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PERTH CASINO ROYAL COMMISSION

PUBLIC HEARING - DAY 10

10.00 AM MONDAY, 24 MAY 2021

COMMISSIONER N J OWEN

COMMISSIONER C F JENKINS

COMMISSIONER C MURPHY

HEARING ROOM 3

MR ADAM SHARPE and MR DAVID LEIGH and MR NICK WERNER and MS MELISSA SETTINERI as Counsel Assisting the Perth Casino Royal Commission

MR NICK MALONE as Counsel for Mr Michael Christopher Connolly

MR PAUL D EVANS and MR PETER SADLER appeared for Gaming and Wagering Commission of Western Australia

MS FIONA SEAWARD and MR JOSHUA BERSON appeared for The Department of Local Government, Sport and Cultural Industries

MR KANAGA DHARMANANDA SC and MR TIM RUSSELL and MS MIRANDA CUMMINGS and MR RICHARD LILLY appeared for Crown Resorts Ltd; Burswood Limited; Burswood Nominees Limited; Burswood Resort (Management) Limited; Crown Sydney Gaming Pty Ltd; Southbank Investments Pty Ltd; Riverbank Investments Pty Ltd and Crown Melbourne Limited

10:01AM

COMMISSIONER OWEN: Please be seated. I think we have Mr Halge. Mr Halge, would you state your full name for the record, please?

5 MR HALGE: David Ian Halge.

COMMISSIONER OWEN: Thank you, and do you wish to affirm or swear an oath?

10 MR HALGE: Swear an oath.

DAVID IAN HALGE, SWORN

15 **EXAMINATION-IN-CHIEF BY MS SEAWARD**

COMMISSIONER OWEN: Yes, Ms Seaward.

20 MS SEAWARD: Thank you. Mr Halge, you are now retired, is that correct?

MR HALGE: I am, yes.

25 MS SEAWARD: Previously you worked at what was then the Department of Racing and Gaming?

MR HALGE: Yes.

30 MS SEAWARD: You received a witness summons to appear before this Royal Commission? MR HALGE: I did.

MS SEAWARD: And you received a list of questions attached to that summons?

35 MR HALGE: I did. Yes.

MS SEAWARD: And you prepared some answers to those questions?

MR HALGE: Yes.

40 MS SEAWARD: If you could just look in front of you, you should have a piece of paper there?

MR HALGE: Yes.

45 MS SEAWARD: Could you have a look at that? Is that a document of three pages; that is your answers to the questions you were asked?

10:02AM

MR HALGE: It is, yes.

MS SEAWARD: And are there any errors you wish to correct in that document?

5

MR HALGE: No.

MS SEAWARD: And do you state that the answers contained in that document are true and correct to the best of your knowledge and belief?

10

MR HALGE: They are.

MS SEAWARD: I tender this statement which is number WIT.0004.0001.0001.

15 COMMISSIONER OWEN: Does it have a date?

MS SEAWARD: No, I don't believe it has a date. Mr Halge, do you remember when you sent it in?

20 MR HALGE: I sent it in on 12 May.

MS SEAWARD: I sent to the Commission on 12 May.

25 **EXHIBIT #WIT.0004.0001.0001 - STATEMENT OF DAVID IAN HALGE, UNDATED**

COMMISSIONER OWEN: Now, Mr Sharpe.

30

CROSS-EXAMINATION BY MR SHARPE

35 MR SHARPE: Mr Halge, you started your working life as a teacher?

MR HALGE: I did, yes.

MR SHARPE: And in 1970 you joined the West Australian Public Service?

40

MR HALGE: Yes.

MR SHARPE: From 1970 to 1984 you worked in various roles including with the Police Department, Bureau of Consumer Affairs, the Public Service Board and the Department of Occupational Health, Welfare and Safety ; is that correct?

45

MR HALGE: That's right.

10:04AM

MR SHARPE: Then 1985 you joined the Department of Racing and Gaming?

MR HALGE: Yes.

5

MR SHARPE: And your first role at the Department of Racing and Gaming was as the Director of Corporate Services?

MR HALGE: That's right.

10

MR SHARPE: And in 1987 you were promoted to the Director of Gaming position?

MR HALGE: That's right.

15

MR SHARPE: You were the Director of Gaming until 1997?

MR HALGE: Yes.

20

MR SHARPE: And as Director of Gaming, your role concerned the licensing and supervision of gaming in the community such as bingo, lotteries and so on, is that correct?

MR HALGE: And gaming, gaming functions.

25

MR SHARPE: What kind of gaming functions?

MR HALGE: We'd issue permits to people to conduct things like crown and anchor, and those sort of games, for the purpose of fundraising.

30

MR SHARPE: What was the name of the game, sorry?

MR HALGE: Crown and anchor.

MR SHARPE: What does crown and anchor involve?

35

MR HALGE: It's a game. I haven't played it myself, but there were a number of games that were approved by the Commission for conduct outside the casino.

40

MR SHARPE: And so during that time and in that role your responsibilities did not include regulation of the casino or casino gaming?

MR HALGE: That's right.

45

MR SHARPE: And is it correct that during that time the regulations for casino and casino gaming was performed by the officers of the Casino Control Division of the Department?

MR HALGE: That's right.

10:05AM

MR SHARPE: In your witness statement, at the foot of page 1 you say that "During the period 1987 to 1997 I also acted in the Positions of Director of Liquor Licensing and Director of the Casino Control Division"; is that correct?

5

MR HALGE: That's right.

MR SHARPE: When you say that you act in those, you mean that you were appointed as an acting director of Liquor Licensing or an acting director of the Casino Control Division, is that right?

10

MR HALGE: That's right.

MR SHARPE: You were appointed in those roles for time to time, not for the whole 10-year period?

15

MR HALGE: Not for the whole 10-year period.

MR SHARPE: Over that 10-year period, how much time did you spend in the role of Acting Director of the Casino Control Division?

20

MR HALGE: Approximately three months.

MR SHARPE: And in your witness statement you say that in 1997, the Gaming Division and the Casino Control Division were amalgamated; is that right?

25

MR HALGE: That's right.

MR SHARPE: And was that amalgamated division, the amalgamation of the Gaming Division and the Casino Control Division, was that called the Operations Division?

30

MR HALGE: It was.

MR SHARPE: And were any other divisions amalgamated into the Operations Division apart from the Gaming Division and Casino Control Division? For example, was liquor ---

35

MR HALGE: No, Liquor Licensing Division wasn't amalgamated, however, the inspectorate and the licensing functions of the liquor licensing area came under the Operations Division.

40

MR SHARPE: And so then in 1997 you were appointed as the director of the Operations Division?

45

MR HALGE: That's right.

10:07AM

MR SHARPE: And you were the first director of the new Operations Division?

MR HALGE: I was.

5

MR SHARPE: And so your responsibilities as director of the Operations Division covered licensing and regulation of all liquor outlets, licensing and regulation of all gaming in the community and licensing and regulation of casino gaming at Burswood and Crown Casino, is that right?

10

MR HALGE: That's right.

MR SHARPE: And then in 2007 you retired while still in the position of Director of Operations Division?

15

MR HALGE: Yes.

MR SHARPE: And in 1997 you were appointed to the role of the Chief Casino Officer?

20

MR HALGE: Yes.

MR SHARPE: And you continued in that role until you retired in 2007?

25

MR HALGE: That's right.

MR SHARPE: And did you apply for the role of Chief Casino Officer, or was it something that was conferred upon you?

30

MR HALGE: No, I applied for the role of Director of Operations and having been appointed Director of Operations, I was appointed the Chief Casino Officer.

MR SHARPE: And who appointed you?

35

MR HALGE: The chairman of the Commission.

MR SHARPE: And the chairman of the Commission, am I correct, was also the head of the department?

40

MR HALGE: He was, yes.

MR SHARPE: And are you aware whether the Gaming Commission, as it was at that time, was given a choice of candidates for the role of Chief Casino Officer, or are you aware that you were simply appointed?

45

MR HALGE: I was simply appointed.

MR SHARPE: And when the Gaming Commission became the Gaming and

10:08AM

Wagering Commission, did you automatically continue on in the role of Chief Casino Officer, or was there a further appointment process at that time?

5 MR HALGE: I believe I just continued on with the role.

MR SHARPE: And I'll just now pull up a document, PUB.0008.0005.0001 which is a Government gazette dated 22 April 1997 and could we please turn to page 14? I'll just ask you to look at the screen in front of you. So this is at page 2062 of the
10 gazette and it's a notice which is headed "Gaming Commission (appointment of deputy chairman) notice 1997" and can you confirm that this is a notice of your appointment as the deputy chairman of the Gaming Commission?

MR HALGE: It is, yes.
15

MR SHARPE: So when you were in your role of Director of Operations, you were also the Chief Casino Officer and you were also the Deputy Chairperson of the Gaming Commission, is that correct?

20 MR HALGE: That's right.

MR SHARPE: Mr Chairperson, I tender PUB.0008.0005.0014, being the West Australian Government Gazette dated 22 April 1997.

25 **EXHIBIT #PUB.0008.0005.0001 - WEST AUSTRALIAN GOVERNMENT GAZETTE DATED 22 APRIL 1997**

30 MR SHARPE: In respect of that role as deputy chairperson, was that a role that you applied for or you were appointed to?

MR HALGE: I was appointed to.

35 MR SHARPE: Who appointed you to that role?

MR HALGE: Well, I thought it was the chairman, but this indicates that it went to the Minister as well.

40 MR SHARPE: And when the Gaming Commission became the Gaming and Wagering Commission, did you become the deputy chairperson of the Gaming and Wagering Commission?

MR HALGE: Yes, that's right.
45

MR SHARPE: And once again, is that a role that you applied for or is that ---

MR HALGE: No. No, I didn't apply for it. It was just given to me.

MR SHARPE: And as the deputy chairperson, what were your roles and responsibilities or duties?

5 MR HALGE: Essentially, when the chairman was absent and on a couple of occasions, I chaired the Gaming Commission or Gaming and Wagering Commission. Those were the only times that I acted as the deputy chairman of the Commission.

MR SHARPE: So then turning back to the Chief Casino Officer role, at the time
10 you were appointed as Chief Casino Officer to the Gaming Commission, as it was at the time in 1997, the Gaming Commission had responsibilities for both casino gaming and community gaming, is that right?

MR HALGE: Yes, it did.
15

MR SHARPE: And did you understand that when you were in the role of Chief Casino Officer, you were limited to assisting the Commission in respect of casino gaming and not responsible for assisting them in respect of community gaming?

20 MR HALGE: I was responsible as Chief Casino Officer, yes, simply connected with the casino gaming. But in my other role as director of operations, I was responsible for gaming outside the casino.

MR SHARPE: And so in respect of community gaming ---
25

MR HALGE: Yes.

MR SHARPE: --- gaming outside of the casino, you were providing assistance to the Gaming Commission in your capacity as the director of the Operations Division,
30 is that right?

MR HALGE: That's right.

MR SHARPE: And then when the Gaming and Wagering Commission came into
35 existence, it then had responsibilities across casino gaming, community gaming and wagering; is that your understanding?

MR HALGE: Yes, that's right, yes.

40 MR SHARPE: And then in your role as Chief Casino Officer, were you still only assisting the Commission in respect of casino gaming?

MR HALGE: No, both casino gaming as well as community gaming.

45 MR SHARPE: But in respect of your role ---

MR HALGE: Of chief casino. Yes, simply casino gaming.

10:13AM

MR SHARPE: In respect of your role as director of Operations Division, you continued to assist the Gaming and Wagering Commission in respect of community gaming?

5

MR HALGE: That's right.

MR SHARPE: And did you have any role to assist the Commission in respect of wagering?

10

MR HALGE: No, I didn't.

MR SHARPE: When you were appointed as the Chief Casino Officer in 1997, what experience did you have in respect of regulation and oversight of casinos and casino gaming? I know we've referred to your three months acting, so that might be one aspect, but what was the extent of your experience in regulation outside of casinos?

15

MR HALGE: I hadn't, I had no experience as such. However, I sat on the Gaming and Wagering Commission from 1987 through to 1997 as Director of Gaming, as distinct from Chief Casino Officer, and the information that came through the Commission during those 10 years, I was there to listen to all the information and so I picked up a lot of information regarding the regulation of the casino.

20

MR SHARPE: So you would regularly attend the meetings?

25

MR HALGE: I attended all the meetings.

MR SHARPE: And you attended the full meetings?

30

MR HALGE: The full meetings, that's right.

MR SHARPE: And when you were appointed as the Chief Casino Officer, were you given any formal training at that point about regulation of casinos or casino gaming?

35

MR HALGE: No formal training.

MR SHARPE: And I was going to ask you, how did you learn to perform the role, I think you probably answered that in part, but is there anything else that you'd like to add other than having attended the meetings over those 10 years?

40

MR HALGE: No, nothing more to add.

MR SHARPE: When you were the Chief Casino Officer and Director of Operations, were you working on a full-time basis?

45

MR HALGE: Yes, I was.

MR SHARPE: And what proportion of your time was taken up by your duties as the Chief Casino Officer?

5 MR HALGE: I cannot allocate any particular proportion, it depended on the work that came across the desk. On occasions, I'd put in perhaps 70% of my time in relation to casino matters, and on other occasions probably just 10% of my time.

MR SHARPE: On the question of remuneration, were you separately remunerated
10 for your Director of Operations and Chief Casino Officer roles?

MR HALGE: No, it came as a package.

MR SHARPE: And so were you remunerated in respect of your Director of
15 Operations position and then required to perform the Chief Casino Officer roles; is that how it operated?

MR HALGE: That's right, yes.

MR SHARPE: And when you were the Chief Casino Officer, what do you
20 understand the role and responsibilities of the Chief Casino Officer to be?

MR HALGE: Essentially, the regulation of the casino and casino gaming.

MR SHARPE: And what did you understand your responsibilities in respect of
25 assisting the Gaming and Wagering Commission to be?

MR HALGE: To put up papers to the Gaming and Wagering Commission, or the
30 Gaming Commission, and to make recommendations relating to the regulation of the casino.

MR SHARPE: And at paragraph 7 of your witness statement you say that:

35 *As executive officer to the Gaming and Wagering Commission it was my responsibility to write and/or vet all submissions to the Commission and attend all Commission meetings. Consequently I was aware of all decisions of the Commission in relation to the Casino.*

40 Just to clarify, when you were responsible to "write and/or vet all submissions to the Commission", was that only in respect of casino matters or was that in respect of casino matters and community gaming, or broader than that?

MR HALGE: Prior to me being appointed the Chief Casino Officer, it just related to
45 community, but after that, it related to both community as well as casino gaming.

MR SHARPE: But you weren't --- well, were you putting up the submissions to the Commission in respect of wagering matters?

10:18AM

MR HALGE: No, I wasn't.

5 MR SHARPE: Who was responsible for setting the Commission's agenda for the next meeting?

10 MR HALGE: I was, I was responsible, because all the submissions to the Commission came through me and I would determine what went up and what didn't go up.

MR SHARPE: And did Commissioners regularly request that agenda items be added to the Commission's agenda?

15 MR HALGE: Not that I can recall, but on occasions where they were not in a position to make a decision, they would ask for that to be brought back with additional information.

20 MR SHARPE: And did all of the deliberations of the Commission take place at Commission meetings, or were you aware of discussions that would happen outside of Commission meetings?

MR HALGE: All at the Commission meetings.

25 MR SHARPE: And did you have any regular contact with the Commission members outside of Commission meetings?

MR HALGE: No, I did not.

30 MR SHARPE: Did you have any contact at all, or was it really just confined to the ---

MR HALGE: All just confined to the Commission meetings.

35 MR SHARPE: So what I'm intending to do now is to go through some of the different matters that came before the Commission while you were the Chief Casino Officer and I'm going to do that by reference to the 2005 to 2006 annual report of the Department of Racing, Gaming and Liquor, and I understand that would have been the last complete financial year that you were the Chief Casino Officer, is that right?

40 MR HALGE: That's right.

45 MR SHARPE: In your witness statement at paragraph 17, you make reference to submissions emanating from the casino relating to new games or gaming machines that they wished to introduce at the casino, and I'll just call up a document. Can we call up PUB.0008.0004.0661? So this is the annual report. Could we please go to page 0665? That's not the page I intended to take you to, but I'll ask you just generally about based on the witness statement. Your reference to "new games",

does that intend to refer to new table games at the casino?

MR HALGE: It relates to both table games as well as gaming machines.

5

MR SHARPE: You've indicated that there were submissions relating to new games and gaming machines.

MR HALGE: Yes.

10

MR SHARPE: And what would be the process for the Gaming and Wagering Commission to assess whether to approve a submission in respect of, for example, a new game?

15

MR HALGE: The game would be presented to us. We would, or I would pass that information onto a specific officer in the department, who would be able to --- who worked out the odds, et cetera, and having done that, he'd put up a submission through me to the Commission. That would go to the Commission. The officer would, with myself, attend the Commission meeting, explain it to the Commission and the Commission then would make a decision. On occasions, people from the casino were asked to attend. They would, and they would provide input and on that basis, the Commission would either make a decision, basically.

20

MR SHARPE: And did the Commission generally approve applications for the new table games?

25

MR HALGE: Yes, if it worked out that the odds were correct, they would.

MR SHARPE: And when you say "the odds were correct", what do you mean by that?

30

MR HALGE: Well, the percentages that went out to the customers. Now, that related more to gaming machines rather than to table games.

MR SHARPE: And so then we can turn to the question of new gaming machines. What was the process for considering a submission that a new gaming machine ---

35

MR HALGE: Exactly the same as for table games, as I've explained.

MR SHARPE: And the other matter that I wish to take you to in the annual report, but I will just simply put it to you, is that sometimes rule variations were put for approval and what was the process for approving a rule variation to the existing --- sorry, the first thing I wish to ask is: were the rule variations only in respect of table games, or were rule variations also significant in respect of gaming machines?

40

MR HALGE: Mainly in relation to table games.

MR SHARPE: And what was the process for assessing whether a rule variation to

table games should be submitted?

MR HALGE: Well, again, the submission would go to our chief inspector. I think
5 he was called the Manager of Inspections, and he would discuss it with the inspectors
and he would put up a report through me, which would go to the Commission.

MR SHARPE: Could we please turn up page 0678? Now, I'm going to ask you
10 about the casino refurbishment. I might just give you a moment to read that. Is that
large enough, or would you like that enlarged?

MR HALGE: No, that's fine.

MR SHARPE: Can we then scroll down to show the second half of that? So,
15 essentially, what we see in those paragraphs which are currently on the screen, the
fourth, fifth and sixth paragraphs of that entry is a proposal from the casino licensee
to establish a new international gaming facility and then to refurbish the main floor
and that the net effect of that, set out in the fifth paragraph, that there would be an
20 increase of 30% in the casino's total licensed gaming area and that it's noted in the
final paragraph that "It is expected that the Gaming and Wagering Commission will
finalise consideration of the application early in the next reporting year." What was
the process that the Gaming and Wagering Commission went through to assess
whether to approve the establishment of the new facility and the refurbishment of the
gaming ---

25 MR HALGE: Once again, it would go to the inspectors and mainly the Manager of
Inspections. They would do whatever checks they needed to do to establish where
the main gaming floor was, how large the main gaming floor was going to be, and
also the International Room which was moved from the old casino to the hotel and
30 that then went up through me to the Commission for approval.

MR SHARPE: And do you recall if the application was ultimately approved?

MR HALGE: I believe it was, yes.
35

MR SHARPE: Just going to call up another document now. Can we call up ---
sorry, I will come back to this document, but it might be convenient to tender it now.
The annual report of the Department of Racing, Gaming and Liquor 2005 to 2006.

40 COMMISSIONER OWEN: The annual report of the Department of Racing, Gaming
and Liquor for the year of 2005 to 2006 bearing the identifier PUB.0008.0004.0061
is admitted into evidence as an exhibit.

45 **EXHIBIT #PUB.0008.0004.0061 - THE ANNUAL REPORT OF THE
DEPARTMENT OF RACING, GAMING AND LIQUOR FOR YEAR 2005 TO
2006**

MR SHARPE: I call up PUB.0004.0005.0107. This is the Gaming and Wagering
Commission Act in its current form and the reason I'm taking you to this is I want to
ask you some questions about delegations. I'm just going to take you to the
5 delegation provision. The delegation provision that's now on the screen. That's for
the benefit of the transcript is page 137. So you'll see at subsection (1) there is a
power for the Commission to delegate all or any of its powers except the power of
delegation to a member or a committee of the Commission; the Chief Casino Officer,
or a government inspector, and in accordance with section 59(1)(d) of the
10 Interpretation Act. I won't take you to the section of the Interpretation Act, but what
it provides is that a delegation can be made to a specified person, or to persons of a
specified class or may be made to the holder or holders for the time being of a
specified office or class of office. That explains the scope and the manner of the
delegation.

15

MR HALGE: Right.

MR SHARPE: Now at paragraph 13, you state that:

20 *The Commission delegated its powers to me as the CCO pursuant to the G&W
Act.*

MR HALGE: Yes.

25 MR SHARPE: I take it that would have been a delegation under that section?

MR HALGE: That's right, yes.

MR SHARPE: Were you delegated some or all of the Commission's powers in your
30 capacity as the Chief Casino Officer?

MR HALGE: I believe I was delegated all, all of the powers.

MR SHARPE: And was there a separate delegation to you in your capacity as the
35 director of Operations Division?

MR HALGE: No, there wasn't.

MR SHARPE: And was there a separate delegation to you in your personal
40 capacity, to you personally?

MR HALGE: I don't understand.

MR SHARPE: To you, in your name, not in your capacity as the Chief Casino
45 Officer, but in your name?

MR HALGE: In my name. In my name as Chief Casino Officer.

MR SHARPE: I'm also going to ask you about the delegation to the chairperson, so can we call up GWC.0002.0016.0082 at page 203, just go straight to that page. This is a delegation dated 2 February 2004 and the delegation provides that the Gaming and Wagering Commission delegates to the chairman all of its powers conferred by the Betting Control Act, the Casino Control Act and the Gaming and Wagering Commission Act, other than the power of delegation. Do you understand this to be a general delegation of all of the powers of the GWC to the chairman?

MR HALGE: Yes.

