

# InterChurch Gambling Taskforce

3 October 2008

Senate Community Affairs Committee  
Parliament House  
Canberra ACT, 2600

## **Submission on Inquiry into ATMs and Cash Facilities in Licensed Venues Bill 2008**

The Victorian InterChurch Gambling Taskforce welcomes this opportunity to make a submission to the Senate Community Affairs Committee on the *ATMs and Cash Facilities in Licensed Venues Bill 2008*. The Taskforce strongly supports the removal of ATMs from electronic gaming machine (EGM) venues and notes that the Victorian Government is already committed to such action by 2012.

### **Victorian InterChurch Gambling Taskforce**

The Victorian InterChurch Gambling Task Force was established in 1996 by the Heads of Churches in Victoria with the following objectives:

1. To increase awareness amongst the Churches about the broadening gambling industry and to potentially harmful effects on the common good.
2. To provide critical analysis and interpretation of research on gambling and the gambling industry, in particular the social and economic impacts and any other projects undertaken by the government, the Victorian Casino and Gaming Authority and the gambling industry.
3. At every level to communicate the alternatives to gambling as a solution to
  - a) individual personal problems
  - b) socio-economic development.
4. To call Government to further account for its integration of the gambling industry into its economic management.

### **Justification for Removal of ATMs from EGM venues**

The Taskforce previously submitted to the Senate Community Affairs Committee evidence from research justifying the benefits of removing ATMs from EGM venues as a measure to reduce problem gambling behaviour, with little impact on the vast majority of patrons to the venue who are unlikely to use the ATM anyway.

The Productivity Commission found that people with gambling problems were far more likely to use ATMs to withdraw money to gamble when playing EGMs<sup>1</sup>.

Table 1: Productivity Commission's findings of how often people withdrew money from ATMs at a venue when they played EGMs.

	<b>Never</b>	<b>Rarely</b>	<b>Sometimes</b>	<b>Often</b>	<b>Always</b>	<b>Can't say</b>
Non- problem gamblers	78.2	11.8	5.0	1.4	3.2	0.4
Gamblers with SOGS 5+	34.6	12.4	15.1	16.5	21.3	0
Gamblers with SOGS 10+	18.2	7.0	16.1	34.8	23.9	0

Research commissioned by the gambling industry from the University of Sydney Gambling Research Unit found that people with gambling problems in hotels were more likely to use

---

<sup>1</sup> Productivity Commission, "Australia's Gambling Industries", Report No. 10, AusInfo, Canberra, 1999, p. 16.61.

ATMs, while those in clubs in NSW did not<sup>2</sup>. The study also found that visits to ATMs in venues were linked to heavy losses<sup>3</sup>. Further, people with gambling problems would continue to gamble until they had used up all the money available to them through ATMs located in venues<sup>4</sup>.

A 2001 gambling industry sponsored survey found that 83% of venue patrons in Ballarat did not use ATMs in the venue<sup>5</sup>. This suggests that removing ATMs from EGM venues is unlikely to inconvenience the majority of patrons, while being likely to assist a significant proportion of people with gambling problems.

A 2004 survey of clients of problem gambling services in Victoria reports that the vast majority of respondents believe that it would be very effective to remove and ban ATMs from gaming venues.<sup>6</sup>

A December 2005 report commissioned by the Victorian Gambling Research Panel, *Evaluation of Electronic Gaming Machine Harm Minimisation Measures in Victoria*, found most EGM gamblers access an ATM at least once during a gambling session. Gaming venue managers agree that venue-based ATM-users are most likely to spend their withdrawals on gambling on EGMs.

