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PERTH CASINO ROYAL COMMISSION

PUBLIC HEARING - DAY 7

10.00 AM MONDAY, 17 MAY 2021

**COMMISSIONER N J OWEN
COMMISSIONER C MURPHY**

HEARING ROOM 3

**MS KIRSTEN NELSON and MS KARESS DIAS as Counsel Assisting the Perth
Casino Royal Commission**

MR MICHAEL STULIC as Counsel for Mr Michael Christopher Connolly

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

**MR JOSHUA BERSON appeared for The Department of Local Government,
Sport and Cultural Industries**

**MR KANAGA DHARMANANDA SC 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**

COMMISSIONER OWEN: Thank you. Please be seated. Just before we commence, I will make a short statement. In order to comply with the reporting schedule, the Royal Commission proposes from time to time, and today is the first of such occasions, to conduct simultaneous hearings and some examinations will take place before a single Commissioner. This process is provided for in section 7(1) of the Royal Commissions Act 1968. The Commissioner or Commissioners who have not been present for the examination of a witness will as soon as practicable after the conclusion of the examination consider the audio and visual recording and/or the written transcript of the examination.

If any Commissioner or Commissioners has questions arising from the consideration of the materials or from the examination generally, those questions will be delivered in writing to the legal representatives of the witness, or to the witness, if unrepresented, and the witness will be required within the time specified in the notice to provide written answers to the questions. The Commissioners may recall the witness for further oral examination, but will only do so where having considered the written answers, they have formed the view that it is the only practicable way.

Accordingly, a witness will not be excused from further attendance and released from the effect of the witness summons at the conclusion of the oral evidence. Rather, the Commission will provide written notice releasing the witness. If the Commissioners decide it's not necessary to enliven the early item about providing written questions, or the Commissioners are satisfied that the process, that process has been completed and unless an order to the contrary is made written answers provided in accordance with this process will be made public. We will reduce that to a practice direction in due course with perhaps some modifications or additions, but at the moment that should be sufficient to advise the witnesses, the legal representatives and the public of the process of simultaneous hearings. Now, we have Mr Dobson, I believe.

COMMISSIONER OWEN: Would you mind giving us your full name for the record?

MR DOBSON: Stephen Mark Dobson.

MR STEVEN MARK DOBSON, SWORN

COMMISSIONER OWEN: Thank you, Mr Dobson, please sit down.

EXAMINATION-IN-CHIEF BY MR SADLER

MR SADLER: Mr Dobson, were you summoned to appear before the Perth Casino

Royal Commission today?

MR DOBSON: Correct.

5 MR SADLER: And the commission provided with that summons a list of topics which will be covered during your examination?

MR DOBSON: Correct.

10 MR SADLER: And the commission invited you to prepare a written statement in relation to those topics. Do you have a copy of the statement which you prepared?

MR DOBSON: I do.

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

MR DOBSON: I have.

MR SADLER: And are the contents true and correct to the best of your knowledge
20 and belief?

MR DOBSON: Yes, they are.

MR LEIGH: Thank you, Mr Dobson.

25 Commissioners, I tender the witness statement of Steven Mark Dobson, dated 14 May 2021, which has the number GWC.0003.0009.0022.

COMMISSIONER OWEN: The witness statement of Steven Mark Dobson, dated
30 14 May 2021, and bearing the document identifier that Mr Sadler has just read out, will be received into evidence as an exhibit. Thank you.

Mr Leigh.

35

EXHIBIT #GWC.0003.0009.0022 - STATEMENT OF STEVEN MARK DOBSON, DATED 14 MAY 2021

40 **CROSS-EXAMINATION BY MR LEIGH**

MR LEIGH: Mr Dobson, I am just going to open by asking some further questions. You explain in your witness statement that you have a wide range of qualifications
45 and experience and at paragraph 4 of your statement, you explain that you have an MBA from Murdoch University and a Bachelor of Business Financial Planning with distinction from RMIT. You don't indicate what years you obtained those

qualifications, was it before you began working as a financial planner in 1999?

MR DOBSON: No.

5 MR LEIGH: Can you let the commission know when you obtained those qualifications?

MR DOBSON: I completed the RMIT degree by distance education in 2008 when I graduated with the certificate in 2009 and the MBA from Murdoch University I
10 completed in 2012 and graduated in April 2013.

MR LEIGH: Thank you. Then at paragraph 9 you say that you obtained your authorised representative licence from the Australian Securities and Investments Commission in 2001. What is an authorised representative licence, and what does it
15 allow you to do?

MR DOBSON: In 2001 it was called a Dealers Representative under the old Corporations Act, so it allows me to basically operate as a financial planner.

20 MR LEIGH: And you've worked at Dobson and Associates from 1999 until today?

MR DOBSON: Correct.

