

**United Workers Union  
Submission to the Royal  
Commission into the Casino  
Operator and Licence**

May 2021



The United Workers Union (UWU) welcomes the opportunity to make a submission to the Royal Commission into the Casino Operator and Licence.

We are a national union of 150,000 members, working across 45 industries and we stand together so every worker has dignity, respect and justice.

We are the union of casino workers, with 10,000 members in this industry across Australia, and this Royal Commission is an important one for our skilled and hardworking members at Crown, which is the largest single employer worksite in the state.

It is critically important for our members and our communities that Crown Casino operates with integrity. Unfortunately, as the recent Bergin inquiry demonstrates, casino operators in Australia have been inadequately regulated, and have poor risk management structures and governance.

This Royal Commission represents an opportunity to interrogate the system and improve it so that Crown Casino members have good, secure and safe jobs and that our communities have faith in the operator, the State's regulatory regime and harm minimisation strategies.

The suitability of any operator to hold a license must take into consideration their record as an employer, the commitment to provide good, secure jobs for our communities and to enact robust harm minimisation and compliance regimes.

#### **RECOMMENDATION ONE:**

#### **INDEPENDENT REGULATOR WITH APPROPRIATE OVERSIGHT POWERS AND WORKER REPRESENTATION**

In order to ensure casino operations are always being conducted lawfully and in accordance with the public interest – to have a social license to operate – there must be an independent casino regulator established in Victoria.

This standalone statutory authority could model its organisational structure on WorkSafe, as well as several of its functions. The regulator needs to have an independent board – which should include directly-elected worker representatives – and a Chief Executive Officer who would report to relevant Ministers and be responsible for providing written reports to be tabled in Parliament and made available to the public.

The regulator must be:

- Independent and stand-alone, ensuring freedom from political interference with enabling legislation to make clear the scope of responsibility;
- Broad in its focus, not limited to enforcing only casino-specific or gaming-specific laws but able to investigate other conduct relevant to the licence-holder's suitability or the public interest with Memoranda of Understanding with relevant agencies to facilitate information sharing and possible prosecutions where unlawful conduct has occurred, including breaking workplace laws;
- Sufficiently empowered to conduct necessary investigations into matters of interest at any time.
- Required to conduct regular inquiries (no less often than every three years) into the suitability of casino operators;
- Empowered to provide employees who may be required to give evidence or take any other part in an inquiry with whistle blower protections; and
- Required to have at a minimum one directly-elected worker representative on its board of management.

## **RECOMMENDATION TWO: REGISTERED GAMING OFFICERS TO ASSIST HARM MINIMISATION**

Regulation should provide for the establishment and recognition of workplace representative/s called Registered Gaming Officers (“RGOs”) who are elected by the relevant workforce and empowered to deal with issues and concerns related to problem gaming.

A better and safer casino industry is about more than just increased regulatory oversight. If we truly want better corporate cultures and upkeep of community standards, we must also take additional responsibility for the potential of gaming harm.

Workers at the frontline of gaming activities and gaming harm should have appropriate and safe mechanisms to raise concerns and enable positive change regarding problem gaming.

The number of RGOs in each workplace should be proportionate to the overall number of employees at the casino.

The RGO must be empowered with:

- The right to communicate with workers, patrons and stakeholders including unions;
- The right to reasonable paid time to perform the duties of the role;
- Sufficient training to perform the role; and
- A role in appropriate consultative mechanisms the operator or licence holder maintains with employees and regulatory bodies.

## **RECOMMENDATION THREE: MANDATORY WORKER REPRESENTATIVES ON CASINO BOARD OF MANAGEMENT**

To help ensure better governance and build better corporate cultures, each casino licence should require the holder to provide no less than two positions on its board of management for employees directly elected by its workforce.

Worker-centric initiatives that embed institutional forms of communication between worker representatives and management provide for substantially better outcomes<sup>1</sup> and generate lower operational risk profiles for businesses.<sup>2</sup> More specifically, worker participation on boards of management can improve board behaviour and credibility as well as making governance accessible and relevant to the broader workforce.<sup>3</sup>

This will ensure a direct line of communication between the workforce and senior management as well as facilitate true involvement by the workforce in matters of culture, governance and social and other licence risk (as well as operations).

## **RECOMMENDATION FOUR: COMPLIANCE AND REPORTING REQUIREMENTS**

<sup>1</sup> Here with reference to workplace health and safety outcomes: EU-OSHA, *Worker representation and consultation on health and safety - An analysis of the findings of the European Survey of Enterprises on New and Emerging Risks, ESENER, 2012*, <[https://osha.europa.eu/en/tools-and-publications/publications/reports/esener\\_workers\\_involvement](https://osha.europa.eu/en/tools-and-publications/publications/reports/esener_workers_involvement)> [accessed 30 July 2019].

