
Delivery Plan 2024 - 2026

Compliance, enforcement, and assurance priorities
for the casino sector

January 2024

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Our role and purpose

Liquor & Gaming NSW (L&GNSW) administers the regulatory framework for the liquor, gaming, wagering, casino and registered clubs sectors in NSW.

This includes providing policy advice to government, licensing certain activities and delivering industry support, monitoring and ensuring compliance with legislative and other requirements, and undertaking education activities.

As part of its role in regulating these sectors, L&GNSW undertakes assurance, regulatory approval, and compliance and enforcement activities. The methods it uses to do this include probity checking, undertaking audits and inspections, investigating offences and taking enforcement action in response to breaches identified.

The NSW Independent Casino Commission

The NSW Independent Casino Commission (NICC) is a statutory authority established in 2022 to address the risk and harms arising from casino operations through increased regulatory oversight. The NICC plays a vital role in maintaining public confidence in the NSW casino industry through visible and robust supervision, and is responsible for investigating casinos and casino operators, ensuring the suitability of casino operators and close associates, monitoring compliance with the casino legislation, determining licensing matters, and determining disciplinary action against licensees and close associates.

For more information on the NICC, including its *Strategic Plan*, visit www.nicc.nsw.gov.au.

The role of L&GNSW

From a compliance, enforcement, and assurance perspective, L&GNSW supports the work of the NICC by undertaking activities to ensure that persons and entities associated with a casino are fit and proper, and that casinos comply with the requirements of the *Casino Control Act 1992* and the *Casino Control Regulation 2019*, including the casinos' own internal controls.

This regime is designed to ensure that casinos in NSW are operated in accordance with community expectations, to protect the community from harm, and to ensure that the casinos remain free from criminal infiltration or exploitation.

L&GNSW completes some of this work under delegation from the NICC, but also undertakes compliance and enforcement activities using its own powers. These activities are undertaken in close consultation with, and are reported to, the NICC. L&GNSW also works alongside NSW Police, the Australian Transaction Reports and Analysis Centre (AUSTRAC), other law enforcement bodies and other government agencies in Australia and overseas.

We undertake these activities in accordance with our *Compliance & Enforcement Policy*, and in line with our vision and mission.



Our vision

Vibrant, safe and responsible hospitality and racing sectors for NSW.



Our mission

Enabling and supporting industry to minimise harm and develop responsibly in step with community expectations and aspirations.

The purpose of this plan

This Delivery Plan sets out the harms and risks associated with the NSW casino operators that we have identified as priority focus areas, and the program of activities that we will undertake to address and prevent those harms and risks. There is a separate Delivery Plan for the liquor, gaming, wagering, racing and registered club sectors available on [our website](#).

We use a variety of compliance, enforcement and assurance tools and programs to address the risks we have identified, including:

- **Monitor and test:** undertake inspections, audits, investigations or any combination of these, to monitor and test compliance with controls and legislation. Monitoring and testing programs will often include covert and overt deployments of inspectors. These programs are generally designed to identify potential points of risk or failure to prevent harm from occurring.
- **Review:** a review allows us to thoroughly consider an issue and determine whether further regulatory intervention is required to address it. We use reviews to further our understanding of a casino's operations, and to help identify risks. Where a risk of harm or non-compliance is identified, we may take further action, including by engaging with the operator, by issuing statutory directions, or by investigating and taking enforcement action in relation to breaches.

- **Audit:** an audit allows us to proactively test controls at the casino and ensure they are being complied with, to confirm that controls are fit for purpose, and to ensure that obligations (including financial obligations, such as tax or duty payments) are being met.
- **Education:** a program or series of programs focused on providing regulatory education and advice only.
- **Campaign:** a campaign may incorporate any of the above activities, but also generally includes education (of the casino operators or others) or other assistance and guidance to assist with meeting obligations.

If non-compliance is identified through any of these operations, we will consider the appropriate enforcement action to take (if any), in line with our *Compliance & Enforcement Policy*.

