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PERTH CASINO ROYAL COMMISSION

PUBLIC HEARING - DAY 12

10.00 AM WEDNESDAY, 26 MAY 2021

COMMISSIONER N J OWEN

COMMISSIONER C F JENKINS

COMMISSIONER C MURPHY

HEARING ROOM 3

**MS PATRICIA CAHILL SC and MR LIAM O'SHEA and MS MICHELLE DEAN
and MS MARCELLA KANDIAH as Counsel Assisting the Perth Casino Royal
Commission**

MR NICK MALONE as Counsel for Mr Michael Christopher Connolly

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

**MS FIONA SEAWARD and MR KEAHN SARDINHA appeared for The Department
of Local Government, Sport and Cultural Industries**

**MR KANAGA DHARMANANDA SC and MR JESSE WINTON and MS MEL
JASPER 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**

10:02AM

COMMISSIONER OWEN: Good morning. Please be seated. Now, we have Ms Belling. Can you see and hear us all?

5 MS BELLING: I can. I hope you can see and hear me.

COMMISSIONER OWEN: We can. Can you state your full name for the record?

MS BELLING: My name is Janine Mary Belling.

10

COMMISSIONER OWEN: And I understand that you wish to affirm?

MS BELLING: Yes, that's correct.

15

JANINE MARY BELLING, AFFIRMED

EXAMINATION-IN-CHIEF BY MS SEAWARD

20

MS SEAWARD: Ms Belling, you previously worked as the Director of Licensing and Chief Casino Officer at the Department of Racing, Liquor and Gaming?

25 MS BELLING: Yes, I did.

MS SEAWARD: And you received a witness summons to appear at this Royal Commission?

30 MS BELLING: I did.

MS SEAWARD: And you've prepared a witness statement in response to that summons. If the witness please could please be shown DLG.0001.0005.0001_R. Has that come up on your screen?

35

MS BELLING: It has, yes.

MS SEAWARD: Is that a document that has the date of 20 May 2021?

40 MS BELLING: Yes, it does.

MS SEAWARD: If I could get you to scroll through to page 19. Do you have a hard copy with you as well?

45 MS BELLING: I do, yes.

MS CAHILL: And it goes through to paragraph 95 on that page and if we go over to page 20? It goes to paragraph 96 and you signed it, although this version on the

10:04AM

screen has that redacted?

MS BELLING: Yes, that's correct.

5

MS SEAWARD: And is this a copy of the statement you prepared for the purpose of this Royal Commission?

MS BELLING: Yes, it is.

10

MS SEAWARD: And is the content of this statement true and correct to the best of your knowledge and belief?

MS BELLING: Yes, it is.

15

MS SEAWARD: I tender a copy of the statement of Janine Mary Belling dated 20 May 2021.

20 **EXHIBIT #DLG.0001.0005.0001_R - WITNESS STATEMENT OF JANINE MARY BELLING DATED 20 MAY 2021**

COMMISSIONER OWEN: Ms Cahill.

25

MS CAHILL: Just to clarify, what's been tendered is the redacted version which carries the _R at the end.

COMMISSIONER OWEN: Thank you.

30

CROSS-EXAMINATION BY MS CAHILL

35 MS CAHILL: At the beginning of your witness statement, you describe your career at the Department commencing from 1996, and I understand from paragraphs 6 to 9, you were involved only in the liquor licensing area of the regulations, you weren't involved in casino regulation; is that right?

40 MS BELLING: That's correct, yes.

MS CAHILL: Just to pin that down a little more, if we go to paragraph 9, as I read your statement there, you are tying your first involvement in casino regulation to when the Department was restructured to merge the liquor and gaming teams?

45

MS BELLING: That's right, yes.

MS CAHILL: Would that have been as late as 2005?

MS BELLING: No, it wouldn't have been. 2005, I was acting in the position of Manager Policies, so at the time that we --- this is the licensing teams were merged well before that.

5

MS CAHILL: All right, so if I look at paragraph 6, we can ascertain from that you have a clear recollection of being involved in casino regulation when you were holding that position of Senior Coordinator, is that ---

10 MS BELLING: Yes, from a licensing perspective in terms of casino employees and raffles, that sort of community gaming activity.

MS CAHILL: You identify at 9, I think, when you had that Senior Coordinator role that you were responsible for a team that processed all applications for liquor and gambling matters?
15

MS BELLING: Yes, that's right.

MS CAHILL: And did that include approving junket tour operators back in 2000?
20

MS BELLING: Potentially, but I would imagine that the function that licensing played in those early days was to receive and receipt the application, enter it, and make sure all the documentation had been submitted and that would have been the extent of that.

25

MS CAHILL: Not actually approving the ---

MS BELLING: No.

30 MS CAHILL: --- the tour operator, is your point?

MS BELLING: Yes, that's correct.

MS CAHILL: Sorry, you finish.
35

MS BELLING: Sorry, that is correct. We receipted the application, processed it, but didn't approve it, to the best of my recollection.

MS CAHILL: Right. So if we come back to 9 at page 0003 where we are and we just go down to the bottom there, the last two sentences we're talking about casino regulation here, and you're talking about the aspects that you became familiar with?
40

MS BELLING: Mmm-hmm.

45 MS CAHILL: Applications for approval of casino employees and unrelated to casinos, conducting raffles and community gambling where you say:

Beyond the above, at that time I had no further involvement with respect to regulating gambling and casino activity.

5 I think, given the answers you've just given to my questions, it could have also potentially included receipting and reviewing applications for junket tour operators to be approved, although you weren't involved in actually approving those applications?

10 MS BELLING: Yes, that's correct.

MS CAHILL: Right, and do you know who did approve the applications back in those days?

15 MS BELLING: Oh, look, to the best of my recollection they went to the Compliance Team and the Compliance Team did interviews, et cetera, and the approval would have been at the Chief Casino Officer level I believe, but my involvement really in those days was very limited.

20 MS CAHILL: All right, so you're not really sure about that process ---

MS BELLING: No.

MS CAHILL: --- past your review of the documentation and passing it on?

25

MS BELLING: Correct.

MS CAHILL: I understand you had, apart from that short time as a Senior Coordinator, no further involvement in casino regulation until you became Director of Licensing in May 2007; is that right?

30

MS BELLING: Correct.

MS CAHILL: And when you were appointed Director of Licensing, that covered the field you were responsible for all regulatory areas, racing, gaming and liquor licensing; is that right?

35

MS BELLING: Yes, as well as the Department's legislative agenda.

MS CAHILL: Now, we'll come to that. If we go to the job description for Director Licensing, which is GWC.0002.0002.0045 and hopefully that will come up on the screen, on half of the screen for you, Ms Belling.

40

MS BELLING: Yes.

45

MS CAHILL: This is a job description for the role of Director Licensing. There's no effective date, you'll see, just above that top box, but if you go to the footer there it says "2020", beneath that --- we're going down to the footer please.

10:11AM

MS BELLING: Yes.

MS CAHILL: You see it says ---

5

MS BELLING: April 2010?

MS CAHILL: And I think there is, in fact, an earlier version that has a footer at 2007 in the same terms, but in any event, do you recognise that as the job description that was applicable to your role as Director Licensing, to which you were appointed in 2007?

10

MS BELLING: Other than for the unsigned component and just above section 3 there on that front page ---

15

MS CAHILL: Yes.

MS BELLING: --- where it talks about the "Positions Under Direct Responsibility", that is not an accurate reflection of the team that I was accountable for, but otherwise it looks the same.

20

MS CAHILL: All right, thank you. We'll come to those reporting lines in a moment, but if we go to the chart above that box that you've just directed our attention to, does that accurately depict the reporting lines with you reporting to the Director-General and you having, relevantly, three deputy directors reporting to you?

25

MS BELLING: Yes, that looks right.

MS CAHILL: Now, there's one "Deputy Director Licensing-Policy" ---

30

MS BELLING: Mmm-hmm.

MS CAHILL: --- can you explain what that role involved?

MS BELLING: If my --- so, the original JDF, the job description form for 2007 would have had different titles to those positions, so if my memory serves me correctly, the Deputy Director Licensing Policy was previously known as the "Manager Policy" and that function was entirely responsible for Ministerial correspondence, Parliamentary, council correspondence, the policy of the Department and the policy of the Director of Liquor Licensing, the policy of the Gaming and Wagering Commission and the legislative component of the Department's responsibilities. So, for example, if there was amendments to regulations or anything to that extent, that team was responsible for.

40

MS CAHILL: And who held that role between '07 and 2012, do you recall?

45

MS BELLING: Mr Mark Beecroft.

MS CAHILL: Now, those other two, what are nominated here as Director-General Licensing roles, were they identical positions with the same job description?

5 MS BELLING: To a large extent. One focused primarily on gaming and one focused on liquor. So the job descriptions were identical except for the reference, I think, and you know, I'm happy to stand corrected without access to those JDFs, I think one focused on gaming and one focused on liquor.

10 MS CAHILL: And did they cross over? So was it possible from time to time for the liquor one to be involved in gaming and vice versa?

MS BELLING: Ah, yes. One of the things that we were doing in the Department was trying to ensure that everybody in similar positions had shared knowledge, I guess, of the business of the agency. So, the deputy director who was handling gaming things certainly from time to time was involved in making decisions around liquor licensing and vice versa.

MS CAHILL: Was there any focus on developing expertise, such that the Gaming Deputy Director should develop particular expertise in that area and the Liquor Deputy Director expertise in that area?

MS BELLING: Yes, but I was very fortunate in that the two officers that held those roles were already experts in those two fields in any event. So, for example, Mr Sandy Del Prete was the subject matter expert, I guess, in liquor --- sorry, in gaming --- and Nicola Perry did the liquor.

MS CAHILL: And what was Mr Del Prete's background to make him the expert in gaming?

30 MS BELLING: Mr Sandy Del Prete had been an inspector within the regulatory team that looked at the gaming right across the board, from community gaming, racing activity, casino.

35 MS CAHILL: And do you know how long he had been a casino inspector at the time you were appointed in '07?

MS BELLING: A long time. I think Mr Del Prete, along with many of the inspectors, had been with the Department for 10, 15-plus years.

40 MS CAHILL: At paragraph 11 of your witness statement you refer to the Compliance Team that didn't report to you directly, and you say that they performed inspectorial audit and investigative functions. Acknowledging that he had a period of time at the Department of Fisheries, during your tenure as Director of Licensing, was it Mr Connolly who was the Director of Compliance?

45

MS BELLING: Yes, correct.

MS CAHILL: And when he was at Fisheries, who filled his role, Director of Compliance?

5 MS BELLING: I believe it was Sandy Del Prete. There was acting opportunities at that time, but I believe it was Mr Del Prete. There could have been some acting done in that position by Mr Toyne, or potentially Mr Santo Mannino. But I'm pretty sure it was Mr Del Prete.

10 MS CAHILL: So did that create an acting position under you in relation to the Deputy Director of Licensing and I'll put in parentheses, "Gaming"?

MS BELLING: No, I genuinely don't, no.

15 MS CAHILL: Now, you say that you worked with Mr Connolly closely in that compliance team; can you give us some flavour of what that entailed, in practical terms?

MS BELLING: In practical terms, so we had a very close-knit corporate executive
20 team, so that corporate executive team was Mr Barry Sargeant, the Director-General, Mr Connolly, myself, and the Director of Corporate Governance, Vanessa Grant, and I think we were a very close-knit team. So between Mr Connolly and I, we would have been daily sitting down talking about issues, bouncing ideas off of each other around particular issues and it could have been anything from corporate governance-
25 related activity. So HR-related issues, to areas of concern around liquor. Mr Connolly and I, for example, worked very closely together on the Alcohol-Related Harm Inquiry in Halls Creek and Fitzroy Crossing, so we did a lot of work on those sorts of things together.

30 MS CAHILL: And your very shared approach to the business of the agency, and were there any key issues in relation to casino regulation that you recall working with Mr Connolly in relation to during your tenure as Director Licensing?

MS BELLING: Key issues? I'm not sure what you might consider to be key issues,
35 but ---

MS CAHILL: If you just pause, Ms Belling, I'll help you there. So you just gave an example in relation to the liquor licensing area of something you recalled, this alcohol-related harm issue arising, I think you said it was, in Halls Creek?
40

MS BELLING: Mmm-hmm.

MS CAHILL: Analogously, in relation to casino regulation, were there some sort of key issues that you remember being the subject of discussion and collaboration
45 between you and Mr Connolly?

MS BELLING: Yes, we certainly had some experiences. So bearing in mind that my background in terms of the casino prior to the 2007 appointment was very

limited. So quite often issues that we came across were well and truly new to me. For example, we did have a situation where a customer of the casino had been barred by the casino operator and that individual sought a review of the decision to the
5 Gaming and Wagering Commission and it was quite a sensitive and potentially controversial matter. So that was a new experience for me to deal with that. So that was quite a key decision, I think, for the Gaming and Wagering Commission at the time, a review, because as a rule, people didn't apply for a review of their banning order. So that was a significant issue. We also had --- and again, my direct or
10 intimate knowledge of it is very limited. There was, when the casino operator introduced a whole new IT solution, I think, at the casino and I think that was called SYCO.

MS CAHILL: Yes.
15

MS BELLING: So there was a significant learning curve on that and Mr Connolly was far more across that than I am, that's for sure, but equally, that was a significant issue for us to look at. So, it just depended, I guess, but it was those sorts of things that we worked hand-in-glove on.
20

MS CAHILL: Do you remember discussing, collaborating on any issues in relation to money laundering?

MS BELLING: We --- so, and I couldn't tell you the when exactly, but when the ---
25 there was new legislation came in around anti-money laundering, AUSTRAC legislation that came in, and the AUSTRAC representatives were obviously consulting with all of the various jurisdictions and I recall we worked with the AUSTRAC people when they came to Perth, both Mick, Mr Connolly and I worked with them, to sort of look at, well, what was the WA situation? What was going to
30 be practical? What wasn't? Because they were looking --- if I recall, one of the issues that we talked about was what would be deemed the minimum dollar amount for the financial transaction to be required to be registered with AUSTRAC. So, in terms of anti-money laundering, that was probably the first real time I'd become involved in discussions around that.
35

MS CAHILL: And did you have any subsequent issues in relation to money laundering that you worked with Mr Connolly on?

MS BELLING: No.
40

MS CAHILL: What about problem gambling?

MS BELLING: In what respect?

MS CAHILL: Did you collaborate, discuss with Mr Connolly any significant issues around problem gambling, particularly at the casino?
45

MS BELLING: Well, the customer who sought to have a banning order removed

had some issues around problem gambling, but the reality is the Gaming and Wagering Commission, every single time that they were looking at new EGMs, new electronic gaming machines, problem gambling and the --- how would that ---how
5 did that machine --- how did that machine function? Was it going to be consistent with the principles of electronic gaming machines, et cetera? So the problem gambling was, I would suggest, at the back of our minds and the Gaming and Wagering Commission's members' minds almost every Commission meeting.

10 MS CAHILL: Particularly in relation to EGMs is your point, is it?

MS BELLING: Particularly in relation to EGMs, because as a general rule, community gaming was nowhere near on the scale of what the potential for problem gambling at the casino could have been.

15 MS CAHILL: And the potential for problem gambling, you recognised, and the GWC recognised as a result of using EGMs?

MS BELLING: That was, yes, one of the areas of concern, yes.

20 MS CAHILL: Well, the main area of concern in relation to problem gambling?

MS BELLING: Well, it would have been the main area of concern. I mean, we had --- the Gaming and Wagering Commission had quite a significant focus on problem
25 gambling across the entire casino floor, but EGMs are traditionally the area of greatest concern.

MS CAHILL: Just separately, I'm moving topics a little bit here, but just staying with that role of Director of Licensing, can you recall the extent of delegated power
30 that you had in your capacity as Director of Licensing in respect of casino regulation?

MS BELLING: Well, my delegation was the delegation of the Chief Casino Officer.

35 MS CAHILL: So you don't recall having any delegated powers purely in your capacity as Director Licensing in relation to casino regulation?

MS BELLING: No.

40 MS CAHILL: All right.

MS BELLING: My recollection is that my delegation was the delegation issued either under the Liquor Control Act and in that case it was to the Director of
45 Licensing and in relation to the casino or to the gaming and wagering suite of legislation, it was Chief Casino Officer.

MS CAHILL: Just in relation to that role of Chief Casino Officer, you say in your statement at paragraph 10 that you believe you were appointed to that position some time in 2007. Paragraph 10.

10:27AM

MS BELLING: Your question, sorry? You dropped out there.

5 MS CAHILL: Your evidence is to the effect that you believe you were appointed to the position of Chief Casino Officer some time in 2007?

10 MS BELLING: Yes. Look, I think it was directly linked to the role of Director Licensing, so I was appointed to the position of Director Licensing and very soon after there would have been a delegation issued by the Gaming and Wagering Commission to me as Chief Casino Officer. That's my regulation.

15 MS CAHILL: So Mr Connolly has given evidence to this Royal Commission in substance and in terms to the effect that he was appointed Chief Casino Officer in 2007 and he held that role until he went to Fisheries in 2010, but that doesn't accord with your recollection?

MS BELLING: No.

20 MS CAHILL: And you remember a delegation of power from the GWC to you in your capacity as Chief Casino Officer?

MS BELLING: Yes.

25 MS CAHILL: Do you recall an instrument of appointment as Chief Casino Officer?

MS BELLING: Yes.

30 MS CAHILL: And that was an instrument of appointment by whom? Who appointed you?

35 MS BELLING: To the position of Director Licensing, that would have been the Director-General, but the instrument of appointment as Chief Casino Officer, I believe that was the Gaming and Wagering Commission. It could have been the Minister, but I couldn't be specific about that.

40 MS CAHILL: At paragraph 12 of your witness statement, page 0004, you mentioned that you, in this role as Chief Casino Officer, represented GWC in its communications with the casino operator. Do you mean by that, that whenever GWC communicated through you with the casino operator, you always signed in your capacity as Chief Casino Officer?

MS BELLING: No, I wouldn't have probably signed as Chief Casino Officer. I could have, but I suspect probably not.

45 MS CAHILL: So you would sign as Director Licensing?

MS BELLING: Potentially. It could have said Chief Casino Officer, but without

10:29AM

having documentation in front of me, I couldn't confirm that.

5 MS CAHILL: But is your position that however you signed the correspondence, you were only communicating with the casino operator because you had delegated power as Chief Casino Officer?

10 MS BELLING: Yes, as a general rule. When we're talking Gaming and Wagering Commission, yes. I dealt with the casino operator in my capacity on behalf of the Director of Liquor Licensing, though, as well.

15 MS CAHILL: We'll come back to that --- as liquor licensing, yes, I understand. Now, just staying with you corresponding in your capacity as Chief Casino Officer with the casino operator, do you know if the Compliance Team had its own set of written communications with the casino operator?

MS BELLING: Um

20 MS CAHILL: What I'm driving at here, just to shorten it is, did all correspondence have to go through you?

25 MS BELLING: No, not all correspondence had to go through me. I would suggest, but again, it would be what I would consider would have been practically appropriate, I would have thought that the vast bulk of correspondence would have gone through Mr Connolly. If it didn't come through me, it would have gone through Mr Connolly. If the inspectors were dealing with the casino operator outside of that, it would have been on, you know, small-scale issues, I would have thought. But I can't think of why that would have occurred, but it's possible.

30 MS CAHILL: I want to take you to paragraph 67 of your witness statement at page 0015.

MS BELLING: Yes.

35 MS CAHILL: Where you say that:

The roles of CCO and Director Licensing were, in my view, interchangeable. I never experienced difficulty in understanding my obligations and responsibilities across both roles.

40 Just to tease that out, apart from sending correspondence in your position as Chief Casino Officer, did you distinguish in your mind between functions and responsibilities you had regulating the casino as Director of Licensing on the one hand and functions and responsibilities you had regulating the casino as Chief Casino
45 Officer?

MS BELLING: Yes and no, if I can answer it in that way. For example --- and as I've just mentioned --- my role was also as a representative of the Director of Liquor

Licensing. So, you know, every application for a bar manager, for example, was dealt with under the Liquor Licensing Act. So I could be very clear about my responsibility in separating what was casino regulatory activity versus what might
5 have been liquor licensing regulatory activity. I never had any issues of differentiating those.

MS CAHILL: Yes, but if we go to --- sorry?

10 MS BELLING: Sometimes they could cross over, that was for sure.

MS CAHILL: Paragraph 68 ---

MS BELLING: Yes.

15

MS CAHILL: --- you identify things you did as Director.

MS BELLING: Yes.

20 MS CAHILL: They don't look, on their face, to be related to Liquor Licensing?

MS BELLING: Correct.

MS CAHILL: When you say you did those things, at 68, as a Director, did you also
25 do them as Chief Casino Officer?

MS BELLING: Yes.

MS CAHILL: Did you ever turn your mind to the extent of delegated power you had
30 as Chief Casino Officer relative to the extent of delegated power you had from the GWC as a Director and whether they were the same or different?

MS BELLING: In my view, they were the same. I didn't, I didn't get --- to the best
35 of my recollection, I didn't have any recollection as Director, I had delegation as Chief Casino Officer.

MS CAHILL: All right, thank you. So if we go back to page 22 at page 006, and you say:

40 *I exercised my CCO functions and responsibilities on a part time basis.*

MS BELLING: Yes.

MS CAHILL: Am I to understand from the evidence you've just given that what you
45 are saying there is that you performed casino regulation duties and responsibilities on a part-time basis?

MS BELLING: Yes.

10:34AM

MS CAHILL: And that's what you mean when you say you put on your "CCO cape"

5 MS BELLING: Yes.

MS CAHILL: --- almost every day. When you put on your CCO cape, you were performing casino regulation duties and responsibilities?

10 MS BELLING: Correct.

MS CAHILL: Now at 23 you describe a "significant tension between" --- is it fair to put it this way; your casino regulation responsibilities and your non-casino regulation responsibilities?

15

MS BELLING: Yes.

MS CAHILL: Yes?

20 MS BELLING: Yes, that's right. My job was very fulsome. It was a --- I was, for all extents and purposes, the 2IC of the agency. My responsibilities went far and beyond the Chief Casino Officer role.

