

COMMISSION

appointing a 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

RECITALS

1. The Gaming and Wagering Commission has functions and duties in relation to gaming, wagering and the operations of casinos under legislation including the *Gaming and Wagering Commission Act 1987* (WA) and the *Casino Control Act 1984* (WA). Its duties include, among other things:—

- a. administering relevant laws and keeping relevant matters under review;
- b. formulating and implementing policies for the scrutiny, control and regulation of gaming and wagering, taking into account the requirements and interests of the community as a whole and the need to minimise harm caused by gambling;
- c. administering all matters relating to any casino complex, licensed casino, casino key employee, casino employee or gaming in a casino, pursuant to the *Casino Control Act 1984* (WA) and any casino complex agreement;
- d. causing relevant licences, permits, approvals, authorisations and certificates, as appropriate, to be issued;
- e. advising the Minister as to any matter relating to gambling and to make recommendations to the Minister in relation to the control and supervision of gambling and other matters; and
- f. enforcing, and prosecuting persons contravening, the laws relating to gambling.

2. Crown Perth is the trustee of the Burswood Property Trust and holder of the casino gaming licence in respect of the Crown Casino Perth granted under and subject to the provisions of the *Casino Control Act 1984* (WA). Crown Perth is a wholly-owned subsidiary of Crown Resorts Limited ACN 125 709 953.

3. The Bergin Inquiry concluded that Crown Sydney Gaming Pty Ltd (a wholly-owned subsidiary of Crown Resorts Limited) was not a suitable person to continue to give effect to the restricted gaming licence to operate a restricted gaming facility in premises located at Barangaroo on the Sydney Harbour foreshore and that Crown Resorts Limited was not a suitable person to be a close associate of the person holding that restricted gaming licence.

4. The Bergin Inquiry also found, among other things, that Crown Resorts Limited:—

- a. facilitated money laundering through the accounts of Southbank Investments Pty Ltd ACN 075 088 327 and Riverbank Investments Pty Ltd ACN 103 254 619 unchecked and unchanged in the face of warnings from its bankers;
- b. disregarded the welfare of its China-based staff putting them at risk of detention by pursuing an aggressive sales policy and failing to escalate risks through the appropriate corporate risk management structures; and
- c. entered into and/or continued commercial relationships with Junket operators who had links to Triads and other organised crime groups.

5. Some of the conduct considered by the Bergin Inquiry related to the Crown Casino Perth and other conduct related to the casino operated in Melbourne by Crown Melbourne Limited ACN 006 973 262 (which is also a subsidiary of Crown Resorts Limited).

OPERATIVE PART

By this commission under the Public Seal of the State, I, the Governor, acting under the *Royal Commissions Act 1968* (WA) and all other enabling powers and with the advice and consent of the Executive Council—

- (a) appoint you to be a Royal Commission to inquire into and report upon the following matters—

SUITABILITY

- A. The following affairs of the Crown Casino Perth, and related matters—

1. whether Crown Perth is a suitable person—
 - i. to be concerned in or associated with the organization and conduct of the gaming operations of a licensed casino; and
 - ii. to continue to hold the casino gaming licence for the Crown Casino Perth;
2. whether Crown Resorts Limited is a suitable person to be concerned in or associated with the organization and conduct of the gaming operations of a licensed casino;
3. whether Burswood Resort (Management) Limited ACN 009 396 945 is a suitable person to be concerned in or associated with the organization and conduct of the gaming operations of a licensed casino;
4. whether Burswood Limited ACN 075 071 537 is a suitable person to be concerned in, or associated with, the organization and conduct of the gaming operations of a licensed casino;
5. in the event that the answer to (1)(i), 1(ii), (2), (3) or (4) above is no, what, if any, changes would be required to render that entity suitable;
6. the adequacy of communications by Crown Perth and/or any Crown Perth Associates with the Gaming and Wagering Commission, including responses and disclosures to the Gaming and Wagering Commission, prior to and during the Bergin Inquiry in relation to matters related to or connected with the Bergin Report and any matters referred to therein; and
7. any matter reasonably incidental to these matters.

REGULATORY FRAMEWORK

- B. The following affairs of the Crown Casino Perth and related matters—

8. the adequacy of the existing regulatory framework in relation to casinos and casino gaming in Western Australia to address extant and emerging strategic risks identified in the Bergin Report, or otherwise by this inquiry, including in relation to junket operations, money laundering, cash and electronic transactions and the risk of infiltration by criminal elements into casino operations;
9. the appropriateness of the manner in which powers were exercised and responsibilities and obligations were discharged by the Gaming and Wagering Commission under State and Commonwealth laws;
10. the capability and effectiveness of the Gaming and Wagering Commission in discharging its regulatory functions and responsibilities, and the Department in supporting the Gaming and Wagering Commission, including in relation to identifying and addressing any actual or perceived conflicts of interest by officers involved in casino regulation; and
11. matters which might enhance the regulatory framework and the Gaming and Wagering Commission's and Department's future capability and effectiveness in addressing any of the matters identified above, including any policy, legislative, administrative or structural reforms or changes, including additional regulatory controls.

