

Summary of Alliance for Gambling Reform submission to the Victorian Royal Commission into the Casino Operator and Licence

Crown Resorts has failed the people of Victoria so much that it should be found no longer fit to hold a casino licence, the Alliance for Gambling Reform asserts in its [submission to the Victorian Royal Commission into Crown](#).

The Alliance's submission outlines a number of failures on Crown's part to prevent or minimise gambling harm in its Melbourne casino, which on balance indicates Crown is not fit to hold a casino licence.

The Alliance asserts the public interest test should have an even heavier weighting than assessing whether Crown has met its legal obligations, especially as the minimum obligations that exist are woefully inadequate. The Alliance notes that where legal obligations do exist they have routinely failed to be met, and in some cases, have been actively thwarted.

The Alliance argues that current legal obligations are out of step with community standards and changes are required to stipulate and codify these in unambiguous legal terms in order to hold the casino operator effectively to account. Legislative reforms are fundamentally required to remediate the harm and loss of community confidence in both the casino operator, casino regulator and state government at large.

The submission states that greater transparency, accountability, enforcement measures and penalties are also essential. This is especially important given the Melbourne casino has one of the largest gambling footprints in the world, in a country with the worst gambling losses per capita, and it is located in the heart of a city of five million people.

The Alliance says the state government has a duty of care to protect all Victorians from the harms that result from gambling at the Melbourne casino. Any operator awarded a casino licence in Victoria should meet the following minimum standards that the Alliance considers necessary, in the public interest, to protect customers and the community from the harms of gambling.

A. Lift the harm minimisation requirements to hold a licence

1. Ban all gambling-linked loyalty programs and inducements.¹

Loyalty programs should be prohibited for products that incentivise harmful consumer behaviours. The evidence presented through our community of lived-experience advocates overwhelmingly demonstrates that Crown's loyalty program significantly exacerbates harm.

¹ Alliance submission to the Australian Competition and Consumer Commission's (ACCC) Customer Loyalty Schemes (2019) https://d3n8a8pro7vnm.cloudfront.net/gx/pages/2292/attachments/original/1573357135/AGR_Submission_to_ACCC_Customer_Loyalty_Scheme_Review_Oct_2019.pdf?1573357135

2. Implement a universal, identity-link cashless gambling card.²

A cashless gambling system would be introduced to facilitate stronger harm minimisation policy measures including precommitment and self exclusion systems if appropriate designed to better support for people to take control of their gambling and prevent money-laundering. Such a system should provide safeguards against people being able to lose large amounts of funds beyond what they can afford without causing harm.

3. Require thorough due diligence of the operator to know its customers.

Crown has demonstrated that it targets people who gamble heavily to try and entice them to lose as much as possible. Victorian legislation should supplement AUSTRAC rules, and require a casino operator to have clear “Know Your Customer” protocols and to demonstrate that they are implemented. These protocols should include steps to establish that the funds the person will use to gamble have a legitimate source and are not proceeds of crime, to reduce the level of money-laundering that takes place at the casino. They should also contain mechanisms to ensure that customers are not losing more than they can afford.

B. Remove special concessions within Crown Melbourne contracts

4. Remove legal exemptions that undermine harm minimisation principles and financially penalise taxpayers for regulatory reforms.

The unrestricted mode for EGMs within the Crown Melbourne contract must be removed entirely. Exemptions that exist that allow for provision of credit and consumption of free alcohol must be removed in order to reduce harm. The \$200 million compensation clause is grossly out of step with community standards and must be removed for current and future operator contracts.

C. Improve responsible service of gambling and staff training

5. All casino staff should be trained within the RSG training program run by VRGF.

Staff training must be independently administered to remove the conflict of interest. If necessary, the casino operator should finance the development of RSG training specific to casino situations.

6. Increase the number of gambling-facing venue staff who are resourced, trained, supported and empowered to identify and approach gamblers displaying signs of gambling harm.

Mandate the minimum number of staff who are trained and available to intervene based on patron occupancy and implement robust third party monitoring and evaluation. Data analytics should be used to support staff intervention.

7. Strengthen regulation to codify clearer guidance regarding interventions related to clear signs of gambling harm.

End the voluntary self-regulation of the industry by requiring the regulator to interpret improved legislation, regulations and detailed guidelines for RSG and to draft the code of conduct by which the casino will operate. The intention of such a code of conduct is that patrons exhibiting signs of harm, defined based on current research, will receive meaningful intervention from casino staff which demonstrably leads to the prevention or reduction of harm.

² Alliance Cashless Gambling Position Paper (2020) https://d3n8a8pro7vhmx.cloudfront.net/gx/pages/2218/attachments/original/1608254210/AGR_Cashless_Gambling_Position_Paper.pdf?1608254210

D. Legislate, monitor and enforce good governance

8. Empower the regulator to hold a casino operator to account by making recommendations to both the Minister and the operator.

Crown has not adequately responded to recommendations in licence reviews. Monitoring and enforcement of the casino operator must fundamentally be reformed. The Victorian Government needs to intervene with legislation and regulation, or penalties, when any casino operator fails to thoroughly implement recommendations from periodic reviews.

9. Significantly increase penalties for breaches so that they act as a strong deterrent.

Maximum penalties must be significantly increased to act as a meaningful deterrent to predatory business practices and failure to comply, at the level of tens of millions of dollars for serious breaches, up to \$50 million. Penalties for breaches to self exclusion must apply to the operator rather than the individual.

10. Improve transparency of the operator such that all documents are kept private by exception rather than usual practice.

Unless key documents are made publicly available, it is not possible for community members to even recognise if a breach has occurred. Crown has lost the trust of the community and being completely transparent about operations is an essential first step in recovering that trust. Like major casino operations in jurisdictions such as Canada, the casino operator should be required to produce extensive data publicly on patrons accessing harm minimisation measures the casino has put in place and the report should be subject to independent audit. The casino's code of conduct must also be publicly available.

Who we are

The Alliance for Gambling Reform is a national advocacy organisation and registered health charity formed out of an urgent need to address the harmful and unfair impacts of gambling and its normalisation in Australia. We are a non-partisan alliance of more than 60 organisations who share our objectives of preventing and minimising harm from gambling, and we are entirely funded by individuals, foundations and local governments that do not have any ties with the gambling industry.

We take a public health approach to gambling reform, centering those with lived experience of gambling harm at the core of our work based on the principle that those closest to the harm are those closest to the solutions. We seek to collaborate meaningfully with elected representatives, local councils, service agencies, faith and community groups to prevent and reduce harm through policy change. The Alliance also provides coordination, expert advice and practical resources to our supporter organisations, community groups and the media.