



Via email - contact@rccol.voc.gov.au

11th June 2021

Hon. Ray Finkelstein AO QC
 Commissioner and Chairperson
 Royal Commission into the Casino Operator and Licence
 Melbourne

Dear Commissioner Finkelstein

Financial Counselling Australia (FCA) welcomes the opportunity to contribute to the Royal Commission into the Casino Operator and Licence.

FCA is the peak body for financial counsellors in Australia. Financial counsellors work in not-for-profit community organisations and provide advice and support to people experiencing financial hardship.

Our experience with Crown Casino and the VCLGR

We attach our 2017 submission to the 6th Casino Review and some media on the lead case study (Attachment 1). This submission documented serious failings in the implementation of responsible gambling policies by Crown, particularly through the lead case study of Mark Robley. Mark Robley's Crown story was also the subject of an ABC 7.30 Report on 23 October 2017. The submission was largely re-printed in The Age that same day. Our point is that both Crown, and the Victorian Commission for Gambling and Liquor Regulation (VCGLR), had very public notice of Crown's responsible gambling failures and have had ample time to address these failures.

We did not have any further meetings with any parties despite the serious allegations. The VCGLR contacted us for Mr Robley's number. He consented to being contacted but to our knowledge, no-one followed up. The regulator did not contact us further.

We refer you to:

- 7.30 Report transcript: [Crown Casino accused of allowing 'self-excluded' gambler to spend \\$120,000](#) (Mark Robley), 23 October 2017
- [Peter's story: 'I went to Crown casino to gamble, take drugs and die. They did nothing to stop me'](#) (23 October, 2017, The Age). This was Mr Robley's story using a pseudonym.

Our 6th Casino Review submission themes cover:

- Self-exclusion deficiencies including VIP rooms not checking the identification for all entrants, and allowing a WA self-excluded person to gamble heavily
- Drug runners in the casino and lines of cocaine being consumed on poker machines

- Loan sharks operating in the casino
- Failure to intervene in noticeably harmful gambling
- Failure to integrate security information with responsible gambling obligations (security seeing repeated trips to the ATM and drugged patrons)
- Credit being provided to customers

It appears that Crown and the regulator have not made any significant changes in response to the issues publicly raised, other than self-exclusion improvements.

Additional case study: Michael's story with loyalty program and self-exclusion

We also provide the following additional case study, concerning Michael (pseudonym).

Michael started gambling at Crown Casino in his early 20s. He drives a long way from rural Victoria to Crown Melbourne. He has a modest income with a salary of in the low \$30,000's.

When he presented for financial counselling assistance, he was in the process of going bankrupt due to gambling debts. In his words¹:

Someone came around delivering drinks. I was pretty well looked after. In the main area they come around with drinks carts about every 10 minutes, but you have to pay for them. You don't have to leave your seat to get anything. When I've needed to go to the toilet, I've asked, and an employee might do it for me [keep my machine], or I ask another customer ... or I just wait.

When I was there one night they kept announcing over the speakers 'if your card is in the machine at [a certain time] you could win a jackpot.' I wasn't a member, but I was approached by a staff member with an iPad. I was asked if I wanted to sign up, and I was able to sign up on their iPad. They then brought my white loyalty card to me.

It gives you access to certain rooms. I also had parking loyalties for free parking. Anything I spent money on in the venue you could get loyalty points. The first night I joined the loyalty program, I became a silver member. I just saw that everyone had a white card. I was told that I got one free car park stamp, so I didn't have to pay for parking. I worked out that the silver was given that first night - it was because of how much I spent. I was told when I got my silver card, if I spent from \$x to \$x, I'd become a gold member otherwise it expires if you don't keep it up. I get some emails from them. One email is about sleeping over at the hotel. There are also some messages about the nightclub. Went into the metropole which is the VIP room for the silver club. In the silver room, you're allowed several free drinks.

We note that the staff member approached Michael with an iPad while he was at a poker machine. It was part of the Crown responsible gambling code that staff should offer gamblers the chance to become members of the loyalty reward scheme. When we looked at the Code, it was the only proactive duty that the staff had.

Michael sought help for his gambling. He didn't know how much he had spent gambling and tried to get that information as it was recorded on his loyalty card. It wasn't available. He called up the loyalty card

¹ Notes from a conversation between Michael and myself in October 2017.

help line and was told that information wasn't available for privacy reasons and that he would have to come into the Casino in person to obtain it.

