, the Australian Hotels Association commissioned a survey of self-excluded problem gamblers, which found a strong preference for such an ATM self-exclusion scheme (Sweeney Research 2009). Moreover, the survey 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.

Along a similar vein, 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 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 in which this would be done is for governments to mandate the placement of warnings and appropriate messages on ATMs/EFTPOS facilities.

Were governments to introduce bans on ATMs from venues, they should 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.

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, 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.

As noted earlier, a withdrawal limit on ATMs/EFTPOS facilities could be repealed if Commission's proposed pre-commitment system as recommended in chapter 7 were adopted.

DRAFT RECOMMENDATION 9.1

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

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

The Commission considers there is a case for exempting casinos from draft recommendation 9.1 in relation to their 'high rollers' and international visitors, casinos being 'destination venues' for this group of patrons.

- High rollers tend to be footloose in the sense that they are more able to switch to another international casino if the services and amenity of a particular Australian casino is not to their liking.
- International visitors are unlikely to form an enduring or permanent attachment to Australian casinos given that they are in the country for a short period of time.

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

9.3 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 (table 9.6).

However, some jurisdictions continue to allow cash withdrawals from credit cards in gambling venues (ACT — ATMs in venues, Western Australia — ATMs in the casino, and Tasmania — ATMs in casinos).

In addition, the Ministerial Council on Gambling recently agreed to the development of a national regulatory and legal framework to ban the provision and advertising of commercial credit for gambling by third parties (such as pawn brokers and pay day lenders) in gaming venues and online wagering services (MCG 2009b).

Some previous government reviews have considered the use of credit cards and access to credit accounts for gambling.

- In its 2002 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 recommended that restrictions on accessing credit accounts from ATMs/EFTPOS facilities be clarified to improve the effectiveness of restrictions (2004b, p. 140).

Table 9.6 Requirements on the use of credit for gambling in venues

<i>Requirement^a</i>	<i>Jurisdictions to which requirement applies</i>
Credit gambling is prohibited	New South Wales, South Australia, Northern Territory
Venue must not provide loans or credit to gamble, or accept credit wagers	Queensland, Tasmania, ACT
No cash withdrawals from credit cards or credit accounts for gambling	New South Wales (through ATMs/EFTPOS facilities in clubs and hotels), Victoria, South Australia, Western Australia (in casino gaming area only)
No access to credit accounts	South Australia (through ATMs/EFTPOS facilities in all venues), Tasmania ^b (through EFTPOS facilities in all venues), Western Australia (through EFTPOS facilities in casino)
Cash advances from credit cards or credit accounts allowed	ACT (ATMs in all venues), Western Australia (ATMs in casino non-gaming area only), Tasmania (ATMs in casinos)

^a Requirements are as described by the jurisdictions. ^bATMs are banned from Tasmanian hotels and clubs with gaming.

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 to introduce credit restrictions in relation to gambling. The New South Wales Government noted that its recent 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).

- The 2001 ACT gambling prevalence survey (Australian Institute for Gambling Research 2001) reported that 8.5 per cent of regular gamblers, 35 per cent of SOGS5+ gamblers and 70 per cent of SOGS 10+ gamblers obtained cash advances from credit cards to gamble.
- The 2005 South Australian gambling prevalence survey (South Australian Department of Health 2006, pp. 175–6) found, in relation to players of gaming machines:
 - 25 per cent of moderate and high risk frequent players withdrew money using credit cards compared with 6 per cent of low risk players
 - 7 per cent of weekly players used credit cards for withdrawing cash compared with 4 per cent of fortnightly players and 2 per cent of infrequent players.
- In their study on possible indicators of problem gamblers in venues, Delfabbro et al. (2007) found that:

- 7 of 15 South Australian problem gambling counsellors reported that their clients asked for a loan or credit from venues
- 9 per cent of problem gamblers compared with less than one per cent of no-risk gamblers reported asking for a loan or credit from venues
- ... Problem gamblers were 16 times more likely than other gamblers to ask for loan or credit from venues.

Commission estimates based on raw data from the Queensland 2006-07 household gambling survey of 30 000 adults (table 9.7) indicate moderate risk and problem gamblers have a much greater tendency than low risk gamblers to withdraw money from credit cards for gambling.

Table 9.7 Use of credit cards to withdraw cash for gambling, Queensland

<i>Question</i>	<i>Low risk gamblers^a</i>	<i>Moderate risk gamblers^b</i>	<i>Problem gamblers^c</i>	<i>All gamblers</i>
You use your credit card to get cash advances.	Never, rarely 94%	Never, rarely 80%	Never, rarely 74.6%	Never, rarely 89.7%
	Sometimes, often, always 5.2%	Sometimes, often, always 20%	Sometimes, often, always 25.4%	Sometimes, often, always 9.7%

^a Low risk gamblers – CPGI (1 or 2). ^b Moderate risk gamblers – CPGI (3 to 7). ^c Problem gamblers – CPGI (8+).