MR SHARPE: It might be convenient at this point just to tender that page. GWC.0002.0016.0082_0203.

15

EXHIBIT #GWC.0002.0016.0082_0203 - DELEGATION DATED 2 FEBRUARY 2004

MR SHARPE: The question I'd like to ask you about in respect of this general delegation, the delegation that was made to yourself, is what was the intention in making these delegations? What was the purpose of making these delegations?

MR HALGE: I guess this was to enable people on a daily basis to undertake whatever duties they needed to undertake to --- so that they could make decisions for the regulation, the proper regulation and the efficient regulation of the casino, so that the casino --- the Burswood or Crown --- didn't have to wait for the next Commission meeting which was in a month's time to put up a submission.

MR SHARPE: And when these delegations were made, was it understood that the Commission still could exercise its own powers and so that the powers were concurrently able to be exercised ---

MR HALGE: Yes.

35

MR SHARPE: --- rather than an exclusive delegation?

MR HALGE: Yes, concurrently.

MR SHARPE: And was there an understanding about which powers could be exercised by the delegates, or was it understood that any of the powers that had been ---

MR HALGE: Any of the powers.

45

MR SHARPE: Was there any requirement for some form of pre-approval or some

indication from the Commission before the powers were exercised?

MR HALGE: No.

5

MR SHARPE: And was there requirement to report back to the Commission on the exercise of delegated powers?

MR HALGE: That would certainly be the case, yes.

10

MR SHARPE: And was ever an occasion or more than one occasion when the Commission disagreed with how delegated power had been exercised?

MR HALGE: Not that I'm aware of.

15

MR SHARPE: And if there was a disagreement, how would it have been resolved?

MR HALGE: Well, the Commission would --- it went to the Commission, the Commission would overrule the decision made by the inspector or myself, and that would be conveyed to the casino.

20

MR SHARPE: Can I please call up PUB.0004.0005.0001? So this is the *Casino Control Act* and we've gone straight to page 45, which is section 25. This is a section dealing with records and I'll let you read that to yourself. That's a provision about storage of books. And can we have page 46 and show subsection (2) of section 25? And then I'll let you read subsection (2). This is a power which is conferred on the Chief Casino Officer directly, not by delegation; do you agree with that?

25

MR HALGE: Yes.

30

MR SHARPE: And can I call up GWC.0002.0011.0001 please? Can we go to page 3? This is a letter to you from the General Manager of Legal Services at Burswood International Resort Casino. It's to you in your capacity as, it says "Director of Operations", but presumably it's Chief Casino Officer as well. It's dated 29 March 2004 and it sets out a request in respect of storage of records for the purpose of section 25. Have you had the opportunity to ---

35

MR HALGE: Yes, I have.

MR SHARPE: You'll see it's a request regarding off-site storage?

40

MR HALGE: Yes.

MR SHARPE: Can we please go back to page 1 of that document? This is a letter from you in your capacity as Chief Casino Officer ---

45

MR HALGE: Yes.

10:38AM

MR SHARPE: --- to the General Manager, Legal Services, and in that letter you confirm your approval of the storage arrangements outlined in his letter, is that correct?

5

MR HALGE: Yes.

MR SHARPE: And how would you have reported this back to the GWC? Sorry, the question is; would you have reported this back to the GWC?

10

MR HALGE: I may have. I can't recall.

MR SHARPE: And would you have received any guidance from the GWC about the exercise of the power about offsite storage?

15

MR HALGE: No, I wouldn't have received any guidance.

MR SHARPE: So this is a matter you decided in your own ---

20

MR HALGE: That's right, yes.

MR SHARPE: Mr Commissioner, I tender GWC.0002.0011.0001.

25 **EXHIBIT #GWC.0002.0011.0001 - DEPARTMENT OF RACING, GAMING & LIQUOR LETTER**

30 COMMISSIONER JENKINS: What's on the other page you showed him on page 2?

MR SHARPE: It's blank. Can we go to page 2? There's also a fourth page, for completeness. Can we please scroll through to the end of the document? I inferred that it was double-sided and that's how it was copied.

35

COMMISSIONER JENKINS: Thank you.

40 MR SHARPE: Turning to the question of the services provided by the Department to the Gaming and Wagering Commission, we'll again go back to the annual report, so call up PUB.0008.0004.0686. Can we pop out the paragraph immediately under the table? I'll just let you read that for a moment, Mr Halge.

MR HALGE: Yes.

45 MR SHARPE: The questions that I have in respect of that paragraph is, firstly, while you were the Chief Casino Officer, was it the case that during that whole time, the GWC did not employ its own staff, but used the Departmental staff to provide licensing, inspectorial and executive support?

10:41AM

MR HALGE: Yes, that's right.

MR SHARPE: And did the GWC use any other agencies other than the Department
5 of Racing, Gaming and Liquor to provide support?

MR HALGE: Not that I can recall.

MR SHARPE: Was there any support provided by the WA Police directly to the
10 Commission?

MR HALGE: Yes, it was, early in the piece, mostly the Casino Control Committee
and the Gaming and --- Act, the Gaming Commission, rather, the Department
subsidised I think one, the salary of one police officer, to make enquiries into junket
15 operations, criminal activities, criminals, et cetera, et cetera.

MR SHARPE: And did that not continue through the time that you were ---

MR HALGE: It probably continued for the initial part of my term as Chief Casino
20 Officer, but I believe that was discontinued around about '98, '99 thereabouts.

MR SHARPE: And just one other point to just ask you to note in this paragraph, is
that there's a reference to a "cost recovery arrangement".

25 MR HALGE: Yes.

MR SHARPE: If I can take you to another paragraph to then discuss that further,
and ask you further questions about that. Can we please go to page 734 and pop out
the second bullet point under heading --- paragraph under heading 1, can you pop
30 that out starting with the sentence --- yes, that's right. I'll just let you read that, Mr
Halge.

MR HALGE: Yes.

35 MR SHARPE: And during the time that you were the Chief Casino Officer, was it
the practice throughout that period for the Department to provide services to the
Gaming Commission and then the Gaming and Wagering Commission on a full cost
recovery basis?

40 MR HALGE: Yes.

MR SHARPE: I'll then turn to another document. I'll call up PUB.0004.0005.0107.
We've gone back to the Gaming and Wagering Commission Act. Please go to page
139, and I'll just ask, can we pop out section 18(1)? I'll just let you read that, Mr
45 Halge.

MR HALGE: Yes.

MR SHARPE: So this section refers to the Commission may by arrangement, making use of the services of an officer or employee in the Public Service; or in a State agency or instrumentality; or otherwise in the service of the Crown in right of
5 the State. During your time as the Chief Casino Officer, was there an arrangement of the kind referred to in section 18 between the Gaming Commission, the GWC, and the Department for the purposes of that section?

MR HALGE: And "the Department", you mean the Department of Racing and
10 Gaming?

MR SHARPE: Yes.

MR HALGE: Well, they made use of the full-time --- the employees of the
15 Department in relation to the licensing arrangements with the casino, as well as inspectorial arrangements with the casino.

MR SHARPE: So you're not aware of any formal arrangement, but there was, in
20 practice, an arrangement; is that your understanding?

MR HALGE: Yes.

MR SHARPE: We'll then return to the annual report. Please call up
25 PUB.0008.0004.0686. Can we turn to page 690? Can we just enlarge that a little? I'll just ask you to read that through to the third bullet point and then I'll ask you some questions . So then taking that point by point, the first paragraph refers to the Department receiving, processing and determining applications in accordance with the legislation it administers under delegation. Is that a reference there to the delegations that have been made by the Gaming and Wagering Commission through
30 to you as Chief Casino Officer and to the chairperson, or is it broader than that?

MR HALGE: I think it's delegations under the Casino Control Act ---

MR SHARPE: Yes.
35

MR HALGE: --- both to the chairman as well as to the Chief Casino Officer.

MR SHARPE: And then turning to the first bullet point, which is under the heading
40 "Additional services offered include", there's a reference there to "executive support to the Gaming and Wagering Commission of Western Australia", is that intending to refer to the executive support by way of preparation of meeting agendas and attendance at meetings?

MR HALGE: Yes, it does.
45

MR SHARPE: And is it any broader than that?

MR HALGE: No, I don't believe so.

10:49AM

MR SHARPE: The second bullet point refers to the Gaming Community Trust. Are you aware of that trust?

5 MR HALGE: I was aware of it, but I had nothing to do with it.

MR SHARPE: Can you explain what the nature of that trust was, what it did?

MR HALGE: No, I had nothing to do with it. I wouldn't have a clue.

10

MR SHARPE: And in the third bullet point there's a reference to "executive support to the Problem Gambling Support Services Committee", are you familiar with that?

MR HALGE: Again, I'm aware of it, but I had no --- nothing to do with it.

15

MR SHARPE: Can we turn then to page 710. So this is headed "Service 2: Compliance Audits and Inspections", and it refers to providing a range of inspectorial and audit functions of casino and community gaming, liquor licensing and the betting industries; do you see that?

20

MR HALGE: Yes.

MR SHARPE: In respect of inspectorial functions for the casino, can you explain to the Commission what those inspectorial functions were?

25

MR HALGE: Well, we had inspectors at the casino itself and it was their job to ensure that the gaming was conducted according to the rules, and they would do that through monitors, through the cameras. And they would also walk around the floor and do whatever they needed to do to ensure that gaming was conducted correctly and properly and in accordance with the rules.

30

MR SHARPE: You've referred to "monitors and cameras", where were the monitors that they were watching?

35 MR HALGE: Well, the monitors that the inspectors had were in a room which was only accessed by government inspectors and they could sit there and monitor the cameras, and they could also override the cameras, yes, the cameras manipulated by the operator.

40 MR SHARPE: When you say "the cameras manipulated by the operator", is that the casino operator?

MR HALGE: Casino operator, yes.

45 MR SHARPE: So the casino inspectors had access to the cameras of the casinos?

MR HALGE: Yes, the casino people had --- could manipulate the cameras. They

were watching people. And the government inspectors, likewise, were doing exactly the same.

5 MR SHARPE: And how many inspectors would be at the casino at any given time?

MR HALGE: Earlier on, there were four inspectors on at any one time, 24/7. As time went on, that was reduced to, I think, two inspectors.

10 MR SHARPE: And you then go to the list of inspectorial functions in the annual report. The first one is "casino surveillance", I think you've described the casino surveillance, is there anything you wish to add to that?

MR HALGE: No, I don't.

15

MR SHARPE: The second is "physical inspection and the auditing of financial returns in relation to permitted gaming activities", did that apply to the casino or is that ---

20 MR HALGE: No, that's run through community gaming.

COMMISSIONER OWEN: Sorry, I missed that.

MR HALGE: That relates to community gaming, gaming outside the casino.

25

MR SHARPE: And do any of those other bullet points relate to the casino?

MR HALGE: No, it doesn't.

30 MR SHARPE: Can we then scroll up to show the third paragraph please? Can we pop out the third paragraph? Sorry, the one above that. I'll just let you read that paragraph, Mr Halge.

MR HALGE: Yes.

35

MR SHARPE: So far as it concerns the casino and casino gaming, was there any other aspect of the inspectorial program other than what you've already described to me?

40 MR HALGE: No.

MR SHARPE: Can we then pop out the next paragraph, paragraph 4? I'll just let you read that paragraph, Mr Halge.

45 MR HALGE: Right.

MR SHARPE: This paragraph refers to "risk-based compliance assessment programs". What were the risk-based compliance assessment programs that applied

to casino gaming?

MR HALGE: Well, prior to me becoming Chief Casino Officer, the Casino Control
5 Division started developing risk assessment programs and they started mainly with
the casino and they developed a number of programs that also related to, later on,
assessment programs in relation to community gaming. So those programs were
used as a risk assessment to --- with regard to the surveillance of the casino,
10 surveillance of community gaming and inspections of various activities, both at the
casino as well as outside the casino.

MR SHARPE: And in forming those risk assessments, was that a matter that was
done by the Department and then approved by the Commission?

15 MR HALGE: Yes.

MR SHARPE: Is that how ---

MR HALGE: Yes, it was.
20

MR SHARPE: And I realise it might be difficult to answer this question without
any papers in front of you, but what were the sorts of risks that were assessed to be
risks that should be considered as part of that risk assessment?

25 MR HALGE: I really can't answer that.

MR SHARPE: No, it's difficult without any papers in front of you. Can we go to
the fifth paragraph please? Just read that paragraph, Mr Halge, commencing "In
30 addition".

MR HALGE: Right.

MR SHARPE: So there's a reference in that paragraph to "conducting daily
verification of casino gaming revenue". How did that daily verification of casino
35 gaming revenue occur?

MR HALGE: I really --- I really can't answer that question.

MR SHARPE: And I was going to ask you the same in respect of the "monthly
40 casino tax reconciliations"; are you familiar with how that occurred?

MR HALGE: No, I'm not.

MR SHARPE: Then going to the third bullet point, there's a reference to "5368
45 inspections and audits", can you explain the distinction between an inspection and an
audit in this context?

MR HALGE: Well, the inspections would be inspectors at the casino doing their

daily inspections, walking around the casino floor, or as I've mentioned earlier, monitoring casino operations through monitors, through the cameras. So that would be the inspections, and the audits would be the risk-based audits that we spoke about
5 previously.

MR SHARPE: And how would those risk-based audits be conducted? What was the nature of those audits?

10 MR HALGE: Well, they had an audit program, which they would take to the casino and go through that audit program and then report back to the Department, or to me or the chief inspector, and if there was any discrepancies or any breaches, we would take that to the Commission.

15 MR SHARPE: And how was the allocation of resources --- were you responsible for directing the allocation of resources between inspection and audit?

MR HALGE: Essentially the Manager of Inspections did that.

20 MR SHARPE: And are you aware of whether there was more of a resource allocation to inspection or to audit, or you're not ---

MR HALGE: I think it was just 50/50.

25 MR SHARPE: And how was the information that was obtained --- what information obtained from the inspection and audit program was taken to the Gaming and Wagering Commission?

MR HALGE: Only, only where there was a breach or the rules were not being
30 followed. That would then be taken to the Commission.

MR SHARPE: And did the Gaming and Wagering Commission have a role in directing the inspection and audit program?

35 MR HALGE: Not the Commission, no.

MR SHARPE: We then turn up page 711. So at the top of that page, there's a reference to "four violations were issued against the casino operator relating to breaches of game rules, procedures or directions", I realise this was ---
40

MR HALGE: Yes.

MR SHARPE: --- 16 years ago, but what were the kind of nature of violations that you would see being issued against the casino operator, even if you can't specifically
45 remember what these ones were?

MR HALGE: Specifically I don't, but it says there was a reach of the game rules and a breach of directions, and we would put up a submission to the Commission and in

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most cases, the Commission required the licensee to attend the Commission meeting and to address the matters.

5 MR SHARPE: And the reference to "breaches of game rules", what kinds of game rules might be breached or had been breached?

MR HALGE: I can't answer that question, honestly.

10 MR SHARPE: And those breaches of game rules, how would they have been detected, are you able to ---

MR HALGE: Either through the audit programs, or through the inspections.

15 MR SHARPE: The second bullet point refers to "five formal complaints from casino patrons" being investigated. How did those complaints come to the attention of your inspectors?

MR HALGE: Well, they came --- there would be a complaint made to the
20 Department, either to myself or to one of the inspectors, and we would investigate it.

MR SHARPE: And what was the general nature of those complaints?

MR HALGE: Well, I don't know, but I can give you one example that I was
25 involved with. Somebody made a complaint that he was card counting, for example, and the casino refused him entry into the casino. So we investigated that.

MR SHARPE: And he denied that he had been card counting ?

30 MR HALGE: No, he said he was card counting.

MR SHARPE: He was card counting?

MR HALGE: Yes, he was.
35

MR SHARPE: So why was he making the complaint, then?

MR HALGE: Because the casino had barred him from the casino.

40 MR SHARPE: I see. So he had been card counting and he was barred and he was complaining that he'd been barred?

MR HALGE: That's right.

45 MR SHARPE: We'll then turn to a different document. I'll call up PUB.0008.0004.0562. This is the annual report for the previous year, 2004-2005. Can we turn to page 574 please. If you can read the next page 575. Sorry, can we go to 573? Excuse me a minute, Commissioners. Sorry, page 576. I'll just ask you to

11:04AM

read under that heading, "Breach of Directions by Burswood International Resort Casino". My question is: what would the audit process have been that's referred to at the start of that paragraph, an audit in May 2004, what would the audit process have been?
5

MR HALGE: Well, it was probably one of the audit programs that had been developed and that program obviously related to the keys and the inspector going through the audit program discovered that a breach had occurred. That was then reported to the Commission.
10

MR SHARPE: Mr Chairperson, I tender that annual report.

COMMISSIONER OWEN: The number?
15

MR SHARPE: PUB.0008.0004.0562.

EXHIBIT # PUB.0008.0004.0562, ANNUAL REPORT OF THE DEPARTMENT OF RACING, GAMING & LIQUOR 2004-05
20

MR SHARPE: We'll now return to the annual report for 2005 to 2006 and turn to page 678 and just go to the bottom two paragraphs and enlarge those. I'll just ask you to read those two paragraphs, Mr Halge.
25

MR HALGE: Right.

MR SHARPE: Can we have the first paragraph of the next page, please? I'll just ask you to read that paragraph, Mr Halge. So what I'd like to ask you about that is, it's referring to a collaborative approach between the Department of Racing, Gaming & Liquor, and police. I just wanted to ask if that collaboration that's been described there was in respect of --- it's identified as being in respect of liquor, but was it also being applied in respect of casino gaming?
30

MR HALGE: No, it wasn't, just community gaming.
35

MR SHARPE: Just --- and community gaming?

MR HALGE: Yes, liquor and community gaming.
40

MR SHARPE: And so at this time in around 2005 to 2006, what was the extent of the collaboration between the Department of Racing, Gaming & Liquor and the police in respect of casino regulation?
45

MR HALGE: There was no collaboration.

COMMISSIONER JENKINS: Sorry, did you say "no"?

MR HALGE: No collaboration.

5 MR SHARPE: Can we then go to page 664 at the foot of the page? So this is the Director's overview and there's a reference at the bottom of the page. I'll just ask you to read that last paragraph.

MR HALGE: Yes.

10 MR SHARPE: Then can we have the first paragraph of the next page, please? Then, can we go to page 672 and can we show the whole page, please? And then go down and zoom out that section "Casino Employee Licensing Process Streamlined". I'll just let you read through that, Mr Halge. This is talking about a particular streamlining of the casino employee licensing program, but just to step back, you can see that the process of licensing casino employees generally. Did you exercise a
15 delegated power to grant or refuse casino employee licences, key employee licences?

MR HALGE: Yes.

20 MR SHARPE: And how did you go about that task?

MR HALGE: The application, the report from the police, and if everything was clean, I would approve the licence. If there was anything untoward such as an offence, jail, jail time or whatever, I would wait for the police report and then I
25 would put that up to the Commission.

MR SHARPE: So would you put matters where there were no concerns up to the Commission or determine them yourself?

30 MR HALGE: I would determine them myself.

MR SHARPE: And matters where there was some sort of issue of the kind you've described, that would be referred to the Commission?

35 MR HALGE: That's right.

MR SHARPE: And when you were performing that task, did you do that work yourself, or did you rely on other Departmental officers to perform it?

40 MR HALGE: I made the decisions myself.

MR SHARPE: And what was the change of process that's being referred to in this annual report? Can you explain how that process was changed around that time?

45 MR HALGE: I guess what happened, if my recollection is correct, is that the casino complained that it was taking a long time to approve these licences, because we had to wait for a police report. So the process was changed to the extent that I was able

to provide a provisional approval so that employees could go into the casino and be trained in the type of activities that the casino was employing them, and that was on the basis of just a police certificate saying that we believe that it's okay for Joe
5 Bloggs to go in and be provisionally approved. On occasions, the police report would come back and say "We're now of the opinion that this person's not a proper person, a fit and proper person". That would then be taken to the Commission and the Commission would make a determination.

10 MR SHARPE: And what did you understand to be the purpose of licensing casino employees and key employees?

MR HALGE: Well, to make sure that fit and proper people were employed at the casino.

15 MR SHARPE: And in the questions that were put to you through your witness statement, you were asked about risks of criminals infiltrating casino operations?

MR HALGE: Right.

20 MR SHARPE: And did you understand that one of the reasons for the licensing process was to stop criminal infiltration of casinos?

MR HALGE: Well, from the employee point of view, yes.

25 MR SHARPE: Can we call up PUB.0008.0004.0562 --- this is going back to the 2004-2005 annual report --- and turn to page 574? Can I ask you to read the "Renewal of Casino and Casino Key Employee Licences" section?

30 MR HALGE: Right.

MR SHARPE: And can we have the next page, please? And so did this change to the system come about as a result of --- how did this change to the system come about?

35 MR HALGE: Well, I think it was a review of the National Competition Policy.

MR SHARPE: Right.

40 MR HALGE: That threw up the anomaly in relation to casino employees, casino key employees.

MR SHARPE: This states that there was 715 licences that were renewed. Did that add much to the administrative burden or ---

45 MR HALGE: It did for me. I had to approve them all.

MR SHARPE: And did you consider that this change to the process did lead to

11:16AM

better outcomes in terms of ---

5 MR HALGE: Well, certainly better outcomes, because on occasions where a person had been convicted of a crime of whatever, it wouldn't be brought to my attention. Although, under the Act they were required to advise the Commission, so because we instituted a renewal process, which I think was every five years, even if they didn't advise us, under the provisions of the Act, we would get to them in five years' time or three years' time, as the case may be.

10

MR SHARPE: Mr Chairperson, is that a convenient time?

COMMISSIONER OWEN: Yes. We'll come back at 11.35. Thank you.

15

ADJOURNED [11.17 AM]

20

RESUMED [11.35 AM]

COMMISSIONER OWEN: Please be seated. Thank you, Mr Halge. Yes, Mr Sharpe.

25 MR SHARPE: We now turn to a different section of the regulation and I call up GWC.0002.0016.0266 please, page 19. You'll see this is a document which is directed to the Chairman of the Gaming Commission of Western Australia, and if we can just scroll through the next two pages, you'll see this is a document that is signed by you, Mr Halge.