Michael provided us with recordings of this phone calls. This can be provided to the Commission if requested, however we would need to seek renewed consent from him.

Michaels' self-exclusion and what is needed to improve self-exclusion

Michael wanted to self-exclude permanently from Crown Melbourne, but was told that he would have to come into the casino to do this, twice. The first time would be to lodge the application, and have it witnessed, and the second time would be to pick up the forms and have his photo taken. He told the Crown responsible gambling team that he had gambling problems and lived far away. He did not come in to self-exclude because he didn't want to risk a relapse. Michael's attempt to self-exclude reflects a pattern of Crown not assisting, and indeed hindering, people trying to get in control of their gambling.

We note that Crown now has an online method of self-exclusion, and it covers both Crown Victoria and Crown Perth. Crown undertakes to stop Betfair marketing, but stops short of including Betfair in the self-exclusion process. Other companies, such as the Entain Group treat requests for self-exclusion more holistically. If someone flags a serious problem with Ladbrokes, serious enough to self-exclude, then the company applies the self-exclusion to Neds and other gambling entities in its group. Crown needs to do the same. We know that many gamblers move between physical and online gambling, particularly since Covid-19.

We request that the Commission look at the consequences for breaching self-exclusion. In summary, the person with the gambling addiction can be fined. In Crown's [application for self-exclusion form](#) the patron has to sign the following:

I am committing an offence and proceedings may be issued against me if I enter or remain in any Crown Casino, including for Crown Melbourne, an offence against [section 77 of the Casino Control Act 1991 \(Vic\)](#) and under which I may be liable for a fine of 20 penalty units;

And

***(Release and Indemnity)** I agree to release and indemnify each Crown Casino and their related entities, together with their officers, employees, agents and contractors from any liability, including any losses that arise in connection with this Application; the Self Exclusion Order; or Self Exclusion Agreement;*

The incentives seem to be wrong. The penalty (20 penalty points) falls on the person with the gambling addiction under s77. The legislated penalties for Crown's wrong-doing appear to be absent or so limited and low level that they would not be a deterrent.

We urge the Commission to ascertain if these penalty provisions are in fact ever used against Crown. We suspect that Crown is seldom penalised.

Crown has full control over who enters its premises. It has to do this in order to not let minors gamble and for its own fraud prevention. Further, with facial recognition technology and recent innovations of QR codes being mandatory for Covid-19 tracing, one questions why there is any tolerance for Crown letting any excluded gamblers into the venue at all. In addition, Crown has access to data from the use of loyalty cards. Crown knows exactly who is in its venues and any breach needs heavy penalties (as has been legislated by the National Online Self-Exclusion Register).

The self-exclusion gold standard: casinos should be part of the national self-exclusion register

Self-exclusion needs to be national, easy to do online, and handled through the National Online Gambling Self-Exclusion Register. The [legislation](#)² was passed by Federal Parliament in December 2019. We understand that the regulator, the Australian Communications and Media Authority will announce the tender outcome in June 2021.

The timing is therefore appropriate for casino self-exclusion to be added, given that the build of the new system will presumably not yet have started.

Suicides at Crown casino

Those of us who work with people who gamble, know that there are linkages between gambling and suicides. There are reports that Crown has ambulances on call and hidden exits from toilets to remove people who have self-harmed or taken their lives. These are quite extraordinary claims and we simply do not know if they are true. Their very existence however may point to issues around the transparency of reporting about self-harm and/or that these instances are common.

We request that the Commission examine the extent of self-harm and make transparent the numbers of people who are self-harming in and around Crown venues. Deaths also need to be recorded as gambling related deaths. Currently, there is under-reporting of gambling as the cause of death. The ABS has a category for gambling psycho-social deaths, but it is not populated.

Mr Robley's suicide attempt in our 6th Casino License Review submission illustrates the normalcy of people attempting to take their lives at the casino. The person is removed, and everything continues as normal with no reviews or soul-searching after the loss of life.

To address gambling suicides, transparency is needed. With every gambling suicide, coroners should be investigating the circumstances.

Alcohol, loyalty rewards and gambling

Michael's case illustrates that alcohol is liberally provided at the casino. The [Casino Control Act 1991 - SECT 81AAC](#), has an offence for an operator knowingly allowing a person who is in a state of intoxication to gamble or bet in the [casino](#). The penalty is not very high at just 40 penalty units.

