

Mark BEECROFT

I, MR MARK DAVID BEECROFT, **Contains**

Contains sensitive information

Contains sensitive Director Strategic Regulation of the Department of Local Government, Sports and Cultural Industries, do say as follows:

1. I am temporarily fulfilling the role of the Chief Casino Officer of the Gaming and Wagering Commission (**GW Commission**).
2. I have been invited to provide a statement to the Perth Casino Royal Commission (**Royal Commission**). This statement has been prepared with the assistance of the solicitors acting for the Department of Local Government, Sport and Cultural Industries (**DLGSC**).

Qualifications and experience (Q1)

3. I am currently employed by the DLGSC as the Director Strategic Regulation and I have held this position since August 2012. I have previously held the positions of Principal Policy Officer from March 2008 to August 2012, Senior Policy Officer from September 2005 to March 2008, and Regulatory and Policy Officer Roles from May 2000 to September 2005.

Mark BEECROFT

4. My qualifications include a Diploma in Public Administration and the Foundations of Leadership Program from the University of WA, Australian Institute of Management and Department of the Premier and Cabinet.
5. My experience includes leading and developing a high performing cohesive team that is able to deliver executive support to six statutory bodies and implement legislative and policy objectives related to the racing, gaming and liquor industries to meet government and community expectations. I have progressed numerous amendments to principal legislation through the Western Australian Parliament across the racing, gaming and liquor portfolio; the most recent being the TAB (Disposal) Bill 2019.
6. I was recently seconded for 18 months to the Department of Treasury over the period February 2019 to June 2020 as part of the State team handling the market process for the sale of the Western Australian TAB.

Mark BEECROFT

7. I also developed the inaugural restricted area regulations (and associated processes) to prohibit the bringing in and consumption of liquor in declared areas throughout the state; in excess of 25 locations have now been declared restricted areas. In addition, I implemented the racing bets levy legislative framework under the *Betting Control Act 1954* (WA), which generates in excess of \$80m per annum in revenue for the racing industry, as well as an approved manager licensing framework under the *Liquor Control Act 1988* (WA).

Role as the Chief Casino Officer (Q2-5)

8. My substantive position is the Director Strategic Regulation on a permanent full time basis. My remuneration for this role is a Level 8.

Mark BEECROFT

9. My primary function as Director Strategic Regulation is to implement the strategic policy objectives of the Government relating to the liquor and gambling industries through legislative change and supporting policy development. A key aspect of this function is providing advice to the Minister and key internal/external stakeholders.
10. I have been temporarily appointed to the role of Chief Casino Officer (CCO) since 12 February 2021 and have held this role for 12 weeks. The Public Sector Commission has approved payment of an allowance to Level 9 until 30 June 2021.
11. The position of the CCO is a statutory office with licensing and administrative functions. The position is not a stand-alone position and has always been allocated to a senior position within the Department, generally the management level below the Chief Executive Officer.
12. Currently the role of the CCO is identified in the job description of the Deputy Director General.

Mark BEECROFT

13. The CCO has mainly licensing and administrative type functions, such as the ability to approve the establishment of a position in a casino, or approving changes to the authorisation rules to casino games, already approved by the GW Commission. The CCO is expected to, and does, attend every meeting of the GW Commission where possible.
14. To better understand the role and responsibilities of the CCO, I created a document (DLG.0001.0001.0004), which extracts detail from the *Casino Control Act 1984 (WA)* (**Casino Control Act**), *Burswood Casino Directions (Directions)*, and *Casino Control (Burswood Island) (Licensing of Employees) Regulations 1985 (WA)* (**Regulations**).
15. As I have only been in this role for approximately 12 weeks, and have limited casino regulation exposure, I am far from being any form of expert on the role of the CCO.

Mark BEECROFT

16. To date, I have only exercised my powers as CCO in relation to licensing and administrative matters to maintain business continuity. I have not settled into performing the functions of the CCO as I have been focused on meeting the requirements of the Royal Commission while also fulfilling my substantive position. My statutory role as CCO has not been my primary focus.
17. Over recent weeks I have been responsible for accessing records to prepare information for responses to the Notice to Produce. That, taken with preparing this statement has led me to the view that I cannot perform all the tasks associated with my substantive position, the activities of the CCO and supporting the requirements of the Royal Commission on an ongoing basis, particularly during the course of the Royal Commission. I have brought this to the attention of the Director General who has made arrangements for me to divest myself of my other responsibilities within the directorate so as to focus on the Royal Commission and the CCO role.
18. As stated above at paragraphs [8] and [10], my level of remuneration is Level 8 for Director Strategic Regulation and Level 9 until 30 June 2021 for temporarily fulfilling the role of the CCO.