30

MR HALGE: Yes, that's right.

MR SHARPE: Have you had some opportunity to look at that document? I'll take you through it now, it's in a bit of detail, but have you had an opportunity?

35

MR HALGE: I have had, yes.

MR SHARPE: If we go back to page 19 and the first paragraph identifies:

40

The Casino Control Act 1984 did not provide for the Commission to require a person to be approved for the purpose of supplying gaming equipment to the casino. Consequently, the Casino Control Committee/Gaming Commission issued a Direction pursuant to section 24 of the Casino Control Act directing the operator not to obtain any equipment without the approval of the Commission.

45

And I'll just ask you to read paragraph 2 to yourself. This is referring to the 1996 review and then in paragraph 3 --- can we please scroll up --- it identifies:

The review concluded there was no need for manufacturers to be approved and recommended suppliers be investigated and approved under Controlled Contracts where the amount of the contract is greater than a prescribed figure.
5 *The review recommended a figure of \$250,000.*

MR HALGE: Yes.

10 MR SHARPE: Can we then go to page 22 of the document? You'll see this is a letter --- sorry, can you go to the next page, and the next page. It's a letter from Mr Michael Egan, Vice-President Government Relations/Legal Services. Then go back to page 22. The letter is dated 3 July 1998 and directed to you, Mr Halge. And on that first page there's a quotation --- two paragraphs --- which is from the review. Can we then --- yes, so in particular, I'll ask you to read both of those paragraphs.
15 It's the review proposing this prescribed contract, and then can we go back to page 19 please and at paragraph 4:

As a result of the report sections 29A to 29E was inserted into the Casino Control Act 1984 to provide for Controlled Contracts.
20

Then in the next paragraph, you note that you've spoken with Burswood and they are concerned about the administrative burden on the Controlled Contracts Division.

25 MR HALGE: Right.

MR SHARPE: Then at paragraph 6, you note some changes to the approval process for suppliers, and can we go to the next page, please? Then just zoom in a bit so we can see the top more clearly. Just turning to what's paragraph 7, but the paragraph commencing "Additionally, changes to the Principal Directions" and identify "Prior approval is now only required where sensitive equipment is being purchased." What's
30 the understanding of why that is sensitive equipment, what's listed?

MR HALGE: Essentially, equipment that was related to gaming on the floor of the casino.
35

MR SHARPE: And what's the expression "programmed eproms" referring to?

MR HALGE: You'd have to ask a technical person, I think it relates to gaming machines.
40

MR SHARPE: And can we then go to page 25 and then zoom out 10.5? Now, I note at the bottom of this that it says direction 10 .5 has been amended and the last date is 25 September 2008, so there's been some amendment to this since you finished as the Chief Casino Officer.
45

MR HALGE: Right.

MR SHARPE: But in substance, is that the direction that you're referring to?

MR HALGE: That's right, it is.

5

MR SHARPE: Then if we can go back to page 20, so paragraph 8 you've noted that Burswood did not support invoking the controlled contract provision.

MR HALGE: Right.

10

MR SHARPE: Then, in paragraph 9 you describe that:

15 *.... the previous approval process was symptomatic of the Casino Control Committee/Casino Control Division being involved in every aspect of the operation of the casino. Given there was little expertise in the mid 1980's this was seen to be the only way to regulate the casino. In hindsight, this proved to be correct.*

20 Can you explain why you say "it proved to be correct", that there was a need for the Casino Control Committee or Casino Control Division to be involved in every aspect of the casino at that time?

25 MR HALGE: Essentially, everything was new. The Casino Control Committee was new, the Government inspectors were new, the casino itself was new, and given the public opinion that the casinos attracted criminal-type people, it was decided to make sure that everything purchased by the casino was approved by the Commission.

30 MR SHARPE: In that reference you've just made to public opinion that the casino attracted criminal-type people, can you give more detail about what you're referring to there, what form was that public opinion or how you understood that public opinion to arise?

35 MR HALGE: I think that was the public opinion in the media emanating from the US, et cetera, et cetera. That's where that public opinion came from.

40 MR SHARPE: And in this paragraph you refer to "this proved to be correct but translated into unnecessary delays, which frustrated the Burswood Casino", you've then shifted your view about how the casino can be regulated at this time; is that --- I'll try and put that more clearly. You said in hindsight it proved to be correct that it ought to be managed very closely, but by this point, have you shifted your view about the approach to regulation that's appropriate?

MR HALGE: Yes, I have.

45 MR SHARPE: And what's your view at that time?

MR HALGE: At that time that approvals should only be made --- or, yes, approval

by the Commission should only be made for certain types of gaming equipment, ie sensitive gaming equipment and yes, that's all.

5 MR SHARPE: And the next paragraph you state that:

Given that the approval process..... has been streamlined..... I am of the view that the direction..... should not be withdrawn.

10 So just the sentence "given that the approval process", do you see that one?

MR HALGE: Yes, I can see that, yes. Because what is the direction? I need to have a look at that direction.

15 MR SHARPE: I think that the direction is the bit I referred to you a moment ago at page 25, or is that not right? Can we go to page 25, please? I'm concerned that I might be taking you to the wrong direction. That's a direction specifically about sensitive gaming, isn't it?

20 MR HALGE: Yes, it is.

MR SHARPE: And the direction you're talking about is a direction about contracts, not necessarily for ---

25 MR HALGE: Sensitive equipment.

MR SHARPE: --- sensitive equipment, yes. I'm not sure that I have that to produce.

MR HALGE: Right. That's okay.

30 COMMISSIONER OWEN: I'm sorry, I'm not sure I have understood that. Is it that the controlled contracts that we're talking about here are all about the purchase of the supply of equipment and it's just the type of equipment, or are we looking at control contracts that go outside the scope of purchase of equipment?

35 MR SHARPE: It's controlled contracts going outside of the scope of that sensitive gaming equipment. So there was another direction which dealt with that, as I understand, but I haven't got that here, I'm afraid.

40 If you can go back to page 20, so paragraph 10, you advise "we shouldn't withdraw the direction", which I think is the general direction, not limited to sensitive equipment? Then at paragraphs 11 and 12, you do recommend notification, but not approval of contracts above \$500,000.

45 MR HALGE: Right.

MR SHARPE: And then your recommendation appears at the foot of the page.

11:50AM

MR HALGE: Right.

5 MR SHARPE: And then, can we have the next page please? Sorry, go back to the previous page. This is requiring purchases or contracts that are above an amount of \$500,000 to be notified, that the purpose is to notify ---the requirement is to notify, not to seek approval for those?

10 MR HALGE: That's right, yes.

MR SHARPE: And, can we turn to page 13, please? And this is the minutes which show the resolution 269/99 where the resolution which you've proposed has been adopted.

15 MR HALGE: Right.

MR SHARPE: One question which I had in respect of the control contracts, resolution which is set out there, is that point 5 is that an audit program be developed and a sample audit be conducted?

20 MR HALGE: Right.

MR SHARPE: Are you able to explain how that audit and sample audit program was conducted?

25 MR HALGE: Well, it was developed by the Department and once it was developed, one of my officers went out and did an audit of the contracts and put up a report to the Commission.

30 MR SHARPE: And when you describe a sample audit being conducted, what was the sample audit?

35 MR HALGE: Well, the sample audit was the very first audit to see whether that were A-OK, or whether we needed to alter the audit in some way to include other aspects.

MR SHARPE: And what was the purpose of the audit? What was being audited?

40 MR HALGE: Well, to ensure that all purchases above a certain figure was reported to the Commission and to ensure that sensitive --- purchases of sensitive equipment, approval was sought for those purchases prior to actually going ahead with the purchase.

45 MR SHARPE: So we'll turn then to a different topic, which is the topic of what's being put as RISKS in the questions that were put to you as an attachment to the summons. So, in those questions, you asked about RISKS which were defined to be risks associated with junket operations, money laundering, cash and electronic transactions --- it's just been pointed out to me that I've moved on without tendering

the previous document. I tender GWC.0002.0016.0266 which is the agenda pack for 26 February 2019.

5 COMMISSIONER OWEN: That document is admitted into evidence as an exhibit.

EXHIBIT #GWC.0002.0016.0266 - AGENDA PACK FOR 26 FEBRUARY 2019

10

MR SHARPE: The risks are risks associated with junket operations, money laundering, cash and electronic transactions at the Perth Casino, and criminals infiltrating casino operations. In your witness statement at page 2, paragraph 7(b) you respond to saying:

15

(b) to the best of my knowledge the inspection of the Casiono by departmental inspectors did not involve money laundering or cash and electronic transactions at the Casino or criminals infiltrating casino operations. These matters fell to the Police unit which investigated and reported to the Commission. To the best of my knowledge the unit was disbanded in the late 1990's.

20

So which police unit were you referring to there?

25 MR HALGE: Well, there was just a one-person unit. I think I mentioned earlier that the Commission, or the Department funded the salary of one police officer and that police officer worked solely for investigating junket operators, where they're coming from, where the money's coming from, any criminal activity, any criminal background and that would then be reported to the Commission.

30

MR SHARPE: And that's the officer that you say stopped assisting at some time in the late 1980s?

MR HALGE: Yes. Yes, that's right.

35

MR SHARPE: Insofar as the role of the inspectors, were the inspectors told anything about money laundering, whether they were responsible for investigating money laundering?

40

MR HALGE: No, they weren't responsible for money laundering.

MR SHARPE: Or were they told that they were responsible for investigating criminal elements?

45

MR HALGE: No, they weren't, they weren't.

COMMISSIONER JENKINS: Sorry, they weren't responsible, or they weren't told?

MR HALGE: They weren't responsible.

COMMISSIONER JENKINS: I think the question was were they told that?

5

MR HALGE: Well, they weren't told that. They were told that they weren't responsible for investigating criminal activities.

10 MR SHARPE: So were they told not to investigate money laundering, or were they simply not told to do something about it?

MR HALGE: Well, they were told not to investigate money laundering. They didn't have the expertise to investigate those sorts of matters.

15 MR SHARPE: And they were told not to investigate whether criminal elements were seeking to infiltrate the casino?

MR HALGE: That's right, they were told not to do that.

20 MR SHARPE: And if an inspector did find evidence of money laundering, what was the expectation? Was there an expectation about what the inspector would do? Were they given directions about what they would do if they found evidence of money laundering?

25 MR HALGE: Well, they would report that to myself. I would then, in the early days, seek the advice of the police person involved, and based on that, on his report back to me, we would either take it up to the Commission or it would just stay with me, if it was okay. As time went on and the services of the police person was
30 or any money laundering, once again it would be reported to me and I, in turn, would take it up to the Commission. But having said that, I didn't have --- there was not one occasion when I had to take that up to the Commission.

COMMISSIONER OWEN: I'm sorry, I missed that.

35

MR HALGE: While I was Chief Casino Officer from 1998, '99 onwards, once the police unit was disbanded, I didn't need to take any report up to the Commission that was brought to me by inspectors in relation to criminal activities or money
40 laundering.

COMMISSIONER OWEN: And as you, to the best of your recollection, when the police unit of one person was there ---

MR HALGE: Yes.

45

COMMISSIONER OWEN: --- did any incidents occur?

MR HALGE: I believe there was a couple of incidents, yes. Again, I might add, it

11:59AM

wasn't during my time. It was before my time as Chief Casino Officer.

5 COMMISSIONER OWEN: Sorry, in that period '97 to '98, '99, which I think is the period you mention ---

MR HALGE: Yes.

10 COMMISSIONER OWEN: --- there were no incidents ---

MR HALGE: There were no incidents, no.

15 MR SHARPE: Then turning more to the position of the Gaming and Wagering Commission and its role, was it your understanding that the Gaming and Wagering Commission or the Gaming Commission initially and the Gaming and Wagering Commission had a role or responsibility to investigate money laundering?

20 MR HALGE: I really can't answer that question. Under the Act, they probably did have a role and that's why they had this liaison with the police, to investigate those matters.

25 MR SHARPE: And you say that they may have had that role, but as a matter of practice, there was no action by the GWC after the assistance from the police unit ceased, is that the position?

MR HALGE: That's right, yes.

30 MR SHARPE: And did the GWC have any specific policies or procedures in place concerning money laundering at the casino?

MR HALGE: No, they didn't.

35 MR SHARPE: And was your understanding that the GWC would have a role or responsibility regarding the infiltration of criminal elements into the casino, under the legislative responsibilities?

MR HALGE: I guess they did have some responsibility, but there was no mechanism to bring that up to the Commission.

40 MR SHARPE: So when you say "there was no mechanism to bring that up", what do you mean by that?

45 MR HALGE: Well, the police unit had been disbanded, so we couldn't get information from them. Our inspectors weren't trained in that area, so they weren't in a position to put up any reports to the Commission.

MR SHARPE: And did the GWC have any specific policies or procedures relating to criminal infiltration into the casino?

MR HALGE: Not that I'm aware of.

5 MR SHARPE: Turning to a different topic, which is the regulation of junkets, from 1988 to 1999, I understand there were directions in force which required the Gaming and Wagering Commission to licence or approve junket operations; is that correct?

MR HALGE: I believe it is, yes.

10 MR SHARPE: And what was the purpose of having those requirements for licensing or approval of junket operations in place?

15 MR HALGE: Well, I guess during that period from '97, '98, that police unit was still operating, so the information that the casino provided us, we would provide to the police person and that person would do whatever investigations they had to do and then report back to the Commission.

20 MR SHARPE: I'm going to take you now --- there's a 1996 review of the Gaming and Wagering Commission Act, which I'll call up which is PUB.0004.0002.0129 --- and if we can turn to page 234. So, the section I'm directing your attention to starts "Section 24 - Directions to Casino Licensee in respect of casino gaming operations". I'll just ask you to read those two paragraphs. Now, if we can go over the page please to 235 and can we zoom out please so we can see the whole page. Can we then focus in on the sentence starting "Junket Operators" and the four bullet points under that. I'll just ask you to read those four bullet points and the sentence above it. Does that accurately state the position under the directions, the procedures under the directions?

30 MR HALGE: Yes, it does, yes.

MR SHARPE: And were those junket procedures applied consistently across the period from 1998 to 1999, or was there some relaxation?

35 MR HALGE: No, I believe it was applied stringently.

MR SHARPE: Applied stringently across that whole time?

MR HALGE: Yes.

40 MR SHARPE: Sorry, can we zoom out again please and show the full page? And can we focus in on paragraph 2, please. This says:

45 *The casino has established a substantial Junket trade which contributes significantly to casino revenue and subsequently to the amount of taxation paid to the State.*

It identifies the proportion ---

MR HALGE: Sorry?

MR SHARPE: Paragraph 2.

5

MR HALGE: Yes.

MR SHARPE: And then identifies the proportion of the casino's gross revenue from the junket trade.

10

MR HALGE: Right. Are you asking me whether that's correct?

MR SHARPE: Well, from your understanding, is that correct?

15

MR HALGE: Yes, it is.

MR SHARPE: Did you consider that a request for the relaxation of the junket requirement on the basis that there was strong competition to attract new junkets was an argument that had merit and substance, or in light of the substantial existing junket trade, did you think that that was not an argument that had merit?

20

MR HALGE: No, I think it had merit.

MR SHARPE: It had merit?

25

MR HALGE: Yes.

MR SHARPE: You believe ---

30

MR HALGE: I believe it had merit.

MR SHARPE: Can we then turn to page 148. Note Recommendation 46, this is the Minister's response to Recommendation 46. Can we bring up Recommendation 46? The note there's the Minister's endorsement of withdrawing the direction regarding junket operations which has been proposed, but then the Minister responds:

35

However, the Act to be amended to enable regulations to be enacted requiring junket operators and their representatives to be investigated and approved by the Commission with approval to be effective by the lodgement of applications, but able to be withdrawn by the Commission upon an adverse finding by the Commission or on the recommendation of the Commissioner of Police.

40

MR HALGE: Yes.

45

MR SHARPE: That then led to recommendations being made about junkets?

MR HALGE: Yes, I believe so, yes.

MR SHARPE: Can we please bring up PUB.0004.0005.0476. These are the Casino Control Regulations in the form that they were enacted according to existence and is it correct that from 1999 when it came into effect until 2007 when you finished your
5 role as Chief Casino Officer, that these were the means through which junkets were regulated?

MR HALGE: Yes.

10 MR SHARPE: If we can turn up page 481 please? So regulation 5(1) provides for the ability of an individual to apply for approval to conduct junkets as a junket operator and/or as a junket operator's representative.

MR HALGE: Right.

15

MR SHARPE: Then, you can see at regulation 6, there's documents. Can we zoom into regulation 6 a bit more please? So, documents that are required to accompany an application.

20 MR HALGE: Yes.

MR SHARPE: Can we go to the next page, please? If you can then go back to page 481 at the foot of the page again, I just draw your attention to regulation 6(1)(c):

25 *an authority authorising the Commission and the Commissioner of Police to make inquiries in Australia or overseas (or both) about the applicant's character and financial standing.*

This seems to contemplate that there will be some involvement of the Commissioner
30 of Police in assessing junket applications.

MR HALGE: Yes,

MR SHARPE: But was there any involvement of the Commissioner of Police at that
35 time or ---

MR HALGE: What time are we talking about?

MR SHARPE: In 1999, and this had been in place through until about 2007 while
40 you were there.

MR HALGE: Right. Well, initially while the police person was involved, yes, we would make enquiries with him or her. Subsequently, I believe that we made enquiries if and when we required to make enquiries.
45

MR SHARPE: So there's still liaison ---

MR HALGE: There would have been some liaison.

5 MR SHARPE: Can we then turn to page 484 and regulation 12. Can we zoom regulation 12 out? I realise we're asking you to go back a long way, but were there requests for further information that were made routinely, or do you recollect?

10 MR HALGE: It certainly wasn't done routinely. There may have been the odd occasion when additional information was sought.

MR SHARPE: And why would additional information be sought?

15 MR HALGE: There could have been something in the application that triggered something, and as a result of that, additional information was sought.

MR SHARPE: When you say "triggered something", what sort of thing?

20 MR HALGE: Any knowledge of his, of his associates or something like that and if his associates were considered people of a criminal nature, well, additional information might be sought.

MR SHARPE: Can we then go to regulation 16? Regulation 16(1) provides that:

25 *A casino operator must give the Commission notice of the commencement of a junket at least 24 hours before the junket party arrives at the casino.*

MR HALGE: Yes.

30 MR SHARPE: What use was made of that notice ?

MR HALGE: Essentially, that we knew a junket was coming in. The inspectors would be there for the buy-in and at the end of the junket operation they'd be there for the settlement. That's the reason that they were required to notify us.

35 COMMISSIONER JENKINS: An inspector was present at the casino for those two, on those two occasions for every junket?

MR HALGE: Yes, that's right.

40 MR SHARPE: And was the notice of the proposed junket that was given, was that then shared with the WA Police?

MR HALGE: Prior to '99, yes, it would have been. After that, probably not.

45 MR SHARPE: I'm going to move to a different topic now. Can we call up PUB.0008.0004.0001 please, and turn to page 14? So, you see this identifies the senior officers within the Office of Racing, Gaming and Liquor and Executive

Director, Mr Barry Sargeant, and Director of Operations is you, Mr Halge?

MR HALGE: That's right, yes.

5

MR SHARPE: And can we please go to page 13? I note this is an organisational chart as at 30 June 2001?

MR HALGE: Right.

10

MR SHARPE: And you can see the executive director at the top ---

MR HALGE: Yes.

15

MR SHARPE: --- of the chart and then it has a line going to Operations Division.

MR HALGE: Yes.

20

MR SHARPE: I take it that's the division you were the director of?

MR HALGE: Yes.

25

MR SHARPE: Under the Operations Division, we see three further divisions, "Audit & Review", "Inspections" and "Licensing".

MR HALGE: Yes.

30

MR SHARPE: I just particular note the "Audit & Review" because I'm going to contrast that with what's in the next annual report. So before I go to the next annual report, Mr Chair, I tender PUB.0008.0004.0001 which is the Office of Racing, Gaming and Liquor annual report 2000/2001.

35

EXHIBIT #PUB.0008.0004.0001 - OFFICE OF RACING, GAMING AND LIQUOR ANNUAL REPORT 2000/2001

40

MR SHARPE: And can I call up PUB.0008.0004.0089, this is the Office of Racing, Gaming and Liquor annual report 2001/2002, and can we go to page 13? Now, this is the subsequent to the one we were just looking at.

MR HALGE: Yes, yes.

45

MR SHARPE: You still have Director-General and Operations Division and under that "Audit & Risk Assessment", "Inspections" and "Licensing". The question I have is why was there a renaming of that area from "Audit & Review" to "Audit & Risk Assessment". Can you recall why that was changed?

12:17PM

MR HALGE: I think "risk assessment" more clearly defined the actual work that was being carried out.

5 MR SHARPE: And did this reflect any change in thinking about the nature of the work that was being done?

MR HALGE: No.

10 MR SHARPE: No. Chairperson, I tender PUB.0008.0004.0101, The Office of Racing, Gaming and Liquor Annual Report for the year ended 30 June 2002.

COMMISSIONER OWEN: That document is admitted into evidence as an exhibit.

15

EXHIBIT #PUB.0008.000.0101 - OFFICE OF RACING, GAMING AND LIQUOR ANNUAL REPORT YEAR ENDED 30 JUNE 2002

20 MR SHARPE: We stay with that document. Can we turn to page 111 of that document, please? About two-thirds of the way down the page you see "Functions Performed on Behalf of the Gaming Commission of Western Australia", that's what's being identified here and if we continue over the page there's the heading "Casino Gaming Operations". I'll just ask can we scroll up so that Casino Gaming Operations and the text under it can be clearly seen? Can you scroll it up further? I'll just ask
25 you to read through this. Is that large enough?

MR HALGE: Yes, I'm fine, yes. Right.

30 MR SHARPE: Can we just scroll to the next page to see that there's no further discussion of this topic on the next page? Sorry, I'll just let you finish reading that section completely. So can you go back to page 112 please? Can we then just zoom into the paragraph under "Casino Gaming Operations"? So those five bullet points, as I understand it, are setting out the reasons for the shift from the 24/7, 365 presence
35 to a more limited presence.

MR HALGE: That's right.

