

2 October 2008

Mr Elton Humphery  
Committee Secretary  
Senate Standing Committee on Community Affairs  
Parliament House  
CANBERRA ACT 2600

Via email: [community.affairs.sen@aph.gov.au](mailto:community.affairs.sen@aph.gov.au)

Dear Secretary

**Senate Standing Committee on Community Affairs  
Inquiry into ATMs and Cash Facilities in Licensed Venues Bill 2008**

*Abacus – Australian Mutuals* welcomes the opportunity to comment on the proposals outlined in Senator Nick Xenophon's Private Members' *ATMs and Cash Facilities in Licensed Venues Bill 2008*, and congratulates the Senate on examining these measures to reduce harm from problem gambling.

*Abacus – Australian Mutuals* is the national industry body for credit unions, mutual building societies and friendly societies. Abacus members collectively hold more than \$70 billion in assets under management and serve the needs of more than six million members across Australia.

Abacus supports the development of a workable, meaningful, national strategy to address problem gambling. Credit unions and building societies offer convenient and accessible cash to their customers through around 1,800 ATMs throughout Australia. Abacus members also offer a variety of financial literacy resources and education programs to help their members manage their own financial affairs.

There are an extremely limited number of credit union- or building society-owned ATMs located at a gaming venue in Australia. Credit unions and building societies have generally chosen not to provide these facilities in gaming venues. There will be a marginal commercial impact to Abacus members from the implementation of either the *ATMs and Cash Facilities in Licensed Venues Bill 2008* or Senator Steve Fielding's *Poker Machine Harm Minimisation Private Members Bill*.

The best government response to problem gambling should be based on rigorous research and is one that can provide measurable outcomes, can make real change, and that can provide opportunities to assess the impact of reform.

### **Banning cash access from licensed venues**

However, with respect to the *ATMs and Cash Facilities in Licensed Venues Bill 2008*, Abacus considers that deliberation must be given to two key issues associated with the banning of cash facilities in licensed venues:

- Abacus is concerned that the impact of banning cash facilities in these in rural and regional areas will have a significant impact on access to cash. In many smaller towns across Australia there are a limited number of cash facilities – and in some towns access to cash may only be available through a local licensed venue. The Bill has attempted to address this issue through exempting venues where no other facility is available within a 5 kilometre radius, however, there remains some risk (particularly for older or less mobile people) that this arrangement is an unacceptable solution.
- Some customers who utilise cash facilities in licensed venues do so for safety reasons. The ability to access cash in an environment secured by either security cameras and/or guards may be the primary reason for visiting the licensed venue rather than access to poker machines. We believe some consideration needs to be given to these circumstances.

In relation to Senator Fielding's Private Members Bill, Abacus has significant concerns regarding the implementation of the requirements relating to cash withdrawals.

### **The electronic payments network**

Principally, Abacus' concerns relate to introducing differential withdrawal limits across the electronic payments network which would involve expensive network changes. The electronic payments network is not designed to include detailed identification of locations or variable withdrawal limits at the time the transaction is authorised.

Only minimal information is contained in electronic messages to ensure efficiency across the payments network. If differential limits were to be implemented, an entirely new system would need to be introduced that either required new ATM hardware and software ('ATM level' option) or changed the bilateral arrangements between every card issuer across the electronic payments network ('card issuer level' option).

### **The card issuer option**

A 'card issuer level' option would impose significant costs on all card issuers and all customers and undermine the efficiency of the network. A technology solution involving flagging of transactions by ATM acquirers and tracking, monitoring and processing real time transactions across the payments network by card issuers would be required. In addition, new rules to enable identification of the relevant ATMs would also be necessary. It is likely that the associated costs would significantly impact on smaller credit unions and building societies. All customers would likely face an increase in fees associated with using their debit card and accessing their funds.

### **The ATM level option**

An 'ATM level' option would not involve card issuers, but would require implementation of a limit management system at the ATM level. Changes to ATM hardware and software would be required. Control of transactions by ATM acquirers would also be required.

Abacus submits that if further cash restrictions on ATMs in gaming venues is proposed, restrictions should be imposed at the 'ATM level', so as not to penalise all card issuers. We believe it is appropriate that the ATM deployers that profit from ATMs in gaming venues should be responsible for implementing any further measures. As of March 2009, the ability for ATM deployers to directly charge the users of their ATMs means they will be able to recoup costs associated with introducing further cash restrictions. Costs can, therefore, be contained to those ATMs and those customers that choose to use ATMs in gaming venues, rather than being spread across the entire payments network and all customers.

### **Targeting the issue**

Initiatives overseas to restrict access to cash in gaming venues have been delivered through a combination of self-exclusion and ATM technology. These initiatives have also taken into consideration access to cash within the community. Strategies should allow customers timely and convenient access to their funds, but provide gamblers with the tools to manage their own gambling expenditure.

Thank you again for the opportunity to comment.

If the Committee wishes to obtain additional information, please contact me directly on (02) 8299 9050 (or [mdegotardi@abacus.org.au](mailto:mdegotardi@abacus.org.au)).

Yours sincerely,

A handwritten signature in black ink that reads "Mark Degotardi". The signature is written in a cursive style with a large initial 'M' and a long, sweeping underline.

**MARK DEGOTARDI**  
**Head of Public Affairs**