25 MS CAHILL: You see at the last sentence of 22, you estimate that you spent around 30% of your time on casino regulations, as opposed to your other responsibilities. Is it your position that that wasn't enough time? It would have been better if you could devote more of your time to casino regulation?

30 MS BELLING: Oh, look ideally, yes. In the perfect world, yes.

MS CAHILL: And using those percentages as a guide again, and appreciating that it would just be an after-the-event estimate, about how much of your daily and weekly time do you think would have been adequate to discharge your casino regulation responsibilities?

35

MS BELLING: I suspect any of my colleagues would probably say that I was obsessive compulsive in a lot of ways, in that, ideally, I would have liked to have spent a much more significant amount of time learning and working on casino activities. The casino industry and on-line gaming, it is a fast-evolving area and very dynamic and, you know, I think --- and as time progresses and that industry matures, it is very sophisticated industry and I would have loved to have spent much more time on it.

45 MS CAHILL: Full-time, is that what you're saying?

MS BELLING: Full-time would have been lovely.

MS CAHILL: Well, "lovely" is one thing; necessary, would you have thought it necessary to have a full-time director in relation to casino regulation?

5 MS BELLING: Today, yes, I would. And if I can expand on that, I say "today", because the industry, the casino regulatory industry today is a completely different beast to what it was in 1985 and even what it was in 2005. It is a very, very sophisticated industry these days.

10 MS CAHILL: Well you refer to that, I think, in paragraph 23 when you identify, I think you use the word of "complexity" to describe the casino regulation landscape and the fact that it's a changing landscape. I think you refer to the advent of on-line gambling internationally as being one aspect of that. So can you just elaborate a little further for the Commissioners on what the challenges are, what the complexity is and what challenges that brings for a casino regulator?
15

MS BELLING: Okay. Well, probably --- if I can use an analogy --- so back in 1985, we didn't have personal computers. When the casino first started in Western Australia, there was no such thing as personal computers. Fast forward to 2021 and
20 people walk around with an extraordinary piece of technology in their hands and that device allows them to gamble any place, any time. So in terms --- my view would be that Government legislation and certainly casino regulation, it is such a fast-moving landscape and industry that the regulators have to be able to respond to that swiftly and those changes can happen --- well, they can happen almost overnight, but
25 certainly year to year it's never the same and the way people gamble changes quickly. People learn and evolve their gambling activity quickly and the technology and the IT solutions out there to cater to what the gamblers want to do is a very fast-moving technology. So it's not an environment today where the way we did it back in the 1980s and 1990s would ever be suitable.
30

MS CAHILL: Do you see those issues that you've just identified --- developments in technology, changes in the way that people gamble with that technology --- as having relevance to the regulation of bricks and mortar casinos today?

35 MS BELLING: Yes, I guess they do. In fact, I suspect there'd be a lot of bricks and mortar casinos who, well, certainly we were talking about it in 2000. I think I went to an International Gaming Regulators' conference in South Africa and I think that was around, oh, I think that was probably 2011 and in 2011 the discussion was around how bricks and mortar casinos, in order to be able to compete in this on-line
40 world, were having to look at how can they also deliver their product on-line from a bricks and mortar casino. So it was very --- it was a conundrum for every casino regulator around the world, as to how we were going to do that.

MS CAHILL: In order to preserve bricks and mortar casino operations?
45

MS BELLING: Well, not necessarily "preserve", because the roles of casino regulators is not to preserve, but it's certainly to aim to protect the integrity.

MS CAHILL: And do I understand from that, that if casinos, bricks and mortar casinos then went into the space of offering on-line gambling opportunities, that's where the regulator would have an interest in regulating the integrity of that style of gaming?
5

MS BELLING: Yes, if it was possible to do so and that was the challenge back then. I can't even imagine what regulators are faced with currently.

10 MS CAHILL: Right. Now, just coming back to that role of CCO, can I just ask you to clarify something at paragraph 63 of your witness statement, page 0014? Just down the bottom of the page there, paragraph 63 sits underneath a heading that says "Delegation of CCO powers to GW Commission officers". Are you saying here that you yourself in your position as CCO delegated powers that you had, you on-
15 delegated them to officers of the Department?

MS BELLING: No, look, without seeing an instrument of delegation, I don't believe it would have been me or the CCO who delegated those powers. I believe it still would have been a Gaming and Wagering Commission delegation, but you know, I
20 honestly can't be sure of that.

MS CAHILL: Just in relation to delegations generally, can you recall whether, whenever delegated power was exercised by a Department officer including yourself, in whatever capacity, was GWC typically informed of the fact of the delegated
25 power having been exercised?

MS BELLING: Yes.

MS CAHILL: And how did that occur?
30

MS BELLING: I reported to the Gaming and Wagering Commission each month or whenever we met, and I believe it was monthly, on all licensing applications and the delegation of power under --- sorry, the exercise of delegations for licensing.

35 MS CAHILL: Now at paragraph 14, page 004 of your witness statement, you mentioned being delegated the responsibility of Deputy Chairperson ---

MS BELLING: Yes.

40 MS CAHILL: --- of GWC. You were in fact appointed Deputy Chairperson, weren't you?

MS BELLING: Quite possibly, yes.

45 MS CAHILL: Let's have a look at PUB.0008.0003.0001 at page 0022.

MS BELLING: Can you zoom --- thank you.

10:44AM

MS CAHILL: If we just drop down, please.

MS BELLING: Yes.

5

MS CAHILL: So you see there an appointment in October 2008 of you as Deputy Chairperson?

MS BELLING: Mmm-hmm.

10

MS CAHILL: Albeit that it's reflecting an appointment made much earlier, in May 2007.

MS BELLING: Yes.

15

MS CAHILL: Do you recall the reason for the gap in time between the gazettal of the appointment and the actual appointment?

20

MS BELLING: That's the way the legislative program worked. The Policy Team would draft or work with Parliamentary Council on the drafting of regulations, et cetera, and this is an example of that. That would then go through Parliamentary Council before finally being delivered for promulgation. Sorry, so the agenda, I can't comment on the process and the agenda of Parliamentary Council or whoever else, but that would probably be the reasoning.

25

MS CAHILL: Do you recall if you exercised any powers in the position of or as Deputy Chairperson before the gazettal of your appointment?

30

MS BELLING: What date are we talking? 2008. I would have only, or potentially, it depends on whether or not Mr Sargeant went on holidays.

MS CAHILL: In any event, you saw your role as Deputy Chairperson as very limited, simply chairing meetings in his absence; is that right?

35

MS BELLING: That is the only time I exercised it, yes.

MS CAHILL: So you didn't exercise any delegated power from the GWC otherwise in that capacity?

40

MS BELLING: No, I did not.

MS CAHILL: I tender the gazettal, Commissioner Owen. PUB.0008.0003.0001. Probably only need to tender page 0022.

45

EXHIBIT #PUB.0008.0003.0001 - GOVERNMENT GAZETTE WITH THE NOTATION 6 OCTOBER 2008

10:47AM

MS CAHILL: Thank you, Commissioner.

5 Now, just returning to the job description we were looking at a moment ago
GWC.0002.0002.0045, in section 3 down the bottom on that page ---

MS BELLING: Thank you.

10 MS CAHILL: I had the same problem. It refers to making "binding high level
decisions in accordance with relevant legislation and delegation", do you see in that
second paragraph?

MS BELLING: Yes, yes.

15 MS CAHILL: And in the third paragraph, second sentence:

*..... provides high level advice to support the development and implementation
of policy and legislation that is consistent with Government direction,
legislative and customer requirements.*

20

MS BELLING: Yes.

MS CAHILL: In relation to casino regulation, who would be the customer you
would identify as having a requirement in that circumstance?

25

MS BELLING: Well, it could be everybody from members of the Western
Australian community. It could well have been the operator.

30 MS CAHILL: All right. Now, the provision of high-level advice, a high-level
advice to whom?

MS BELLING: In relation to the casino?

MS CAHILL: Yes.

35

MS BELLING: The Gaming and Wagering Commission, the Director-General in his
capacity as chairman and even to the Minister.

40 MS CAHILL: Now, if we can just switch back to paragraph 15 of your witness
statement, at page 0005 where you describe having primary accountability for the
legislative agenda of the Department?

MS BELLING: Mmm-hmm.

45 MS CAHILL: And at paragraph 33 at page 0008 ---

MS BELLING: Yes.

10:49AM

MS CAHILL: --- you talk about in terms the existing legislative framework establishing the purpose, duties and responsibilities of the GWC and the Chief Casino Officer as to, relevantly, casino regulation.

5

MS BELLING: Mmm-hmm.

MS CAHILL: What do you discern from the Casino Control Act and the GWC Act as the legislative purpose of regulating casinos and (audio drop-out).

10

MS BELLING: To, to regulate and control the activities in relation to the casino --- sorry, you said?

MS CAHILL: What do you discern from the Casino Control Act and the GWC Act -

15

MS BELLING: Right.

MS CAHILL: --- the legislative purpose, the legislative objective of regulating casinos and casino operations in Western Australia?

20

MS BELLING: In simple terms, it's to ensure the integrity of gambling in line with principles of harm minimisation, in the interests of the Western Australian community. That's simple terms. You know, you could pull out the legislation and read the objects, but yes, that's in simple terms.

25

MS CAHILL: Anything else?

MS BELLING: I don't have the legislation in front of me and we're talking about, you know, 10 years ago. So, no, I couldn't tell you.

30

MS CAHILL: Is one of the legislative objectives to protect the revenue stream for the State from casino operations?

35

MS BELLING: Look, the legislation, all pieces of legislation will have a primary purpose. Then subsequent to that, the legislation will always identify various other additional responsibilities and obligations and yes, that would certainly be one of them.

40

MS CAHILL: So, just to be clear, I'm just asking you what your understanding of those legislative objectives were? I'm not asking you to interpret the legislation for me. Just what your understanding was at the time.

MS BELLING: Yes, certainly.

45

MS CAHILL: So did your understanding include protecting the revenue stream as a legislative purpose?

10:51AM

MS BELLING: Yes.

5 MS CAHILL: And in terms of ensuring the integrity of gambling, did it include, on your understanding, ensuring that the casino operator remained a suitable person to operate the casino?

MS BELLING: Yes.

10 MS CAHILL: And what was your understanding about the scope and content of suitability in that context?

15 MS BELLING: Suitability would be the fitness and propriety of all the individuals involved and that would extend to the entity's history and background in terms of the conduct of businesses. We would look at issues around criminality, whether there was any criminal history attached, whether that was an individual person or even as a corporate entity. So quite a wide gambit of issues.

20 MS CAHILL: Now, if we go to paragraph 36 at page 0009 of your witness statement ---

MS BELLING: Mmm-hmm.

25 MS CAHILL: --- you talk about undertaking internal policy and procedure reviews. This is throughout your career ---

MS BELLING: Yes.

30 MS CAHILL: --- at the Department to:

..... to eliminate gaps, red tape and clarify the legislative framework

35 And you go to describe a little bit more about that. The elimination of gaps, are you talking about gaps in the legislative framework, as well?

40 MS BELLING: It could have been. Yes. It was certainly --- I mean, clearly to amend an Act is a significant legislative change, but regulatory was a little bit more straightforward. So if we identified --- I can't even think of a good example for you -- but if we identified something that was a flaw or an inadequacy or a duplication in the regulation, then we would certainly look to recommending an amendment, if that was appropriate.

45 MS CAHILL: If we go back to paragraph 16 please, which I think is at page 0005 and just zoom out so we can see 15 as well, for context. So you're talking there about having primary accountability, in 15, for the legislative agenda of the Department during your tenure as Director Licensing. And at 16 you identify legislative reviews for which you're accountable as director during that time.

MS BELLING: Yes.

5 MS CAHILL: So was the process taking a piece of legislation such as the Racing and Wagering (Western Australian) Tax Amendment Bill or the Liquor Control *Amendment Act and reviewing it to see whether it was adequate and appropriate to achieve the proper policy objectives?*

10 MS BELLING: Yes and no. If I can pull out the Liquor Control Amendment Act, that was a significant piece of legislation. In fact, that was the whole of Government's number one legislative program I think back in --- I think when we did the amendment bill was probably 2005 or '06. That was a huge project, so that's quite a different --- that was a complete review of the liquor, it was called the Liquor *Licensing Act back then. That was a complete review that had --- the Fremantle*
15 *Committee did a review of that, so that's quite a separate example. The other pieces of review would have been --- so, for example, out of that Liquor Control Amendment Act there was sequential amendments that needed to be made to other* pieces of legislation and quite possibly the Racing and Wagering legislation certainly even the Gaming and Wagering legislation, if I recall. So you would have had a
20 flow-on effect, so to speak, from that review. But outside of that, we would be making amendments --- you didn't, we didn't do reviews of an entire piece of legislation, that's certainly not what we did on a regular basis. Racing and Wagering Legislation Amendment bill probably was a big review, because lots of changes were occurring so how RWWA functioned back then, but outside of that, they would be
25 minor amendments, consequential to other legislative changes, or regulations that just were no longer relevant.

MS CAHILL: So you didn't have a responsibility to look at, for example, the Casino *Control Act or the GWC Act and ascertain whether it met, in whole or in respect of*
30 specific areas, the policy objectives of Government or the legislative purposes for which that legislation was introduced?

MS BELLING: I would have had responsibility had the Gaming and Wagering Commission or the Government of the day required a review of the nature you're
35 referring to.

MS CAHILL: I see. So you ---

MS BELLING: But that was not ---
40

MS CAHILL: You didn't drive that agenda, you reacted to an agenda set by others?

MS BELLING: In terms of an Act, a legislative agenda such as an Act, absolutely, that was a Government decision. Regulatory was somewhat different. You
45 definitely looked at regulation on a more regular basis.

MS CAHILL: Right. But let me just understand at a further level of detail. So

Government of the day would drive the agenda, for example, whether there's to be a wholesale review of liquor regulation in the State or casino regulation in the State?

5 MS BELLING: Yes, correct.

MS CAHILL: But what about specific issues? So, for example, a question as to whether or not the current Act, the Casino Control Act, adequately regulates issues of suitability of the casino operator? Would that be something that would be driven by
10 the Government of the day to which you would act at their direction? Or was that in terms of policy and legislative objective something within your remit to identify and then pursue?

MS BELLING: I wouldn't have said it was within my remit, but it was certainly ---
15 and if I can go back to the example I gave around the changing landscape of the casino environment. When I returned from the international conference in South Africa, I presented to the Gaming and Wagering Commission the outcomes and the issues that were under discussion at that international conference and highlighted, you know, this is a fast-moving, technologically-sophisticated environment and, you
20 know, we need to think about how the casino --- the Gaming and Wagering Commission needs to think about how it's going to regulate casinos into the future in light of that changing landscape. So, yes, there was some --- there was absolutely some responsibility on me and on others who might have observed things that thought the legislation is no longer capable or fit for purpose or whatever the case
25 may have been. And we could present that to the Gaming and Wagering Commission and after that, it was whatever the Gaming and Wagering Commission in consultation with the Government of the day would then drive it.

MS CAHILL: Right. Now, in that regard Ms Belling, can I ask you, during your
30 time as Director Licensing, did you give any consideration to the policy and regulatory framework, whether it adequately regulated electronic gaming machines?

MS BELLING: Did I? No, I would say I didn't, primarily because it wasn't my area of expertise. I certainly gave my views and my opinions, if asked, in terms of what I
35 thought might have been an alternative view to take, but the design, if I can call it the "design", or the technology of electronic gaming machines was certainly not my area of expertise.

MS CAHILL: What about problem gambling? Did you consider the policy or
40 legislative framework to see whether it was adequate to address problem gambling?

MS BELLING: We did and I think I mentioned earlier, any time an electronic gaming machine, for example, went before the Gaming and Wagering Commission for approval, we, we always took into consideration how did that machine fit with
45 the Government's philosophy and the Gaming and Wagering Commission's principles of separating electronic gaming machines and differentiating electronic gaming machines from poker machines, for example. So, yes, and I think the Gaming and Wagering Commission recognised that where once upon a time it was probably much

easier to identify what's an EGM versus what's a poker machine, technology was changing and that was going to become harder and harder to do and the Government's policy position might well have needed to change.

5

MS CAHILL: Outside of EGMs, did you consider the suitability of the policy and legislative framework more generally in relation to problem gambling?

10 MS BELLING: No, because I think WA, out of all of the jurisdictions, was probably doing very well in terms of --- as best as it could in terms of protecting the community from the harms of problem gambling.

15 MS CAHILL: How does WA rank, do you know, in relation to levels of problem gambling and how those levels are dealt with compared to the rest of the world, not other States in Australia?

MS BELLING: I couldn't comment on that today.

20 MS CAHILL: Is that something that you looked at when you were in that role of Director Licensing?

25 MS BELLING: Yes, we, and I say "we", because it was always done in consultation with the Gaming and Wagering Commission, yes, we were always looking at well, where are we at? Where do we sit compared to other jurisdictions? We primarily looked at Australia, that's fair to say, because our landscape in terms of our legislative framework in Australia was clearly very similar. You couldn't necessarily compare our situation in Australia to --- so, for example, the UK, very different landscape, very different principles and philosophy around gambling, but yes, we definitely did look at where were we at? How were we doing? What other 30 jurisdictions around the world are doing something really innovative and interesting and is that something we can utilise? Can we find a place for that in our jurisdiction?

35 MS CAHILL: Did you consider or review the policy or legislative framework to see whether it was adequate to ensure that the casino operator remained suitable to operate the casino?

MS BELLING: Did I consider the legislative framework --- sorry, I missed your question?

40 MS CAHILL: The policy and legislative framework to see whether it was adequate to maintain the casino operator as a suitable person?

MS BELLING: No, I did not.

45 MS CAHILL: And is there any reason that you didn't?

MS BELLING: No, not that I can recall.

MS CAHILL: Different topic here somewhat, Ms Belling. I want to ask you about some regulatory risks which are referred to in your witness statement under the label "RISK" in block capitals. These are risks associated with junket operations, money
5 laundering, cash and electronic transactions and criminals infiltrating casino operations. As at 2007, there was a requirement pursuant to regulations made under the Casino Control Act for junket tour operators to Perth Casino or their representatives to obtain the approval of GWC.

10 MS BELLING: Yes.

MS CAHILL: I'm going to ask you some details about that, about the details of that procedure in a moment, but first of all, at the time you were Director of Licensing, that is, from 2007, you understood there to be broadly a two-stage process, did you,
15 of gathering information via documents and interview in the first instance. Yes?

MS BELLING: Yes.

MS CAHILL: And then a second stage of the consideration of that material as to
20 whether to approve the junket tour operator or not?

MS BELLING: Yes, correct.

MS CAHILL: Did the Compliance Team undertake the first stage of gathering
25 information?

MS BELLING: No, the Licensing Team would have received and receipted the application and ensured that documentation for its completeness, for want of a better description, was all there and then it would go --- and again this is my recollection ---
30 it would then go to the Compliance Team for them to do their interviews.

MS CAHILL: And then who actually made the approval decision?

MS BELLING: I believe, but again, it's only my recollection, that they went to the
35 Gaming and Wagering Commission.

MS CAHILL: So no one at Departmental level you recall approved junket ---

MS BELLING: I don't believe so, I could be wrong, but I don't believe so. I don't
40 believe I was approving junket operators.

MS CAHILL: Do you recall if you had delegated power to approve junket tour operators?

45 MS BELLING: I suspect I did.

MS CAHILL: But your recollection is, notwithstanding, that went up to GWC for approval?

11:07AM

MS BELLING: Yes, correct.

5 MS CAHILL: And that would have been done on the recommendation of an officer of the Department?

10 MS BELLING: Yes, usually. Every application or every issue that went before the Gaming and Wagering Commission was always appended to an agenda paper and those agenda papers would have a recommendation in it, yes.

MS CAHILL: And which team made the recommendations in relation to whether to approve a junket tour operator or not?

15 MS BELLING: I suspect it changed over a course of time, but towards the end of my time it would have been the licensing, the supervisor, team coordinator. I'm not sure of the titles of the positions, but it would have been a senior member of the Licensing Team who submitted the paper.

20 MS CAHILL: And would you oversee that before it went to GWC? Would you review it?

MS BELLING: Yes, I saw all of the papers before they went to the Commission.

25 MS CAHILL: When you say "it changed over time", who originally would make those recommendations when you started as Director of Licensing?

30 MS BELLING: Quite possibly it came from the Compliance Team. The Department was going through --- we had numerous restructures and with every change of Government there was a machinery of Government pretty much and so we definitely had an organic --- the evolution of the Department over a course of time.

MS CAHILL: So this was just a structural thing, as to how teams were organised ---

35 MS BELLING: Yes.

MS CAHILL: --- that influenced whether, at one point of time or another, it was licence or compliance making the recommendation?

40 MS BELLING: Yes.

MS CAHILL: Now, at page 0010 of your witness statement, paragraphs 43 and 44, just before I tender the document, just the description. Thank you. Before we get there Ms Belling, I'll just tender the job description GWC.0002.0002.0045.

45 **EXHIBIT #GWC.0002.0002.0045 - JOB DESCRIPTION FORM**

11:10AM

MS CAHILL: Now, at 43 and 44, you're talking there in a little bit more detail about the procedure for approving junkets and I understand that to time-date this you're describing the procedure as you recall it immediately prior to the repeal of the regulations in 2010?

MS BELLING: Yes.

MS CAHILL: So the familiarity with the procedure that you obtained between 2007 and 2010; is that right?

MS BELLING: Yes.

MS CAHILL: And you're referring to what you describe as "probity assessments of individual operators"?

MS BELLING: Mmm-hmm.

MS CAHILL: What, on your understanding, was the purpose of the probity check or assessment?

MS BELLING: We were checking to see if they were a suitable person to be involved in that particular activity. We would do --- I think the applications, in terms of junket operators, had to be accompanied by a police report and then we would also look at what was their history. Had they been approved previously in the past? Was there any notes against their record as a consequence of any previous approvals that might have been issued? So it was a bit of a dive into who were they and what were they wanting to do?

MS CAHILL: So having a criminal history was relevant to know as to whether or not they were suitable, is that right?

