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PERTH CASINO ROYAL COMMISSION

PUBLIC HEARING - DAY 6

10.00 AM THURSDAY, 13 MAY 2021

COMMISSIONER N J OWEN

COMMISSIONER C F JENKINS

COMMISSIONER C MURPHY

HEARING ROOM 3

MS KIRSTEN NELSON and MR DAVID LEIGH and MS THEA CHEE and MS KARESS DIAS as Counsel Assisting the Perth Casino Royal Commission

MR NICK MALONE as Counsel for Mr Michael Christopher Connolly

MR PAUL D EVANS and MS MONIKA MECEVIC appeared for Gaming and Wagering Commission of Western Australia

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

MR KANAGA DHARMANANDA SC and MS CLARA WREN 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

10:00AM

COMMISSIONER OWEN: Please be seated.

Now, I think we have Mr Beecroft.

5

Mr Beecroft, would you just mind standing. Could you give us your full name for the record.

THE WITNESS: Mark David Beecroft.

10

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

MR MARK DAVID BEECROFT, AFFIRMED

15

COMMISSIONER OWEN: Thank you, Mr Beecroft. Please sit down.

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

MS SEAWARD: Mr Beecroft, are you director of strategic regulation at the Department of Local Government, Sports and Cultural Industries, is that correct?

25

MR BEECROFT: Yes.

MS SEAWARD: Did you receive a witness summons for this Royal Commission?

30

MR BEECROFT: Yes.

MS SEAWARD: And you prepared a witness statement?

MR BEECROFT: Yes.

35

MS SEAWARD: If you can have a look at the document in front of you, does that look like a copy of your witness statement that you've prepared?

MR BEECROFT: Yes.

40

MS SEAWARD: Is it dated 6 May 2021?

MR BEECROFT: Yes.

45 MS SEAWARD: And is it 47 paragraphs?

MR BEECROFT: Yes.

10:01AM

MS SEAWARD: Seventeen pages. Is this statement true and correct to the best of your knowledge and belief?

5 MR BEECROFT: Yes, it is.

MS SEAWARD: I tender the witness statement of Mr Beecroft which has number DLG.0001.0001.0001.

10 COMMISSIONER OWEN: The witness statement of Mark Beecroft dated 6 May 2021 with the document identifier which Ms Seaward has just read out will be admitted into evidence as an exhibit. Thank you.

15 **EXHIBIT #DLG.0001.0001.0001 - WITNESS STATEMENT OF MR MARK DAVID BEECROFT DATED 6 MAY 2021**

COMMISSIONER OWEN: Thank you.

20 Now, Ms Nelson, you wish to cross-examine?

MS NELSON: Yes, thank you, Commissioners.

25 **CROSS-EXAMINATION BY MS NELSON**

MS NELSON: Could I have Mr Beecroft's statement, DLG.0001.0001.0001_R, for
30 the redacted version, thank you.

Looking at paragraph 3, please, Mr Beecroft, you detail employment within various public sector roles since 2000.

35 MR BEECROFT: Yes.

MS NELSON: But essentially would you agree that they are within the one regulatory area over the period of time?

40 MR BEECROFT: Yes.

MS NELSON: And except for 18 months seconded to the Department of Treasury, which I believe was from February 2019 to June 2020; is that correct?

45 MR BEECROFT: That's correct.

MS NELSON: You held all those public sector roles in that period of time in a government department that was tasked with the regulation of liquor, wagering and

gaming; is that correct?

MR BEECROFT: Correct.

5

MS NELSON: So would you agree that the central theme of your professional experience over the last 20 years has been the general regulation of those three years: liquor, gaming and wagering?

10 MR BEECROFT: Yes.

MS NELSON: And over the course of those 20 years have you gained an understanding or appreciation of casino gaming at the Burswood Casino?

15 MR BEECROFT: I have gained an understanding through limited exposure. Predominantly I've been in the wagering and liquor space. But throughout the course of my tenure out in these roles I have undertaken some casino work. For example, when there has been an amendment to the agreement, to the Casino Agreement, I have assisted in progressing the amendment bills through the Parliament to ratify
20 those agreements. And I've also, on a couple of occasions, submitted papers to the Gaming and Wagering Commission on expanding products in the casino. For example, additional gaming machines and tables.

MS NELSON: And would those reports have also included the authorisation of new
25 games?

MR BEECROFT: No.

MS NELSON: No?

30

MR BEECROFT: Sorry, I will take that back. My recollection may have been in new products such as fully automated table game. So it is a combination of table games and EGMs together, so a new product, but not necessarily a new game as such.

35

MS NELSON: And you say that you consider your predominant experience is in the waging sector, but have you been exposed to casino gaming matters over the last 20 years or only a portion of that time?

40 MR BEECROFT: Just a portion of that time.

MS NELSON: And what portion is that?

MR BEECROFT: It's hard to say. In a quantitative period, most probably two years'
45 worth, if that makes sense.

MS NELSON: So your evidence is you've only been exposed to casino gaming in the last two years out of the whole 20-year period you have been in that area --

10:05AM

MR BEECROFT: Yes. I have had an appreciation through doing the amending bills, and of course doing the Gaming and Wagering Commission (inaudible).

5 MS NELSON: Thank you.

Looking at your statement, your most recent substantive role was as the Director of Strategic Regulation; is that correct?

10 MR BEECROFT: Correct.

MS NELSON: And you've been in this role since August 2012?

MR BEECROFT: Correct.

15

MS NELSON: So over seven years?

MR BEECROFT: Yes.

20 MS NELSON: And so that role you occupied predated the machinery of government changes in 2017 that changed the nature of the department you now work for?

MR BEECROFT: Yes.

25 MS NELSON: So, prior to the MoG changes in 2017, you were working for the Department of?

MR BEECROFT: Racing, Gaming and Liquor.

30 MS NELSON: And how did the MoG amalgamation in 2017 affect your role as the Director of Strategic Regulation?

MR BEECROFT: It had no direct impact in that case. I was still responsible for the legislative and policy work for the gaming and liquor industries.

35

MS NELSON: So you've had no involvement in the local government aspect of the wider department?

40 MR BEECROFT: Sorry, I did do a very small stint as deputy member to the Local Government Standards Panel but that was for a small period before I proceeded on secondment to the Department of Treasury to participate in the TAB sale.

MS NELSON: And was that small stint in addition to your ordinary role?

45 MR BEECROFT: Yes, it was.

MS NELSON: If we go to paragraph 5, thank you, of the statement.

COMMISSIONER JENKINS: Mr Beecroft, you have a rather quiet voice. Would you mind speaking up?

5 MR BEECROFT: Certainly, thank you.

MS NELSON: At paragraph 5 you see that you've said, and I quote that you are:

10 *..... leading and developing a high performing cohesive team support to six statutory bodies and [you are also involved in] implement[ing] legislative and policy objectives related to the racing, gaming and liquor industries*

In your role as Director of Strategic Regulations. So how many direct reports did you have in your team?

15

MR BEECROFT: I have in my team a (inaudible) manager, a Level 6 or senior policy and legislation officer, and I had five Level 5 policy officers that are made predominantly of a couple of full-time employees and part-time employees.

20 MS NELSON: How many of those are full-time employees?

MR BEECROFT: Three.

MS NELSON: That's of the five Level 5s?

25

MR BEECROFT: Yes.

MS NELSON: And the Level 6 and level 7 are full-time employees?

30 MR BEECROFT: Yes.

MS NELSON: And is that the full FTE complement of your team or are there some roles currently unoccupied?

35 MR BEECROFT: That is the complement of my team. The Level 6 position is actually a vacant position at the moment.

MS NELSON: And what position is that?

40 MR BEECROFT: The senior legislation and policy (inaudible).

MS NELSON: Apart from the Gaming and Wagering Commission, what other statutory bodies does your team support that you referred to in paragraph 5?

45 MR BEECROFT: The Gaming Community Trust, the Problem Gambling Support Services Committee, which is a committee established under the auspices of the Gaming and Wagering Commission, the Liquor Commission, the Racing Penalties

10:09AM

Appeal Tribunal, and the Local Government Standards Panel.

5 MS NELSON: And you mention the Local Government Standards Panel, I think you did a small stint in there ---

MR BEECROFT: Yes.

10 MS NELSON: --- prior to going to Treasury.

MR BEECROFT: Yes.

15 MS NELSON: Are you on, or do you have a role as an officer of any of those statutory bodies --

MR BEECROFT: No.

MS NELSON: --- putting the GWC to one side.

20 MR BEECROFT: Yeah, no.

MS NELSON: No.

25 COMMISSIONER JENKINS: The problem gambling committee, is that how you described it?

MR BEECROFT: Problem Gambling Support Services Committee, yes.

30 COMMISSIONER JENKINS: That is not a statutory body?

MR BEECROFT: No, it is a committee that's established under the auspices of the Gaming and Wagering Commission.

35 COMMISSIONER JENKINS: Right. And do you provide secretarial support?

MR BEECROFT: My team does, yes.

40 COMMISSIONER JENKINS: And are you involved in the work of that committee? Do you attend meetings or anything of that nature?

MR BEECROFT: No.

COMMISSIONER JENKINS: But someone within your ---

45 MR BEECROFT: So the Act requires a member of the Commission to be a member of the committee --

COMMISSIONER JENKINS: I thought we'd established it wasn't a statutory

committee. I thought you said it wasn't.

5 MR BEECROFT: No, it's not a statutory committee, but under the establishment of the committee under the Gaming and Wagering Commission Act, a member of the Commission is to be a member of the committee. So the Deputy Chair has been the chairman of the Problem Gambling Support Services Committee.

10 COMMISSIONER OWEN: The Deputy Chair of what?

MR BEECROFT: The Gaming and Wagering Commission.

COMMISSIONER OWEN: And who is that at the moment?

15 MR BEECROFT: That was Mick Connolly. There hasn't been another appointment of the Deputy Chair at this stage of the Gaming and Wagering Commission.

20 COMMISSIONER JENKINS: Sorry to interrupt, but it's just, an area of the problem gambling and what support the department and GWC provide to in that area is something the Commission may want to look at and I wanted to find out to what extent you knew about those matters.

25 MR BEECROFT: So my team provides executive support and also provides the contract management of support services and assists in preparing papers, strategic plans for the Problem Gambling Support Services Committee.

COMMISSIONER JENKINS: And is there anyone in your section in particular who has knowledge and experience in respect of that committee?

30 MR BEECROFT: I do, as oversight, but all my executive officers --- or policy officers, sorry, actually contribute to the work of the Problem Gambling Support Services Committee.

35 COMMISSIONER JENKINS: Thank you. Sorry to interrupt.

MS NELSON: Thank you, Commissioner.

And the Gaming Community Trust, who is on that committee, on that board or body?

40 MR BEECROFT: They are appointments made by the minister. The names on that committee on that trust actually escape me at the moment.

MS NELSON: Do you attend meetings for that trust?

45 MR BEECROFT: No.

MS NELSON: And your team provides executive support?

10:13AM

MR BEECROFT: Yes.

MS NELSON: In the way of admin and secretarial services?

5

MR BEECROFT: Yes, and contract management and preparation of assessment of applications and submissions to the Trust.

MS NELSON: Those three functions, are they performed by one person within your team or like the ---

10

MR BEECROFT: No, spread across the team.

MS NELSON: Spread across the team. So overseen by you?

15

MR BEECROFT: Yes.

MS NELSON: And the liquor committee, is that the same, I can't --

MR BEECROFT: Liquor Commission.

20

MS NELSON: Liquor Commission. Is that the same arrangement?

MR BEECROFT: They provide essentially just executive support services to the Liquor Commission.

25

MS NELSON: So your team doesn't provide any reports or papers?

MR BEECROFT: No.

30

MS NELSON: Who sets the agenda for the Gaming Community Trust?

MR BEECROFT: The Gaming Community Trust meets on an ad hoc basis based on when applications are received, and my team will establish an agenda to forward to the Chair and then a meeting is called.

35

MS NELSON: Did your team also establish the agenda for the Gaming and Wagering Commission?

MR BEECROFT: It sets out the agenda and that will be based on submissions lodged by the various areas in the regulatory services division. Submissions may come from the director of licensing or the director of compliance, and there are also the follow-up matters from previous Commission meetings. That would then be presented on to an agenda.

45

MS NELSON: So the agenda is put together by your team ---

MR BEECROFT: Yes.

10:14AM

MS NELSON: --- for the Gaming and Wagering Commission and presented to the Commission?

5 MR BEECROFT: So the agenda is first reviewed by the Deputy Director-General of regulation before being finalised and forwarded to the Commission.

MS NELSON: So that would be reviewed by Mr Connolly?

10 MR BEECROFT: Yes.

MS NELSON: Does the Chief Casino Officer have any role in setting the agenda for the Gaming and Wagering Commission? And covering off on the same point for the Problem Gambling Committee, is the agenda set by your team.

15

MR BEECROFT: Yes.

MS NELSON: Who has input into that agenda?

20 MR BEECROFT: Again, a lot of the agenda items will be in relation to contract management, awareness campaigns, and so my team will establish the agenda and again the Deputy Director-General Regulation will review that agenda before it is finalised.

25 MS NELSON: Do the members of that committee have any input into what goes on the agenda prior to finalisation by your team?

MR BEECROFT: They haven't, but that's not to say that they can't.

30 MS NELSON: And would the Gaming and Wagering Commission, have the members of that Commission, do they have any input into the agenda items that is put together by your team?

MR BEECROFT: They haven't in the past.

35

MS NELSON: They haven't?

MR BEECROFT: No.

40 MS NELSON: And you can't think of one instance?

MR BEECROFT: No.

MS NELSON: Thank you.

45

If you can go to paragraph 9, thank you. If I could have the annual report from the Gaming and Wagering Commission from 2019 and that is PUB.0004.0004.0001.

Could we have page 32 initially, please. Perhaps page 38. Apart from the role that you've already described your team in reforming, setting agenda's, secretarial support, executive support, does your team provide any audit, inspection or compliance roles in relation to casino gaming?

MR BEECROFT: No.

MS NELSON: So their role in preparing reports then for the Gaming and Wagering Commission is limited to policy areas? And in terms of that policy work, how does your team organise their team between casino gaming policy and non-casino gaming policy, like community gaming work?

MR BEECROFT: The highest priority basically gets the attention.

MS NELSON: Thank you for finding that. Going back to that organisational chart, are you able to point out where your position appears?

MR BEECROFT: Can I have it blown up a little bit. It's a little fuzzy, thank you.

MS NELSON: That is a chart of the whole department?

MR BEECROFT: So on the left-hand side the regulatory services division and I would fall under the policy and innovation.

MS NELSON: But there is no local government policy included in your role?

MR BEECROFT: No.

MS NELSON: Or sporting or cultural industries?

MR BEECROFT: No.

MS NELSON: Thank you. That can be taken down.

I want to show you a document, and not for the detail in it, but just for the general purpose. And that is I will refer to the extracted version of GWC.0001.0007.0209. Have you seen that document before?

MR BEECROFT: Yes, that is the activity document that is kept for the audit programs I believe.

MS NELSON: Did you have any role in preparing that document?

MR BEECROFT: No, I did not.

MS NELSON: Do you know what the purpose of the document is?

10:20AM

MR BEECROFT: It is to assist with audit frequencies.

5 MS NELSON: And it has at the second line down "casino", so is it only audit activities in relation to the casino?

MR BEECROFT: That's right. There will be further documents in relation to the liquor and wagering industries as well.

10 MS NELSON: Commissioners, this is part of an Excel spreadsheet that has many tabs. This is the tab from 2017. Do you have any knowledge of what appear to be on the green portions to be initials? What is that referring to?

15 MR BEECROFT: Those initials appear to be the initials of inspectors that have undertaken the relevant audits that are identified on the left-hand column.

MS NELSON: To your knowledge, if you don't know say so, is that the full extent of audits done on the casino? Is that every type of audit that was done in 2017?

20 MR BEECROFT: I couldn't confirm that.

MS NELSON: Do you know if the compliance model that is pictured here has changed in the period from 2017 to now?

25 MR BEECROFT: I couldn't tell you.

MS NELSON: Who could give us that information?

30 MR BEECROFT: The Deputy Director-General Regulation would be able to tell you that.

MS NELSON: And who is that person currently?

35 MR BEECROFT: Currently it's the --- the acting is Fiona Roche but I would suggest that Mick Connolly would be able to talk to that model for you.

MS NELSON: Thank you. That can be taken down. Did your team perform any role overseeing the casino gaming bank accounts that come across the desk at any time?

40

MR BEECROFT: No.

MS NELSON: And whose team was that?

45 MR BEECROFT: That team was the director responsible for the compliance area, Mr Minchin.

MS NELSON: Mr Minchin?

MR BEECROFT: Yes.

5 MS NELSON: Going back to the role that your team plays for the Gaming and Wagering Commission, which you said is executive, secretarial support, contract management, performing --- sorry, preparing papers and setting the agenda, was there any formal arrangement for your team to provide that service to the Gaming and Wagering Commission?

10 MR BEECROFT: No. It is just part of their job description.

MS NELSON: So there wasn't a memorandum of understanding ---

MR BEECROFT: No.

15

MS NELSON: --- or any written form of agreement?

MR BEECROFT: No.

20 MS NELSON: And has that been the case for the entire period you have been involved in overseeing that team?

MR BEECROFT: Yes.

25 MS NELSON: I've been asked to ask you to speak up.

MR BEECROFT: Sorry.

MS NELSON: Who did you report to in the role of director of strategic regulation?

30

MR BEECROFT: The Deputy Director-General of regulation.

MS NELSON: Mr Connolly?

35 MR BEECROFT: Yes, Mr Connolly.

MS NELSON: Is that for the entire period of seven years that you have been in that role?

40 MR BEECROFT: Yes.

MS NELSON: Could I have the statement, paragraph 9, DLG.0001.0001.0001, thank you. The last sentence you say:

45 *A key aspect of this function [meaning your function as director, strategic regulation] is providing advice to the Minister and key internal/external stakeholders.*

Have you provided advice on casino gaming to the minister in the time you've occupied the position?

5 MR BEECROFT: No.

MS NELSON: Are you aware of who in the department actually provides that advice?

10 MR BEECROFT: That would have been the Director-General. So pre-MoG that would have been Mr Sargeant. Post MoG that would be Mr Ord.

MS NELSON: If you can keep your voice up, thank you.

15 MR BEECROFT: Mr Ord and also Mr Connolly.

MS NELSON: And did you advise them so that they could perform that role? Did you provide them any written advice that they can ---

20 MR BEECROFT: I've provided briefing notes, or prepared briefing notes.

MS NELSON: Can you recall what topics those briefing notes were on?

25 MR BEECROFT: Yes. Of recent briefing note would have been in relation to the current acquisition that is occurring of Crown.

MS NELSON: Any others that you can recall?

30 MR BEECROFT: I can't recall but I may have provided in the early days prepared the briefing note for the Director-General in relation to the expansion of gaming products, the increase of electronic gaming machines, table games as a result of the Gaming and Wagering Commission's outcomes.

35 MS NELSON: And that is the increase of those machines and product on the floor of the casino?

MR BEECROFT: Correct.

40 MS NELSON: Who are the key internal and external stakeholders to whom you refer as providing advice in this paragraph?

45 MR BEECROFT: Across all the industries, that would include Racing and Wagering WA, in relation to the liquor industry, Australian Hotels Association WA, Liquor Stores Association WA, local governments where necessary. And in the casino I really haven't liaised in that sense in providing information but have had, you know, meetings and discussed matters with them in that sense.

10:27AM

MS NELSON: With officers of the casino?

MR BEECROFT: Yes.

5

MS NELSON: Over what period of time have you done that?

MR BEECROFT: That has been over the course --- since 2012 but not frequently.

10 MS NELSON: How many times a year?

MR BEECROFT: Less than one.

MS NELSON: Who at the casino would you generally be liaising with?

15

MR BEECROFT: I would have liaised with Josh Preston or Claude Marais.

MS NELSON: Did you go to those meetings by yourself?

20 MR BEECROFT: Not always, no, I would go with someone else.

MS NELSON: I presumed they were meetings. Were they meetings or written correspondence?

25 MR BEECROFT: They would have been meetings.

MS NELSON: And who did you go with?

30 MR BEECROFT: I can't recall exactly who I would have gone to those meetings; it's been a long time since I've been to those meetings but I would have accompanied the Deputy Director-General, definitely.

MS NELSON: So it was not your practice to go alone?

35 MR BEECROFT: No.

MS NELSON: Thank you. That can be taken down.

40 In your role as the director of strategic regulation you've talked about overseeing your team contributing to the Gaming and Wagering Commission meeting agenda papers. Was that for the purpose of providing them recommendations on casino gaming?

45 MR BEECROFT: Yes, it would have been.

MS NELSON: And did you also author some papers yourself from casino gaming for the purposes of the Commission?

MR BEECROFT: Yes. As previously indicated, the expansion of gaming products

I think back in 2010 and I think in, I can't remember the second lot, but it might have been 2015, in relation to again the increase of electronic gaming machines and gaming tables.

5

MS NELSON: And would your recommendation, especially in those two that you authored those papers, would it have been as a result of an application made by Crown Casino to your department?

10 MR BEECROFT: Yes. The genesis of those, particularly with the expansion of the gambling products, would have been as a result of an amendment to the casino agreement.

MS NELSON: And who would have approached you to start that process?

15

MR BEECROFT: The Director-General.

MS NELSON: And did you receive anything from Crown to assist you with those --
- authoring those papers?

20

MR BEECROFT: Yes, I would have at the time. For example, I would have asked for a schedule of activity on gaming machines over a two-week period, identifying play on machines to find the occupancy rates and when they were peak and non-peak times.

25

MS NELSON: So the Deputy Director-General would have given you an oral briefing about perhaps getting these papers together or how did it normally come about?

30 MR BEECROFT: Essentially it would be the Director-General. So Mr Sargeant would ask me to prepare a document, identify some of the matters that would need to be covered and I would go off, research, put the paper together and have it submitted to the Commission.

35 MS NELSON: And in that process you would consult with Crown to obtain information?

MR BEECROFT: I would, to obtain information, yes.

40 MS NELSON: What about if Crown wanted to apply for a certain game to be approved under the Casino Control Act; how would you receive that information?

45 MR BEECROFT: That would come into the department, or the Gaming and Wagering Commission. That would be assessed by our licensing area and also assessed by our compliance area. The game submission would then be submitted to the Gaming and Wagering Commission. If the Gaming and Wagering Commission endorses that my team would then facilitate the necessary rules to have the game authorised and approved as an authorised casino game.

MS NELSON: We'll come back to that process in a minute, but you said the submission would be received from Crown by the Commission, the GWC, or by the Department. Could it happen either way?

5

MR BEECROFT: Generally I actually haven't --- I don't see them but I think it is addressed to the chairman of the Gaming and Wagering Commission. It then comes into the Department as the chairman of the Gaming and Wagering Commission, and then it is referred to the officer, or the director of the department.

10

MS NELSON: Turning to your most recent appointment as the Chief Casino Officer, prior to February 2021 did you ever act up as the Chief Casino Officer?

MR BEECROFT: On two occasions back in 2008, 2009 for a three-week stint and also after I returned from secondment from treasury I did I think a three-week stint in July, August. They are the only two occasions prior to this appointment.

MS NELSON: So that is July/August 2020?

20 MR BEECROFT: Yes.

MS NELSON: And on that occasion were you also acting Deputy Director-General - --

25 MR BEECROFT: For that three-week period, yes.

MS NELSON: As well as the Acting Chief Casino Officer?

MR BEECROFT: That's right.

30

MS NELSON: Do you recall during that period attending a GWC meeting of 28 July 2020?

MR BEECROFT: Yes.

35

MS NELSON: What do you recall about that meeting?

MR BEECROFT: That was the first meeting that I attended as Deputy Director-General of regulation. There is not a lot that I can actually recall back then.

40

MS NELSON: Was that the first meeting you ever attended in any capacity?

MR BEECROFT: No, I had been to meetings previously.

45 MS NELSON: In your role as the Director of Strategic Regulation?

MR BEECROFT: Yes, yes.