We also respond to emerging risks as they arise, including risks that become apparent during the activities we undertake. Where we identify an emerging risk, we will tailor an intervention (or program) to address that risk.

How we got here

This *Delivery Plan* builds upon the outcomes achieved and emerging risks identified during the 2021-2023 period. The development of this plan has been informed by:

- listening to what the community has told us, through reports of non-compliance and other submissions
- the results of a stakeholder survey sent to members of the industries we regulate, peak bodies, our co-regulators and other interested parties
- observations made by our inspectors, auditors and investigators, and the results of previous audits and investigations
- an understanding of the changing landscape of our industries since the COVID-19 pandemic.

This *Delivery Plan* also takes into account the findings and recommendations of both the Bergin Inquiry and Bell Review, as reflected in a substantial focus on

internal control effectiveness, corporate governance and culture, internal audit, whistleblowing and risk identification practices.

Our strategic context

Our activities are also informed and guided by our broader strategic context, which includes the:

- NSW Government and Premier's priorities
- priorities of our portfolio Minister/s
- the Hospitality and Racing *Strategy 2025*
- our Regulatory Priorities, as published from time to time
- NICC *Strategic Plan*
- NSW Government's 24-hour Economy Strategy
- our *Compliance & Enforcement Policy*.

By the numbers



2
casino
operators



7,200
licensed casino
special employees



11,000
reports assessed
annually



\$195m
in casino duties
assured annually

Our priorities



The integrity of casino operations



The responsible conduct of gambling



Ensuring responsible governance, operator integrity and financial accountability



The responsible service of alcohol



The integrity of casino operations

Effective internal controls

Targeted harms and risks to the community

- Inadequate internal controls that do not sufficiently safeguard against criminal infiltration or community harm.
- Criminal infiltration and exploitation of the casinos including through money laundering, money lending or pseudo-junkets.

Program deliverables

- **Monitor and test:** Implement a compliance program focused on testing the adequacy and effectiveness of casino internal controls designed to limit criminal infiltration and exploitation and community harm, and test the operators' compliance with those controls
- **Audit:** Undertake a series of audits of key internal controls, including a thorough review of casino records to assist in determining if controls are effective and being complied with.
- **Review:** Conduct a periodic review of casino patrons to identify any evident concerns around casino vetting processes or the casino's relationship with those patrons.
- **Review:** Conduct a review of the operators' internal audit and investigative practices and procedures to ensure internal compliance with controls can be adequately monitored.

Integrity of gaming

Targeted harms and risks to the community

- Consumer detriment and loss of confidence in casino integrity as a result of casino games not being conducted in accordance with the approved rules, or unapproved games being offered.

Program deliverables

- **Monitor and test:** Implement a compliance program focused on compliance with the rules of the game and gaming supervision.
- **Review:** Conduct a periodic review of games offered and equipment used at casinos, to ensure only approved games and equipment are available.



The responsible conduct of gambling

The impact of gambling

Targeted harms and risks to the community

- Impact of gambling harm on individuals and the broader community, including financial, mental health, health and relationship impacts.
- Casino operators prioritising profit at the expense of patron safety and wellbeing.

Program deliverables

- **Campaign:** Implement a compliance program to ensure operators have implemented robust and effective in-house gaming harm-minimisation programs, including staff training and accreditation and responsible conduct of gambling practices.
- **Campaign:** Implement a compliance program to test the effectiveness of controls and interventions relating to at-risk patrons, including excluded patrons and those experiencing or at risk of gambling harm.
- **Review:** Review the operation of tiered membership or loyalty programs.

