

18 August 2023

The Hon. Chris Minns
Premier of NSW

By email

Dear Premier

Seeking your Support to Establish a Royal Commission into the Influence of the Gambling Industry in NSW

As you would be aware, recent orders for papers made by Alex Greenwich in the Legislative Assembly and myself in the Legislative Council, have revealed that lines of investigation into NSW poker machines and their misappropriation for money-laundering purposes were abruptly discontinued by Liquor and Gaming NSW.

The same order confirmed that an investigation by the NSW Crime Commission into money laundering via electronic gaming machines in hotels and clubs appeared to have been undermined by the Independent Liquor and Gaming Authority (ILGA) and/or the then Minister's office.

The order for papers contained over one hundred documents which should have been, but were not, provided to the NSW Crime Commission. This has raised significant concerns about the integrity of government agencies tasked with undertaking compliance activity of gambling operators.

We now know that the former Chairperson of ILGA was so concerned about this that, in a letter to the former Minister for Liquor and Gaming Victor Dominello dated 30 November 2021, he urged the government to establish a Special Commission of Inquiry into money laundering in hotels and registered clubs.

This never eventuated and Minister Dominello was sacked as Minister soon after.

Since this call for an inquiry, successive media investigations have outlined major concerns with the efficacy of compliance checks by Liquor and Gaming, ties to the industry within the ILGA, blatant

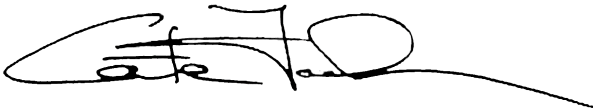
political interference in the development of NSW gambling policy, and potential involvement of hotel and pub employees in the facilitation of money-laundering schemes by criminal organisations.

Given the breadth and severity of these revelations, I advise that in the next sitting week of Parliament I will be moving a motion in the Upper House calling for a Royal Commission into the gambling industry in NSW (below). I hope that I will be able to rely on your support.

Unlike a Special Commission of Inquiry, a Royal Commission holds greater powers to hear all evidence related to the subject of inquiry without the need to disregard evidence that would generally be inadmissible in civil proceedings. A Royal Commission would also be empowered to report on all evidence adduced relating to potential criminal offending without disregarding evidence which may be inadmissible in criminal proceedings.

The last Royal Commission into gambling in this state was the Royal Commission on Greyhound Racing and Fruit Machines in 1932. Almost a century later, I firmly believe that there has been enough evidence brought to light about the influence of the gambling industry on our democracy in NSW to justify another.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Cate Faehrmann', with a long horizontal flourish extending to the right.

Cate Faehrmann MLC

Greens NSW spokesperson for Gambling Harm Reduction

Attachment A: Proposed Terms of Reference

- 1) That this House calls upon the Premier to establish a Royal Commission, staffed by personnel who hold no ties to the gambling industry, to inquire into the conduct, integrity and influence of the gambling industry in New South Wales, with particular reference to:
 - a) The nature and extent of the influence of the gambling industry over elected representatives, political parties, democratic processes, and decision making in NSW;
 - b) The social and economic impacts of electronic gambling machines in NSW;
 - c) The extent to which electronic gambling machines in clubs and hotels have been appropriated to facilitate criminal conduct;
 - d) The involvement, if any, of clubs and hotels, or employees thereof, in encouraging, assisting or facilitating criminal conduct through their electronic gaming machines and other gambling offerings;
 - e) The effectiveness of and culture around processes and procedures used by clubs and hotels to prevent their electronic gaming machines and other gambling offerings being used to facilitate criminal conduct;
 - f) The adequacy and effectiveness of the responses by Liquor and Gaming NSW and the Independent Liquor and Gaming Authority, to reports and information about allegations, incidents or risks of money laundering or bribing employees or directors of clubs and hotels, or government agencies, and related matters;
 - g) The existence of or potential for corruption, neglect, or violation of duty by Liquor and Gaming NSW and the Independent Liquor and Gaming Authority (and any differently named predecessors) officials in enforcing compliance of the gambling industry;
 - h) The nature of and extent to which other measures could be implemented to minimise the risk of money laundering through electronic gaming machines in hotels and clubs in NSW, such as the introduction of cashless gambling;
 - i) The extent to which those measures could also assist in developing world's best practice harm reduction measures;
 - j) The adequacy and effectiveness of the *Gaming Machines Act 2001*, and all other relevant legislation, to meet its objectives;
 - k) The transparency, accountability and legitimacy of the NSW ClubGRANTS scheme;
 - l) Any other matter relating to the industry, the inquiry into which the Royal Commission deems to be in the public interest.