The report found that research indicated that many EGM players were critical of the placement of ATM and EFTPOS facilities in venues (i.e. they are located in close proximity to the gaming area), indicating little confidence in their placement outside of gaming rooms, as required by law in Victoria, as an effective responsible gaming measure. Focus group research found the proximity of ATMs to EGMs means that money could be withdrawn and then inserted into a machine without sufficient time for thought of consequences.<sup>7</sup>

The report noted a 2004 study conducted in the ACT, where it was found that a greater proportion of regular gamblers (93%) and self-identified problem gamblers (90%) than recreational gamblers (70%) reported spending money withdrawn from venue ATMs on gambling. Of these groups, a large majority of gamblers (89%) spent gambling money withdrawn from an ATM in a gaming venue on gaming machines. Furthermore, a greater proportion of regular gamblers and self-identified problem gamblers reported withdrawing large amounts of money from venue located ATMs than did recreational gamblers. The same study also found that regular and problem gamblers tended to access ATMs at gaming venues more frequently than do recreational gamblers and non-gamblers.<sup>8</sup>

The 2005 report found that 41.6% of EGM gamblers never accessed ATMs. EGM gamblers who use an ATM at gaming venues rarely access it for the purpose of purchasing food and beverages (11.7%). Of those EGM gamblers who withdrew money from an ATM, 74% did so

---

<sup>2</sup> Blaszczynski, A., L. Sharpe and M. Walker, "The Assessment of the Impact of the Reconfiguration on Electronic Gaming machines as Harm Minimisation Strategies for Problem Gambling", The University of Sydney, November 2001, pp. 58-59, 63.

<sup>3</sup> Blaszczynski et. al., p. 63.

<sup>4</sup> Blaszczynski et. al., pp. 80, 83.

<sup>5</sup> ACIL Consulting, "The Impact of Gaming in Ballarat", 14 December 2001.

<sup>6</sup> New Focus Research Pty, "Problem Gamblers, Loved Ones and Service Providers: Study of Clients of Problem Gambling Services, Stage 2: Round 1 Report", Victorian Gambling Research Panel, Melbourne, 2004.

<sup>7</sup> Caraniche Pty Ltd, "Evaluation of Electronic Gaming Machine Harm Minimisation Measures in Victoria", Victorian Gambling Research Panel, Office of Gaming and Racing, Victorian Government Department of Justice, Melbourne, Victoria, December 2005, p. 31.

<sup>8</sup> Caraniche Pty Ltd, "Evaluation of Electronic Gaming Machine Harm Minimisation Measures in Victoria", Victorian Gambling Research Panel, Office of Gaming and Racing, Victorian Government Department of Justice, Melbourne, Victoria, December 2005, p.31.

for the purposes of gambling.<sup>9</sup> Those who access an ATM more than twice do so exclusively to gamble. Frequency of ATM use by EGM gamblers is significantly correlated with the reason for accessing an ATM. The frequency of ATM use by an EGM gambler is connected with increased levels of spending, extended amounts of time in the gaming venue, the frequency of their gambling and their score on the problem gambling index. There is a significant relationship between problem gambling and EGM gamblers' usage of ATMs for gambling purposes, whereby moderate-risk and problem gamblers make significantly more withdrawals from an ATM than non-problem or low-risk gamblers.<sup>10</sup>

EGM gamblers, particularly those with problematic gambling behaviour, were found to make multiple withdrawals of less than \$200. EGM gamblers, both in country and metropolitan venues across hotels/pubs and clubs across Victoria, specifically stated that ATMs should be removed from gaming venues, and in doing so rank this as possibly the most effective measure that would be introduced in the future. Disconcertingly, more people with gambling problems report that an ATM should be located in the gaming area compared with those gamblers without problems.<sup>11</sup> The report concluded that "While locating ATMs outside of gaming areas allows EGM players some space or opportunity for thought and contemplation about further gambling – an enforced break-in-play – the accessibility to such facilities may still be too close to the gaming area as to negate this break."