10:34AM

MS NELSON: If you were authoring a paper would you generally attend the Commission when that was being presented?

5 MR BEECROFT: Yes, yes. And then you could talk to the paper and receive and respond to questions from the Commission members.

MS NELSON: Thank you.

10 Going back to the meeting of 28 July 2020, could I raise up the extracted version of GWC.0002.0016.0309_E0001. You can see this is the minutes of the meeting of 28 July 2020.

MR BEECROFT: Yes.

15

MS NELSON: And in attendance it has you as acting Deputy Director-General?

MR BEECROFT: Yes.

20 MS NELSON: If you could scroll down, thank you. Is there another page, thank you? This is paragraph 5 and we're looking in particular at 5.1.9 in the last half of the page. Do you see there there is a discussion regarding a 60 Minutes investigation?

25 MR BEECROFT: Yes.

MS NELSON: Do you recall any discussion that was had around the table at the meeting about that?

30 MR BEECROFT: My recollection was that the chairman provided basically an update and there wasn't from my recollection any further discussion other than to note what the chairman had provided the Commission members.

35 MS NELSON: If you could scroll to the top of the next page, thank you. At the top of that page it was resolved after that discussion to note that the Acting Deputy Director-General's updates in relation to items in the matters to be actioned, is that in relation to the 60 Minutes discussion?

40 MR BEECROFT: The matters to action item would have been item 5.1. It would have --- the agenda item would have had a list of matters that were to be referred back to the Commission at some stage and that is what that update would have been referring to.

45 MS NELSON: So in your recollection it didn't refer in particular to the 60 Minutes investigation?

MR BEECROFT: No, it didn't.

10:36AM

MS NELSON: Thank you. That can be taken down.

Who appointed you to the position of Chief Casino Officer on 12 February 2021?

5

MR BEECROFT: The Director-General, Mr Ord.

MS NELSON: And what had occurred on that day to cause you to be appointed?

10 MR BEECROFT: I had received a phone call from Mr Ord requesting that I would take up the position as a result of Mr Connolly stepping aside.

MS NELSON: Were you told any more about why you had been chosen to be appointed?

15

MR BEECROFT: No.

MS NELSON: Sorry, was that a no?

20 MR BEECROFT: Sorry, no.

MS NELSON: And did Mr Ord in that telephone call give you any instructions as to how you were to perform the role?

25 MR BEECROFT: No.

MS NELSON: And, apart from telling you that you had been appointed, what else did he tell you during the course of that conversation?

30 MR BEECROFT: My only recollection was the recent events, media events around Mr Connolly and as a result he indicated that Mr Connolly was stepping aside and he would like me to fulfil that role in the interim.

35 MS NELSON: And the recent media events, are you referring to discussion in the media about Mr Connolly having a fishing ---

MR BEECROFT: Yes.

40 MS NELSON: --- friendship with Mr Marais?

MR BEECROFT: Yes.

45 MS NELSON: Had that friendship been known to you prior to 12 February or prior to media reports?

MR BEECROFT: Yes, I was aware of that and it was highlighted in the Gaming and Wagering Commission minutes back in October 2020.

MS NELSON: Had you seen those minutes?

MR BEECROFT: Yes, I had.

5

MS NELSON: Was it the general practice for you in your role as director of strategic regulation to see each set of minutes from the Gaming and Wagering Commission?

10 MR BEECROFT: The minutes are available for my team so I can actually access the minutes and also to find out what matters to be actioned --- are to be followed through with.

MS NELSON: And prior to Mr Connolly's friendship being mentioned in the
15 October 2020 minutes, did you have knowledge prior to that of Mr Connolly's friendship with Mr Marais?

MR BEECROFT: Yes, I was aware of it.

20 MS NELSON: How long had you been aware of that?

MR BEECROFT: For some time. I was aware that he had declared that to the previous Director-General.

25 MS NELSON: Did you have a discussion with Mr Connolly about it?

MR BEECROFT: No, I didn't.

MS NELSON: How were you aware that he made that known?
30

MR BEECROFT: Well, I was aware through general discussion that he had declared that but I was aware of the friendship between Mr Connolly and Mr Marais.

MS NELSON: What period of time are we talking, weeks, months, or years prior to
35 October 2020?

MR BEECROFT: At least a couple of years, yes.

MS NELSON: And if someone had set that it was generally well-known in the
40 department, would you agree with that?

MR BEECROFT: Yes, yes I think it would be generally well-known.

MS NELSON: And you said you had discussions about it.
45

MR BEECROFT: My discussions was because I work next door --- my office was next to Mr Connolly's office so I was aware, and just in general discussion that Mr Connolly would indicate that he was going fishing, going crayfishing early in the

10:40AM

morning and Mr Marais was going to assist him with the pulling of the pots. So I was --- it was just in general discussion.

5 MS NELSON: So Mr Connolly spoke about it quite openly?

MR BEECROFT: Yes, absolutely.

10 MS NELSON: Can you recall how many times he said he was going to go crayfishing?

MR BEECROFT: I can't recall that, no, sorry.

15 MS NELSON: Given that you had known about the relationship for two years prior to 2020, is it the situation that Mr Connolly was making --- having those discussions about going fishing for the entire period of that two years or would it have been even before that?

20 MR BEECROFT: I can't recall whether it would be before that but during that two years, definitely, yes.

MS NELSON: So it is your evidence that you knew of that friendship from at least late 2018?

25 MR BEECROFT: Yes. Yes.

MS NELSON: Going back to your appointment as the Chief Casino Officer on 12 February, were you given any instructions from the Gaming and Wagering Commission as to how you were to perform that role?

30 MR BEECROFT: No.

MS NELSON: So is it the situation that you were given no instructions from anyone?

35 MR BEECROFT: No.

MS NELSON: Did you ask for any assistance?

40 MR BEECROFT: No, I didn't. I took it upon myself to have a review the *Casino Control Act, the directions and the casino employee licensing regulations to establish* what powers exist in relation to the Chief Casino Officer as well as establishing what the delegation was that had been issued to the position of Chief Casino Officer by the Gaming and Wagering Commission.

45 MS NELSON: We'll come back to the delegation, but had you not done that exercise when you were acting up on the previous two occasions?

MR BEECROFT: No.

MS NELSON: And why was that?

5

MR BEECROFT: Generally the acting was in the sense a holding pattern, basically if anything was urgent that had to be done, that would be of a high priority, that would be held over. It was really just to approve licensing and administrative-type functions.

10

COMMISSIONER OWEN: Sorry, Ms Nelson, just on that, in the very first paragraph of your witness statement you say that "I am temporarily in the role".

MR BEECROFT: Yes.

15

COMMISSIONER OWEN: Was there any discussion about the temporary nature of the appointment when Mr Ord phoned you or in later discussions?

MR BEECROFT: No. No.

20

COMMISSIONER OWEN: Was it made clear to you that it was a temporary appointment?

MR BEECROFT: No, it wasn't. But I raised the issue of workload with Mr Ord and Mr Ord at that point --- sorry, the Deputy Director-General of regulation, Ms Fiona Roche, indicated that Mr Ord would prefer that I stay in the role for at least the duration of while the Royal Commission was being undertaken.

25

MS NELSON: Thank you.

30

If we could go to paragraph 15 of the statement that is on the screen, thank you. That is DLG.0001.0001.0001_R. You say:

..... I am far from being any form of expert on the role of the CCO.

35

What expertise do you consider is desirable for someone who holds that role?

MR BEECROFT: A far greater knowledge of casino regulation. Essentially the role is a licensing and administrative role from what I have gathered from my review of the legislation in the directions. So I think a greater understanding of those responsibilities would certainly assist.

40

MS NELSON: Whilst you didn't consider yourself an expert, but do you consider that you had sufficient knowledge or skills and experience in casino gaming to perform the role?

45

MR BEECROFT: Yes, I have a rudimentary knowledge to get me through but I also rely on people in the positions that are putting submissions forward to me or

applications forward to me for approval to be able to explain to me what they are for so I have a better understanding as I go or undertake this role.

5 MS NELSON: And are those people in other teams ---

MR BEECROFT: So essentially the Director-General of Licensing I would ask questions of if a submission was put forward to me in relation for a casino employee no longer to wear an ID or be exempt from wearing an ID, I would ask the reasons
10 why to get a better understanding and actually question whether the people that are being put forward as casino employees for exemption should actually be exempt from wearing the ID.

MS NELSON: And that form of getting more information from them, is that just a
15 conversation you would have ---

MR BEECROFT: Yes.

MS NELSON: --- with the director of licensing or an email or memo?
20

MR BEECROFT: No, just a conversation.

MS NELSON: Mr Beecroft, were you offered the role or were you directed to take
25 it?

MR BEECROFT: I was asked to take the role on.

MS NELSON: Did you consider that you really didn't have any choice?

30 MR BEECROFT: Correct.

MS NELSON: Did you consult with anyone, like Mr Connolly, about what was expected from you in the role?

35 MR BEECROFT: No, I didn't.

MS NELSON: So your evidence is apart from looking at the legislation yourself, you didn't seek out any other instruction?

40 MR BEECROFT: No, I didn't.

MS NELSON: Either from the GWC or the Director-General ---

MR BEECROFT: No, I haven't.

45 MS NELSON: --- or Mr Connolly?

MR BEECROFT: Sorry, no, I haven't.

10:47AM

MS NELSON: Are you friends with Mr Connolly?

MR BEECROFT: I've had a long-term working relationship with Mr Connolly,
5 which I would suggest would be friendship, yes.

MS NELSON: Do you socialise with him outside work?

MR BEECROFT: No.

10

MS NELSON: Have you asked the Director-General to provide you any training to help you perform the role?

MR BEECROFT: No, I haven't. Since taking on the role in February it hasn't been a
15 primary focus. I've been concentrating on my director of strategic regulation role as well as providing assistance to the department for providing assistance to the Royal Commission.

MS NELSON: And you say in your statement that you asked the Director-General
20 to divest you of your substantive Director of Strategic Regulation role. When you did ask him to do that?

MR BEECROFT: I asked in early January. I actually asked if I could basically
25 because of my limited exposure of the Chief Casino Officer role, I asked to actually be relinquished of that. The preference was for me to continue in the Chief Casino Officer role and my Director of Strategic Regulation responsibilities would be divested to somebody else.

MS NELSON: So you say you asked that of Mr Ord in early January 2021.
30

MR BEECROFT: I did actually send that to the Deputy Director-General of regulation, Ms Fiona Roche, who had a discussion with Mr Ord.

MS NELSON: But that was before you had the telephone conversation of 12
35 February?

MR BEECROFT: No, that was after. That was early April that I raised that.

MS NELSON: Sorry, I misunderstood.
40

MR BEECROFT: Yes.

MS NELSON: So, between 12 February and early April you did both roles?

45 MR BEECROFT: Yes ---

MS NELSON: Chief Casino Officer and Director?

10:49AM

MR BEECROFT: Yes, I didn't divest my responsibilities as Director of Strategic Regulation until about 27 April.

5 MS NELSON: So who is performing that role now, the Director of Strategic Regulation?

MR BEECROFT: Ms Emma Thomas.

10 MS NELSON: She was appointed from April was she?

MR BEECROFT: Yes.

15 MS NELSON: And you say that you were focused on meeting the requirements of this Royal Commission ---

MR BEECROFT: Yes.

20 MS NELSON: --- was that in your role assisting the department to meet the requirements of the Commission or assist the Gaming and Wagering Commission?

MR BEECROFT: It's been both.

25 MS NELSON: Both. And you've received instructions from both the department and the GWC to prepare responses?

MR BEECROFT: Gather documents and prepare responses, yes.

30 MS NELSON: And the responses prepared, does that include the part 8 (a) statement of information that both the department was asked to provide and the GWC were asked to provide?

MR BEECROFT: Yes.

35 MS NELSON: Both of those?

MR BEECROFT: Yes.

40 MS NELSON: If you could go to the statement at page 34, please, DLG.0001.0001.0001. Thank you. You refer to a current delegation of 17 June 2017. Where did you get the information about the current delegations for the Chief Casino Officer role?

45 MR BEECROFT: My team is responsible for preparing the delegations so we retain all the delegations so I knew where to look to find the delegation for the Chief Casino Officer.

10:51AM

MS NELSON: So there is a delegation register?

MR BEECROFT: Yes.

5

MS NELSON: And that is kept by your team?

MR BEECROFT: Yes.

10 MS NELSON: By any one person in your team?

MR BEECROFT: No, by the team. So at any one time if someone had to prepare a delegation, they know where to go, where to look, they know how to prepare one.

15 MS NELSON: And this delegation which you attach to your statement, it delegates to the Chief Casino Officer various powers under the Casino Control Act and the Gaming and Wagering Commission Act, doesn't it?

MR BEECROFT: Yes.

20

MS NELSON: Particularly in relation to authorising games?

MR BEECROFT: Yes. I think if you are referring to the very first delegation about declaring games?

25

MS NELSON: Yes.

MR BEECROFT: So that would be for the Chief Casino Officer to declare a game to be published in The Government Gazette. The actual approval of the game would still rest with the Gaming and Wagering Commission.

30

MS NELSON: I see. If we could have an agenda memorandum of 16 February 2021 and I refer to GWC.0002.0016.0349 but I raise the extracted version, which is underscore E0001. I can see you are attending there in your departmental role?

35

MR BEECROFT: Yes.

MS NELSON: If we just scroll down there is an item there about delegations, item three on the agenda.

40

MR BEECROFT: Yes.

MS NELSON: Keep scrolling, please, until we see the delegation? Sorry, back to the page with the signature on it, thank you. Is that your signature?

45

MR BEECROFT: Yes, it is.

MS NELSON: On 15 February 2021 ---

MR BEECROFT: Yes.

5 MS NELSON: --- and Ms Howell has authored this page. If you go up to the next page up, thank you. Given that you believe the delegation of 27 January 2017 was in place for the Chief Casino Officer, what was the purpose of requesting that the Commission delegate powers to the position of Director of Strategic Regulation?

10 MR BEECROFT: The purpose for that was that as a result of the deputy director regulation coming in an acting capacity and not being fully across the industries it was there as a backup that should the deputy director not be available or not be prepared, or that position of Director of Strategic Regulation could actually exercise the functions under the delegation.

15 MS NELSON: Now, at this time, 16 February 2021, you were acting Chief Casino Officer; correct?

MR BEECROFT: Yes.

20 MS NELSON: But you were not acting Deputy Director-General were you?

MR BEECROFT: No.

25 MS NELSON: So Mr Connolly was still in that role?

MR BEECROFT: I can't recall. I can't recall the actual timing when Ms Roche took over but it was thereabouts or just after.

30 MS NELSON: It says at the bottom half of the screen that the current situation is that the Deputy Director-General has delegation for all of the Commission's powers - --

MR BEECROFT: Yes.

35 MS NELSON: --- referred under those four acts?

MR BEECROFT: Yes.

40 MS NELSON: Was there any discussion about revoking that delegation?

MR BEECROFT: No, there wasn't. But in hindsight now that could be revoked now that we have a Deputy Director-General Regulation in an acting capacity.

45 MS NELSON: And did the Commission act on this recommendation?

MR BEECROFT: It did. But as the Director of Strategic Regulation I haven't exercised any powers under that delegation.

10:55AM

MS NELSON: Because you are not actually in that role at the moment?

5 MR BEECROFT: That's one of the reasons, but the other reason was there was no need for me to exercise any powers.

MS NELSON: I thought Ms Howell was actually the Director of Strategic Regulation at the moment?

10 MR BEECROFT: No, no, Ms Thomas.

MS NELSON: Ms Thomas?

15 MR BEECROFT: Yes.

MS NELSON: Has she exercised any delegated powers?

MR BEECROFT: I don't believe so.

20 MS NELSON: So is it the situation that as at 16 February 2021, and when the Commission acted on that recommendation, the Chief Casino Officer, who was you, had delegated powers?

25 MR BEECROFT: Yes.

MS NELSON: The Deputy Director-General had delegated powers and the director strategic regulation had delegated powers?

30 MR BEECROFT: Correct.

MS NELSON: And was there anyone else who had delegated powers?

35 MR BEECROFT: There are delegated powers not to that extent in relation to the licensing matters that are issued to the director of licensing and also there are delegated powers in relation to the director responsible for compliance.

MS NELSON: And who is the director responsible for compliance?

40 MR BEECROFT: Mr Minchin.

MS NELSON: Mr Minchin. Right. Thank you.

45 When you were offered the Chief Casino Officer role on February 2021, was there any discussion about who would take the deputy chair of the GWC position?

MR BEECROFT: No, not at that time. However, I had raised that with the current acting deputy director of regulation and papers have been prepared to appoint

10:57AM

Ms Roche as the deputy chair to the Gaming and Wagering Commission.

MS NELSON: And that hasn't yet occurred?

5

MR BEECROFT: No. We're in caretaker mode so we didn't have a minister essentially to make that appointment.

MS NELSON: So Mr Connolly still ---

10

MR BEECROFT: Technically Mr Connolly would be.....

MS NELSON: And when did you have that discussion with Ms Roche?

15

MR BEECROFT: That would have been in April some time.

MS NELSON: Thank you. That can be taken down. While we are on the subject of delegations, do you recall when you were a principle policy officer in 2012 you authored a paper to the GWC advising them on a new commission procedure that involved a delegated power under section 22 to authorise games, amongst other things, to the Chief Casino Officer?

20

MR BEECROFT: I have a vague recollection of that.

25

MS NELSON: Its agenda paper 2012 and I refer to GWC.0002.0016.0056 and the extracted version is underscore --- raise the extracted version underscore E0001. I also have a hard copy for you, Mr Beecroft.

MR BEECROFT: Thank you.

30

MS NELSON: We'll go to the next page, thank you, of the agenda. Under "Policy and Legislation", 8.2 "New Commission Procedures - Casinos and RWWA Processes". And I've given you from page 349. If we could go to the next page in the extracted version on the screen, please, thank you. Do you recall the paper, having looked at it.

35

MR BEECROFT: Yes. The content not totally but I do recall this is as a consequence of a restructure of the department at the time.

40

MS NELSON: And what was that restructure about?

MR BEECROFT: If I recall we were bringing our liquor licensing and gambling licensing areas into one division and our liquor and gambling compliance areas into one division.

45

MS NELSON: And that recommendation box that is on the screen ---

MR BEECROFT: Yes.

11:00AM

MS NELSON: --- would you agree that it is asking the Commission to delegate to the Chief Casino Officer the ability to declare a game an authorised game, to amend -
--

5

MR BEECROFT: Yes.

MS NELSON: --- rules of games and to issue directions under section 24 of the casino control Act ---

10

MR BEECROFT: Yes.

MS NELSON: --- and to affix the Commission's seal to those instruments to give effect to those three different powers? That's what you are recommending, isn't it?

15

MR BEECROFT: Yes.

MS NELSON: Under the background heading if we could just scroll up, thank you, you refer in the first sentence to the impending restructure of the department. And in the next sentence you talk about the new structure, seeing the establishment of a strategic regulation division responsible for operational policy for liquor and gambling?

20

MR BEECROFT: Yes.

25

MS NELSON: And is it the situation that that was the division you then became head of as Director ---

MR BEECROFT: That's right.

30

MS NELSON: --- of Strategic Regulation?

MR BEECROFT: Yes.

35

MS NELSON: Going to the next paragraph, looking at the last sentence that starts:

Consequently, this will result in some cases in a change in the manner that activities are undertaken, particularly in relation to the submissions from the Burswood Entertainment Complex (BEC) and to a lesser extent Racing and Wagering Western Australia (RWWA).

40

What was the change in manner do you recall?

MR BEECROFT: If my memory serves me correctly, a lot or all submissions from the casino would come into I think the director of compliance. What it was --- what had changed is that would come into my division, the strategic regulation division to keep track of what was coming in as submissions and then it would be sent out to the

45

relevant director to progress.

5 MS NELSON: And is that in fact what happened after this recommendation was accepted?

MR BEECROFT: Yes, I believe so.

10 MS NELSON: In your earlier answers you said that submissions from the casino would come to the Gaming and Wagering Commission chair?

MR BEECROFT: Yes, so, I've noticed of recent times they all come into Mr Ord as chairman of the Gaming and Wagering Commission.

15 MS NELSON: How recently are we talking?

MR BEECROFT: Since I've taken over the role as Chief Casino Officer.

20 MS NELSON: Oh, I see. So prior to February 2021, the situation was as described -- that you've just described, that it came into the Director of Licensing?

MR BEECROFT: I would imagine that since the machinery of government changes that they have been addressed to Mr Ord as chairman of the Gaming and Wagering Commission.

25 MS NELSON: We might clarify that.

30 In the second sentence of the first paragraph, you are telling the head of the GWC, the gambling division, that you would be overseeing as Director of Strategic Regulation, is that correct?

MR BEECROFT: No, that's not correct.

35 MS NELSON: Okay. Who will be overseeing that?

40 MR BEECROFT: So the gambling division I'm trying to think back because we've had subsequent restructures since this paper and I'm just trying to recall. The intent would have been for the subject matter experts to receive the submission and do the assessment, present it to the Gaming and Wagering Commission and then once the Gaming and Wagering Commission have endorsed, agreed, approved the outcome would then be referred to the Strategic Regulation Division to then facilitate the changes whether it is to the powers (inaudible) to the procedures directions.

45 MS NELSON: So your area would craft the direction?

MR BEECROFT: Yes in the early days parliamentary council would actually craft the direction for us, but that's no longer the case.

11:05AM

MS NELSON: When did that change?

MR BEECROFT: I think it may have changed last year some time.

5

MS NELSON: And when you are referring to receiving submissions, you mean submissions from Crown?

MR BEECROFT: Correct, yes.

10

MS NELSON: If we go to page 0353. So this diagram was attached to your report. So the first three boxes, "Submission Lodged By Licensee", so that is Crown?

MR BEECROFT: Yes.

15

MS NELSON: "Proposal Assessed" and if there are "Deficiencies", then the arrow back to Crown?

MR BEECROFT: Yes.

20

MS NELSON: So, basically, those three boxes, do they represent a process whereby Crown puts in a submission if the department officer doesn't think it will be accepted or thinks it needs changes they go back to Crown ---

25

MR BEECROFT: Or want more information.

MS NELSON: Or want more information.

MR BEECROFT: Yes.

30

MS NELSON: So the first three boxes illustrate a collaborative process between Crown and the department to get the submission into a state where it might be accepted; is that fair?

35

MR BEECROFT: I'm not sure whether collaborative approach. It would be information-gathering or, you know, if there was a --- if there was a particular rule of a game that was being amended and we understood the intent but it wasn't actually reflected that in the proposal from Crown we would go back and seek clarification and if that was the understanding they would resubmit that amendment.

40

MS NELSON: And you would understand the intent, which might be different from the written submission, because someone had had discussions with a Crown officer or employee ---

45

MR BEECROFT: Potentially, yes.

MS NELSON: And when you went back to Crown with a proposal to change it, would that be done orally or would it be documented somewhere?

MR BEECROFT: It could have taken different forms; telephone call, email, or in the form of a letter.

5 MS NELSON: So it was quite an informal process then?

MR BEECROFT: To be honest, I can't quite recall exactly but I wouldn't have suggested it was informal. It was all part of the process of putting a submission together for the Gaming and Wagering Commission.

10

MS NELSON: Was there a policy written down anywhere that went through how to put these submissions together?

15

MR BEECROFT: No. Not at that time. However, we do have procedures that have been --- since these days that have been written in relation to the processes in processing gaming submissions or amendment directions or (inaudible) the operating procedures.

20

MS NELSON: And that is internal departmental procedures?

MR BEECROFT: That is the strategic regulation division or branch procedures.

MS NELSON: When were they put in place?

25

MR BEECROFT: I think around about 2013/14.

MS NELSON: So is it the situation looking at this chart that before the GWC sees a submission it is a possibility that it has already been back to Crown and been amended or ---

30

MR BEECROFT: Yes, absolutely.

35

MS NELSON: And when you put up a report or someone from the department puts up a recommendation report to amend or authorise a game, is the Crown submission the original submission attached ---

MR BEECROFT: Yes.

40

MS NELSON: --- to that report to the Gaming and Wagering Commission?

