

**INVESTIGATION UNDER PART 3 OF THE CASINO ACT 1997 (SA)****RECOMMENCEMENT OF INVESTIGATION****BACKGROUND**

1. I, Fraser W. Stroud, Acting Liquor and Gambling Commissioner have various functions set out in section 6 of the *Gambling Administration Act 2019* (SA) (**'Gambling Administration Act'**) including ensuring that an effective and efficient system of supervision is established and maintained over operations undertaken under a gambling Act.
2. The *Casino Act 1997* (SA) (**'Casino Act'**) is a gambling Act for the purposes of the *Gambling Administration Act*.
3. SkyCity Adelaide Pty Ltd (ACN 082 362 061) (**'the licensee'**) operates the casino located on North Terrace, Adelaide in the State of South Australia under a casino licence granted pursuant to section 5 of the *Casino Act*.
4. The ultimate holding company of the licensee is SkyCity Entertainment Group Limited (ARBN 098 775 047) (**'SEGL'**).
5. Pursuant to section 22(2) of the *Casino Act*, I must keep under review the continued suitability of the licensee and the licensee's close associates, and carry out the investigations I consider necessary for that purpose.
6. On 27 June 2022, the then Liquor and Gambling Commissioner (**'Commissioner Soulio'**) signed the attached Terms of Reference (**'Attachment 1'**) relating to an investigation under Part 3 of the *Casino Act* (**'the investigation'**).
7. The Hon. Brian Martin AO KC was appointed to conduct the investigation.
8. Pursuant to clause 12 of the Terms of Reference, Mr Martin was to provide a written report of his findings of the investigation by 1 February 2023, unless an extension was negotiated.
9. On 7 December 2022, the Australian Transaction Reports and Analysis Centre (**'AUSTRAC'**) commenced civil penalty proceedings (**'the AUSTRAC proceedings'**) against the licensee in the Federal Court for alleged breaches under the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (Cth) (**'AML/CTF Act'**).
10. Mr Martin advised Commissioner Soulio that until the resolution of the AUSTRAC proceedings it is not possible to determine reliably the question of suitability. Accordingly, on 1 February 2023, Commissioner Soulio extended the time for Mr Martin to provide a written report of his findings of the investigation to a date to be fixed, and the investigation was put on hold until further notice (see **'Attachment 2'**).
11. On 1 February 2023, Commissioner Soulio stated that he would fix the date for Mr Martin to provide his report of his findings following resolution of the AUSTRAC proceedings (see Attachment 2).

**RECOMMENCEMENT OF INVESTIGATION**

12. The AUSTRAC proceedings concluded on 7 June 2024.
13. The parties to the proceedings provided a Statement of Agreed Facts and Admissions.
14. The licensee admitted serious breaches of the AML/CTF Act.
15. The Federal Court imposed a civil penalty on the licensee in the sum of \$67 million.
16. As the AUSTRAC proceedings have been finalised, I have determined to recommence the investigation from 11 June 2024.

RESULTS OF THE INVESTIGATION

17. Mr Martin is to provide me with a written report of his findings of the investigation by 31 December 2024 unless an extension is negotiated between me and Mr Martin.
18. I will notify the results of the investigation to the Minister and the licensee in accordance with section 24 of the *Casino Act*.

A handwritten signature in black ink, appearing to be 'Fraser W. Stroud', written over a horizontal line.

Fraser W. Stroud

Acting Liquor and Gambling Commissioner

11 June 2024

INVESTIGATION UNDER PART 3 OF THE CASINO ACT 1997 (SA)
TERMS OF REFERENCE

BACKGROUND

1. I, Dini Soulio, Liquor and Gambling Commissioner have various functions set out in section 6 of the *Gambling Administration Act 2019 (SA)* ('**Gambling Administration Act**') including ensuring that an effective and efficient system of supervision is established and maintained over operations undertaken under a gambling Act.
2. When exercising functions and powers under a gambling Act, I must have regard to the following objects of the *Gambling Administration Act*:
 - 2.1. to reduce the prevalence and severity of harm associated with the misuse and abuse of gambling activities; and
 - 2.2. to foster responsible conduct in relation to gambling and, in particular, to ensure that gambling is conducted responsibly, fairly and honestly, with regard to minimising the harm associated with gambling; and
 - 2.3. to facilitate the balanced development and maintenance, in the public interest, of an economically viable and socially responsible gambling industry in the State recognising the positive and negative impacts of gambling on communities; and
 - 2.4. to ensure that gambling is conducted honestly and free from interference, criminal influence and exploitation; and
 - 2.5. to ensure, as far as practicable, that the conduct of gambling is consistent with the expectations and aspirations of the public.
3. The *Casino Act 1997 (SA)* ('**Casino Act**') is a gambling Act for the purposes of the *Gambling Administration Act*.
4. SkyCity Adelaide Pty Ltd (ACN 082 362 061) ('**the licensee**') operates the casino located on North Terrace, Adelaide in the State of South Australia under a casino licence granted pursuant to section 5 of the *Casino Act*.
5. The ultimate holding company of the licensee is SkyCity Entertainment Group Limited (ARBN 098 775 047) ('**SEGL**').
6. Pursuant to section 22(2) of the *Casino Act*, I must keep under review the continued suitability of the licensee and the licensee's close associates, and carry out the investigations I consider necessary for that purpose.