MS BELLING: Yes.

MS CAHILL: And what other types of information, apart from a criminal history, were you interested in, relevant to this question of suitability?

MS BELLING: Without any examples, I would probably argue I would have been interested in, had they been bankrupt?

MS CAHILL: Why was that relevant?

MS BELLING: Well, it was something that we looked at even in relation to liquor and the role that people would --- you know, if you were going to be a manager in a premises, if you had been bankrupt, what was the circumstances of that bankruptcy and did that make you --- did that make the individual susceptible, I suppose, to financial pressures and poor decision-making as a consequence. So that would have

been my thinking.

5 MS CAHILL: Now, irrespective of an applicant's individual or personal criminal history, were you interested to ascertain whether they had criminal associations, particularly with organised crime, that is, foreign crime syndicates?

10 MS BELLING: Yes, but would we have known if they were involved with foreign crime syndicates? Not unless the Western Australian Police had raised that, but yes, if we --- if it came to our attention or it came to my attention that the applicant was a close associate of an outlawed motorcycle gang member, for example, yes, that was definitely a relevant issue.

15 MS CAHILL: Now, just in relation to the police, I gather --- you give evidence at 43 to the effect that until 2010, that is, the repeal of the regulations, you recall the police or the Department conducting probity checks through the police, the WA Police?

MS BELLING: Yes.

20 MS CAHILL: But, in fact, the police had ceased involvement in the junket tour operator approval process prior to 2007, hadn't it?

25 MS BELLING: I don't know. I have seen in the testimony of others that that's the case, but I understood that we were getting police reports.

MS CAHILL: Well, you weren't close enough to the actual process of gathering documentation and processing it to know, is that the case?

30 MS BELLING: In terms of all applications, junket operators, I will admit, I did not have a great deal of knowledge of, but in terms of all applications for positions of authority, so to speak, we got police reports. That was a standard procedure for my team.

35 MS CAHILL: To the extent that your team was responsible for making recommendations to GWC about whether to approve an operator or not, did you involve yourself in understanding what information had been gathered, what the process was and who was involved in it?

40 MS BELLING: I didn't see most of the applications. They would come into the licensing area. The licensing area, as I say received, receipted, gathered the information, that was passed then onto the Compliance Team and then a recommendation was made as to its approval. I would read the paper before it went to the Gaming and Wagering Commission, but that was the extent of my involvement.

45 MS CAHILL: You also described a little earlier in your evidence that over time it came to be the position that your team was the one making the recommendation to GWC about whether to approve or not?

11:15AM

MS BELLING: Yes. Potentially, yes.

5 MS CAHILL: Did you consider it your responsibility to, at the very least, understand the procedure for approval and what it involved?

MS BELLING: Yes, I did, and the procedure, to the best of my recollection, was that we obtained a police report.

10 MS CAHILL: But I understood you to say a moment ago because you weren't directly involved, having listened to the testimony of others to this Royal Commission, you couldn't be sure whether the police were involved during your time or not?

15 MS BELLING: To the best of my recollection, they were providing a police report. It was news to me what others were saying.

MS CAHILL: A police report about what, Ms Belling?

20 MS BELLING: The police reports were pretty basic and it might have only said there is no reason --- look, I couldn't even tell you the wording of it --- it might have been as simple as saying the Commissioner of Police is of the view there are no antecedents attached to this person that would cause or raise any reason not to grant approval. It could have been something as simple as that, or it could have been, this
25 person is not deemed or not considered fit and proper for the following reasons, and it would list their criminal convictions.

MS CAHILL: Might you be confusing a police report obtained for liquor licensing purposes or some other regulatory purposes with the process that was followed for
30 approval of junket tour operators?

MS BELLING: I could be, but as I say, that's the best of my recollection.

MS CAHILL: If that's a convenient time, Commissioner?
35

COMMISSIONER OWEN: Thank you, we will resume at 11.35.

40 **ADJOURNED** [11.17 AM]

RESUMED [11.37 AM]

45 COMMISSIONER OWEN: Thank you, please be seated. Yes, Ms Cahill.

MS CAHILL: If I can go back to your witness statement, please, Ms Belling, at

paragraph 43, page 0010, you are talking there in the middle of that paragraph about your recollections around the repeal of the regulations requiring the approval of junket tour operators, amongst other things, in March 2010 and you say you don't recall being involved and you mentioned that you were absent on leave without pay in mid-2009 until March 2010.

MS BELLING: Yes, I think that's around those dates.

10 MS CAHILL: So who acted in your position as Director of Licensing during that period?

MS BELLING: I believe it was Mr Connolly.

15 MS CAHILL: And also holding the position of Director of Compliance at the same time?

MS BELLING: I doubt that. I'd be very surprised. He wouldn't have had the capacity.

20 MS CAHILL: All right. Can I just show you this document. I think it's the minutes of the meeting of 23 February 2010, GWC.0002.0016.0020. You see Mr Del Prete is nominated as Acting Director Licensing?

25 MS BELLING: That would be right, okay.

MS CAHILL: So I'm just asking you whether that helps with your recollection?

30 MS BELLING: No, not particularly, because I was absent, but it would make sense, I guess, because I don't recall the dates when Mr Connolly went to Fisheries, but that would suggest he was at Fisheries at that point in time, but I wasn't there, so

MS CAHILL: All right. Yes, you weren't there but presumably you had some sense of who was doing your job in your absence?

35 MS BELLING: Well, it was Mr Connolly when I went on leave and I was absent for nine, 10 months, thereabouts. Changes that occurred in that period of time, seriously, I don't remember.

40 MS CAHILL: Right.

MS BELLING: Looking at that, that would make sense. The timing looks right.

45 MS CAHILL: When you first went on leave you understood Mr Connolly took over your position in an acting role?

MS BELLING: Yes, he did.

11:40AM

MS CAHILL: And did he take over your role as CCO?

MS BELLING: I presume so, yes.

5

MS CAHILL: Did he take over your role as Deputy Chairperson?

MS BELLING: I presume so.

10 MS CAHILL: And you're not sure of who took over those positions while you were still on leave when he went to Fisheries?

MS BELLING: No, I wouldn't have been involved in that decision.

15 MS CAHILL: Just to be clear, just when you went on leave and you were aware of him taking, Mr Connolly taking your position as Director Licensing ---

MS BELLING: Yes.

20 MS CAHILL: --- were you aware of who at that time took over his position?

MS BELLING: No, I genuinely don't recall. I'm going to guess that it was Mr Del Prete, but, look, I don't recall.

25 MS CAHILL: Just a guess?

MS BELLING: Yes, that's just a guess.

30 MS CAHILL: All right. Now, can I take you to the agenda paper relevant to the repeal of the regulations in February 2010. That's GWC.0002.0016.0001_0337. Now you've had a look at this agenda paper in preparation for giving evidence this morning, haven't you?

MS BELLING: Yes, briefly, yes.

35

MS CAHILL: So you've got a broad understanding of the subject matter of the paper?

40 MS BELLING: Sorry, can you zoom in on that a little bit more for more please? I believe this is the paper where Mr Toyne gives all the background around AUSTRAC, the AML legislation, is that correct?

MS CAHILL: Yes.

45 MS BELLING: Okay.

MS CAHILL: Now, the subject matter of this paper, bearing in mind your experience of the division of responsibilities between licensing and compliance at

this time, which stream or team ---

5 MS BELLING: I'm sorry about that. I've got gadgets going off here. Sorry, say that again?

MS CAHILL: We all understand, we've all been there. I'll start again. Looking at the contents of that paper ---

10 MS BELLING: Yes.

MS CAHILL: --- and remembering back at that time your understanding of the demarcations between compliance on the one side and licensing on the other ---

15 MS BELLING: Yes.

MS CAHILL: --- which team would have had the responsibility for actually presenting this paper, compliance or licensing?

20 MS BELLING: Presenting the paper would have been the Chief Casino Officer, but it could well have been and in this case it was Nick Toyne. It could well have been prepared by compliance or licensing.

25 MS CAHILL: So either one or other team, could have been responsible for initiating this paper and preparing it?

30 MS BELLING: Yes, they could. You've used the word "demarcation", we weren't a big agency, you know, and in a small agency, we worked as a team. So I don't necessarily think I would have referred to it as a "demarcation" but Nick Toyne in this case has prepared it and he was licensing, so.

MS CAHILL: Mr Toyne was licensing?

35 MS BELLING: Well, according to this he was Acting Deputy Director Licensing.

MS CAHILL: Well, do you remember?

MS BELLING: I wasn't there, I was not present at the time.

40 MS CAHILL: I understand. Before you went on leave, do you remember where Nick Toyne was located?

MS BELLING: No, I don't.

45 MS CAHILL: Before you went on leave in mid-2009 was there any discussion or consideration by the Department of which you were aware or in which you were involved regarding the repeal of the regulations for the removal of that requirement for approval?

MS BELLING: No, I don't specifically. As I've indicated in my statement, I've got a very vague recollection of that time and a vague recollection of discussions --- well, we were certainly having meetings with AUSTRAC, so it's, it's only a vague
5 recollection.

MS CAHILL: Do you recall any particular person in the Department particularly pushing for the approval requirement to be removed?

10 MS BELLING: No.

MS CAHILL: What was your view in 2009, 2010 about the merits of removing the requirement for approval and the cessation of probity checks?

15 MS BELLING: Look, I don't recall, except it would be my knowledge, I guess, of what AUSTRAC was doing and what that new legislation was proposing to do that I guess I probably would have taken --- and this is a reflection back, you know, I can't be sure, but I probably would have taken the view well, here's this new piece of legislation by this agency who's got extensive expertise and capacity in relation to
20 probity and, you know, investigative powers in relation to organised crime and money laundering, et cetera, so I probably wouldn't have been opposed.

MS CAHILL: So where did you get that information about the scope and content of the AUSTRAC functions and responsibilities?
25

MS BELLING: Well, if you recall, I think I mentioned earlier that I remember meeting with AUSTRAC at some point to discuss the anti-money laundering legislation and as I would have been my nature to do, I would have looked into well, who is AUSTRAC? What is their powers and responsibility? Why does this agency
30 exist, and what's this legislation that's being proposed or enacted? So I would have just researched it.

MS CAHILL: Would you have actually reviewed the legislation?

35 MS BELLING: Would I have reviewed it? Not in a formal capacity. I would have read it, but it wasn't my remit or remit to be reviewing it.

MS CAHILL: So when you read it did you form a view that AUSTRAC investigated money laundering?
40

MS BELLING: I, I knew that the function of AUSTRAC was to identify, investigate and disrupt criminal infiltration of Australia's financing system. I knew that that was their function. So, yes, I guess I probably would have reached the conclusion that the legislation supported that, or enabled that.
45

MS CAHILL: But that that's what AUSTRAC actually did? That's a conclusion you formed?

11:47AM

MS BELLING: Yes, yes it was.

MS CAHILL: I'll come back to paragraph 44 of your witness statement please, 0010
5 is the page number. You see there in the first sentence you say:

Outside of the pre-2000 function of conducting a probity assessment

Et cetera. Is that a typographical error, should that say "pre-2010"?
10

MS BELLING: Yes, probably should be. I was reading that before and I can't quite
get my head around that, but yes.

MS CAHILL: You also mention here at this part that the Casino Operation Manual
15 placed obligations on the operator to satisfy themselves about the probity and
conduct of junket operations?

MS BELLING: Mmm-hmm.

MS CAHILL: Was that before the repeal of the regulations or after?
20

MS BELLING: I could not comment on that.

MS CAHILL: Do you recall what those requirements were?
25

MS BELLING: No, I do not.

MS CAHILL: Do you know if, and if so, what, audit or inspection programs were
developed and conducted in relation to those manual requirements?
30

MS BELLING: Sorry, can you repeat that?

MS CAHILL: Do you know if any audit or inspection programs were developed by
the Department in relation to those requirements in the manual?
35

MS BELLING: Audits and inspections were always developed around various
aspects of the operations manual. I would assume yes, but again, I can't recall that
specifically.

MS CAHILL: Independently of any obligations that the casino operator had through
the Casino Operations Manual, were there any other requirements imposed upon the
casino operator after the repeal of the regulations in relation to junket tour operators?
40

MS BELLING: Not by the Gaming and Wagering Commission that I recall, but I
45 believe the AML legislation, so the anti-money laundering legislation certainly
imposed requirements to report financial transactions above a certain figure, report
and record, but again, that's just my recollection.

MS CAHILL: Now, apart from the conclusions you reached about what AUSTRAC was doing once the AML legislation was introduced, did you take any steps after the regulations were repealed or before to ascertain whether any other law enforcement agencies were, in fact, adequately addressing the risks of money laundering through junket tour operators?

MS SEAWARD: With respect, I'm not sure whether this witness could say whether any other law enforcement agencies were doing something in an adequate fashion or not.

MS CAHILL: Sorry, I'll rephrase the question. I meant to frame it in the same way as I did in relation to the AUSTRAC legislation.

Did you investigate and form any conclusions about whether other law enforcement agencies were adequately addressing the risks of money laundering through junket tour operators?

MS BELLING: No, I did not.

MS CAHILL: Is there any reason for that?

MS BELLING: I couldn't recall a specific one, other than to say I probably was immersed in one of many other responsibilities, I guess, but no, I don't know to be honest.

MS CAHILL: Do you think, looking back now, that's something you should have done?

MS BELLING: Everything's wonderful in hindsight, isn't it? Yes. I guess --- in fact what I would probably, if I could --- on reflection what I would probably suggest would have been a good approach to have taken was when the AML legislation came in and AUSTRAC took on a greater focus, I guess, in relation to anti-money laundering and criminal infiltration and financial systems, the Gaming and Wagering Commission could have developed a more robust relationship with AUSTRAC and even potentially had a memorandum of understanding around that, you know, around how information could be shared.

MS CAHILL: You say at 42 of your witness statement, that's at page 0010, that:

..... the Department of Racing, Gaming and Liquor and the GW Commission were not equipped or skilled to detect, investigate and manage more complex matters

But you would accept, wouldn't you, that it had powers to require the casino operator to provide information to it that would reveal (inaudible) ---

MS BELLING: I accept that the Commission had the power to request that information, yes.

5 MS CAHILL: And that the Department or GWC could then pass that onto relevant law enforcement or Government agencies for them to exercise their skills and use their resources to uncover any criminal activity in that regard?

10 MS BELLING: Yes, and I guess that's where the --- a more robust relationship and a memorandum of understanding would have been a beneficial outcome.

MS CAHILL: And you accept that the Department and GWC had powers to audit and inspect the casino operations to itself detect the indicia of possible money laundering?

15 MS BELLING: It had the powers to, yes.

MS CAHILL: And that would not necessarily require significant skills or resources? It could involve simply reviewing bank transactions to expose transactions that were suspicious?

20 MS BELLING: No, I disagree entirely on that score. This --- organised crime is highly sophisticated. I do not believe and I would be happy to be corrected, I don't believe you can pick up a bank statement and identify from a bank statement whether organised crime is involved in money going through the casino.

MS CAHILL: What about a bank statement that reveals three deposits or 10 deposits, each of \$9,000 by the same depositor on the same day, Ms Belling?

30 MS BELLING: That would not necessarily be indicative of a criminal offence, I wouldn't have thought.

MS CAHILL: But it might, Ms Belling?

35 MS BELLING: But it might, yes.

MS CAHILL: And that could be obtained and passed on to a law enforcement agency for it to investigate further, couldn't it?

40 MS BELLING: Yes, that's correct.

MS CAHILL: And that's adequate, comfortably within the skill set of the Department to undertake that sort of audit and inspection of bank accounts?

45 MS BELLING: Yes, I guess so.

MS CAHILL: So, in that regard, do you know if the Department did, during your time, routinely inspect, audit or review the casino's bank accounts?

11:55AM

MS BELLING: No, not that I'm aware of.

5 MS CAHILL: So do you remember that that didn't happen, or you simply don't recall one way or the other?

MS BELLING: I don't recall one way or the other.

10 MS CAHILL: And do you accept that the Department and GWC during your tenure had the power to require the casino operator to follow procedures that would mitigate the risks of money laundering or criminal infiltration?

MS BELLING: I'm really sorry, Ms Cahill, you dropped out then.

15 MS CAHILL: Do you accept that the Department and GWC had the power to require the casino operator to follow procedures that would mitigate the risks of money laundering or criminal infiltration?

20 MS BELLING: Yes, I do.

MS CAHILL: Your recollection, at 44 of your witness statement, is that the manual placed obligations on the operator to satisfy itself about the probity of the junket tour operator?

25 MS BELLING: Yes.

MS CAHILL: Well, that's something that the Department or GWC could equally do, couldn't it?

30 MS BELLING: Yes, yes.

35 MS CAHILL: Did you ever give consideration to obtaining external advice in respect of the Casino Operations Manual to review it as to its adequacy to address and mitigate the risks of junket operations, money laundering and criminal infiltration?

MS BELLING: I did not, no.

40 MS CAHILL: Moving away from the specific risks associated with junket operations, money laundering, cash and electronic transactions and (inaudible) and infiltrating casino operations, and looking at the regulation of risks of casino operations more generally, say at 39 of your witness statement, page 0009, that GWC and the Department, during your tenure, primarily operated on a risk-based approach?

45 MS BELLING: Mmm-hmm.

MS CAHILL: Now, on your understanding, did a risk-based approach involve first identifying the risks associated with the casino operation?

5 MS BELLING: Yes.

MS CAHILL: And then, secondly, assessing what those --- the significance of those risks in relation to the operation of the casino?

10 MS BELLING: Logically, yes.

MS CAHILL: And then thirdly, working out an effective way to mitigate those risks?

15 MS BELLING: Yes.

MS CAHILL: Were you involved at any time in your tenure of identifying and/or assessing risks associated with the operation of the Perth Casino?

20 MS BELLING: Only in a very broad sense and in that regard I would use the example I gave earlier around on-line gambling and the risks that might well have posed and that was something that we should be looking at.

25 MS CAHILL: Well, that was really just a response to that topic having been raised at a conference you went to, wasn't it?

MS BELLING: No, not --- no, no. Sorry.

30 MS CAHILL: No, you go.

MS BELLING: No, I mean, we were constantly having dialogue with other jurisdictions in Australia as well as around the world. It was certainly a subject at conferences at that time, but you don't work in the field of casino regulation without having an ear to the ground on these things, and so on-line gambling, by nature of the changing technologies, was a looming issue for us regardless of what conferences discussed. So that's an example I guess of where I broadly would have been identifying risks.

40 MS CAHILL: When you look back now, again using the hindsight that we all have, do you consider that you ought to have taken it upon yourself to look more broadly with the risks associated with the operation of the casino and undertaken a risk identification and risk assessment procedure more holistically?

45 MS BELLING: Oh, with the benefit of hindsight and had I had more time? Yes, absolutely, I would have liked to have been able to do that. As part of that, because again, not one person can achieve all of that, so it would have definitely been something that Mr Connolly and I would have sunk our teeth into, I imagine.

MS CAHILL: Now, at 39, where I took you a moment ago, you go on to describe GWC and the Department's primary reliance upon the risk-based approach with regular programmed and random inspections and audits.

5

MS BELLING: Mmm-hmm.

MS CAHILL: So you're referencing the work of the inspectors there, aren't you?

10

MS BELLING: Correct.

MS CAHILL: Now, did you have any appreciation at the time that you were Director of Licensing as to whether the resources applied to that inspection and audit function were sufficient, or not sufficient?

15

MS BELLING: I think any public servant, a senior public servant, would probably argue you can always have more resources and you would always love more capacity. I think it would be --- it would be very reasonable to say that Mr Connolly and I would have loved for there to have been more resources available in the Inspectorate Team.

20

MS CAHILL: Whether or not you would have loved for them to have had more resources, did you think at the time more resources were necessary, that they were needed?

25

MS BELLING: I --- yes, for delivery of services across the broad range of the Department's responsibilities, not just in relation to casino.

30

MS CAHILL: Well, I'm asking you to focus on casino regulations specifically. Were more inspectors needed to regulate the operations of the casino?

MS BELLING: I didn't believe so, but the management of the compliance function was Mr Connolly's and I would have relied entirely on his advice in that and whether or not he thought we needed more resources or not.

35

MS CAHILL: So you didn't have a view?

MS BELLING: I've just expressed that. My view was that the Department needed more resources generally.

40

MS CAHILL: But not in relation to casino regulation?

45

MS BELLING: Well, I think if you recall from previous testimonies that the Inspectorate Team provided functions. So we no longer had a dedicated team of inspectors at the casino. We had a team of inspectors who provided functions across the broad gambit of the Department's responsibilities and that team could well have done with additional inspectors and the result of that would have been we would have been able to put more focus into the casino as a consequence of having more

resources.

5 MS CAHILL: Did you think that greater focus was needed?

MS BELLING: As the landscape around casinos and the casino regulation, changing technologies, et cetera, changed, yes. We were no longer operating in a 1985 environment.

10 MS CAHILL: So the situation as it was with the level of resources in the inspectorate, if I can call it that, did you understand that that was driven primarily by cost savings and efficiency measures within the Department?

MS BELLING: Yes, by Government generally.

15 MS CAHILL: Now, if we return to your job description please at GWC.0002.0002.0045 at 002 under heading 5 "Organisational Leadership and Management", do you see in the first bullet point under "Organisational Leadership and Management" ---

20 MS BELLING: Yes.

MS CAHILL: --- you have a responsibility for managing, relevantly, financial resources?

25 MS BELLING: Yes.

MS CAHILL: To "achieve divisional objectives and ensure that services are provided within", relevantly, budgetary constraints?

30 MS BELLING: Yes.

MS CAHILL: You understood, didn't you, that the GWC was primarily and essentially funded through licence fees revenue?

35 MS BELLING: Correct.

MS CAHILL: Including a casino licence fee?

40 MS BELLING: Yes.

MS CAHILL: Did you regard that licence fee revenue as a notional budgetary constraint upon the resources the Department was to apply to the provision of services to GWC generally?

45 MS BELLING: That would be a fair statement.

MS CAHILL: Did you regard the casino licence fee revenue as a notional budgetary

constraint upon the resources the Department was to apply to the provision of casino regulation services specifically to GWC?