MR BEECROFT: Yes. Yes.

MS NELSON: That is in all cases?

45

MR BEECROFT: Yes, that's my understanding.

MS NELSON: Is it your understanding that it is the original submission or

11:10AM

a subsequent submission after there has been that collaborative process?

5 MR BEECROFT: So the original submission --- my understanding is the original submission will go with the agenda paper and if there is any subsequent submissions lodged by Crown that would also be attached. So the Commission is fully informed.

MS NELSON: Right.

10 Thank you. If we could go to the next page, which is underscore 0354. This is the proposed process that you are putting up to the Commission. And is it the intent of this new process that once the Commission receives the recommendation paper and the Crown submission that if they indicate they want something changed it is to go back to the departmental officer?

15

MR BEECROFT: Yes.

MS NELSON: And rather than then going back to the Commission for them to oversee any change it is the delegation is then utilised; is that what you are proposing?

20

MR BEECROFT: That would have been a reasonable --- yep, that would be reasonable. If the Commission had approved it in principle, then, yes. If the Commission hadn't approved it in principle, it would go back to the Gaming and Wagering Commission.

25

MS NELSON: So if the Commission had approved it in principle, why would it not just be approved at that particular commission meeting and passed on to your area where the directions were drawn?

30

MR BEECROFT: They may have put conditions around what they may have wanted and then those conditions would have to be fulfilled before the delegation would have been exercised.

35 MS NELSON: So on this proposed process, if the Commission had put conditions on the approval, they would not see the final product with conditions fulfilled before it was authorised as a game or an amendment ---

MR BEECROFT: No, they wouldn't, but there is an agenda item for exercising delegations that would be put to the Commission indicating that on X date Chief Casino Officer exercised delegations to do Y.

40

MS NELSON: So the Commission would be told after the event?

45 MR BEECROFT: Yes.

MS NELSON: If we go back to page 0350 ---

COMMISSIONER JENKINS: Just before we do that, can I ask a question. Was your evidence that ultimately what went to GWC was that any initial submission, or even an amended --- together with any amendments, and the final submission?

5

MR BEECROFT: Yes, so the Commission would receive the original submission, any amended submission and then an assessment undertaken by the relevant area of the department and that would then provide a recommendation and the Commission could accept that recommendation or accept it in principle ---

10

COMMISSIONER JENKINS: I just want to focus on what the GWC receive because looking at this document, that's not what this document says, is it? It refers to a submission that is lodged and then it refers to a full submission being received and the full submission being submitted to the GWC. It doesn't refer to any initial submission ---

15

MR BEECROFT: Yes.

COMMISSIONER JENKINS: --- being provided to the GWC.

20

MR BEECROFT: It is the full submission. You are correct. Yeah, it would be the full submission.

COMMISSIONER JENKINS: So what is your evidence in regards to what goes to the GWC or don't you know?

25

MR BEECROFT: I'm not totally clear, in that sense, as I haven't been involved in that process for some time, since 2012.

30

COMMISSIONER JENKINS: Thank you, Ms Nelson.

MS NELSON: Thank you.

Well, you were the author of this report and looking now at attachment two, do you agree that the proposal was for the GWC just to receive the full submission as it was in its final form rather than the original submission from Crown?

35

MR BEECROFT: I'm following the flow chart. If they accepted the full submission it would come to the Strategic Regulation Division to process the instruments and if it wasn't supported it would go back to have those deficiencies rectified and then it would be resubmitted to the Commission. That was the intention of this flow chart.

40

MS NELSON: Were recommendations ever put up to the Commission, with a Crown submission attached, with recommendations that the Commission not accept the Crown's submission.

45

MS SEAWARD: I'm not sure the witness can answer those questions. He has indicated he hasn't been involved in this since 2012.

COMMISSIONER OWEN: You can ask if he has any recollection.

5 MS NELSON: Thank you, Commissioner. I have given you the author of this report. In 2012 I'm asking your recollection of the position. Do you accept that you must have had some knowledge at that time to write this paper?

MR BEECROFT: Yes.

10 MS NELSON: So, in 2012, was it --- in your knowledge did the department ever put up a recommendation paper recommending the Commission not accept a Crown submission?

MR BEECROFT: I can't recall.

15

MS NELSON: I'm nearly finished this point, Commissioners. If we could just go back to 0350. I want to just focus on the middle paragraph that starts:

20 *The Commission will continue to receive submissions and have the opportunity to comment on the suitability. However, the delegation would not be exercised by the Chief Casino Officer until the Commission had given its support to the submission. Under this process, once the Commission is satisfied with the proposal it is referred to the Strategic Regulation Division to prepare the necessary instruments for executing by the Chief Casino Officer.*

25

So, are you recommending to the Commission that the intent of this change is a conditional delegation, in effect. The delegation will only be exercised when the Commission has prior knowledge of a particular submission and has asked for some changes or conditions put on it?

30

MR BEECROFT: The intent of that is once the Commission has approved, supported the submission, my team would prepare the necessary instruments that will then allow --- so, for example, if the Commission approved a new game, the Strategic Regulation Division would prepare the instruments to allow that game to be approved --- sorry, declared as an authorised game by the Chief Casino Officer to allow it to be gazetted in The Government Gazette.

35

MS NELSON: Putting it another way, was it the intent of this proposal that the delegation to the Chief Casino Officer would not be exercised unless the Commission knew about it first?

40

MR BEECROFT: Correct.

MS NELSON: If we could go to page 0355. Thank you. This is the draft instrument of delegation that is attached to your recommendation report. Just looking at paragraph 1 which deals with the delegation to declare a game an authorised game, do you accept that on the plain reading of those words there is no qualification to that

45

delegation that the Chief Casino Officer can exercise it without first telling the Commission that he's going to do so?

5 MR BEECROFT: I would accept that.

MS NELSON: Is that a convenient time, Commissioners?

COMMISSIONER OWEN: Yes, thank you.

10

COMMISSIONER JENKINS: Sorry, while you are on this document can I ask another question about the diagram. If we could go back to that and just have a look at the initial process. Ms Nelson asked you about the intention of the process as a whole. What is your understanding, you put up the document, what was the intention in relation to that initial discussion, contact, collaboration, whatever you want to call it, over the submission, over the form of the submission before it went to the GWC? Why was there that process whereby it could be sent back to Crown? Why do that?

15

MR BEECROFT: My understanding would have been only to iron out any issues with the submission. As I indicated, if it was an amendment to the rules of an authorised game, there may be issues with the way the rule is worded, it might be issues with --- the Commission may not be happy with the way the game might be played. It would then go back for clarification ---

20

COMMISSIONER JENKINS: Yes, but this is before it ever went to the commission so you don't know what the Commission thinks of it.

25

MR BEECROFT: Sorry --- Yeah, sorry. It's supposed to be what I'm saying is the person assessing, the subject matter expert looking at it, assessing it and then going back and getting that clarification in order for the submission basically to go to the Commission, to provide them with a full and complete submission for them to make that assessment.

30

COMMISSIONER JENKINS: Was one of the purposes of it was to get the submission into a form in which the department could support it when it went to the GWC?

35

MR BEECROFT: Yes, that could be correct.

COMMISSIONER JENKINS: That was all I wanted to ask. Thank you.

40

COMMISSIONER OWEN: Mr Beecroft, in paragraph 14 of your statement you refer to a document. Would you mind over the break just refreshing your memory of that document. I want to ask you one very simple question about that document in paragraph 14.

45

MR BEECROFT: Yes.

11:22AM

COMMISSIONER OWEN: We'll resume at 11.35. Thank you.

5 **ADJOURNED** [11:22A.M.]

RESUMED [11:36A.M.]

10

COMMISSIONER OWEN: Thank you. Mr Beecroft, before I call on you, Ms Seaward, we don't want to take up time this morning, but the problem gambling support committee, could we be given a name from someone --- could the department nominate someone to whom we can speak who has full knowledge of the structure and activities of that committee?

15

MS SEAWARD: Yes.

COMMISSIONER OWEN: Yes, Ms Nelson.

20

MS NELSON: Thank you, Commissioners.

The Commissioner referred you to paragraph 14 of your statement before the break and in particular an annexure table that was the document that you created. If we could have the annexure table up, which is DLG.0001.0001.0004. That's the responsibilities of the Chief Casino Officer as you understood them at the time you took on the role in February 2021; is that correct?

25

MR BEECROFT: Yes.

30

MS NELSON: Did you consider, or did you read the Casino Control Act to compile this list?

MR BEECROFT: I didn't actually read it from cover to cover. I essentially looked for those aspects where the Chief Casino Officer is mentioned and extracted that out to have as a pointer. I haven't yet gone back and read the full relevant sections. As I said, these are to give me as a pointer.

35

MS NELSON: Did you consider that you were under that Act an officer of the Gaming and Wagering Commission, especially under section 9 of that Act?

40

MR BEECROFT: I wasn't aware as an officer --- sorry, can you repeat that question again.

MS NELSON: One reading of section 9 of the Casino Control Act, as Chief Casino Officer, you are in fact an officer of the Gaming and Wagering Commission.

45

11:39AM

MR BEECROFT: Yes.

MS NELSON: That is one reading of that.

5

MR BEECROFT: I would agree.

MS NELSON: Did you understand that?

10 MR BEECROFT: I considered it was an appointment by the department under the Casino Control Act rather than the Gaming and Wagering Commission Act, but, yes, I agree with what you are saying.

15 MS NELSON: So you considered that you were appointed by the Department, you said?

MR BEECROFT: Yes, by the Director-General as the Chief Casino Officer.

20 MS NELSON: You didn't feel that the Gaming and Wagering Commission had any input or say, it was necessary for them to approve that appointment in any sense?

25 MR BEECROFT: I wasn't aware of that but the chairman of the Gaming and Wagering Commission did put my appointment to the Gaming and Wagering Commission at its 16 February meeting and the Commission endorsed that appointment subject to me providing a declaration of no conflicts, which I did subsequently do with the chair or the Director-General, who then referred that back to the Gaming and Wagering Commission at its meeting on 23 February.

30 MS NELSON: So at the meeting of 16 February with the Gaming and Wagering Commission you had already in your mind been appointed ---

MR BEECROFT: Yes.

35 MS NELSON: --- four days earlier on 12 February?

MR BEECROFT: Yes, correct.

40 MS NELSON: So in your mind, the Gaming and Wagering Commission were just merely supporting that appointment made earlier; is that ---

MR BEECROFT: Subject there be no conflicts of interest.

45 MS NELSON: So did you consider that you, as an officer of the Commission under the Act, you might have had extra powers that are not in your table such as to look at the books of account or to enter without warrant any part of the casino?

MR BEECROFT: Under the Gaming and Wagering Commission Act or?

11:41AM

MS NELSON: No, under the Casino Control Act?

MR BEECROFT: No, I wasn't aware of that at the time.

5

MS NELSON: That can be taken down, thank you.

Going to budgeting and accounting now, have you ever been involved in setting the budget --- well, for the next financial year specifically for the Gaming and Wagering Commission considering you are now Chief Casino Officer.

10

MR BEECROFT: No.

MS NELSON: Who does that process?

15

MR BEECROFT: The finance department.

MS NELSON: And do they do that in consultation with members of the Commission.

20

MR BEECROFT: All I'm aware of is they will present a paper to the Commission with the budget proposal and that is endorsed or not endorsed by the commission.

MS NELSON: And have you seen any of those budget proposals previously?

25

MR BEECROFT: I have seen them.

MS NELSON: Are you able to say how costs or expenses allocated to the Gaming and Wagering Commission are done during that budget process?

30

MR BEECROFT: No, I can't.

MS NELSON: Is it correct that the Gaming and Wagering Commission doesn't have its own salary spend?

35

MR BEECROFT: That's correct.

MS NELSON: Are you aware of whether commission members are involved in any discussion about the apportionment of departmental FTE to consider gaming as opposed to community gaming or wagering? Not aware of them having any involvement?

40

MR BEECROFT: No. No.

45 MS NELSON: I want to take you to another agenda paper which was authored by yourself. It is dated 26 May 2020. I raise a redacted or an extract version, GWC.0002.0016.0300_E0001. 26 May 2020. If we could just scroll down, thank you, to page 0038. Do you recall authoring this paper?

MR BEECROFT: Yes, I do.

MS NELSON: And what was this paper about?

5

MR BEECROFT: This was in relation to COVID-19 where the minister --- I'm not quite sure how the minister had been --- or the minister's views were sought, but to potentially have a reduction in the annual casino licence fee. So the purpose of the paper was to --- the exercise was to see if there was actually power to be able to do that and advice was sought from State Solicitor's office which ultimately said no you can't.

10

MS NELSON: You don't need to go into the device. Under whose direction or request did you author this paper?

15

MR BEECROFT: I can't recall.

MS NELSON: It's not something you would have come up with?

20

MR BEECROFT: No, definitely not.

MS NELSON: By yourself?

MR BEECROFT: No, definitely not.

25

MS NELSON: Would you have received a submission from Crown?

MR BEECROFT: No. I wouldn't have personally received the submission from Crown. I'm just trying to recall the events, whether that was through a meeting with the minister's office to explore that option as we would meet with the minister's office on a fortnightly basis, particularly the Director-General and the Deputy Director-General and that could have emanated from a particular meeting at that time.

30

MS NELSON: But in any event the request for this paper would have come to you from someone within the department?

35

MR BEECROFT: Yes.

40

MS NELSON: Not someone from the Commission?

MR BEECROFT: No, from within the department.

45

MS NELSON: And, incidentally, wasn't this during the time you were seconded to treasury?

MR BEECROFT: Yes, it was.

MS NELSON: So you were still performing some substantive role?

5

MR BEECROFT: Provided that service, yes. Whilst on secondment to treasury, I was still located within the department.

MS NELSON: Just generally thinking about all these types of recommendation papers that you put up to the GWC, would you say in all cases you were asked to do that by someone within the department?

10

MR BEECROFT: Yes.

MS NELSON: I'll leave it there.

15

Who did you report to as your Director Strategic Regulations position?

MR BEECROFT: To the Deputy Director-General.

20

MS NELSON: Is it fair to say you would have received a request such as this from the Deputy Director-General or the Director-General?

MR BEECROFT: Would be reasonable.

25

MS NELSON: Could it have come from elsewhere within the department?

MR BEECROFT: Nowhere else in the department, no.

MS NELSON: You can say that categorically?

30

MR BEECROFT: Yes. Yes.

MS NELSON: And that's over the whole seven-year period that you occupied that role as Director of Strategic Regulation?

35

MR BEECROFT: I would only take instructions from the Deputy Director-General Regulation or the Director-General.

MS NELSON: Okay. Thank you. Now this paper refers to an annual licence fee for 2020 that Crown were required to pay to the state of 2.98 million. Do you agree with that?

40

MR BEECROFT: To the Gaming and Wagering Commission, the licence fee.

45

MS NELSON: Scroll down so we can see the whole front page, thank you. In the second last paragraph you say that the annual licence fee is payable on a quarterly basis ---

MR BEECROFT: Yes.

MS NELSON: --- and last sentence of that paragraph:

5

The annual licence fee is payable to and retained by the Gaming and Wagering Commission and does not form part of the Consolidated Fund.

Where did you obtain that knowledge from?

10

MR BEECROFT: So that was from the casino agreement and that's my knowledge from over the years from working within the regulatory division. That it is actually retained by the Gaming and Wagering Commission and not from --- not retained by the consolidated fund.

15

MS NELSON: Had you look at the state agreement with Crown, with Burswood, for you to be able to author this paper, had you?

20

MR BEECROFT: Yes, I had a look as indicated in there, the subsections or subclauses of the agreement.

25

MS NELSON: And is it fair to say that the nub of this recommendation is that COVID had happened, the casino had to shut for a period and that you were recommending that some of the licence fee be paid back. There wasn't a mechanism under the state agreement for that to happen ---

MR BEECROFT: Yes.

30

MS NELSON: --- and it would have to be an ex-gratia payment?

MR BEECROFT: Correct.

35

MS NELSON: What was the reaction of the Gaming and Wagering Commission members to your proposal?

40

MR BEECROFT: I can't recall. I was not in attendance at the meeting. My understanding is it was supported to go to the minister but the minister determined not to allow an ex-gratia payment on the basis of his portfolio responsibilities as well to serve business.

MS NELSON: Keep your voice up.

MR BEECROFT: Sorry, yes.

45

MS NELSON: The minister elected not to pay it ---

MR BEECROFT: --- (overspeaking) ---

11:50AM

MS NELSON: Because of his portfolio responsibilities elsewhere.

MR BEECROFT: Yes.

5

MS NELSON: Who told you that information?

MR BEECROFT: The minister's office.

10 MS NELSON: If we could go to the first page of this document, please. We can see who is in attendance at the meeting at the top half of the page. Who would have spoken to your paper if you were not in attendance?

MR BEECROFT: The Deputy Director-General.

15

MS NELSON: Thank you. That can be taken down. I just want to ask you some general questions about the Commission's approach to managing the resources that were made available to them by the Department. To your knowledge, did they have any role in apportioning any of those resources? Did they have any say? Did they direct the department as to how the resources would be applied to their functions?

20

MR BEECROFT: No.

MS NELSON: And are you talking from a knowledge that you gained since February 2012 or from your previous experience?

25

MR BEECROFT: No, from my previous experience. I'm not aware of any discussions along those lines.

30 MS NELSON: Are you aware of whether the Gaming and Wagering Commission required the department to meet any particular targets when it came to the casino gaming regulation function?

MR BEECROFT: I'm aware that there is targets that they have to meet in relation to KPIs.

35

MS NELSON: And who sets those KPIs?

MR BEECROFT: That is set by the --- well, a paper is submitted by the director responsible for the compliance area and submitted to the Commission for endorsement.

40

MS NELSON: Can I have document CRW.7 00.001.0250. And the extract version, please, underscore E0001. Looking at minutes of a meeting held 7 August 2020. And the meeting is DLGSCI Operations Division Meeting. What is the purpose of that meeting?

45

11:52AM

MR BEECROFT: My understanding of the purpose of that meeting is it is a Crown facilitated meeting to share information in relation to potential submissions that they may be putting forward in the future, to discuss those, and also to have the outcomes of Gaming and Wagering Commission resolutions relevant to Crown communicated to them.

MS NELSON: Is that an understanding because you attend those meetings?

10 MR BEECROFT: I don't attend those meetings.

MS NELSON: I can see that you are an apology there?

15 MR BEECROFT: Yes. That was as a result I was Acting Deputy Director-General Regulation at the time. That was the only reason I had been invited to attend the meeting.

MS NELSON: And the minutes are on Crown letterhead. And it indicates Mr Marais is the chair of the meeting.

20 MR BEECROFT: (Nods head).

MS NELSON: You just nodded then, for the transcript ---

25 MR BEECROFT: I was agreeing with you in respect it is saying chairperson, Mr Marais.

MS NELSON: Did you usually see the minutes of these meetings after they were held?

30 MR BEECROFT: No.

MS NELSON: Were the outcomes of the meetings reported back to you by anyone?

35 MR BEECROFT: No. I can clarify that it has me as apologies as acting Deputy Director-General, but I imagine that would have also been as Chief Casino Officer as well.

40 MS NELSON: How long had these meetings been happening between Crown and the Department?

MR BEECROFT: Can't tell.

45 MS NELSON: You don't know?

MR BEECROFT: I don't know.

MS NELSON: Thank you. That can be taken down.

Were you aware of which patrons brought the most revenue to Perth Casino?

MR BEECROFT: No.

5

MS NELSON: On 25 August 2015, the Commission approved the removal of a dedicated inspector presence on the casino floor. This was recommended by Mr Connolly in his role as Chief Casino Officer. Do you recall the change in policy?

10 MR BEECROFT: I recall the change in policy, but I don't have any knowledge or had no involvement in that.

MS NELSON: Even though it was a policy area?

15 MR BEECROFT: Yes. Yes, it was operational.

MS NELSON: Were you made aware of the reason behind that change?

MR BEECROFT: No.

20

MS NELSON: Did it have any impact on your team operationally?

MR BEECROFT: No.

25 MS NELSON: Turning now to junket regulation, over the time you were employed by the Department, were you aware of any change in the approach by the department to regulating junket operators?

30 MR BEECROFT: Yes. Back in 2010 the junket approval processes contained in the casino control regulations were repealed and my team was responsible for facilitating the repeal of those regulations.

MS NELSON: So what can the tell the Commissioners about the reasons for the repeal of those?

35

MR BEECROFT: The Commission --- the Gaming and Wagering Commission agreed on the basis of a paper presented to it back in 2010 I think by Mr Toyne that recommended the removal on the basis that there was a duplication of processes. So the federal authorities were already approving and issuing visas for people to come into Australia, therefore, there was no requirement for the Gaming and Wagering Commission to continue with that process and also on the basis that it was an economic decision that the approval process was affecting Crown's ability to attract junket operators on the basis that it had an approval process where other jurisdictions may not have had an approval process.

45

COMMISSIONER JENKINS: Sorry, I didn't hear that last bit?

MR BEECROFT: On the basis that other jurisdictions did not have an approval process in place and, therefore, it was easier for them to go to that jurisdiction rather than WA.

5

COMMISSIONER JENKINS: Thank you.

MS NELSON: And that would have been information that came from Crown to whom?

10

MR BEECROFT: I understand that would have come from Crown to the Gaming and Wagering Commission, the department. I'm not quite sure how it came but I understand that Mr Toyne put a paper together in relation to that particular matter.

15

MS NELSON: And did you say that members of your team helped Mr Toyne do that?

MR BEECROFT: No, no. Once the Commission endorsed the removal or the repeal of those provisions my team then facilitated that process through the repeal of those regulations.

20

MS NELSON: And what was the practical affect in the department from the repeal of those regulations?

25

MR BEECROFT: I can't tell you. I can't answer that question. I can't recall.

MS NELSON: Were you aware of subsequent changes in policy to regulating junkets after those repeals, the repeal of those regulations?

30

MR BEECROFT: Can you please explain a little further.

MS NELSON: April 2017 ---

MR BEECROFT: Yes.

35

MS NELSON: --- you are not aware of any --- there is no longer a requirement to give advance notice?

MR BEECROFT: No, I wasn't aware of that. That would appear to be operational.

40

MS NELSON: Are you aware of what the junket regulation process, if any, that was in place between 2017 and 2019?

MR BEECROFT: No, I don't.

45

MS NELSON: You are not aware of any?

MR BEECROFT: No.

12:00PM

MS NELSON: Are you aware of whether the department considered junkets a regulatory risk in any sense? Was that ever a discussion that was had?

5 MR BEECROFT: Not a discussion I was part of, no.

MS NELSON: At the second meeting after your appointment as the Chief Casino Officer, so the first meeting that you attended was 16 February 2021. And then there was a subsequent meeting soon after on 23 February 2021. Do you recall that?

10

MR BEECROFT: Yes, I do.

MS NELSON: At that time the Commission were advised in writing by a senior legislation and strategy officer in relation to prohibiting junkets. Do you recall that?

15

MR BEECROFT: Yes, I do.

MS NELSON: We'll go to that agenda paper, thank you. It is DLG.0001.0001.0005. We raise the extracted version at 0001. Ms Pemberton the author of this paper on the 22 February 2021, was she a member of your team when you were Director of Strategic Regulation?

20

MR BEECROFT: Yes.

25 MS NELSON: And on the last page of this extract --- so if we could go back to the first page, did you sign this?

MR BEECROFT: I believe I did sign this.

30 MS NELSON: We don't have a signed copy on the screen. If we could go back to page 1, thank you. You attended the meeting as the Chief Casino Officer in which the Commission would have reviewed and discussed this paper. Do you recall what the discussion was?

35 MR BEECROFT: Not extensively. I basically recall the Commission agreeing to the recommendation. Originally if I go back to the meeting of 16 February, if my recollection is correct, we were looking at prohibiting junkets originally and there was input in relation to including premium and privileged players. So that was expanded to include those other two categories of players ---

40

MS NELSON: Why was that?

MR BEECROFT: That was at the request of a member of the WA police (inaudible) to round off international commissioned players, I think you can put it that way.

45

MS NELSON: Was there any discussion as to why the direction powers were used rather than asking for regulations to be made?