² [Interactive Gambling Amendment \(National Self-exclusion Register\) Bill 2019](#).

It is inconsistent for a casino to ply its customers with free or cheap drinks and to also comply with its obligations for responsible gambling.

The regulatory structure is deficient: a national regulator is needed

In our 2017 submission, we considered Crown's self-developed Code of Responsible Gambling, concluding that it was deficient and needed to be significantly revised. At that time, we noted that the only positive obligation Crown imposed on its staff was to provide people who were gambling with loyalty program sign-up information. Very little has changed. It is clear that the time for self-regulation, which is manifestly inadequate, has passed.

As part of the social license to operate, casinos need to be regulated by a single national regulator that is fit for purpose. We need to be able to report breaches to a regulator that is resourced, has appropriate powers and is willing to use them. This has to be a national regulator that is not beholden to a State Treasury, reliant on casino taxation revenue.

A national regulator would also make a national self-exclusion scheme more effective. The Commonwealth, via the ACMA already has responsibility for a national self-exclusion register for online gambling.

It is time for stronger regulation, based on harm prevention, that places obligations on casinos to operate responsibly. We recommend that the Commission examine the UK model of gambling regulation, where the regulator has powers concerning:

- Anti-money laundering
- Responsible gambling
- Return of the proceeds of crime

Issues with the Crown loyalty program: you can't easily find out how much you've spent

[The Crown Responsible Gambling Code of Conduct](#), has a section on the Crown loyalty program. The loyalty program portal has a lot of information about benefits, account balances and how points may be redeemed. However, there is no access to basic information that allows people to know how much they have spent overall. This is the equivalent of keeping people in a windowless venue for hours, where they can't tell if it is night or day.

It is a basic tenet of responsible gambling that gamblers can find out what their net position is, and what they have spent over a period of time. We find that people struggling with gambling often have no idea what they have lost. Under the 2018 [Online Gambling Consumer Protection Framework](#), online gambling companies have to provide this information to consumers. It can't be hidden, and they can't be made to jump through hoops to get it. Financial counsellors observe that it really helps consumers understand their financial position, especially when they seek help and are gathering the strength to control their gambling. When they see the documents, inevitably, they have spent way more than what they thought they had 'put through'.

To get this information from Crown, a person has to go to the rewards desk, fill out a form and provide a photo (for privacy apparently), and then wait 5-7 days for the compliance team to provide the information. From our call to the Crown Rewards Information Hotline, we were told that there is no online method of doing this.

Issues with the Crown Responsible Gambling Code of Conduct: the preventative harm features are weak

- As discussed above, player statements are totally inadequate. When people get their monthly bank statements they show a net balance, and money in or out. We do not have to wait for the once-a-year Player Activity Statements, as provided in the Code (page 10).
- Monetary/time spend control limits are weak. When a person reaches their limit, they get a text but can keep gambling. All that happens is that they just don't get loyalty points. They simply need to take their card out of the machine, or move to another machine and not insert their loyalty card. People can load unreasonable pre-commitment limits, for example, tens of thousands of dollars per day. And even these parameters simply reset the next day.
- The Code is registered with the VCGLR, however the regulator takes little action to enforce the code. For example, there is no evidence of own motion reviews of responsible gambling by the VCGLR .
- The code is silent on what should happen if there is a breach. It is very difficult for advocates to know the grounds for making complaints, and to know what consequences will flow from breaches. We suspect that there would be more complaints if the regulatory structure was improved. At present, complaints go into a black hole.

Financial counsellors regularly refer disputes with banks, telcos and utility companies to the relevant ombudsman scheme and this system works relatively well. The industry external dispute resolution schemes (EDR) like the Australian Financial Complaints Authority (AFCA), the Telecommunication Industry Ombudsman (TIO) and the Energy and Water Ombudsman (EWOV) operate much more efficiently in dealing with complaints. The EDR schemes collate systemic issues and relay those to their regulators, and work on systemic issues collaboratively with regulators.

In contrast Crown complainants only have a regulator to refer matters to. EDR schemes have the benefit of being funded by industry so there is adequate funding. The more complaints, the more industry pays for the schemes to operate. So, they are scalable, sufficiently resourced, and have a built in financial incentive for industry to reduce complaints. We recommend that a gambling industry ombudsman scheme be established.