Source: Commission estimates based on raw data from Queensland Government (2008, question 100).

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 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; South Australian Department of Health 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) noted that some ACT venues were not clear about what the credit restrictions meant. Delfabbro (2008a) 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 about effectiveness relates to the differential treatment of venues and gambling forms. A number of participants (for example, Clubs Australia, sub. 164, p. 34; Betsafe, sub. 93, p. 17; Gaming Technologies Association, sub. 147, p. 20; The Council of Gambler’s Help Services, sub. 132, p. 26; Falkiner, sub. 2, p. 25) raised concerns about the inconsistency in credit restrictions across gambling venues (hotels and clubs versus casinos) and across gambling forms (gambling in land-based versus online gambling). The bulk of concern, however, was concentrated on the differences 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 (chapter 12 on online gaming and the Interactive Gambling Act). And international casino patrons typically use internationally accepted credit (and debit) cards as a convenient and cheap means of travelling with cash.

Conclusion

The Commission considers that there is a strong case for banning 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.

The Commission considers that banning the use of credit cards and access to credit accounts for gambling in land-based venues should be operationalised by specifically prohibiting:

- cash advances from credit cards through ATMs/EFTPOS facilities

-
- the use of credit cards to purchase gambling products
 - access to credit accounts in ATMs/EFTPOS facilities.

Casinos should be exempted from these requirements in respect of their high roller and international patrons who would otherwise be significantly inconvenienced.

DRAFT RECOMMENDATION 9.2

Other than for online gambling, and for high rollers and international visitors in casinos, governments should prohibit the use of credit cards for gambling.

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 7 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.

9.4 Payment of winnings as cash

All jurisdictions have introduced mandatory restrictions on the cash payment of winnings, 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 New South Wales, hotels and clubs must pay amounts 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.

In the ACT, the maximum cash payout of winnings for gaming machines is \$1200. Some gambling venues have an in-house policy that the maximum cash payout is \$1000, with the remainder to be paid in cheque the next day. For casino winnings,

there is a maximum cash payout of \$20 000 in any gaming day, however, commission-based player schemes are exempt.

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 requested by the patron.

Restrictions on the cash payment of winnings 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 winnings (for example, Caraniche 2005; McMillen and Pitt 2005; IGA 2007; 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 winnings 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 winnings?

A threshold issue for assessing the effectiveness of the restrictions is the extent to which gamblers ‘reinvest’ their winnings 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 winnings, and that problem gamblers have a greater tendency to do so compared than 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 put large wins back into the machine and keep playing.

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

Do gamblers simply avoid the need for cheque payment?

Another issue about the effectiveness of restrictions on the cash payment of winnings is whether gamblers avoid the cheque payment by gambling below the prescribed cash threshold.

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

Indeed, 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 9.8).

Table 9.8 Frequency of gambling away part of winnings to avoid payout by cheque, 2006 NSW survey results^a

<i>Sample size and frequency</i>	<i>Total NSW</i>	<i>Non-regular gamblers</i>	<i>Non-problem gamblers</i>	<i>Low risk gamblers</i>	<i>At risk gamblers</i>
Sample size	634	303	154	79	98
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. Percentage totals may not add to zero as some respondents could not say.

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.

Conclusion

Survey evidence suggests that there is room for improvement to existing restrictions on the payment of winnings. Gamblers are continuing to gamble with their winnings and a small proportion of gamblers are avoiding payment by cheque.

The Commission considers that the cash threshold for payments should be set at a low level. With a low cash threshold, staff would be able to identify gamblers making many wins — a strong indicator of large overall losses and a risk factor for problem gambling.

While there is little evidence to support the appropriate cash threshold, the Commission considers that a level of around \$250 would be appropriate. This would have few adverse impacts on non-problem gamblers since they rarely win prizes of this magnitude.

The effectiveness of cash payment restrictions could also be improved by providing gamblers with the choice of how they receive their winnings, whether by cheque or by direct credit to their account.

Casinos should be exempted from these requirements in respect of the cash payment of winnings for their high roller and international patrons who would otherwise be significantly inconvenienced by receiving small cheque payments.

Governments should require venues to pay any gambling prize above \$250 by cheque or direct credit to the gambler's account, except for winnings by high rollers and international visitors in casinos.