MR BEECROFT: I would believe that the reason being a direction can be issued far quicker than a regulation.

5 MS NELSON: So there was some need for haste?

MR BEECROFT: Yes. So my understanding is that back in December when Crown had announced that it was no longer participating in junket activity, the Commission determined to formalise that and by issuing the direction formalised that particular
10 prohibition on them being able to participate in any further junket activity or premium or privileged player activity.

MS NELSON: Apart from Crown saying it wasn't going to participate in junkets, why were the Commission keen to act quickly given that there had previously been
15 some relaxation in the years prior in the regulation of junkets?

MR BEECROFT: I can't answer that, unfortunately. I wasn't present at the meeting of December where they made that decision.

20 MS NELSON: Thank you, that can be taken down.

In your statement you've said that one of your actions as the Chief Casino Officer was to, and to use your word "refine" the Gaming and Wagering Commission Code of Conduct on conflicts of interest. That is at your statement, paragraph 46.
25 DLG.0001.0001.0001_0016. How did you refine the Code of Conduct?

MR BEECROFT: Essentially as indicated in my statement there that any conflicts of interest previously were just recorded in the minutes. So it was very difficult to trawl back through the minutes to find previous conflicts of interest that had been declared.
30 So the Code of Conduct for the Gaming and Wagering Commission was amended to establish a register and require members to fill in a form, have that signed by the chairman and that document also be referred or recorded in the register and that register to also be available in every Gaming and Wagering Commission meeting.

35 MS NELSON: And who would keep the register?

MR BEECROFT: The register is kept in a secure department electronic file. Access is only available to my team.

40 MS NELSON: So it is your team's role to maintain ---

MR BEECROFT: As part of the executive office support to the Commission.

MS NELSON: And had there always been in place a departmental conflict of
45 interest policy to your knowledge?

MR BEECROFT: Yes, to my knowledge, yes.

12:07PM

MS NELSON: Would you describe, would you agree with the statement that casino gaming regulation carries with it inherent conflicts of interest that are unavoidable?

5 MR BEECROFT: Yes, I would.

MS NELSON: Can you explain why you would agree with that statement?

10 MR BEECROFT: We could have any sort of conflict arise because the casino is a large employer. You could potentially have family or friends working at the casino, that is the primary one that comes to mind for me.

MS NELSON: Do you have any family or friends working at the casino?

15 MR BEECROFT: No, I do not.

MS NELSON: Did any members of your team when you were Director of Strategic Regulation?

20 MR BEECROFT: I do not believe so.

25 MS NELSON: Do you consider there is any conflict with you co-signing or authorising papers like the one we just saw from Ms Pemberton that asks the Commission to consider banning or --- providing directions to ban junkets? Do you think there is any conflict with you co-signing and authorising those papers effectively with a Departmental hat on as her line manager while at the same time being the Chief Casino Officer?

30 MR BEECROFT: No, I don't. I don't. The Chief Casino Officer role is, from what I have gathered so far, is a licensing and administrative function. My view is this is a more policy related matter and fits within my scope of Director of Strategic Regulation.

35 MS NELSON: Would you agree that you are effectively wearing two hats at the same time; you are wearing the hat of the adviser to the Commission as a departmental employee, as well as wearing the hat of the Chief Casino Officer and being an officer of the Commission?

40 MR BEECROFT: I would agree with that, wearing two hats, yes.

MS NELSON: You don't perceive any tension there?

45 MR BEECROFT: I haven't experienced it yet. But I don't perceive any tension there either.

MS NELSON: That statement at paragraph 46 can be taken down, thank you.

Are you aware of media reports that there are some parties that are interested in acquiring interests in Crown Resorts?

5 MR BEECROFT: Yes.

MS NELSON: And have you as an officer of the GWC commenced any due diligence processes for vetting its close associates?

10 MR BEECROFT: I have been involved in a small capacity at the moment in relation to one of the applicants. That process is being done as a multijurisdictional approach where NSW, Victoria and us, WA, are participating in a probity assessment and that is being led by NSW.

15 MS NELSON: Prior to that happenings as a multijurisdictional approach, has it been the practice to approach regulation of casino gaming in a multijurisdictional way?

MR BEECROFT: I can't comment.

20 MS NELSON: Has it been your experience?

MR BEECROFT: It hasn't been --- in saying it hasn't been my experience, I haven't been involved in it. It may have occurred but I personally haven't been involved in it.

25 MS NELSON: Have you attended any conferences on casino gaming regulation? In the time you've been in the department?

30 MR BEECROFT: There was the Australian Casino Gaming and Gaming Regulator's Forum. That has been going for a number of years. I have attended those when they've been in WA, although I didn't attend the last one.

MS NELSON: And how often are those forums held?

35 MR BEECROFT: Generally every 12 months.

MS NELSON: Who would normally go to that from the department?

40 MR BEECROFT: Generally it would be the Deputy Director-General Regulation and/or the DG, Director-General, sorry.

MS NELSON: Would any members of the GWC attend those forums?

45 MR BEECROFT: They --- I can't recall any of recent times but I do recall many years ago a member attending one of the forums and I think it may have been in Melbourne at the time. It was many years ago. Pre-2000 I think.

MS NELSON: During the same GWC meeting on 23 February 2021 when the Commission authorised issuing of directions in relation to prohibiting junket activity,

they also approved two particular bank accounts for Crown Casino Perth Gaming Operations. And you informed Crown of that on the same day, 23 February 2021. After that meeting, a few days after, in fact 12 April 2021, you were sent a response that Mr Connolly had made to the NSW Bergin Casino Inquiry. I will bring that up on the screen, thank you. GWC.0001.0007.0390. We are looking at the first big paragraph which starts:

10 *Direction 5.1 requires that the casino Operator to open and operate a bank account exclusively for gaming operations.....*

And the balance of that paragraph in effect says that the Commission is aware other bank accounts have been opened and used for gaming operations and used without formal written approval.

15

Prior to receiving this email, which was 12 April 2021, were you aware that there had been gaming accounts used by Crown that had not been authorised.

20 MS SEAWARD: With respect the sentence doesn't say gaming accounts, it says "accounts opened for purposes relating to gaming".

25 MS NELSON: Prior to 12 April 2021, were you aware that there were accounts opened by Crown and had been used for purposes related to gaming that hadn't gone through a formal written approval process?

25

MR BEECROFT: As part of a summons to the Bergin Inquiry we were required to provide details of all bank accounts, revenue statements and the like.

30 MS NELSON: Sorry, can I stop you there, when you say "we", who are you referring to?

MR BEECROFT: The Department.

35 MS NELSON: In particular, who in the Department?

35

MR BEECROFT: Well, the summons was issued to, I think, the Director-General. I can't recall if it was the Director-General or the Deputy Director-General.

40 MS NELSON: But who actioned ---

40

MR BEECROFT: So the Deputy Director-General actioned it and I assisted and it was at that point, and sorry the summons was required to be lodged, details by 15 December if I recall correctly. And it was through that process that I became aware of the such accounts.

45

MS NELSON: When approximately did that occur, that you became aware through that process?

12:15PM

MR BEECROFT: That would have been around 13, 14 December of 2020.

MS NELSON: 2020?

5

MR BEECROFT: Yes.

MS NELSON: Were you aware of whether the GWC were informed in mid-December 2020 of this fact?

10

MR BEECROFT: I'm not aware.

MS NELSON: You didn't inform them?

15 MR BEECROFT: No, I didn't.

MS NELSON: And after receiving this email on 12 April 2021 did you do anything to inform the GWC of this fact?

20 MR BEECROFT: No, I haven't.

MS NELSON: Why did you receive this email at that point?

25 MR BEECROFT: I received that as part of the notice to produce documents to the Royal Commission.

MS NELSON: I see.

30 Are you aware of whether the accounts that Mr Connolly's referring to in this email are the two accounts that had been approved by the GWC on 23 February 2021?

MR BEECROFT: No, I'm not aware.

35 MS NELSON: You didn't make any inquiries about that?

MR BEECROFT: No, no, I didn't.

40 MS NELSON: Could I please have agenda --- I will have that taken down, first of all. Did you attend a meeting on 15 December 2020 of the GWC where Crown attended to discuss any reforms?

MR BEECROFT: No, I did not.

45 MS NELSON: You did attend a meeting of the GWC on 26 February 2021, which was the meeting we discussed earlier today where they supported your appointment. The following today the GWC issued a media release. Do you recall that?

MR BEECROFT: Yes, I do.

12:18PM

MS NELSON: Did you have any hand in drafting that media release?

MR BEECROFT: Yes, I did.

5

MS NELSON: Were you the one who drafted the whole thing?

MR BEECROFT: No, I did not.

10 MS NELSON: Who assisted you?

MR BEECROFT: It was drafted between the chairman of the Gaming and Wagering Commission, the Director of Communications, Deputy Director-General Regulation and I provided some small input.

15

MS NELSON: Keep your voice up.

MR BEECROFT: Yes, sorry.

20 MS NELSON: I will show you that media release, GWC.0002.0016.0348. If you go to the next page, thank you. That page. Under the heading "comments related to the operation of junkets at Crown Perth", the second paragraph says:

25

The last junket from mainland China to Crown Perth was in November 2016, the last from Hong Kong was August 2019 and the last from Macau was March 2020.

Where did that information come from?

30 MR BEECROFT: That information came from Crown.

MS NELSON: And who particularly from Crown?

MR BEECROFT: Mr Marais.

35

MS NELSON: I have no further questions, Commissioners, but I have neglected to tender any documents so I do have a long list of numbers.

40

COMMISSIONER OWEN: I wonder if it is acceptable to the parties if a list could be prepared and the direction be given that it be included in its entirety in the transcript. It might save us some time.

UNKNOWN SPEAKER: That is acceptable from my perspective, thank you Mr Chairman.

45

COMMISSIONER OWEN: Mr Malone?

12:20PM

MR MALONE: Acceptable.

COMMISSIONER OWEN: Mr Dharmananda?

5

MR DHARMANANDA: Nothing from us.

COMMISSIONER OWEN: Mr Evans?

10

CROSS-EXAMINATION BY MR EVANS

15 MR EVANS: Can I briefly take Mr Beecroft back to the flow chart which was put up. Mr Beecroft, you recall giving evidence about your involvement in April 2012 in changing the process for the supply of materials to the Gaming and Wagering Commission?

20

MR BEECROFT: Yes.

MR EVANS: Is it fair to put it to you that that was an exercise in streamlining the process by which the Gaming and Wagering Commission considered application which were before it?

25

MR BEECROFT: Yes, that would be fair.

30

MR EVANS: And I ask you to comment whether you recall this, did you have in mind at the time you prepared that paper that the Gaming and Wagering Commission met only monthly?

MR BEECROFT: Yes.

MR EVANS: That it meets only for a relative finite amount of time?

35

MR BEECROFT: Yes.

MR EVANS: That it has a considerable amount of business in front of it at that time?

40

MR BEECROFT: Yes.

45

MR EVANS: And that the process that had been in place hitherto involved, in a sense, a complete package of material, including drafted changes for approval by the commission in that session in the papers?

MR BEECROFT: I can't recall but it would not be unreasonable to assume that.

MR EVANS: I think you commented at that time that the parliamentary council's

office was involved in drafting changes?

MR BEECROFT: They were involved in drafting changes to the directions.

5

MR EVANS: To the directions.

MR BEECROFT: Yes.

10 MR EVANS: And a number of these would involve changes to directions?

MR BEECROFT: Yes.

15 MR EVANS: So there was considerable opportunity to waste departmental and commission staff if the Commission determined there was some small error in the material before it?

MR BEECROFT: Correct.

20 MR EVANS: And sent it back ---

MR BEECROFT: Yes.

25 MR EVANS: --- so it would have to be considered at another meeting in a month hence.

MR BEECROFT: That's correct.

30 MR EVANS: Was that the predominant consideration in the process in your mind?

35 MR BEECROFT: It would have been a number of --- there would have been a number of considerations along those lines. My actual recollection is the primary consideration, I can't recall. But it was certainly definitely around streamlining, relating to the restructure of the department and also touching on your point about between meetings there would be a delay if, for the casino to introduce anything, if there was a slight error or a slight issue, therefore the casino may have been delayed by a further month by being able to implement a new game, rule or procedural change.

40 MR EVANS: Yes, thank you.

45 I think the only other thing I want to take you to, and I have no numbers of the documents I have had access to, unfortunately, because of the time. You were not --- the minutes of the meeting you were just taken to in February 2021 in which a junket direction was finally given by the commission ---

MR BEECROFT: Yes.

12:23PM

MR EVANS: --- followed on from a meeting of the Commission on 15 December 2020; is that correct?

5 MR BEECROFT: Yes.

MR EVANS: You weren't present at that meeting?

MR BEECROFT: No, I was not.

10 MR EVANS: But you were aware of the ---

MR BEECROFT: Yeah I became ---

15 MR EVANS: --- of the Commission?

MR BEECROFT: I became aware through the then Deputy Director-General Regulation.

20 MR EVANS: The question of junket operators had been considered at the meeting of 15 December 2020 and it was in fact at that meeting that members of Crown had made a presentation in relation to junket operations?

MR BEECROFT: Yes.

25 MR EVANS: And to record from the minutes, Commissioners, I don't have the notes numbers for these documents, but doubtless the Commission staff can provide this, the members discussed a response and the information provided by Crown representatives while Crown has voluntarily suspended junket operations indefinitely
30 members agreed to direct the Crown, do not recommence junket activities without their prior approval, that is the prior approval of the Commission. And the direction which was executed in February 2021 gave effect to the resolution of the Commission in December, that is to put a pause on junket operations pending further consideration or (inaudible) the matter in the future.

35 MR BEECROFT: Thank you.

MR EVANS: No further questions at this time. Thank you, Commissioners.

40 COMMISSIONER OWEN: Mr Evans, while you are on your feet, you will recall I made a request from Ms Seaward for the name of a person from the department who could assist us with the structure and activities of the Problem Gambling Committee.

COMMISSIONER JENKINS: Not the trust.

45 MR EVANS: Yes.

COMMISSIONER OWEN: Could I pose the same request to you for someone from

the Commission who can assist us in that matter.

MR EVANS: I will make inquiries. Thank you, Commissioner.

5

COMMISSIONER OWEN: Thank you.

Mr Malone?

10 MR MALONE: No questions, Commissioners.

QUESTIONS BY THE COMMISSION

15

COMMISSIONER JENKINS: I have a couple of questions. Ms Nelson asked you about your knowledge of Mr Connolly's friendship with Mr Marais. Could I ask you similar questions about your knowledge of his friendship with Jon Nicholls?

20 MR BEECROFT: Yes.

COMMISSIONER JENKINS: Did you know he had a friendship with him, that this is prior to the media publicity about it and perhaps talk within the Department after that?

25

MR BEECROFT: Mr Nicholls was previously an employee of the Department for many years. He moved on and worked for Racing and Wagering WA and then was a ministerial adviser to a number of ministers over the subsequent years. He also then, after retiring from being a ministerial adviser, took up a role at Crown. So, Mr

30

COMMISSIONER JENKINS: Were you with aware prior to that point in time I've identified that they were friends outside of any work relationship?

35 MR BEECROFT: No, I wasn't aware of a social friendship in that sense.

COMMISSIONER JENKINS: And can I ask you the same question in respect of Paul Hume? I think it is H-U-L-M-E?

40 MR BEECROFT: Yes, yes. Yes, I was aware of the friendship with Mr Hulme.

COMMISSIONER JENKINS: How were you aware of that friendship?

45 MR BEECROFT: Just again through general knowledge, again Mr Hulme being a previous employee of the department and Mr Hulme I think was Mr Connolly's supervisor at one stage as well and that friendship continued into Mr Hulme's employment at Crown and just through general knowledge and conversation with Mr Connolly.

COMMISSIONER JENKINS: Right. About --- do I assume because you said you knew about the friendship, that it was general conversation about activities they were engaging in outside of work ---

5

MR BEECROFT: Yes.

COMMISSIONER JENKINS: --- together, as opposed to inside work?

10 MR BEECROFT: Correct.

COMMISSIONER JENKINS: Can I clarify your evidence about the casino operations meetings. I'm probably calling them by the wrong name.

15 MR BEECROFT: Yes.

COMMISSIONER JENKINS: They were the meetings between the departmental officers and Crown officers. I just wasn't quite sure; did you ever attend one of those meetings?

20

MR BEECROFT: So these meetings were created many, many years ago and there was a bit of a catch-all at first. So all directors of, in that case the Department, when we were Department of Racing, Gaming and Liquor attended. I think I may have attended two, three at the most, maybe, where I decided that these meetings are not for me, they are not any relevance to my field of work in being the strategic regulation director so I removed myself from those meetings. And haven't attended any since. However, since being appointed as Chief Casino Officer I have had invitations to attend the meetings but I haven't attended them.

25

30 COMMISSIONER JENKINS: Thank you.

And there was one other area I wanted to ask you about and that was in relation to your understanding of the role of the Chief Casino Officer. When you took on the role, either before or after that, have you read the provision in the Casino Control Act which says that the casino control --- sorry, Chief Casino Officer may institute prosecutions under the Act for offences under the Act?

35

MR BEECROFT: Yes, I have seen that provision but I haven't explored it any further.

40

COMMISSIONER JENKINS: So that was going to be my next question because there is an offence under the Act of breaching a direction ---

MR BEECROFT: Yes.

45

COMMISSIONER JENKINS: --- but do I understand from what you are saying is that you have not considered what your role might be in either identifying alleged

offences or what investigations might have to be done to ascertain whether there is evidence to lead to a prosecution or commencing one?

5 MR BEECROFT: Yes, that's correct. I haven't fully read to get a complete understanding of the power there, nor have I actually gone further and looked at any need to be exercising that power at this stage.

10 COMMISSIONER JENKINS: So, for example, and I think on the basis of what you said I know what your answer may be, but I want to put to you this specific example. There has been the Bergin Inquiry report. I don't know if you have read it, or read the media about it, but do you agree that there has been, as a result of whatever you have read and heard, there has been allegations of --- suggestions of some, I will put it very mildly, suggestions of some possible criminal activity at the Perth Casino?

15 MR BEECROFT: Yes, involving junket operators and money laundering but I don't think there has been any activity since COVID when the borders closed.

20 COMMISSIONER JENKINS: Right. So my question would be, say, for example, as a result of what you might have heard or read, have you given any thought to whether you should read the report and make some investigations into whether there is anything that you should institute a prosecution for?

25 MR BEECROFT: I haven't turned my mind to that, Commissioner.

COMMISSIONER JENKINS: Thank you.

30 COMMISSIONER OWEN: Mr Beecroft, I want to ask you about what you described as the current acquisitions that are occurring for Crown. Earlier in your evidence you were asked about that and you said had prepared a briefing note for the Gaming and Wagering Commission on that, I think.

MR BEECROFT: To the Minister.

35 COMMISSIONER OWEN: To the Minister?

MR BEECROFT: Yes, just as an update of what was happening.

40 COMMISSIONER OWEN: Can I just ask you a bit about that because later in your evidence you talked of a multijurisdictional approach to the probity due diligence.

MR BEECROFT: Yes.

45 COMMISSIONER OWEN: It is common knowledge, at least from press reports, for what that is worth, that there is more than one suitor. Have you been asked, have you personally been asked about more than one due diligence exercise?

MR BEECROFT: No. The only one is the main company that --- the first company

that has been identified. In respect to the subsequent proposals that have been put to Crown, we have not been approached at all.

5 COMMISSIONER OWEN: Thank you.

Can you explain to me a little bit about the multijurisdictional approach that you mentioned. To your understanding, how will that operate? In other words, what role is WA, the Gaming and Wagering Commission of WA playing in that
10 multijurisdictional exercise, which is a due diligence exercise for the probity?

MR BEECROFT: So my understanding at this point is that it's been agreed as multijurisdictional, NSW is the lead, NSW has procured cause to assist in the probity, all three jurisdictions are currently going through a deed of, I'm trying to
15 think of the words, privacy, security for release of information. So that deed hasn't been finalised yet. Once that is finalised we will have access to the information that NSW has already started to acquire and it is likely, it hasn't been confirmed, but it is likely that there is --- cause will also undertake aspects that are specific to WA in relation to that probity. At this stage it is a rudimentary understanding that I have
20 and we'll need to be working through that once I've completed.

COMMISSIONER OWEN: Thank you.

Can I ask you about paragraph 14 of your statement ---
25

MR BEECROFT: Yes.

COMMISSIONER OWEN: --- and the document. We can bring it up if you like, but I don't think it is necessary.
30

MR BEECROFT: No, I have it here.

COMMISSIONER OWEN: My reading of that document, would it be unfair if I were to categorise it as very much about the nuts and bolts of the job of the Casino Control Officer?
35

MR BEECROFT: Absolutely, I would agree with that.

COMMISSIONER OWEN: You said you were given no particular instructions by
40 Mr Ord or anyone else about the way you should go about your task, and that you didn't seek advice from Mr Connolly or anyone else about the role. What about informing yourself about the underlying regulatory philosophy, the regulatory purpose or objects for which those nuts and bolts are designed? Did you give consideration to that and, if so, how?
45

MR BEECROFT: I haven't at this stage and I need to do that. I think I may have indicated in my witness statement that the functions of the Chief Casino Officer haven't actually been a priority for me at this moment. But following the events of

presenting to the Royal Commission and providing assistance to the department in assisting the Royal Commission that will be a fundamental aspect of my role.

5 COMMISSIONER OWEN: Thank you.

And my last question to you relates to the February 2021 direction made by the Gaming and Wagering Commission to ban junkets, to use a colloquial phrase. I think I heard you --- did I hear you correctly to say that the addition of the terms "premium
10 player" and "privileged player" came from a suggestion of the WA police?

MR BEECROFT: Yes, that's my understanding --- recollection from the meeting as a result of those particular activities involving international.

15 COMMISSIONER OWEN: Right. Prior to that, were you aware of those terms, "premium player" and "privileged player" as concepts?

MR BEECROFT: No, personally, wasn't, no.

20 COMMISSIONER OWEN: I will put this on the record, someone will tell me, I noticed that in the direction there is now a definition of those two terms, "premium player" and "privileged player". I'm assuming those definitions were inserted at the time when the February 2021 direction was made. Do you have any knowledge of that?

25 MR BEECROFT: I can't categorically say "yes" or "no".

COMMISSIONER OWEN: Someone else will enlighten me no doubt in due course.

30 MR BEECROFT: Yes.

COMMISSIONER OWEN: Thank you very much, Mr Beecroft. Ms Nelson, anything arising?

35 MS NELSON: Nothing arising, thank you, Commissioner.

COMMISSIONER OWEN: Ms Seaward?

40 **CROSS-EXAMINATION BY MS SEAWARD**

MS SEAWARD: Just a very minor point. If Mr Beecroft could have back that flow chart, GWC.0002.0016.056 at page 354. If you can just look at the flow chart. You
45 were asked some questions originally about the first three boxes, the two green boxes, "submission lodged", "proposal assessment" and "deficiencies" and then back to Crown. At the time you wrote this paper, what role, if any, did you have in the actual substance of the activities that are depicted in those boxes?

MR BEECROFT: At that time, none. It was actually undertaken by another area of the Department. And this, as I alluded to before, was as a result of an incoming restructure of the Department and the separation, I suppose, of some functions and, therefore, the finalisation and preparing of the instruments to effect the approvals became the responsibility of my division.

MS SEAWARD: In answer to many of your questions you would explain the role of your team as being to "facilitate"?

MR BEECROFT: Yes.

MS SEAWARD: What do you mean by "facilitate"?

MR BEECROFT: For example, if there has been a --- the Gaming and Wagering Commission has approved a new game, it will finalise the rules for approval and authorisation, and have them gazetted. They will also make the necessary amendments to the operating procedures to reflect the new game, whatever changes are required. So, as I say, facilitates the end part to enable the change to come into operation.

MS SEAWARD: When in that answer you used the word "they", what did you mean by "they"? When you said "they" will do this, this and this is that your team?

MR BEECROFT: My team, sorry.

MS SEAWARD: No further questions.

COMMISSIONER OWEN: Thank you, Ms Seaward.

