

CASINO LEGISLATION AMENDMENT (BURSWOOD CASINO) BILL 2022

Introduction and First Reading

Bill introduced, on motion by **Dr A.D. Buti (Minister for Racing and Gaming)**, and read a first time.

Explanatory memorandum presented by the minister.

Second Reading

DR A.D. BUTI (Armadale — Minister for Racing and Gaming) [12.32 pm]: I move —

That the bill be now read a second time.

Last year, the government established the Perth Casino Royal Commission to inquire into the suitability of Burswood Nominees Ltd as Perth Casino licensee and the suitability of Crown Resorts Ltd, Burswood Ltd and Burswood Resort (Management) Ltd as associates of the licence holder. The royal commission was also asked to examine the state's regulatory framework and the functions of the Gaming and Wagering Commission of Western Australia, and to provide recommendations for enhancing future regulatory capabilities and effectiveness.

In its final report, which ran to nearly 1 000 pages, the royal commission made 59 formal recommendations, and found the Crown and Burswood entities were not presently suitable. The royal commission's final report outlined the remediation journey required to make these entities suitable. The government is responding progressively and comprehensively to the royal commission's findings and recommendations. This bill will implement a number of priority reforms.

The Casino Legislation Amendment (Burswood Casino) Bill 2022 will establish the role of an independent monitor to monitor remediation of Burswood Casino's management and operations, including its necessary powers and offences for failing to comply; provide for the recouping of costs associated with the independent monitor from the casino operator; significantly increase several penalties under the Casino Control Act 1984; provide for the Minister for Racing and Gaming to appoint an independent chair of the Gaming and Wagering Commission; enhance the power of the Minister for Racing and Gaming to direct the commission on mitigating risks associated with the management and operation of Burswood Casino, as outlined in the final report of the royal commission; and enhance the power of the commission to direct the Burswood Casino licensee.

I will now provide a more detailed explanation of the bill. Part 1 of the bill sets out the short title and commencement. Part 2 of the bill will amend the Casino Control Act 1984 to implement a number of significant reforms. Under this part, proposed section 21I will establish a two-year remediation period within which the casino licensee is to remediate the management and operations of Burswood Casino.

There are also clauses to establish an independent monitor, to be appointed by the Minister for Racing and Gaming, that will monitor the casino licensee's remediation. Proposed section 21O will provide the independent monitor with powers to require the casino licensee to prepare a remediation plan. Proposed section 21N will empower the independent monitor to approve the remediation plan. Proposed sections 21S to 21V will provide powers to monitor implementation of the remediation plan. Proposed section 21P will require the independent monitor to report to the Minister for Racing and Gaming and the commission on the status and efficacy of the remediation.

Clause 8, which will replace section 33 of the Casino Control Act 1984, will establish that failing to comply with a direction issued by the independent monitor will be an offence with a maximum penalty of up to \$250 000. Proposed section 21X will establish that hindering or obstructing the independent monitor, failing to provide information or answer a question, or providing false or misleading information will all be offences with a penalty of \$50 000. Proposed sections 21ZA to 21ZC will provide for the costs associated with the independent monitor to be recouped from the Burswood Casino licensee. I note that a similar approach is being taken in Victoria and New South Wales.

In addition to the new offences and penalties for noncompliance with the independent monitor, clause 5, which amends section 21B of the Casino Control Act 1984, will increase the maximum penalty available under the act tenfold, from \$100 000 to \$100 million. The penalty under this section will be a disciplinary penalty that can be imposed by the minister when it is in the public interest to do so, has the prior approval of the Governor and follows the procedural fairness process set out in the section. It might, for example, be applied in the event of fraud, money laundering or junkets linked to organised crime. This is in response to the royal commission's finding that the maximum penalties available under the Casino Control Act 1984 were manifestly inadequate to support the proper regulation of Burswood Casino. Victoria has also taken a similar approach and increased its maximum penalty to \$100 million.

The maximum penalty for noncompliance with a direction issued under the Casino Control Act 1984 will also increase from \$2 000 for an individual and \$5 000 for a body corporate to \$100 000 and \$250 000 respectively. Clause 8 will replace section 33 of the Casino Control Act 1984. These two reforms alone will send an unambiguous

message that noncompliance is not an option. Integrity, good governance and proper gaming operations are to be the norm at the Perth casino.

Clauses under this part will also clarify and confirm the minister's power to direct the commission on the performance of its functions in relation to Burswood Casino and with regard to the final report of the royal commission, either generally or on a particular matter. Complementary amendments will also expand the commission's power to direct the Burswood Casino licensee on all operations of Burswood Casino, not just the gaming operations.

Part 3 of the bill will amend the Gaming and Wagering Commission Act 1987 to provide for the appointment of an independent chair of the commission and for members of the commission to elect the deputy chair. Clause 11 will amend section 12 of the Gaming and Wagering Commission Act 1987. This was recommended in the final report and will further enhance the regulation of gaming and wagering in WA. The royal commission recognised that the recently appointed director general and ex-officio chair has made inroads in reforming the commission's governance and culture. The government has also appointed new commission members with the relevant skills and experience identified in the royal commission's final report.

Members will be aware that the commission and I recently granted Western Australian regulatory approval for the Blackstone group to proceed with the acquisition of Crown Resorts Ltd, subject to a number of strict conditions. The commission has granted probity approval to relevant Blackstone group entities and associated individuals after extensive, multi-jurisdictional probity investigations. As Minister for Racing and Gaming, I have granted approvals regarding Blackstone's proposed and future shareholdings of Burswood Ltd and securities over the casino gaming licence, site and resort complex, in accordance with the Burswood state agreement and Casino Control Act respectively.

This acquisition is in its final stages. However, it does not affect the reforms I have set out today. Regardless of who owns and operates Burswood Casino, the government and the Western Australian community expect—indeed, require—remediation of the governance and operations of our state's only casino. Owning and running that casino, and employing its many hardworking and committed employees, is a privilege that warrants the highest standards of integrity, governance and operations.

The McGowan government is committed to bringing about wide-reaching reforms to ensure Western Australia's regulatory framework holds the casino to account. This bill advances that objective.

I commend the bill to the house.

Debate adjourned, on motion by **Mr P.J. Rundle**.