MR SHARPE: And in particular, there's the second bullet point identifies:

40

the removal over the years of inspectors from casino operational procedures based on a risk analysis of the activities that are considered to be the primary role of the casino operator.

45 So is part of the reason for the shift away from a permanent presence to a sort of near permanent but not permanent presence based on understanding of risk?

MR HALGE: Yes, yes, those are the programs that we handed out and we

implemented those programs on a daily basis.

5 MR SHARPE: Yes, and so would you explain for the Commission --- firstly, were you satisfied that this approach would still provide an appropriate level of oversight of the casino?

MR HALGE: That was, that was the belief at the time, yes.

10 MR SHARPE: And how were you satisfied through your risk analysis approach that that would be adequate oversight of the casino?

15 MR HALGE: Well, this was introduced before I became CCO. It had started to be introduced before I became CCO. It didn't happen till, till later, but the risk assessment programs were being developed from about 1995, '96 onwards and slowly, gradually, the risk assessment programs were being introduced even though inspectors were permanently at the casino. And as a result of the success of the risk assessment programs, the decision was made to withdraw Government operators from the casino 24/7.

20 MR SHARPE: So if I understand what you were saying, you were satisfied --- sorry, was it your decision or ---

25 MR HALGE: No, it wasn't my decision, because I wasn't there in '96. 95-96.

MR SHARPE: But the decision in 2001, 2002 to reduce the hours of the inspectors, was that your decision?

30 MR HALGE: No, it wasn't my decision, it was the Commission's decision.

MR SHARPE: The Commission made that decision?

MR HALGE: Yes.

35 MR SHARPE: Did they make it on a recommendation?

MR HALGE: I cannot recall.

40 MR SHARPE: So is it your understanding that the Commission was satisfied that the risk assessment would lead to sufficient oversight at the casino that a permanent presence at the casino was no longer required?

45 MR HALGE: I believe the Commissioner was advised that they were moving away from permanent presence at the casino to a risk-based approach. Now, whether they were satisfied, I can't answer that question.

MR SHARPE: Would they have been given the option of not accepting that, or was that something that was ---

MR HALGE: It was always an option for them not to accept it.

MR SHARPE: Yes. I'll move now to a different topic to do with financial matters.
5 I'll call up PUB.0002.0002.0156, so returning to the 2005-2006 annual report. Can
we then go to page 13, please? Can I just ask you to read the paragraph under
"Summary of Financial and Non Financial Indicators", sorry, and I just realised, this
is actually not the document we were looking at earlier, this is the Gaming and
Wagering Commission annual report, not the Department's report. Then can we turn
10 to page 74? Can we zoom out the top half of the page a bit more, please? Now, I'd
just like to draw your attention to the entry. This is an explanatory statement for the
Gaming and Wagering Commission's financial statements and it identifies significant
variances between estimated and actual results for 2006 and you'll see the third row
15 "Services and contract fees", 2006 estimate is \$3 million and a bit and the actual
2006 is about \$2.5 million, so there's a variance of just over \$426,000, so the actual
services and contract fees were \$426,000 less. Can we then scroll down to "Services
and contract fees", and I'll just ask you to read that to yourself.

MR HALGE: Right.
20

MR SHARPE: So are you able to speak to the arrangement for the recouping of the
value of the services between the GWC and the Department?

MR HALGE: No, I'm not in a position.
25

MR SHARPE: No.

MR HALGE: That was done entirely by the chairman who was also the director-
general of the Department.
30

MR SHARPE: Okay. Chairperson, I tender PUB.0002.0002.0156 being the annual
report for 2005-2006.

35 **EXHIBIT #PUB.0002.0002.0156 - ANNUAL REPORT FOR THE GAMING
AND WAGERING COMMISSION FOR 2005-2006**

MR SHARPE: I call up PUB.0008.0004.0562 which is the 2004-05 annual report
40 for the Department of Racing, Gaming and Liquor. Can we please turn to page 573
and just zoom out the top paragraph headed "Control and Ownership of Burswood
Limited. I just ask you to read that section, Mr Halge.

MR HALGE: Right.
45

MR SHARPE: So there's a reference in this section in the second paragraph to the
issue of a probity approval notice by the Gaming and Wagering Commission to PBL

(WA) Pty Ltd.

MR HALGE: Right.

5

MR SHARPE: How was the probity approval assessed? How did the Gaming and Wagering Commission decide that it should issue a probity approval notice to PBL (WA) Pty Ltd?

10

MR HALGE: I think it was based on the fact that PBL was an established company and they had already established Crown Casino in Melbourne. And on that basis, there was nothing untoward about Crown and on that basis, they provided a probity approval notice.

15

MR SHARPE: And was the probity approval notice provided following a submission being provided by the Department about PBL?

MR HALGE: A submission would have been provided to the Commission, and the Commission would have decided to issue that notice.

20

MR SHARPE: And what matters would have been addressed by that submission?

MR HALGE: I guess probity matters in relation to the suitability of Crown Casino to hold a casino licence in WA.

25

MR SHARPE: And then the first sentence identifies that in September 2004, PBL (WA) Pty Ltd acquired full control of and ownership of Burswood Ltd. From that time until you stepped down in 2007, did you notice any change in the interactions between Burswood Casino and the Gaming and Wagering Commission?

30

MR HALGE: No, it was exactly the same.

MR SHARPE: The final topic I wanted to ask you about briefly was at your witness statement at paragraph 12 you state:

35

The only time I interacted with regulators from other States was at yearly Casino conferences. I cannot recall providing any information to other Australian States. So you mean the regulators in ---

40

MR HALGE: Regulators in other States, yes.

MR SHARPE: The interaction with those regulators at casino conferences, was that the Australasian Casino and Gaming Regulators Conference?

45

MR HALGE: I believe it was, that Was the title.

MR SHARPE: And did you attend that conference each year?

MR HALGE: Yes, I did.

5

MR SHARPE: And was the Gaming and Wagering Commission actively involved in the Australasian Casino and Gaming Regulators Conference?

MR HALGE: Actively involved to the extent that we attended every conference and where we were required to provide some input, we would provide that.

MR SHARPE: There's no further questions, however there's just two matters regarding exhibit numbers that I might as well clarify now, if that's convenient to the Commission.

15

COMMISSIONER OWEN: Thank you.

MR SHARPE: The first is that my junior heard that when the witness statement was made an exhibit, that the number that was assigned to it was a GWC number, but it should be a WIT number, so it should be WIT.0004.0001.0001. So just note that ---

20

COMMISSIONER OWEN: I might have been making that mistake since 10 May. We best check that. Thank you.

MR SHARPE: And the other document was, I took the Commission to a particular page in PUB.0008.0005.0001 --- sorry, I won't detain the Commission now, we can attend to that later.

25

COMMISSIONER OWEN: Mr Dharmananda?

30

MR DHARMANANDA: Nothing arising, thank you.

COMMISSIONER OWEN: Mr Malone, nothing? Mr Evans?

35

CROSS-EXAMINATION BY MR EVANS

MR EVANS: Mr Sharpe took you to a few questions in relation to your role as Chief Casino Officer, do you recall those?

40

MR HALGE: Yes.

MR EVANS: During your time with the various departments, is it fair to say that your understanding was that the position of Chief Casino Officer was effectively attached to the role of the most senior casino officer of the Department below Director-General?

45

MR HALGE: Yes.

MR EVANS: That is, you form generally part of the JDF roles of that officer as a
5 responsibility whilst your formal role was as the CCO?

MR HALGE: I don't think it was part of the JDF.

MR EVANS: Just looking at your history of employment with the departments. Am
10 I right in thinking that while you had at very different stages responsibility for the
inspectorate, you never actually performed the role of an inspector?

MR HALGE: That's right.

MR EVANS: So, in your capacity, you were familiar with the roles that the
15 inspectors performed, but you were not directly concerned with the performance of
those roles?

MR HALGE: I was, I was --- as director, I would have been concerned with the
20 performance of those roles, for sure.

MR EVANS: So you were concerned to see, to ensure, that the roles were
performed?

MR HALGE: Were performed and performed properly.

MR EVANS: And you had normally sitting below you a senior inspector, is that
right?

MR HALGE: Say again?

MR EVANS: You normally had below you a senior inspector or more senior
inspectors, and it was their responsibility to supervise the ---

MR HALGE: Exactly, yes.

MR EVANS: On a detailed basis. Similarly, in relation to the audit and review
programs, you mentioned those were developed before your time, a program of
40 works that the inspectors ---

MR HALGE: They started to be developed before my time, yes.

MR EVANS: So you were familiar with the form of those audit and inspection
45 programs, but to what extent were you familiar with the detail of them?

MR HALGE: I wasn't familiar with the detail of them, the Manager of Inspections
or the Chief Inspector would have been more familiar with those details.

MR EVANS: So your concern with those programs was really their outputs, that was what got reported up to you in terms of the results?

5 MR HALGE: That's right, if those programs produced any breaches ---

MR EVANS: Yes.

MR HALGE: --- they then might come back to me.

10

MR EVANS: And you were the interface with the Commission effectively in relation to the reporting of such matters.

MR HALGE: That's right, yes.

15

MR EVANS: I think in your statement you refer to yourself as being the Executive Officer of the Commission?

MR HALGE: Yes.

20

MR EVANS: Is that really a way of saying that the combination of the roles that you performed was such that you were the principal executive of the department responsible for effectively carrying out the functions of the GWC?

25

MR HALGE: That's right.

MR EVANS: In that regard, can I just take you back a question or so ago about something you mentioned about the supervision of junket and junket operations. You mentioned that the inspectors at one stage were present during the cash-in and the cash-out effect of the junket operations?

30

MR HALGE: The settlement, yes.

MR EVANS: My understanding of that is that junket operators in fact and their clients gamed at the casino using a particular and a different form of chip to regular gamers, is that correct?

35

MR HALGE: I believe so, yes.

MR EVANS: The purpose of a cash-in and cash-out in that case was really a revenue control mechanism to ensure that they were properly accounted for?

40

MR HALGE: Yes, I would say so.

MR EVANS: And that was part of one of the functions of the inspectors which has perhaps been a little underplayed in the questioning, which was to validate the revenues earned by the casino from its different forms of operation?

45

MR HALGE: They were there for the buy-in as well as for the settlement, yes.

5 MR EVANS: And that was of some importance, was it not, because international operations including junket operations actually bear a different rate of taxation under the State agreement.

MR HALGE: Right.

10 MR EVANS: So clearly distinguishing between the different revenue streams which were coming into the casino was actually important for the form of the State agreement?

MR HALGE: Yes. Perhaps it is, yes.

15

MR EVANS: That was an important function of the Inspectorate?

MR HALGE: It was, yes.

20 MR EVANS: Could the operator bring up PUB.0004.0002.0129, at page 0234. It's the 1996 review of the Gaming Commission Act. Can you go back to page 148? My apologies, my handwriting was not keeping up. Can I put this proposition to you, do you recall this review at all?

25 MR HALGE: I do recall the review, yes.

MR EVANS: Do you recall that the review reported --- the original requirement for junket operations monitoring was one that was actually instigated by WA Police?

30 MR HALGE: Say that again?

MR EVANS: Do you recall that according to the review, it was actually the Western Australian Police that actually instigated the requirements of junket operation reporting?

35

MR HALGE: I can't recall that.

COMMISSIONER OWEN: You're talking, there's a distinction between reporting and approval.

40

MR EVANS: Sorry, yes, there is perhaps a slight conjunction of the two that the actual approval mechanism seems to have been driven by the police, according to the review.

45 COMMISSIONER OWEN: Is that the question you want the witness to address?

MR EVANS: The question is was the requirement for the approval of junket operations originally driven by the WA Police?

MR HALGE: I cannot recall that, because that started in 1985 and I wasn't there in 1985.

5 MR EVANS: I won't take it any further.

MR EVANS: Finally, Mr Halge, you made a comment in relation to the change of arrangements when rosters were changed in response to a question from my learned friend that the decision to reduce hours was a decision of the Gaming and Wagering
10 Commission. You recall that?

MR HALGE: I believe I said it was --- the approval of the Gaming and Wagering Commission, it was driven by the Director-General, and the Director-General then informed the Commission and essentially the Commission didn't object to those
15 changes.

MR EVANS: Yes, that was what I was about to come to. Thank you, Mr Halge. No further questions.

20 COMMISSIONER OWEN: Thank you, Mr Evans. Commissioner Jenkins?

COMMISSIONER JENKINS: Mr Halge, I have some questions arising out of your evidence. Can we turn to the issue of junkets first of all? It's said that the recommendation of that review into the Gaming Commission Act in 1996 was that
25 the directions which had been issued under section 24 should be removed. Is that your understanding? We can perhaps even, if we can turn to the relevant page, that approval recommendation ---

COMMISSIONER OWEN: Was it 243 or 148?
30

COMMISSIONER JENKINS: Anyway, perhaps we don't need to go there. Do you just understand that it was as a result of the recommendation of ---

MR HALGE: It would have been as a result of the recommendation.
35

COMMISSIONER JENKINS: That those, that that direction was removed and replaced with regulations?

MR HALGE: Yes, that's right.
40

COMMISSIONER JENKINS: And did you understand that there was any significant difference between what had been provided for by direction and which was replaced by regulation?

45 MR HALGE: Having said that, while I was present at the Commission meeting, I had nothing to do with that particular recommendation in 1996. I wasn't the Chief Casino Officer at the time.

COMMISSIONER JENKINS: So you became the Chief Casino Officer in 1997?

MR HALGE: That's right.

5

COMMISSIONER JENKINS: And I think it was then in 1999 that the new regulations in respect of junket operations came into being; do you recall that?

MR HALGE: I don't. I recall the regulations coming into existence. I can't
10 remember the date, but if you say it's '99, I'll accept that.

COMMISSIONER JENKINS: All right. Then, that being the case, when the regulations were in place and junket operators or their representatives had to apply for approval to operate junkets, my first question is, do you recall whether they had
15 to apply every time there was to be a junket, or once they got approval as a junket operator, did that approval last for a particular period of time?

MR HALGE: I think they had to apply every time, that's my understanding. However, if they they'd already been in on one occasion and they were coming back
20 six months later or nine months later, the approval process wouldn't have been as stringent as the first time.

COMMISSIONER JENKINS: Second question is, did the approval application go to the Commission itself, or did you or someone else grant the approval under
25 delegation?

MR HALGE: My understanding is that the report went up to the Commission for approval.

COMMISSIONER JENKINS: Then was there a register of approvals or anything of that nature?
30

MR HALGE: I can't recall, but then there could have been a register. There must have been a register.
35

COMMISSIONER JENKINS: And otherwise, you would expect there to be a record in the Commission's minutes referring to the authorisation of each and every application?

MR HALGE: Yes, I believe so.
40

COMMISSIONER JENKINS: And would that be the case for both junket operators and junket operators' representatives?

MR HALGE: Yes.
45

COMMISSIONER JENKINS: Both had to apply, as I understand.

MR HALGE: Yes, there would have been that, yes.

5 COMMISSIONER JENKINS: And when you left in 2007, what was your view as to how that junket approval application process was working?

MR HALGE: It seemed to be working all right.

10 COMMISSIONER JENKINS: Did you have a view as to whether that process for approval should remain in force, or not?

MR HALGE: It should remain in force.

15 COMMISSIONER JENKINS: Do you recall whether by 2007 the GWC, and by virtue of that, the Department, were getting any or much assistance from the police in that approval application process?

20 MR HALGE: In relation to junkets, no, we weren't getting much assistance from the police.

COMMISSIONER JENKINS: And did you have any understanding as to why that was the case?

25 MR HALGE: Because the funding that was provided, initially provided by the Department for that one police officer to make those investigations, that was discontinued in the late 1990s, around about 1999.

30 COMMISSIONER JENKINS: So turning then to that person's position, do you now recall why funding for that position was removed?

MR HALGE: I cannot recall why it was done. That's a question that should be put to the Director-General.

35 COMMISSIONER JENKINS: And in terms of the exercise of your duties and functions, did you find that position to be of assistance, or not?

40 MR HALGE: I think it was always of assistance to the Commission and to people investigating, our inspectors. It would always be of assistance and should perhaps never have been disbanded.

COMMISSIONER JENKINS: And that person was a police officer ---

MR HALGE: Yes.

45 COMMISSIONER JENKINS: --- funded, but your understanding is his or her position was funded by the Commission, by the Gaming Commission or the GWC?

MR HALGE: Yes.

5 COMMISSIONER JENKINS: So who did that person report to? How did the reporting function then ---

MR HALGE: Reported through myself or through the Senior Inspector to the Commission.

10 COMMISSIONER JENKINS: And I would assume that they would also have a reporting obligation to the Commissioner of Police?

MR HALGE: I would assume so.

15 COMMISSIONER JENKINS: Do you think it would be of assistance for the Commission itself to have a police officer as a member of it?

MR HALGE: Probably not a member of it, but certainly somebody who could assist the Commission with any investigations that involved junkets, or for that matter, any other aspect of casino operations.

20 COMMISSIONER JENKINS: Can I take you back then to 2005, 2006 when the proposal was to refurbish and enhance the facilities of the casino, and part of that was to establish an international gaming facility to be called the Pearl Room?

25 MR HALGE: Yes.

COMMISSIONER JENKINS: Do you recall whether there was any discussion around that time, either in the Commission or the Department about whether there might be a need for increased regulation of the international business of the casino because there was going to be that enhancement?

30 MR HALGE: As far as personnel is concerned?

35 COMMISSIONER JENKINS: Just generally.

MR HALGE: Just generally ---

40 COMMISSIONER JENKINS: You know, whether it should be looked at again. Can I put a scenario through to you, the casino says it's going to ---

MR HALGE: Yes.

45 COMMISSIONER JENKINS: --- have a special designated facility for international business, ie that there may well be an increase in the amount of international business, should we be looking at that, that there might be additional risks for a regulator to consider, what should we do about that? That sort of train of reason.

MR HALGE: Yes. Well, certainly the Commission looked at the surveillance facilities available and whether those surveillance facilities were adequate to cover the extension of the main gaming floor as well as the establishment of this new gaming facility, ie the Pearl Room. Having been satisfied that the surveillance facilities, electronic surveillance facilities were adequate, it was approved.

COMMISSIONER JENKINS: So I appreciate that you finished in 2007 before, I suppose, the enhancements really occurred. But over the course of the time, 1997 to 2007 that you were the Chief Casino Officer, did you see an increase in the amount of international business at the casino or not?

MR HALGE: Yes, there was.

COMMISSIONER JENKINS: And did you see any increase or change to the risk profile of the casino as a result of that?

MR HALGE: No, we didn't see that at all.

COMMISSIONER JENKINS: And in that respect, I mean --- just tell me whether yes or no, I'm suggesting there was or there wasn't, I'm just interested to know --- did you see more cash with the international businesses?

MR HALGE: I cannot recall that. I cannot recall that.

COMMISSIONER JENKINS: Larger amounts of larger bets in general?

MR HALGE: There were always large bets in the international room, but no, I can't answer that question.

COMMISSIONER JENKINS: And a related topic, and that is that there was, and is still is, although I understand of course that international business is not --- I'm sorry, junket business is no longer being operated at the casino, but there is a casino direction relating to the funds advanced facilities, that is, credit or lines of credit being provided to international commission-business players. Do you recall that?

MR HALGE: I cannot, I'm sorry.

COMMISSIONER JENKINS: Do you recall the casino being allowed to advance credit to international commission business players?

MR HALGE: No, I can't recall that at all.

COMMISSIONER JENKINS: So you can't recall whether they were or were not allowed to provide credit?

MR HALGE: That's right.

COMMISSIONER JENKINS: To any gamblers?

MR HALGE: Particularly to junket operators.

5

COMMISSIONER JENKINS: And one final question in relation to, or one final line of questions --- I must give my fellow Commissioners time to ask questions --- in respect of your delegations, did you make changes to the directions using that power of delegation?

10

MR HALGE: Not without the approval of the Commission.

COMMISSIONER JENKINS: The prior approval of the Commission, or post-approval?

15

MR HALGE: If we were making changes to directions that had already existed, I would have put that up to the Commission. If I was trying to introduce new directions, I would still take that up to the Commission.

20

COMMISSIONER JENKINS: And what about the casino's operations manual? We've heard about it, do you recall it being ---

MR HALGE: I do recall it.

25

COMMISSIONER JENKINS: Would you make changes to the casino operations manual under delegation?

MR HALGE: I didn't make any changes to the manual.

30

COMMISSIONER JENKINS: And did you attend the casino operations meetings that took place between Departmental staff and casino employees?

MR HALGE: I attended some. I attended some. I have no doubt that there would have been other meetings between inspectors and other casino staff.

35

COMMISSIONER JENKINS: But did you attend a regular monthly meeting with casino ---

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MR HALGE: There were regular meetings, it wasn't a monthly thing, but there were regular meetings I attended.

COMMISSIONER JENKINS: And what was the purpose of those meetings, as far as you know?

45

MR HALGE: Well, to look at certain aspects of the functioning and the running of the casino and where they felt that changes could or should be made. We discussed that before taking it any further.

COMMISSIONER JENKINS: So that's really my last question. Would you, at those meetings, give directions, small "d" directions to the casino employees about what they could and couldn't do in terms of casino operations?

5

MR HALGE: In some instances perhaps, yes. But if I felt that the request by the casino employee or the casino licensee was such that I needed to take it to the Commission, I would take it to the Commission.

10 COMMISSIONER JENKINS: Thank you, Mr Halge.

COMMISSIONER MURPHY: Just briefly. Mr Halge, you've talked about the audit programs; can you just tell me how they were developed?

15 MR HALGE: We had a person on staff who came from a financial firm, Ernst & Young, and he developed those audit programs. I cannot help you any further.

COMMISSIONER MURPHY: No, that's fine. Did you look at other jurisdictions, or were they just developed by the departments?

20

MR HALGE: I think it was just developed by the Department. We were one of the first people who developed audit programs.

25 COMMISSIONER MURPHY: And would you be able to tell me what the overall objective or focus of the audit programs was, just in general terms?

MR HALGE: Well, in general terms, I think it was to move, eventually move the presence of the Government inspectors away from the casino.

30 COMMISSIONER MURPHY: But I mean, in terms of what the audit programs were trying to achieve ---

MR HALGE: Right.