Mr Beecroft --- Mr Evans?

MR EVANS: It's all right, Commissioner. Mr Beecroft's evidence as such --- in relation to the question you just asked in relation to privileged and premium players, the answer is available. It is to be found in schedule 9 of the Casino (Burswood Island) Agreement Act, the eighth amendment deed inserted definitions of those terms in creating the international table gaming rules and tax.

COMMISSIONER OWEN: But they were inserted by the directions in February 2021?

MR EVANS: They may appear in the directions earlier, but certainly the origins of those terms appear to be in the Casino Agreement Act?

COMMISSIONER OWEN: Mr Beecroft, on the understanding that the issue of the Problem Gambling Support Committee will be resolved in another way, can I, on behalf of the Commissioners, thank you very much for your evidence. It has been of

12:42PM

great assistance to us and you are released from the effect of the summons. Thank you very much.

5 MR BEECROFT: Thank you very much.

THE WITNESS WITHDREW

10

COMMISSIONER OWEN: We will adjourn now until 2 pm.

ADJOURNED

[12:42P.M.]

15

RESUMED

[1:59P.M.]

20 COMMISSIONER OWEN: Thank you.

Now, Ms Hodson-Thomas.

Ms Hodson-Thomas, could you give us your full name for the record.

25

THE WITNESS: Katina Hodson-Thomas.

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

30 THE WITNESS: Swear an oath.

MS KATINA HODSON-THOMAS, SWORN

35

COMMISSIONER OWEN: Please sit down, thank you.

Yes, Mr Evans.

40

EXAMINATION-IN-CHIEF BY MR EVANS

MR EVANS: Thank you, Commissioners.

45

Ms Hodson-Thomas, you were summonsed to appear before the Royal Commission today?

02:00PM

MS HODSON-THOMAS: Yes.

5 MR EVANS: And the Commission provided with the summons a list of topics,
which will be covered during your examination?

MS HODSON-THOMAS: Yes.

10 MR EVANS: And invited you to prepare a statement in relation to those topics?

MS HODSON-THOMAS: Yes.

15 MR EVANS: And do you have a copy of the statement which you caused to be
prepared?

MS HODSON-THOMAS: Yes, that's correct.

MR EVANS: And you have read the contents of that?

20 MS HODSON-THOMAS: Yes, I have.

MR EVANS: Those contents are true and correct to the best of your knowledge and
belief?

25 MS HODSON-THOMAS: Yes, they are.

MR EVANS: I tender Ms Hodson-Thomas over.

30 MR LEIGH: That's WIT.0001.0001.0023.

COMMISSIONER OWEN: The witness statement of Katie Hodson-Thomas dated 7
May 2021 and bearing the document identifier number that Mr Leigh has just read
out will be admitted into evidence as an exhibit. Thank you.

35

**EXHIBIT #WIT.0001.0001.0023 - STATEMENT OF MS KATINA HODSON-
THOMAS DATED 7 MAY 2021**

40 **CROSS-EXAMINATION BY MR LEIGH**

MR LEIGH: Ms Hodson-Thomas, your witness states you are a member of the
45 Gaming and Wagering Commission since 9 January 2018; is that correct?

MS HODSON-THOMAS: Yes, that's correct.

MR LEIGH: In the course of today's discussion, I will refer to that as GWC for

brevity.

MS HODSON-THOMAS: Yes.

5

MR LEIGH: You also explain in witness statement at paragraph 10, if that could be brought up, please, you explain that you do not have any qualifications or experience specifically in relation to the regulation, oversight of casinos and casino gambling, apart from that gained in your role as a member. I would like to explore for a moment the nature of your experience you had prior to first becoming a member of the GWC. I understand that on the first occasion you remember was in January 2011 until November 2012; is that correct?

10

MS HODSON-THOMAS: Yes, that's correct.

15

MR LEIGH: So, at that time, prior to becoming a member in 2011, you had previously been a member of the Legislative Assembly in the State?

MS HODSON-THOMAS: Yes, that's correct.

20

MR LEIGH: During those years between 1996 and 2008, are those the years?

MS HODSON-THOMAS: That is correct.

25

MR LEIGH: During those years you were a Parliamentary Secretary?

MS HODSON-THOMAS: Yes.

MR LEIGH: And a Shadow Minister.

30

MS HODSON-THOMAS: Yes.

MR LEIGH: You were never a minister of the government?

35

MS HODSON-THOMAS: No.

MR LEIGH: You were never in a position where you had to administer or regulate the department?

40

MS HODSON-THOMAS: That's correct. MR LEIGH: From 2008 to 2009 you worked at a lobbying and consulting firm, Hawker Britton?

MS HODSON-THOMAS: Correct.

MR LEIGH: At that stage you represented the interests of your clients which were private businesses generally in their dealings with government.

5 MS HODSON-THOMAS: That is correct too.

MR LEIGH: Would it be fair to say that was essentially an advocacy or lobbying role?

10 MS HODSON-THOMAS: Yes, it was.

MR LEIGH: From that point, until your appointment to the GWC, you had 3 other roles; the Special Counsel at the Australian Hotels association.

15 MS HODSON-THOMAS: Correct.

MR LEIGH: Corporate Affairs Manager at the Tourism Council of WA?

MS HODSON-THOMAS: Yes.

20

MR LEIGH: And Chief Executive Officer of the Caravan Industry of WA?

MS HODSON-THOMAS: Yes.

25 MR LEIGH: Again, is it fair to say in each of those roles you were responsible for, amongst other things, advocacy to government on behalf of the industry in which you worked?

MS HODSON-THOMAS: Yes.

30

MR LEIGH: While those positions weren't strictly lobbying positions, they were all concerned with promoting industries in which you worked, rather than regulating those industries?

35 MS HODSON-THOMAS: Yes, that's correct.

MR LEIGH: And you had not worked at a regulatory agency prior to being appointed to the GWC?

40 MS HODSON-THOMAS: Yes.

MR LEIGH: And in addition to not working in the casino industry prior to that time in 2011, it is also the case, isn't it, that you hadn't had that stage worked in the racing industry?

45

MS HODSON-THOMAS: Yes.

MR LEIGH: Or the gaming industry more generally?

MS HODSON-THOMAS: Yes.

5 MR LEIGH: It would be fair to say, coming back to paragraph 10 of your statement, as at 2011 it wasn't that you didn't have relevance in relation to oversight or casino gaming you didn't at that stage have any experience in acting as a government regulator?

10 MS HODSON-THOMAS: Yes.

MR LEIGH: And any experience in the casino, racing, gaming or wagering industries?

15 MS HODSON-THOMAS: Yes.

MR LEIGH: Additionally, in the time between resigning from the GWC in 2012 up until your reappointment in 2018, you worked as a director of a consulting firm?

20 MS HODSON-THOMAS: Yes.

MR LEIGH: And you didn't at any stage in that time work for a government regulator?

25 MS HODSON-THOMAS: No.

MR LEIGH: And you didn't at any stage in that time work in the casino, racing, gaming or wagering industries?

30 MS HODSON-THOMAS: No.

MR LEIGH: Going to your appointment in 2011 to the GWC, once you were appointed, and that can be taken down from the screen please, once you were appointed, did you seek any formal training in relation to government regulation or casino operations?

35 MS HODSON-THOMAS: No, other than what is stated in my statement.

40 MR LEIGH: And what do you understand the position today in respect of the training that is available for members of the GWC? That is since you were reappointed in 2018?

MS HODSON-THOMAS: The training that is available to us today?

45 MR LEIGH: Yes.

MS HODSON-THOMAS: Well, there hasn't been any training offered. I've sought to undertake the Responsible Services of Gambling --- sorry, I will address the

Commissioners. I had sought to undertake some training through Crown to understand their processes and the initiatives that they have in terms of problem gambling specifically. And I have expressed an interest in attending the AMLCTF training. But haven't undertaken it either.

MR LEIGH: And the way you gave an answer made it sound as if you independently had sought out that training, is that correct?

10 MS HODSON-THOMAS: Yes, that's correct.

MR LEIGH: Has any training been offered to you by the GWC since you rejoined in 2018?

15 MS HODSON-THOMAS: No.

MR LEIGH: Do you know what the training budget is today for members of the GWC?

20 MS HODSON-THOMAS: No.

MR LEIGH: Do you know if there is a training budget?

MS HODSON-THOMAS: I can't recall having seen a budget for training in the papers that are provided to us.

MR LEIGH: Are you aware of any other GWC members who have sought or received training in relation to particularly casino gaming or regulation?

30 MS HODSON-THOMAS: You are talking about members around the Commission table?

MR LEIGH: Correct.

35 MS HODSON-THOMAS: No, I'm not aware.

MR LEIGH: Are you aware of whether the GWC members are encouraged to seek such training, perhaps by the chairman or other officers of the department?

40 MS HODSON-THOMAS: No.

MR LEIGH: Going back to your appointment in July 2011, I want to have you explain to the Commission how it was that that appointment came about. Did you respond to an advertisement, were you directly approached, what was the process?

45 MS HODSON-THOMAS: It is some time ago. I can't recall whether the minister at the time, who was Tuck Waldron made approaches or whether someone within his office made approaches to me directly but I received a letter of appointment from the

then minister.

5 MR LEIGH: So the way you explained that, made approaches to you, it sounds as if you did not volunteer or put your hand up for the position, you were approached?

MS HODSON-THOMAS: No, I was approached.

10 MR LEIGH: You were approached from the minister or the minister's office and not by someone in the Gaming and Wagering Commission?

MS HODSON-THOMAS: No.

15 MR LEIGH: As you mentioned before, it is some time ago so you may not recall, but did you have discussions prior to being appointed as to what the role would entail and what you were required to do?

20 MS HODSON-THOMAS: No, other than what I mentioned in my statement at --- when I met with Steve Spallarossa from the department ---

MR LEIGH: In relation to 2018?

25 MS HODSON-THOMAS: No, that is in relation to 2011. If it says 2018 here then that is incorrect. And I apologise if I've erred but ---

MR LEIGH: I apologise it is paragraph 20 of your statement were you do indicate that you met with Mr Spallarossa and in 2011.

30 MS HODSON-THOMAS: Yes, that is correct. I met with Mr Spallarossa and he provided me with the lever arch folder of materials and went through what was in the folder providing the relevant legislation.

35 MR LEIGH: Again, appreciates it is a long time ago and may not be able to recall, was there any synopsis or summary given to you at that stage as to what the purpose of the GWC is and what your role would be?

40 MS HODSON-THOMAS: Yes, I'm sure he gave me an overview of what would be expected of me as a commission member and what the types of activities that we would have oversight for.

MR LEIGH: Do you recall now what that was?

MS HODSON-THOMAS: As I said, it is a long time ago.

45 MR LEIGH: Turning away from 2011 and going to your witness statement at paragraphs 30 to 33, you've set out the remuneration that you receive currently as a member of the GWC since rejoining in 2018. At present it is roughing \$16,000 per year; is that right?

MS HODSON-THOMAS: That is correct.

5 MR LEIGH: Is that a fixed figure which doesn't vary regardless of how much work you do in the GWC at any time?

MS HODSON-THOMAS: Yes, that is a fixed figure.

10 MR LEIGH: I will ask you more questions about the demands of the role later, but at this stage and at a high level, do you consider the amount of remuneration you receive is reasonable given the amount of work you have to do for GWC?

15 MS HODSON-THOMAS: In more specific times, no, it's not. Particularly given the complexity that we are dealing with now, the changing landscape in terms of gambling. So, no, I don't believe it is.

MR LEIGH: How long has that landscape been changing, as you say?

20 MS HODSON-THOMAS: It certainly has been changing for a long period. The Act came into effect in the '80s. Here we are in 2021. We've got disruptive technologies, there is internet gambling, there is a whole range of issues that the legislation is really not fit for purpose for any longer.

25 MR LEIGH: I will ask you questions about the work you do as a GWC member and in particular the process aspects. If we can go to paragraph 25 of your witness statement. There you explain what happened after you rejoined the Commission in 2018. You say that you received an iPad at that stage which contained relevant materials?

30 MS HODSON-THOMAS: Yes, that's correct.

MR LEIGH: And at 25.3 you explain that the materials for meetings are uploaded to the iPad ahead of time?

35 MS HODSON-THOMAS: 25.3?

MR LEIGH: Yes.

40 MS HODSON-THOMAS: Yes, that's correct.

MR LEIGH: And then after meetings have been completed you then receive minutes for those meetings and they arrive in the iPad as well?

45 MS HODSON-THOMAS: They do or by email with a Dropbox link.

MR LEIGH: Is the process of receiving the agenda and emails, is that automated or can you be passive and the information comes to you?

MS HODSON-THOMAS: You are passive and the information comes to you. Obviously you have to download and log into your iPad and then open up the document in iAnnotate.

5

MR LEIGH: We've seen some of the materials that have been returned to the Commission in answer to summons and would it be fair to say that the agendas for many of the meetings are quite voluminous?

10 MS HODSON-THOMAS: Yes, they are.

MR LEIGH: Is it also accurate to say they often contain proposals or applications including from the Perth Casino along with a recommendation from a departmental officer as to whether that proposal or recommendation should be endorsed by the GWC?

15

MS HODSON-THOMAS: Yes, that's correct.

MR LEIGH: And in terms of the departmental officer I mentioned that a moment ago, when I say department, I would ordinarily be referring to the Department of Local Government, Sport and Cultural Industries?

20

MS HODSON-THOMAS: Yes.

MR LEIGH: In terms of the items of the agenda that you receive and proposals that might be contained within it, is it the GWC members that do up that agenda or is it done up for you by someone else?

25

MS HODSON-THOMAS: It is done up for us by staff.

30

MR LEIGH: The Commission has received written evidence from Mr Michael Connolly. For a transcript reference, I'm not asking for us to go to this on the screen, MCN.0001.0001.0001, paragraph 87. The information that the Commissioners received from Mr Connolly is that while he was the Chief Casino Officer, or CCO, he had effective control of the agenda and manner in which items of the GWC were discussed. Do you know Mr Connolly?

35

MS HODSON-THOMAS: Yes, I do.

MR LEIGH: Do you agree with that assessment?

40

MS HODSON-THOMAS: Can you repeat what he said?

MR LEIGH: While he was the CCO he had effective control of the agenda and manner in which items of the GWC meetings were discussed.

45

MS HODSON-THOMAS: Yes, I believe that is correct, that he, if he were unhappy

with a paper, and I believe that he had even mentioned it at a meeting, that he would send it back to a staff member to say it wasn't up to scratch, that it needed further embellishment. So, yes.

5

MR LEIGH: And since you rejoined the GWC in 2018, has Mr Connolly also been responsible for writing many of the recommendations (inaudible).

MS HODSON-THOMAS: I would say no.

10

MR LEIGH: (Inaudible).

MS HODSON-THOMAS: Possibly, but without documentation in front of me, I can't answer that.

15

MR LEIGH: Is there a wide range of people that write proposals for the consideration of the GWC?

20

MS HODSON-THOMAS: Some of them come up without a staff member's name, but normally it might refer to Mark Beecroft or Sandy Del Prete or another member of staff within the department.

MR LEIGH: And have you and the other members of the GWC generally adopted or approved recommendations, whether from Mr Connolly or anyone else?

25

MS HODSON-THOMAS: Can you repeat that.

30

MR LEIGH: In your role as a GWC member, is it ordinarily the case that you and the other members will approve or endorse recommendations that are made to you by departmental officers?

MS HODSON-THOMAS: We can do, but we can also reject them if we are uncomfortable with them.

35

MR LEIGH: And accepting that that is open to you, or possible for you, is it more often than not the case that you do endorse the recommendations that are made?

MS HODSON-THOMAS: It's probably --- yes.

40

MR LEIGH: Can we please bring up paragraph 37 of the statement. Over there in the statement you say that prior to the ILGA investigation into Crown Sydney, you estimated that you spent two days a month reading materials and attending meetings. Is that correct?

45

MS HODSON-THOMAS: Yes.

MR LEIGH: Is that 2-day estimate the cumulative total for both preparation and attendance at the meetings?

MS HODSON-THOMAS: Yes.

5 MR LEIGH: At 36.3 of your witness statement you mention that you sometimes have to do additional research. Is that 2-day estimate likewise include any additional research you may have to do?

MS HODSON-THOMAS: Yes.

10 MR LEIGH: If you are doing research, how does that work? Is it you get on the internet yourself and investigate or do you contact departmental officers and ask (inaudible).

MS HODSON-THOMAS: No, I do it myself.

15 MR LEIGH: Have you ever sort assistance from departmental officers between meetings?

MS HODSON-THOMAS: No I haven't.

20 MR LEIGH: Do you know of any other GWC members have ever made use of departmental officers between meetings for support.

25 MS HODSON-THOMAS: I'm not aware of it, but it would be a question that I would be asking them.

MR LEIGH: Before I go there, in relation to the meetings themselves, I believe they are once a month?

30 MS HODSON-THOMAS: That's correct.

MR LEIGH: And then I think we discussed earlier that once meetings had been completed you would then receive an email or similar with the minutes of that meeting to consider?

35 MS HODSON-THOMAS: Yes.

40 MR LEIGH: Between those times, between meetings, do you ever have any ad hoc communications with other members of the GWC to discuss issues that are before the Commission?

MS HODSON-THOMAS: No.

45 MR LEIGH: Have you ever had such ad hoc or out of session discussions with GWC members in relation to work before the GWC?

MS HODSON-THOMAS: No.

MR LEIGH: Do you ever follow-up outside of the moments before the meeting when you are doing perhaps your own research, do you ever follow up independently with outstanding matters that may have been unresolved from a meeting prior to the next meeting or is your work essentially confined to those days around the meeting?
5

MS HODSON-THOMAS: Confined to those days around the meeting.

MR LEIGH: And do you consider that the remuneration that you currently receive is sufficient to allow you to do anything more than the time that you currently spend in that preparation for those meetings?
10

MS HODSON-THOMAS: Can you ask me that question again. You lost me somewhere there. Sorry.
15

MR LEIGH: Do you consider that the remuneration that you currently receive is sufficient to allow you to do anything more than you currently do, in addition to the time that you already spend now preparing for and attending meetings?

MS HODSON-THOMAS: No.
20

MR LEIGH: Okay.

Having gone through those questions, would it be fair to describe your role in practice as being to, one, receive the agenda for each month?
25

MS HODSON-THOMAS: Yes.

MR LEIGH: Two, carefully consider that agenda in detail?
30

MS HODSON-THOMAS: Yes.

MR LEIGH: And then, three, meet to note, approve or reject each of the items of the agenda?
35

MS HODSON-THOMAS: Yes.

MR LEIGH: And given that process that we've gone through, would it be fair to describe the work of the GWC in the time that you have been a member as largely reactive rather than proactive?
40

MS HODSON-THOMAS: Yes.

MR LEIGH: I've got some questions that I would like to ask you now in relation to delegation. Can we bring up paragraph 50 of the statement, please. At that paragraph you touch on the GWC's delegation of its powers and functions. I will let you read that for a moment before I take you to recent delegations.
45

MS HODSON-THOMAS: Yes.

5 MR LEIGH: If we can call up GWC.0001.0007.0184 and looking at this it is an instrument of delegation to a person holding the position of Deputy Director-General from April 2020. Do you recognise that?

MS HODSON-THOMAS: Yes, I've signed it.

10 MR LEIGH: Can you explain to the Commission the circumstances in which this delegation was issued?

MS HODSON-THOMAS: I would like to actually see the board paper that it refers to. I know that it is a year ago that this was ---

15

MR LEIGH: We may have to attempt to research and bring that back to you.

MS HODSON-THOMAS: Sorry.

20 MR LEIGH: For the moment you accept that that is a delegation that was issued while you were a member of the GWC?

MS HODSON-THOMAS: That is correct.

25 MR LEIGH: And you will note of course that the person who is the delegate, is the Deputy Director-General and then there are four acts where that person is said to receive "all of the Commissions powers"; do you see that?

30 MS HODSON-THOMAS: Yes, I do. Betting Control Act, Gaming and Wagering *Commission Act, Casino Control Act, and Racing and Wagering WA Act, other than* the power of delegation itself. Yes, but I would still like to see for the purpose of reminding myself what the board pack actually provided.

35 MR LEIGH: We will see if we can obtain that and come back to that later in questioning if that is possible.

In relation to that delegation, and given you are wanting to remind yourself, is it the case that there are numerous delegations that you've issued over time, or that the GWC has issued over time while you have been a member?

40

MS HODSON-THOMAS: Yes.

45 MR LEIGH: Would you be able to have an estimate as to how many that would have been, 5, 10, 20?

MS HODSON-THOMAS: I can't.

MR LEIGH: Can we please now call up GWC.0002.0016.0367. Page 5. Is it possible to call up the non-redacted version? Do you see that resolution there in box result three of 2021?

5

MS HODSON-THOMAS: Yes, and it refers to the Directors Strategic Regulation by signing instrument of delegation dated 16 February 2021. Its powers conferred by, Betting Control Act, similar to the one you previously presented to me.

10 MR LEIGH: You took part in the meeting with that delegation when it was approved; correct?

MS HODSON-THOMAS: Yes.

15 MR LEIGH: And do you recall --- we can see from above this there is a comment on the circumstances in which that came to pass, but do you recall those circumstances?

MS HODSON-THOMAS: The circumstances that came to pass?

20 MR LEIGH: As set out in the paragraph above the resolved box that explain the background to it?

MS HODSON-THOMAS: Yes.

25 MR LEIGH: And you remember that from the meeting itself?

MS HODSON-THOMAS: I do.

MR LEIGH: Okay.

30

Now, again I will ask you to note for the moment that the delegations made out to the Director of Strategic Regulation and that once again it is a conferral of all of the powers conferred by those various acts.

35 MS HODSON-THOMAS: Of the previous delegation that was issued to the then casino officer in 2020. Are they one in the same? I will come back to that in a moment. At the moment I'm asking you to note that it is delegating to that position, Director, Strategic Regulation.

40 MS HODSON-THOMAS: Yes.

MR LEIGH: It's powers conferred by, so all of its powers by those four acts. Note that for the moment. Lastly there is a third delegation to show you, GWC.0001.0007.0183. This is one from 2012 as you can see there. We are still working our way through all of the material that has been provided to the Commission so I'm not absolutely positive that this delegation remains on foot but our understanding at present is this delegation is on foot. Is this a delegation that you recognise?

45

MS HODSON-THOMAS: Can you go down, please or go up.

MR LEIGH: Down towards the signature block?

5

MS HODSON-THOMAS: Yes. I don't recall seeing this, no.

MR LEIGH: Were you aware of perhaps not this delegation but generally other delegations that have been issued by the GWC?

10

MS HODSON-THOMAS: Yes.

MR LEIGH: Does the GWC have a single register where you can see all the delegations that have been issued and are still ex-stamped?

15

MS HODSON-THOMAS: I don't believe that is on our iPad in iAnnotate.

MR LEIGH: Are you aware whether such a register exists?

20

MS HODSON-THOMAS: No, I'm not.

MR LEIGH: Having looked at the delegations and the way they are framed and the language here again, this one to the deputy chairman Gaming and Wagering Commission, all of the Commission's powers, and then those four acts that you've read before, can you explain to the commission what is your understanding of the effect of issuing a delegation such as this?

25

MS HODSON-THOMAS: Then that person has the decision-making powers in which to undertake specific aspects of each of those acts.

30

MR LEIGH: When you say "specific aspects", what about that delegation do you understand limits the delegation to only specific aspects?

MS HODSON-THOMAS: It doesn't really provide me with any information that shows me what those limitations are. As I said, I would really like to have seen what the background paper was in relation to the determination to make that.

35

MR LEIGH: Understanding that certainly would be useful to know the reasons for it, but right now I'm asking you about the effect.

40

MS HODSON-THOMAS: Yes.

MR LEIGH: And you indicated before that it was the case that delegation allowed certain powers. I'm trying to understand why you are of the view it is only certain powers as opposed to all powers of the Commission.

45

MS HODSON-THOMAS: It does say commission powers conferred with effect

from 18 December all of the Commission powers confirmed.

MR LEIGH: So on the face of the document would you read it suggests all powers?