<sup>2</sup> As opposed to private compliance initiatives or other forms of voluntary self-regulation: ILO, *Workplace Compliance in Global Supply Chains*, Geneva, ILO, 2017, <<https://bit.ly/35taMpO>> [accessed 1 March 2019]; see also: Ethical Trading Initiative, *ETI Annual Report 2003/04: Putting Ethics to Work*, London, Ethical Trading Initiative, 2004, <<https://bit.ly/2SwGdua>> [accessed 1 May 2019]; World Bank, *Strengthening Implementation of Corporate Social Responsibility in Global Supply Chains*, World Bank, 2003.

<sup>3</sup> *How employee directors add value, Corporate Governance: Connect and Reflect, Report, Institute of Chartered Accountants in England and Wales, 2018.*

To ensure a culture of compliance across all levels of regulation, casino licence holders should be required to demonstrate to the relevant regulator their compliance with all relevant workplace and industrial laws and that appropriate systems and processes are in place to ensure compliance within the operator's supply chain.

Operators should be required to:

- Submit a workforce management plan prepared by a suitably qualified person or organisation that is independent of the operator and licence holder and who can attest to compliance;
- Provide detailed information to the regulator about its supply chain and related due diligence processes;
- Establish mechanisms for employees to report relevant risks and/or non-compliance;
- Provide an annual compliance report to the regulator detailing:
  - The number of employees engaged directly and indirectly;
  - The number of employees in their supply chain;
  - The industrial instruments that apply to these employees;
  - The number of employees from non-English speaking backgrounds;
  - The number of employees engaged through work-Visa arrangements;
  - Relevant information about the licensee's compliance with relevant laws, including any court, tribunal or other enforcement processes; any notifiable incidents under the relevant Workplace Health and Safety laws; and the number of applications for workplace injury compensation made by direct and indirect workers under the relevant compensation legislation.

#### **RECOMMENDATION FIVE:**

##### **COMMITMENT TO SECURE, DIRECT EMPLOYMENT**

The casino license holder should be required to make a commitment to secure, direct employment with mandatory minimum direct, permanent employees to be a condition of the license to operate. It is critical for the integrity of the license that there be skilled, secure, direct employees as the use of indirect labour arrangements such as labour hire or independent contractors negatively impacts a corporation's culture and will increase compliance risks.<sup>4</sup>

These minimum standards should be developed in collaboration with workplace representatives including UWU.

#### **RECOMMENDATION SIX:**

##### **MINIMUM STAFF-TO-PATRON RATIOS**

Regulation should also mandate formulas around a minimum staff-to-patron level of security and gaming supervisory and compliance staff.

A robust culture of compliance necessitates that casino operators have rigorous internal controls, ensuring appropriate levels of staffing in key areas. Private compliance initiatives, such as policies or internal risk assessments, may be insufficient to manage operational risks that arise in these areas.

These minimum standards should be developed in collaboration with workplace representatives including UWU.

<sup>4</sup> Hepworth, K., *Labour Hire & Contracting Across the ASX100*, Australasian Centre for Corporate Responsibility (ACCR), 2020, <<https://www.accr.org.au/research/labour-hire-contracting-across-the-asx100/labour-hire-business-operational-and-workforce-risks>>, [accessed April 2021].

**RECOMMENDATION SEVEN:  
BETTER INDEPENDENT WHISTLEBLOWING PROCESSES**

Findings and allegations relating to money laundering suggest existing whistleblowing laws, policies and practices are insufficient. As it stands, employees or patrons who might suspect criminal or inappropriate activity are not assured of an appropriate investigation into reported activities nor, in the case of employees, protection in employment if a report is made.

To establish better processes across the industry, a casino licence should require an approved whistleblower policy that provides for investigations by a sufficiently qualified and experienced independent party (e.g. a legal practitioner who does not act for the licence holder in other matters) as well as protections for employees and other individuals who make a report under the policy.

Further, the Bergin Inquiry noted the negative effect of casino regulators not being advised by AUSTRAC of money laundering issues arising in the entities under their purview. As recommended by the Commissioner, consideration should be given when creating a new regulatory model to ensuring reciprocity of information-sharing and investigative responsibilities between AUSTRAC and the regulator on AML matters, in line with the framework in place in Singapore.

*For further information regarding this submission, please contact:*

Dario Mujkic  
Casinos Director  
United Workers Union

Confidential