35 COMMISSIONER MURPHY: --- I mean, was it about protection of the revenue or seeing that the games were played fairly, or ---

MR HALGE: Essentially games, mainly games, and other functions that we felt were important to investigate. We developed audit programs around them.

40

COMMISSIONER MURPHY: Thank you very much.

45 COMMISSIONER OWEN: And Mr Halge, can I also ask you some questions about the exercise of delegated power? I think your evidence was that you regarded the process of delegation as allowing for concurrent exercise powers; is that correct?

MR HALGE: Yes, I did, yes.

COMMISSIONER OWEN: And you said that so far as you can recall, there was never an occasion on which the Commission opposed an exercise of delegated power.

5

MR HALGE: That's right.

COMMISSIONER OWEN: I remember you saying that, but you were then asked, well, what would the process have been had that situation occurred; do you remember those questions?

10

MR HALGE: Yes, I do.

COMMISSIONER OWEN: This may sound simplistic, but would not the ability of the Commission to make an informed decision depend on the amount of information they had about the subject matter of the exercise of the power?

15

MR HALGE: Yes.

COMMISSIONER OWEN: And can you recall now, as a general statement, the sorts of information, or the extent of the information that you would provide to the monthly meetings of the Gaming and Wagering Commission on the exercises of delegated power? If you can't recall, that's ---

20

MR HALGE: Well, if I'd exercised any delegated power that I felt needed to be taken to the Commission, I would write up a full report and provide it to the Commission and that would have been on the basis that I felt that that was important for the proper functioning of the casino.

25

COMMISSIONER OWEN: Would you have given the Commission a list of all of the exercises of delegated power, perhaps in a truncated form?

30

MR HALGE: No.

COMMISSIONER OWEN: So it was only matters that you thought needed to be drawn to their attention?

35

MR HALGE: That's right.

COMMISSIONER OWEN: All right, thank you.

40

I have a couple of questions, which I just need to clarify, and that is about control of contracts. Remember the questions you were asked about control of contracts?

45

MR HALGE: Yes.

COMMISSIONER OWEN: In section 29(a) there's a definition of "Control Contract" and it relates to the supply of goods or services and then these words:

Or to any other matter that is prescribed as a control matter.

5 Now most of the material to which you were taken, I think from the annual --- no, it was I think a report from you --- were about the provision of equipment ---

MR HALGE: Right.

10 COMMISSIONER OWEN: --- supply contracts. What I'm asking you is so far as you can recollect now, were there other matters that were prescribed as control matters outside the terms of the supply of services or goods?

MR HALGE: I can't recall if there were other matters prescribed.

15 COMMISSIONER OWEN: And can I ask you this --- again, this is to clarify for me --- in the period --- you were on the committee, I think, from the 1980s?

20 MR HALGE: I was --- no, I wasn't on the Casino Control Committee. I was basically sitting in on all Gaming Commission and Gaming and Wagering Commission meetings from 1987 onwards.

25 COMMISSIONER OWEN: Right. Well, let's then just limit this question to the period 1997 when you became the Chief Casino Officer, to 1999 when the casino regulations were enacted. So, that period first of all. At that stage, I think you agreed that the, if you like, control of junket operations was by direction?

MR HALGE: Correct.

30 COMMISSIONER OWEN: Did you see any change or relaxation of the degree of control in that period?

MR HALGE: Certainly wasn't brought to my attention by my inspectors.

35 COMMISSIONER OWEN: And I ask you the same question in the period from 1999 when the Casino Control Regulations Part 3 which deals with junket operations was enacted, and 2007 when you left. Can I ask you that same question? Did you see any form of relaxation of the controls?

40 MR HALGE: I didn't see any and none was brought to my attention.

45 COMMISSIONER OWEN: All right, thank you. I've drawn an impression from your evidence overall and I'm going to ask you whether you think the impression I've drawn is fair. You said that when you started in 1997 there was a one-person unit from the police who assisted with the surveillance of junket operations and possible criminal infiltration and you found that as a very useful thing to assist you in the way you went about your task. Is that right?

MR HALGE: That's right.

5 COMMISSIONER OWEN: Then in 1999, that position was abandoned due to withdrawal of funding. Now, the impression I've drawn from your evidence is that from that time on, there was little or no collaboration between the Gaming and Wagering Commission and the West Australian Police; is that a fair impression?

10 MR HALGE: That's a fair impression, yes.

COMMISSIONER OWEN: All right, thank you. And my final question to you relates to your dual roles as the Chief Casino Officer and the Deputy Chair of the Commission. You said, I think, that you attended almost all of the meetings of the Gaming and Wagering Commission.

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MR HALGE: That's right.

20 COMMISSIONER OWEN: You put up recommendations and put up papers and presumably assisted them by answering questions that they might have. But when you were in that role, did you regard yourself as being part of the decision-making process of the Commission?

MR HALGE: No.

25 COMMISSIONER OWEN: In the times when you acted --- well, I'll ask you the question --- did you ever attend a meeting in your role as deputy chair?

MR HALGE: Only when I chaired a couple of Commission meetings.

30 COMMISSIONER OWEN: Okay. On those occasions, did you regard yourself as part of the decision-making process?

MR HALGE: Yes, I did.

35 COMMISSIONER OWEN: All right, thank you. Mr Sharpe, is there anything arising?

COMMISSIONER JENKINS: Sorry, Mr Halge.

40 MR HALGE: That's all right.

45 COMMISSIONER JENKINS: There's an answer you gave to Mr Murphy, that I don't know that I quite caught it. I think his question was, what did you understand the purpose of the audit to be? And you mentioned something about the ultimate removal of the (audio drop-out).

MR HALGE: Yes, yes.

COMMISSIONER JENKINS: What did you mean?

5 MR HALGE: What I meant was that the development of these risk-based programs was such that we would be able to regulate the casino would having inspectors at the casino 24/7.

10 COMMISSIONER JENKINS: So that was a thought process, or a planning process going on even back ---

MR HALGE: '95, '96.

15 COMMISSIONER JENKINS: Very early on. And by the time you left in 2007, did you think they should be removed entirely, or only partially from the floor of the casino?

MR HALGE: I had my doubts that they should be removed entirely. I felt that there should always have been a presence at the casino.

20 COMMISSIONER JENKINS: Thank you.

COMMISSIONER OWEN: Mr Sharpe, anything arising from that.

25 MR SHARPE: Just a couple of quick matters.

FURTHER CROSS-EXAMINATION BY MR SHARPE

30 MR SHARPE: In response to questions from Mr Evans, you accepted that you'd never performed a role as a casino inspector. During the questions that I put to you, you gave a description of how the inspectors would perform their role. Was that description based upon your own observation of the inspectors performing those roles, or was it based upon reports to you of how they performed their roles?

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MR HALGE: My observation and my knowledge of what had happened over previous years.

40 MR SHARPE: Another question that was put to you was whether you considered yourself to be principal executive officer carrying out the functions of the GWC and you agreed with that proposition?

MR HALGE: That's right.

45 MR SHARPE: Do you consider yourself to be principal executive officer carrying out the functions of the GWC in respect of the wagering matters?

MR HALGE: No.

01:10PM

MR SHARPE: There's no further questions.

5 And just briefly, the other issue with the document numbering was that a document
was tendered which was the Government Gazette, 22 April 1997 as
PUB.0008.0005.0014, but should have been tendered as the number
PUB.0008.0005.0001.

10 COMMISSIONER OWEN: The transcript will have that notation, and the exhibit
list, as it emerges will contain that number. Now, Ms Seaward?

MS SEAWARD: No questions, thank you.

15 COMMISSIONER OWEN: Mr Halge, thank you very much, that's been very useful.
You've assisted us greatly. Thank you very much and you're now free to go.

MR HALGE: Thank you.

20 **THE WITNESS WITHDREW**

COMMISSIONER OWEN: And we will adjourn and resume at 2.00 pm.

25 **ADJOURNED** [1.11 PM]

30 **RESUMED** [2.00 PM]

COMMISSIONER OWEN: If you'd please be seated. Mr Carr, if you could come
forward please? And if you could state your full name for the record?

35 MR CARR: Jeffrey Phillip Carr.

JEFFREY PHILLIP CARR, AFFIRMED

40 COMMISSIONER OWEN: Thank you, please sit down, Mr Carr. Commissioner
Jenkins.

45 COMMISSIONER JENKINS: Mr Carr, can I just explain to you the process this
afternoon. You've taken your oath or affirmation. Now what will occur is I will
speak to you about the witness statement which you prepared at our request.
Following that, you will be cross-examined by Mr Leigh, who's sitting at the front

right bar table and then after Mr Leigh has asked you some questions, counsel who are appearing for other parties this afternoon will be given an opportunity to ask you questions too. They may or may not take that opportunity. So, Ms Seaward, who is sitting in the middle of the front bar table, she appears for the Department and so she may ask you some questions. Mr Dharmananda, who's sitting at the far left, my far left at the front bar table, he appears for Crown Perth and associated entities, and he may ask you some questions. Then sitting at the back bar table we have Mr Malone, who's sitting in the middle with the beard. No, there's two with a beard, the one in the middle with the beard, and he acts for Mr Connolly, who was the former Casino Control officer. And then Mr Sadler is sitting next to him. He's half-arisen, and Mr Sadler appears for various members of the Gaming and Wagering Commission and former members of the Gaming and Wagering Commission. After they've been given an opportunity to ask you some questions, it is likely that members of the Commission will ask you some questions to clarify things, issues that they have. Following that, Mr Leigh may ask you some final questions and then, you will be free to go about your business. If you would like a break at any time, please let us know. Are there any questions you'd like to ask us now before we commence? That's questions about procedure?

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MR CARR: No, nothing about the procedure, thank you.

COMMISSIONER JENKINS: So, Mr Carr, did you prepare a witness statement at the Commission's request when you received the summons to appear?

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MR CARR: Yes, I did.

COMMISSIONER JENKINS: And perhaps we could put that up on the screen, and can you look at the screen in front of you? That will be the screen that a number of documents might be put on.

30

MR CARR: Yes.

COMMISSIONER JENKINS: Can we have a look at all pages of that so Mr Carr can see it and see his signature at the end? Now, is that the statement that you prepared?

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MR CARR: That's the statement I prepared. There is one element of it that time has proved to be false. I said in 11b in the third paragraph that "I was not aware of junket operators until reading media reports from the NSW enquiry." Since I wrote that, the Commission has sent me some documents, an agenda and minutes of a meeting that was held of the Gaming and Wagering Commission, at which I was present, at which there was discussion of junket operators. So, clearly, I had heard of junket operators prior to preparing that statement and I apologise for the failure of my memory.

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COMMISSIONER JENKINS: All right. So how would you like to change that sentence?

MR CARR: I'd like to delete that third sentence of 11b.

5 COMMISSIONER JENKINS: And apart from that deletion, is the information contained in your statement true and correct to the best of your knowledge and ability?

MR CARR: To the best of my knowledge, yes.

10 COMMISSIONER JENKINS: Then the statement of Mr Carr, with that last sentence of paragraph 11b deleted, will become an exhibit in the inquiry.

15 **EXHIBIT #WIT.0005.0001.0001_r - STATEMENT OF MR JEFFREY PHILLIP CARR**

CROSS-EXAMINATION BY MR LEIGH

20 MR LEIGH: I'm going to ask you some questions about your qualifications, experience and work history. I understand you attended Claremont Teachers College from 1962 to 1963?

25 MR CARR: Yes.

MR LEIGH: Thereafter, you taught in various parts of the State including Geraldton, Katanning and Ardross, up until 1973.

30 MR CARR: Correct. Until 1973, yes.

MR LEIGH: You also gained a Bachelor of Arts in Economics and Politics from the University of Western Australia and you graduated in 1971?

35 MR CARR: That would be correct, yes.

MR LEIGH: Moving now to your political career, you were elected to State Parliament in March of 1974 as the Member for Geraldton and you remained a member of Parliament until you retired in February 1991?

40 MR CARR: Correct.

45 MR LEIGH: In addition to various shadow positions that you held while in Opposition, after the 1983 State election, you were appointed as the Minister for Local Government and Minister for Police and Emergency Services. You remained Minister for Local Government until February 1989?

MR CARR: Yes.

MR LEIGH: And you remained Minister for Police and Emergency Services until February 1986. In addition to those roles, you also at various times up until February 1991 served as the Minister for Mines and the Minister for Fuel and Energy Mid
5 West and Small Business.

MR CARR: And Regional Development.

MR LEIGH: And Regional Development, thank you. In terms of your work as
10 Minister for Local Government and Mines in particular, would it be fair to characterise those portfolios as primarily regulatory in nature?

MR CARR: Local Government, yes. Yes, not entirely, but substantially, yes.

MR LEIGH: And to what extent, if at all, do you consider that you gained an appreciation for what was required to administer a regulatory agency in your time as a Minister in those portfolios?

MR CARR: Well, I'd certainly learned a lot during that period of time. Whether I learnt sufficient to be able to control a body, that's a different question, but I certainly gained a fair bit of knowledge during my time in those departments.

MR LEIGH: I'll come back to your time as Minister for Police to ask you some questions about gaming issues that were dealt with at that time, but for the moment, I
25 just want to cover off on the rest of your career prior to joining the GWC in 2008. When I'm referring to GWC, that's the Gaming and Wagering Commission, but I'll use that abbreviation for brevity.

MR CARR: Yes.
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MR LEIGH: Can you tell the Commissioners what, if any other roles you had, following your retirement from Parliament in 1991, up until you were appointed to the GWC in 2008?

MR CARR: You're talking about Government roles?
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MR LEIGH: Whether it be Government or the private sector, essentially what you did next?

MR CARR: I didn't do anything in the private sector, but when I retired I became very much involved with a couple of local sporting clubs. I was for several years president of the South Perth Junior Football Club. President, line marker, delegate, registrar, just about everything. I also had three years as president at the Royal Perth Golf Club, a total of, I think, nine years on the committee of the Royal Perth Golf
45 Club. Then I was appointed to two other Government boards. I was appointed to the Geraldton port Authority and I was appointed to the Heritage Council. The other Government task that I was given was that I was appointed as chairperson of

Commissioners of the body overseeing the amalgamation of the City of Geraldton and the Shire of Greenough.

5 MR LEIGH: Just in terms of those three positions, when was it that you were appointed to the Geraldton Port Authority?

MR CARR: I can't give you an exact year. These were all appointments made by the Gallop Government so they were in that period of the early 2000s, I guess.

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MR LEIGH: And would that be true also for your time on the Heritage Council and as chairperson of Commissioners overseeing the amalgamation of local governments?

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MR CARR: The chairperson of Commissioners was only about a six-month task, and that would have been, I believe in the year 2007, from March to October, or so. The other two positions, I would have been appointed to a little bit earlier than that. Sorry, maybe the --- I was certainly appointed to the Geraldton Port Authority earlier than that. My appointment to the Heritage Council I think was about the time that I finished my time at the Geraldton Council, so that would have probably been 2007 or thereabouts. I'm sorry, I don't have the exact dates of that. I wasn't expecting you to ask me about them.

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MR LEIGH: Apart from those roles in the various sporting organisations and those three council positions that you've just taken us through, was anything else that you had done prior to being appointed to the GWC?

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MR CARR: Not that I recall that's relevant, no.

30 MR LEIGH: Thank you. Just in relation to each of those three appointments that you had, can you explain at a broad level, just so the Commissioners have an understanding, of what was involved in those roles?

MR CARR: Well, the Geraldton Port Authority was management of the port in general terms and that involved monthly meetings. It involved a fairly detailed understanding of how the port was operating, what the port's potential was in terms of possible new cargos, dealing with issues that the port had to deal with such as the amount of surge that occurs there that causes problems in certain weather conditions, general administration and oversight of the port.

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The Heritage Council had a range of activities relating to mostly dealing with applications from people who wanted to develop properties that were identified as being Heritage properties and, therefore, there was the need to be negotiating how much change could be made to a Heritage property without destroying the Heritage value of it. But at the same time, understanding that developers had a right to develop properties and I think as far as the Geraldton one was concerned, that was as chairman of Commissioners, the Commissioners basically did what an elected council would normally do. Initially we sat as the commissioners of the Geraldton

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Council and the Greenough Council separately. Then when the amalgamation took place, we sat as commissioners of the amalgamated body until elections were held in October of that year.

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MR LEIGH: Thank you. Now I'm going to ask some questions in relation to your experience in relation to gaming prior to being appointed to the GWC, and you've indicated, under point 1 of your witness statement, that you have some knowledge and understanding of aspects of gaming policy as a result of your being Minister for
10 Police from 1983 to 1986 and you say in your time:

.... during which time the Government changed the gambling landscape in a major way.

15 Can you explain to the Commission what your understanding of that landscape was prior to those changes being made in 1983 and onwards?

MR CARR: Well, at that time there were no legal gambling in the State, but there were gambling places operating, houses as I understand it mainly in Northbridge, but
20 there were places which did operate and they were basically allowed to operate, notwithstanding that they didn't have any legal sanction and that's when we decided that that wasn't an appropriate way for things to be operating and so we oversaw with the police a crackdown on those illegal gaming places and opened up a range of opportunities for legal gambling to take place.

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MR LEIGH: When you say they were allowed to operate, these illegal gaming places, is this what you're referring to when you talk about a "containment policy" in your witness statement?

30 MR CARR: Yes.

MR LEIGH: Who was it that made the decision prior to these reforms to allow these illicit gaming activities to continue?

35 MR CARR: That's a very difficult question, but obviously it's the same issue that existed for a long time with prostitution, where an illegal activity was operating because some people in authority allowed it to happen and I don't think I was ever in a position of being able to identify a particular person who did. If I identified a particular person who did, I probably would have been obliged to draw that to the
40 attention of the Commissioner or the Premier or whoever. But I was never aware of which individual or individuals were allowing those illegal activities to operate. But I think everybody knows that they were.

45 MR LEIGH: And you mentioned that this was taking place primarily in Northbridge?

MR CARR: I understood that some of these illegal places were in Northbridge. Obviously, the Kalgoorlie two-up school was operating at Kalgoorlie. A lot of

country race clubs held two-up meetings after race meetings with no legal sanction to do so and, of course, there were even two-ups on Anzac Day, which I guess, again, is technically illegal.

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MR LEIGH: Are you aware of how long this containment policy had been in operation?

MR CARR: No, as long as I --- no, I don't.

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MR LEIGH: All right. Again, you may not be able to answer this question, but are you aware of what the rationale was for why the policy was in operation?

MR CARR: Not really, no. I guess it was simply a matter of it was something that couldn't be stopped, that people in the community would gamble in some way or some place, and that if you wouldn't going to have laws to stop it, then there wasn't much you could do but let it happen.

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MR LEIGH: You then go on to explain also under point 1 of your statement that gambling was at this time legalised in a number of forms and you list the establishment of a casino, two-up permits for country race clubs, and community and sporting clubs being able to apply for permits to conduct gambling events. The inverse of the question I was asking before, can you explain to the Commissioners at a high level what the rationale was for why this legalisation was now advanced?

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MR CARR: Well, the rationale was that there was undoubtedly going to be people in the community who were going to gamble in one form or another and the view of the Government was that we shouldn't be condoning illegal activities. We should be either stamping them out completely, which is I think most people would agree to be impossible, or to put in place some sort of a framework which those people who wanted to gamble could gamble within.

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MR LEIGH: So moving from that decision paradigm to the actual establishment of the casino --- and you explain in your witness statement that you're a member of the Cabinet subcommittee which considered submissions for the original casino licence -- does that mean that your role was to consider not whether or not there should be a casino, but once that decision had been made, to look at the different persons proposing casinos and then to select from those?

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MR CARR: That's correct. In fact, it was interesting because initially we simply called, the Government called for expressions of interest for a casino and a number were proposed and I think there was a general view that the Genting Dempster proposal was outstanding and they wanted to put it on the Burswood site and the Government initially decided to give it to Genting Dempster and then in the lunchroom after that Cabinet meeting, there was an appreciation that they had proposed to use a piece of Government land which they hoped would become available, whereas no other proponent had thought that that land might be available. So the Government adopted a revised decision which was that we will allow a casino

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at Burswood, but we will reopen expressions of interest so that any proponent who wanted to would put a proposal for what they would build at Burswood, and the task of the Cabinet subcommittee was to assess those applications as they came in and
5 decide which one of those applications we should recommend to the Cabinet to be the selected operator.

10 MR LEIGH: What risks, if any, was the subcommittee concerned with in assessing the proposals for the casino?

MR CARR: It --- the work of that subcommittee was primarily in terms of what a casino operator would offer to the State, in terms of what sort of buildings they would provide, what sort of employment they would provide, how their work would improve that particular piece of land, what extra buildings might be provided to the
15 benefit of the State such as the large indoor stadium and so on. There wasn't really too much consideration at that stage of the --- shall we say the probity of the proposers. Once we made a selection that that was the appropriate proposal and Cabinet had agreed with that, it then passed into the hands of the Minister for Racing and Gaming who may have at that stage been called Chief Secretary, if my memory's
20 right, but passed into the hands of that Minister and his department who was primarily responsible for negotiating the deal, the arrangements with the proponent. And as part of that exercise, I know that that Minister then undertook enquiries through using police officers --- using a police officer to make further enquiries of the probity and reputation of Genting in Malaysia, and I've been provided with
25 another question and answer that took place in the Parliament at which I indicated that a police officer by the name of Les Ayton was, by arrangement between the Commissioner and Des Dans, sent to Malaysia to investigate the probity of that particular applicant.

30 MR LEIGH: Let me take you now to those documents. If we can now call up PUB.0009.0001.0004 and I think you've just explained to the Commissioners that prior to today you've received some documents from the solicitors acting for the Commission, and I'm inviting you to have a look at those.

35 MR CARR: Yes.

MR LEIGH: If we can have pages 4 and 5 side-by-side please? The debate here, as I understand it, is for the consideration and detailed debate for what was then the Casino Burswood Island Agreement Bill. You're not recorded as taking part in this
40 debate now, but there are some answers on notice and without notice that you give later in the same day. Do you recall whether you were taking part in this debate at this time?

MR CARR: I wasn't involved in the actual debate. Pretty normal procedure in
45 Parliament is that when a bill is being debated, the Minister whose bill it is carries the debate ---

MR LEIGH: Yes.