5

MS HODSON-THOMAS: Yes, it is.

MR LEIGH: And in terms of the effect again of issuing a delegation, once a delegation is issued, is the GWC still able to use those same powers?

10

MS HODSON-THOMAS: My understanding is that where there is the delegation of powers, the Chief Casino Officer has in the past always referred what those actions have been in terms of those delegations. So there is an opportunity obviously to have oversight as to whether the Commission makes a determination as to whether those delegations have gone too far but my understanding is that has not been the case to date.

15

MR LEIGH: When you say that there is an opportunity for oversight, does that mean you understand that the powers are not fully used until they've been referred back to the GWC? Is that your understanding?

20

MS HODSON-THOMAS: Yes.

MR LEIGH: And what was the reason that the GWC not so much in relation to each individual delegation, but as a broader conceptual approach, why is it that the GWC uses delegations?

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MS HODSON-THOMAS: Is it possible to refer to section 7 of the Act to refer to the duties that we have under the Act because a lot of that is in relation to operational matters where inspectorate undertaking activities within the casino, doing audits ---

30

MR LEIGH: Section 7 of the Act can be brought up. And that's PUB.0004.0005 ---

MS HODSON-THOMAS: I'm not referring to the Casino Control Act, I was referring to the GWC Act.

35

MR LEIGH: 0005.0107 is that Act. Please go section 7? If you could indicate to the operator where you would like to look.

MS HODSON-THOMAS: So our role, fundamentally, is outlined in the duties of the Commission from what I can see here, 1 through to part (e) if it went over. But it is the operational matters that I think a lot of these delegations relate to in terms of --- you've gone over a page, sorry. Can you go back.

40

MR LEIGH: Back to 7 (a)?

45

MS HODSON-THOMAS: Yes. So my understanding would be that the delegations allow for more operational matters.

MR LEIGH: All right. And that is a comment you make as well at paragraph 50 of your witness statement. You refer there to the delegations extend to the day-to-day operational activities. But do you accept, as we have looked at the delegations a moment ago, that they are not limited in their terms to operational activities, it is merely explained in the broad way of saying all powers of the Commission of the GWC; do you accept that?

MS HODSON-THOMAS: Counsel, I would still like to see some background paper before I even begin to answer that question.

MR LEIGH: Let me take you back to the actual documentation itself. GWC.0001.0007.0184. Again I'm not at this stage asking you as to what the rationale may have been for any particular delegation, I'm just asking whether you accept that the delegation itself in terms of the language it uses is framed so as to confer all powers rather than powers in relation to operational activities?

MS HODSON-THOMAS: Yes.

MR LEIGH: Do you accept that on the face of the delegation the delegate could do any of the things that the GWC does in its usual meetings and not those limited to only operational matters?

MS HODSON-THOMAS: Yes.

MR LEIGH: And we've seen there that there are three separate delegations which confer all of the Commission's powers. You've indicated you are aware of other delegations to other persons as well?

MS HODSON-THOMAS: Yes.

MR LEIGH: Would you agree that the fact that Parliament has conferred powers under the GWC suggests the intention is that the GWC should be the primary person to use those powers?

MS HODSON-THOMAS: Yes.

MR LEIGH: And are you at all concerned that by using multiple delegations which delegate all of the Commission's powers or the GWC's powers to other persons that it may have a tendency to subvert the intended operation of the Act?

MS HODSON-THOMAS: Possibly.

MR LEIGH: You also say at your witness statement at paragraph 50, if that could be brought back up again. You say in the final sentence:

Those activities [referring to the use of the delegation] are reported to the

GWC in the Agenda papers for the GWC's oversight and to inform the GWC's decisions.

5 MS HODSON-THOMAS: Yes.

MR LEIGH: The delegations we've looked at don't appear to be subject to any express requirement for reporting. Do you if there is any GWC policy that requires such reporting?

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MS HODSON-THOMAS: No.

MR LEIGH: Given that, is it possible for the GWC to know with certainty when the powers it has entrusted or delegated to others have been exercised?

15

MS HODSON-THOMAS: No.

MR LEIGH: Returning again now please to GWC.0002.0016.0367. I think it might be two pages further. Thank you. If you can return to page 5, please. Looking there again at the person to whom the delegation was made, the position, its Director Strategic Regulation. Do you understand that to be a reference to a GWC position or a departmental position? Again by departmental I mean department of local government Sport and Cultural Industries.

20

25 MS HODSON-THOMAS: A member of the department, yes.

MR LEIGH: Do you recall when we looked at the other delegations, one of the delegations was to the Deputy Director-General?

30 MS HODSON-THOMAS: Yes.

NEW SPEAKER: Do you understand that to be a GWC or departmental officer?

MS HODSON-THOMAS: Departmental officer.

35

MR LEIGH: Now, if a delegation is issued to a person by reference to their departmental role, do you accept they would only be entitled to exercise that power while acting in their departmental role?

40 MS HODSON-THOMAS: Yes.

MR LEIGH: And if a person is acting in a departmental role, do you accept they would be subject to the usual obligations to act in the best interests of the department?

45

MS HODSON-THOMAS: Yes.

MR LEIGH: And do you accept that the best interests of the department might not

always coincide with the best interests of the GWC?

MS HODSON-THOMAS: No.

5

MR LEIGH: I might give you an example to think about in the context of what you have explained in your witness statement as to the resource scarcity and difficulties in getting proper support from the department. If one example was a departmental officer, who was also a Gaming and Wagering Commission officer, perhaps the Chief Casino Officer, if they were heavily overworked and required to decide between spending a very large amount of time to carefully work through a large agenda item, a proposal from a casino, for example, and make a decision as to whether to endorse or not endorse a request, or alternatively spend that same time carrying out other pressing departmental work, do you accept that might give rise to a conflict?

10
15

MS HODSON-THOMAS: My personal view is that the Chief Casino Officer should be principally only responsible for that role.

MR LEIGH: Accepting that may be the case, looking at these delegations which delegate to persons in their capacity as departmental officers so, require them to act as departmental officers when exercising those powers, do you agree that that might give rise to conflicts between their duties to the GWC on the one hand and the department on the other?

20
25

MS HODSON-THOMAS: Yes, it well could.

MR LEIGH: At a broad level, and moving away from the delegations for a moment, at a broad level do you consider that in practice there is a clear distinction between the GWC and the department and the officers and the work of either?

30

MS HODSON-THOMAS: I've had two experiences of sitting on the Commission so I will draw from both. So my first appointment was when it was a standalone authority, Racing Gaming and Liquor. I mean, certainly there was a clear focus on Racing, Gaming and Liquor, whereas I've been able to see very clearly that the current situation, the Chief Casino Officer has more broadly other responsibilities in terms of local government, cultural industries, sport and it is clearly not an ideal situation.

35

MR LEIGH: So has it been that way ever since you were reappointed in January 2018 or is it something which is more recent? Can you give an indication to the Commissioners?

40

MS HODSON-THOMAS: I was appointed early --- I was appointed in 2018. My reflection at that time it was very early in the changes of the machinery of government. But as time has progressed you could see that staff were under enormous strain in terms of providing information in a timely manner.

45

MR LEIGH: And when you say "as time has progressed", does that suggest it is getting worse over time?

5 MS HODSON-THOMAS: Well, it's been a very challenging time for them I would say. They have --- the agency has had to deal with local government reform, the divestment of the TAB, which didn't go ahead but certainly the preparation and the work that was undertaken by the department during that period clearly has put strain on the resources within the agency.

10

MR LEIGH: Moving away then from that issue, I would like to ask you questions about the relationship between the GWC and the Chief Casino Officer, the CCO. Starting at paragraph 48 of your witness statement you make the point that the GWC doesn't have its own staff or resources so has to make arrangements with DLGSCI to

15

MS HODSON-THOMAS: Yes.

MR LEIGH: So in relation then to the Chief Casino Officer, can I please be shown 20 GWC.0002.0016.0063. These are minutes from a meeting where it appears there is reference to Michael Connolly in 2012 becoming Deputy Director-General, at which time we understand that he was then also made the Chief Casino Officer. You will note there that in the first paragraph under the apologies, the second sentence begins:

25

The Commission welcome Mr Connolly back to the Commission.....

You can see at the top that you were present at that meeting?

30

MS HODSON-THOMAS: Yes, I can.

MR LEIGH: Do you have any recollection of that meeting?

MS HODSON-THOMAS: No, it's a long time ago.

35

MR LEIGH: I totally understand. Maybe not by reference to that meeting itself, but do you have any broader recollection about the GWC ever, at that stage in 2012, resolving to appoint Mr Connolly as the Chief Casino Officer?

40

MS HODSON-THOMAS: Look, I think there was a change in departmental staff, Janine Belling was the Chief Casino Officer as I recall and she went on to do other things. I think in fact she went to the United States of America so I can't add more than that.

45

MR LEIGH: Okay.

More recently, bringing up GWC.0002.0016.0367, and calling up page 3 to start. Again you can see in the first paragraph there is reference in the second sentence to an overview of recent events that led to Mr Beecroft being appointed.

MS HODSON-THOMAS: Yes.

5 MR LEIGH: And you can see again you were attending as a member in person on that page?

MS HODSON-THOMAS: Yes.

10 MR LEIGH: Down to page 5 again, we've seen there before today, is that resolution. You will see there is a comment there that the resolution is to support the appointment of Mr Beecroft.

MS HODSON-THOMAS: Yes.

15 MR LEIGH: Now, does that suggest that you and the other members of the GWC were of the opinion that at that time, at the time of the meeting, Mr Beecroft had already been appointed as CCO and you were essentially endorsing that or were you appointing him at that meeting? What was your understanding?

20 MS HODSON-THOMAS: My understanding was that he had already been appointed.

MR LEIGH: Who by?

25 MS HODSON-THOMAS: I would imagine the Director-General.

MR LEIGH: Do you recall there ever being discussion amongst the members of the GWC as to whether that was the appropriate way for the process to work, whether that is what the legislation contemplated?

30 MS HODSON-THOMAS: No.

35 MR LEIGH: Is it your view, based on what we've just looked at in those minutes and perhaps discussions with other GWC members, that that is the way the system works, that the department, the Director-General nominates someone and the GWC must then accept that person as the CCO?

40 MS HODSON-THOMAS: I think that if anyone had any concerns they would have raised them. Ideally there has to be a better process and obviously the Royal Commission is looking into how we can do things better. Clearly we are being very reactive to a situation that had evolved as a consequence of many things.

45 MR LEIGH: Do you think it might pose challenges for good corporate governance to be a commission which is obliged to accept persons essentially imposed by other parties?

MS HODSON-THOMAS: Yes.

MR LEIGH: The questions I have in relation to the Chief Casino Officer, I will ask other questions about officers of the GWC more broadly. Do you and the GWC as a whole exercise any form of supervision or oversight for the work of those officers or the Chief Casino Officer?

MS HODSON-THOMAS: Can you say that again, sorry. I was concentrating on pouring my water.

MR LEIGH: Of course. Does the GWC exercise any form of supervision or oversight of the work of the Chief Casino Officer?

MS HODSON-THOMAS: No.

MR LEIGH: Does it have any oversight of the work of other officers doing work on behalf of the GWC?

MS HODSON-THOMAS: No.

MR LEIGH: Does it have any policies or guidelines that apply to officers doing work on its behalf?

MS HODSON-THOMAS: No.

MR LEIGH: Does it conduct any form of performance review or appraisal of officers doing work on its behalf?

MS HODSON-THOMAS: No.

MR LEIGH: Does it have any direct interaction with the officers doing work on its behalf at all?

MS HODSON-THOMAS: No.

MR LEIGH: Do you ever hear from officers at meetings if there is an agenda item that they have presented on?

MS HODSON-THOMAS: Yes, they come to the meeting and present on a specific agenda matter and we have the opportunity then to ask questions.

MR LEIGH: How often might that occur?

MS HODSON-THOMAS: Fairly regularly and certainly in the last two meetings there has been a number of members that have come before us. I think Donna Kennedy was at the last meeting and ---

MR LEIGH: And is Donna a departmental officer who is also a GWC officer?

MS HODSON-THOMAS: Yes.

MR LEIGH: All right.

5

Returning now to the issue of resourcing and support and going back to paragraph 48 of your statement, if that can be called up please. You can see there that you say "it is required to make arrangements", that is the GWC is required to make arrangements with DLGSC to utilise the services of officers and employees; is that your understanding?

10

MS HODSON-THOMAS: When I refer to GWC I mean the Commission as a whole, yes.

15 MR LEIGH: Absolutely.

Can we please bring up PUB.0004.0005.0139. We're looking at section 18 (1) of the Gaming and Wagering Commission Act. You see there it says:

20 *The Commission may by arrangement make use either full time or part-time of the services of any officer or employee.*

Is that the section of the Act you had in mind when you said that you understood that the GWC was required to make arrangements with the department?

25

MS HODSON-THOMAS: Quite possibly.

MR LEIGH: In your witness statement you later say at paragraph 57 that the quality of the departmental work that you receive is good, but essentially the quantity is lacking. Is that a fair summary of what you say?

30

MS HODSON-THOMAS: 57 I say "do not consider that the quantity of the support has been adequate".

35 MR LEIGH: Yes.

MS HODSON-THOMAS: Yes.

MR LEIGH: And again you re-emphasise that point at paragraph 59 of your statement where you say that since your second appointment you have observed that the department is underresourced?

40

MS HODSON-THOMAS: Yes.

45 NEW SPEAKER: And finally at paragraph 60 you say that you've observed a decrease in the number of staff and that key individuals are under enormous pressure?

MS HODSON-THOMAS: Yes.

5 MR LEIGH: And again I asked this question before, but having gone through and looked at those sections of the statement, is it the case that things are steadily worse since 2018 or is it the case that it has been bad at 2018 and stayed bad throughout?

MS HODSON-THOMAS: Steadily worse.

10 MR LEIGH: In order to examine the department and the GWC's resources and financial position a little more closely, I will take you to some financial documents. The first of which is GWC.0002.0016.0228. I think it is page 212 to start with.

15 As best we can understand, this was the first budget that was proposed and approved by the GWC after you were reappointed in 2018. This is obviously the item that recommends the approval. Do you recognise this form of documentation?

MS HODSON-THOMAS: I'm sure I saw it in the meeting agenda pack.

20 MR LEIGH: Okay.

If we go to page 219 ---

25 MS HODSON-THOMAS: Can you enlarge that, please.

MR LEIGH: Thank you.

30 Now, in the middle of the page on the left-hand side, you have the heading "receipts".

MS HODSON-THOMAS: Yes, casino license fee and employee licence ---

35 MR LEIGH: Yes. If you go to the column you see the budget was an estimated 2.9 million for the casino licence fee?

MS HODSON-THOMAS: Yes.

40 MR LEIGH: And above that in the payments section you can see there is an item "services provided by DLGSC" 4.14 million estimated for 2018/19. You see that.

MS HODSON-THOMAS: Yes, I do.

45 MR LEIGH: Can you tell the Commission what your understanding is of first the casino licence fee?

MS HODSON-THOMAS: It is the fee that the casino pays to government to hold its licence.

MR LEIGH: What do you understand is the purpose of that fee? What is to be done with it?

5 MS HODSON-THOMAS: It is actually to support the operations of the department in terms of GWC, not specifically GWC, but staff that --- inspectors, the collective group.

10 MR LEIGH: So your understanding is that money is available for the use of the department for all of the department's functions?

15 MS HODSON-THOMAS: Yes. But when you are referring to services provided to DLGSC, that 4.14 million is obviously for the whole department, Department of Local Government, Sport and Cultural Industries.

MR LEIGH: If I were to suggest to you and let you have the opportunity to consider the suggestion, that the services provided by DLGSC may represent what DLGSC charges the Gaming and Wagering Commission for the ---

20 MS HODSON-THOMAS: Yes, it is, actually. Sorry, I'm looking..... (Nods head). Yes, it is. Correct.

25 MR LEIGH: And in terms of that charge, what do you understand the charge is made up of?

MS HODSON-THOMAS: Services provided. Obviously it would be for a number of things.

30 MR LEIGH: Do you recall whether at this meeting to discuss the budget or any other meetings to discuss the budget talk with the GWC members as to precisely what it was you were purchasing with that money?

MS HODSON-THOMAS: No, I don't recall that.

35 MR LEIGH: If we can go back a few pages now to 213. You can see the second heading on that page is recouped to DLGSC. Can you see there is a note that says essentially that it has been increased by \$113,000 "to be able to support the Commission"?

40 MS HODSON-THOMAS: Yes, I do.

MR LEIGH: Do you understand what that is referring to? What is being changed to better support the GWC?

45 MS HODSON-THOMAS: No, I can't tell you why there has been an increase of 113,000, no.

MR LEIGH: Is this as much detail as you ever get on the GWC when you are

considering budgets and deciding whether or not to approve them?

MS HODSON-THOMAS: Yes, it is.

5

MR LEIGH: Do you agree here that the budget doesn't provide sufficient detail for you or the GWC to know what it is that it is paying for?

MS HODSON-THOMAS: Well I would honestly say that I don't have a strong financial lens. There are other members on the Commission, more particularly in recent times, that have been appointed that have a greater financial lens and often ask very deep and posing questions.

10

MR LEIGH: Who are you thinking of when you say that?

15

A. Jody Meadows and Carmelina Fiorentino.

MR LEIGH: And they have a more financial approach?

MS HODSON-THOMAS: Yes, they have financial backgrounds.

20

MR LEIGH: If we can call up GWC.0002.0016.0226 and go to page 8. You can see there that this page suggests that notwithstanding the lack of clarity as to what it was that the budget items were for, the GWC has approved the budget for that year; do you agree?

25

MS HODSON-THOMAS: Yes. Including conference and seminar fees of \$20,000.

MR LEIGH: That is a point I wanted to ask you about, because the way that is framed there, it is a stipulation that you only approve provided that the amount the conference and seminars amount is increased by \$20,000 to allow for WA to host the 2019 Australian Gaming CEOs Conference. So do you agree that that item suggests that the GWC was aware of the fact that it could request additional funding from government?

30

MS HODSON-THOMAS: Yes.

MR LEIGH: In the event it considered such funding was necessary?

MS HODSON-THOMAS: Yes.

35

MR LEIGH: And I will take you now to the most recent financial year, the 2020/21 financial year on GWC.0002.0016.0310, and page 157 I think it is. I beg your pardon, page 159. Again this is item 11.2 like the one we looked at before, this is a budget proposal. Again we've got those same columns to look at, the casino gaming licence fee of about \$3 million in 2021; do you see that?

40

MS HODSON-THOMAS: Yes.

MR LEIGH: And again the services provided by DLGSC of ---

MS HODSON-THOMAS: \$4,347,606.

5

MR LEIGH: I note that according to the minutes you were not in attendance at this meeting where it was actually resolved to approve the budget, but you would have received the agenda prior to the budget? Or prior to that meeting, rather?

10 MS HODSON-THOMAS: What was the date of the meeting?

MR LEIGH: The item was 11 August. It would have the late August 2020 meeting.

15 MS HODSON-THOMAS: Yes, and the reason I wasn't at that meeting was my mother passed away, so I might not have even read the paper.

MR LEIGH: I understand.

20 MS HODSON-THOMAS: But please, ask me questions, but I should have read the paper.

MR LEIGH: Yes. We haven't located any reference to there being any objection or concern raised by you either when the agenda was issued or in the minutes afterwards discussing the budget item. Is it fair to say that you didn't have any
25 concerns with the proposed budget for that year?

MS HODSON-THOMAS: Yes, it is fair to say that.

30 MR LEIGH: And if you look at the fourth paragraph, again at item 11.2, underneath "Statement of Comprehensive Income", it says:

However, DLGSC is proposing to only increase the fee for services provided by 5% to support the Commission.

35 Do you see that?

MS HODSON-THOMAS:

40 However, DLGSC is proposing to only increase the fee for service provided by 5%

Yes.

45 MR LEIGH: And above that there is a statement saying that their KPIs show there has been casino and gaming activity that has increased by 11 per cent.

MS HODSON-THOMAS: Yes.

MR LEIGH: But do you see there is no suggestion ---

MS HODSON-THOMAS: That they increase by 11 per cent.

5

MR LEIGH: My question is do you see that the reference is to casino gaming has increased, but there is no reference saying that you are being provided with additional departmental resources, there is no statement saying you are getting more person time or inspections --

10

MS HODSON-THOMAS: No.

MR LEIGH: --- or more work out of the department, just simply increasing the money that you are asked to pay?

15

MS HODSON-THOMAS: Yes, that's correct.

MR LEIGH: Do you accept that that increased payment couldn't be reflective of increased salary costs for the department, given that currently the State Government is in a public sector freeze?

20

MS HODSON-THOMAS: Freeze, yes.

MR LEIGH: But again, in this year the GWC approved the budget nonetheless. Do you have any explanation for the Commission as to why it is that in circumstances where you are concerned, or the GWC is concerned about its lack of resources, it hasn't requested additional resources from the Minister and has continued to approve the budgets proposed by the department?

25

MS HODSON-THOMAS: It is certainly a matter we haven't discussed as members. And it is a failing on our part.

30

MR LEIGH: A related question to this, just in relation to the nature of the services being received by the GWC for that \$4.3-odd million that we saw there for departmental services, are you aware of how many staff the GWC is making use of, whether in a full-time or part-time basis?

35

MS HODSON-THOMAS: No, I couldn't tell you what the FTE is of the department, specific to GWC is, no.

40

MR LEIGH: Do you know how many departmental staff are inspectors at all, as opposed to casino inspectors or racing inspectors or any other type of inspectors?

MS HODSON-THOMAS: No, I couldn't give you a figure.

45

MR LEIGH: If we bring up PUB.0004.0005.0107, and again this is looking at the Gaming and Wagering Commission Act and we're looking at section 18, subsection

1. And you will see there that the language used is that the Commission may make arrangement, and I'm paraphrasing, to make use of either full-time or part-time services. So would you accept that the Act contemplates or expects that the GWC
5 will enter into arrangements which essentially provide for a certain number of persons, full-time or part-time, to do the work of the GWC?

MS HODSON-THOMAS: Yes.

10 MR LEIGH: If you go to 18(2), please, over the page, you see it says there:

An arrangement under subsection (1) is to be made on such terms as are agreed to by the parties.

15 MS HODSON-THOMAS: Yes, I see that.

MR LEIGH: Do you agree in context the parties in this case are the GWC on the one hand and the department on the other?

20 MS HODSON-THOMAS: Yes.

MR LEIGH: And are you aware of what the terms of the arrangement are?

MS HODSON-THOMAS: No.

25 MR LEIGH: Have you ever seen a document which sets out the terms of that arrangement?

MS HODSON-THOMAS: No.

30 MR LEIGH: Are you aware of whether a formal written arrangement exists?

MS HODSON-THOMAS: I don't believe so.

35 MR LEIGH: And would you agree that as a matter of sound corporate governance, GWC should be in a position where it has a clear sense of what it is that it is purchasing from the department?

MS HODSON-THOMAS: Yes.

40 MR LEIGH: Because if it doesn't, it is not able to know if it is getting value for money?

MS HODSON-THOMAS: Yes.

45 MR LEIGH: Or whether the fees for one activity are being used to cross-subsidise other activities.

03:01PM

MS HODSON-THOMAS: Yes, correct.

MR LEIGH: I'm noting that it is 3 o'clock. Would you like a break for a moment?

5

MS HODSON-THOMAS: If you wouldn't mind.

COMMISSIONER OWEN: How long would you like?

10 MS HODSON-THOMAS: Just a bathroom break.

COMMISSIONER OWEN: Okay, five minutes. We'll come back in five minutes' time.

15

ADJOURNED **[3:01P.M.]**

20

RESUMED **[3:06P.M.]**

COMMISSIONER OWEN: Thank you. Please sit down.

Yes, Mr Leigh.

25

MR LEIGH: Thank you, Commissioner.

The next area that I would like to ask you questions about is the issue of conflict of interest.

30

MS HODSON-THOMAS: Yes.

MR LEIGH: And at paragraph 64 of your written statement you say that you are not aware of the GWC conflict of interest policy for staff and other persons carrying out duties on behalf of GWC?

