

Independent Liquor & Gaming Authority

Casino Compliance & Enforcement Policy

December 2014

Introduction

The Independent Liquor & Gaming Control Authority [ILGA] is responsible for the regulation of gaming and liquor matters at the Sydney casino, encompassing both licensing and enforcement functions. It is also responsible for licensing, approval and other regulatory functions under the *Liquor Act 2007*, *Gaming Machines Act 2001*, *Registered Clubs Act 1976* and related legislation.

This compliance & enforcement policy articulates the Authority's framework for its approach, method and priorities in ensuring compliance with that legislation and in carrying out its compliance and enforcement powers.

The policy identifies many of the Authority's enforcement powers, how the utilization of those powers may vary depending on the level of non-compliance, and provides an explanation of how and when they will be used.

The benefits of this policy include:

- Improved compliance outcomes
- Reduced regulatory cost burden/reduced red tape
- Better alignment of strategic and operational planning
- More effective engagement with internal and external stakeholders
- Improved internal accountabilities for outcomes
- Improved productivity

Background on ILGA

ILGA is an independent statutory authority constituted by the *Gaming and Liquor Administration Act 2007*. The Authority has a large number of functions under legislation regulating the Sydney casino, and licensing liquor and gaming machine activities in New South Wales. Under the *Casino Control Act 1992*, the Authority is responsible for the regulation of gaming and liquor matters at the Sydney casino, encompassing both licensing and enforcement functions. It is also responsible for licensing, approval and some other regulatory functions under the *Liquor Act 2007*, *Gaming Machines Act 2001*, *Registered Clubs Act 1976* and related legislation.

The Authority's Vision is for a safe and balanced liquor and gaming environment.

The Authority's Purpose is the independent implementation of NSW liquor and gaming legislation in the public interest.

The Authority has developed its Strategic Plan in the context of the Government's NSW 2021 Strategy and the table below shows how we see the Authority contributing.

NSW 2021 Theme	Authority Contribution
Rebuilding NSW's Economy	Reduce the cost of regulation and be more flexible about how we work with significant applications. This plan also grasps a range of opportunities for the Authority to be more efficient.
Return Quality Services	The Authority will make good licensing decisions based on risk of harm and so addressing risky alcohol consumption.
Strengthen Our Local Environment and Communities	We will work more effectively with partner agencies like Local Government to ensure community voices are heard clearly in the Authority's decision making.
Restoring Accountability to Government	We will seek to be a leader in open and accountable public sector operations and integrating with the work of the Customer Service and Public Service Commissioners.

Principles of Compliance & Enforcement

The Authority is responsible, under the *Casino Control Act 1992*, for compliance and enforcement functions of gaming and liquor matters at the Sydney casino.

The following principles underpin the Authority's compliance and enforcement objectives.

- Targeted:** We will focus on the most important issues and problems to achieve the best outcomes and to prevent the most serious risk or harm.
- Proportionate:** Regulatory measures and responses will be proportional to the risks posed and the seriousness of the non-compliance.
- Transparent:** We will ensure that the community has access to information about actions taken by the Authority to address issues of non-compliance, subject to the provisions of s.17 of the Gaming and Liquor Administration Act 2007.
- Consistent:** Our actions will be consistent with the legislation and within our powers. Compliance and enforcement outcomes will be consistent and predictable for similar circumstances.
- Accountable:** We will document and take responsibility for our regulatory decisions and actions.
- We will conduct ourselves in accordance with [Behaving Ethically: a guide for NSW government sector employees](#), and any other relevant policies and guidance and Codes of Conduct.
- Inclusive:** We will work with and, where possible, share information with other regulators and stakeholders to ensure the best compliance outcomes.
- Effective:** We will consider all alleged non-compliances to determine the necessary action to minimise impact and maximise deterrence.

Legislation

ILGA is responsible for administration of the *Casino Control Act 1992*, and for casino regulatory activities under the *Liquor Act 2007*, and the *Gaming Machines Act 2001*.

The objects of the Authority, as set out in section 140 of the *Casino Control Act 1992*, are to maintain and administer systems for the licensing, supervision and control of a casino, for the purpose of:

- ensuring that the management and operation of the casino remains free from criminal influence or exploitation
- ensuring that gaming in the casino is conducted honestly
- containing and controlling the potential of a casino to cause harm to the public interest and to individuals and families.

Section 141 of the *Casino Control Act 1992* provides that the Authority has such functions as are necessary or convenient to enable the Authority to achieve its objects.

The objects of the *Liquor Act 2007* as set out in section 3 are:

- to regulate and control the sale, supply and consumption of liquor in a way that is consistent with the expectations, needs and aspirations of the community
- to facilitate the balanced development, in the public interest, of the liquor industry, through a flexible and practical regulatory system with minimal formality and technicality
- to contribute to the responsible development of related industries such as the live music, entertainment, tourism and hospitality industries.