MR LEIGH: You've been in that role 22 years?
25

MR DOBSON: Yes.

MR LEIGH: You are a director of that business as well as a financial planner with that business.
30

MR DOBSON: Correct.

MR LEIGH: What does the role of financial planner involve in broad terms?

35 MR DOBSON: In day-to-day it's assisting clients with goals and objectives to help them with their financial situation. That might be retirement planning, investment advice, life insurance.

MR LEIGH: And in that role, have you gained experience in the review and
40 interpretation of financial documents?

MR DOBSON: Yes.

MR LEIGH: Are you proficient in interpreting and understanding things like bank
45 statements and profit and loss statements and the like?

MR DOBSON: Within reason.

MR LEIGH: Then at paragraph 6 of your witness statement you explain you were a police officer between 2002 and 2008?

5 MR DOBSON: Yes.

MR LEIGH: Does that mean you did the standard police training in 2002 at the Academy, then afterwards probationary constable, then afterwards constable?

10 MR DOBSON: Yes.

MR LEIGH: If I read your CV correctly you were in uniform general duties between 2002 and 2007? And that, you then completed detective training school in 2007 after which you were a detective first class?

15

MR DOBSON: Correct.

MR LEIGH: At any stage in that policing career, whether in general duties or as a detective, were you tasked to an area of the WA Police which dealt with financial crimes?

20

MR DOBSON: No.

MR LEIGH: Then you resigned from the WA police force in 2008 and worked for a period in 2009 for the Department of Fire and Emergency Services?

25

MR DOBSON: Yes.

MR LEIGH: At all times during this you were still doing consulting work with Mal Dobson and Associates?

30

MR DOBSON: Correct.

MR LEIGH: You then list other qualifications at paragraph 5 of your witness statement and also in your CV. Can you let the Commission know when it was you obtained your Australian Institute of Company Directors diploma.

35

MR DOBSON: January, 2011.

MR LEIGH: And lastly, your introduction to risk management course with SIA Global?

40

MR DOBSON: Can recall off the top of my head without looking at statements or old information. It would be 2013-14 probably.

45

MR LEIGH: Thereabouts. What is the content of an introduction to risk management course? What does it teach you or qualify you to do.

MR DOBSON: It was a 1-day course and I attended as another not-for-profit board I served on at the time and it was basically formulating risk matrix and risk treatment strategies, so it was in the context of working in a not-for-profit environmental space.

5

MR LEIGH: Alright, well that question leads me to what I wanted to ask about next which is general board experience you have and you've listed quite a number of matters on your witness statement and CV that I've had a look at it. Putting aside your roles with the WA police, football club and the Jandakot volunteer bushfire brigade, if I read that CV correctly, your first role as a committee member of an industry group was in 2010 when you were the secretary of the Financial Planning Association of Australia.

MR DOBSON: No, I was actually appointed as secretary of a volunteer bushfire brigade when I was 18 and I have held that ever since.

MR LEIGH: Putting aside the bushfire matter, is the first industry association for which you were a committee member --- - -

MR DOBSON: The industry association, okay. Yes. So that was the WA chapter so not the Australian Financial Planning Association. The WA chapter I was the secretary for a short period of time.

MR LEIGH: That was in 2010?

25

MR DOBSON: To 11, yes.

MR LEIGH: And your first role as a committee member of a governmental organisation, was that in 2012 when you were appointed to the small business development corporation?

30

MR DOBSON: That's correct, I have been on other committees within fire emergency services but that was my first formal board appointment.

MR LEIGH: Then you've subsequently been reappointed in relation to that role as the chairman in 2018?

35

MR DOBSON: Correct.

MR LEIGH: You've otherwise been a member, if I understand your CV correctly, of eight other governmental and industry committees or boards?

40

MR DOBSON: I'll take that as yes.

MR LEIGH: Certainly an extensive number of committees and boards you've been involved with?

45

MR DOBSON: Yes.

MR LEIGH: In relation to the experience you've had on those committees and boards, do you consider you have a good understanding of what is necessary for the
5 successful operation of committees and boards?

MR DOBSON: Yes.

MR LEIGH: Including in relation to strategic roles such as organisational direction
10 of boards?

MR DOBSON: Yes.

MR LEIGH: The coordination of planning, policies and decision-making
15 frameworks?

MR DOBSON: Yes.

MR LEIGH: And setting values, standards and compliance expectations?
20

MR DOBSON: Yes.

MR LEIGH: Alright. The next series of questions I want to ask you is in relation to
25 your being appointed as a GWC member and prior to that appointment the qualifications you had as to the work that the GWC does. So, I understand that you were appointed to the Gaming and Wagering Commission, which I'll often refer to as the GWC for brevity, only about 10 months ago on 1 July, 2020?