Mark BEECROFT

Powers, duties and obligations of the CCO (Q6-7)

19. I was not provided with information in relation to the powers, responsibilities and obligations of the CCO but I broadly understood the regulatory approach adopted before being appointed. I also had knowledge of the findings from the Bergin Inquiry and an understanding from working in this space. I understood the legislative framework such as the Casino Control Act, *Casino (Burswood Island) Agreement Act 1985 (WA)* (**Casino Agreement Act**), *Gaming and Wagering Commission Act 1987 (WA)* (**Gaming and Wagering Act**), and the Regulations and Directions. As indicated at paragraph [14], I extracted detail from the legislative framework to get a better appreciation of the powers, responsibilities and obligations of the CCO.

20. In relation to the Perth Casino, there is the power to issue directions under the Casino Control Act. Under the directions issued by the GW Commission to the casino operator, it must maintain a games manual and operations manual which are approved by the GW Commission. The operations manual contains policies and procedures relating to control points regarding accounting and internal controls. For example, the manual sets out roles and responsibilities relating to gaming revenue collection, cage operations and security and surveillance operations.

Mark BEECROFT

21. However, my understanding is very rudimentary and I acknowledge that I still heavily rely on others to inform me about the performance of my functions.
22. In relation to risks associated with junket operations, money laundering, cash and electronic transactions at the Perth Casino and criminals infiltrating casino operations (**RISKS**), the Bergin Inquiry highlighted that these aspects of casino operations were not managed well (including in Western Australia).
23. With respect to criminals infiltrating casino operations, the licensing framework includes undertaking probity assessments of all employees who are required to be licensed as casino employees or casino key employees. I also understand that under the legislative framework there is a requirement for probity to be undertaken in relation to a person who is a close associate of the casino licensee or who seeks to become the holder of a relevant interest in more than 10 percent of the voting shares of the approved company under the Casino Agreement Act.

Mark BEECROFT

24. On 23 February 2021, the GW Commission issued a Direction to the casino operator prohibiting the casino operator from participating in the conduct of junkets, premium player activity or privileged player activity. The Direction also required the casino operator to obtain the approval of the GW Commission to open and operate bank accounts. An approved bank account must be at an authorised Australian deposit-taking institution.

Discharge of duties, powers and functions of the CCO (Q8-16)

25. In my role as CCO, I have been maintaining business continuity in respect of licencing and administration matters. I have exercised powers only in relation to 30 matters, as outlined below at paragraph [28].
26. My preliminary understanding is that I do not conduct formal risk assessments in relation to the Perth Casino without specific direction from the GW Commission. However, I have only been in this role for 12 weeks, I would not have expected a direction for such a risk assessment nor have I had time to contemplate whether my preliminary understanding is sound.

Mark BEECROFT

27. In discharging the duties of the CCO since February 2021, I have not undertaken any form of risk assessment in relation to the operations of Perth Casino. To date, I have only exercised powers in relation to maintaining the continuity of business regarding licensing matters and amendments to operating procedures and approved rules of authorised games to give effect to earlier approvals of the GWC.
28. Since February 2021, I have only exercised my powers for 30 matters, categorised as follows:
- a. 1 x rule amendment (relating to the Authorised game of Video Bingo);
 - b. 2 x amendments to the Casino Manual (Operations) (relating to the Direction issued by the GW Commission on 23 February 2021 concerning junket/premium/privileged player activity and bank accounts); and
 - c. 27 x licensing related matters (13 identification exemptions, 12 new positions, 2 relating to gaming equipment).

Mark BEECROFT

29. While no risk assessment of casino operations has occurred since my appointment as CCO in February 2021, I am aware that an initial planning/scoping session was held with Riskwest in mid-2020 for the entire Regulatory Services Division – this includes liquor and gambling functions as well as local government functions. With respect to casino operations this centred on revenue and tax verification, integrity of gaming operations, casino ownership and harm minimisation.
30. I understand that no further progress has occurred since the initial draft risk assessment document was prepared by RiskWest as a decision was taken at the time to focus on the local government sector as a Departmental decision.
31. The compliance framework for casino operations is supported by inspection and audit programs. These programs focus on the key control points detailed in the Casino operations manual and are developed by applying risk-based management practices to assist in determining the compliance program.