Crown is failing to prevent harmful lending by loan sharks

Despite it being prohibited by law, financial counsellors continue to report that loan sharks are providing credit to patrons at Crown. Some loan sharks befriend or approach gamblers whom they see someone gambling heavily within the casino. Some of these loan sharks are working inside Crown casino, and others just outside the casino's doors. Both financial counsellors and their clients are unwilling to talk publicly about loan sharks, due to the fear of being harmed. However, we continue to hear that loan

sharks operate with apparent impunity. It is unacceptable for Crown to turn a blind-eye to illegal activity operating in its casino, and it is credit facilitation by indirect means.

We would welcome any opportunity to further assist the Royal Commission.

Yours sincerely

A handwritten signature in black ink, appearing to read "L. Levin".

Lauren Levin
Director, Policy & Campaigns

Attachment 1



Sixth Casino License Review

(Victorian Commission for Gambling and Liquor Regulation)

27 September 2017

Financial Counselling Australia (FCA) is the peak body for financial counsellors in Australia.

About Financial Counselling Australia

FCA is the peak body for financial counsellors in Australia. We support financial counsellors and provide a voice on national issues. We advocate on behalf of the clients of financial counsellors for a fairer marketplace that will prevent financial problems in the first place.

What Financial Counsellors Do

Financial counsellors provide information, support and advocacy to people experiencing financial difficulty including people impacted by gambling. Working in community organisations, their services are free, independent and confidential. Financial counsellors are required to hold, or to obtain, a Diploma in Financial Counselling. They need knowledge of a wide range of areas of law and policy, including consumer credit law, debt enforcement practices, the bankruptcy regime, industry hardship policies and government concession frameworks.

Financial counsellors also document their experiences and highlight issues that have a negative impact on their clients. Either individually, or through FCA, they consult with industry, government and other stakeholders to encourage practices that prevent financial and consumer problems in the first place.

The main causes of financial difficulty are unemployment, illness and relationship breakdown. Financial counsellors also assist many people trying to make ends meet on very low incomes.

There are also specialist gambling financial counsellors, who work with:

1. Clients who gamble, and
2. Concerned family members/partners. Some of this group are experiencing financial harm, including financial abuse, as a consequence of their partner's or family member's gambling.

About This Submission

This submission is largely informed by gambling financial counsellors and their clients. We directly interviewed the lead case study. Financial Counselling Australia has worked intensively in the gambling policy space for a few years and has been involved in the Federal Government's development of the new National Online Gambling Consumer Protection Framework.

In 2015, we published the report, [Duds, Mugs and the A-List: the impact of uncontrolled sports betting](#). This report was the catalyst for subsequent government reviews and ultimately the development of a consumer protection framework in online gambling.

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Executive Summary

If Crown Casino is not acting on flagrant cases of extreme and harmful gambling, then how likely is it to be proactive with problem gamblers who are deliberately flying below the radar?

In May this year a man with a deep-seated pokies addiction flew from Perth to Crown Melbourne to end his life in the casino. In his mind, if he dug himself into a deep financial hole, he would have given himself no choice but to suicide. He borrowed \$90,000, added this to his own funds of \$30,000, and aimed to lose it all, not to win. He went to a VIP room at Crown, where his ID was checked and was told **'you didn't tell us you had self-excluded at Perth Crown' but we'll still let you gamble here, just not in the VIP rooms.** He was on a bender, buying and taking drugs within Crown, and he told us he was even snorting lines of cocaine on the top of poker machines. He was in the casino daily for three weeks, losing heavily until he had nothing left. He had saved 40 ecstasy tablets for his suicide, getting massively high, before collapsing outside Crown when security then called an ambulance. The full facts are truly shocking – see our full case study in this submission.

Crown Casino holds itself out as an operator 'renowned for excellence ...' Its [Responsible Gambling Code of Conduct states](#)³, 'it is our objective to ensure that Crown remains a world leader in responsible gaming practices ...'

Being a world leader in responsible gaming practices requires a degree of proactivity. It requires more than talk, leaflets and a logo.

The self-regulatory code of conduct is insufficient in both its scope and application, and consequently Crown Casino is failing in its commitment to provide safe and responsible gambling. There are no penalties for breaches, and clearly no incentives to 'get it right'.

Nationally, the Federal Government has been working with the State and Territory gambling ministers to construct a [National Consumer Protection Framework](#). The standards are being raised, and Crown Casino's blind-eye approach to patron harm is at odds with the national expectations of both the Federal and national gambling ministers. Crown's online gambling business, including Crownbet is linked to its casino business via its loyalty program, and the standards need to be harmonized to provide consumer protection.