5 MS BELLING: Yes, that would be fair.

MS CAHILL: Did the reverse position apply? Did you regard --- and I'll explain what I mean by that --- did you regard the GWC licence fee revenue as a budget that could only be applied to the provision of services to GWC?

10

MS BELLING: Yes, but I'm not sure other than for the function of the Director of Liquor Licensing, I'm not sure how you would separate out time in motion, I guess.

MS CAHILL: We'll come to that in a moment. Can I ask you this question first?

15

Did you regard the casino licence fee revenue as a budget that could only be applied by the Department to the provision of casino regulation services?

MS BELLING: Yes, in support of the Gaming and Wagering Commission, yes, that would be a fair comment.

20

MS CAHILL: But coming back to the point I think you wanted to make just a second ago, was there any attempt within the Department to recording and attributing budgetary allowances from the casino fee and the other licence fees that the GWC earned, to GWC /casino regulation services?

25

MS BELLING: No.

MS CAHILL: So can we take your example as --- take your position as Director of Licensing as an example. You have told us you spent about 30% of your time on casino matters?

30

MS BELLING: Mmm-hmm.

MS CAHILL: But nowhere did you record that you spent 30% of your time on casino matters?

35

MS BELLING: No. And that's an estimate.

MS CAHILL: I'm sorry?

40

MS BELLING: And that's an estimate.

MS CAHILL: And nobody from the financial area of the Department, in terms of preparing financial accounts each year and so forth ever asked you about the allocation of your time between liquor regulation, GWC regulation, specifically casino regulation?

45

MS BELLING: Not that I recall, no.

MS CAHILL: And the Deputy Directors Licensing, did they ever record their time for budgetary purposes as to which regulatory area they were operating and working in?

5

MS BELLING: Not that I recall. In fact, I'd probably say nobody did. Perhaps the inspectors did, because they would have identified how many inspections of various activities in terms of gaming and wagering that they would have undertaken, but to the best of my knowledge nobody in the Department did.

10

MS CAHILL: How did you go about ascertaining that the money available for GWC services from the licence fee revenue was applied only to GWC services and not other Department requirements?

15

MS BELLING: Well, I guess because it's hard to separate that out and we would have just taken the view that the Department --- its sole purpose for existing is to support these two legislative frameworks. How you would separate them other than doing a time in motion assessment, I don't know. So it would have just been a general position that was taken.

20

MS CAHILL: Well, I'm just trying to understand. If you've got licence fee revenue from the casino that is to be spent on casino regulation, that was your understanding, how did you ascertain that that's what was, in fact, happening?

25

MS BELLING: Well, we were delivering services to the Gaming and Wagering Commission.

MS CAHILL: But to the value of the licence fee? For more than the licence fee, or less than the licence fee?

30

MS BELLING: I would probably say more than the licence fee. The Department --- yes, I would have probably said more than the licence fee. The Department had to acquire funds from consolidated revenue. It wasn't that --- we didn't run on only the Gaming and Wagering Commission income, to the best of my knowledge.

35

MS CAHILL: But it was providing a lot of services other than to the GWC?

MS BELLING: It was providing services in support of the Director of Liquor Licensing, yes.

40

MS CAHILL: And we come back to the point, how did you then ascertain how much GWC was utilising in terms of the Department's budget relative to the licence fee?

45

MS BELLING: We didn't.

MS CAHILL: Do you know how the services to the GWC were costed, or were they

just not costed at all?

MS BELLING: I couldn't comment on that.

5

MS CAHILL: But you were responsible for management of the financial resources to ensure that they were provided within budgetary constraints?

MS BELLING: For the division, which was the Licensing Division, yes.

10

MS CAHILL: But you'd need to know how much the services to GWC were costing within that responsibility, wouldn't you?

MS BELLING: Yes, but again, I come back to, you know, I have an officer who has 50 applications for casino employee licences and has 15 applications for approval of manager of a licensed venue applications. An application for a casino employee licence might take half an hour. The application for an approval of manager might take two hours. You know, we did not have in place a system where those staff identified, okay, now I'm working on a casino application, now I'm working on a liquor. We didn't do it.

20

MS CAHILL: Why not?

MS BELLING: Practical. Practicalities. Effective use of resources.

25

MS CAHILL: Why is it impractical for someone to note in a timesheet the work that they're doing each day and how long it takes?

MS BELLING: The Department dealt with several thousand applications a year, in addition to the rest of the work that we were doing. I would argue that there's a better way of using staff time than having to record 10 minutes here, 10 minutes there, but that's just my view.

30

MS CAHILL: We come back to your witness statement please at paragraph 58, page 0013 where you say that in 2007, you and Mr Connolly considered that the Department should be restructured?

35

MS BELLING: Yes.

MS CAHILL: And you mention at 58 on the same page that part of the restructure you were contemplating included how the audit and inspection team could be better utilised.

40

MS BELLING: Yes.

45

MS CAHILL: Now, that was a restructure that was, in fact, implemented, was it?

MS BELLING: So we commenced --- when both Mr Connolly and I were appointed

to our positions in 2007, we commenced this review of the Department and how we did our business. That was a long process and it was coming to its fruition when I left. We'd finished the recruitment of senior positions, as in director positions and then there were, you know, senior inspectors and so on and so forth down through the organisational chart thereafter, but we'd completed the selection of the senior positions in the Department when I left. So it was --- it came to fruition.

MS CAHILL: Where you say you include here that you looked at everything ---

MS BELLING: Mmm-hmm.

MS CAHILL: --- including how the audit and inspection team could be better utilised ---

MS BELLING: Mmm-hmm.

MS CAHILL: --- was that something that had changed by the time you left, or was that still something to be considered and implemented?

MS BELLING: I think it was organic, it was still being considered and implemented. You know, during this same period of time we had a change in Government. We had some really significant, very controversial issues that we were dealing with so, you know, it's fair to say that the restructure of the Department was one of the many things that we were taking on. So it was a slow process.

MS CAHILL: But just in terms of that process, what had been discussed and developed between you and Mr Connolly in relation to better utilising the audit and inspection team?

MS BELLING: In fact, there was the three of us. There was the Director of Corporate Governance, Vanessa Grant, Mr Connolly and myself. We looked at each of our team --- we were responsible for the structure of each of our teams, obviously. So Ms Grant looked at corporate services and what they were delivering. Was there a better way of doing that? I looked at licensing, Mr Connolly look at compliance, but clearly, we talked about how that all worked together. Did I determine how Mr Connolly's team would operate? No, I didn't. But certainly, I was involved in discussions around what's the best use of those resources? What's our commitment here? Where is the priority at the moment of the current Government? What are we looking at? And we would have talked about how to use the compliance team based on all of that.

MS CAHILL: What I'm asking you is what was the content of those discussions?

MS BELLING: What was the content?

MS CAHILL: Yes. What were you talking about in relation to better utilising the audit and inspection teams? What was being discussed?

MS BELLING: What's the current risks that we have facing the agency at the moment, and one of them would have been we had in Western Australia, on licensed premises, for example, concerns around the potential for organised crime. We had
5 significant levels of antisocial, alcohol-related violence occurring on licensed premises and one of the things that the compliance team was looking at issues around rather than a paint-brush approach to it, were there specific premises that were of greater concern and was it a premises-based issue or was it a social issue generally? Those were the sorts of discussions we were having and whether or not, okay, we
10 need to place greater focus on this particular premises or we have issues in relation to this precinct.

For example, Northbridge was an area of concern, but it's fair to say, the casino was not --- it was not a premises that caused --- and by "premises" I mean a complex that
15 involved the hotels, bars, restaurants and the casino footprint itself --- it was not a premises that we were concerned about to the extent of harm like we were at other premises. So, yes, it's probably fair that we were looking at, you know, where do we need to put the resources at the moment? What's the current issues that we need to be concerned about?

20 MS CAHILL: And that was orientated towards and focused upon more of the liquor licensing area rather than casino regulation?

MS BELLING: It would have been in that --- in 2007 to 2010, yes, it would have
25 been.

MS CAHILL: Now, can we take you back to paragraph 24 please at 0007, you describe that you and Mr Connolly were developing a proactive and strategic
30 regulatory plan.

MS BELLING: Yes.

MS CAHILL: Is that something different from the restructure you refer to at 58, or
35 is it the same thing?

MS BELLING: Same thing.

MS CAHILL: And you refer at 24 here to the fact that it would require additional
40 resources?

MS BELLING: Yes.

MS CAHILL: Resource implications for the Department.

45 MS BELLING: Yes.

MS CAHILL: In what way?

MS BELLING: So, when --- one of the problems we had within the agency was we had very antiquated and not particularly useful IT solutions, so --- and this is just merely an example. So one of the things that we identified was that we needed an IT solution that covered racing, gaming and liquor, that would allow us to not only have a licensing function within that IT solution, but also a compliance function, a system that would allow us to record data and track and report better than the systems that we had. So one of the areas that we identified was we need additional funding in order to replace our entire IT solution for the agency. I think we also sought for an additional full-time equivalent. So an additional FTE --- again, I don't have access to any documents to confirm my recollection, but I've got a recollection of us seeking additional funding for two full-time equivalent inspectors.

MS CAHILL: For the liquor area, in particular?

15

MS BELLING: No, for the Department.

MS CAHILL: Now, I gather from what you say in paragraph 24 that you were by no means confident, indeed not even optimistic, that you were going to get those additional resources from Government?

20

MS BELLING: Yes.

MS CAHILL: Can I take you to ---

25

MS BELLING: But can I say, though, we did in fact get --- I believe that we got funding for that IT solution that we wanted and I recall getting funding for an additional FTE, but that's just my recollection.

MS CAHILL: Can I take you to some minutes of meeting of the GWC of 28 February 2012. That's GWC.0002.0016.0054. Now at page 0007. See under "General Business" the second paragraph.

30

MS BELLING: Yes, sorry. Thank you.

35

MS CAHILL: So that's you, the Director of Licensing, I assume.

MS BELLING: Mmm-hmm.

MS CAHILL: Providing members an overview of the Department's productivity review programme? Is that the plan you've described in 24 and 58 of your witness statement?

40

MS BELLING: That would seem appropriate, yes.

45

MS CAHILL: And you say:

It is anticipated the new structure will be in place by July 2012.

MS BELLING: Yes.

5

MS CAHILL: So does one infer from that, that the resources were forthcoming?

MS BELLING: Sorry, the actual IT solution was well into its development by that point in time. I think we got the funding for the IT solution probably around 2009, but don't quote me on that. So the IT solution was well and truly on the path to being designed and tested by that point in time. The FTE, again, you'd have to check on that, but I assume that we got the funding for the FTE as well and we filled those positions.

MS CAHILL: To your recollection, did the IT system have the capability of separately recording the costs of the time spent on different regulatory functions? For example, casino regulation?

MS BELLING: Look, it could quite possibly have. It was a pretty cutting-edge solution. It wasn't something you could buy off the shelf. We were getting it built specifically for the Department. So it's quite possible. I couldn't confirm that, though.

MS CAHILL: Commissioner, I tender those minutes GWC.0002.0016.0054.

25

EXHIBIT #GWC.0002.0016.0054 - MINUTES OF MEETING

MS CAHILL: Now, just changing topics Ms Belling and finally I wanted to talk to you about conflicts of interest.

MS BELLING: Yes.

MS CAHILL: Were you responsible within the Department for developing or maintaining policies in respect of Departmental officers declaring and managing conflicts of interest?

MS BELLING: No, that would have been a corporate governance policy, which would have fallen under the Director of Corporate Governance's responsibility.

40

MS CAHILL: And, similarly, no responsibilities in relation to GWC policy in that regard?

MS BELLING: No, but look, I don't recall whether or not the Gaming and Wagering Commission had their own specific policy. I'm only assuming, but I suspect that their policy would have been the Department's policy, but I can't confirm that.

45

MS CAHILL: During your tenure as Director of Licensing, did you become aware of any instances of Departmental staff involved in casino regulation having personal relationships with Perth Casino employees?

5

MS BELLING: There may have been an inspector who had a son or daughter who'd applied for a position at the casino, but none that I can specifically recall.

MS CAHILL: Did you have any concerns that that may be occurring?

10

MS BELLING: It wasn't something I thought about on a daily basis.

MS CAHILL: Did you think about it at all?

15

MS BELLING: Yes and no. I don't know how to respond to that question. Yes, I don't know how to respond to that. Of course you'd be concerned about it, but did I go and ask staff, "Do you have a potential conflict of interest", no, I didn't.

20

MS CAHILL: If someone had declared to you a personal relationship with a Perth Casino employee ---

MS BELLING: Yes.

25

MS CAHILL: --- what would you have done about it?

30

MS BELLING: Firstly, I would have recorded it. I would have recorded it, reported it. Would have sat down and talked to the staff member and probably involved the Director of Corporate Governance, the Manager of HR. What are our options for dealing with this? Can we, can we remove the employee from dealing with casino applications? Can we move them into a different area? I would have looked at what were the options for responding to that.

35

MS CAHILL: Were you aware of any instances of former Department employees working for Perth Casino?

MS BELLING: Former Department? Mr Michael Egan, but I didn't --- Mr Egan was long gone from the Department before my time, but I know that Mr Egan was working at the casino.

40

MS CAHILL: What about Mr Paul Hulme?

MS BELLING: I became aware that Mr Hulme was working at the casino. I, again, never knew Mr Hulme when he was working at the Department.

45

MS CAHILL: But did it raise any concerns for you in terms of conflicts of interest, that he was working for Perth Casino?

MS BELLING: No, because there was --- he didn't go directly from the Department

to the casino, to the best of my knowledge, but I had no concerns with Mr Hulme working at the casino, no.

5 MS CAHILL: You weren't concerned that he might be someone who the existing employees might favour in terms of making arrangements or regulating the casino because of past associations?

MS BELLING: No.

10

MS CAHILL: In hindsight, do you think you should have had concerns?

MS BELLING: No.

15 MS CAHILL: Were you aware of Mr Connolly's friendship with Claude Marais of Perth Casino?

MS BELLING: I was aware --- a friendship? No. Mr Marais and Mr Connolly, in my observation, had a professional relationship of regulator and operator.

20

MS CAHILL: Were there any occasions when you were at the Department upon which the Department held work functions such as lunches, dinners, Christmas parties and functions at the Burswood Resort?

25 MS BELLING: Not that I recall.

MS CAHILL: Thank you, Ms Belling, I have no further questions.

COMMISSIONER OWEN: Thank you, Ms Cahill. Mr Dharmananda?

30

MR DHARMANANDA: No, nothing arising.

COMMISSIONER OWEN: Mr Evans?

35

CROSS-EXAMINATION BY MR EVANS

40 MR EVANS: Ms Belling, you gave some evidence earlier about engagement with AUSTRAC?

MS BELLING: Mmm-hmm.

45 MR EVANS: The AUSTRAC regime was introduced, I think we can take it to be some time after 2006, I don't know if you don't recall the date with any more precision?

MS BELLING: I don't, sorry.

MR EVANS: I take that AUSTRAC reached out to the Department to engage, was it?

5 MS BELLING: Yes, and again, I can't give you any specifics, but I do have a recollection of meeting with AUSTRAC representatives.

MR EVANS: All right. In your time with the Department, which would then have gone on for another six years or so apart from your leave of absence, do you have
10 any recollection of AUSTRAC reaching out again to the Department?

MS BELLING: Not to me directly. That's not to say they didn't, but not to me directly.

15 MR EVANS: Thank you. Following the conference which you attended, I think, in 2011 where you came back and reported to the GWC in relation to issues that you'd observed in the course of that conference ---

MS BELLING: Yes.

20

MR EVANS: --- some questions were put to you as to whether there might have been the initiation of a consideration of review of policies or procedures or legislation in relation to the issues which you identified. Is it the case that the policy resources to undertake those activities would be required to be provided by the
25 Department?

MS BELLING: Yes, that would have been correct. Unless, I guess unless the Government was of a mind to initiate a much more detailed and review of the entire legislation, but otherwise, yes, it would have been the Department.

30

MR EVANS: And finally, there was some questions in relation to --- these were put to you principally in respect of your role as Director of Licensing --- about the types of police certificate and police clearance which were obtained. Now, obviously across the gambit of licensing matters for which you were responsible, there was a
35 number of licensees and a number of different requirements for police approvals to be obtained from time to time, would that be right?

MS BELLING: That would be fair.

40 MR EVANS: You'd be familiar, I think, with probably three types of police clearance which could be obtained. The first would be a foreign national police certificate. That is a certificate from a foreign police authority?

MS BELLING: Mmm-hmm.

45

MR EVANS: And is it your recollection those were associated with junket operators in particular?

12:31PM

MS BELLING: Sorry?

MR EVANS: Being foreign nationals?

5

MS BELLING: Yes, probably. I think any time that we had an application from somebody who was only recently new to Australia, we would ask them for a foreign national police report, but it probably would have been related primarily to junket operators, yes.

10

MR EVANS: And there's also an Australian police clearance certificate, which I think is another national police certificate?

MS BELLING: Yes, correct.

15

MR EVANS: And that lists effectively known offences which are disclosable, convictions that are recorded?

MS BELLING: Yes.

20

MR EVANS: And then there's a third and more sensitive category which is criminal intelligence information.

MS BELLING: Yes, that's right.

25

MR EVANS: And that's protected in the Gaming and Wagering Commission Act under section 20A, and that's a far more sensitive area of police enquiry, isn't it, because it doesn't deal with convictions, it deals with actual intelligence from police.

30

MS BELLING: That's correct, yes.

MR EVANS: And the disclosure of that is required at Assistant Commissioner level and above, is that right?

35

MS BELLING: I would guess that's correct, yes.

MR EVANS: And you're not familiar with that sort of information being been provided to you in the course of your licensing activities, specifically in relation to junket operators?

40

MS BELLING: No, I was not provided that specifically in relation to junket operators, no.

MR EVANS: Thank you, no further questions.

45

COMMISSIONER OWEN: Thank you. Mr Malone?

MR MALONE: If I may Commissioner, just one question.

5 **CROSS-EXAMINATION BY MR MALONE**

MR MALONE: Ms Belling, if we could bring up your witness statement at paragraph 87, which is _0018.

10

MS BELLING: 87, you said?

MR MALONE: Yes, that's right. It starts with the words "In terms of conflicts".

15

MS BELLING: Yes.

MR MALONE: You list there what you understand as guiding principles which demonstrate integrity?

20

MS BELLING: Yes.

MR MALONE: My question to you in relation to that is, in your dealings with Mr Connolly, was he someone who demonstrated integrity in the way that you set out in that paragraph?

25

MS BELLING: Yes.

MR MALONE: Thank you, Ms Belling.

30

Thank you, Commissioners.

COMMISSIONER OWEN: Thank you, Mr Malone. Commissioner Jenkins?

35

QUESTIONS BY THE COMMISSION

COMMISSIONER JENKINS: Hello, Ms Belling. I am Commissioner Jenkins and I just have some questions arising out of your evidence. First, you said that the GWC had a focus on problem gambling across the casino floor.

40

MS BELLING: Yes.

COMMISSIONER JENKINS: And I'm just wondering, how did the GWC determine the extent of problem gambling at the casino whilst you were involved in casino regulation?

45

MS BELLING: So the Gaming and Wagering Commission had a committee which

was the Problem Gambling and Support Services Committee and that committee if I recall its make-up had, like, the problem gambling help-line people and support services-type people on that committee who really were able to give advice to the Commission around the number of --- for example, the number of calls to the help-line that they may or may not have received and the nature of what those were about. So I would suggest --- and it's my recollection only --- that the Gaming and Wagering Commission relied on that, on the Problem Gambling Support Services Committee in the main for guidance around what was happening.

COMMISSIONER JENKINS: So your understanding was that that was a committee of the GWC?

MS BELLING: Yes.

COMMISSIONER JENKINS: And was your understanding that it reported to the GWC?

MS BELLING: Yes, yes.

COMMISSIONER JENKINS: And in terms of information it provided to the GWC, we would expect to see that information contained in the board packs for the GWC?

MS BELLING: Sorry, I missed --- you just dropped out that last bit.

COMMISSIONER JENKINS: To the extent that it provided information to the GWC, we would expect to see that in the board packs for the GWC?

MS BELLING: Yes, and in the minutes of meetings, yes.

COMMISSIONER JENKINS: And so what was your view whilst you were Director of Licensing as to the extent of the problem gambling associated with the Perth Casino?

MS BELLING: My view? My view actually was that the Perth Casino was --- was not contributing any more or less to the problem that we already had, I guess, in WA. We weren't seeing, we weren't seeing an increase in problem gambling that I recall. So we were keeping --- a dreadful way of referring to it, but we were keeping a lid on it, I guess, if I can put it that way.

COMMISSIONER JENKINS: So it would have only been that if you thought there was evidence that it was increasing that you thought that anything different would have needed to have been done?

MS BELLING: Yes, yes, but I guess we were always looking at what can we be doing better anyway. And if I can use an example, I recall the casino operator wanting to introduce a new electronic gaming machine and so an application was put --- or, sorry, a proposal was put to the Commission around that machine. And the

Commission members at that time weren't entirely comfortable with how that machine looked, behaved, et cetera, so the Commission asked --- the members asked for Mr Connolly to arrange for a demonstration of that machine, so a demonstration model, for want of a better description, was brought in to the Commission's hearing so that they could see well, what did it look like. And one of the areas if I recall that was of concern were the symbols that were displayed on the screen of that machine, and there was lots of discussion around just the mere nature of the symbols and what did those symbols --- what were they --- were they appropriate? Did they --- were they a responsible symbol? It was those sorts of things. There was lots of discussion around as simple as that, whether or not the game looked okay. And it might have been that the Commission members might have said, "Well we don't particularly like this treasure chest symbol, we would prefer for it to have a card symbol". You know, it could be something as simple as that. So it was a constant --- it was always, I would argue, in the minds of the members.

COMMISSIONER JENKINS: Moving on to another topic, that was the issue of conflicts of interest. Did you know that Mr Connolly had a friendship with someone called John Nichols who worked at the casino?

