

ATM Industry Reference Group

Inquiry into Poker Machine Harm Minimisation Bill 2008

On behalf of the ATM Industry Reference Group we thank the Senate Standing Committee on Community Affairs for the opportunity to make a written submission to the Inquiry into the Poker Machine Harm Minimisation Bill 2008. We also offer to make ourselves available for any future public hearings by the Committee.

We write to you today specifically with regard to those elements of the Bill which require financial limits on the amounts that would be able to be withdrawn through ATMs on those premises with gaming facilities (Part 3).

While we are not opposed in principle to financial limits, we consider the suggested daily limits of \$100 to be unreasonably low. Statistics from APCA indicate the average withdrawal amount per ATM is \$170, and our own group's data shows the amount in a pub or club is closer to \$110 per withdrawal.

We assume this area was researched by the Victorian Government as part of its decision to implement a maximum of \$400 within a 24 hour period (which has been legislated for 2010), and we would consider this to be a more reasonable limit.

Our view is this 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.

The members of our group now have technology available which will enable us to develop a solution to meet the above requirements that have been imposed by the Victorian Government. It is also worth noting the Bill suggests this \$100 limit may come from both debit or credit accounts. This would in effect be a loosening of existing laws as cash-out on credit is presently not allowed in venues offering gaming facilities.

The Bill also does not take into consideration that cardholders often have multiple cards. This is not uncommon amongst problem gamblers, however since most of them have credit cards we believe maintaining the status quo of limiting withdrawals to debit cards (rather than the proposed addition of providing credit card access) would continue to have the effect of contributing to harm minimisation.

Our industry can also provide technology relating to problem gamblers who identify themselves and voluntarily decide to exclude themselves from a venue. If at that time we are offered that person's card details we are able to electronically stop their card being used in that venue's ATM. Again we believe this is a positive approach to deal with the issue of problem gambling without disadvantaging the vast majority of cardholders who use ATMs for convenience and safety (nearly 100 million transactions per annum).

At its core, this Bill seeks solutions to deal with problem gambling. We encourage the Committee to better understand the key issues in order to develop sensible, effective measures that will not disadvantage the vast majority of the community.

As is clear from the Bill, there is a belief that the ATM industry is a part of the problem. However, as noted above, with the technology now available the ATM

industry can play an essential role in providing Government with a more holistic and effective approach to assist problem gamblers. In fact we are part of the solution.

There is no arguing that problem gambling is an issue for Australian communities. But the ATM Industry does not place ATMs in pubs and clubs to live off the misery of problem gambling, nor is our industry reliant on either gambling or problem gamblers. That fact is clear from our transaction volume numbers. In Western Australia – where there are no gaming machines in pubs and clubs, ATMs do healthy transaction volumes – indeed, the average withdrawal value is precisely the same as pubs and clubs in other states.

We would also like to note that the ATM providers that service hotels and clubs are not banks, but specialists (both publicly listed and smaller private companies) who own and operate more than 99 per cent of ATMs in pubs and clubs. Our specific industry is made up of hard working Australian families including sales representatives, field service technicians, help desk operators, security guards, communications technicians and transport workers. These employees do not want to see people destroyed by problem gambling any more than they want to lose their jobs.

We have a large number of ATMs located in pubs and clubs because they remain a business sector largely driven by cash trade – whether that is to buy a round of drinks, a meal or to have a flutter on the TAB. Reducing access to cash will unintentionally catch many parts of a pub or club business that have nothing to do with gaming or problem gamblers. The only result will be a significant downturn in business and a substantial loss of jobs. As you are probably aware the hospitality industry employs more than 360,000 people Australia-wide.

But it is not just the thousands of direct and indirect jobs at risk. It is also the safety and inconvenience for ordinary people.

Throughout Australia, ATMs provide a valuable community service and this is particularly true in country and regional Australia. It is important to keep in mind that implementation of this Bill would result in withdrawal limits on around 25 per cent of all the ATMs in Australia. In many smaller towns and suburbs ATMs operated by members of the ATM Industry Reference Group (non-banks) make up much more than 25 per cent. These are communities that are not well served by the banks.

Nearly 100 million transactions are performed annually through ATMs at pubs and clubs. That is precisely because it is convenient (pubs are where people use cash) and they are safe. ATMs in pubs and clubs provide cardholders with privacy, are well lit, have CCTV coverage and provide security staff to keep a watchful eye.

The Victorian Government's option of removing ATMs from pubs and clubs will not stop the need for cash it will merely push cardholders (young & old, male and female) onto the streets to find another ATM. And we know that street front ATMs are less safe than those inside pubs and clubs. In 2004 the same Victorian Government who have now announced the removal of ATMs from pubs and clubs previously announced measures to improve ATM safety. The then Police Minister, Andre Haermeyer said:

“ATMs certainly have provided the community with a greater deal of convenience and with access to 24-hour cash, but they have also enabled the banks to push the risk that goes with robbery outside their door. I think the banks have some responsibility to their customer's safety.”

Seeking to either remove ATMs or reduce withdrawal limits to unreasonably low levels would be doing precisely what the Victorian Government has previously accused the banks of doing – increasing the risk crime and washing its hands of any responsibility.

We would also like to underline the point that ATMs in most Australian gaming venues already have restrictions that work to minimise harm to problem gamblers – many of which were implemented in response to the 1999 Productivity Commission enquiry mentioned by Senator Fielding in his Second Reading speech to the Senate.

The ATM industry has been widely supportive of these measures which include:

- no cash withdrawals can be accessed from credit cards.
- maximum amounts per transaction in various states.
- placement of ATMs away from gaming machines.
- messages on the ATM about the risks of gaming.

Whilst we are not experts on the psychology of problem gamblers, we believe our industry knowledge and technology can be of assistance. The ATM Industry Reference Group asks the Committee to carefully consider the implications of this Bill, and consult in detail with the industry prior to acting.

Yours sincerely



David Glen (1800 08 09 10)

Managing Director, The BANKTECH Group Pty Ltd
Level 5, 140 William Street, East Sydney NSW 2011



Tim Wildash (1300 305 600)

Managing Director, Customers ATM Pty Ltd
2/148 Chesterville Road, Moorabbin Victoria 3187



Dan Milton-Hine (02 9959 2058)

Vice President, First Data International
Level 9, 168 Walker Street, North Sydney NSW 2060



Kim Stewart (02 9906 0600)

CEO, Australian Operations, Pulse International
Ground floor, 504 Pacific Highway, St Leonards NSW 2065