MR DOBSON: Correct.
30

MR LEIGH: And prior to that appointment, you obviously had extensive experience in law enforcement as a result of being a police officer, but would it be fair to say that prior to that, you had no experience in working for or being part of the directing body of a regulatory authority?
35

MR DOBSON: I guess not, no.

MR LEIGH: Is it also fair to say that prior to commencing work with the GWC, you had no experience in relation to the organisation or management of casino gaming?
40

MR DOBSON: Not casino gaming.

MR LEIGH: And lastly again, notwithstanding your reference to having worked at a race track, and this is at paragraph 8 of your statement, at Gloucester Park, would it
45 be fair to say that prior to being appointed to the GWC you didn't have any experience in the wagering or gaming aspect of racing?

MR DOBSON: Not with regards to the wagering, but in regards to the knowledge of the industry, yes.

5 MR LEIGH: And more broadly, did you have any experience in relation to the wagering or gaming industry more broadly?

10 MR DOBSON: So I'd been previously a race horse owner and a member of the WA Trotting Association and I've grown up with it with my father and my late uncle owning trotters and growing up in Jandakot I knew a lot of harness racing drivers and trainers, so I had met them through the course of my, I guess, growing up and had a pretty good appreciation of that industry, but that is specific to harness racing.

15 MR LEIGH: A good understanding of harness racing but not more broadly wagering and gaming; is that fair.

MR DOBSON: Correct.

20 MR LEIGH: Just some questions in relation to training. You say at paragraph 20 of your witness statement that since being appointed to the GWC you have not received any formal training as the role of the GWC or your responsibilities as a member, is that correct?

MR DOBSON: Correct.

25 MR LEIGH: Have you received any training?

MR DOBSON: No.

30 MR LEIGH: Have you sought any such training?

MR DOBSON: No.

35 MR LEIGH: Are you aware of any other GWC members who have sought such training?

MR DOBSON: I'm not aware.

40 MR LEIGH: What do you understand the position to be today in relation to the availability of training?

MR DOBSON: I don't think there's actually any particular bodies that would do training for the role that we operate in there as a commission. So I don't know of any --- if there was training I'd attend it.

45 MR LEIGH: Yes. Has there ever been to your knowledge discussions amongst GWC members as to whether that's the case; whether there is training available?

MR DOBSON: I don't recall that discussion occurring.

MR LEIGH: And do you know if there's any training budget available for training of GWC members?

5

MR DOBSON: I'm not aware.

MR LEIGH: And lastly in relation to training, have you ever been encouraged by anyone at the GWC, whether it be the chairman or anyone else, to seek out any formal training?

10

MR DOBSON: No.

MR LEIGH: Then some questions in relation to the appointment process for when you were first appointed. At paragraph 15 to 19 of your witness statement, you explain the sequence as to how you came to be appointed. In summary, and please correct me if I've got this wrong, you've previously uploaded your CV onto the WA Government's onboard register to indicate that you were interested in being considered for government roles?

20

MR DOBSON: Correct.

MR LEIGH: And on 6 May 2020, you received an email from an adviser in the office of the Minister for Racing and Gaming asking you to consider a position on the GWC?

25

MR DOBSON: Correct.

MR LEIGH: Then you provided a copy of the email with your witness statement and that email states --- and this is GWC.0003.0009.002. That's a transcript reference only, I don't ask for that to be brought up. The email states that the GWC is responsible for regulating gaming and gambling committee in WA and it provided a link to the GWC's latest annual report; is that correct?

30

MR DOBSON: Yes.

35

MR LEIGH: Did you have a chance to read that annual report?

MR DOBSON: Yes.

40

MR LEIGH: Then later that same day, you discussed this potential position with the advice from the Minister's office. As a result of that discussion, what understanding, if any, did you then have as to the role of GWC's work?

MR DOBSON: So, I understand it to be the regulatory body that was responsible for gaming wagering, so that included Crown, included community gambling and the gaming or the wagering activities of the racing industry.

45

MR LEIGH: And so that is in relation to, if you like, the scope of work that it would be responsible for. Did you at that stage have an understanding as to what the GWC actually did in relation to that scope?

5

MR DOBSON: Reading through the annual reports, I had a feel for what the work was involved, but I guess to be in more detail, without being inducted at that point it was hard to know more.

10 MR LEIGH: And the adviser mentioned to you that you were considered to be potentially appropriate or one of the reasons you were considered to be potentially appropriate was because of your law enforcement background?

MR DOBSON: Yeah, that's how I recall the conversation.

15

MR LEIGH: And also, because of your broad board and governance experience. Did the adviser explain to you why it was that your background in law enforcement was seen to be relevant to, or desirable for work on the GWC?

20 MR DOBSON: I don't recall.

MR LEIGH: Prior to accepting the role, did you have an opportunity to discuss with any other GWC members what the nature of the work was and what you'd be doing?