MS BELLING: Yes. In fact, Jon Nicholls had been at the Department for a very long time. Went from the Department up to the Minister's office as an advisor in the Minister's office and he was up there. In fact, I replaced ---

COMMISSIONER JENKINS: I think you've gone beyond the question I asked you. You knew about the friendship?

MS BELLING: Yes.

COMMISSIONER JENKINS: And as a result of that, was there any requirement of Mr Connolly to make a formal declaration of interest?

MS BELLING: Okay. So, Mr Nicholls was not working at the casino when I left the Department. I don't know when Mr Nicholls started working at the casino, but I would assume that the obligations on Mr Connolly were the same as the obligations on anybody in the Department to report their friendship with Mr Nicholls.

COMMISSIONER JENKINS: Turning, then, to his friendship with Mr Marais, you say that whilst you worked at the Department, you were unaware of their friendship outside of work?

MS BELLING: That's correct.

COMMISSIONER JENKINS: So you do not recall any references by Mr Connolly to having social activities on the weekends with Mr Marais, for example?

MS BELLING: No. In fact, I think Mr Marais was relatively new to the casino when I was in the role. But no, I don't Commissioner, no.

COMMISSIONER JENKINS: So that may have been, depending upon the timeline, that may have been because he wasn't having (inaudible) events with him. But can you just tell me, in relation to your conduct with Mr Connolly, was it usual for you, say, to discuss with Mr Connolly what he'd been doing on the weekend, what you were doing on the weekend, that kind of thing? Was that a level of conversation you had with Mr Connolly?

MS BELLING: Yes. We were close colleagues, worked together in the Department for a very long time.

COMMISSIONER JENKINS: Thank you. Now, this is hypothetical, so I don't want anyone to think that I'm putting to you a situation, but if, for example, somebody had someone within the Department who was working within casino regulation at the time you were Chief Casino Officer ---

MS BELLING: Mmm-hmm.

COMMISSIONER JENKINS: --- if they had and you heard about a possible conflict of interest or actual conflict of interest due to a relationship with someone at the casino, would you have, as Chief Casino Officer, regarded it as your obligation to disclose that to the GWC?

MS BELLING: Yes.

COMMISSIONER JENKINS: And did that situation ever arise whilst you were ---

MS BELLING: No.

COMMISSIONER JENKINS: Moving on, then, to your role as the Chief Casino Officer, when you attended GWC meetings as the CCO, did you feel that there was any conflict between your obligation to provide independent advice to the GWC as the CCO and your role as a Departmental officer?

MS BELLING: No, I did not.

COMMISSIONER JENKINS: Now, as Departmental officer, you would have known that there were Departmental requirements, say, in relation to stick within budget, that kind of thing.

MS BELLING: Yes.

COMMISSIONER JENKINS: Which didn't apply, say, to GWC. GWC wasn't bound by Departmental requirements about budget, were they?

MS BELLING: No, no.

COMMISSIONER JENKINS: So when you had an issue which related to financing or would cost some money, a program for the GWC, did you feel free to recommend to the GWC programs that might take it beyond the capacity of the Department to finance?
5

MS BELLING: Yes, I did feel free to do that. I never felt constrained in my communications with the Commission.

10 COMMISSIONER JENKINS: Now, a couple of matters that you weren't examined about, and the first is in relation to the casino granting credit to gamblers. Direction 3F of the Casino Directions ---

MS BELLING: Yes.

15

COMMISSIONER JENKINS: --- permits the casino operator to provide credit to international commission business players and it says that that was inserted in the directions in 2005. Do you know anything about the insertion of that direction?

20 MS BELLING: No, I do not.

COMMISSIONER JENKINS: And when you were the Director of Licensing and the CCO, did you have an understanding of the circumstances in which the casino could provide a line of credit to gamblers?

25

MS BELLING: No.

COMMISSIONER JENKINS: So, during that time, do you recall whether you looked at the extent of the credit being provided to overseas gamblers?

30

MS BELLING: No, I don't recall, I'm sorry.

COMMISSIONER JENKINS: Do you recall looking at the extent of bad debts arising out of the provision of credit to gamblers?

35

MS BELLING: No, I don't, I'm sorry.

COMMISSIONER JENKINS: Do you recall looking at who was being granted credit and why?

40

MS BELLING: No.

COMMISSIONER JENKINS: Did you consider --- so if you didn't look at those things, can I take it that neither did you consider how bad debts would be recovered from overseas players?

45

MS BELLING: No, I did not.

COMMISSIONER JENKINS: Then finally in relation to your role as the CCO, the Casino Control Act gives the CCO the power to initiate prosecutions, you're aware of that?

5

MS BELLING: Mmm-hmm.

COMMISSIONER JENKINS: And you were aware that a breach of the directions by a casino licensee is an offence under the Casino Control Act?

10

MS BELLING: Yes.

COMMISSIONER JENKINS: And those directions include a requirement that the casino licensee operate the casino according to the casino manual provisions?

15

MS BELLING: Correct.

COMMISSIONER JENKINS: So what did you think your role was as CCO in ensuring that the directions were complied with?

20

MS BELLING: My role? In a practical sense, my role was working in collaboration with Mr Connolly and his team. They would conduct the audits and inspections, random audits and inspections of compliance with the operations manual and I took my --- from there, I communicated with the Gaming and Wagering Commission. So yes.

25

COMMISSIONER JENKINS: As the Chief Casino Officer, did you ever initiate a prosecution against the casino licensee?

30

MS BELLING: No, I did not.

COMMISSIONER JENKINS: Did you ever recommend to the GWC that such a prosecution be taken?

35

MS BELLING: I don't recall doing so.

COMMISSIONER JENKINS: The casino manual, as I understand it, requires the casino operator to have an anti-money laundering program, which confirmed with the relevant AUSTRAC legislation.

40

MS BELLING: Mmm-hmm.

COMMISSIONER JENKINS: Do you know if this requirement was audited whilst you were Director of Licensing or CCO?

45

MS BELLING: No, not to the best of my recollection.

COMMISSIONER JENKINS: Thank you, Ms Belling, I don't have any other

questions. Thank you.

5 COMMISSIONER MURPHY: Yes, Ms Belling. Just in terms of those audits and inspections, can you tell me your understanding of how they were developed? Were they developed within the Department?

10 MS BELLING: They would have been developed within the Department and over a long period of time, and would have been developed by the Inspector Compliance.

COMMISSIONER MURPHY: And a risk-based approach, was it, or can you tell me anything about the approach they took to developing those?

15 MS BELLING: No, I couldn't. Not with confidence. But I'm going to go with the risk-based approach, but I couldn't do that with confidence.

COMMISSIONER MURPHY: Okay, thank you.

20 COMMISSIONER OWEN: Ms Belling, I've just got a couple of questions for you. When you were shown the job description form and the corporate chart ---

MS BELLING: Yes.

25 COMMISSIONER OWEN: --- there was a position Deputy Director Licensing/Policy and I think you said one of the functions of that person was to look after legislation?

MS BELLING: Yes.

30 COMMISSIONER OWEN: Can I ask you this, if there were to be some legislative instrument, a statutory instrument, what was the process? Say the Gaming and Wagering Commission would make a decision that a regulation was needed, what was the process by which that decision of the Gaming and Wagering Commission went from the Commission into, if you like, the Parliamentary process to be put into effect?

35
40 MS BELLING: Okay. So the decision would have been recorded in the Gaming and Wagering Commission minutes meeting. That would have formed the formal basis for that process to commence. But the reality, or the practical would have been immediately that I left that meeting, I would have sat down with Mr Beecroft and said, "Okay, this is the position that the Commission has taken. The minutes will confirm that position, we need to get the ball rolling." So Mark and his team would start drafting whatever that proposed instruction to Parliamentary Council would be and then Mark and his team would work with Parliamentary Council in the drafting
45 of that. It would come back to the Department as a draft and that would be presented to the Gaming and Wagering Commission and probably in a practical sense, to the Chairman of the Gaming and Wagering Commission.

COMMISSIONER OWEN: I think I can stop you there. So the primary Departmental officer would have been this person called the Director Licensing Policy?

5

MS BELLING: Correct, yes.

COMMISSIONER OWEN: And if we're looking at around early 2010, that would have been Mr Beecroft, I think you said?

10

MS BELLING: I believe so. I mean, Mark was traditionally in that role, but ---

COMMISSIONER OWEN: All right, that's fine, thank you. Now, you gave evidence that it was your practice when you exercised the delegated power as Chief Casino Officer, you would report that to the monthly meetings of the Commission?

15

MS BELLING: Mmm-hmm.

COMMISSIONER OWEN: But you said when you exercised delegated power for licensing; do you remember saying that? For licensing?

20

MS BELLING: Yes.

COMMISSIONER OWEN: Can you just explain to me what you meant there by "for licensing"?

25

MS BELLING: In relation to licensing functions, so the approval of casino employee licences, for example. Approval of lotteries, raffles, those sorts of things, the licensing function.

30

COMMISSIONER OWEN: So if there were an exercise of delegated power that was not a licensing matter --- and I'll give you an example --- an amendment to the Casino Operation Manual ---

35

MS BELLING: Oh, yes, yes.

COMMISSIONER OWEN: --- would you have included that?

MS BELLING: Yes, that would have been a different agenda item, but yes.

40

COMMISSIONER OWEN: All right, thank you. Now, can I come to the junket approval process? This is just to clarify for me. You said so far as your involvement was concerned, it was a two-stage process. First of all there was the gathering of information which was a part of the Licensing Division's function. And then the consideration of the material, the interview process, and the formal consideration of the process which was within the Compliance Division.

45

MS BELLING: Mmm-hmm.

COMMISSIONER OWEN: But then you said, at least at some point, the formulation of the paper that went to the Commission including the recommendation was done by licensing and I just want you to explain to me why that would happen if
5 the actual consideration of the merits of the application had been done by another division, namely the Compliance Division?

MS BELLING: I would probably suggest it was a collaborative approach because the application was a licensing responsibility inasmuch as the receipting, processing
10 and finalisation of that application fell within the licensing area's responsibility, but we worked with the Compliance Team and the inspectors in assessing that application. So the recommendation or the agenda paper, it would have just been from a practical perspective, I guess. I can't give you any more of an explanation than that, I'm sorry.

15 COMMISSIONER OWEN: All right. Can I then turn to another topic, which is the relationship between the Chief Casino Officer and the Gaming and Wagering Commission.

20 MS BELLING: Yes.

COMMISSIONER OWEN: The evidence seems to suggest that the Gaming and Wagering Commission didn't have any employees.

25 MS BELLING: Correct.

COMMISSIONER OWEN: Could I ask you this; in your role as Chief Casino Officer --- and this is non-technical, it's resorting to the vernacular, but did you see
30 yourself as the Chief Casino Officer as effectively the CEO of the Commission?

MS BELLING: No. No, I did not.

COMMISSIONER OWEN: Well, what did you see as the relationship between your functions and your role as the Chief Casino Officer and the Commission?
35

MS BELLING: I saw myself as the senior officer working for the Commission. I saw the chairperson of the Commission as the CEO, if you want, if you would like that sort of description. But, yes, I saw myself as the senior officer.

40 COMMISSIONER OWEN: All right, thank you. Now, my last question comes to money laundering.

MS BELLING: Mmm-hmm.

45 COMMISSIONER OWEN: And you gave evidence that either during or as a result of your discussions with the representative of AUSTRAC soon after or around the time of the introduction of the Commonwealth legislation, that you saw it to be the

role of AUSTRAC to identify, investigate and disrupt criminal interference with Australia's financial system.

5 MS BELLING: Mmm-hmm.

COMMISSIONER OWEN: Can I take it that you would have regarded that role as being applicable to that sort of activity that occurred within the casino?

10 MS BELLING: Yes, the AUSTRAC function.

COMMISSIONER OWEN: And is it fair to say, then, that if you took the view that the detection --- sorry, the detection, identification and disruption of criminal activity in the form of money laundering within the casino was not really the concern of the
15 Gaming and Wagering Commission Department because AUSTRAC was the primary, had the primary responsibility for that, is it fair to say that that was a view that you took?

MS BELLING: The Gaming and Wagering Commission was certainly concerned
20 about it, but in terms of the agency, yes, I would say AUSTRAC had the greater responsibility.

COMMISSIONER OWEN: All right. Now, when you were asked --- and I think this was in relation to the structural review that you conducted with Mr Connolly that's referred to in paragraph 58 of your witness statement, I think that's where it
25 was. There's no need to bring that up. But you said there was a lot happening at the time. There was a change of Government and things were moving, but one of the concerns that you had was about organised crime within licensed premises, which I took to mean liquor licensed premises.

30 MS BELLING: Mmm-hmm.

COMMISSIONER OWEN: Would you not expect the police to have a critical role in the identification, investigation and disruption of criminal activity in liquor
35 licensed premises?

MS BELLING: Absolutely, and we had a fantastic relationship in that respect with the WA Police.

40 COMMISSIONER OWEN: So then what was the difference between that sort of role, that sort of concern for the Department and the Gaming and Wagering Commission in relation to licensed premises and that same concern in relation to the casino?

45 MS BELLING: There wasn't a difference. I think the, where the difference rests is in --- I guess there's two components to it. There's the financial system and the investigation and detection of criminal activity in relation to the finance system and then there is the detection and investigation of criminal activity in a physical sense.

So, for example, when we were looking at suitable persons and whether or not people were fit and proper to hold licences, be they casino employee licences or a manager at a liquor licensed premises, what we were really looking at in that respect was to ensure that those people didn't have links to organised crime that we were aware of and it was in that respect that we worked very closely with WA Police. WA Police would not have been looking at the financials in the way that AUSTRAC would have been. I think they probably --- and I could be wrong --- I think their area of focus was two different aspects of criminal activity.

COMMISSIONER OWEN: All right, thank you. Ms Cahill, anything arising from that?

MS CAHILL: No.

COMMISSIONER OWEN: Ms Seaward?

RE-EXAMINATION BY MS SEAWARD

MS SEAWARD: Just a few questions. Ms Belling, you were asked a series of questions about the licence fees?

MS BELLING: Yes.

MS SEAWARD: The casino licence fee. In your role, did you have any role to play in preparing the budgets for the Commission or the Department?

MS BELLING: No. As a general rule, the budgets were prepared by the Chief Finance Officer of the agency.

MS SEAWARD: And did you have any role, then, in the bank accounts of the Commission or the Department?

MS BELLING: No.

MS SEAWARD: You were asked a series of questions about the risks, and the broad risks, that the Department was looking at at the time and the Commission?

MS BELLING: Mmm-hmm.

MS SEAWARD: And we don't need to go to it, but you were referred to paragraph 39 of your statement. In terms of the broad risks that the Department or the Commission, you can identify which, were considering in the space of matters that related to the Gaming and Wagering Commission, during your time what were those key risks that had been identified?

MS BELLING: Well, I spoke about on-line gambling. That was an area of concern. Juveniles, that was always an area of concern. I can't be more specific, really.

5 MS SEAWARD: How were those risks identified? What was sort of the process that went through to identify them?

MS BELLING: So with the juveniles --- well, let's take the juveniles. That's a really good example, actually. The casino was required to report to the Gaming and
10 Wagering, or provide to the compliance area, I should say, and they provided the report for the Gaming and Wagering Commission, on the number of juveniles that had been identified each month on the casino --- on the property and on the footprint. At one point, the Gaming and Wagering Commission had a concern that we seemed to have an unusual number of juveniles, and what was happening, why was that
15 happening, how is that being addressed, how is that being rectified, was the focus of the Commission. And each month we would look at that. For quite a while, that was an area of attention.

MS SEAWARD: And in terms of the on-line gaming that you referred to, how was
20 that risk brought to everybody's attention?

MS BELLING: So I think I mentioned earlier, it's not something that we suddenly came upon. I guess it was a conversation that was occurring across Australian jurisdictions and certainly influenced by conversations on an international scale that
25 things are moving, that technologies are moving rapidly. Is our legislation responsive? So I recall discussing it at Commission meetings a couple of times, actually, and it was usually as a consequence of --- it might have been as a consequence of discussions we might have had with another jurisdiction or that came out of conferences, et cetera, but meetings generally between regulators of, "Hey, we
30 need to be concerned about this, you might not have seen that in Western Australia yet, but this is what we're seeing on the Eastern Seaboard".

MS SEAWARD: So to the extent you were --- the Department, at least, was advised of any matters at these Australian inter-jurisdictional meetings, to the extent any of
35 them identified risks, what steps did you then take to let the Commission know?

MS BELLING: I would report to the Commission at the Gaming and Wagering Commission meetings.

40 MS SEAWARD: No further questions, thank you.

COMMISSIONER OWEN: Thank you. Ms Belling, thank you very much for your evidence. It has assisted us and I can now formally release you from your
45 obligations.

THE WITNESS STOOD DOWN

01:04PM

COMMISSIONER OWEN: We will adjourn until 2 pm.

5 **ADJOURNED** [1.04 PM]

RESUMED [2.00 PM]

10

COMMISSIONER OWEN: Please be seated. Mr Duckworth, would you state your full name for the record please?

MR DUCKWORTH: Andrew Martin Edward Duckworth.

15

COMMISSIONER OWEN: Do you wish to affirm or take an oath?

ANDREW MARTIN EDWARD DUCKWORTH, AFFIRMED

20

EXAMINATION-IN-CHIEF BY MR SADLER

25 MR SADLER: Mr Duckworth, were you summonsed to appear before the Perth Casino Royal Commission today?

MR DUCKWORTH: Yes.

30 MR SADLER: And the Commission provided with that summons a list of topics which would be covered during your examination?

MR DUCKWORTH: Yes.

35 MR SADLER: And the Commission invited you to prepare a written statement in relation to those topics?

MR DUCKWORTH: Yes.

40 MR SADLER: And do you have a copy of that statement?

MR DUCKWORTH: I do.

MR SADLER: Have you read the contents of that statement?

45

MR DUCKWORTH: Yes.

MR SADLER: Are the contents true to the best of your knowledge and belief?

MR DUCKWORTH: They are.

5

MR SADLER: I tender the statement of Andrew Martin Edward Duckworth which has the number GWC.0003.0005.0001.

10 **EXHIBIT #GWC.0003.0005.0001 - WITNESS STATEMENT OF ANDREW MARTIN EDWARD DUCKWORTH**

CROSS-EXAMINATION BY MR FEUTRILL

15

MR FEUTRILL: Mr Duckworth, I'd like to take you through some of the topics you have given evidence on in your statement. I would like to clarify some of the things that you have said, perhaps expand on some of the other things, and with particular interest in addressing the matters referred to in your statement as the RISKS. I'll come to that in a moment, but before I do that, could I just take you to some of your paragraphs dealing with your experience?

20

MR DUCKWORTH: Yes.

25

MR FEUTRILL: And in paragraph 5, you've said you don't have any specific --- or formal qualifications specifically in relation to the regulation of casinos or casino gambling, but you have set out in paragraph 7, some experience that you have said has some relevance to gaming and wagering. You're saying you have some experience that's identified in paragraph 7?

30

MR DUCKWORTH: Peripheral experience, yes, from working for a Government Minister.

MR FEUTRILL: That's ministers --- when you worked for the Minister for Racing and Gaming in the late '80s, early '90s?

35

MR DUCKWORTH: '89 to '90 I think it was, yes.

MR FEUTRILL: What was your role in that?

40

MR DUCKWORTH: I was really there just to assist him in anything to do with that particular portfolio; to contact people in the Department, to obtain briefings, accompany him to meetings with wagering and gaming people and also, it included -- that included liquor people, as well. So it was across the portfolio.

45

MR FEUTRILL: I see.

MR DUCKWORTH: It was sort of, I don't know what you call them now, but just a general advisor, I suppose.

5 MR FEUTRILL: I see, you familiarised yourself in that role, did you, with the then existing regulations and legislation concerning gaming?

MR DUCKWORTH: I did my best in a fairly short time to come up to speed and I learnt more as I went on, yes.

10

MR FEUTRILL: Then in the role that you held with the Totaliser Agency Board, what was the TAB?

MR DUCKWORTH: Yes.

15

MR FEUTRILL: Again, the early part of the '90s, what was your role there?

MR DUCKWORTH: Just very briefly a bit of background. There'd been a change of leadership at the TAB and it was thought at that time that the culture of the organisation was a bit lacking in some areas. One of which was the way they dealt with their agents and customers and so on. I suppose you could say I was head hunted by the then Acting Managing Director, Andrew Secker, who had previously been at Racing and Gaming, would I come and try to, I think his words were "humanise the way the TAB deals with its people" a bit and develop some sort of a framework relating to clients and customers. So I was there for --- I can't remember, six to nine months. I can't swear the exact time, where I had that sort of brief and I achieved a few things. I think it was down to me that it became a --- TABs became non-smoking entities, things like that. Just to sort of bring the place up to date.

20

25

30 MR FEUTRILL: I see. Did the role have anything at all to do with the regulation of betting?

MR DUCKWORTH: No.

35 MR FEUTRILL: And then, you've mentioned another role, which is Executive Coordinator with the West Australian Police Force.

MR DUCKWORTH: Yes.

40 MR FEUTRILL: And the implementation of a multi-tiered corruption prevention plan.

MR DUCKWORTH: Yes.

45 MR FEUTRILL: How is that relevant to the gaming activities?

MR DUCKWORTH: Well, it isn't directly, it's just that there was an organisation which had been found to be wanting in respect, to so extent, in regard to the way it

conducted itself. There was suspected corruption. They wanted to make sure that they sort of took measures to improve the way they operated, to try and close down a few areas which were risky, so I was engaged to, following the Royal Commission
5 that they had, together with various people in the police, put together something that was sort of workable for the police to adopt.

MR FEUTRILL: I see. You're referring to the Royal Commission to the Police ---

10 MR DUCKWORTH: I think it was 2002, was it?

MR FEUTRILL: That sounds about right. Okay, you've also made mention of a number of boards or other committees you sit on.

15 MR DUCKWORTH: Yes. Or sat on.

MR FEUTRILL: Or sat on. Many of them appear to have a focus on substance abuse or some ---

20 MR DUCKWORTH: Yes.

MR FEUTRILL: What's your background in that area?