MR CARR: --- and it's while other members are obviously welcome to participate, other Government members, it's not normal for other ministers to involve themselves in a bill that a particular member has.

5

MR LEIGH: Let me just take you then in relation to the specific debate to a particular question that I'll ask you to reflect upon and that is a question in relation to the security of the casino that was being discussed. You may have had a chance to look at this already. It starts on page 960 of the Hansard, where there's some remarks from the Honourable Mr Pearce and there's a question that's asked of the Minister for Education, who I think was leading the debate and he's asked about the security systems that will be installed at the casino.

10

MR CARR: Yes.

15

MR LEIGH: And whether those will be of high quality and across into 961 there's an answer by the Honourable Mr Pearce in the course of which he contrasts the security of the casino with the security at the Argyll Diamond Mine and he then goes on to say that the security system must ensure that there is no winning at the casino as a result of corruption and it must be secure from being defrauded.

20

Do you recall these debates, whether in the chamber or more broadly going on at the time, and the discussion behind the casino security systems?

25

MR CARR: I think it's likely that I would have been in the chamber, because I was, in Parliamentary terms, a good sitter. I was someone who used to spend a lot of time there when others perhaps would find a reason not to, and without being certain, I would have expected that I would have been in the chamber when that discussion was taking place. Bob Pearce was the minister representing the minister. The relevant minister in charge of the legislation was Des Dans who was in the Upper House of the Parliament. Bob Pearce was the member representing him in the Lower House and carrying the responsibility of that bill in the assembly.

30

MR LEIGH: Just zooming in on the question of the casino security, did you have any interest in the level of casino security in your role as Minister for Police?

35

MR CARR: Not directly. Obviously, I had a general interest obviously in what was happening in the casino and a general interest in anything that the police would be involved in, but I was of the view that --- well, the reality was that responsibility for the casino legislation was with the relevant minister.

40

MR LEIGH: Were you aware at this time --- that's back in 1985 --- of whether WA Police were in any way concerned with security risks to the casino and if so, what?

45

MR CARR: Nothing was ever said to me to suggest that, that they were concerned about security generally. You've seen the other question and answer ---

MR LEIGH: Yes.

MR CARR: --- where I was asked about the sending of the officer to Malaysia.

5

MR LEIGH: I'll bring that up in just a moment. Before we go to that, we're talking generally about security issues. Do you recall at this time in 1985 whether there was any discussion about the risks of money laundering in the casino?

10

MR CARR: Not a lot. In general terms, there's an understanding that where lots of money changes hands in places like that, there are risks. There's always a general understanding of that and I know that's why we wanted to have some integrity research done on the proponents that we'd selected because of the fact that, you know, there could be risks. I'm not aware of any suggestion that the proponent posed a particular risk.

15

MR LEIGH: All right. Moving then to a further extract from Hansard. That's PUB.0009.0001.0001 and if we can please have pages 1 and 2 side by side. I think these are the questions and answers that you were referring to earlier, so at 328 on the left-hand side, you're asked some questions about an officer of the WA Police Force undertaking some investigations, and then you've already mentioned that company's name, Genting Berhad, and in answer you gave a brief summary as to the investigations conducted by Sergeant Ayton. I appreciate this is a very long time ago, but do you have any recollection now as to what were the matters being investigated by Sergeant Ayton as part of these enquiries?

20

25

MR CARR: No, and I don't believe I was even given detail at the time. I knew that there'd been an arrangement arrived at between Minister Dans and the Commissioner for Sergeant Ayton to go to Malaysia and I knew that there were a couple of things he wanted to follow up more closely and I was advised of that, but that's about the extent that I was involved in that.

30

MR LEIGH: In terms of what you were advised, do you have any recollection as to whether what you were advised concerned these broader questions I was talking about before, which is money laundering at casinos?

35

MR CARR: No, I don't have --- in fact, not only do I not have a recollection, I'm fairly certain that I wasn't told the detail of what was being investigated, just that one of the officers from the police was doing this work for another minister .

40

MR LEIGH: Thank you. Commissioners, I tender those two excerpts.

45

COMMISSIONER OWEN: The excerpts from Hansard, identified respectively as PUB.0009.0001.0004 and PUB.0009.0001.0001 will be admitted into evidence as exhibits.

EXHIBIT #PUB.0009.0001.0004 - EXCERPT FROM HANSARD

EXHIBIT #PUB.0009.0001.0001 - EXCERPT FROM HANSARD

5

MR LEIGH: The next thing I want to ask you about now is the process by which you came to be appointed to the GWC and you explain under point 2 of your witness statement you were initially appointed for two years and then reappointed for a term of one year after that?

10

MR CARR: Yes.

MR LEIGH: Can you explain to us how it was you came to be appointed? Did you nominate for the role, or were you approached?

15

MR CARR: I was approached by the minister of the day, Ljiljana Ravlich, who asked me if I'd like to be appointed to that particular board and it was only a very brief conversation. She indicated that she was looking for a community representative or someone to represent the community interests and obviously she thought I was a suitable person for that.

20

MR LEIGH: Was there any discussion prior to your being appointed as to whether there were any other qualifications that were needed? You've already mentioned the aspect of being a community representative, but was there any discussion about any particular skills or ability that you should have as a member of the GWC?

25

MR CARR: I said to her that I didn't have any particular skills relating to the casino and that was when she made the comment that she was really looking for someone to represent the community interest thing.

30

MR LEIGH: And before you accepted the offer to become a member of the GWC, did you have an opportunity to talk with any of the existing members as to what the role entailed?

35

MR CARR: No.

MR LEIGH: And are you aware of how it was that you became considered for the position? So I understand what was explained to you when you were approached, that you'd be a community representative, but do you know how it was that your name was first thought of?

40

MR CARR: The short answer is no. The only thing I can think of is that the minister was the same minister, she was also Minister for Local Government, who had appointed me for that other six-month job in Geraldton in the preceding year and she and her department, as I understand it, were pretty happy with how I'd handled that, so I guess I was in her mind as somebody who would be capable of representing the community.

45

MR LEIGH: And prior to being approached by the minister, did you have any understanding of what it was that the GWC did?

5 MR CARR: Not a lot, no.

MR LEIGH: Had you heard of the body before?

10 MR CARR: I'd been aware of the establishment of the Casino Control Board and that sort of thing in the early days. I wasn't really aware that the name had even changed.

15 MR LEIGH: And did the minister provide you with an explanation as to the sorts of things you would deal with if you decided to become a member of the GWC?

MR CARR: No, it was just that reference to community representation.

20 MR LEIGH: Are you aware of whether any other persons who were already members of the GWC were consulted on your appointment prior to you being approached? And this perhaps flows out of what you said before, that you knew about the body, but essentially only that you knew about it. Is it the case that you had a broad understanding of what the GWC did, or that you didn't particularly have an idea as to what role it fulfilled at all?

25 MR CARR: I think I had a broad understanding of supervision of gambling without having a detailed knowledge of the exact way that the body operated.

30 MR LEIGH: So at that broad level --- so, there's a supervision of gambling, but what was your understanding as to why it was that that supervision was undertaken? What was the purpose for which the GWC was supervising?

35 MR CARR: Well, I guess it went right back to the original decision that we would legalise gambling. If we were going to have legalised gambling then there needed to be some form of oversight of the general processes of that.

40 MR LEIGH: I'm going to ask some questions now about your induction and training or the extent of any of those. Once you were appointed to be a member of the GWC, do you remember meeting with anyone to receive an induction and have someone explain to you what the organisation did?

MR CARR: I don't remember meeting anyone prior to the first meeting that I attended.

45 MR LEIGH: Do you recall if anyone provided you with any materials prior to your first meeting, such as, for example, copies of legislation, annual reports or similar?

MR CARR: I'm not sure. I've tried to think whether I was or not and I'm not quite

sure whether I was ever given anything or not.

5 MR LEIGH: In relation, then, to the possibility of training, I think you've said at point 3 of your witness statement on page 1 that you don't recall being given any training. Do you recall any other members of the GWC receiving training?

10 MR CARR: My recollection is that I was the only new member at that time. I think all of the rest were continuing, so there was no joint training or anything like that for the group.

MR LEIGH: And you've just mentioned that you were the only new member joining.

15 MR CARR: I think I was.

MR LEIGH: Did you have any assistance from the existing members? So, for example, any of those members sit you down to talk with you as to what the GWC did and how you might perform your role?

20 MR CARR: No, but I would say that during some of the earlier meetings, as issues came up, there would be a little bit of a tendency for explanations to take place. So an issue would come up that I wasn't aware of and I'd ask "What's this about?" And the chairman in particular and other members were helpful in sort of acquainting me with the issues.

MR LEIGH: And who was the chairman at this time?

30 MR CARR: Barry Sargeant.

MR LEIGH: So you didn't ever receive any training, do you recall ever seeking any training?

35 MR CARR: I don't think I asked for anything, no.

MR LEIGH: And do you recall whether it was ever indicated to you that there was any training available?

40 MR CARR: I don't recall anything being said about training being available.

MR LEIGH: Another of the witnesses that have been before the Commission has mentioned that they, on occasion, attended meetings of the GWC at the casino, at which stage they sometimes saw other casino staff receiving training. Did you ever observe such training taking place?

45 MR CARR: I certainly attended meetings at the casino. I saw a media report that said we had every second meeting there and got refreshments there, so I checked my own diaries and during the four years I was on it, I can identify three, attending three meetings at the casino and yes, there may have been a meeting that we saw some

training taking place. I think that's right.

5 MR LEIGH: All right, but did you ever yourself receive training in relation, for example, to gaming operations from the casino, or you just observed training taking place?

10 MR CARR: I didn't receive any training from the casino, but I do seem to recall, now that you've mentioned it, that on one of those visits that there was, that we witnessed some training taking place of their own staff.

15 MR LEIGH: You say under point 11b of your witness statement that there was no focus on how gamblers came to be in possession of their money and any criminal involvement was seen as being a matter for police attention. You thought there was communication between the Department and the police. Just in terms of how that idea or how that understanding came to form, was that something that was told to you by other members of the GWC when you joined, or is that your view as a result, for example, of reading legislation?

20 MR CARR: It's more a presumption than anything else. I was aware of the original cooperation between the police and, you know, Des Dans and Les Ayton, and saw where he had been seconded to Minister Dans' department at one stage and so on. I guess I just let the presumption continue that there would be close cooperation. There were references in meetings to matters that had been referred to the police by the
25 casino, where they had need on occasions to call the police to deal with incidents that were beyond the normal things and I just simply presumed --- and perhaps I should have done more than presume, but I did presume --- that there was a continuing liaison and cooperation with the police and other law enforcement agencies.

30 MR LEIGH: On that point about there was no focus on how gamblers came to be in possession of their money, did you understand that potential criminal involvement in casino gaming, and in particular the use of the casino for money laundering, was not a matter that concerned the GWC?

35 MR CARR: The Commission seemed to regard that as somebody else's responsibility. Namely, law enforcement agencies generally.

40 MR LEIGH: When you say the Commission seemed to have that view or that's how they seemed to regard it, how did you come to form that view as opposed to what the Commission thought?

MR CARR: I don't recall there being discussions in which it was suggested to us that this was our responsibility.

45 MR LEIGH: So is it more that there was an absence of discussion rather than a positive statement, is that your recollection?

MR CARR: That's probably fair comment.

5 MR LEIGH: I'm now going to ask some questions in relation to the processes of the
GWC. You say under point 6 of your statement that the Commission normally met
monthly for a half-day. The agendas were provided in advance and you took some
hours to study them closely. That's the only part of your statement which
specifically describes what you did as part of the GWC. Was the work of the GWC
limited to those monthly meetings, while you were a member?

10 MR CARR: In the main it was. I do remember a special meeting that we had that I
referred to there, where there was an issue of the casino excluding a patron who they
regarded as a problem gambler and were wanting to exclude him for his own benefit
and he appealed against that to the Commission and we had a separate meeting of the
15 Commission to hear his appeal. Apart from that, the meetings were pretty
consistently monthly. There may have been a special one some time for some issue
that was urgent, but I don't recall it being other than regular monthly meetings.

20 MR LEIGH: So the work of the GWC was confined to meetings, whether they be
monthly or sometimes special meetings; is that correct?

MR CARR: Primarily, yes.

25 MR LEIGH: And just in relation to those meetings, how did you receive agendas for
them?

30 MR CARR: Okay, it changed during my time. Initially they were in a paper form, a
folder, a substantial folder which was delivered to my home a few days before the
meeting. During the time that I was there, a change was made to issue us all with an
iPad, which was apparently in some way --- I was going to say "doctored" --- but in
some way set so it could only be used for Commission business and so the agenda
was emailed to each of us a few days before and we worked from the iPad as our
documentation for meetings.

35 MR LEIGH: And in addition to the actual agenda itself, were you provided with any
other documentation prior to meetings?

40 MR CARR: Well, the agendas often had attachments to them and in some cases,
substantial.

MR LEIGH: And what did those attachments comprise of?

MR CARR: Oh, it depends what the issue was that was on the agenda.

45 MR LEIGH: If you can give some examples for the Commissioners just so they can
understand the usual run-of-the-mill type things you might receive with an agenda.

MR CARR: Well, there was one that was sent to me in the last couple of days by
this

Commission relating to, relating to the definitions of poker machines against electronic gaming machines and there was an attachment there that detailed a previous decision, a previous policy that had been set at some stage, so that was an attachment that related to that agenda item.

MR LEIGH: Who wrote the agendas?

MR CARR: Someone within the Department. I don't know the answer to that.

MR LEIGH: Did you ever write the agendas or contribute items to be included in the agendas?

MR CARR: Not that I recall.

MR LEIGH: Can you recall whether any other GWC members ever wrote the agendas or provided items to be included in the agendas?

MR CARR: We may have at some stage, any one of us may have said "that's something we'd like to talk about in more detail at the next meeting", but certainly nothing beyond that and certainly no one writing the agendas. The agendas were always prepared by the Department.

MR LEIGH: Would it be fair to say that the GWC essentially worked on the basis of considering those matters that were put before it?

MR CARR: Primarily, yes.

MR LEIGH: Did you ever meet with other GWC members or discuss with those members prior to meetings the items that were coming up in a forthcoming meeting?

MR CARR: I don't think so, no.

MR LEIGH: Are you aware whether any GWC members had such discussions between themselves, not necessarily involving you?

MR CARR: Not that I'm aware of.

MR LEIGH: In terms of the reports or recommendations that may have been with the agendas, are you aware of who wrote those?

MR CARR: Well, the particular example that I quoted to you had the name of the officer who had prepared that agenda item.

MR LEIGH: And in terms of that officer, for example, or more broadly, other officers, are you aware of whether those officers were officers of the GWC or of any other body?

MR CARR: I think the line between officers of GWC and officers of the Department was a line that I probably never quite understood. I tended to regard all of the officers of the Department as being officers of the GWC as well.

5

MR LEIGH: And when you say "the Department", are you referring to Department of Racing, Gaming and Liquor?

MR CARR: As it was then, yes.

10

MR LEIGH: As it was then, thank you. Did any of these officers, whether they were GWC or Departmental officers, did any of them ever address the meetings of the GWC?

15

MR CARR: Yes, yes. Depending on what the issues were, the relevant officers would often --- Barry Sargeant was always there as chairman. There was another officer, Sandy Del Prete, I think, was a relatively frequent member on various matters and sometimes others, another member might have been brought in to speak to a particular issue.

20

MR LEIGH: And how did that come to pass? Was it the case that the officers themselves would think in advance that they should be present for a particular item, or would they be requested to attend by the GWC and then attend at the following meeting? What was the process?

25

MR CARR: Probably a bit of both . Mainly I would have said it would have been the chairman who would have thought that it was appropriate to have an officer there to speak to something.

30

MR LEIGH: And to the best of your recollection, did you ever have an opportunity to speak with any of the authors of these reports prior to the meeting at which those items might be considered? And, likewise, are you aware of whether any other GWC members did so?

35

MR CARR: I don't know.

MR LEIGH: In terms of the recommendations that were put before you as part of the agendas that you would receive, do you recall whether the GWC ever determined to reject the recommendations that had been made by officers?

40

MR CARR: We certainly would have referred some back, or deferred some for more information. No immediate rejection comes immediately to mind, but certainly, we had deferrals.

45

MR LEIGH: And in terms of the deferrals, what would the process for that be?

MR CARR: Simply to record in the minutes that we had deferred the agenda --- had deferred the item and wanted more information at the next meeting.

MR LEIGH: And then, in terms of wanting that more information, would you ordinarily then receive further information at the next meeting?

5 MR CARR: So the next agenda would deal with the issues that we asked them to deal with.

MR LEIGH: And in situations like that, would it typically be that once additional information had been provided, the GWC would then ultimately adopt the
10 recommendation, or not?

MR CARR: Well, we didn't adopt every recommendation that was put to us entirely. We quite often made slight amendments to recommendations at times.

15 MR LEIGH: And can you tell the Commissioners how the process of the meeting worked in respect of each individual item? So, for example, did the chairman read the new agenda item and then invite each person to speak to it, or did members only speak to it if they had a particular interest in it? What was that process?

20 MR CARR: I think it was basically a process of going around the room, of the chairman inviting anyone to speak and anyone who wanted to speak had an opportunity. There was absolutely never an occasion that I can recall where any member was prevented from having an opportunity to speak.

25 MR LEIGH: And did the items ever get put to a formal vote?

MR CARR: Very rarely, if ever. It was almost always a consensus-type meeting, consensus-type decision-making.

30 MR LEIGH: And how often, if at all, did the items on the agenda give rise to serious divisions of view amongst the different members of the GWC?

MR CARR: Not a lot. I think it's fair to say that the members of the Commission were people who were all consensus-building type people and while we might have
35 had a few different views on a few different things, we were always able to resolve any differences.

MR LEIGH: And then, at again point 6 of your witness statement you say that the GWC normally met monthly for a half-day. And is that your estimate for the
40 average length of a meeting?

MR CARR: We normally met at 8.30 and they'd normally be finished by midday.

MR LEIGH: And was the length of the meeting broadly consistent for the entire 4-
45 year period you were a member of the GWC, or did they go up or down over that time?

MR CARR: Substantially similar. They weren't all the time, but they were substantially similar.

5 MR LEIGH: I'm now going to ask you some questions that the type of work the GWC carried out as opposed to the type of work it did. You say under point 11a of your witness statement that the Commission's policies and procedures regarding the casino were aimed at ensuring that it complied with legislative and regulatory requirements and that the focus was on day-to-day operations. Is that right?

10

MR CARR: Yes.

MR LEIGH: You also at a later stage explained that the GWC was concerned with problem gambling, the number of gaming machines and the location of ATM machines. That's right?

15

MR CARR: (No audible answer).

MR LEIGH: Given your prior experience with other regulatory bodies and on other committees that you have been on, how did this focus, this operational focus of the GWC, compare to those other committees?

20

MR CARR: It was a bit different because the two other agencies that I'd been on were agencies where the board or the committee were dealing primarily with our own staff, whereas here, the agency that I was on was dealing with outsiders and needing to --- Crown in particular, but other operators --- and we needed to have discourse with them and a lot of that took place in the form of expecting them to report to us on matters that we wanted them to report to us on. So it was different in that regard.

25

30

MR LEIGH: And in terms of the particular focus on, if you like, operational day-to-day matters, was that the same in those other committees that you were involved in, or did they have a more strategic approach?

MR CARR: Well, the Port Authority that I was on clearly had a strategic approach, in that it needed to be looking at where its future tonnages were coming from and what needed to be done to accommodate them and so on, so there's a more strategic approach there. Less so with the Gaming and Wagering Commission, where it was seen to be a matter of simply overseeing the system that was in place.

35

40

MR LEIGH: Now, the Commission has received various agendas and minutes from the GWC in answer to a notice to produce. I'm going to show you what appears to be the earliest minutes we have for a meeting that you attended. Can we please call up DLG.0002.0002.0001 and you can see that the heading of the document suggests it's a meeting on 27 January 2009.

45

MR CARR: Yes.

MR LEIGH: And you can see you're listed as being present at that meeting.

MR CARR: And I also ---

MR LEIGH: I should clarify, this is just the earliest document that we the
5 Commission have, I'm not suggesting that this is the first meeting that you attended.

MR CARR: I've said in my statement that after looking at my diaries, my first meeting was on 29 January 2008.

10 MR LEIGH: Yes, but the Commission has requested documents from various persons and they requested documents covering certain timeframes. So this is the first minutes that we appear to have, which show you being present at a meeting.

MR CARR: Okay.

15

MR LEIGH: I'm not suggesting that this is the first one that you were at as a member.

MR CARR: That's okay.

20

MR LEIGH: But do you recognise the format of these minutes, how this appears?

MR CARR: Yes.

25 MR LEIGH: And you mentioned before that these meetings would ordinarily begin at 8.30 and I think you can see that in the first paragraph under the apologies, it mentions it opened at 8.30, and if we can go to page 5 please, you can see it closes there at 11.10 am, so a bit over two and a half hours. Would that have been a reasonably usual meeting length?

30

MR CARR: Any time between 11 and 12 probably would have been the range.

MR LEIGH: So, if we can go back to page 1, please, you can also see when we get there in the heading that it was conducted at the ---

35

MR CARR: At Burswood.

MR LEIGH: The Swan Room, lobby floor. I think you told us this was only one of three occasions where you did appear at the casino.

40

MR CARR: I went through my old diaries to try and identify how many meetings we had attended at Burswood and I only found three. So unless I've made a mistake somewhere, then that's three in four years.

45 MR LEIGH: On those occasions where you were not at the casino, where did the GWC meet?

MR CARR: In the Departmental offices in the Hyatt Building.

MR LEIGH: Apart from those casino instances, was it always at that building?

5

MR CARR: Yes. The special hearing that we had that I referred to earlier about the problem gambler was held somewhere else. I think that may have been in the Fire Brigade boardroom, little amphitheatre or some other building, but it wasn't in the Hyatt or at Crown.

10

MR LEIGH: Now, earlier you made a comment that you had seen in the media some comments to the effect of the GWC meeting at Crown and receiving refreshments. On those three occasions that you did meet at the casino, was it the case that, to the best of your knowledge, you received refreshments from the casino?