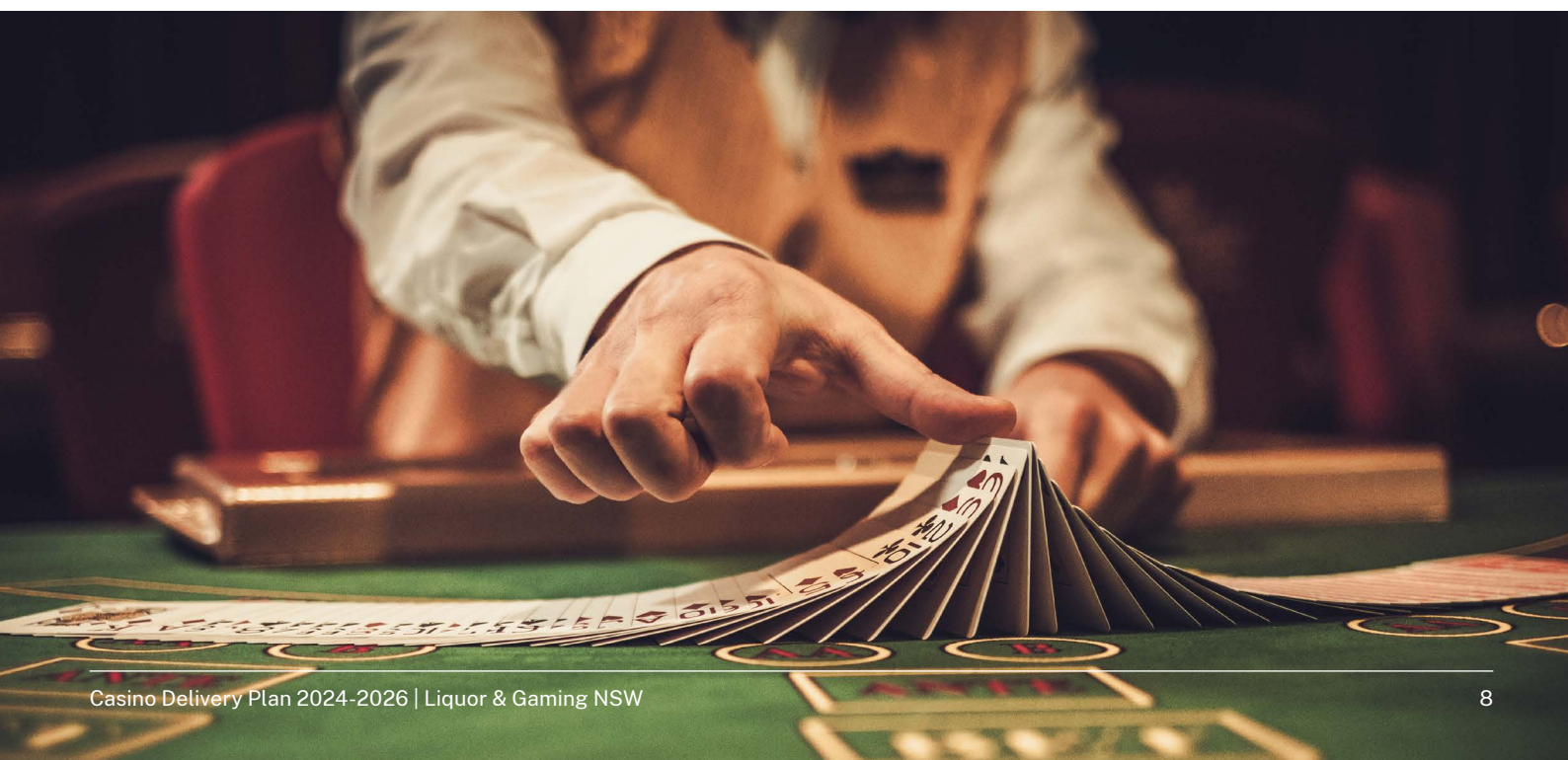
Access to gambling

Targeted harms and risks to the community

- At-risk patrons (including excluded patrons, people experiencing or at risk of gambling harm, and minors) entering the casino and gambling.