MR DUCKWORTH: Well, in the mid '80s, I worked in the WA Health Department
25 as a Coordinator of Drug Education programs and in that capacity --- it was actually an era where there was expanded budgets for those sorts of things, federally and State-wise, and I was asked to work with people to bring up a suite of programs to address substance abuse from a preventative standpoint. So as part of it, I guess, I was sitting on some boards or committees like INDRAD services which were
30 tangential to the agency that I worked with.

MR FEUTRILL: What exactly is INDRAD services?

MR DUCKWORTH: I can't remember what it stands for now. It was actually a
35 drug and alcohol research and prevention foundation of some sort.

MR FEUTRILL: In those roles, did you have direct experience or gain experience relating to other forms of addiction?

40 MR DUCKWORTH: Well, yes. Yes, I guess so, there's a link there.

MR FEUTRILL: Does that have any relevance to addiction to gambling, for example?

45 MR DUCKWORTH: Only that they are both classed as addictions, but in the particular behaviours which relate to each, perhaps not, at a deeper psychological level, I guess they are, yes.

MR FEUTRILL: And at the moment are you still employed, or are you retired?

MR DUCKWORTH: I've been retired for quite a while.

5

MR FEUTRILL: And during the period that you were a member of the --- I'm going to call it the GWC, I hope you know it means the Gaming and Wagering Commission --- while you were a member of that, were you employed as well in some other role?

10

MR DUCKWORTH: No.

MR FEUTRILL: So your only role was as a member of the GWC at the time?

15

MR DUCKWORTH: That's right.

MR FEUTRILL: That's for the full period from 2008 to 2020?

MR DUCKWORTH: Yes.

20

MR FEUTRILL: So you were effectively retired in that period otherwise?

MR DUCKWORTH: Yes.

25

MR FEUTRILL: I see. At the time of your appointment, were you also retired at that stage, were you?

MR DUCKWORTH: Yes, when I was appointed. I was approached not long before I retired to ask if I might be interested to serve on it, but by the time I was on the Commission, I was retired.

30

MR FEUTRILL: Where were you working at the time?

MR DUCKWORTH: I was in the police in the Legal Services Branch I think it was then.

35

MR FEUTRILL: How would you describe the various roles, your profession, if you like, what would you describe yourself as?

40

MR DUCKWORTH: Well, I was going to say "Jack of all trades in the Public Service", but I did work in a number of different areas. Usually in relation to policy formulation, some research, project management, ranging from prisoner education to health, drug education, the Ethics and Standards Branch in the police where I designed courses along with a colleague. So I don't know how I'd describe it.

45

Simply, I suppose, as a public servant who did those things.

MR FEUTRILL: All right. Could I ask you just to now refer to paragraph 13 of your statement. I'm dealing now with a period after you had been appointed as a member of the GWC.

MR DUCKWORTH: Yes.

MR FEUTRILL: And you mention there you "received a bundle of the various
5 Acts". If I mention a few to you, I hope you'll perhaps be able to remember them, or
let me know if you can recall precisely which Acts you received.

MR DUCKWORTH: Right.

10 MR FEUTRILL: Do you recall if you were provided a copy of the Gaming and
Wagering Commission Act?

MR DUCKWORTH: Yes.

15 MR FEUTRILL: And the Casino Control Act?

MR DUCKWORTH: Yes.

MR FEUTRILL: Were you also provided with the regulations under those Acts at
20 the time?

MR DUCKWORTH: Yes, I think so.

MR FEUTRILL: What about the Casino Burswood Island Agreement Act?
25

MR DUCKWORTH: I remember that. Well, I remember the title and I'm pretty
sure I remember it, because I would have received it. I'm slightly less certain about
that.

30 MR FEUTRILL: Were you provided with copies of the operations --- or the casino
manuals?

MR DUCKWORTH: No.

35 MR FEUTRILL: And were you provided with any copies of any directions that had
been given to the casino licensee?

MR DUCKWORTH: No.

40 MR FEUTRILL: Were you provided with any documents or a document that set out
or summarised the various functions and obligations of the GWC?

MR DUCKWORTH: Yes. I think it may have been an extract from an annual
report, but there was something on a page which set out that it was responsible for
45 the administration of gaming and wagering in the State and so on.

MR FEUTRILL: So just a general summary document of those junctions?

MR DUCKWORTH: Yes, a summary document.

5 MR FEUTRILL: At any time while you were a member of the GWC, were you provided with a document that was titled a charter or something to that effect?

MR DUCKWORTH: No, not a charter, that I recall, no.

10 MR FEUTRILL: Was there something like a charter that was developed during the time you were on the --- or you were a member of the GWC?

MR DUCKWORTH: Not as such, no.

15 MR FEUTRILL: Perhaps if I just describe the contents, without going through documents or a series of documents that may have contained it. Was there any other documents or documents of which you were aware that set out the role, the composition and processes related to key governance of the GWC?

20 MR DUCKWORTH: Only what I saw in the annual report. It was laid out there.

MR FEUTRILL: Okay. Were you at any time while you were a member of the GWC provided with something referred to as a Risk Management Policy, or something of a similar nature?

25 MR DUCKWORTH: No, but I do recall public service documents which mentioned that. There was a general public service publication put out specifically for boards and committees, which talked about generally how you should conduct yourself and the issues and I think risk management was in there.

30 MR FEUTRILL: Are you referring to a document called "Board Essentials" by the Public Service Commissioner?

MR DUCKWORTH: That may be it.

35 MR FEUTRILL: During the period you were on the GWC, was any risk management policy developed specifically for the purposes of the GWC?

MR DUCKWORTH: For the purpose of the GWC? No.

40 MR FEUTRILL: What about was there any document dealing with or process that you can recall dealing with audit of the GWC itself?

45 MR DUCKWORTH: There was an audit policy, I think, yes. Obviously, we were audited like all Government departments, departments or boards, commissions, I suppose, and there were I think internal audits on a range of issues.

MR FEUTRILL: Are you referring to an internal audit of the GWC?

MR DUCKWORTH: Well, of the Department, and the GWC did have a set of KPIs which were, I guess, audited for annual report purposes.

5 MR FEUTRILL: Who undertook the --- or was there a committee of the GWC delegated the task of audit?

MR DUCKWORTH: No.

10 MR FEUTRILL: So who was the person, if you like, who undertook the internal audit for GWC?

MR DUCKWORTH: I don't know who the person was. I think it would have been from the Department.

15

MR FEUTRILL: Someone from the Department, and did that person report directly to the GWC on carrying out the internal audits?

MR DUCKWORTH: The report came to GWC, but I can't remember whether
20 someone in person came in.

MR FEUTRILL: All right. You don't recall if when the audit report or the reporting was done there was a person from the Department available to answer questions at a meeting?

25

MR DUCKWORTH: Yes, and there was certainly --- yes, I think there was. I'll qualify that, I think that's the case. I know there was certainly with budgetary matters there was financial officers and so forth available to answer questions, but I think that was the case with the audit.

30

MR FEUTRILL: I'd like to come back to the budget process in a moment. So to the best of your recollection, there was some form of audit report prepared each year and dealt with at a meeting of the GWC?

MR DUCKWORTH: Yes. Well, that's right. There were key performance indicators, so obviously --- well, not "obviously", but they were checked to see if they had met their targets so I guess that's an audit I suppose.

MR FEUTRILL: And how were the KPIs set?

40

MR DUCKWORTH: There was discussion in the GWC. I recall towards the end of my tenure there was a feeling that the KPIs should be updated and changed, but they were to do with things like cost per inspection for various issues, for casino, costs of inspection for gaming. Cost of providing services for people who were problem gamblers. It was, yes, that was the sort of thing that the KPIs reflected.

45

MR FEUTRILL: During the period that you were a member of the GWC, do you recall whether there was any occasion when the GWC undertook an analysis of its

skills? Was there ever any gaps in the memberships?

MR DUCKWORTH: It didn't, no.

5

MR FEUTRILL: What about, were there any sessions that you can recall either during meetings or at separate times when there was a focus on the strategy of the GWC?

10 MR DUCKWORTH: Oh, there were questions about strategy and --- yes.

MR FEUTRILL: Was there, if you like, a documented strategy for the GWC recorded in a resolution of some kind?

15 MR DUCKWORTH: I'm just trying to think what form. There was strategies about various perennial issues that we dealt with. For example, ensuring that gaming, both at the casino and not at the casino, was fair and equitable and according to the rules of play and so on. There were strategies about ensuring --- I suppose you could say
20 procedures as much as strategies for ensuring that key employees and others were correctly licensed and observed the terms of their licence. There were strategies about ensuring that the gaming machines were behaving as they should, that they were regularly tested and found to be delivering the correct return to player and other such things. I suppose there were each year --- I mean, there's procedures and checks and regulations and then there's strategies.

25

MR FEUTRILL: So the things you're describing would you put more in the form of, if you like, procedures and regulation policy, perhaps?

MR DUCKWORTH: Yes.

30

MR FEUTRILL: But what I'm really asking you is if there was an overall consensus between the members of the GWC as to what the policies and procedures, et cetera, should be directed towards?

35 MR DUCKWORTH: Yes, there was. It was probably an unwritten one, I would say.

MR FEUTRILL: Okay.

40 MR DUCKWORTH: But, again, we were there to ensure that all gaming was conducted properly according to the regs, to the law, it was fair and so on. And that we also had a brief to ensure that people who suffered harm from gambling, that measures were taken to some extent to alleviate that in whatever way we could.

45 MR FEUTRILL: I think you might have anticipated my next question, which was, what was the unwritten strategy, so is that what you've just described is the unwritten strategy?

MR DUCKWORTH: Yes, that's right. A good standard of regulation,

administration of these things.

5 MR FEUTRILL: And would you say that when decisions came up for consideration by the GWC they were measured against the requirements of that strategy you've just described?

10 MR DUCKWORTH: It would always be there in the back of people's minds, yes. It would be the measuring stick against which you did things.

MR FEUTRILL: Okay. Now do you recall attending a meeting at which --- I'm taking you now to I think it's paragraph 38 of your statement.

15 MR DUCKWORTH: Sorry, which paragraph?

MR FEUTRILL: Paragraph 38.

MR DUCKWORTH: 38.

20 MR FEUTRILL: I believe you've been provided with a list of documents that may be the subject of your examination today?

MR DUCKWORTH: Yes.

25 MR FEUTRILL: Have you had an opportunity to read through them before coming in?

30 MR DUCKWORTH: I've been able to look at those documents, I haven't been provided with (inaudible).

MR FEUTRILL: Okay, you've had a look at them. I just want to ask you some questions. Do you recall, having been through those documents now, attending a meeting at which the GWC approved a code of conduct?

35 MR DUCKWORTH: Vaguely, yes. I say "vaguely" because I also had a general public service code of conduct, if you like, and I know that the GWC did develop its own for sure, yes.

40 MR FEUTRILL: I think you also say you have a fair idea yourself of what's ---

MR DUCKWORTH: Well, yes.

MR FEUTRILL: --- involved in conflict of interest?

45 MR DUCKWORTH: Absolutely, and I think most people would have done. They were all reasonable, professional people. They had worked in a number of spheres. Conflict of interest was something I think everybody would have had in mind in whatever they did. Only on a couple of occasions someone would say, "By the way,

that person who's coming in next, I happen to know, because 10 years ago we worked together", or whatever. So people were pretty good on that. And also conflict of interest was second or third item on the agendas each meeting, which gave
5 a formal opportunity for people to declare such conflict.

MR FEUTRILL: Okay. During your time as a member of the GWC, was that opportunity taken, to your recollection, people who declared interests?

10 MR DUCKWORTH: On a couple of occasions, yes.

MR FEUTRILL: And do you recall the occasions now?

MR DUCKWORTH: Well, dah, dah, dah, conflict of interest, yes. Someone, a
15 member, did say, as I said, that someone who was coming into the meeting with a request for a permit for gaming or something or other, was known to that person and hadn't seen the person for years, but, you know, just needed to let it be known.

MR FEUTRILL: So are you able to put an approximate date on when?
20

MR DUCKWORTH: That was actually only in the last few days, I would say 2016, something like that. I think there were others, I'm just trying to recall them. Very few. That was different, there was the casino management invited the GWC as a whole to the opening of their new hotel, so myself at least one other person said,
25 "Look, we'll declare the evening at the hotel as a gift", if you like, so that was recorded and I think the remark at the time was well, if you like, but it's not really a -
--

MR FEUTRILL: Did you actually stay at the hotel that evening?
30

MR DUCKWORTH: No, no. It was there for declaring the new hotel open. There was a few drinks and so forth. In essence, the words "goods given", if you like, had a drink.

35 MR FEUTRILL: That particular one, is that the one you were referring to earlier?

MR DUCKWORTH: No, the one earlier was different. Another member knew a gentleman who was coming in to ask for a gaming permit to be granted somewhere and the member said, "Just to let you know, the person who's coming in next is
40 someone I worked with X years ago".

MR FEUTRILL: That's not a casino-related gaming permit?

MR DUCKWORTH: No, no. These two had crossed paths in other things.
45

MR FEUTRILL: I see. What was the practice after a person had declared a conflict of interest in respect of a particular item of business?

MR DUCKWORTH: Well, it would be minuted and noted.

5 MR FEUTRILL: And at the time you were a member, was there any other document, say, for example where they were collated and recorded permanently in a register?

10 MR DUCKWORTH: No, I don't know about that far, but they would all be minuted individually on whatever meeting one was declared, I suppose.

MR FEUTRILL: Okay. During the period that you were a member of the GWC, Mr Connolly was the Deputy Director of the Department and the Chief Casino Officer.

15 MR DUCKWORTH: Yes.

MR FEUTRILL: And he also occupied the position of Deputy Chair of the GWC?

MR DUCKWORTH: Yes.

20 MR FEUTRILL: Now, if Mr Connolly had an actual or potential conflict of interest regarding an item of business at a meeting of the GWC he attended, would you have expected that he would have declared that conflict to the membership?

25 MR DUCKWORTH: Yes, I would, yes.

MR FEUTRILL: Now, if he had an actual or potential conflict of interest regarding the performance of his role as the Chief Casino Officer, would you have expected that he would have declared that potential, actual potential conflict to the membership of the GWC itself?

30 MR DUCKWORTH: I would.

MR FEUTRILL: Now, at any time in the period during which you were a member of the GWC, do you recall if Mr Connolly made a declaration of conflict of interest as a member, to the members of the GWC?

35 MR DUCKWORTH: I don't, no, not while I was a member.

40 MR FEUTRILL: Do you recall if he made a declaration of a conflict of interest as Chief Casino Officer?

MR DUCKWORTH: No.

45 MR FEUTRILL: You say you don't recall; are you positive in your recollection he did not?

MR DUCKWORTH: I'm positive that I didn't hear such a declaration, yes.

MR FEUTRILL: All right. Now, can I take you back to paragraph 13 of your statement and I think we went through the bundle of Acts that you were provided. Now, did you familiarise yourself with those Acts at the time?

5

MR DUCKWORTH: I attempted to read through them. I looked at --- I skimmed through and looked at parts that I thought were most relevant. I then made a decision that I would use them more as reference material than something that I would sort of read from start to finish.

10

MR FEUTRILL: All right. From your reading of the materials and I assume from attending meetings and conducting the affairs of the GWC, was it your understanding that one of the powers of the GWC under the Casino Control Act was to carry out certain inspections and audits of, and other investigations of the casino licensee?

15

MR DUCKWORTH: Yes.

MR FEUTRILL: And was it your understanding that the Department employ inspectors or other officers to carry out the inspection audits and other investigations?

20

MR DUCKWORTH: Yes.

MR FEUTRILL: Now I'm going to ask you to look at paragraph 34 of your statement. You set out there a number of ways in which you've described the Department as providing the GWC support.

25

MR DUCKWORTH: Yes.

MR FEUTRILL: And to clarify, that's capturing the topic I've just discussed, where inspectors were carrying out inspections, audits and other investigations?

30

MR DUCKWORTH: Correct, yes.

MR FEUTRILL: In addition to those activities, was it your understanding that the Department also provided employees to provide other services to the GWC of a more administrative nature? Sorry, was it your understanding that the Department also provided the services of other employees to carry out other functions such as administrative?

35

40

MR DUCKWORTH: Yes, well, it was sort of secretariat functions, of course. The keeping of records, keeping of minutes, sending stuff out to the members. Is that, sorry, what you mean?

MR FEUTRILL: Yes, sorry, I may have confused you slightly. I'm talking about 33 and 34 of your statement together, where you've mentioned, in 33, that the GWC doesn't have its own staff.

45

MR DUCKWORTH: Yes. That's right.

5 MR FEUTRILL: Now, in addition to the Government inspectors, was it your understanding that one of the powers of the GWC under the Casino Control Act was a power to authorise the games played at the Perth Casino?

MR DUCKWORTH: Yes.

10 MR FEUTRILL: And it was one of the roles that the GWC performed, was to review and authorise games?

MR DUCKWORTH: Yes.

15 MR FEUTRILL: Was it also your understanding that one of the powers of the GWC under the Casino Control Act was to give certain directions to the casino licensee?

MR DUCKWORTH: Yes, they could give directions, yes.

20 MR FEUTRILL: And again, was it your understanding that before a direction was given, it would come to the GWC for consideration and approval before the direction was made?

MR DUCKWORTH: Yes.

25 MR FEUTRILL: Can I just take you back to paragraph 33 of your statement and the provision of the services by the Department.

MR DUCKWORTH: Yes.

30 MR FEUTRILL: Now, what is your understanding of how those services were paid for?

35 MR DUCKWORTH: I'm not entirely sure, but I think they were pencilled in against the Commission's --- or allocated against Commission's budget which was derived from licence fees and so forth. Or a portion of them, at least, because some of these people would only devote part of their working role to the servicing of the GWC.

40 MR FEUTRILL: All right. So was it your understanding the direct employment costs were borne by the Department?

MR DUCKWORTH: The sorry?

45 MR FEUTRILL: The direct cost of employing the various people was borne by the Department?

MR DUCKWORTH: Yes, but as I say, I think perhaps --- I may be wrong here, but I had the understanding that in respect of the performance of duties on behalf of GWC,

some allocation from the GWC budget may have been made against that.

5 MR FEUTRILL: Okay. Now, do you recall how those charges were allocated, or determined?

MR DUCKWORTH: No, I don't.

10 MR FEUTRILL: All right. What is your understanding of the sources of funding that were available to the GWC --- and, here, I'm specifically talking about for administering its functions under the Casino Control Act?

15 MR DUCKWORTH: As I say, revenue from fees and licences coming from persons and organisations in the gaming area, but I'm pretty sure there were also some direct allocations from Treasury as well.

MR FEUTRILL: You mean appropriations from Parliament?

20 MR DUCKWORTH: Appropriations from the Department, yes.

MR FEUTRILL: Are you suggesting they were appropriated directly for the purposes of the GWC and not the Department?

25 MR DUCKWORTH: I believe so.

MR FEUTRILL: What was your understanding of the purposes for which funds derived from the casino gaming licence fees could be used?

30 MR DUCKWORTH: Sorry, what was that?

MR FEUTRILL: What was your understanding of the purpose for which the casino licence fees could be used by the GWC?

35 MR DUCKWORTH: My only understanding would be that it could be used generally by the GWC in performance of its functions.

MR FEUTRILL: All functions of the GWC, they were available for use in all activities?

40 MR DUCKWORTH: I think so.

45 MR FEUTRILL: All right. Can I just take you to put some questions about the budget into a framework. It might assist to actually show you. This is really for the purposes only of asking some questions about the general process, but it might be easier if I show you one example. So if I could call up GWC.0002.0016.0228, page 0212. The document in front of you should be an agenda item 11.3 for the GWC budget for the year 2018-2019.

MR DUCKWORTH: Agenda March 2018. Yes, I see that.

5 MR FEUTRILL: Now, could I ask that someone scrolls down to the heading "Recoup to DLGSC" and just beneath that is another heading "Casino Gaming Licence Fee".

MR DUCKWORTH: Yes.

10 MR FEUTRILL: Do you see there about the middle of the page?

MR DUCKWORTH: Yes, I see that.

15 MR FEUTRILL: And there's a couple of amounts there. Now, I'll just ask you to scroll forward again, or if someone could scroll forward sorry to page 0217. And you should pick up under the heading "Operating expenses" I think it's the fifth line item "Services provided by DLGSC", and the same amount that was referred to on the earlier page and again under "Revenues from services" there's a line item for "Casino Gaming Licence Fee". Again, it's the same amount.

20

MR DUCKWORTH: Casino Gaming Licence Fee, yes.

25 MR FEUTRILL: Just to put the features of these documents in your head so I can ask you some questions about the general process. I think you mentioned earlier something about charges from the Department. Would it be fair to say that the item under the heading "Recoup to DLGSC is of that character?

MR DUCKWORTH: Recoup from --- sorry, what am I looking at here?

30 MR FEUTRILL: My apologies, I'm jumping around. I'm not telling everyone else where I'm going. It's 0213, the heading "Recoup".

MR DUCKWORTH: Oh, recoup. Okay, yes.

35 MR FEUTRILL: You mentioned earlier there was an allocation, is that the allocation? Is it an allocation of that character that you were referring to?

MR DUCKWORTH: Recoup? I think so, yes.

40 MR FEUTRILL: All right. I think you mentioned earlier you weren't clear on how the recoupment was, or the allocation was determined.

MR DUCKWORTH: The recoupment, yes.

45 MR FEUTRILL: Now, each year there was a budget prepared for the GWC?

MR DUCKWORTH: Mm.

MR FEUTRILL: It was prepared by a member or a person within the Department. In this case, it's the CFO.

5 MR DUCKWORTH: Yes.

MR FEUTRILL: Would it be fair to say it was the CFO each year?

MR DUCKWORTH: Yes.

10

MR FEUTRILL: And at the meetings held each year when the budget was dealt with, was the CFO present?

15

MR DUCKWORTH: Generally, yes. I mean, there may have been one or two occasions when not, but certainly always available and generally present, I think.

MR FEUTRILL: And to the best of your recollection, was there any discussion at the meetings dealing with the budget, of the items in the budget, and the way in which they had been determined?

20

MR DUCKWORTH: There was discussion, yes.