- (b) declare that, for the purposes of your inquiry and recommendations, you are to have regard, in particular, to the following matters—
- i. the Bergin Report including any matters referred to therein (including the allegations, issues, findings, observations, materials and recommendations referred to therein);
 - ii. public transcripts of evidence before the Bergin Inquiry and such other materials provided to or otherwise considered by the Bergin Inquiry, to which the Commission may obtain access and consider it appropriate to have regard;
 - iii. communications between Crown Perth and/or Crown Perth Associates, and the Gaming and Wagering Commission (including responses and disclosures to the Gaming and Wagering Commission) prior to and during the Bergin Inquiry in relation to matters related to or connected with the Bergin Report and any matters referred to therein; and
 - iv. such further or other evidence and materials to which the Commission may consider it appropriate to have regard in order to satisfy the terms of reference;
- (c) declare that in your report you may make any recommendations you consider appropriate;
- (d) declare that, to facilitate the proper and expeditious conduct of the inquiry, you are not required to inquire, or to continue to inquire, into a particular matter to the extent that you are satisfied that the matter has been, is being, or will be, sufficiently and appropriately dealt with by another inquiry or investigation or a proceeding;

- (e) appoint you, the Honourable Neville John Owen, to be the Chairman of the Commission;
- (f) declare that, by virtue of this commission, you may in the execution of this commission do all the acts, matters and things and exercise all the powers that a Royal Commission may lawfully do and exercise, whether under the *Royal Commissions Act 1968* (WA) or otherwise;
- (g) declare that the *Royal Commissions Act 1968* (WA) section 18 applies to this Commission;
- (h) declare that in this commission—

Bergin Inquiry means the Inquiry by the Honourable PA Bergin SC under section 143 of the *Casino Control Act 1992* (NSW) established on 14 August 2019 resulting in the publication of the Bergin Report;

Bergin Report means the report of the Inquiry by the Honourable PA Bergin SC under section 143 of the *Casino Control Act 1992* (NSW) dated 1 February 2021;

Crown Casino Perth means the casino in respect of which a casino gaming licence has been granted under section 21 of the *Casino Control Act 1984* (WA) (and described in the Casino (Burswood Island) Agreement the subject of the *Casino (Burswood Island) Agreement Act 1985* (WA) as Burswood Casino);

Crown Perth means Burswood Nominees Ltd ACN 078 250 307 the trustee of the Burswood Property Trust and holder of the casino gaming licence in respect of the Crown Casino Perth;

Crown Perth Associates means any person concerned in or associated with the organization and conduct of the gaming operations of the Crown Casino Perth;

Department means the Department of Local Government, Sport and Cultural Industries and relevantly any predecessors and includes any current or former officers, employees, persons engaged under contracts for services by, or agents of the Department or relevantly any predecessors;

Gaming and Wagering Commission means the Gaming and Wagering Commission of Western Australia established under the *Gaming and Wagering Commission Act 1987* (WA) and includes any current or former delegates, officers, employees, persons engaged under contracts for services by, or agents of the Gaming and Wagering Commission;

Suitable person means suitable person to engage in, or be concerned in or associated with, the relevant activity and, without limiting the generality of the foregoing, the matters to which the Commission may have regard include—

- (a) the reputation, character, honesty and integrity of the person;
 - (b) the competence and adequacy of the knowledge, qualifications, experience and ability of the person to engage in, or be concerned in or associated with, the relevant activity;
 - (c) the financial status and financial background of the person;
 - (d) governance processes and arrangements;
 - (e) the creation and maintenance of public confidence and trust in the credibility and integrity of licensed casino operations; and
 - (f) such other matters as the Commission sees fit;
- (i) declare that you are to begin your inquiry as soon as practicable;
 - (j) declare that you are to make your inquiry as expeditiously as possible;
 - (k) declare that you are to submit to me an interim report in relation to paragraphs 8 to 11 of the Operative Part that you consider appropriate by no later than 30 June 2021; and
 - (l) declare that you are to submit to me a report of the results of your inquiry, and your recommendations, by no later than 14 November 2021.

Issued under the Public Seal of the State at Perth on 5 March, 2021.

K. BEAZLEY, Governor.

M. McGOWAN, Premier.