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16 August 2021

## **Royal Commission to inquire into and report on the affairs of the Crown Casino Perth and related matters**

**To: The Honourable Neville John Owen  
The Honourable Carolyn Frances Jenkins  
Mr Colin Murphy PSM**

Thank you for the opportunity to make a submission into the inquiry on the affairs of the Crown Casino Perth.

### **Who we are**

The *Alliance for Gambling Reform* is a national health organisation formed out of an urgent need to address the harmful and unfair impacts of gambling and its normalisation in Australia. We work with over 60 organisations and many individuals who share the objectives of preventing and minimising harm from gambling.

We take a public health approach to gambling reform. We believe it is essential to have, at the centre of our work, people with lived experience of gambling harm. We do this on the principle that those closest to the harm are often 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.

## **Gambling Harm**

The Gaming and Wagering Commission (GWC), as noted in the Recitals for the Commission, must take into account the need to minimise harm caused by gambling. We believe that harm caused by gambling must be understood broadly and systemically.

The Alliance takes a public health approach to gambling harm and understands the term to describe any negative consequence that results from a person's own or another's gambling. These commonly accepted harms include:

- Financial problems
- Relationship conflict or breakdown
- Health problems
- Emotional or psychological distress
- Reduced capacity in other parts of a person's life
- Cultural harms
- Criminal activity

Gambling harm extends beyond addiction, often impacting many people, not just the person who is gambling. Family members, friends, employers, employees and the broader community can also be harmed by someone else's gambling. As a community, we have recognised the harms to others that tobacco represents, and have policies that aim to prevent passive smoking. We need to build protections for those who are harmed by an activity they cannot directly control. These harms can be quantified, either in terms of productive years lost, as a standard public health modelling exercise, or in broader social costs.

It is critical that gambling harm is recognised as more than 'problem gambling,'. Gambling harm occurs on a spectrum and research from the Victorian Responsible Gambling Foundation found that 85% of gambling harm was from those who engage in low and moderate risk gambling<sup>1</sup>. 'Problem gambling' as well as the term 'responsible gambling' are highly stigmatising gambling industry terms. It's important the focus is shifted from personal responsibility to the responsibility and legal obligation on the operator to prevent and reduce negative impacts from a harmful product.

We draw to the attention of the Commissioners, simply relating to direct financial harm, that each year over \$260m is lost on Crown Perth's 2500 Electronic Gaming Machines (EGMs). By way of contrast, the GWC allocates less than \$1 million to fund research or promote and provide counselling and support services. This enormous discrepancy is one of the many indicators of the broader systemic harm and the insufficient resources to minimise and prevent gambling harm in WA arising out of Crown's operations.

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<sup>1</sup> 2017, *Hidden harm: Low-risk and moderate-risk gambling*, Victorian Responsible Gambling Foundation

### **The Current Context of Casino Operations in Australia**

We acknowledge that current legislative and regulatory oversight of most forms of gambling, and of casino operations in particular, are at the State or Territory level. We also acknowledge that operations of casinos, particularly in the case of Crown across Australia, have national implications. We welcome the emphasis within the Commission on matters raised within the Bergin Inquiry in NSW. We note with a high degree of concern the matters raised within the Royal Commission in Victoria by Hon Ray Finkelstein AO QC.

We believe that, notwithstanding cl (e) of the Operative Part of your Commission, your inquiry would be best served by close attention to the matters raised in NSW and Victoria. We attach for your consideration our submission to the Victorian Royal Commission, including our view that Crown is not a suitable person to hold a casino licence. We believe that this applies to Crown's operations in any and all jurisdictions in Australia.

### **The Western Australian model of gambling and casino operations**

We note that the provision of gambling products in WA is more tightly controlled legislatively than in other jurisdictions. In particular, we note that EGMs are accessible only as part of the casino operations and not within Hotels and Clubs as is the case elsewhere in Australia. We affirm the strength that this creates in the broader community as clubs are able to focus on the provision of community-building services and activities without the unhelpful distraction or addition of gambling activities. The Alliance for Gambling Reform has drawn attention to this model in our work in other jurisdictions.

We believe, however, that this places a higher level of responsibility on the provision of services in the casino, and the oversight of the regulator. If Crown Perth and the GWC fail in their civic and legal responsibilities, then all of gambling in WA is directly tainted. We are strongly of the view that the work of this Commission in seeking to ensure that risks are appropriately managed and that only suitable people (individual and corporate) are involved in the provision and oversight of gambling is crucial for the people of WA.

### **Transparency and Regulatory oversight**

We believe that transparency and the elimination or minimisation of areas of conflict of interest are paramount to the public maintaining confidence in all matters regarding the casino and its oversight and regulation. We believe that there is an overriding responsibility on office bearers of both a casino operator and a regulator to take active steps to avoid conflict or the perception of conflict in order to maintain public confidence. We believe that evidence already before the Commission demonstrates that this has not been appropriately managed by either Crown Perth nor GWC.

Additionally, we draw to your attention that there is an inherent conflict in the current arrangements regarding services for addressing "problem gambling" in WA. The responsibility

currently lies with The Problem Gambling Support Services Committee (PGSSC) who provide Gamblers Help services. The PCSSC is, however, made up of representatives from the Casino, Racing and Wagering WA, Lotterywest, the WA Bookmakers Association, the Department of Communities, the GWC and the Mental Health Commission.

We note the distress and the anger that is caused amongst people with lived experience of gambling harm that the organisations primarily responsible for causing the harm are also directly involved in consideration of the funding and provision of services to “support” them. We do not believe that this is an appropriate membership of the Committee.

### **Oversight and clearer regulation**

We draw to your attention that currently the GWC does not have the legislative power to require or approve a code of practice and to monitor compliance in relation to the casino’s harm minimisation practices. The result of this is that the Perth Casino is effectively self regulating gambling harm. We believe that there is abundant evidence in WA, and in other jurisdictions that allowing casino operators - or gambling providers more generally - to self regulate their activities regarding the minimisation of gambling harm is fundamentally flawed. We believe that it is essential that there be a clearly defined, legislative instrument based on clear evidence and best practice which is overseen and enforced by an independent and well resourced regulatory body.

We also believe that penalties for breaches of any codes and legislation should represent a significant punishment and deterrent to any gambling provider. If a jurisdiction has a maximum civil penalty for an offence, that can be increased by better identifying individual breaches and multiplying the penalty.

We stand ready to support the creation of such a legislative and regulatory regime. We hope the Royal Commission recommends the involvement of people with a range of lived experiences in the development of a code and any other instruments that will lead to the prevention and minimisation of harm from gambling in the Perth Casino.

Thank you again for this important opportunity,



Gordon Ramsay  
Chief Executive Officer  
Alliance for Gambling Reform

Attachment: AGR Submission Vic Crown Royal Commission