35

MS HODSON-THOMAS: Yes.

40

MR LEIGH: Can we please call up GWC.0001.0011.0003 and look for page 9. Do you recognise this document, the Code of Conduct?

MS HODSON-THOMAS: Perhaps we can go to page 1 and show the cover, please.

45

MS HODSON-THOMAS: I think I have a copy of this. Yes.

MR LEIGH: You do recognise that? Looking at the top of page 9, do you see there is a "conflicts of interests and gifts and benefits"? Have you seen that before? Have you had an opportunity to read that before?

MS HODSON-THOMAS: Yes, I have read this.

5 MR LEIGH: All right, so when you said you weren't aware of a conflict of interest policy, did you mean a standalone policy as opposed to a discussion in the code of conduct?

MS HODSON-THOMAS: Can I read what I've actually said, what --

10 MR LEIGH: Paragraph 64. If we can call that up, please.

MS HODSON-THOMAS: I've got it here. I think I was referring to a departmental Code of Conduct, I wasn't referring to the GWC Code of Conduct so it's not clear in my statement.

15 MR LEIGH: If we could now please call up GWC.0001.0011.0002, this is the newer version of the Code of Conduct from March this year. Do you recognise this document?

20 MS HODSON-THOMAS: I'm not sure if I actually have a copy of this. I could well have. I would have to look at my computer.

MR LEIGH: Did you and the other GWC members play any role in developing this Code?

25 MS HODSON-THOMAS: No.

MR LEIGH: Do you know if you ever formally resolved to adopt it?

30 MS HODSON-THOMAS: No, I can't recall that we formally adopted.

MR LEIGH: Do you any knowledge as to how this Code came into being?

35 MS HODSON-THOMAS: No.

MR LEIGH: Can we please go to the second page I think it is of the Code of Conduct --- sorry, the third page. You see there is a message there from Mr Duncan Ord?

40 MS HODSON-THOMAS: Yes.

MR LEIGH: And it appears from the heading that it is a message from the Chairman of the Gaming and Wagering Commission.

45 MS HODSON-THOMAS: Yes.

MR LEIGH: Do you recall the GWC ever authorising Mr Ord to adopt a new Code

of Conduct on the GWC's behalf?

MS HODSON-THOMAS: I can't recall that, no.

5

MR LEIGH: If we can go to page 9, please, of the new version. You can see there on the third paragraph, if that can be blown up, please, starting with "Conflicts of interest can be a key risk area"; do you see that?

10 MS HODSON-THOMAS: Yes.

MR LEIGH: Can you just read that for a moment.

MS HODSON-THOMAS: I've finished.

15

MR LEIGH: Do you agree with the proposition that it is almost inevitable that members will have a conflict at some point?

20 MS HODSON-THOMAS: It's possible. I mean, it is quite broad in that it refers to local governments, communities and private industry. So it's not really just specific to the industry of gaming, it is broader than that. So, yes, for example, I could, if I was working for a private industry, have a conflict of interest but up until this point I've never worked for or been engaged by anybody in the gaming industry.

25 MR LEIGH: Is it common for GWC members to declare conflicts in the course of their work with the GWC?

MS HODSON-THOMAS: Yes, it is.

30 MR LEIGH: And has that been something which has happened more in recent times or has it always been common?

35 MS HODSON-THOMAS: It's always been an agenda item, but I think there is obviously a greater propensity for members to be very careful that they declare anyone that they may have met. There is an example of that in more recent times with one of the Commission members, and that has been reflected in the March minutes.

40 MR LEIGH: I will refer now to some evidence that has been given by Mr Connolly. Just for the transcript, and I'm not asking for this to come, it's MCN.0001.0001.0001, paragraphs 281 to 291, and I will just summarise the affect of what Mr Connolly says in his witness statement. He says that it is very difficult to manage conflict of
45 interests in a casino setting for two reasons; the first being physical proximity, because the casinos are at the casino a lot, they become familiar and friendly with Crown employees, and the second is regulation of employment. He explains that people who work as casino regulators for the department, or work at the casino, will both have similar sets of skills that make them an attractive employee for both the department and the casino, and that people move from one employer to the other. Do

you agree with that assessment?

MS HODSON-THOMAS: Yes.

5

MR LEIGH: Do you consider that the tendency to have conflicts in regulating the casino is a problem?

MS HODSON-THOMAS: It could be viewed that way.

10

MR LEIGH: Do you have any suggestions as to how that might be dealt with?

MS HODSON-THOMAS: No, I don't. I haven't given it any thought, I have to say. I would have to give that more consideration.

15

MR LEIGH: You mentioned a moment ago that it was reasonably common for GWC to expose potential conflicts of interest. Is it similarly common for GWC officers to disclose conflicts of interest?

20

MS HODSON-THOMAS: Only the recent example of Mr Connolly at the October meeting when it became known to us that he had a personal friendship with --- their name escapes me.

MR LEIGH: Various Crown employees?

25

MS HODSON-THOMAS: Yes.

MR LEIGH: Do I take it from your answer that the first occasion on which you knew about Mr Connolly's friendships was at the October 2020 meeting?

30

MS HODSON-THOMAS: Yes, that's correct.

MR LEIGH: So you had never heard talk of his friendships from anyone else prior to that time?

35

MS HODSON-THOMAS: No.

MR LEIGH: Are you aware of whether any other GWC members knew of those friendships prior to that time?

40

MS HODSON-THOMAS: I'm only aware that maybe Barry knew, but other than that, no.

MR LEIGH: It had never been discussed by Mr Sargeant or anyone else at the GWC meetings?

45

MS HODSON-THOMAS: No.

MR LEIGH: Earlier in your evidence I read out to you some part of Mr Connolly's witness statement where he suggested that he had effective control of the agenda and the manner in which terms of the GWC meetings were discussed.

5

MS HODSON-THOMAS: Yes.

MR LEIGH: And you've previously indicated that the GWC often adopts recommendations by officers, although noting that Mr Connolly did not write that many recommendations. If it was the case that Mr Connolly, or any other GWC officer, had a conflict of interest as a result of personal friendships with a Crown employee, do you consider that that may have had an impact on the way that they presented any Crown proposals to the GWC, and in turn the way that the GWC then appreciated those proposals?

10
15

MS HODSON-THOMAS: Well, I have no evidence of that.

MR LEIGH: Is that something which gives you any cause for concern now that you have learned about the relationships that Mr Connolly has declared?

20

MS HODSON-THOMAS: Up until this point, no, I hadn't had any concerns.

MR LEIGH: I'm going to call up a document now, PCRC.0001.0001.0001. This is not a formal document from the GWC. This is a document that has been generated by lawyers with the Commission going through agenda items and minutes that we have been provided with in answers to Notices to Produce.

25

MS HODSON-THOMAS: Can you blow it up, please.

MR LEIGH: This document is four pages in length. I can hand you a physical version if that would be easier for you to look through.

30

MS HODSON-THOMAS: Yes, please. Thank you.

MR LEIGH: And it shows the proposals that have been put forward by Crown as well as the response from the GWC. I will let you go through that.

35

If we can go to the next page, please. And down to the bottom of that page. I will let you review that document.

40

MS HODSON-THOMAS: Right.

MR LEIGH: And for the screen, on to the third page, please. Bottom of the page, please. And the next page. And to the bottom of the page. And to the final page, please.

45

I'm conscious you've only had a very limited time to look through that document, but seeing the different proposals that are referenced there, do you have a recollection of

seeing those proposals, particularly the more recent ones?

MS HODSON-THOMAS: Yes, I do.

5

MR LEIGH: And looking at that table and seeing what is, by our count, 80 approvals, does that feel about right in terms of the number of approvals you would have seen from Crown since joining the GWC as a member?

10 MS HODSON-THOMAS: Yes. And these are over the two periods?

MR LEIGH: Yes.

MS HODSON-THOMAS: Yes.

15

MR LEIGH: And on the fourth page there are two that are highlighted in red.

MS HODSON-THOMAS: Yes.

20 MR LEIGH: These are two proposals which were not approved by Crown.

MS HODSON-THOMAS: Were not approved by us.

25 MR LEIGH: I beg your pardon, not approved by the GWC, being proposed by the Crown Casino.

Would you agree that it is the case that since you have been a member of the GWC, there has only been those two refusals of proposals, where there has been a request by the casino and a proposal or a recommendation put forward by a GWC officer?

30

MS HODSON-THOMAS: That is fair to say that, yes.

MR LEIGH: Looking at that now and having a chance to see that in a tabular form, and the high level of approval, does that give you any cause for concern as to whether at any stage the GWC's decision-making process may have been compromised?

35

MS HODSON-THOMAS: No because many of these are specific to electronic gaming machines, the changes of those and they --- for example, 23 June we approved in principle the EGM game, Coin Explosions - Prosperity Tree and Pompei Gold. And it goes over to talk about Money Trail and Rising Koi, but they were deferred, as you can see because there were some issues around the timing.

40

MR LEIGH: While you are explaining EGMs, can you let the Commissioners understand what it is that the Gaming and Wagering Commission does when there is a proposal in relation to the EGM? Because they occupy quite a number of the agenda items.

45

MS HODSON-THOMAS: Yes. So Crown will come generally into a meeting and

present by way of PowerPoint presentation an electronic gaming machine, what the game is. And for the most part I'm very unfamiliar with gaming machines so it was a learning curve for me when I first became a member of the Commission. And so
5 they will show us what the game does, the balls rolling down and the timing mechanism involved in the presentation. And then we make a determination as to whether in fact we will approve that game or not, whether it reflects that it might be in essence a poker --- a pokie machine. And it has been a long-standing position, I understand, that we've been very much opposed to poker machines here in WA, so
10 we do have oversight for all of those EGMs that come before the Commission for approval from Crown.

MR LEIGH: Now, one of the proposals that is approved in that table I've provided you is an increase of gaming machine numbers ---
15

MS HODSON-THOMAS: Yes.

MR LEIGH: --- by 500 and gaming tables by 350. That is, I suppose, quite unusual in that it is a very substantive proposal. Most of the proposals as you've indicated are
20 electronic gaming machines. Does that, in your view, fairly reflect the majority of what the Gaming and Wagering Commission does, that it is primarily operationally focused on matters like individual games?

MS HODSON-THOMAS: Yes.
25

MR LEIGH: And at paragraph 47 of your statement, you say that based on agenda papers that have been provided to you and from discussions with other members of the GWC, you understand that the GWC has no powers in relation to monitoring or regulating anti-money laundering or the criminal representation of players, and that
30 federal border protection agencies are responsible for processing and approving the issue of visas to overseas players, and AUSTRAC is responsible for investigation and prosecution of criminal activities that may take place at Perth Casino. Have I fairly summarised that?

MS HODSON-THOMAS: Yes, you have.
35

MR LEIGH: In relation to that view that was explained to you by others, and has been discussed at the GWC, are you able to specifically indicate which persons have explained to you that that was the role of the GWC?
40

MS HODSON-THOMAS: Well, it's also a position that I came to myself.

MR LEIGH: How did you come to that?

MS HODSON-THOMAS: Well, I don't believe it is GWC's role to duplicate the role of AUSTRAC or law enforcement agencies. I do, however, believe that there needs to be greater collaboration and sharing of information, so that if there are concerns about organised crime or money laundering, that we are better equipped to be given
45

that information. In the time I've been on GWC there has never been a referral from police, to my recollection.

5 MR LEIGH: When you say that was a view that you had come to, how did you come to that view? Was it part of the legislation?

MS HODSON-THOMAS: We were also provided advice, I believe, in October.

10 MR LEIGH: Are you referring to legal advice and, if so, don't tell me the content of that advice, but are you saying you received legal advice?

MS HODSON-THOMAS: Yes.

15 MR LEIGH: When you say that you discussed this with others in the GWC, are you able to remember which person on the GWC have expressed this view?

MS HODSON-THOMAS: I think at some point we all expressed that view around --
- in a board meeting. Whether it's documented in minutes, I don't believe that I can
20 recollect that at this point.

MR LEIGH: Did you ever consider, or are you aware whether anyone else in the GWC has suggested that it might be appropriate to confirm the position, especially in light of the Bergin Inquiry and the report that has been produced in that inquiry?
25

MS HODSON-THOMAS: Can you repeat that?

MR LEIGH: Did you ever consider, or are you aware of any other GWC member having indicated that it might be appropriate to obtain further advice or assistance as to a proper assessment of the GWC's function subsequent to the Bergin Inquiry and the Bergin Report?
30

MS HODSON-THOMAS: We are looking and reflecting inwardly to those points, but as to getting specific legal advice on that matter, I don't believe that we've sought that.
35

MR LEIGH: If I could call up QNE.0001.0001.0001 and go to page 22. This document has been received by the Commission as a section 8(a) response to a notice to produce. Do you recognise this document?
40

MS HODSON-THOMAS: Yes, I do.

MR LEIGH: Can you tell the Commission what this document is and how it came into existence?
45

MS HODSON-THOMAS: Well, the Commission has sought legal advice in terms of our role and appearing before the Royal Commission and we've all been supported by Quinn Emanuel. We subsequently also had a number of sessions where we had

group meetings on Microsoft Teams. We had a facilitator that gathered information from all of us on our views and perspectives of our role on GWC and the document -- this document was subsequently produced.

5

MR LEIGH: So this document was produced by a person collating the views expressed by all the GWC members; is that correct?

MS HODSON-THOMAS: Yes.

10

MR LEIGH: And then the document was subsequently provided to GWC members for their consideration to approve; is that correct?

MS HODSON-THOMAS: Yes.

15

MR LEIGH: And so can we take this document as being, in essence, one that you are confident or comfortable represents your own views as to the GWC's functions?

MS HODSON-THOMAS: Yes.

20

MR LEIGH: So, looking in particular at physical page 4, but it is --- I'm told it is page 43 if that can be called up, please. Thank you. And looking at the paragraph above "However":

25

It is not, a function of the GWC to investigate criminal activities *ex post generally, or in relation to junket operators and their clients, specifically.*

30

And you then go on to talk about the responsibility lies in national bodies such as AUSTRAC.

MS HODSON-THOMAS: Yes.

35

MR LEIGH: So, in light of that belief that you have as to what is the role of the --- rather what the role of the GWC is not, can you indicate to the Commissioners what your view is as to GWC's role? What is its purpose and what is its regulatory philosophy?

40

MS HODSON-THOMAS: I don't believe we are there to look at these matters, because there are other regulatory bodies that have that oversight and have the requisite skills to actually look at money laundering and organised crime and assessment of whether a person is, in essence, able to travel into the country, obviously through the Department of Home Affairs or Border Force. Our role and responsibility is to look at the integrity of gaming activities and the integrity of the revenue that is collected.

45

MR LEIGH: And by gaming activities, do you mean the physical act of gaming?

MS HODSON-THOMAS: The oversight of gaming in terms of not just the casino but more broadly, there is TAB, there is racing and wagering (inaudible) and all of those aspects we are responsible for. We're not just only responsible for the casino.

5

MR LEIGH: And that reminds me of something I should have asked earlier. What would you say as an estimate is the percentage of time that the GWC would devote to work on casino matters versus other regulatory matters?

10 MS HODSON-THOMAS: It would be wonderful to have that question on notice. It would be fair to say it does occupy at least 60 per cent of our time, but really, to give that answer justice, I would like to look back over board minutes and board packs.

15 MR LEIGH: Is it fair to say that it is a substantial amount but you wouldn't want to be tied down to a specific figure?

MS HODSON-THOMAS: Yes, correct.

20 MR LEIGH: Are you aware that on 27 August 2019 the GWC approved a recommendation dealing with junkets to seek a national framework be developed and endorsing the department?

MS HODSON-THOMAS: What is the date again?

25 MR LEIGH: 27 August 2019.

MS HODSON-THOMAS: Right.

30 MR LEIGH: We can bring that up for you, that's GWC.0002.0016.0283, and it's page 43.

MS HODSON-THOMAS: This one was written by Mick.

35 MR LEIGH: Yes.

MS HODSON-THOMAS: I recall this now.

MR LEIGH: And the final point there:

40 Authorise the Department to explore a national framework for the approval *and management of junket activities*.

MS HODSON-THOMAS: Yes.

45 MR LEIGH: In broad terms, can you explain to the Commission why it was that the GWC endorsed this recommendation?

MS HODSON-THOMAS: I would contend that we endorsed it largely because we

were of the view that there should be some harmonisation across the jurisdiction (inaudible).

5 MS HODSON-THOMAS: Are you aware of section 25(a) of the Casino Control Act that allows for regulations dealing with junkets?

MS HODSON-THOMAS: I should be aware of it. I would have to go back and look at that section of the Act.

10

MR LEIGH: Is there any reason, and you may not have been --- that that wasn't considered, but are you aware that there was a deliberate decision made to not, in the interim, pursue regulation of junkets at a local level at this time in 2019?

15 MS HODSON-THOMAS: No, I'm not.

MR LEIGH: At a broader level, how is it consistent with your earlier explanation to the Commissioners as to what you understand the role of the GWC to be --- that is, not involved in crime, money laundering and so on --- how is it consistent with that position to simultaneously be looking for a national framework in relation to junkets and the matters that go along with junkets?

20

MS HODSON-THOMAS: I think if you will reflect back to that time, that is when all the media allegations were being made about Crown and what was in terms happening with junket operations. And specifically about instances in China with staff being taken into custody.

25

MR LEIGH: So do I take it from that answer that you had at one stage, or that the GWC at one stage thought it was appropriate for GWC to be involved with junket regulation, money laundering and the like, but more recently is no longer of that view?

30

MS HODSON-THOMAS: No, sorry, I'm not quite clear on your question.

35 MR LEIGH: So what I'm asking you is that in 2019 it appears that there was an intention for the Gaming and Wagering Commission to seek for a national framework on dealing with junkets.

MS HODSON-THOMAS: Yes.

40

MR LEIGH: That more recently you've explained that --- it is a matter for --- federal authorities that should deal with people coming into the country by way of junkets, rather than the GWC, and it seemed that there might be a tension between a more expansive view in 2019 and a more limited view today?

45

MS HODSON-THOMAS: Well, I think the more limited view today is that we actually issued a direction in February that there be no further junket operations.

MR LEIGH: And in relation to that direction, does it raise the same question, which is, if you don't believe that it is the GWC's role to be involved in matters such as junkets, then why were you issuing a direction in relation to junkets?

5

MS HODSON-THOMAS: That direction was obviously made before we all contributed to the document that you referred to earlier. So it's a bit of a grey area because we're talking about time that has already passed, and now we don't believe we are in (inaudible) because it is no longer is allowed.

10

MR LEIGH: One of the reasons it is no longer allowed is because of your direction.

MS HODSON-THOMAS: Yes.

15

MR LEIGH: And that direction of course is because the GWC has determined to exercise its powers because it considered it appropriate to exercise those powers. Is that correct?

MS HODSON-THOMAS: Yes.

20

MR LEIGH: Is the concern that the GWC had in relation to junkets the fact that junkets had been previously linked to criminal activity and money laundering?

MS HODSON-THOMAS: Yes.

25

MR LEIGH: So is the case that GWC was taking action in an attempt to deal with money laundering and criminal activity?

MS HODSON-THOMAS: Yes.

30

MR LEIGH: Is that not inconsistent or at least in tension with the views you've expressed in the section 8A notice to the effect that that is not the GWC's role?

35

MS HODSON-THOMAS: I still don't believe it is the GWC's role but we certainly do have oversight and must ensure that illegal behaviour, criminal behaviour is acted upon appropriately and, as you say, we have the powers in the Act in which we can respond to that.

40

MR LEIGH: Would it be fair to say your thinking in relation to this issue has been evolving over time?

MS HODSON-THOMAS: Yes.

45

MR LEIGH: Lastly, are you aware of sections 19B and 21A (4) and (5) of the Casino Control Act?

MS HODSON-THOMAS: Can you remind me what it refers to? Please bring up PUB.0004.0005.0001. That's page 22. So section 19B allows that the minister may

determine "on the advice of the Commission" ---

MS HODSON-THOMAS: Yes. Yes, I am aware of this.

5

MR LEIGH: So you understand that that section allows the minister to direct people to dispose of interests in relation to close associates of a licensee if they are not suitable persons to be close associates?

10 MS HODSON-THOMAS: Yes.

NEW SPEAKER: You see that the section contemplates that the Commission might give advice to the minister to that effect?

15 MS HODSON-THOMAS: Yes, that's correct.

MR LEIGH: Would you accept that that suggests that the Act contemplates that the Commission will be in a position to give that advice to the minister?

20 MS HODSON-THOMAS: Yes.

MR LEIGH: And would you accept that the Act would contemplate being relevant to issues of suitability, questions such as criminal activity, money laundering and the like. So would you agree that the Act seems to suggest that the Commission may well have a role in investigating those matters so as to be able to inform the minister to exercise his powers under the Act?

25

MS HODSON-THOMAS: Yes, that's correct.

30 MR LEIGH: And, similarly, we now go to section 21A, subsections (4) and (5). Have you seen those subsections before?

MS HODSON-THOMAS: Yes.

35 MR LEIGH: And again you will see that where the Commission sees fit for the opening words of subsection 4 as compared to in section 5 where the minister is able to direct the commission before the inquiry, in subsection 4 the Commission can self direct its own inquiry and then go to the minister and provide a report, does the same logic that I put to you previously apply in relation to this, that if section 21A allows for the commission to make reports to the minister, it suggests the Commission must be able to investigate matters to provide reports to the minister?

40

MS HODSON-THOMAS: Yes, that's correct.

45 MR LEIGH: And are you aware that section 21A then feeds into section 21B which allows a minister to, depending on the particular circumstances, issue sanctions to a casino licensee, including censure, fine and cancellation of licence?

MS HODSON-THOMAS: Yes.

5 MR LEIGH: And you agree that those particular censures are quite significant responses from the minister?

MS HODSON-THOMAS: They are, indeed.

10 MR LEIGH: And they would only be appropriate in relation to very significant wrongdoing or I wouldn't say only unlawful conduct, but inappropriate and unsuitable conduct?

MS HODSON-THOMAS: Yes.

15 MR LEIGH: And it would be much more than merely problems with gaming or physical gaming or incorrectly played games at the casino, wouldn't it?

MS HODSON-THOMAS: Yes. It would be criminal behaviour or money laundering or any of those types of organised crime.

20 MR LEIGH: So do you think that those sections looked at cumulatively, section 21A and section 19B, suggests that maybe the Act contemplates a wider role for the GWC than the GWC has till this point been taking up?

25 MS HODSON-THOMAS: Yes, that's correct.

MR LEIGH: Thank you. No further questions, Commissioners.

30 COMMISSIONER OWEN: Thank you.

Mr Dharmananda?

MR DHARMANANDA: No, thank you, Commissioners.

35 COMMISSIONER OWEN: Ms Seaward?

MS SEAWARD: I think Mr Malone has one short question.

40 **CROSS-EXAMINATION BY MR MALONE**

MR MALONE: I refer to your witness statement in paragraph 60, which is WRT.0001.0001.0023. In paragraph 60 you refer to key individuals, I'm
45 paraphrasing, who are placed under enormous pressure and a large workload.

MS HODSON-THOMAS: Yes.

MR MALONE: My question is do you include in the phrase "key individuals", Mr Connolly?

5 MS HODSON-THOMAS: Yes, I do.

COMMISSIONER OWEN: Ms Seaward?

10 **CROSS-EXAMINATION BY MS SEAWARD**

MS SEAWARD: Ms Hodson-Thomas, you were asked some questions about the role, or the actual task the Commission undertakes at meetings. I think it was put to
15 you by counsel assisting that would it be a fair description that you receive the agenda papers, you then consider them and at the meeting you note, approve or reject. Do you recall that question?

MS HODSON-THOMAS: Yes, I do.

20

MS SEAWARD: I think you said that would be fair. Would it be right that at the meetings it's not simply a rubber stamping exercise?

MS HODSON-THOMAS: Yes, that's correct. We have the opportunity to ask for
25 further information and there is generally a discussion around the meeting paper that is before (inaudible).

MS SEAWARD: And at those meetings there will sometimes be departmental officers there to answer any questions you might have?