15

MR CARR: Nothing beyond water on the table.

MR LEIGH: And are you aware of whether it was the case that the GWC was paying to make use of the facilities of the casino? Or is that something you weren't aware of?

20

MR CARR: I certainly wasn't aware of that and I --- see, the occasions that we met there was basically when the casino wanted to show us something. Whether they had, for example, a change they wanted to make to one of their gaming floors to turn it into a high-roller room, or something that they wanted to do differently and so they would invite us to meet there for that reason mainly. There was once we met there when they wanted to show us a couple of very elaborate apartments that they'd built for high-rollers so they showed us that. So I presume we didn't pay. I presume they were happy to have us there to show us something that they wanted to show us.

25

30

MR LEIGH: Okay. Now, going back to the agenda, the first item showing, if we can zoom back out please, is confirmation of the previous minutes and then there's disclosure of pecuniary interests and then prior matters being actioned. Going to page 2, there are then three applications for persons to be approved as casino employees, at agenda items 4.2 to 4.4. The minutes for that appear to indicate those people appeared and provided a brief background leading to listed offences and then responded to queries raised by members. You can see in the box below that after that, there's a resolution to issue casino licences to those persons. I'll just give you a chance to read that quickly and confirm that you agree with that summary.

35

40

MR CARR: It sounds consistent, yes.

MR LEIGH: Was it common for the GWC to be involved in the issuing of casino employee licences to persons?

45

MR CARR: It did happen, yes.

MR LEIGH: And if so, how much time might the consideration of a matter like that

take up in a meeting?

5 MR CARR: Well, long enough for someone to come in to answer any questions that we had about them and to depart. You know, not a huge amount of time, but long enough you know to assess what needed to be assessed.

10 MR LEIGH: If we can please bring up pages 3 and 4 now of this document and have them side by side. So you can see that item 6.1, there was a matter concerning a bookmaker. Obviously that's been redacted, but you can see the resolution under that item on the next page, to give that person an opportunity to show cause why there should not be the exercise of disciplinary powers. Again, my question; was it common for the GWC to be involved in those sorts of matters, as to whether or not there should be the exercise of disciplinary powers?

15

MR CARR: It did happen on more than one occasion.

MR LEIGH: Again, in terms of the amount of time it would take, was that a particularly lengthy process, or was it reasonably efficient?

20

MR CARR: A lot would have depended on the circumstances of the particular case that we were having to consider. Sometimes it could have been dealt with fairly quickly, sometimes it was a little bit more, requiring more information.

25 MR LEIGH: And you can see, we've got item 7 which is essentially noting an advice and then we go down to item 9 which is the next substantive item, demonstration of a spinning reel machine and there's a comment there as to the Director, Compliance, demonstrating the distinguishable features between spinning reel machines and the proposed electronic gaming machines. What was the process
30 that the GWC undertook when carrying out an assessment as to what a machine type was?

MR CARR: Well, on a number of occasions Crown brought machines into the Departmental offices and demonstrated them there in our presence. I might say, the
35 whole issue of the differences between poker machines and electronic gaming machines was an extraordinarily difficult issue and I know you've sent me some more copies of some papers last night concerning this particular subject. It is a very difficult issue, but normally, in answer to your question of how it was presented to us, they would normally bring the machines in and demonstrate them.

40

MR LEIGH: And I'll just call up an example of an agenda which shows that, so that's GWC.0002.0016.0034. This is an agenda for a meeting held on 22 March 2011. Under item 4.4, as you can see down there, deals with card symbols on electronic gaming machines and then if we can please bring up
45 GWC.0002.0016.0040, and these are the minutes for that meeting which you'll see in a moment, and again they have you present at that meeting. If we can now return, please, to the previous document, the 0034 and go to page 20 and I think you've explained that you have received a copy of this from the solicitors assisting the Commission?

MR CARR: Yes.

MR LEIGH: Have you had a chance to read this report since receiving it?

5

MR CARR: Yes, I have.

MR LEIGH: And do you agree that the report which is provided along with this document essentially goes through and explains the history of poker machines and then provides guidance as to how to tell the difference between poker machines and EGM.

10

MR CARR: Yes.

MR LEIGH: If we can go to page 28, there are five, if you like, steps that are provided there as suggested guidance for determining whether a machine is a poker machine or not. Are these the steps you actually applied as a member of the GWC when assessing such games?

15

MR CARR: I'm not sure it was presented to us in quite those terms, but as I've said, this was one of the great difficulties, because we all --- I think we know the history that poker machines are illegal to WA and that was decided a long time ago when it was very easy to define a poker machine and what wasn't and since then, there's been a huge amount of effort by various agencies to invent electronic gaming machines which are very, very very, similar to poker machines and in turn, poker machine operators have been remodelling their poker machines to look more like EGMs, electronic gaming machines, so we have, with all the technological change that's taking place, it is extremely difficult to draw a line between the two, and we in the States continue to say we have no poker machines in the State. But we have machines at Burswood which are almost identical to poker machines.

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30

We have looked at trying to define them, and I notice the paper that you had, the paper that was sent to me, referred to a policy that was adopted in 2005, but further on in one of the other papers that was sent to me shows the minutes of a 2011 meeting referring to a policy that was adopted in 2010. So obviously there's a bit of a discrepancy there. But the main things we looked at were how long it --- the main difference is how long it takes for the machine to provide a result, a minimum of five seconds for an electronic gaming machine, whereas a poker machine produces a result in one to two seconds. There was a requirement that the player have some input in an electronic gaming machine compared with the poker machine where you just press the button. So the delineation is very, very difficult.

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40

MR LEIGH: You've stressed that on a few occasions now, that this is quite a difficult task to undertake. Can I infer that it was also quite a time-consuming task when the GWC was asked to consider these machines?

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MR CARR: Yes, it did take some time and of course, as I said earlier, in each case,

there would be a machine there that we would actually watch in operation for a little while as well.

5 MR LEIGH: So thinking back to the agenda we looked at before which was
DLG.0002.0002.0001 and the items that were on that agenda. There was the
consideration of the grant of a licence, consideration of disciplinary issues and the
consideration of a machine which I've taken you to in each instance. Would it be fair
10 to say that the lion's share of time in relation to that meeting was taken up by
operational day-to-day matters?

MR CARR: The lion's share of most meetings was taken up with operational day-to-
day matters. I should say, that's as far as the casino's concerned, and not forgetting
15 that a fair chunk of the meeting would also be taken up with a range of other non-
casino gambling issues.

MR LEIGH: And on that point, how would you characterise, very roughly speaking,
the breakdown between the amount of time the GWC spent on the casino and the
amount of time it spent on other gaming activities?

20 MR CARR: It clearly varied from meeting to meeting depending on what was on the
agenda.

MR LEIGH: If you could hazard a guess as to the time?

25 MR CARR: Hazard a guess, the casino was always seen as the big-ticket item,
therefore needing to be given as much attention as it could be, but all the other things
were also seen as important and we had this continuing little hassle during my time
as well, with over community gaming permits where two poker leagues, the
30 Australian Poker League and the WA Poker League, were each trying to operate,
were each trying to exploit those community permits so that they would seek
approval to run a gaming tournament over a period of time in a number of hotels, but
do that by saying that they're running community gaming evenings and so that was
always inclined to take a little bit of time, as well.

35 MR LEIGH: Thank you. Commissioners, I seek to tender those documents, that's
DLG.0002.0002.0001; GWC.0002.0016.0034; GWC.0002.0016.0014.

40 COMMISSIONER OWEN: Those three documents are admitted into evidence as
exhibits.

EXHIBIT #DLG.0002.0002.0001 - 2009 MINUTES OF THE GWC

45 **EXHIBIT #GWC.0002.0016.0034 - GWC AGENDA 22 MARCH 2011**

EXHIBIT #GWC.0002.0016.0014 - (NO DESCRIPTION PROVIDED)

5 MR SHARPE: Just one other question Mr Carr. Again, at a high-level, we've talked about operational matters that the GWC was involved in. Do you have any sense as to how much time the GWC spent on high-level issues such as strategy, development of policy, consideration of advice to ministers?

10 MR CARR: No, I don't think I can answer that.

MR LEIGH: Those sorts of matters that I've just referred to, were they commonly considered by the GWC?

15 MR CARR: The GWC was more focused on what was in front of us on a day-to-day basis.

MR LEIGH: Moving then now to some questions about the relationship between the GWC and the Department, and you've already mentioned that you're not entirely clear as to the line between officers of the Department or the GWC, but you say
20 under point 12 of your witness statement that you understood the Department's role has been to provide reports and recommendations to the Commission and to carry out day-to-day administration in accord with Commission policies.

25 MR CARR: Yes.

MR LEIGH: When you refer to "reports and recommendations" in that paragraph, are you referring to the reports and recommendations that would be provided along with the agendas prior to meetings?

30 MR CARR: Yes.

MR LEIGH: And then, when you refer to day-to-day administration, what did you understand to be included in day-to-day administration?

35 MR CARR: Well, I guess anything that came up.

MR LEIGH: In particular, did you have any understanding that there were inspections being conducted on behalf of the GWC?

40 MR CARR: I understand there were inspections, yes.

MR LEIGH: And what was your understanding of those inspections?

45 MR CARR: That they were to see that the casino staff, or the casino and casino staff, were complying with the regulations.

MR LEIGH: Did you have any knowledge while you were a member of the GWC as

to, for example, how many persons had been appointed to act as inspectors or under what conditions they had been appointed such as, for example, their wage, whether they were part-time or full-time?

5

MR CARR: No, I didn't.

MR LEIGH: And in terms of staffing, again, you've already explained that the line perhaps was not clear between Departmental and GWC staff. Were you aware of any persons which you considered to be primarily GWC staff people?

10

MR CARR: No, not really.

MR LEIGH: And to what extent, if any, did the GWC exercise oversight or control in respect of persons who were discharging functions on behalf of the GWC?

15

MR CARR: Not a lot. Our chairman was, in fact, the head of the department and I think we presumed that anything that required action would have been dealt with by him.

20

MR LEIGH: So is it fair to say, then, in respect of that answer that the Departmental head would deal with actions that were required, that you understood essentially that the Department in some way would undertake the necessary work that the GWC required to be done?

25

MR CARR: Yes.

MR LEIGH: You also say under point 12 of your witness statement that you were surprised that the Departmental head was also the chairman?

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MR CARR: Yes.

MR LEIGH: Then you go on to say that it's an unusual structure, but that it didn't cause any problems during your time as a member.

35

MR CARR: Yes.

MR LEIGH: Can you tell the Commission why you say that this sort of structure is unusual and what sort of problems you think it may have caused?

40

MR CARR: Okay. Well, I was Minister for Local Government for six years and saw the Local Government model where the town clerk is ex officio present at the meeting, but not voting. I saw the same in the two other boards that I was on, the Heritage Council and the Geraldton Port Authority. I was president of a significant sporting club in Perth where the same thing prevailed. It always seemed to me to be a good logical basis that there should be a separation between the doers, the Department or the agency, and the committee or board or commission overseeing it. It always seemed to me to be a logical model and I was surprised that we didn't have

45

that model here. As you say, I've emphasised that it didn't cause a problem because of the professionalism of Barry Sargeant. And I'd also make the comment I guess on the other side that changing the structure to have a different structure wouldn't
5 guarantee that you wouldn't have any problems, depending of course, on the professionalism and personalities of the people involved. But the structure that separates the two makes a lot more sense to me.

10 MR LEIGH: Thank you. I'm going to ask some questions now about the role of the Chief Casino Officer, which I'll refer to as the CCO for brevity. You haven't mentioned the CCO in your witness statement. Are you familiar with that role?

MR CARR: In general terms.

15 MR LEIGH: What was your understanding of the role of CCO in your time as a member of the GWC?

MR CARR: I took it as him being responsible for the oversight of the regulations and so on by which the casino was required to operate.

20 MR LEIGH: Are you aware whether there was a view within the GWC as to who was responsible for appointing that person?

MR CARR: No.

25 MR LEIGH: I'm going to show you a few items of an agenda where the CCO is mentioned and ask you some questions about that. If we can bring up GWC.0002.0016.0028 and you'll see from page 1, it's a GWC agenda for 28 June 2011. If we go to page 7 you'll see the minutes for the previous meeting and they're
30 at item 5.12 which is at the top of the page. There's a discussion about the GWC having some concerns about a number of incidents which had occurred at the casino and then tasking the CCO with essentially approaching the casino to discuss those concerns. Do you see that?

35 MR CARR: Yes.

MR LEIGH: Was it the case that the GWC would regularly task the CCO with these sorts of activities or was this an occasional thing?

40 MR CARR: That would be an occasional thing if something came to the attention that needed to be addressed.

MR LEIGH: If we can go down to page 193 and have 193 and 194 up side by side. And you can see this is a report, just looking at the background there, in relation to
45 the CCO meeting with the casino representatives to discuss an emergency management plan in the lead-up to CHOGM, this is in 2011, and you can see it's signed off there by the person as Director Licensing/Chief Casino Officer. Have you had a chance to look at that?

MR CARR: I've skimmed it, yes.

MR LEIGH: Do you recall how often it would be that the GWC received reports
5 from the CCO as opposed to other officers of the Department or the GWC?

MR CARR: I would have said it was not very frequently.

MR LEIGH: So was the majority of reports by other officers not the CCO, do I
10 understand that correctly?

MR CARR: That's my recollection.

MR LEIGH: At a high-level and speaking in general terms, how important did you
15 understand the CCO to be to the operation of the GWC?

MR CARR: Reasonably high.

MR LEIGH: And on what basis is that answer given? What were the things that you
20 were depending on the CCO for?

MR CARR: Well, if something came to our attention that was happening at
Burswood that was not seen to be in order, as in the previous example that you just
put up there, then having the CCO attend to that and deal with that would seem to be
25 appropriate.

MR LEIGH: Do you know whether the CCO had any role in relation to reviewing
the reports or recommendations that were provided by other officers?

30 MR CARR: No. I don't know.

MR LEIGH: Commissioners, I seek to tender GWC.0002.0016.0028.

35 **EXHIBIT #GWC.0002.0016.0028 - GAMING AND WAGERING
COMMISSION AGENDA 28 JUNE 2011**

MR LEIGH: Moving to ask you some questions in relation to budgeting issues for
40 the GWC. Can we call up GWC.0002.0016.0022 at page 1? These are the minutes
for a meeting of the GWC at 23 March 2010, and you were shown as being present at
that meeting. Going to page 9 and looking at item 10.2, you'll see that the item
relates to the budget for 2010/2011. And do you see the GWC resolved to approve
45 the budget?

MR CARR: Yes.

MR LEIGH: Do you recall approving the budget on each of the years that you were a member?

5 MR CARR: I can't be certain of that.

MR LEIGH: I'll just draw your attention to the fact that there's discussion above the actual resolution about capital expenditure on software and web development and then I'm going to go now to the agenda item for the meeting to ask some further
10 questions about that. If we can please call up GWC.0002.0016.0002 and go to page 161. And looking here you can see in the top corner we've got agenda item 10.2 again and it appears to be the briefing paper for the budget that we were looking at a moment ago. Looking under the recoupment to DRGL, there's a paragraph
15 explaining that there's been an increase in expenses of 6.11% following a review of those fees by the Department. Do you see that? I'm aware this is going back a very long time, but do you have any recollection now as to what the explanation was as to how this review by the Department had resulted in the determination that there had to be an increase in fees?

20 MR CARR: Sorry , I can't help you there.

MR LEIGH: And do you recall whether the GWC were ever given reports to explain financial changes like this, or was it confined to the budget document that we're looking at at the moment? If you can recall.

25 MR CARR: No, I'm sorry.

MR LEIGH: Not a problem. The next item down, we're looking at capital expenditure and you can see there's an amount there of \$300,000 for a new DRGL
30 on-line customer payment framework. If this can just be brought up a little bit please to have that paragraph centred in the screen. And you can see in the final paragraph there's a discussion about having a single framework catering for GWC and DRGL customers; do you see that?

35 MR CARR: I'm sorry?

MR LEIGH: Under the heading of "Capital expenditure (other)", and those paragraphs make it clear there's going to be a single payment system for both the Department and the GWC. Again, this is a long time ago. Do you have any
40 recollection of this item?

MR CARR: No, I don't.

MR LEIGH: Just looking at the words that are there in those paragraphs, do you
45 agree that it looks like there's a single system which is going to be used by both Department and GWC?

MR CARR: It's consistent with what I said earlier, which was that I didn't see a huge

demarcation between the Commission and the Department.

5 MR LEIGH: Are you aware of whether the GWC would have, or perhaps would have been likely to, scrutinise the budget to make sure any monies that it was contributing to an exercise that involved the Department and the GWC were not, in effect, subsidising the Department's use of that same project? Is that the sort of exercise that would have been undertaken?

10 MR CARR: I don't think so and it does remind me of my days when I was a minister trying to get departmental budgets organised and the smaller agencies don't have a lot of say in what gets allocated to the budget context.

15 MR LEIGH: Was that the way that you understood the relationship between GWC and the Department, that it was effectively a smaller agency dealing with a larger agency?

20 MR CARR: Not so much in that example. I see that more as the two parts of the one agency, really.

MR LEIGH: If we can please go to page 163 now, so you can see here we've got some figures being presented as to the GWC budget and on the left-hand side there are two headings of those columns "operating expenses" and "revenue from services", and under the "revenue from services" one of the items that we have there is the casino gaming licence fee --- it's the first item --- do you have that?

25 MR CARR: Yes.

MR LEIGH: What did you understand that licence fee to be?

30 MR CARR: Just that, a licence fee.

MR LEIGH: And what did you understand the purpose of the money gained by that fee to be used for?

35 MR CARR: Well, I think this goes right back to the very beginnings with the establishment of the casino and you'll remember the debate in papers that you showed me with Bob Pearce and others in the Parliament debating the payments that were made by the casino to the State. One was for purchase of the land and one was for basically the benefit they gained from being allowed to have a licence to operate as a casino and I'm presuming that that's an annualisation of that. I'm guessing, I know, but that's how I would see it.

40 MR LEIGH: And in terms of what that money was going to be used for once it had been obtained each year, did you have an understanding, while a GWC member, as to what purpose that money was to be put?

MR CARR: I would have suspected it would have been gone into consolidated

revenue more than anything else.

MR LEIGH: You didn't understand it to be the GWC's money to spend as it saw fit?

5

MR CARR: No.

MR LEIGH: Then if we look under "Operating expenses", there's an item called "Recoupment for services received from DRGL", and once it's brought up you'll see that it increases up to 4.2 million in the estimated budget for the 2010/2011 year?

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MR CARR: Sorry, which one was this?

MR LEIGH: If we look under "Operating expenses" heading, we go under "Recoupment for services received from DRGL" and the final column on the right.

15

MR CARR: Yes.

MR LEIGH: What did you understand, if at all, those monies to be for?

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MR CARR: I don't know. I probably knew at the time, but I don't know now.

MR LEIGH: Did you have any understanding that the GWC contributed money to the Department to essentially pay for the Department's provision of services, such as staff members to conduct inspections?

25

MR CARR: I was never aware of those sort of financial arrangements.

MR LEIGH: Looking at the increase in the amount of money each year --- so you can see in 2008-9 it's a \$3.3 million and it goes up to \$4.2 million three years later, do you recall any discussion at around this time as to why it was that there was greater expense year on year being paid by the GWC to the Department?

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MR CARR: Well, if it was what it says it was which was services provided by the Department, I presume the majority of that would have been wages, wage increases.

35

MR LEIGH: All right. And you can see underneath that as well there's another item capital expenses --- web design which has \$260,000 in the 2008-9 budget. Did you have any recollection of the GWC ever having a website?

40

MR CARR: No.

MR LEIGH: And you've any idea what that \$250,000 approximately relates to?

MR CARR: No. The only thing I can think of is this may have related to when they were organising iPads for us and a system of using iPads. I don't know, that's a guess off the top of my head.

45

MR LEIGH: All right, and the last thing I'll ask you to have a look at is at page 166 please. And you can see these are very similar to what we're looking at a moment ago, except these figures now take it all the way back to 2005-6, so if you look again
5 at the recoupment for services from DRGL you're at about \$2.5 million in about 2005-6, do you see that?

MR CARR: Yes.

10 MR LEIGH: Again, you've got a figure of 4.2 million in 2010-11. I'm going to ask you to accept when I say that's approximately a 65% increase in the amount being taken for services between that five-year period. Again, my question is, do you have any recollection as to what had changed to account for the 65% increase in fees over this five-year period?

15

MR CARR: No, I don't.

MR LEIGH: And do you have any recollection of budget issues such as that being discussed by anyone in the GWC while you were a member?

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MR CARR: I think the GWC, by and large, had to accept the budget it was given rather than having too much of a negotiating position in regards to budget.

MR LEIGH: And who was it, to the best of your knowledge, who actually did up the budget? Which person is responsible for coming up with these figures?

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MR CARR: Well, ultimately it would be Treasury, with advice from the Department, I would expect.

30 MR LEIGH: Thank you. Commissioners, I seek to please tender GWC.0002.0016.0022 and GWC.0002.0016.0002.

COMMISSIONER OWEN: The two documents with the identifier numbers that were just read out by Mr Leigh will be admitted into evidence as exhibits.

35

EXHIBIT #GWC.0002.0016.0022 - GWC MEETING SIGNED MINUTES - 23 MARCH 2010

40

EXHIBIT #GWC.0002.0016.0002 - GWC - TABLED DOCUMENTS AND AGENDA PAPER FOR MEETING OF 23 MARCH 2010

45 MR SHARPE: The next thing I'd like to ask about briefly is just in relation to conflicts of interest. You mentioned in your witness statement under points 15, 16 and 17 that you didn't receive any specific information about conflicts of interest while a member, but you were comfortable you didn't have any conflicts yourself?

MR CARR: Correct.

5 MR LEIGH: I think you say that you assumed all of the staff of the GWC and the Department would have been subject to a conflicts of interest policy, but you didn't ever ---

MR CARR: I didn't ever know and I didn't ever ask, but I did presume that.

10 MR LEIGH: Can you recall whether any of the staff of the Department or the GWC ever declared a conflict or a potential conflict to the GWC members at a meeting?