Crown Casino has fallen short in a number of areas. This submission highlights specific areas:

- General failure to proactively restrict or assist gamblers who are clearly gambling harmfully
- Inadequate self-exclusion, including across State boundaries

³ See 'Crown's Commitment to Responsible Gambling', [Crown Melbourne Limited Responsible Gambling Code of Conduct](#) p 2.

- Loan sharks (and drug runners) being allowed to operate within and around the casino, preying on those who have lost a lot of money
- Crown Casino appears to be offering gamblers credit, despite this being prohibited under the Victorian legislation.

We are calling for an in-depth review of the Code from a harm minimisation perspective, and for the Victorian Government to move from self-regulation to an industry code with enforcement powers, penalties for breaches and independent code monitoring.

1 Peter's Crown Casino suicide attempt illustrates serious deficiencies

Our experience working with people who gamble harmfully is that there are typically layers of adverse events and experiences shaping their lives. We call these the "and then" factors. For example, someone close to the person dies, *and then* a job is lost or a business goes through a hard patch, *and then* a partner admits infidelity, *and then*

There are many combinations and permutations as everyone's lives and stories are different. Lives are complex, addictions are complex, and the 'and then' factors can happen randomly and in succession. Many people are at times extremely vulnerable, and it is for this reason that responsibility for protecting people from self-harm needs to be shared.

The companies that make their money from gambling have a duty to provide their services in a responsible manner, particularly as the harm from gambling can be severe.

Peter's Story* (real person, happened May-June 2017, name changed)

Peter and his wife moved interstate to try to escape poker machines. They knew Peter had a serious addiction, and in Sydney the pokies were everywhere. Their logic was that in Perth, the Perth Casino was the only place where pokies were permitted. The couple's strategy was to control the harm, by Peter signing up to Crown's self-exclusion register. Moving to Perth meant starting again socially, which was challenging. He got a good job in the mining industry.

Eighteen months ago, their marriage broke down, and Peter's life spiraled out of control. He started using drugs and the following year, he was made redundant. He applied to his bank for \$90,000 credit – this was approved and involved a bank personal loan and higher credit card limits. Peter then flew to Melbourne for the sole purpose of going to Crown Melbourne, gambling and then committing suicide.

I flew to Melbourne because I was self-excluded in Perth. I was trying to make things so bad for me ... to make it easy for suicide. I never had any attempt at winning. I just wanted to lose as much as I could as quickly as I could.'

At the casino, I got cash out. I had about \$15,000 cash in my bank account, and a few days later I got a \$12,000 redundancy payout. Then I had credit cards with \$2,000 daily limits. I had four credit cards, and I'd walk in and out of the casino to the ATMs. The security guards would see the same person going, then coming back in 2 minutes later, sometimes eight times in and out. I spent over \$120,000 in total in the three weeks. I only played cash. I gambled on poker machines.

I was losing a lot. They noticed. The public liaison officer came up to me and offered me a pass to go into one of Crown's VIP rooms. He checked my ID, and came back and said 'you didn't tell me that you were self-excluded in Perth. ... But, it's all good as it doesn't apply in Melbourne.' I wasn't allowed into the VIP room but I could gamble in the main casino.

He asked how long I was staying in Melbourne. I said 'a few days'. I saw him another few times over the next three weeks. Two weeks later he saw me and said 'what are you still doing here?'

They offer you free rooms at the hotel if you're spending big. For me, it was important to be able to smoke, and get entry into the Mahogany room.

When I ran out of money I started selling things, my iPad, Macbook and iPhone. I posted the ads on Gumtree while I was playing the pokies, and within an hour there would be a reply and someone would come and meet me there. I'd also buy drugs. I'd reply to an ad online and someone would come meet me there within an hour. I'd meet them in Crown's food court. One Friday night I bought drugs inside the casino itself. A drug runner, a kid of about 20 years sat next to me and said 'do you want to buy drugs?' He passed it along to me. Some of it was meth and ecstasy.

By the third week I was 'racking up lines' on top of the poker machines. I did this a fair few times. Did they see me? There are so many cameras in there, they had to have seen the drugs.

In that third week, I met a guy who was friendly. He signed me into the VIP rooms as his guest. He had access to all the high roller rooms and took me to each of the rooms. They check your license when you go in, but I went in as his guest. There were \$500 a spin poker machines.

