



## Reining in out of control greed – Reforms at Crown Casino

June 2022

Throughout the Biblical text, including the Gospels, it is clear that God does not want people to exploit others for their benefit. The Victorian Royal Commission into Crown Casino made damning findings of Crown's illegal and unethical conduct that harmed people to pursue greater profits for itself. The final report of the Royal Commission concluded:

Within a very short time, the Commission discovered that for many years Crown Melbourne had engaged in conduct that is, in a word, disgraceful. This is a convenient shorthand for describing conduct that was variously illegal, dishonest, unethical and exploitative.

The catalogue of wrongdoing is alarming, all the more so because it was engaged in by a regulated entity whose privilege to hold a casino licence is dependent upon it being, at all times, a person of good character, honesty and integrity....

Not only was Crown Melbourne content to breach local laws, it also happily assisted its wealthy Chinese patrons to breach the currency laws of their country. Between 2012 and 2016, those patrons transferred up to \$160 million from accounts in China to the Crown Towers Hotel. Purportedly this was to pay for hotel services, but in reality it was to spend at the gambling tables. In addition to Crown Melbourne assisting to breach Chinese currency laws, what occurred also contravened local laws and likely allowed money laundering to take place.

Crown Melbourne's relationship with the regulator provides more evidence of its indifference to acceptable conduct. Over the years, the regulator conducted several investigations into Crown Melbourne's affairs. Instead of cooperating with those investigations in the manner that is expected of a regulated entity, Crown Melbourne took the opposite tack. It bullied the regulator. It provided it with false or misleading information. It delayed the investigatory process. All in all, it took what steps it could to frustrate the regulator's investigations.

Perhaps the most damning discovery by the Commission is the manner in which Crown Melbourne deals with the many vulnerable people who have a gambling problem. The cost to the community of problem gambling is enormous. It is not only the gambler who suffers. It also affects many other people and institutions.

Crown Melbourne had for years held itself out as having a world's best approach to problem gambling. Nothing can be further from the truth. The Commission heard many distressing stories from people whose lives were ruined by gambling but whose situation might have been improved if casino staff had carried out their obligations under Crown Melbourne's Gambling Code.

The Commission looked for reasons to explain why Crown Melbourne acted as it did. Not all the reasons are known. But some stand out.... many senior executives involved in the misconduct were indifferent to their ethical, moral and sometimes legal obligations. Some were motivated by a drive for profit. Some simply did what they did because they could.

The Royal Commission made 33 recommendations to rein in the unethical excesses that resulted from decisions by Crown Casino's owners, board and managers. Amongst some of the most important recommendations were:

- The legislation governing the casino should allow the regulator to assess if money laundering or loansharking is taking place at the casino.
- The casino staff and board members should be prohibited from making false or misleading statements or providing false or misleading material to the regulator.
- The law governing the casino requires that people gambling at the casino use a card to gamble. People gambling at the casino be required to set a binding limit on their losses through the use of the card. There would be a default limit that the person could alter. The limit set cannot be changed for 36 hours.

- People gambling at the casino not be permitted to gamble on a pokie for more than 12 hours in any 24 hours. If they have gambled for more than 12 hours, they must take a 24-hour break.
- A person not be permitted to gamble on a pokie continuously for more than three hours. The person would be required to take at least a 15-minute break from gambling after constantly betting for three hours.
- No person is permitted to gamble on pokies at the casino for more than 36 hours a week.
- The casino must take all reasonable steps to prevent and minimise harm from gambling, including by monitoring the welfare of people gambling. Casino staff should discourage intensive and prolonged gambling, intervening when a person displays behaviour consistent with gambling harm.
- Repeal the requirement for the Victorian Government to have to pay Crown compensation for any harm reduction measure that reduces the casino's profits.
- The maximum penalty that can be imposed on Crown for breaches of its legal obligations is increased from \$1 million to \$10 million.

The Victorian Government has said it is committed to implementing all the recommendations of the Royal Commission.

In October 2021, the Victorian Government introduced the *Casino and Gambling Legislation Amendment Bill 2021* to implement nine Royal Commission recommendations. However, the Bill did not implement any of the recommended measures to reduce the gambling harm caused by the casino. The Bill did increase the maximum penalty that can be imposed on Crown for illegal activity to \$100 million, above the \$10 million recommended by the Royal Commission.

In the May 2022 budget, the Victorian Government allocated \$55.6 million to implement the recommendations of the Royal Commission. The Victorian Government also announced that Crown would lose its special status when paying tax on its pokie profits. By July 2023, it will be required to pay the same tax rate as other pokie club venues, generating an estimated extra \$30 million in tax revenue per year.

We have the opportunity to urge the Victorian Government to implement the recommendations made by the Royal Commission in a way that will maximise the prevention of further harm inflicted by Crown's management on the people who gamble there.

### What you can do:

Write polite letters to:

**The Hon. Melissa Horne**  
Minister for Consumer Affairs, Gaming and Liquor  
Regulation  
Level 22, 1 Spring Street  
Melbourne, VIC 3000

**The Hon Daniel Andrews**  
The Premier of Victoria  
Level 1, 1 Treasury Place,  
East Melbourne VIC 3002

Salutation: Dear Premier

Salutation: Dear Minister

Points to make in your letters:

- Express deep concern that the Royal Commission into Crown Casino found that the casino was able to engage in "illegal, dishonest, unethical and exploitative" activities throughout its operation.
- Welcome the actions the Victorian Government has already taken to implement the recommendations of the Royal Commission.
- Ask that the Victorian Government implement the remaining recommendations before the next state election.
- Ask that the default loss limit be set on the card that will be needed to gamble at the casino will be set at \$50 per day, which a person would need to change if they are willing to lose more.
- Ask that the Victorian Government require that Crown Casino use its facial recognition system like that at Christchurch Casino in New Zealand. The system should be required to help identify people being harmed by gambling and require casino staff to intervene, not just detect people who have excluded themselves from the casino.