OFFICIAL

DEFINITIONS

7. Terms which are defined in the *Casino Act* or the *Gambling Administration Act* have the same meaning in this document unless the contrary intention appears, except for "proceeding" which, in this document, has the following meaning:

- 7.1. **proceeding** includes any proceeding pursuant to an Act or law whether of a judicial or administrative nature.

SCOPE OF THE INVESTIGATION


8. I consider it necessary to carry out an investigation for the purpose of keeping under review the continued suitability of the licensee and the licensee's close associate, SEGL.
9. Pursuant to section 18 of the *Gambling Administration Act*, I will delegate my powers and functions under sections 22 and 23 of the *Casino Act* to the Honourable Brian Ross Martin AO QC ('**Mr Martin**').
10. Mr Martin in accordance with the appropriate delegation is to investigate the matters set out below:
 - 10.1. Whether the licensee is a suitable person to continue to hold the casino licence under the *Casino Act*.
 - 10.2. If the licensee is not a suitable person to continue to hold the casino licence under the *Casino Act*, what changes, if any, are required for the licensee to become a suitable person to continue to hold the casino licence under the *Casino Act*.
 - 10.3. Whether SEGL is a suitable person to continue to be a close associate of the licensee.
 - 10.4. If SEGL is not a suitable person to continue to be a close associate of the licensee, what changes, if any, are required for SEGL to become a suitable person to continue to be a close associate of the licensee.
 - 10.5. Any matter reasonably incidental to the matters set out in 10.1 to 10.4.
11. Mr Martin may decide not to investigate or not to continue investigating a particular matter to the extent that he is satisfied that the matter has been, is being, or will be, sufficiently and appropriately dealt with by another investigation, inquiry or proceeding.

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RESULTS OF THE INVESTIGATION

12. Mr Martin is to provide me with a written report of his findings of the investigation by 1 February 2023 unless an extension is negotiated between me and Mr Martin.

13. I will notify the results of the investigation to the Minister and the licensee in accordance with section 24 of the *Casino Act*.

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Dini Soulio

Liquor and Gambling Commissioner

27 June 2022

OFFICIAL

INVESTIGATION UNDER PART 3 OF THE *CASINO ACT 1997 (SA)*

EXTENSION OF TIME

BACKGROUND

1. I, Dini Soulio, Liquor and Gambling Commissioner have various functions set out in section 6 of the *Gambling Administration Act 2019 (SA)* (**'Gambling Administration Act'**) including ensuring that an effective and efficient system of supervision is established and maintained over operations undertaken under a gambling Act.
2. The *Casino Act 1997 (SA)* (**'Casino Act'**) is a gambling Act for the purposes of the *Gambling Administration Act*.
3. SkyCity Adelaide Pty Ltd (ACN 082 362 061) (**'the licensee'**) operates the casino located on North Terrace, Adelaide in the State of South Australia under a casino licence granted pursuant to section 5 of the *Casino Act*.
4. The ultimate holding company of the licensee is SkyCity Entertainment Group Limited (ARBN 098 775 047) (**'SEGL'**).
5. Pursuant to section 22(2) of the *Casino Act*, I must keep under review the continued suitability of the licensee and the licensee's close associates, and carry out the investigations I consider necessary for that purpose.
6. On 27 June 2022, I signed the attached Terms of Reference (**'Attachment 1'**) relating to an investigation under Part 3 of the *Casino Act 1997 (SA)* (**'the investigation'**).
7. The Hon. Brian Martin AO KC was appointed to conduct the investigation.
8. Pursuant to clause 12 of the Terms of Reference, Mr Martin is to provide me with a written report of his findings of the investigation by 1 February 2023 unless an extension is negotiated between me and Mr Martin.

EXTENSION OF TIME

9. Following discussions with Mr Martin, I have determined to extend the time for Mr Martin to provide me with a written report of his findings of the investigation to a date to be fixed.
10. I will fix the date following resolution of the proceedings commenced by AUSTRAC in the Federal Court of Australia seeking civil penalty orders against the licensee for alleged serious and systemic non-compliance with Australia's anti-money laundering and counter-terrorism financing laws.

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SUSPENSION OF THE INVESTIGATION

11. I have determined to put the investigation on hold until further notice.

A handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke extending to the right.

Dini Soulio

Liquor and Gambling Commissioner

1 February 2023