No-one from the Casino ever approached me [to offer help]. I was spending big, sometimes \$10,000 a day. All cash.

My plan was when I ran out of money, I was going to suicide. I'd saved a large quantity of drugs to OD on. I had 40 ecstasy tablets saved. I'd lost my last dollar on the Saturday, and took the tablets. I walked out and sat next to the river. I was hallucinating and freezing cold, so I went back into Crown and hid in the toilet for hours. The noise was driving me crazy, with the hallucinations, so I walked out, bumping into people in the casino. It was busy. I didn't know what I was doing. I then walked down to the casino's basement car park and lay down for a few hours in a carpeted area with lockers. Some young patrons tried to help me. Later, a security guard said 'you can't sleep here, you have to move on'. I think that there is a disjoint between security guards doing their security role and picking up problems. I moved back to the casino food court, but I was still really high. I went outside, but fell over at the main Crown entrance and couldn't get up.

It had become daylight. Someone called a security guard. I ended up in an ambulance and in hospital. The doctors said I should have been dead. A few hours later, I walked out of the hospital, climbed a crane and tried to jump. But I couldn't. I was doing everything I could to stare death in the face. But I couldn't do it.

I change as a person when I'm around pokies machines. I'm reckless and I don't care. I leave absolutely disgusted with myself, but then I'll go a week later and do it all again.

I interviewed this man at length for this submission, as it clearly seems unbelievable to outsiders that there was no intervention. I also spoke to the financial counsellor who is assisting him. Peter is

seeing a gambling financial counsellor. He has debts of \$90,000 owed to the banks that gave him a loan, and increased credit card limits to gamble. He is unemployed.

Peter called a friend to borrow money to catch a flight back to Perth, and spent a few weeks in hospital in Perth getting help. He is now clean, and is working on improving his mental health with psychiatric treatment, and rebuilding his life. He is very worried about the bank debt.

2. Where Crown Casino failed in their commitment to responsible gambling

All of the below relate to the recent May/June 2017 example above.

- Crown actually identified this man as someone who was self-excluded in Perth, then let him gamble at Crown Melbourne, only excluding him from the VIP room initially
- Failure to consistently check ID for those entering the VIP rooms with high bet minimum amounts (patron signed in by someone else with ID not checked)
- Failure to prevent drug runners from selling drugs within the casino and broader Crown complex
- Failure to intervene in any way when a patron was clearly gambling harmfully and recklessly, spending \$120,000+ in just over three weeks, despite his behavior being an additional flag (high on drugs).
- Failure to intervene when a patron was consuming lines of cocaine on top of the poker machines
- Failure to integrate security information with responsible gambling obligations – the security guards would have seen the same person going in and out repeatedly to the ATM machines, a sign of likely harmful gambling. The security guard seeing the hallucinating patron in the process of trying to suicide on Crown premises, failed to do anything other than remove him.
- Failure to do anything positive to intervene, despite having a patron playing only on the pokies in its casino daily, for long periods each day, for three weeks.

Even if a person is bent on self-destruction, and the old argument is given “that a determined gambler will always find a way”, this recent and real experience still demonstrates that even basic interventions are not being implemented.

3. Where the Code itself fails to be best practice

Crown’s Code of Conduct is self-developed. It does not include a positive obligation that staff will intervene (or it is not articulated in a way where there are incentives to make this happen in practice, for example penalties for non-compliance). This is a major flaw.

The following items are insufficient to discharge Crown's duty to provide a responsible and safe gambling environment:

1. A voluntary opt-in mechanism to set limits. The new National Online Gambling Consumer Protection Framework, will have opt-out pre-commitment. This means this is the default setting applying to everyone. This is informed by behavioral economics. Crown's voluntary opt-in pre-commitment has very low take-up, and is the least effective method of people controlling their spending.

The regulator could have a target sign-up level for Crown to achieve, with independent third party auditing. Currently there are multiple disjointed, minimal efforts to have people set either time or monetary limits, e.g YourPlay, Play Safe limits. The automated table games are treated differently to electronic gaming machines. From a human centered design perspective, people go to a casino and can mix their gambling between all the offerings, and therefore need to have a protective tool that covers all forms of gambling.