MR FEUTRILL: Can you recall any specific discussion about determining the allocation of costs by the Department to GWC for services provided?

25

MR DUCKWORTH: Only in general terms. It was a topic for discussion, but I can't recall what sort of arguments were put to and fro on that.

MR FEUTRILL: Okay.

30

MR DUCKWORTH: But it was discussed, yes.

MR FEUTRILL: Now, perhaps before we move to paragraph 16 of your statement, each monthly meeting, there were reports on the financial statements ---

35

MR DUCKWORTH: Yes, there were.

MR FEUTRILL: --- of the GWC, and this wasn't referred to on the list of documents, but if I could just take you to the preceding agenda item in this paper, which is at page 0206 as an example of an agenda paper where the financial statements were presented. Again, is it your recollection that at each GWC meeting, a person from the Department responsible for accounts in some way would be present to present this paper?

40

45 MR DUCKWORTH: Not at each GWC meeting, but where it was a case of the budget, they were either available or were called in.

MR FEUTRILL: So budget is different to just the general watching financial

statements?

MR DUCKWORTH: The CFO didn't come to GWC meetings, no.

5

MR FEUTRILL: Did an accountant from the Department attend for the purposes of answering questions on the financial statements?

MR DUCKWORTH: Over the years, I think so, but of course in latter years when I was there, the GWC itself contained two accountants who ---

10

MR FEUTRILL: That's what I was going to ask you about, actually. That's in paragraph 16 in your statement, you mentioned that there was accountants appointed to the membership, I think you said in the latter years.

15

MR DUCKWORTH: Yes.

MR FEUTRILL: Which members were they?

MR DUCKWORTH: There's Carmelina Fiorentino and Jodie Hede was her name then, but I think Jodie Meadows now.

20

MR FEUTRILL: And you've said there in your statement that they took it upon themselves to look more closely at accounting matters, as you would imagine accountants would.

25

MR DUCKWORTH: Yes.

MR FEUTRILL: What do you mean by "look more closely at accounting matters"?

30

MR DUCKWORTH: To be honest, I have no accounting background, I find accounting quite different, but they would say, "Look, line 3, why is this under recurrent account, rather than something account", or "That figure more correctly should be in this column rather than that one". Now, that was beyond my own ability to discover, shall we say, but those are the sort of technical accounting questions which they began to ask.

35

MR FEUTRILL: And were those questions directed to the CFO at a meeting dealing with the budget, or in general meetings dealing with accounts?

40

MR DUCKWORTH: It was really just a general question which was opened, not only through the chair, but not even particularly to the chair. One of them might say, "Hang on, why is that figure in that column rather than that one" or, "They don't add up correctly" or whatever it was and then there'd be some general discussion about that. If there's a problem and there was no Departmental accounting person there, it would be referred off to be looked at and a response be given at the next meeting.

45

MR FEUTRILL: Okay. So if it was a question directed to the chair or presumably

the chair would either be the Director-General of the Department or the Deputy Director-General ---

5 MR DUCKWORTH: Yes, that's right.

MR FEUTRILL: So someone from the Department and if that person didn't know the answer to the question, they'd be referred to ---

10 MR DUCKWORTH: That's right. The decision was, okay, well, it will be referred to the CFO or Deputy CFO or whatever and we'll have an answer at the next meeting.

MR FEUTRILL: Okay, I see. All right. Now, in paragraph 30 of your statement,
15 this is under a different heading, but I want to ask you some questions about this.

MR DUCKWORTH: Yes.

MR FEUTRILL: I want to deal with the topic of risk more generally in a moment,
20 but in paragraph 30 you have said two things, and I just want to understand what you mean by them. You've indicated that:

The GWC did not have the capability or the means to investigate or detect money laundering or the infiltration of criminals into casino operations.

25 Capability is one idea there and the other is you're also saying the GWC didn't have the means to do those things. Do I understand by "capability" you are meaning didn't have, within it, the expertise of anyone who could undertake those kinds of tasks?

30 MR DUCKWORTH: Yes.

MR FEUTRILL: And do I understand by "means" you mean didn't have the financial ability to fund it?

35 MR DUCKWORTH: Partly that, or the sort of requisite networks of people who are --- who have expertise in those areas. I mean, we weren't officially linked to people like AFP, Interpol, those sort of people whose business it is to look at these sort of matters. So we had neither the capability in terms of background or the linkages or networks to carry out that sort of operation.

40 MR FEUTRILL: I see. Now, you're expressing that obviously at the time your statement was prepared. Were those explanations provided at any time during your tenure as a member of the GWC?

45 MR DUCKWORTH: Well, the example that I draw from was when the --- which I'm sure you're going to ask me about --- but the decision was made to abandon the idea that the GWC could, with any real prospect, examine the credentials, background, criminal background, accounts of people who might appear in junkets, and by association, money laundering. And there was discussion there that, look, it

says under the Act that we are responsible for that area, but quite honestly, we've tried and failed. The police are either unable or perhaps unwilling, I don't know, to pursue these sort of matters. Interpol have been, according to what was said, have
5 been contacted and said, "No, no, we're not going to do that for you". So a conclusion was drawn that though this fairly --- well, this important power was conferred on the Commission under the Act, in actual practical terms, there was little the Commission itself could do to find, detect, investigate these sort of matters.

10 MR FEUTRILL: Okay. I do want to ask you in more detail about ---

MR DUCKWORTH: Sure.

MR FEUTRILL: --- that particular event, but just in respect to the answer you've
15 just given, there are two things. One is the capability ---

MR DUCKWORTH: Yes.

MR FEUTRILL: --- whether you have the people who can do this and the other one
20 is whether you have the money to do it.

MR DUCKWORTH: Yes, didn't have the money to do it.

MR FEUTRILL: You can solve the first one --- the money. Was there any
25 consideration given to budgeting for, developing the capability of?

MR DUCKWORTH: No, it wasn't, no.

MR FEUTRILL: Now, I'm now talking about at any time during the period you
30 were on the GWC, not just in 2010.

MR DUCKWORTH: Right.

MR FEUTRILL: Is that statement true of the entire period that you were on the
35 GWC?

MR DUCKWORTH: It would have been. There was this belief amongst members that the Federal bodies of AUSTRAC, AFP, possibly the ATO together with State police were the people who had the responsibility for and the brief of finding out
40 whether known criminals or organised criminals were entering the country. Certainly with AUSTRAC, they had links to all financial organisations under, what is it, the Financial Transaction Reporting Act that put the onus actually on the financial institution to tell them if there was any suspect accounts or indeed any accounting over \$10,000, or \$10,000 and over. So we were aware that there were
45 some structures there and I suppose with hindsight, should have been sure about this, but believed that these organisations were equipped to detect these sort of people and organisations.

MR FEUTRILL: Okay. So I think you're expanding on what you've said in paragraph 31 in your statement here.

5 MR DUCKWORTH: Yes.

MR FEUTRILL: I do want to ask you about that. I think, again, there are two different ideas, if I can say, in your answer. One is the money laundering or AML aspect which is the AUSTRAC ---

10

MR DUCKWORTH: Yes.

MR FEUTRILL: --- matter and the other is junket operators which was the subject of an earlier decision. And you've said --- and I do want to ask you about this --- you've said in the last sentence of that paragraph:

15

I had the impression that the federal authorities had a fairly strict and rigorous system of vetting people who organised junkets and the people who visited casinos as part of junkets.

20

MR DUCKWORTH: Yes.

MR FEUTRILL: So where did you gain that impression from?

25 MR DUCKWORTH: I took it on myself to sort of find out a bit more about AUSTRAC, mainly through looking on-line to see what their sort of mission statement and modus operandi was, and it seemed to me that they had taken on this responsibility.

30 COMMISSIONER OWEN: Are you talking about money laundering or ---

MR FEUTRILL: No, I'm talking about junkets, so I think that sentence is directly referring to junkets, so I'm wondering where you gained that impression from, concerning junkets?

35

MR DUCKWORTH: Sorry, my mistake, I was talking more about money laundering there. With respect to junkets, it just seemed that there was still what was Customs and now Border Force people who have some responsibility in vetting people who come into the country in terms of their criminal record and so forth. So it was really just a belief that they, possibly the Federal Police, would have an eye on these people and alert other organisations of their presence.

40

MR FEUTRILL: Where did the belief come from, is what I'm asking you. How did you form that belief that the Federal authorities were addressing or vetting people coming into the country who might be undesirable junket operators?

45

MR DUCKWORTH: Well, I think I can recall it arose partly from a general discussion in one meeting, "Well, who's looking at these areas", and the AFP and the

Customs people were mentioned. Beyond that, I suppose I didn't have any other real sources of information other than what I sort of looked up online.

5 MR FEUTRILL: Was any consideration given to, if you like, undertaking some form of analysis of what measures precisely the Federal authorities were taking to identify people coming into the country with criminal histories?

MR DUCKWORTH: No, there wasn't, no.

10

MR FEUTRILL: Now, with respect to the AUSTRAC aspect, again, what was the source of your understanding of how AUSTRAC would effectively address the risk of money laundering? And I'm talking now about specifically the Perth Casino.

15 MR DUCKWORTH: Perth Casino. Well, the first thing was that the casino was obliged to inform AUSTRAC if it suspected any of the accounts it was dealing with, or that there were sums of \$10,000 and more being transacted. I was going to say, that was part of that Federal Act which applied to banks, casinos and so on. So the casino had to have that protocol in place and I would have thought that AUSTRAC
20 would be in communication with the casino from time to time anyway to sort of check their protocols and so on.

MR FEUTRILL: So, again, was there any specific, if you like, paper prepared or study undertaken to your recollection that dealt with an analysis of "This is what the
25 requirements are for Perth Casino under the AUSTRAC legislation, these are the risks associated with money laundering in the Perth Casino", the two, there's an overlap. It's covered, in other words, in the analysis of that character?

MR DUCKWORTH: There wasn't a formal paper to that effect, no.

30

MR FEUTRILL: And so what was it that satisfied you, at least, that AUSTRAC was enough to deal with that risk?

MR DUCKWORTH: I'm talking with the benefit of hindsight now, I suppose, but at
35 the time I'm quite sure that it seemed to be an organisation that is very much dedicated to this financial crime area and I probably had more faith in it than I should. But --- yes, and I didn't really see anything beyond that.

MR FEUTRILL: Okay. Can I just turn to a slightly different topic. You refer in
40 paragraph 27 of your statement to a Casino Manual. Then in the next paragraph --- I think you may have already alluded to this in one of your answers to my earlier questions which deals with policies of the GWC concerning various things.

MR DUCKWORTH: Yes.

45

MR FEUTRILL: Then, in paragraph 29 you say:

Beyond this, to the best of my recollection, the GWC did not have any specific

policies or procedures relating to the

5 Various risks you then identify. My point is of clarification. Where you use the expression "Beyond this", are you intending to suggest that the policies referred in either the Casino Manual itself or the policies referred to in paragraph 28 in some way covered those risks you have identified?

10 MR DUCKWORTH: Well, yes, the Casino Manual certainly intended to cover any operational risks.

15 MR FEUTRILL: And is it your understanding of the Casino Manual that it would cover operational risks dealing with --- I want to focus here specifically on junket operations and money laundering?

MR DUCKWORTH: Well, as I say, it was required to be part of the protocol that would declare any suspicious transactions, yes.

20 MR FEUTRILL: But leaving to one side AUSTRAC, obligations under AUSTRAC, I'm now specifically dealing with your understanding of the Casino Manual itself. Was it your understanding that there was a requirement under the Casino Manual that would address in some way junket operators, to vet them for their, if you like, probity of the operator? And secondly, for money laundering, to ensure there was processes that addressed the risk of money laundering in the Perth Casino ?

25 MR DUCKWORTH: Yes, I thought they would have those processes.

30 MR FEUTRILL: When you say you thought they would, that's a conditional expression. Are you saying you had a positive understanding at the time you were a member of the GWC that they covered those things, or is it you're speculating as to it?

MR DUCKWORTH: I was probably speculating.

35 MR FEUTRILL: Now, or then?

40 MR DUCKWORTH: Well, I'm certainly speculating now, but I had the strong impression they had to record the names and whatever background information they could get about all junket participants and, in fact, I think they relied partly on the junket operators to supply these. So I understood there would be like a register of people who had attended junkets.

45 MR FEUTRILL: And was it your understanding that that register would be provided to the GWC from time to time?

MR DUCKWORTH: On request it would, yes.

MR FEUTRILL: On request, so it wasn't something that they were required to

provide, on your understanding, to the GWC regularly?

MR DUCKWORTH: No.

5

MR FEUTRILL: To your knowledge or understanding, were there any occasions when it was requested by someone on behalf of the GWC for scrutiny?

MR DUCKWORTH: No.

10

MR FEUTRILL: So it wasn't something that you can recall being addressed in a report to the GWC at one of its monthly meetings?

MR DUCKWORTH: I don't recall that. I'm not saying it wasn't, but I don't recall that.

15

MR FEUTRILL: Can I ask you just again to go back to your statement, this time at paragraph 32. There's something in this paragraph I don't quite follow. I just need some clarification. You have indicated in that paragraph that your understanding that:

20

The GWC has the responsibility for overseeing the renewal of the Perth Casino's licence every three to five years and ensuring that money laundering prevention and protocols for reporting money laundering formed part of the Perth Casino's risk management plan. MR DUCKWORTH: Yes. MR FEUTRILL: Where had you gained that understanding from? MR DUCKWORTH: Well, I knew the Perth Casino licence had to be renewed. The reason I put "every three or five", I couldn't remember which. It comes up for renewal and as part of that renewal it would have to show that it had the necessary sort of protocols in place. MR FEUTRILL: Okay, so just to be clear, are you referring to now the licence of the Perth Casino itself, or the licences of the employees who carry out activities at the casino? MR DUCKWORTH: The casino itself. MR FEUTRILL: So it's your understanding there was a process by which it would be renewed every three to five years? MR DUCKWORTH: Yes. MR FEUTRILL: And who undertook the process of that renewal?

25

30

35

MR DUCKWORTH: Well, it would be under the auspices of the GWC and the Departmental people who carried out the regulatory inspections, people would --- and all the aspects of the casino's operations would do the due diligence or checking.

5 *MR FEUTRILL: And do you recall an occasion upon which a renewal application came before the GWC while you were a member? MR DUCKWORTH: I have an impression just before my term finished the licence was up for renewal. MR FEUTRILL: The Perth Casino licence? MR DUCKWORTH: Yes, I think so. MR FEUTRILL: And what was the outcome of that process to your recollection? MR*
10 *DUCKWORTH: I'm trying to remember. It was just not long before I left and I didn't know the outcome, or whether --- let's think. I'm sorry, my memory is not good there. I think it may well have been granted. MR FEUTRILL: Okay. You have mentioned --- we dealt with this a little earlier in passing, but I wanted to come back to it and make sure I have a clear understanding of your evidence on this. What do*
15 *you understand the role or function of the GWC to be with respect to the risk of illegal activity taking place in connection with the Perth Casino? I'm using that broadly "illegal activity" is to cover junkets, money laundering, prostitution, or any other form of illegal activity. MR DUCKWORTH: Well, the GWC has a statutory obligation under the Casino Control Act to prevent money laundering and to*
20 *oversee the operation of junkets. That's what it says in the Act.*

MR FEUTRILL: Would it be fair to say, from the answers you've given earlier, you considered that that role or that part of the role was being fulfilled by virtue of Federal authorities addressing those two risks in other legislation?

25 *MR DUCKWORTH: Yes, in that there was this lack of capability of the GWC to do it.*

MR FEUTRILL: Okay. Do you consider that it would be appropriate for the GWC to take a more active role in regulating or managing the risk of that illegal activity at the Perth Casino?

MR DUCKWORTH: Yes.

35 *MR FEUTRILL: And do you consider it would be appropriate for there to be funding made available to permit that to take place?*

MR DUCKWORTH: Thinking in today's terms, yes.

5 MR FEUTRILL: When you say "Thinking in today's terms" you mean with the benefit of hindsight?

MR DUCKWORTH: Hindsight, yes.

10 MR FEUTRILL: And knowing what you know from the Bergin Inquiry?

MR DUCKWORTH: Yes.

15 MR FEUTRILL: All right. Could I ask you to consider --- you mentioned this earlier and I do want to come back to this --- the point at which the casino regulations were changed to remove the requirement to approve junkets.

MR DUCKWORTH: Yes.

20 MR FEUTRILL: And it may be that some of the answers you were giving in the general or in the broad were --- of your understanding were picked up from the paper that was presented at the meeting. So if I could just ask you, if we could call up --- this document, by the way, is subject to a non-publication ruling or pending ruling. It's GWC.0002.0016.0001. If I could ask first that you navigate to page 0337. I have a couple of questions about this. Have you had an opportunity to re-read this paper
25 before you attended today?

MR DUCKWORTH: Let's have a look, which one is this?

30 MR FEUTRILL: You should have a paper agenda item 8.2 dated 11 February 2020.

MR DUCKWORTH: 2010.

MR FEUTRILL: Sorry, 2010, my apologies.

35 MR DUCKWORTH: I think I've seen it, yes.

MR FEUTRILL: Have you got a paper copy? I think this will be easier, Mr Duckworth. The front page of your paper copy will be the agenda to the meeting and it's just got the relevant paper.
40

MR DUCKWORTH: Yes.

45 MR FEUTRILL: If I just ask you to read through it, you'll see that it describes an application by the casino licensee, the reasons given, and their reasons are consistent with largely what you've said about your understanding of the coverage of entry into the country by people who are probity risk and the requirements to report under the AML legislation.

MR DUCKWORTH: Yes.

MR FEUTRILL: So it possibly is one of the sources of your understanding?

5

MR DUCKWORTH: Yes.

MR FEUTRILL: But if I could ask you to focus on the "Conclusion". There's three paragraphs under the heading "Conclusion". It's in the top right-hand corner, _0346.

10

MR DUCKWORTH: Where there's a signature at the bottom ---

MR FEUTRILL: Correct.

15

MR DUCKWORTH: Yes, that's where I got my information from, if you like.

MR FEUTRILL: There are some additional things in that paragraph that I want to draw to your attention. One is the reference to:

20

In Addition, under section 26(2) of the Casino Control Act Police have the *authority to prohibit individuals from entering and remaining in licensed casinos.*

MR DUCKWORTH: Yes.

25

MR FEUTRILL: And a little further down there's reference to the power under the Act to promulgate regulations under section 25A to require the casino licensee to provide specific information concerning junket activity.

MR DUCKWORTH: Yes.

30

MR FEUTRILL: And then alternatively, the Commission can issue directions concerning junket activity. So under the "Conclusion", there appear to be a number of ideas. One is "We don't need it, because we've got these other controls", but in any event, there are these additional, if you like, levers available to us.

35

MR DUCKWORTH: Yes.

MR FEUTRILL: Then under the heading "Recommendation" it refers to remove the requirement for junket operator/representatives to be approved by the Commission.

40

MR DUCKWORTH: Yes.

MR FEUTRILL: So, in other words, removing the approval process. A couple of questions in relation to your understanding then of what was being suggested. First is, was it your understanding that the regulations concerning junkets be deleted in their entirety or only that part that dealt with approvals of junket operators and representatives?

45

MR DUCKWORTH: I guess my impression, and I'm struggling to remember in any detail, was that these approvals or the requirement that they wouldn't come to the Commission, that the Commission wouldn't deal with those, but they still were being
5 dealt with, if you like.

MR FEUTRILL: So your understanding was there would be a process in place for approving junket operators?

10 MR DUCKWORTH: No, that's not right, no. There would be a process in place for vetting junket operators, which would be carried out by other authorities and that consequently there wouldn't be any --- you know, unless the GWC were contacted, there would be no need to bring these processes to the GWC for approval. But they would still be being vetted.

15 MR FEUTRILL: All right. What I'm trying to ask you really a question about is: was it your understanding that all of the regulations dealing with junkets would be removed in their entirety or just that part of it that dealt with the process by which the GWC was to approve junket operators and representatives?

20 MR DUCKWORTH: Well, my understanding at the time was the latter. Just the part that ---

MR FEUTRILL: Just the part that dealt with approvals?

25 MR DUCKWORTH: That was my understanding at the time.

MR FEUTRILL: At the time, did you understand there would be any residual regulation of junkets after the removal of the requirement to approve junket operators
30 and representatives? In other words, there would still be some framework for regulating junkets, this wasn't going to be the responsibility of the GWC to approve the operators and representatives?

MR DUCKWORTH: Broadly, yes.

35 MR FEUTRILL: And where did that understanding come from?

MR DUCKWORTH: Well, I didn't think otherwise, you know. The argument had been that the GWC couldn't successfully vet junket operators or have the resources to
40 chase up who they were, where they come from and so on, and that the whole --- that therefore providing the Federal authorities were doing that, the risk was being taken care of and that there would be no further need to bring final approval processes to the GWC.

45 MR FEUTRILL: All right. During the period that you were a member of the GWC, do you recall any occasions upon which you became aware of the police exercising any power to prohibit a person from entering the Perth Casino premises?

MR DUCKWORTH: No, I don't.

5 MR FEUTRILL: And during the period that you were on the GWC, do you recall any specific directions that you can recall being given to the casino licensee dealing with matters relating to either junkets or money laundering?

MR DUCKWORTH: Sorry, what was that?

10 MR FEUTRILL: Any specific directions being given by the GWC to the casino licensee that addressed junkets?

MR DUCKWORTH: No. Not a direction, no.

15 MR FEUTRILL: Or that addressed AML, money laundering aspects?

MR DUCKWORTH: No.

20 MR FEUTRILL: I've got a question for you, and to really ask you this question I'll need to ask you to look at a document. So if I could ask that we call up GWC.0002.0016.0006 at page 0419. I'm going to segue to a slightly different topic, but before I do, I want to draw your attention to this, because it deals with the remaining --- or it deals with how the GWC dealt with some delegations that had been made prior to the changes to the regulations.

25 MR DUCKWORTH: Right.

30 MR FEUTRILL: Again, I think you've been provided with a copy of this meeting paper. And if I could just ask --- perhaps we have a paper copy? I think this is going to be easier. That's incomplete. We need to get the whole thing up. I'll give you a copy of the first few pages.