The 2006 GRA report on gamblers pre-commitment found that access to an ATM in the venue was one of the reasons for gamblers breaking their pre-commitment limits that they had imposed on themselves.<sup>12</sup> It was also found that avoiding the use of an ATM and leaving the ATM card at home were key strategies employed by EGM gamblers to try to stay within their limits.<sup>13</sup> The second highest response from gamblers about how to assist them to stay within their self-imposed limits was that there should be no ATM in the venue, which was favoured by 17% of all gamblers, 14% of EGM gamblers and 16% of people with gambling problems as an unprompted response from gamblers.<sup>14</sup> It was the most selected measure that people with gambling problems identified as assisting them to stay within their limits from a prompted list.<sup>15</sup>

Previous legal advice obtained by the InterChurch Gambling Taskforce (previously provided to the Committee) indicated that both State Governments and the Commonwealth have the power to remove ATMs from EGM venues.

The Taskforce notes the submission by the ATM Industry Reference Group to the Committee on the *Poker Machine Harm Minimisation Bill 2008* in which they stated that in their view, people with gambling problems are likely to have multiple ATM cards which would defeat simply setting a withdrawal limit on ATMs at licensed venues. This view further points to the regulatory necessity of removing ATMs from licensed venues in order to achieve an effective harm minimization measure with regard to problem gambling within the venue.

---

<sup>9</sup> Caraniche Pty Ltd, "Evaluation of Electronic Gaming Machine Harm Minimisation Measures in Victoria", Victorian Gambling Research Panel, Office of Gaming and Racing, Victorian Government Department of Justice, Melbourne, Victoria, December 2005, p. 93.

<sup>10</sup> Caraniche Pty Ltd, "Evaluation of Electronic Gaming Machine Harm Minimisation Measures in Victoria", Victorian Gambling Research Panel, Office of Gaming and Racing, Victorian Government Department of Justice, Melbourne, Victoria, December 2005, p. xxv.

<sup>11</sup> Caraniche Pty Ltd, "Evaluation of Electronic Gaming Machine Harm Minimisation Measures in Victoria", Victorian Gambling Research Panel, Office of Gaming and Racing, Victorian Government Department of Justice, Melbourne, Victoria, December 2005, p. xxv.

<sup>12</sup> McDonnell Phillips Pty Ltd, "Analysis of Gambler Pre-Commitment Behaviour", Gambling Research Australia, June 2006, p. 21.

<sup>13</sup> McDonnell Phillips Pty Ltd, pp. 29, 31.

<sup>14</sup> McDonnell Phillips Pty Ltd, p. 34.

<sup>15</sup> McDonnell Phillips Pty Ltd, p. 36.

The Taskforce notes that customers to 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 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. Verbal advice from the banks to the Taskforce has suggested that some of the larger licensed venues make tens of thousands of dollars each year through their share of the transaction fees on ATM withdrawals within the venue. Noting the disproportionate use of ATMs in licensed venues by through people with gambling problems, this is a further extraction of money from such people by the venue and the ATM provider, although a minor one compared to the average overall losses that such people suffer as a result of their problem.

### **Exemptions for ATMs in EGM Venues**

The Taskforce would prefer that there was no exemption clause for ATMs being placed in EGM venues, on the basis that the Taskforce has not sought the removal of EFTPOS facilities from EGM venues.

However, if exemptions are to be allowed for cash facilities in licensed venues as currently specified under Section 8(3) of the Bill, the Taskforce would prefer that a list of criteria are specified within the legislation giving grounds under which the Minister may grant an exemption to the venue. In the venue of the Taskforce, the Minister should be required to give consideration to:

- The measures the venue will put in place to minimize the extent to which the cash facility will increase the level of problem gambling associated with the venue (such as location, any withdrawal limits, signage);
- The availability of cash facilities to the local community outside of the 5km eligibility radius for the exemption (thus a venue located more than 5km from a town centre in an area where few people live and where the local community has access to multiple cash facilities within the town centre should not be eligible for an exemption from the ban on cash facilities in licensed venues); and
- The view of the local government as to the need for the cash facility to be provided.

Dr Mark Zirnsak  
Chair  
Victorian InterChurch Gambling Taskforce  
c/- 130 Little Collins St  
Melbourne, Victoria, 3000  
Phone: (03) 9251 5265  
Fax: (03) 9251 5241