2. Loyalty program information is proactively provided to all members. Information about this is bizarrely under the Responsible Gambling Code of Conduct. There should not be a loyalty reward based on someone's losses, where the behavioral incentive aligns losses with loyalty point rewards. At the least, those racking up the most loyalty points should put Crown on notice that there may be a serious problem, and increase its positive duty to act. A better option is to not permit loyalty programs. The more people lose, the more they are rewarded ... this is not consistent with the responsible provision of gambling services or harm minimization.
3. Self-exclusion being treated as a limited State-based restriction. It is not best practice for Crown to acknowledge that its sister business in WA has self-exclusion in place, and then say 'it doesn't apply because we're under Victorian regulation'. This willful blindness is unethical and shocking.
 - a. There should be a national casino/self-exclusion program
 - b. All Crown businesses, including sharing of online self-exclusion registers, need to be part of the same operational process. If someone self-excludes from *everything* at Crown, this needs to include online and venue-based Crown owned gambling. Turning a blind eye to someone's attempt to help themselves is harming people, and is not consistent with the responsible provision of gambling services.
4. Chaplaincy support services – the regulator should satisfy itself that this has an evidence base in relation to the efficacy of this service to warrant its inclusion as a harm prevention measure.
5. It is clearly not sufficient to provide brochures to at risk gamblers – behavioral economists in a financial decision making context have demonstrated repeatedly that these measures have little efficacy in banking and credit contexts.

4. Responsible gambling regulation compares poorly to responsible provision of alcohol regulation

The *Liquor Control Reform Act 1998* is much stronger than Crown's voluntary code.

Alcohol is a legal product. Gambling in casinos is legal too. However, the regulatory framework around the responsible service of alcohol is much stronger than the voluntary code of conduct applicable to Crown.

Comparative observations:

It is an offence under s 108(4)(a) for an alcohol licensee to supply liquor to a person who is in a state of intoxication and under s 108(4)(b) the licensee must not permit a drunken or disorderly person to be on the premises. This has a penalty attached to it.

There is no offence or penalty, or even a consequence for Crown to allow out of control gamblers to deplete their entire financial resources.

We need proper legislation to achieve responsible provision of gambling in practice. A voluntary code is too weak.

5. Loan sharks operating at casino and within proximity

Is it conceivable that Crown Casino is turning a blind-eye to loan sharks operating within the casino?

Financial counsellors have told us that they are seeing people with debts to loan sharks. Some loan sharks befriend or approach gamblers whom they see someone gambling heavily within the Casino. Some of these loan sharks are working inside Crown casino, and others just outside the Casino's doors.

Particular ethnic communities are impacted heavily. For example, some financial counsellors work with Vietnamese women who are in prison for drug charges. When they (or their spouses) cannot pay back the loans, they are threatened and coerced into becoming drug mules or otherwise involved in illegal drugs, and when caught go to prison.

This has been corroborated by a study of 35 Vietnamese women imprisoned for drug crimes in Melbourne. The author writes 'specifically, problem gambling in Melbourne's casino provided both the main motivation and the necessary network brokerage for drug-related crime'⁴.

⁴ Roselyn Le and Michael Gilding, 'Gambling and drugs: The role of gambling among Vietnamese women incarcerated for drug crimes in Australia', *Australian and New Zealand Journal of Criminology*, 2014.

Of the 35 participants in the overall study, more than half (18) were driven into the drug trade to resolve debts incurred through casino gambling. When asked how they ended up in prison, these participants unequivocally explained ‘it’s because I got involved in gambling at the casino Further, they distinguished themselves from other drug trafficking offenders, suggesting that gambling had damaged their usual judgement. Participants themselves remarked on the disproportionate influence of gambling. Tuyan, for example, declared: ‘In my view, 80 per cent of women in [prison], who were involved in drug trafficking, are here because they lost at the casino’. (pg 8)

In some communities, these lenders are not seen as loan sharks, but as trusted kinsmen who help each other out.

Once participants lost money, they obtained loans from other Vietnamese patrons at the casino. Three participants had themselves worked as ‘casino lenders’ before becoming gamblers – two of them using funds from their legitimate businesses, the other as a ‘middleperson’. The media frames these lenders as ‘loan sharks’ who ‘target’ unsuspecting problem gamblers (The Age, 27 July 2009), but participants framed the loans as being akin to the informal Vietnamese lending practice known as *cho’i hu_ i*, or ‘the game of borrowing’. (page 9)

It is not legal for Crown Casino to give people credit to gamble. The *Interactive Gambling Act 2017*⁵ has recently been amended to prohibit online gambling operators from providing credit *or facilitating credit via intermediaries*. There are criminal and civil penalties for breaching this provision. It is unacceptable for Crown to turn a blind-eye to loan sharks operating in its casino, and it is credit facilitation by indirect means.

