




Speech By  
**David Janetzki**

**MEMBER FOR TOOWOOMBA SOUTH**

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### **CASINO CONTROL AND OTHER LEGISLATION AMENDMENT BILL**

 **Mr JANETZKI** (Toowoomba South—LNP) (6.09 pm): This bill can only be properly understood against the backdrop of not just the Gotterson inquiry but the last six years of revelations of casino related misconduct across the nation. I want to cut to the factual basis behind these inquiries that have led us to this bill and these amendments: Crown secretly brought illegal Chinese junket operators and their clients to their casinos, and Star did too. The junket operators found wealthy operators, lent them cash and Australian casinos dealt them into the action.

Risk management and regulatory failings exposed these casinos to the junket operators' well-known criminal links to Asian criminal gangs. These were risks that inevitably were impossible to manage. Star provided customers with China UnionPay facilities that worked around Chinese regulations to facilitate the gambling of \$900 million, deceptively masked as 'hotel expenses'.

From state to state, there has been inquiry after inquiry and, finally, even here in Queensland. It has been appalling to watch. I will make some observations about corporate conduct and responsibility later in my contribution. I note the shadow Attorney-General has made some remarks in relation to directors and senior executives. I want to dig a bit deeper into some of that corporate conduct. The shadow Attorney-General has also provided some of the legislative underpinning of casino regulation here in Queensland. I do not propose to go over that old ground.

What I do want to say is that the regulation of casinos is a serious business. It is not to be taken lightly. Eminent figures have spearheaded investigations across the nation. Inquiries into Crown in Sydney and Melbourne that were headed by Patricia Bergin and Ray Finklestein respectively—not Frankenstein, as the member for Toohey thought—and Adam Bell's inquiry into Star—

**An opposition member:** Frankenstein!

**Mr JANETZKI:** Yes, it was Frankenstein. These inquiries show that the companies were law-breaking enablers. In Queensland it was Mr Gotterson who undertook an inquiry. Gotterson's findings included that 'The Star actively encouraged persons excluded at the direction of Police Commissioners in New South Wales and Victoria to gamble' in Queensland. Mr Gotterson noted—

... a poor corporate culture, a failure of those responsible for the AML/CTF Program to intervene, and a senior management that failed to have in place mechanisms to restrain the actions of a marketing team whose focus was on drawing in business.

He observed that Star was, at worst, deliberately misleading about its use of China UnionPay facilities to disguise gambling withdrawals as accommodation costs.

However, Mr Gotterson's inquiry was severely curtailed in scope, resources and time by the Palaszczuk government and the Attorney-General knows it. By contrast, Adam Bell SC's New South Wales inquiry report ran to 946 papers. The public hearings went for four months. Contrast that with the inquiry that Mr Gotterson undertook in Queensland and we start to appreciate the lack of diligence of the Palaszczuk government in determining the terms of reference and the resources that were given to the inquiry to get the bottom of what OLGR had been doing in Queensland and the scope of the behaviour and misconduct going on in Queensland.

That contrasts very starkly with the inquiry undertaken by Adam Bell in New South Wales. Adam Bell SC found that there had been extremely serious governance, risk management and cultural failures. The actions outlined in the show cause notice there included a fine of up to \$100 million, the cancellation or suspension of Star's licence and requirements forcing Star and its close associates to enter into enforceable undertakings. Mr Bell also found that Star misled banks, breached AML measures, potentially evaded taxes and, of course, facilitated the \$900 million of banned gambling transaction through its China UnionPay facility.

I put it to the House that the Gotterson inquiry found the same things here in Queensland and only drew on issues that had already been ventilated in Adam Bell's inquiry in New South Wales. Star has been found unsuitable to hold a gambling licence here and will shortly be issued with a show cause notice by the government. It will likely face a massive fine that, under amendments to be moved by the Attorney-General during consideration in detail of this bill, will be potentially increased to \$100 million. The amendments will also facilitate the appointment of a special manager to increase supervision and undertake periodic investigations into the suitability of all Queensland casinos.

The amendments to this bill tabled at three o'clock this afternoon comprise 24 amendments across 21 pages—

**Mr Nicholls:** Twenty-seven.

**Mr JANETZKI:** I will take that, shadow Attorney-General—27. I recall back in 2020 when the then attorney-general, the member for Redcliffe, was talking about transparency and the need for consultation, at 9.30 the night before debate on the biggest electoral reforms in Queensland's history the government dropped 229 amendments over 100 pages. Time and again we see attorneys-general in Queensland take this approach. They will talk about consultation and transparency—

**Mr Nicholls:** To racing.

**Mr JANETZKI:** How can we ever forget the racing minister and all the amendments the minister dropped!

**Mr Nicholls:** Changing the voting laws.

**Mr JANETZKI:** One hundred per cent. We had all of those amendments dropped at 9.30 the night before debate. Again, we have seen this Attorney-General drop serious amendments to this bill at three o'clock this afternoon with the promise of more amendments to casino legislation to come.

I note in that respect that we accept the recommendations of the Gotterson inquiry and the bill before the House. I note at paragraph 553 of his report that Mr Gotterson said that Queensland's regulatory model was not called into question during inquiries undertaken into Crown's operations and that he did not consider there to be sufficient justification to change fundamentally the structure of the regulator in this state. Notably, in other jurisdictions—New South Wales and Victoria—they have set up separate and independent new commissions to undertake the regulation of casinos. Mr Crawford is leading the independent commission in New South Wales. In those jurisdictions they saw fit to undertake that additional independent regulation but not here in Queensland. At paragraph 560 of his report Mr Gotterson stated—

... there is a real risk of Governments experiencing a tension between the duty to regulate casinos strictly and the revenue they derive from casinos ...

I would have thought that it would be appropriate for the scope and extent of Mr Gotterson's inquiry to be expanded by the Attorney-General to start to examine some of those tensions that he talks about.

I want to give an example of one of those tensions. Back in April 2017, the then attorney-general, the member for Redcliffe, received hospitality in kind to the value of \$4,000 from Star with a range of previous Labor attorneys-general. The inquiry should have been expanded so that the inquiry could have gone down the path of looking at the tension that Mr Gotterson talked about. Five months later, in September of that year, the then attorney-general was in fact making quite significant—not day-to-day—regulatory decisions in relation to Star that saw additional gaming tables at Star Gold Coast. That was within five months of that hospitality having been given in kind. They were not day-to-day regulatory decisions; they were new rights and new privileges that were granted to Star. I would have thought that decisions like that—not day-to-day regulatory decisions—ought to have been within the remit of Mr Gotterson's inquiry. The scope of this inquiry was always too restricted.

In my remaining time I want to make a brief comment about the corporate conduct that has brought shame to the Australian corporate landscape. I remind those people charged with general counsel responsibilities and AML/CTF compliance responsibilities of their significant duties to not just be in the business but to advise and be careful in their advice to businesses because that is fundamental to the operation of corporate Australia.

*(Time expired)*