MR DUCKWORTH: Right.

35 MR FEUTRILL: I just want to draw your attention to number 2 under the "Recommendation", which is on the first page of the agenda paper.

MR DUCKWORTH: Yes.

40 MR FEUTRILL: And then if I just draw your attention to the page 0420 and there's a bullet point headed "Junket Approvals", which summarises the effect of the decision made in February of 2010, the effect of the amendments to the regulations which are attached to this agenda paper. Then, it addresses --- this you won't have, so maybe you could put this up on the overhead projector please --- showing my age
45 by calling it that, "the screen", 0422, so next page. I've got the wrong page reference. It's 0428. So you can see, if that page comes up, there's a deletion of a power in accordance with --- the bottom of the page --- the regulation to provisionally approve

junket operators and various other things. It reflects, if you like, the removal of that power of approval in the regulations.

5 So the question I have for you now is whether you understood, following the amendments to the regulations in June 2010 and the changes to the delegations that were undertaken at the same time, whether you understood at that time or believed there to be any remaining powers of the GWC with respect to regulation of junkets?

10 MR DUCKWORTH: Effectively not.

MR FEUTRILL: All right. To your knowledge, were there any aspects of the inspection and audit regime undertaken by the Government Inspectors that dealt with the use of bank accounts and identification of any entries that might reflect money
15 laundering activity?

MR DUCKWORTH: No, they tended to concentrate on the conduct on the floor, by and large. Cash accounts and so forth.

20 MR FEUTRILL: Okay. Now, on this topic --- I probably should have asked you before taking you to the delegations --- you understood that one of the powers that the GWC was able to exercise was a power to delegate its powers to ---

MR DUCKWORTH: Yes.

25

MR FEUTRILL: --- either positions or individuals?

MR DUCKWORTH: Yes.

30 MR FEUTRILL: Now, if we could call up, please, GWC.0002.0016.0082 --- I've got the wrong one again. My apologies. It's not 82, but 0056 at page 0349. Have we got a hard copy of this one? Again, I'm going to hand you a hard copy of this.

MR DUCKWORTH: Okay.

35

MR FEUTRILL: It will make things much easier for you.

MR DUCKWORTH: Thank you.

40 MR FEUTRILL: Again, have you had an opportunity to have a read of this before today to refresh your memory about this agenda paper?

MR DUCKWORTH: I have glanced at this one, yes.

45 MR FEUTRILL: I want to draw your attention to some aspects of it and I want to ask you a question again, as I have been, about your understanding of its effect. There's a recommendation on the first page concerning the delegation of powers in accordance with section 16 of the Gaming and Wagering Commission Act.

MR DUCKWORTH: Mm.

MR FEUTRILL: I'm focusing here on a) which is dealing with the Chief Casino
5 Officer and there are a number of powers that are delegated, one of the powers of the
Commission, the GWC, to approve amendment to rules, again one of the powers of
the GWC and to issue a direction under section 24 of the Casino Control Act. Again,
it's a power at the GWC, so there's a reference to each of those and a proposal and a
10 rationale for why it was considered necessary at this time to delegate those powers to
the Chief Casino Officer.

MR DUCKWORTH: Mm.

MR FEUTRILL: On pages 0353 and 0354 there are two sorts of flow diagrams that
15 contrast what was then the existing process ---

MR DUCKWORTH: Yes.

MR FEUTRILL: --- and what was the proposed process following approval of this
20 delegation. What transpired is this delegation, the minutes record the
recommendation was accepted. What I would like to ask you is what your
understanding was of the process that was intended to be followed under that power
of delegation?

25 MR DUCKWORTH: Can I just have a moment to ---

MR FEUTRILL: Yes, certainly. It isn't the most clear diagram.

MR DUCKWORTH: They never are, but never mind. Okay.
30

MR FEUTRILL: Okay, so this is probably going to be a mixture and answering this
question will be a mixture of your understanding, having re-read it, but also of the
processes that the GWC actually followed. So is it the case that it was your
understanding --- and I suppose was this the procedure followed --- that when the
35 casino licensee lodged the submission either for approval of a new game or variation
to existing an game or a submission requiring an amendment to the Casino Manual, it
was to be reviewed and considered by the GWC and then if approved in principle,
the documentation in connection with that, how you would implement the decision,
would be left to the Chief Casino Officer under the power of delegation?

40 MR DUCKWORTH: Yes. Certainly all proposed changes to games, any requests of
that sort, any new games, were always brought to the Commission and there was
discussion about them. But the latter part of what you said, the Commission agreed
on a certain decision or course of action, it might be "Yes, we approve that with the
45 proviso that there be a report in six months on this or that aspect of the game", or
whatever. And it would be made clear what was to go into that document, and the
document, if not before, would be recorded at the next meeting, or members would

be able to see it.

MR FEUTRILL: So, to summarise what you said, I think, is in the case of new
5 games at least ---

MR DUCKWORTH: Yes.

MR FEUTRILL: --- there would be a process by which it would come to the GWC
10 for approval?

MR DUCKWORTH: Yes, yes.

MR FEUTRILL: Having received approval with or without conditions, the
15 implementation as in the writing up of the specific change to the rules or whatever
was required would be done by ---

MR DUCKWORTH: That would be delegated off to a Departmental officer to
20 complete.

MR FEUTRILL: And then that process could be completed by the Chief Casino
Officer under the power of delegation and reported back at the next meeting to the
GWC saying essentially "This has been done in accordance with your approval"?

25 MR DUCKWORTH: That's generally it, yes.

MR FEUTRILL: Now, that's the case in respect of amendments --- or new games,
changes to games.

30 MR DUCKWORTH: Mm.

MR FEUTRILL: What about operational matters, the Casino Manual, the operations
aspects?

35 MR DUCKWORTH: Like instructions?

MR FEUTRILL: The way in which the casino was to operate under the Casino
Manual operations?

40 MR DUCKWORTH: That would also come to meetings and be discussed.

MR FEUTRILL: So if there were to be an amendment to that particular document, it
would come to a meeting first; that's your understanding?

45 MR DUCKWORTH: Yes, that's my understanding.

MR FEUTRILL: Then there is some discussion about it and whatever's resolved at
the meeting would then be implemented by the Chief Casino Officer ---

MR DUCKWORTH: Yes.

MR FEUTRILL: --- under the power of delegation?

5

MR DUCKWORTH: Yes. Generally, yes.

MR FEUTRILL: Okay. Now, that was the position --- is that your understanding, as of this delegation in April 2012? What you're describing, is that the process for the entire period you were a member of the GWC?

10

MR DUCKWORTH: I think so, yes. Everything to do with every new proposed operation, game, use of floor space, leasing out of commercial properties, everything, reconfiguring gaming rooms, everything came to the GWC.

15

MR FEUTRILL: Were there some things that didn't, though, under powers of delegation? For instance ---

MR DUCKWORTH: I was going to say I wouldn't know because I didn't --- I don't know. There may be. There are things that I didn't know about.

20

MR FEUTRILL: I beg your pardon, are you saying there are things you didn't know about?

MR DUCKWORTH: I only knew about things that came to the meeting, so I'm presuming that everything that should have arrived at the meeting for discussion, approval, amendment, whatever, would have come, yes.

25

MR FEUTRILL: There was a regular item on the meeting agendas in your time for powers that were to be exercised under delegation, though, was there not?

30

MR DUCKWORTH: Yes, yes.

MR FEUTRILL: Presumably you reviewed that to see what powers had been exercised?

35

MR DUCKWORTH: Yes.

MR FEUTRILL: And if you had any questions about those, did you ask about them?

40

MR DUCKWORTH: From time to time people asked, yes. Yes.

MR FEUTRILL: So that procedure that I've just walked through, was that the procedure that you understood to be in place for the duration of the period you were on the GWC, at least from April 2012?

45

MR DUCKWORTH: Yes. I mean, like I said, these diagrams aren't the easy at a

glance to look at, but the general process of bringing a matter before the Commission, discussion, rejection, acceptance, amendment and so on, and then, after those delegations were put in place, that the Chief Casino Officer or other designated person could ensure that it happened. And I suppose, just as an aside, people took it as just a common practice in any sort of management that a certain amount of delegation was efficient and was a good thing.

MR FEUTRILL: Were there occasions when you can recall, any occasion, when the power was exercised without prior approval?

MR DUCKWORTH: No. There were one or two, there were a couple of occasions that were reported back to the meeting where some decision was taken because of a time constraint or something that came up suddenly. I can't give you any examples unfortunately, but I do remember Mr Sargeant saying, "Look, this came up. I felt that I had to make a decision. This is the decision I made. Are there any objections to that?" And I cannot remember what it was about. Nothing huge.

MR FEUTRILL: I see. So the example you're giving is where a power has been exercised without prior authority, but then effectively ratified after the event?

MR DUCKWORTH: Yes. Very rare, but I can remember one occasion. I can't remember what it was.

MR FEUTRILL: And the example that you were given of Mr Sargeant --- he obviously wasn't the Chief Casino Officer, so I was asking you specifically ---

MR DUCKWORTH: Sorry about that.

MR FEUTRILL: Any examples where you can recall where the Chief Casino Officer exercised a power and then came back and sought ratification after the event?

MR DUCKWORTH: I think there were a couple of occasions, and again, they seemed to be of a relatively minor nature, so the rule in a game which had previously been discussed, but ---

MR FEUTRILL: Where time was of the essence, those kinds of matters?

MR DUCKWORTH: That's --- yes, yes.

MR FEUTRILL: All right. Well, you mentioned Mr Sargeant and I'm assuming from that you understood that he also held the position --- position of Director-General held a power of delegation as well?

MR DUCKWORTH: Yes, I mean, it was mainly the Chief Casino Officer and the DDG, but as chair, Mr Sargeant was chair.

MR FEUTRILL: Yes, I'm sorry, as chair. So if we could call up --- again, I'll hand

you a copy of this one --- GWC.0002.0016.0082. While I'm there, I think this has got a signed delegation, this one. This is GWC.0001.0007.0183.

5 MR DUCKWORTH: Thank you.

MR FEUTRILL: Now, perhaps I could ask you, the last document I handed to you which is the one ending 0183_0001, do you recognise your signature there at all?

10 MR DUCKWORTH: On the third line, my signature, yes.

MR FEUTRILL: Third line. Now, did you have a chance to read the agenda paper before coming in today?

15 MR DUCKWORTH: I've seen a lot of papers and this would have been one of them, I think.

MR FEUTRILL: I'll allow you to have the opportunity to re-read it if you wish to, but the question I'm going to ask you is of more general character. But, really, you
20 can answer either before or after re-reading it as you wish. What I would really like to know is what your understanding was of the way in which this power was to be exercised by the Chair and in this case also the Deputy Chair received the same delegation.

25 MR DUCKWORTH: Predominantly, it was in relation to matters of detail or sort of finalising matters that had been discussed and ensuring that they were implemented. There was a general understanding that anything of real weight or import that either policy or strategic matter would have, would need the full imprint of the GWC rather than be delegated. This was often on, as I say, a matter of things to do with games
30 and finalising a new procedure for transporting money from tables to somewhere. Once it had been discussed, and ensuring that the nuts and bolts of that sort of thing were then implemented.

MR FEUTRILL: Okay, that's your understanding of how the powers were
35 exercised?

MR DUCKWORTH: Yes, yes.

MR FEUTRILL: The reason I'm asking the question is because if you look at the
40 delegation itself in its terms, it is quite a lot wider than what you've described.

MR DUCKWORTH: Yes.

MR FEUTRILL: Or at least arguably wider. It just appears, on its face, to delegate
45 all of the powers of the Commission, the GWC Commission, that is, except for the power of delegation itself which would in theory give enormous power to the holder of the delegation?

MR DUCKWORTH: Yes.

5 MR FEUTRILL: And the minutes, if I could call those up, which is
GWC.0002.0016.0102 at page 009, it's the resolution itself of the GWC.

MR DUCKWORTH: Where are we looking at? 8.2?

10 MR FEUTRILL: 8.2, yes.

MR DUCKWORTH: Okay.

15 MR FEUTRILL: The question I've got for you really is this: the delegations are to a
position, the chair and the deputy chair so people can come and go from those
positions?

MR DUCKWORTH: Yes.

20 MR FEUTRILL: Where, if at all to your knowledge, was the limitation recorded in
the ability to exercise the power? In other words, you've described a general
understanding, but where was that understanding recorded?

MR DUCKWORTH: I don't --- not quite sure.

25 MR FEUTRILL: Or was it recorded, or was it just an understanding?

30 MR DUCKWORTH: I guess it was an understanding that these powers would be
used wisely. It was a bit of a catch-all but given the sort of relationships on the
GWC, professional and cordial and so on, there was certainly no idea that these
powers wouldn't be used improperly, wouldn't be used other than properly.

MR FEUTRILL: I understand that. So you were placing your faith, if you like, in
the integrity of the office holder for the time being?

35 MR DUCKWORTH: Yes, I guess so, yes.

MR FEUTRILL: And that they would not exercise the power for a purpose for
which you considered had not been given?

40 MR DUCKWORTH: Correct.

45 MR FEUTRILL: And you mentioned an example where, I think you said Mr
Sargeant had exercised the power and then came back to the GWC. Is that an
example of what you would describe as exercising the power properly or for the
purpose for which it had been given?

MR DUCKWORTH: From memory, yes. It was something fairly minor, but it
needed expediting for some reason.

MR FEUTRILL: I see. Can you provide any other examples of the exercise or the use of the delegation in the way that you have described and that it satisfied you it was being used appropriately?

5

MR DUCKWORTH: Well, I can frame it the other way. I can't remember any that I thought were being used inappropriately, but my memory precludes me from pinning down any particular action.

10 MR FEUTRILL: All right. So was it your expectation that if it were exercised, the GWC would be informed after the exercise of that power?

MR DUCKWORTH: Yes.

15 MR FEUTRILL: By the chair, if it was the chair?

MR DUCKWORTH: Yes, the chair.

MR FEUTRILL: By the deputy chair, if it was the deputy chair?

20

MR DUCKWORTH: Yes.

MR FEUTRILL: And by the Chief Casino Officer if it was the Chief Casino Officer?

25

MR DUCKWORTH: Yes.

MR FEUTRILL: Now obviously, at times, the Deputy Chief Casino Officer was ---

30 MR DUCKWORTH: Same thing, yes.

MR FEUTRILL: Same person. Okay, now that general power that you've described of expedition or to use it wisely, however you want to characterise it, did you consider that applied also to the position of Chief Casino Officer, or only chair and deputy chair?

35

MR DUCKWORTH: Well, the difficulty was --- in fact, the chair and the --- deputy chair and Chief Casino Officer were the same person, so I tended to think in terms of the person rather than the positions.

40

MR FEUTRILL: I see. So when the person occupying the position of deputy chair and Chief Casino Officer was the same ---

45 MR DUCKWORTH: Well, as I say, I didn't distinguish the roles from the person, I suppose.

MR FEUTRILL: Okay. So you simply would have expected whoever the person

was to exercise the power appropriately?

5 MR DUCKWORTH: Exercise the power and report what was to be done and then if there were any concerns about that, they would be addressed.

10 MR FEUTRILL: I just want to take you to an example of what may have been an example of the exercise of the power in the way you've just described. If we could call up GWC.0004.0008.0004. Do you have a hard copy of that one?

MR DUCKWORTH: Thank you.

15 MR FEUTRILL: I really want to draw your attention to the second page. The question I have for you is whether you can recall having seen that document at or about the time it was --- of its date, so in the early part of 2017?

MR DUCKWORTH: Let's have a look.

20 MR DUCKWORTH: This is about the pre-shuffled cards, is it? I'd lost it for a moment. I do remember the discussion about this, and I certainly would have seen this document. I can't recall it in sort of perfect detail from the time, but I remember the question of the cards, yes.

25 MR FEUTRILL: Sorry, I think you're looking at the wrong page.

MR DUCKWORTH: Am I?

MR FEUTRILL: I want you to look at the page headed "Instrument of Approval".

30 MR DUCKWORTH: Sorry, yes. I can't say with certainty, but I'm pretty sure I would have seen it.

35 MR FEUTRILL: Okay. Do you recall generally the circumstances of the changes to the Casino Manual at this time?

MR DUCKWORTH: Circumstances of the changes?

40 MR FEUTRILL: Do you remember, broadly speaking, the changes taking place and what they were for?

MR DUCKWORTH: Gaming equipment, international/interstate gaming business -- - no, I don't. I'm afraid I can't say I do, in detail.

45 MR FEUTRILL: So if I could ask for the agenda item of the May meeting which is at GWC.0002.0016.0222_0093 to be brought up. Now this is an agenda item for the May 2017 meeting.

MR DUCKWORTH: Yes.

MR FEUTRILL: If I could just draw to your attention the second table referring to delegations by the Chief Casino Officer.

5 MR DUCKWORTH: Yes.

MR FEUTRILL: And if you could read the second two items there.

MR DUCKWORTH: The second item, did you say?

10

MR FEUTRILL: There's an item for section 19 and an item for section 03A.

MR DUCKWORTH: Yes, yes.

15 MR FEUTRILL: And the details, I draw your attention to the details.

MR DUCKWORTH: Yes.

MR FEUTRILL: Sorry I'm making you juggle so many documents.

20

MR DUCKWORTH: No, that's all right.

MR FEUTRILL: We've got the minutes of the meeting at GWC.0002.0016.0220 at page 0004. Have you got a copy of the minutes there?

25

MR DUCKWORTH: The minutes, yes.

MR FEUTRILL: There is a question coming.

30 MR DUCKWORTH: That's all right.

MR FEUTRILL: I just want you to have a look at these things first.

35 MR DUCKWORTH: I'm just wondering, have you got the --- in the minutes, does it show that I attended that meeting? I probably did.

MR FEUTRILL: This meeting, it does indicate you were there in May 2017, yes.

MR DUCKWORTH: Okay.

40

MR FEUTRILL: So that's the page 0001 that's there.

MR DUCKWORTH: Right, okay.

45 MR FEUTRILL: Now, I appreciate this is four years ago, but do you have any recollection of that particular agenda item, the May meeting which is the one referred to in the powers exercising the delegation?

MR DUCKWORTH: In terms of the actual content of what was delegated?

5 MR FEUTRILL: In terms of the power that was exercised under the power of delegation. In other words, the amendments ---

MR DUCKWORTH: Well, I do remember the pre-shuffled cards thing, for some reason. Maybe because it's a strange thing, but I have to say it's vague, but I vaguely remember the third one, the switch to international/interstate gaming business.
10 There's something about making it broader than internationals or international/interstate, for some reason.

MR FEUTRILL: All right.

15 MR DUCKWORTH: I'm sorry I can't provide more.

MR FEUTRILL: That's okay, I just wanted to be sure. Do you have any recollection of any discussions at GWC meetings around this time of amendments to the Casino Manual dealing with junket operations?
20

MR DUCKWORTH: I would say vaguely, yes, because I do remember some consideration. It was something along the lines that people here in Perth and other parts should be allowed into the premium playing area rather than just sort of junkets. That sound awfully vague and probably not quite right, but there was something
25 about, about that that I remember.

MR FEUTRILL: Do you recall whether this was an event where there was an application or a submission by the Perth Casino first to bring about a change to the venue?
30

MR DUCKWORTH: I don't, I don't, no. Sorry, I haven't been very helpful.

MR FEUTRILL: That's okay. It is, as I said earlier, it's four years ago.

35 Commissioners, I'm about to move to another topic. I have got a little bit of time to go. It's really a matter for you.

COMMISSIONER OWEN: Mr Duckworth, has it been raised with you, the prospect that we may ask you to come back tomorrow morning?
40

MR DUCKWORTH: It has been raised.

COMMISSIONER OWEN: Thank you, and that's fine by you?

45 MR DUCKWORTH: I guess.

COMMISSIONER OWEN: That was probably very unhappily phrased. Could I ask

a question before we go? I'm sorry to do this to everybody, because I'm not sure that I've understood the witness's evidence on this point about delegation. Can I ask you, just to make sure that I've understood what your evidence is; from time to time, the
5 Gaming and Wagering Commission would issue an instrument of delegation to particular officers, or offices to allow them to exercise powers under delegation.

MR DUCKWORTH: Yes.

10 COMMISSIONER OWEN: Now, is it your evidence that in the great majority of cases, those officers did not actually exercise the delegated power without prior approval of the particular incident from the Gaming and Wagering Commission?

MR DUCKWORTH: Yes, at least in a lot of them, yes. Because there was
15 discussion, and then there was the delegation took place after that.

COMMISSIONER OWEN: Just so that I'm clear, that it wasn't a case of a monthly report coming to the Commission of the various exercises of delegated power. Maybe there was discussion, but they were there and to be noted by the Commission.
20 It was that before those powers were exercised, the Commission had given approval? Is that your evidence?

MR DUCKWORTH: It wouldn't be in every case, no. There would be --- certainly all the delegations came to the meeting via the agenda and there may be some that
25 hadn't been discussed. It might be something like an extension to a two-up game somewhere was granted on the grounds of such and such, so we'd know what had happened and the premise was it would be very unlikely that there would have been much debate or discussion ---

30 COMMISSIONER OWEN: I thought I heard you say it was only on rare occasions that the power was exercised and then after the event, the Commission was --- and you gave an example of something, and the name Barry Sargeant came up --- I just want to make sure that that is your evidence?

35 MR DUCKWORTH: Yes. In the majority of cases, there was discussion about whatever was delegated.

COMMISSIONER OWEN: Before the power was exercised by the delegate?

40 MR DUCKWORTH: Yes.

COMMISSIONER OWEN: All right. Thank you. We will resume at 10 am tomorrow.

45 MR FEUTRILL: Sorry, Commissioner, could I ask one follow-up question to that?

Can you recall any occasion upon which there was an amendment made to the Casino Manual without prior approval from the GWC, and it was brought to the attention of

04:00PM

the GWC afterwards?

MR DUCKWORTH: No, I can't.

5

COMMISSIONER OWEN: Thank you. We'll resume at 10 am.

**HEARING ADJOURNED AT 4.00 PM UNTIL THURSDAY, 27 MAY 2021 AT
10.00 AM**

10

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