Mark BEECROFT

32. In my substantive position, I have had no need to form an opinion in relation to the effectiveness of current licensing, audit and inspection requirements imposed by the GW Commission in respect of the Perth Casino and RISKS. I have not been in the role of the CCO for sufficient time to confidently form a view on this question.
33. I have not had any interaction with regulators of casinos in other Australian states in respect to authorising the provision of information pursuant to section 13 of the Casino Control Act.
34. The current delegation of powers or duties to me by the GW Commission pursuant to s 16 of the Casino Control Act are those listed in the Instrument of Delegation dated 17 June 2017 (GWC.0001.0007.0176).
35. I have not delegated performance of my powers, functions or duties as CCO, nor am I aware of any delegations made prior to my appointment as CCO that are still in force.

Mark BEECROFT

36. There have not been any occasions to date where I have, or was requested to, exercise my power to exempt persons from their obligations under s 25(1) of the Casino Control Act.
37. I have not ever been obstructed from performing my duties or exercising my powers as CCO.

Relationship with the Gaming and Wagering Commission (Q17-19)

38. While the CCO does not provide administrative support to the GW Commission, my team under my substantive role as Director Strategic Regulation provides administrative support or services to the GW Commission, including taking minutes, drafting the monthly meeting agenda and communicating outcomes to internal stakeholders. In my limited term of appointment to this position, I have attended meetings of the GW Commission. However, to date, I have not been required to provide a report to the GW Commission regarding the regulation and oversight of the Perth Casino. I will be working my way through what the responsibilities of the CCO are, and what the CCO needs to be providing to the GW Commission on his own motion.

Mark BEECROFT

39. I have not been in a position to identify any of the RISKS described in the witness summons. However, the GW Commission did with respect to junkets operations and bank accounts. In response the Department submitted a paper to approve an amendment to Directions to cease junket/premium player/privileged player operations and for the casino operator to seek approval from the GW Commission to establish bank accounts (DLG.0001.0001.0005). One of my officers prepared the paper which I counter signed as Director (not as the CCO). In determining the information to include, the content was responsive to the GW Commission request, and amending instrument was reviewed to ensure it was consistent with the terms of the Casino Control Act.
40. I have not provided any information or recommendations to the GW Commission regarding changes to licensing, audit or inspection requirements imposed by the GW Commission. I only counter signed the paper referred to above at paragraph [39], but that was not necessarily a change to a licensing order, but rather the general operation in relation to junkets/premium player/privileged player operations and bank accounts.

Conflicts of Interest (Q20-23)

Mark BEECROFT

41. I have been employed by the public sector for 38 years and I am familiar with conflicts of interest and how to deal with them.
42. As an employee of the DLGSC, I am bound by the DLGSC's Code of Conduct, including that portion which regulates conflicts of interest. I am also cognisant of the GW Commission's Code of Conduct, encapsulating the management of conflicts of interest, that applies to members of the GW Commission. The Casino Control Act, prevents the CCO or a member of the GW Commission from participating in gaming at the casino. Even if you were not a member of the GW Commission, or an authorised officer, I believe that the old Department of Racing, Gaming and Liquor Code of Conduct required you to inform the "on site" inspectorate if you were going to go to be on the casino premises.
43. In July 2014 I was appointed as Secretary of the Fremantle District Cricket Club (a position I still hold). At the time, in accordance with the Department's Code of Conduct I declared my role to the then Director General, Mr Barry Sargeant, firstly as I was undertaking a voluntary employment and secondly as there could be a perceived conflict of interest due to the club holding a liquor licence.

Mark BEECROFT

44. In formalising my appointment as the CCO, the GW Commission at its meeting of 16 February 2021, supported the appointment subject to the Chairman being formally advised that I had no formal public interest disclosures to make. On 18 February 2021, I advised the Chairman that I have no conflicts of interest that will impact on me discharging the responsibilities of the CCO – this was noted by the GW Commission at its meeting of 23 February 2021.
45. I was aware of the conflicts policy prior to my appointment as CCO.
46. My team provides executive support to the GW Commission and recently refined the conflicts of interest policy relevant to the GW Commission to have conflicts of interest recorded in a register as opposed to being recorded solely in the minutes of meetings (see the previous and current conflicts of interest policy at GWC.0001.0011.0003 and GWC.0001.0011.0002). The conflicts of interest register is always available at GW Commission meetings. The amendments to the policy were adopted by the GW Commission at its March 2021 meeting.

Mark BEECROFT

47.

I declare that this statement is true and correct to the best of my knowledge and belief and that I have made this statement knowing that if it is tendered in evidence I will be guilty of a crime if I have wilfully included in this statement anything which I know to be false or that I do not believe is true.

Contains sensitive information

Signed

Witnessed at

Contains sensitive information

On 6/5/21 at 1345 Hrs.

By

Contains sensitive information