To secure the objects of the *Liquor Act 2007*, the Authority is required to have due regard to the following:

- the need to minimise harm associated with the misuse and abuse of liquor (including harm arising from violence and other anti-social behaviour)
- the need to encourage responsible attitudes and practices towards the promotion, sale, supply, service and consumption of liquor
- the need to ensure that the sale, supply and consumption of liquor contributes to, and does not detract from, the amenity of community life.

The key objects of the *Gaming Machines Act 2001* as set out in section 3 are:

- to minimise harm associated with the misuse and abuse of gambling activities
- to foster responsible conduct in relation to gambling
- to facilitate the balanced development, in the public interest, of the gaming industry
- to ensure the integrity of the gaming industry
- to provide for an on-going reduction in the number of gaming machines in the State by means of the tradeable poker machine entitlement scheme.

The Authority and other persons having functions under the *Gaming Machines Act 2001* are required to have due regard to the need for gambling harm minimisation and the fostering of responsible conduct in relation to gambling when exercising functions under it. In particular, due regard is to be had to the need for gambling harm minimisation when considering for the purposes of the *Gaming Machines Act 2001* what is or is not in the public interest.

ILGA's Regulatory Approach

Compliance and enforcement strategies

Compliance is monitored and breaches detected through a number of proactive and responsive methods including:

- “ targeted investigations
- “ observations & inspections
- “ review of reports
- “ covert surveillance
- “ audits
- “ complaints
- “ analysis of information, data and financial records
- “ law enforcement agencies

The Authority works with the following agencies in the quest for compliance.

- “ Department of Trade and Investment, Regional Infrastructure and Services
- “ NSW Office of Liquor, Gaming & Racing
- “ NSW Police Casino and Racing Investigation Unit
- “ Police Alcohol and Licensing Enforcement Command
- “ City Central Police Command
- “ NSW Crime Commission
- “ AUSTRAC

Risk-based approach to compliance

The Authority considers the following factors, at a minimum, when it assesses compliance risk:

- “ the casino environmental conditions involved
- “ the processes and operations that may have an impact on the environment and the controls in place to mitigate them
- “ compliance history

ILGA's decision making process for enforcement

All reported or detected contraventions of the law, regulations and other requirements are assessed to determine their priority for further compliance and enforcement action.

Contraventions are prioritised to ensure the most effective use of resources.

The initial assessment typically includes a preliminary examination and analysis of the report or allegation in order to decide its seriousness, the likelihood that a contravention has occurred and the probable consequences.

Based on the outcome of the initial assessment and what can be done under the law or approved processes, a determination will be made of the appropriate level, if any, of further investigation or response.

ILGA's risk tolerance

Any ILGA investigation aims to:

- “ determine whether a law, regulation, policy or other requirement has been contravened
- “ collect evidence that can be used in administrative processes or criminal prosecutions or that might assist with other appropriate compliance and enforcement measures
- “ improve controls to prevent current and future non-compliance
- “ deter further or similar action to that which led to the non-compliance
- “ improve public confidence in the integrity of the regulatory system
- “ achieve an appropriate outcome within a reasonable time and at reasonable cost

Other aspects of ILGA's approach

The principles governing responsive sanctioning aim to:

- “ be responsive and consider what is appropriate for the particular incident
- “ be proportionate to the nature of the offence and the harm caused
- “ make good or reduce the harm caused by a breach, where appropriate
- “ act as a specific deterrent to future non-compliance
- “ act as a general deterrent by educating others about the potential consequences of breaking the law.

ILGA takes an escalating approach to sanctions, ranging from a warning as the least severe to a Show Cause Notice, prosecution or licence revocation as the most severe.

Outcomes

Outcomes sought to be achieved through regulation

Community safety and harm minimisation

Responsible level of compliance with laws and current standards

Non-compliance addressed objectively and assertively

Higher performance and leadership encouraged through engagement with clients

Raise awareness of laws and standards through information and education

Standards and expectations set through policies and approvals

Measured outcomes

Actively monitoring and reporting on progress against outcomes will assist enabling a more meaningful and informed engagement with stakeholders; will provide clearer accountabilities better aligned with regulatory outcomes; and drive continual improvement, improve cost effectiveness and reduce the burden on regulated entities while promoting better compliance outcomes through a more targeted and effective regulatory approach.

Accountability**Internal decision making**

When deciding what enforcement action is appropriate, ILGA will consider the level of harm, risk of harm, likelihood of non-compliance and culpability of the regulated entity and determine a response proportionate to the severity of the non-compliance. ILGA considers the cost and time impacts on entities when determining the most appropriate enforcement response.

More information

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