The effectiveness of this measure would be enhanced if, following a win, there was a forced break in play for the gambler and venue intervention. This is likely to be only practical through modifications to gaming machines, for example, that automatically stopped playing after a win, or that prevented the gambler from accessing the credits from a win for gambling.

9.5 Cheque cashing

All jurisdictions have mandatory restrictions applying to cheque cashing in gambling venues. 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. At the casinos, restrictions have been recently introduced to ensure that cheques drawn on Australian banks are banked within five business days). And in Victoria, hotels, clubs and the casino are not permitted to cash cheques for the purpose of enabling the playing of gaming machines.

Mandatory cheque-cashing restrictions can also apply to the cheque payment of winnings (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; South Australian Department of Health 2006; SACES 2008b — appendix G). This probably reflects the mandatory requirements in those jurisdictions.

However, those same surveys show that moderate risk and problem gamblers are more likely to use cheque-cashing facilities than other gamblers — for example, table 9.9 in respect of the prevalence survey findings for South Australia (which has a general prohibition on cheque cashing in the gaming area).

In their study on possible indicators of problem gamblers in venues, Delfabbro et al. (2007, pp. 176, 186) found that 7 per cent of problem gamblers compared with 2 per cent of moderate risk gamblers and no low or no-risk gamblers reported trying to cash cheques in the venue. They found that problem gamblers were 2.6 times more likely than other gamblers to try to cash cheques at venues.

Commission estimates based on raw data from the Queensland 2006-07 household gambling survey of 30 000 adults (table 9.10) confirm that cashing cheques was very rare for all gamblers across all CPGI risk profiles, but that moderate risk and problem gamblers had a greater tendency than low risk gamblers to cash cheques.

A particular issue 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. This reflects a general problem common to all cash and credit restrictions in relation to gambling; namely they are directed at regulating the means by which cash and credit is accessed, rather than the amount that gamblers can spend.

Table 9.9 Withdrawing money using cash cheques for gambling, South Australia, players of gaming machines^a

	<i>All players</i>	<i>Have played, but not frequently</i>	<i>Fortnightly players</i>	<i>Weekly players</i>	<i>Low risk frequent players</i>	<i>Moderate and high risk frequent players</i>
	N=5130	N=3309	N=663	N=1158	N=330	N=222
Never, rarely	99%	99%	99%	99%	99%	96%
Sometimes, often, always	1%	1%	1%	1.0%	0.3%	4%

^a The CPGI was used to assess the problem gambling risk of the gamblers.

Source: South Australian Department of Health (2006, pp. 176–7).

Table 9.10 Cashing cheques for gambling, Queensland

<i>Question</i>	<i>Low risk gamblers^a</i>	<i>Moderate risk gamblers^b</i>	<i>Problem gamblers^c</i>	<i>All gamblers</i>
You cash cheques at venue	Never, rarely 98.6% Sometimes, often, always 0.8%	Never, rarely 97% Sometimes, often, always 2.8%	Never, rarely 98% Sometimes, often, always 2%	Never, rarely 98.2% Sometimes, often, always 1.3%

^a Low risk gamblers – CPGI (1 or 2). ^b Moderate risk gamblers – CPGI (3 to 7). ^c Problem gamblers – CPGI (8+).

Source: Commission estimates based on data from Queensland Government (2008, question 100).

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. For example, in some casinos, gamblers are able to purchase chips by cheque, which is effectively an extension of ‘defacto credit’ to gamblers (Falkiner sub. 2, p. 26)
- gamblers could cash their winnings cheque in the venue and continue to gamble, undermining the purpose of requirements for a winnings cheque in the first place — namely, to provide a cooling off period for gamblers.

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

The Commission thus considers that cheque-cashing restrictions should reflect draft recommendations 9.2 and 9.3 in that the threshold for cashing cheques is the same as the proposed daily withdrawal limit of \$200 imposed on ATMs/EFTPOS facilities and that the on-the-spot cashing of cheques in gambling venues prior to bank clearance is prohibited. The cashing of winners cheques by the venue should be prohibited.

Casinos should be entitled to limited exemptions from these requirements in respect of the threshold limits applying to the cashing of cheques from their high roller and international patrons.

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

DRAFT RECOMMENDATION 9.4

Governments should impose the following cheque-cashing requirements on gambling venues, other than casinos in respect of high rollers and international visitors:

- ***winners' cheques should not be allowed to be cashed***
- ***self-drawn cheques should have the same limits as in draft recommendation 9.1.***

It is unlikely that the thresholds embedded in cheque-cashing restrictions would still be warranted if the Commission's proposed mandatory pre-commitment system were introduced by governments. This system is more able than the thresholds to directly target gamblers' expenditures. Aside from the thresholds, other cheque-cashing restrictions such as cashing of winners' cheques.