⁵ [Interactive Gambling Amendment Act 2017](#), 15C Credit not to be provided to customers of certain interactive wagering services

Case study – from a financial counsellor

This Chinese client had a loan shark 'help' her husband by providing funds to meet his Crown casino gambling losses. His casino gambling debts got so bad that he committed suicide. His financially inexperienced widow was trying to pick up the financial pieces and meet her husband's casino gambling debt obligations. She also gambled at the casino to try and pay off the gambling debts. She remembered he had spoken about people who were 'so helpful' to him, and she approached them for help ... the loan sharks. When she couldn't repay the money in the time frame, they trapped her with threats against her family overseas and here. She was essentially told to be a drug mule to pay them back. At that point she found her way to a financial counsellor.

6. Casino giving credit despite prohibition

[Casino Control Act 1991](#), S 68 Credit etc.

(2) Except to the extent that this section otherwise allows, a casino operator must not, and an agent of the operator or a casino employee must not, in connection with any gaming or betting in the casino—

- (a) accept a wager made otherwise than by means of money or chips; or
- (b) lend money or any valuable thing; or
- (c) provide money or chips as part of a transaction involving a credit card or a debit card; or
- (d) extend any other form of credit; or
- (e) except with the approval of the Commission, wholly or partly release or discharge a debt.

Nationally, online gambling operators are now prohibited from providing credit, under the recently enacted reforms to the [Interactive Gambling Act 2017](#)⁶. In Victoria, under the [Casino Control Act 1991](#), (S 68 Credit etc) there is a clear prohibition on the Casino providing credit to its Australian patrons.

Financial counsellors are still seeing clients present who have been offered credit by Crown Casino, as the following case studies demonstrate. Clearly there needs to be investigation into how this is happening, despite the legislation, and despite media attention raising this issue in 2014⁷.

⁶ Schedule 2-Prohibition of credit betting. Credit is defined broadly in section 11A of the Interactive Amendment Gambling Act, more broadly than under the National Credit Code, see s 3,4,5.

⁷ ['Crown Casino exploits loophole to create secret bank for high rollers'](#), The Age, August 24 2014.

Case studies – from a financial counsellor⁸

Crown Rewards has five tiers of membership, and according to the Crown website, only level four (Platinum Tier) and level 5, (Black Tier) provides access to the high roller's Mahogany Room. To achieve Platinum Tier requires 100 status credits, with 500 casino and Crownbet points achieving 1 status credit point, i.e. 50,000 casino points within a six-months period.

Single parent on pension offered \$10,000 credit

A woman was invited to the prestigious VIP Mahogany Room. She wasn't your typical stereotype of a high roller, as she was on a single parents' pension. To retain membership of the Mahogany Room, patrons typically have to meet the spend thresholds over a six month period. The financial counsellor asked her how she had met the thresholds for high roller membership, and the woman explained that Crown offered her \$10,000 credit to maintain her gambling balances. She accepted these offers of credit.

Family man who had lost life savings offered \$10,000 credit

A man presented at a financial counsellor. He had lost the family home, family business and their life savings. He was a member of the Mahogany Room. At one point, he mentioned to the Crown cashier that he had no ready funds to gamble, and was offered \$10,000 credit, which he accepted and gambled.

7. Conclusion

This submission highlights substantial harm from current practices within Crown Casino. If Crown employees are failing to step in when there is obvious harmful gambling, then it is probable that they're failing also with less visible situations.

We are calling for an in-depth review of the Code from a harm minimisation perspective, and for the Victorian Government to move from self-regulation to an industry code with enforcement powers, penalties for breaches and independent code monitoring. Further, we are calling for self-exclusion and other consumer protections to have national application, so people trying to avoid harm do not fall between the regulatory gaps.

Finally, the issue of the Casino providing patrons with credit to gamble needs to be seriously addressed, so that it can't and doesn't happen. The casino appears to be breaching the legislative prohibition on credit. However, if somehow, it is finding a loophole ... the State legislation needs to change and fall into line with the new national legislation.

⁸ See submission provided to the Victorian Commission for Gambling and Liquor Regulation by Maria Turnbull, Odyssey House Victoria (21 Sept. 2017)

Postscript: the case study interviewee would probably be amenable to further discussing his experience with the VCGR commissioners.