30

MS HODSON-THOMAS: That is correct.

MS SEAWARD: And is it fair to say that commission members do ask questions?

35 MS HODSON-THOMAS: We do.

MS SEAWARD: And sometimes it might be a request for more work to be done to go away and gather more information?

40 MS HODSON-THOMAS: That is correct.

MS SEAWARD: And at some further meeting that information will come back?

MS HODSON-THOMAS: Yes, that's correct.

45

MS SEAWARD: And is it fair to say you are not under any belief or understanding that you must simply agree with a recommendation that is put forward by an officer from the department?

MS HODSON-THOMAS: No. Sorry, I'm not sure if you heard that. I said no.

5 MS SEAWARD: And by "no" you mean you don't believe that is what you have to do?

MS HODSON-THOMAS: Yes.

10 MS SEAWARD: You then were asked some questions about the support from the department and you noted as time progressed there has been increasing demands on the staff from the department's time in dealing with various matters.

MS HODSON-THOMAS: Yes.

15 MS SEAWARD: And you mentioned the machinery of government changes, local government reform and the TAB were your answers.

MS HODSON-THOMAS: Yes.

20 MS SEAWARD: Would it be fair to say that what has put pressure on the departmental officers more recently would be the response to COVID-19?

MS HODSON-THOMAS: Yes, that too.

25 MS SEAWARD: And then the Bergin Report itself and the associated topics that have come before the Commission have also increased the burden on the particular officers?

MS HODSON-THOMAS: Yes, it has.

30 MS SEAWARD: And the work that the Commission does is not limited to casino regulation, there are a large number of other matters to consider as well?

MS HODSON-THOMAS: That is correct.

35 MS SEAWARD: In your statement, and I don't need to bring it up on the screen, but in the statement at paragraph 59 you give two examples of times where you consider that you have not received back information in a timely fashion.

40 MS HODSON-THOMAS: Yes, that's correct.

MS SEAWARD: And one of those is in relation to some work being done in relation to KPIs?

45 MS HODSON-THOMAS: That's correct too.

MS SEAWARD: Now, I think you were --- you may have been shown these

minutes, GWC.0002.0016.0309.

MS HODSON-THOMAS: Is there a date of those minutes?

5

MS SEAWARD: These are the 28 July 2020 minutes. I'm not sure if you have those ones.

COMMISSIONER OWEN: It may not be on the hearing book.

10

MS SEAWARD: Now I think if we look at the minutes, you are down as an apology for that particular meeting if we look at who attended?

MS HODSON-THOMAS: Yes, I am.

15

MS SEAWARD: Is that the one I think you might have mentioned before that you couldn't attend for personal reasons?

MS HODSON-THOMAS: I'm not sure. It wasn't at the time of my mother's passing though.

20

MS SEAWARD: My apologies, I misunderstood. If we look at these minutes, these are the minutes from the 28 July meeting. If you could bring up page 3 of those minutes. Down the bottom, item 5.3, "KPI Targets 2019-20". Could you read the two paragraphs on that page and there is a sentence or two on the following page. Could you turn the page?

25

UNKNOWN SPEAKER: We only have the extract.

30

MS SEAWARD: I will read it out, (inaudible) it has been number of occurrences identified be reduced from 10 to 1. Some external assistance to development meaningful KPIs is currently being sought. I understand you did not attend this meeting. Do you have any recollection of reading these minutes after the event when you were preparing for these.

35

MS HODSON-THOMAS: Yes.

MS SEAWARD: Is this the issue you were referring to when you said the KPI work had not yet been completed?

40

MS HODSON-THOMAS: No, I think I'm referring to other conversations we've had, even in more recent times, even at our last (inaudible).

MS SEAWARD: Is the about the KPIs for the commission that need to be reviewed, is that the issue of concern?

45

MS HODSON-THOMAS: I think we were all trying to get an understanding of what the KPIs actually meant. What in fact those key performance indicators actually

referred to, were they relevant in the current climate and so when I say it's not complete, we still have some concerns around that area.

5 MS SEAWARD: And although you don't have the next page on the screen, the resolution, part 2 of the resolution from that meeting was to reaffirm the Commission's intent to initiate a full review of KPIs to better reflect the desired performance of the Commission.

10 MS HODSON-THOMAS: Yes.

MS SEAWARD: Is that the issue you were concerned about?

MS HODSON-THOMAS: Yes.

15

MS SEAWARD: And has anybody discussed with you why there still needs to be --- why that review has not yet been completed?

20

MS HODSON-THOMAS: We had some discussion in our last meeting but there is still a view that whilst there has been an agreement about the KPIs going forward, they are still not where we would like them to be.

25

MS SEAWARD: And was any indication given to you that COVID-19 has slowed down the department's response to doing more work on the KPIs?

MS HODSON-THOMAS: Whether that has been said implicitly, I can't recall, but it was an observation we all made that COVID and the Bergin Inquiry delayed a whole raft of matters that needed to be actioned.

30

MS SEAWARD: Thank you.

And the other matter that you've expressed some concern in your statement about was never seeing a submission from the Commission to the Bergin Inquiry. Do you recall that?

35

MS HODSON-THOMAS: Yes, I do.

MS SEAWARD: Do you have any recollection of any discussion at meetings --- sorry, I withdraw that.

40

Do you recall that the Bergin Inquiry went into a hiatus for a period of time during COVID-19?

45

MS HODSON-THOMAS: I believe it did, yes.

MS SEAWARD: And do you have any reaction of there being any discussion at any other meetings or otherwise that following the resumption of the Bergin Inquiry there was a switch from requesting a submission to instead departmental officers attending

some roundtable regulatory discussions at the Bergin Inquiry?

MS HODSON-THOMAS: Yes, I recall that being conveyed at a meeting.

5

MS SEAWARD: Was it also conveyed at the meeting that those regulatory roundtable discussions were instead of the originally requested submission?

MS HODSON-THOMAS: I don't have a recollection of that but that may well be the case.

10

MS SEAWARD: No further questions.

15 **QUESTIONS BY THE COMMISSION**

COMMISSIONER JENKINS: I just have hopefully a few questions. First in respect of the Problem Gambling Support Services Committee ---

20

MS HODSON-THOMAS: Yes.

COMMISSIONER JENKINS: --- do you understand that is a committee of the GWC?

25

MS HODSON-THOMAS: I thought it was a committee that came from the different agencies, Commissioner. I believed that there were representatives from a number of different government agencies that sat around and that they had responsibility for that and that they would report up to GWC.

30

COMMISSIONER JENKINS: So is there a member of the GWC on that committee as far as you are aware?

MS HODSON-THOMAS: Not that I'm aware of, no.

35

COMMISSIONER JENKINS: And do you receive reports from that committee?

MS HODSON-THOMAS: From time to time I'm sure that there must be some information that is provided or that a staff officer might speak to but I can't recall seeing (inaudible).

40

COMMISSIONER JENKINS: Then I wanted to speak to you about the matter of the casino providing loans or providing credit to gamblers. Whilst you've been on the GWC, have you been aware that the casino can only do that with the consent of the GWC?

45

MS HODSON-THOMAS: I understood that only occurred with junket operators. I may be incorrect but I believed they had to seek permission from the GWC.

COMMISSIONER JENKINS: And did you understand that it was the directions that in essence provided the Commission's consent for those things to happen to the extent that they were permitted?

5

MS HODSON-THOMAS: Yes, that's correct.

COMMISSIONER JENKINS: And did you understand and understand now that it is the --- sorry, before I ask that, that the providing credit and perhaps loans in a more general way is something that is done in respect of premium players and people participating in junkets?

10

MS HODSON-THOMAS: Yes.

COMMISSIONER JENKINS: And did you also understand that --- that the directions provided --- well, you've already agreed that the directions permitted that to the extent that it could occur?

15

MS HODSON-THOMAS: Yes.

20

COMMISSIONER JENKINS: And did you understand that it was the GWC's role to ensure that the directions were complied with?

MS HODSON-THOMAS: We should have ensured that they were complied with, but I don't know how that would have been undertaken. I'm not sure what the reporting mechanism is, Commissioner, in terms of what oversight we had over whether that had been complied with.

25

COMMISSIONER JENKINS: So was there ever any discussion that you can recall at a GWC meeting level of how the GWC might ensure that the permissions that it had given in that regard were complied with or were sufficient to ensure the integrity of gaming at the casino?

30

MS HODSON-THOMAS: Commissioner, can you repeat that?

35

COMMISSIONER JENKINS: I will break it into two. It really did involve two issues. First, do you recall at a board meeting a discussion whether how the Commission might ensure that its directions about providing credit or loans to gamblers would be complied with?

40

MS HODSON-THOMAS: No.

COMMISSIONER JENKINS: And do you discuss ever a discussion about whether the directions that the Commission had given in regards to those matters were sufficient to ensure the integrity of gaming at the casino?

45

MS HODSON-THOMAS: No.

COMMISSIONER JENKINS: And so even when allegations started to be made about junkets and about the integrity, I suppose, of the junket operations, the Commission didn't discuss, well, are our directions in respect of providing credit to international gamblers facilitating or helping maybe to permit --- I won't use the word "facilitating", that is going too far, but perhaps not sufficiently regulating the operation of junkets so as to ensure that they are conducted in a lawful manner?

MS HODSON-THOMAS: If I can just step back because obviously we were all very concerned, Commissioner, about what was coming out in the media allegations regarding Crown and its suitability in terms of the organised crime and potential money laundering and the issues that occurred in China. We actually called in Crown to come in and present to us to provide us with some, if you like, comfort that what we were reading that there was no substantiation to those allegations. So I just want to reflect on our time. Crown did come in and presented to us and I have to say their presentation, they refuted all of those allegations. So, I think myself and others around the Commission felt that it might have well been a beat-up but as obviously we all know now that information was sanitised. We weren't being provided with all of the information. That information has obviously come out in the Bergin Inquiry and it made for incredible reading and made me realise that we needed to do much more. And as the Commission determined in its February meeting, we made a recommendation to the minister that an inquiry be held. Obviously on reflection we should have done much more.

COMMISSIONER JENKINS: Thank you for that answer because it in fact answers some of the questions that I was going to go on and ask. And so just a few follow-up questions about that, is that when you received --- I think you had two presentations from Crown? Did you?

MS HODSON-THOMAS: We did.

COMMISSIONER JENKINS: One in August 2019 and again in December?

MS HODSON-THOMAS: That's correct.

COMMISSIONER JENKINS: Did you in essence believe what you were being told by Crown?

MS HODSON-THOMAS: Well, I certainly did in the first instance. The second one I --- the alarm bells were starting to go off and obviously that is when we made the determinations that junket operators (inaudible) should not be allowed. But we are only given a certain amount of time in terms of that presentation. The December one I'm not sure if it was in person or not, whether Ken Barton was on Teams. He may --

COMMISSIONER JENKINS: I don't want to mislead you. I think I might have been thinking about one in December 2020.

MS HODSON-THOMAS: Yes.

COMMISSIONER JENKINS: (Inaudible).

5

MS HODSON-THOMAS: And she came in Microsoft Teams.

COMMISSIONER JENKINS: And in respect of any of the Crown presentations on the issues that are the subject of this commission, did the GWC discuss obtaining some independent material about the allegations that were being made? So rather than relying upon Crown, asking another expert in casino regulation to report to GWC on those issues?

10

MS HODSON-THOMAS: No, we didn't.

15

COMMISSIONER JENKINS: And then was one follow-up final question I have about that is that in the materials provided to this commission, there is a letter of 14 December 2020 from Crown to Mr Ord as chairman of the Gaming and Wagering Commission. It is about these issues. It had attached to it a report from ---

20

MS HODSON-THOMAS: Was it the Angove report?

COMMISSIONER JENKINS: Grant Thornton about the Riverbank accounts.

25

MS HODSON-THOMAS: Yes.

COMMISSIONER JENKINS: All I wanted to know about that was --- and it also had an initialism report attached to it, all I wanted to know was whether the GWC members were provided with that?

30

MS HODSON-THOMAS: I can't be certain.

COMMISSIONER JENKINS: And the attachments?

35

MS HODSON-THOMAS: I would have to see the documentation. It quite possibly was in a board pack, but without actually seeing it I can't really answer that.

COMMISSIONER JENKINS: For various reasons I'm perhaps a bit reluctant to show it to you at this time but does it refresh your memory at all, it would have been quite think and had a lot of bank statements?

40

MS HODSON-THOMAS: No. I don't recall ---

COMMISSIONER JENKINS: Of Riverbank and Southbank.

45

MS HODSON-THOMAS: No, I don't recall ever seeing any bank statements.

COMMISSIONER JENKINS: Thank you.

COMMISSIONER OWEN: Thank you.

5

Ms Hodson-Thomas, I have just a couple of questions. Can I come back --- you remember the questions that Mr Leigh asked you right at the at the end framed around sections 19B and 21A of the Act and it is this question of whether the role, if any, for the Gaming and Wagering Commission in looking at matters such as money
10 laundering and criminal activity, criminal infiltration generally, that is the subject matter, and I understand --- what I understand you to be saying is that it's not outside the remit of the Gaming and Wagering Commission to be looking at matters like that because it is in the public --- it is a matter of the public interest, the community interest, for those things not to be occurring in the casino.

15

MS HODSON-THOMAS: Yes.

COMMISSIONER OWEN: But, for various reasons, duplication, lack of resources, there are other bodies more capable of doing that?

20

MS HODSON-THOMAS: Yes.

COMMISSIONER OWEN: That is your position generally?

25

MS HODSON-THOMAS: Yes, it is.

COMMISSIONER OWEN: Can I put this to you as a slightly different way of looking at it. Is it the level of process and systems? You are aware, aren't you, of the casino operations manual?

30

MS HODSON-THOMAS: Yes.

COMMISSIONER OWEN: And that any changes to the casino operations manual requires the approval of the Gaming and Wagering Commission?

35

MS HODSON-THOMAS: Correct.

COMMISSIONER OWEN: So, therefore, the Gaming and Wagering Commission has an interest, if I can put it that way ---

40

MS HODSON-THOMAS: Yes, we do.

COMMISSIONER OWEN: --- in the manual. And if you can take it from me that may be to a limited extent, but there are anti-money laundering aspects in the casino
45 operations manual.

Against that background, might it not have been appropriate to have audit processes where the Gaming and Wagering Commission was satisfying itself, and it would be

for the benefit of Crown as well as in the public interest, that the systems were working?

5 MS HODSON-THOMAS: Yes, absolutely.

COMMISSIONER OWEN: Was that ever a matter that was discussed?

10 MS HODSON-THOMAS: In more recent times we've all expressed our concerns around these issues. We've certainly asked what happens to some of those bank statements that are provided from --- I mean, obviously, the Riverbank account. Whilst there was reference in that presentation that the casino made to us on 9 August 2019, the extent of what actually transpired in that account we didn't have any information. But certainly there needs to be better processes and audit around
15 what is collected by members --- well, the information that is provided from the casino to staff members, because I understand that they do collect those bank statements and what, if any, processes are in place to actually identify, or are they even equipped and skilled to identify whether there might be red flags.

20 COMMISSIONER OWEN: Thank you.

Going to another different topic, it is the question of the resources and budgeting. We heard evidence from a departmental officer, which was, counsel will jump up no doubt if I'm getting this terribly wrong, but it was to the effect that "We don't go
25 asking government for money, we simply work with what we're given." This is the departmental officers. Could I put it to you that the Gaming and Wagering Commission, that is populated largely by people from outside the department, might be in a better position to make it clear to government where the lack of resources is impinging on the proper functioning of the organisation?

30 MS HODSON-THOMAS: Yes, it should be incumbent on the Commission to do that, but we haven't.

35 COMMISSIONER OWEN: Finally, can I ask you two questions about the broad issues of governance. I read somewhere --- I'm asking for your impression. You've been working with the members of the Commission, and it has changed from time to time over a period now so I'm asking for your impression as to how cohesive the board is and how it actually operates. And I've read somewhere that a board should respectfully encourage robust and sceptical questioning of the issues before it. How
40 would you rate the Gaming and Wagering Commission against that standard?

45 MS HODSON-THOMAS: I would say it is below standard but it certainly could be better in terms of best practice and sound governance principles. Given we are not independent it makes it very difficult to have perhaps some of those robust questioning and probing that should occur. I also think it is --- my view is that there should be an opportunity to have in-camera sessions whereby members could sit separate to the department to have those conversations where we are concerned --- certainly in a more recent time because we've all sought legal advice to appear before

us. It has only been the Commission members without the Director-General. So there has been some much more robust questions and concerns raised and it has been encouraging to see that. And if I can reflect on my peers, I think the more recent
5 appointments have been really sound appointments, Carmelina and Jody, as I said, have great financial experience and having that financial lens is something that has brought me greater comfort. Steve Dodson comes out of a law enforcement, although he is a financial planner, now and Tillie as well, and it --- is also a highly competent person. You can see they are all professionals, they all understand good
10 governance principles, they are all of inquiring minds and we are all very concerned at what has occurred and what has evolved. And having Barry there, given his corporate knowledge, is also, in my mind, very good as well.

COMMISSIONER OWEN: You mentioned the in-camera discussions without
15 departmental people. Have you ever --- have you ever thought of the efficacy of the provision in the Act which requires that the chair is ex officio, the Director-General of the department? Has that been a matter that you've thought about?

MS HODSON-THOMAS: I've thought about it in recent times but certainly not
20 discussed it around the Commission, no.

COMMISSIONER OWEN: And have you formed a view on that?

MS HODSON-THOMAS: I have the view that we should definitely have an
25 independent chair and a model similar to that that we see in NSW where it is totally independent.

COMMISSIONER OWEN: Thank you.

30 My last question is you mention that there have been several more recent appointments and in your view they have been good ones and it has worked, but can I ask you this: were you consulted about the intention to appoint those people to the board of which you were then a member?

35 MS HODSON-THOMAS: No. And we don't --- we haven't set it up like --- I mean, if we were to refer to good governance principles you would look at a skills matrix and who sits around the table, what skills we all bring to the table. No, I've never been consulted but I can say that I've been impressed by the appointments in recent
40 times.

COMMISSIONER OWEN: Well, that is encouraging but it may be by
happenstance.

45 MS HODSON-THOMAS: Yes!

COMMISSIONER OWEN: So in terms of good governance, a more contemporary model that had a nominations committee and that sort of thing would, in your view, be appropriate, would it?

MS HODSON-THOMAS: Absolutely.

COMMISSIONER OWEN: All right thank you very much.

5

Mr Leigh, anything arising from that?

MR LEIGH: No, thank you, Commissioner.

10 COMMISSIONER OWEN: Mr Evans?

MR EVANS: Thank you, Commissioner. Hopefully only three.

15 Ms Hodson-Thomas, you may recall counsel took you through a number of delegations.

MS HODSON-THOMAS: He did.

20 MR EVANS: Towards the end of that, about the end of it, he made the proposition to you that the effect of those delegations might be --- My apologies, Mr Leigh speaks rather quickly and my note is not as perfect as it might be. But it was to the effect that the effect of those delegations might be seen as subverting the delegation of Parliament in relation to oversight of ---

25 MS HODSON-THOMAS: Is that how he phrased that question?

MR EVANS: That is how I recall it.

30 MS HODSON-THOMAS: Okay. And did I answer "yes"?

MR EVANS: I think you answered to the effect of "yes". Could you just bring up section 16 of the Gaming and Wagering Commission Act? I don't have a number for it, I'm afraid. I'm looking for the delegations. Zoom in on subsection (1). I will put this to you as an experienced legislator because you were a member of the
35 Parliament for a number of years.

MS HODSON-THOMAS: Oh, God.

40 MR EVANS: I want you to read the delegation provision, in particular the latter two lines before (a), (b) and (c) and the last two lines. I want to give you the opportunity, having read that, to ask whether you wish to add anything to the previous answer?

MS HODSON-THOMAS: Well, I should have said "no" to that question but I felt
45 under pressure.

MR EVANS: Thank you.

Can I then take you to GWC.0002.0016.0283. This should be the meeting of 27 August 2019. It is the item of business relating to the review of the junket operators regime. I think it is page 45 of the document. Perhaps you can just roll back slightly. You will recall counsel took you to the summary. I think it might be on about page 41 or so. That's it. And in particular the fourth bullet point, that is the authorisation to explore the activities and the idea of a national framework --

MS HODSON-THOMAS: Yes.

MR EVANS: --- as being inconsistent effectively with the position which was stated in the answers stated in the notice to produce.

MS HODSON-THOMAS: Sorry, what was the question?

MR EVANS: The effect of the proposition was that the endorsement of this was inconsistent with the notion that you didn't properly have a role, the Commission did not properly have a role in this space. Can I just take you to what the actual basis of that recommendation was, it's on page 45.

MS HODSON-THOMAS: That's the difficulty of answering a question without actually reading the full background to the paper.

MR EVANS: Yes. Perhaps I invite you to read the paragraph commencing "Regardless" and perhaps we zoom up to the second half of the page.

MS HODSON-THOMAS: "Regardless, I think as a group of regulators"; is that the one you refer to?

MR EVANS: That's correct. Does that assist you in recalling the rationale for endorsing?

MS HODSON-THOMAS: Yes, I do recall that now. And it is consistent with my thinking. I think that we need more broadly a national framework in terms of dealing with this so that there is consistency and the broader community can actually have confidence in it.

MR EVANS: Thank you.

Finally --- there is nothing else you wish to add in relation to that?

MS HODSON-THOMAS: No.

MR EVANS: Finally in relation to a question from Commissioner Jenkins, the substance of which was whether you were --- you consider there was any action that should be taken in relation to the revelations which were coming forward post 2019 in relation to junket operations and money laundering. Can you just put that in the context of your understanding of any other regulatory activities which were taking

place outside WA at that stage?

5 MS HODSON-THOMAS: Well, the Bergin Inquiry was being undertaken and we were of the view that we should await the outcome of the inquiry and that it would provide us with obviously findings that would either confirm or deny the allegations that we were reading.

10 MR EVANS: Was the Bergin Inquiry the only inquiry which you were aware of at that time?

15 MS HODSON-THOMAS: Also I think the Victorian regulator was actually looking into the Crown Casino because they have a five-year review into Crown. And that was also undertaken during that period as well.

MR EVANS: Thank you. No further questions.

COMMISSIONER OWEN: Thank you, Mr Evans.

20 Ms Hodson-Thomas, thank you very much. That has been of great assistance to us. We are grateful to you and we are able to release you from the effect of the summons and you are now free to go.

25 MS HODSON-THOMAS: Thank you.

THE WITNESS WITHDREW

30 COMMISSIONER OWEN: I have a couple of procedural matters, if you'd like to leave, you may, or if you wish to hear it ---

MS HODSON-THOMAS: I would like to stay and hear.

35

HOUSEKEEPING

40 COMMISSIONER OWEN: I'm sure you would!

Thank you very much. Just a couple of matters. The document GWC.0002.00016.0309_DOC3 I think needs to be supplemented with one additional page, Ms Seaward, is it?

45 MS SEAWARD: Yes.

COMMISSIONER OWEN: Just one?

MS SEAWARD: Yes.

5 COMMISSIONER OWEN: So the version that is on the hearing book and which will eventually be made public is to be supplemented with an additional page.

Mr Leigh, the tender of documents to which you've referred, do you have a list?

10 MR LEIGH: Commissioner, we do, the only concern I have is that we received a letter very shortly before the hearing commenced indicating that there were concerns with some of the items in the list, and we haven't had an opportunity to consider that letter, so I would be reluctant to attempt to tender at this stage until we have considered that.

15 COMMISSIONER OWEN: Well, then, subject to that, we'll deal with it the same way as we did this morning's tenderers. You prepare a list and it can be included in the written transcript by direction of the Commission as if it had been formally tendered in open session.

20 And, I'm assuming that the redactions of private information and otherwise from the statements of either or both Mr Beecroft and Ms Hodson-Thomas are in order so that those witness statements can be made public.

25 Unless anyone has anything else, we will adjourn and resume at 10.00 am on Monday morning. Thank you very much.

**HEARING ADJOURNED AT 4.19 PM UNTIL MONDAY, 17 MAY 2021 AT
10.00 AM**

30

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