Program deliverables

- **Review:** Review the way exclusions are applied, reviewed and revoked by casino operators.
- **Monitor and test:** Implement a compliance program to test the effectiveness of controls, practices and procedures relating to excluded patrons, including access controls and forfeiture of winnings provisions.
- **Monitor and test:** Conduct compliance activities to monitor and enforce prohibitions on inducements to gamble, including gaming-related signage, and gambling advertising.





Ensuring responsible governance, operator integrity and financial accountability

Governance and culture

Targeted harms and risks to the community

- Casino operators disregarding their obligations or having poor corporate governance and oversight, leading to a loss of social licence, public trust and confidence, and to an increased risk of harm occurring.
- Casino operators maintaining, promoting or developing a culture of secrecy, misreporting, and/or profit maximisation to the detriment of the community.

Program deliverables

- **Campaign:** Undertake a compliance campaign designed to familiarise casino staff (of all levels) with the role of the regulator, the expectations of them as casino employees, and the pathways for engaging with the regulator or reporting misconduct.
- **Campaign:** Undertake a compliance campaign including interviews or engagements with casino staff (of all levels, including at a board level), to gain an understanding of staff views on the culture and attitude towards compliance with legislative obligations and internal controls and to inform the NICC's decision-making relating to casino operators.
- **Review:** Conduct a review of operators' breach reporting practices and internal reporting, risk identification and mitigation, and whistle-blowing and corruption prevention training, policies and procedures, including at a board level.
- **Review:** Conduct a review of operator reporting protocols and provide appropriate education to casino operators and staff where appropriate, enabling improved reporting and analysis.

Ensuring operator integrity

Targeted harms and risks to the community

- Infiltration or influence on casino operators by individuals, entities or contractors who are not suitable to be associated with a casino operator.

Program deliverables

- **Review:** Conduct a review of the probity of close associates and contractors currently associated with casino operators.
- **Review:** Conduct a review of the probity of close associates and contractors seeking to be associated with casino operators.
- **Review:** Conduct a review of contracts and contractors to determine whether they require approval under the regulation of controlled contracts.

Ensuring financial obligations are met

Targeted harms and risks to the community

- Reduced taxation revenue collected by the State of NSW as a result of incorrect taxation calculation and payment by a casino operator.

Program deliverables

- **Audit:** Audit casino operators to ensure they are meeting their financial obligations in terms of casino taxes and levies.
- **Review:** Conduct a review of financial reporting by the casino operators and ensure any possible improvements are implemented.



The responsible service of alcohol

Alcohol-related harm

Targeted harms and risks to the community

- Alcohol-related violence and disturbance within and surrounding the casino precincts as a result of alcohol consumption within casinos.
- Minors entering the casinos and consuming alcohol.

Program deliverables

- **Monitor and test:** Implement a compliance program, with a targeted focus on major and higher-risk events, staff training and accreditation, responsible service of alcohol practices and entry controls to detect minors.
- **Review:** Undertake risk-based reviews of reported incidents relating to intoxication, entry by minors, security guard vetting of patrons, alcohol-related violence and comparative analysis of alcohol-related crime data, taking escalated action where required.
- **Campaign:** Undertake an education and enforcement campaign designed to deter minors from attempting to enter the casinos.

Alcohol and gambling

Targeted harms and risks to the community

- Complimentary alcohol or related promotions contributing to gambling harm and anti-social behaviour.
- Patrons consuming alcohol while gambling, leading to an increased risk of patron detriment or gambling harm.

Program deliverables

- **Review:** Undertake a proactive, ongoing review of the role of complimentary or promotion alcohol supply in identified instances of intoxication, gambling harm or exclusions, and alcohol-related violence or anti-social behaviour, to identify non-compliance with operator policies or controls, and to inform policy change.
- **Monitor and test:** Monitor the consumption of alcohol by patrons while gambling and undertake a review of incidences of intoxication or risky or problematic gambling to determine whether patrons were gambling while intoxicated.



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