15 MR CARR: I don't remember any staff declaring conflicts of interest and I can't think of any occasions when other members may have done, although I've got a feeling in the back of my mind that there may have been an example or two of a minor nature.

20 MR LEIGH: So just sticking with the employees a moment, and perhaps not confining ourselves to formal declarations of potential conflicts, did you ever hear in casual conversation with other members of the GWC, or other Departmental officers about potential conflicts of those staff members, whether they be staff of the GWC or the Department? Do you recall now ever hearing of any personal friendships between officers of the GWC or Department and employees of Crown Casino?

25 MR CARR: Not at that time. I've seen the media reports, of course, of more recent times, but I had --- at that time, I did not hear anything at that time.

30 MR LEIGH: And thinking specifically about the position of the CCO for the moment, if it was the case that a CCO had a personal friendship with an employee of the casino, do you consider that's the sort of thing that as a member of the GWC should have been disclosed to you?

MR CARR: Oh, yes.

35 MR LEIGH: And if a person in the position of a CCO had a potential conflict because of a friendship, and it in some way affected the discharge of their duties, in your view would it have been possible for that to then impact upon the work of the GWC?

40 MR CARR: It's obviously a hypothetical question.

MR LEIGH: Yes.

45 MR CARR: You would have to consider each case on the merits of what there was. There are ways of handling conflicts of interest, so long as it's all declared and everyone knows what the position is, in some circumstances. So I wouldn't want to give you a blanket answer for that.

MR LEIGH: All right. My question --- as you say it's a hypothetical, it's not aimed at an actual incident --- but I'm trying to get an assessment of the significance or the potential significance if a person, whether consciously or unconsciously, was
5 compromised in discharging their function as a CCO, do you think that is the sort of thing that might have an impact on the GWC or do you not think that is likely to have any impact on the GWC's operations?

MR CARR: It certainly could have done. If there was such a conflict of interest, it
10 should have been declared and known about and then the Commission should have been in a position to make whatever decisions it considered appropriate in response to that information.

MR LEIGH: I'm just going to ask some questions now about delegations and what
15 you understood to be the position with delegations of the GWC. To begin with, as a broad question, what is your understanding of the effect of the delegation of a statutory power? So once a delegation is made, which persons are able to then exercise that power thereafter?

MR CARR: The person that it's delegated to, I imagine.

MR LEIGH: And is it your understanding that only that person can then exercise
25 that power, or can the person or body who delegated the power continue to exercise that power?

MR CARR: Well, power can be delegated to a position and if a different person comes to occupy that position, or to act in a position then I would expect that the delegation would be valid.

MR LEIGH: So putting it in more concrete terms, if the GWC delegated a particular
30 power to, for example, the CCO, thereafter is it your understanding that only the CCO can exercise that power, or that both can exercise that power --- both the GWC and the CCO?

MR CARR: You mean once we delegate the power we remove it from our own, our
35 own position?

MR LEIGH: What I'm trying to understand is what was your understanding? Was it
40 the case that you did remove it, or was it the case that you continued to hold that power, as well?

MR CARR: My general understanding of delegation is that when a body delegates
45 power to another person, to a person to act on their behalf, they still have an oversight role of the decisions made by the delegate.

MR LEIGH: And how is that oversight role exercised?

MR CARR: Again, depends on the circumstances.

5 MR LEIGH: In the particular circumstance of the GWC and perhaps to make sure that I'm asking this question fairly, do you recall delegations being made by the GWC to other persons?

MR CARR: In general terms, but I can't recall a specific case.

10 MR LEIGH: I'll take you to a specific example in a minute, but you can recall that occurring in the past?

MR CARR: Yes.

15 MR LEIGH: And you mentioned before that there was an oversight function.

MR CARR: Yes.

20 MR LEIGH: How was that oversight function --- how did it work when the GWC made a delegation?

MR CARR: I would think it would have the power to review the decision made by the delegate.

25 MR LEIGH: And as a matter of practice, was it the case that when persons to whom the GWC had delegated powers exercised those powers, the GWC was then subsequently told about the exercise of those powers?

MR CARR: I don't know, I don't recall.

30 MR LEIGH: You don't recall. Do you recall there ever being meetings of the GWC in which you were told about powers being exercised by delegates?

MR CARR: Not a specific recollection, but it sort of rings a bell, if I can say that.

35 MR LEIGH: If we can please bring up GWC.0002.0016.0002 and we'll show page 2 please. You can see that we've got an agenda item here, 8.1, with a recommendation and point 2 of the recommendations deals with the Commission delegating approval of exemptions to the Director and Deputy Directors of Licensing. Do you see that?

40

MR CARR: Yes.

45 MR LEIGH: And if we can please go now to page 4, when it comes up, you'll see the actual proposed instrument of delegation and you can see there from the striking out an amendment to some text that it looks like this has been a mark-up of a prior delegation. Looking at the top of the page, you can see some changes to the title?

MR CARR: Yes.

MR LEIGH: And then, lastly, if we can please go to page 6 of this document, you can see at the bottom of the page what appears to be the proposed insertion of a power ---

5

MR CARR: Yes.

MR LEIGH: --- to capture what we were looking at a moment ago in the recommendation box. Do you see that?

10

MR CARR: Yes, yes.

MR LEIGH: In terms of the delegation that we're looking at now, does that ring a bell in terms of the sorts of things that the GWC would make use of as instruments of delegation, or do you not have a recollection of that today?

15

MR CARR: I certainly don't recollect the details of it, but I'm not surprised to see it there.

20

MR LEIGH: Is the format of the document that you're looking at something with which you are familiar? If we can go back to page 4, please, just to show Mr Carr the beginning of that document.

MR CARR: Yes, I accept that that's the sort of thing that would have happened, yes.

25

MR LEIGH: I think you've made it clear that you have no recollection of actually seeing this now. I'll just show you the minutes of the meeting just so you can confirm that you were present at that meeting. So if we can please bring up GWC.0002.0016.0004 and we can start at page 9, please. I think you'll see yourself in the list there of present. If we go to page 9, I think that's the starting point and then page 16 is agenda item 8.1 and you'll see that is the same language we saw a moment ago, when looking at the agenda item itself, in terms of that resolution and looking particularly at the second dot point.

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35

MR CARR: Yes.

MR LEIGH: I know this is difficult, because you don't have a clear recollection.

MR CARR: It's a long time ago.

40

MR LEIGH: Yes, but perhaps you may be able to help the Commissioners at a broad view as to what your understanding was as to why delegations such as this were made. What was the purpose for making a delegation? If you don't have a recollection, then you don't obviously need to answer that question.

45

MR CARR: I really can't help you there.

MR LEIGH: Thank you.

MR CARR: I vaguely remember this happening, but I really can't help you.

5

MR LEIGH: Do you remember any discussions, not necessarily in relation to this delegation, but any discussion generally as to how delegations on behalf of the GWC might work?

10 MR CARR: Not a lot, no.

MR LEIGH: The next thing I want to ask you about --- actually, before I proceed, I will seek to tender those documents. That's GWC.0002.0016.0002 and GWC.0002.0016.0004.

15

COMMISSIONER OWEN: The two documents with the identifier numbers that Mr Leigh has just read out will be admitted into evidence as exhibits.

20 **EXHIBIT #GWC.0002.0016.0002 - TABLED DOCUMENTS AND AGENDA PAPER FOR MEETING OF 23 MARCH 2010**

25 **EXHIBIT #GWC.0002.0016.0004 - AGENDA PAPERS FOR MEETING OF 27 APRIL 2010**

MR LEIGH: Moving on now to the issue of junket regulation and can we please call up PUB.0004.0005.0001. As this comes up, Mr Carr, this is the Casino Control Act 1984 and if we can go to pages 46 and 47 and have those side by side. I just wanted to show you initially section 25A of the Casino Control Act which allows for making of regulations with respect to regulating or prohibiting junkets. You can see that in 25A(1).

35 MR CARR: Yes.

MR LEIGH: Do you recognise this section of the Act or did you ever see this while you were a member of the GWC?

40 MR CARR: I think, I think this particular paragraph might have been quoted in the document that was emailed to me previously, the one that involved a report from an officer recommending that the requirements of licensing be removed. But that looks familiar to this particular paragraph.

45 MR LEIGH: At a high level, what's your understanding as to why it was considered appropriate for there to be a power to regulate or prohibit junkets?

MR CARR: As I said earlier when I was changing my statement, I had forgotten that

I'd ever heard of junkets and I've been trying to test my memory about the meeting that was referred to in those papers that was sent to me. I know very little about this sort of thing. When we had that meeting, as much as I can recall it, there was a brief
5 discussion about what junket operators are and they were described to us more or less as something, an agency that puts a gambler together with somewhere that will take gamblers, almost like a travel agent, and I don't think that we saw it as being a lot more than that. Obviously we're aware, I'm aware of what's been in the media lately about some of these operators, and I presume it was put in the Act, because
10 somebody who knew more about these things than me saw it was a problem.

MR LEIGH: If we can please call up now GWC.0002.0016.0001? And you can see at page 1 this says it's an agenda for Tuesday 23 February 2009, but if you look down
15 ---

MR CARR: Just before you do, by the way ---

MR LEIGH: Yes.

20 MR CARR: --- I was sent that one and I was also sent the minutes that purported to be the minutes of the same meeting dated 23 February 2010.

MR LEIGH: That was just the point I was going to discuss with you. If you look down the bottom there of the confirmation of the minutes, the first item, and you can
25 see the first issue is confirming the minutes of the meeting of 5 December 2009.

MR CARR: Okay, yes.

30 MR LEIGH: Does it look to you that the person who put the agenda together has simply used the wrong year at the top, that should say 2010?

MR CARR: That's how I read it. Whoever has prepared the agenda is working from a template and had bits to change and didn't change that bit.

35 MR LEIGH: Yes. And if we can go to page 3, I'll ask you to look at agenda item 8.2 and as you can see, it says "Approval of junket operators and representatives ". Now, is this one of the papers you've had a chance to look at prior to today?

40 MR CARR: Yes, yes.

MR LEIGH: I'm going to show you the minutes for the meeting, which is DLG.0002.0002.0014 and you can see there we've got minutes for 23 February 2010, with you being present as well.

45 MR CARR: Yes.

MR LEIGH: If you look at page 10, please, we've then got the agenda item for 8.2 and you can see that it's simply resolved to accept the recommendation ---

MR CARR: Yes.

5 MR LEIGH: Now, I think you mentioned earlier that you have a vague recollection of there being some discussion prior to this taking place and you receiving explanations that junkets were quite similar to travel agents; is that correct?

10 MR CARR: Yes. Well, yes, yes. That they were simply operators who brought together somebody who wanted to gamble with somewhere to gamble.

MR LEIGH: Do you recall who it was that was saying this?

MR CARR: No, it was someone in the meeting, I'm not sure.

15 MR LEIGH: Do you recall whether it was a GWC member, or whether it was an officer that had come to present to you in respect of the recommendation?

MR CARR: I think it was a member of the Commission.

20 MR LEIGH: If we can now please pull up GWC.0002.0016.0001, and is this the document that you've had a chance to look at that was provided to you by the solicitors assisting the Commission?

25 MR CARR: Yes.

MR LEIGH: Now you will have seen that the document consists of a 10-page memorandum under the name of Nick Toyne and a 5-page letter that proceeds that from Mr Joshua Preston of the casino; is that correct?

30 MR CARR: Yes.

MR LEIGH: And you've already explained that having looked through this, you only have a very faint recollection of the events in the meeting.

35 MR CARR: Yes.

40 MR LEIGH: There were various points made in the documents as to why it's proposed to change the regulations. They essentially fix on there being no need for approvals, because there's already Commonwealth department border checks and there's some discussion about it being essentially bad for business, because there's a chance junkets might go elsewhere. Do you agree with that summary?

MR CARR: Yes.

45 MR LEIGH: Do you have any recollection at the time of the meeting as to whether the GWC members discussed those offered rationale for the changes and whether there was any consideration given to getting more information as to whether those

rationales were accurate?

MR CARR: I repeat that this is a very hazy recollection, but I think there was an
5 acceptance of the first of those arguments that there were other agencies that were
dealing with any issues of criminality. You know, federal agencies, police, Federal
Police, Border Control et cetera and that it seemed to be an argument that we could
accept, that it didn't need to be us that was supervising this. I don't remember much
10 discussion about the second point about whether there was economic benefit for
Crown compared with other operators.

MR LEIGH: Now, you will have seen that the recommendation there is framed in
terms of removing the requirement for junket operators and representatives to be
15 approved by the Commission. You can see that on your screen. If we can please call
up pages 343 and 344 side-by-side? Now, if you look at --- what I'm going to ask
you to accept is regulation 12 and 16, which are on those two pages. Regulation 12
at the time talked to the Commission having the power to require the holder of an
approval to give additional information and you can see then at regulation 16, there's
20 a general requirement for the Commission to receive notice about a junket prior to a
junket taking place. Would you agree that both of those regulations are not actually
related to the approval of junket operators or representatives? But instead, are
relating to notice or information?

MR CARR: Yes, certainly the 12. That certainly seems to be the case, yes.
25

MR LEIGH: If you were to be told that what occurred after the GWC resolved to
support that recommendation, that the regulations in their totality were deleted
including those regulations we've just looked at, would you consider that that went
30 beyond the scope of what the GWC had resolved to support?

MR CARR: That certainly surprises me, yes.

MR LEIGH: In terms of resolutions like this, do you recall whether there was a
usual practice to receive follow-ups, to tell the GWC what had been done after a
35 recommendation had been adopted?

MR CARR: No, I think there was just the assumption that what we'd asked to be
done was done.

MR LEIGH: Again, I appreciate that it's very hazy and it's a long time ago ---
40

MR CARR: Yes.

MR LEIGH: --- do you have any recollection of there being any subsequent follow-
45 up in relation to the junket issue after this paper had been dealt with?

MR CARR: No, I don't.

MR LEIGH: Commissioners, I seek to tender those documents, which is GWC.0002.0016.0001, DLG.002.0002.0014. Just those two documents, thank you.

5 COMMISSIONER OWEN: Those two documents with the identifiers, identifier numbers that Mr Leigh has just read out will be admitted into evidence as exhibits.

10 **EXHIBIT #GWC.0002.0016.0001 - GWC AGENDA 23 FEBRUARY 2010**

EXHIBIT #DLG.0002.0002.0014 - MINUTES OF MEETING 23 FEBRUARY 2010

15 MR LEIGH: The final thing I want to ask you about now is in relation to problem gambling, which you mention in your witness statement and you say, point 11 (a) you said that one of the focuses was on operational matters including problem gambling.

20 MR CARR: Yes.

MR LEIGH: What do you understand to be meant by the term "problem gambling"?

25 MR CARR: People who gamble and get themselves into financial trouble, because they become addicted and are unable to control their gambling.

MR LEIGH: How was it in the time that you were a member of the GWC that the GWC determined what was the extent of problem gambling? What was the basis by which it gathered information as to the problem?

30 MR CARR: I don't know that we ever did. I think there was a general awareness in the community that problem gambling existed and people like Tim Costello and many others have highlighted that throughout the country, so there was never any suggestion that it wasn't happening and we sort of sought to take measures to minimise this.

MR LEIGH: Yes.

40 MR CARR: For example when Crown wanted to put an ATM in a certain place close to the gaming floor, we didn't allow that. And I know it goes back to the very early days of selection of a casino by the way, that one of the issues that the casino subcommittee looked at was the issue of whether we would allow what were referred to as "fly trap casinos", where a fly trap casino is where a hotel has gaming machines in the lobby, and we absolutely insisted that we would only allow a casino where the gaming floors were separate from the hotel and a gambler had to make a deliberate decision to go to the gambling floor. So, there was that general awareness of problem gambling. I don't know that I can recall us ever gathering stats to identify how many problem gamblers there were.

MR LEIGH: And you may have already answered this question with what you've just said, but in relation to things, for example, like helplines that gamblers may have made use of, did the GWC ever seek data from providers of services like that? Or, 5 was it more based on a general understanding of problem gambling as you've said before, such as Tim Costello?

MR CARR: We may well have gained some information. I'm struggling to recall the details of that. 10

MR LEIGH: Can we call up please GWC.0002.0016.0001 and go to page 108? And this is one of the agenda items for an agenda document that we've looked at before today. You can see that this one this is in relation to summary of gaming action.

MR CARR: Yes. 15

MR LEIGH: Is that format familiar to you?

MR CARR: Yes. 20

MR LEIGH: Did you regularly see these sorts of documents showing you gaming turnover?

MR CARR: Yes. 25

MR LEIGH: Now, is the amount of taxation revenue that's earned by the State linked to the amount of revenue that's earned by the casino?

MR CARR: I understand that it is, and these documents quite often used to actually indicate the amount of casino tax payable. 30

MR LEIGH: So if we can go to pages 115 and 116 and have those side-by-side please? And you can see these show the casino tax that we calculate month-by-month and cumulative over the course of the year. 35

MR CARR: Correct.

MR LEIGH: Did the GWC closely track the amount of gambling revenues and, therefore, tax revenues to make sure that all relevant taxes were being paid? 40

MR CARR: We certainly noted these documents every month, so that's probably as much as I can say.

MR LEIGH: And again, in your time as a GWC member, was it generally considered to be a positive thing that there be increasing amounts of revenue gained, because that would then translate to increasing State revenues as well? 45

MR CARR: We were conscious of the impact on the State budget, but I don't think we ever considered that to be our prime concern.

5 MR LEIGH: And would you agree that if there's going to be an increase in gaming revenues, it will be due either to the fact that there are perhaps more people gaming at any given time period, or that the amount of money being lost by the same number of people in a time period is increasing?

10 MR CARR: Yes.

MR LEIGH: And so my question is in relation to these concerns about problem gaming, how the GWC balanced the tension between on the one hand the profitability of the casino and the benefit to State coffers, but on the other hand, the
15 potential issues of problem gaming of which the GWC was aware?

MR CARR: Everything in public life's a compromise and we were very conscious of both sides of that issue and we always looked to see that the gambler was getting a fair go. In cases for example, where machines were not returning the requisite
20 amount to the gambler that they should have been, and that sort of thing. So, it was a balancing act trying to on the one hand do the right thing by everybody in the community including the problem gamblers and at the same time, be conscious that the State was benefiting.

25 MR LEIGH: And again, with those problem gamblers, it was the case that the GWC was doing its best to estimate who they might be, because you didn't have any specific data as to who they might be; is that correct?

MR CARR: That's correct.

30 MR LEIGH: Thank you no further questions.

COMMISSIONER OWEN: Thank you, Mr Leigh. Ms Seaward.

35

CROSS-EXAMINATION BY MS SEAWARD

MS SEAWARD: Thank you. Just a few questions, Mr Carr. You were asked a
40 series of questions about the meetings of the GWC and I think your answers included various papers were prepared by the departmental officers and delivered to Commission members for them to consider. During the course of those meetings, if any of the Commission members had any questions about those papers, were they able to raise them?

45

MR CARR: Oh yes, yes.

MS SEAWARD: And the various types of papers that were presented, was it

common to receive updates on the work that the departmental officers had been doing in the previous month?

5 MR CARR: Only really where they related to specific agenda items.

MS SEAWARD: So, would one of those agenda items sometimes be an audit on the inspections that had been carried out in the previous month?

10 MR CARR: Yes, yes.

MS SEAWARD: And there was a matters to be actioned section in the agendas which would update on some of the matters that the departmental officers were still working on?

15 MR CARR: Possibly, I'm not sure.

MS SEAWARD: Would you expect those things to be recorded in the minutes if they had occurred?

20 MR CARR: If there was something where we had requested action by the department, we would expect to be advised.

MS SEAWARD: And if there had been a standard item that the chairman, for example, had given an update on the work that had been done, you would expect to see that recorded if that update had been provided?

MR CARR: Yes.

30 MS SEAWARD: And, was one of the other matters that sometimes came before the Commission be an update financial report on various points during the year and that would explain how the budget was progressing at each point that you received the update?

35 MR CARR: Yes.

MS SEAWARD: And then, once a year there would be the annual budget for the next year presented for the Commission to consider?

40 MR CARR: Yes.

MS SEAWARD: And if any of the members had any questions about the various calculations and numbers, there would be someone there who could answer those questions?

45 MR CARR: There was certainly scope to ask the questions, yes.

MS SEAWARD: And the annual report would need to be prepared once a year, as

well?

MR CARR: Yes.

5

MS SEAWARD: And a draft annual report would be provided for the Commission to consider?

MR CARR: Possibly.

10

MS SEAWARD: No further questions.

COMMISSIONER OWEN: Anyone else? Is there any other party that wishes to cross-examine? Thank you.

15

COMMISSIONER JENKINS: Mr Carr, in relation to that last issue of problem gambling, do you remember a committee called the Problem Gambling Report Services Committee?

20

MR CARR: Don't really know.

COMMISSIONER JENKINS: Do you remember if the GWC had any committee which reported to it about services for problem gamblers?

25

MR CARR: I don't believe so.

COMMISSIONER JENKINS: Thank you, that was all.

30

COMMISSIONER OWEN: Just one question. When you were first appointed, the then Minister approached you and I think your words were that "she wanted someone to represent the community interests". I want to ask you what you understood by that term "community interest" and also, whether or not you use --- there's another phrase "public interest" --- and whether you see those terms as interchangeable? Given that and also, in the context of the work that you then understood about the Gaming and Wagering Commission, what did you understand to be the community interests?

35

MR CARR: I guess representing the general point of view of the average member of the community to have some understanding of what the community expects and to be able to respond to that and I guess having had a number of years in public office, I felt that I had some understanding of what is acceptable to the community at large.

40

COMMISSIONER OWEN: And the public interest?

MR CARR: I would have seen the two as very, very similar.

45

COMMISSIONER OWEN: All right, thank you. Mr Leigh, is there anything arising from that?

03:54PM

MR LEIGH: No, thank you, Commissioner.

5 COMMISSIONER OWEN: All right, Mr Carr, thank you very much for your
assistance. That has helped us and you are now free to go, and we will adjourn and
reconvene at 10.00 am tomorrow.

10 **THE WITNESS WITHDREW**

**HEARING ADJOURNED AT 3.55 PM UNTIL TUESDAY, 25 MAY 2021 AT
10.00 AM**

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