25 MR DOBSON: No.

MR LEIGH: Are you aware of whether any other GWC members were consulted on your potential appointment?

30 MR DOBSON: No.

MR LEIGH: The next questions I want to ask you about briefly are about remuneration and you indicate at paragraph 29 of your witness statement that your current remuneration for the GWC membership is \$16,600 plus superannuation; is that correct?

35

MR DOBSON: Correct.

MR LEIGH: I'm going to come in a moment to the sorts of work that you do, but just as a high-level at the moment, do you consider that the amount of remuneration you receive is sufficient to properly compensate you for the amount of time that you have to spend doing the work of the GWC?

40

MR DOBSON: Prior to the Royal Commission, yes. Post-Royal Commission starting, no.

45

MR LEIGH: And looking prior to the Royal Commission commencing, do you

consider that the current level of remuneration would allow for GWC members to take on more or do additional tasks than what they were already doing prior to the Royal Commission?

5 MR DOBSON: It depends on the individual board members' time commitments. For me it works and I accepted the role based on the remuneration.

MR LEIGH: In relation then to induction, after being told that you'd be appointed to the GWC, your witness statement explains that you received various emails and forms in relation to that role and you say at paragraph 22 of your statement that you read all of those materials including statutes and regulations and the annual reports. When you say "the statutes", do you have a regulation now as to which statutes it was that you read?

15 MR DOBSON: Gaming and Wagering Act, the TAB Act, looking at some of the other ones, the more obscure ones. I can't remember them all off the top of my head. Mental blank, but basically I've got a link to quite a few legs and regs in that email and I went through and read them all. I mean, it's impossible to take it all in, but I got a good idea straight away what I was looking at.

20 MR LEIGH: When you said you had a good idea straight away do you consider that whether as a result of your experience as a police officer or otherwise you are reasonably proficient at being able to read and understand legislation?

25 MR DOBSON: Yes.

COMMISSIONER OWEN: Before you go on, can I come back to the question of remuneration and you said apart from the Royal Commission it's a sufficient level, are you limiting - when you answered that question, were you limiting that to this Royal Commission?

MR DOBSON: Correct.

35 COMMISSIONER OWEN: So what went before this Royal Commission, so before March of this year ---

MR DOBSON: I deemed it to be appropriate remuneration up to that point.

40 COMMISSIONER OWEN: Okay, thank you.

MR LEIGH: Then, in your witness statement you also say at paragraph 22 that you read the relevant web pages of the Department of Racing Gaming and Liquor. I assume by that you mean the Department of Local Government, Sports and Cultural Industries?

45 MR DOBSON: Correct.

MR LEIGH: Again, for brevity, I'll generally refer to that as "the department". You say at paragraph 23 that you attended the GWC offices where you collected an iPad?

MR DOBSON: Yes.

5

MR LEIGH: Where are the GWC offices are they different from the department's offices?

10 MR DOBSON: 140 William Street which is a large government building, multiple storeys, and level 2 is the general reception and that's where I met the department staff members and then post that, I went to a floor that was much higher in the building and met with their IT security to reset passwords.

15 MR LEIGH: And in relation to the GWC offices, is that building that you went to, 140 William, is that where the GWC ordinarily meets to do its work?

MR DOBSON: Correct.

20 MR LEIGH: Then, the officers that you spoke to --- and you just explained to us a moment ago you went through the security process and reset passwords and the like and they showed you how to make use of the iPad and they explained, as I understand it, that the materials relevant for the GWC's work would come up on the iPad. Is that correct?

25 MR DOBSON: Yes.

MR LEIGH: Were there any materials on the iPad already when you collected the device?

30 MR DOBSON: There were some board papers, there were some policies on there. There were some other documents that the previous user had still on there.

MR LEIGH: Did you have a chance to read through these other previous board papers and the like?

35

MR DOBSON: I had a brief read-through, but didn't read --- I think there was maybe three or four board papers that had been left on it.

40 MR LEIGH: Alright. Then a few days later after receiving this iPad, I understand that you made contact with Mr Michael Connolly to discuss matters that were relevant to the GWC; is that correct? Now, along with your witness statement, you've provided an email dated 16 July 2020 and the transcript revenues that's GWC.0003.0009.0016, if we could bring that up, please. You can see there down at the bottom part of the email, there's your email to Ms Emily Howell and you've
45 asked for an opportunity to meet the chair or the deputy of the GWC.

MR DOBSON: Correct.

MR LEIGH: And in relation to the names that you then use in the final sentence "happy to approach Duncan and Mick", how was it that you had come to understand which persons occupied the roles of officers on the GWC?

5

MR DOBSON: Through the discussions with Emily.

MR LEIGH: Alright. And you then say at paragraph 25 of your witness statement that you did subsequently speak to Mr Connolly. What did Mr Connolly tell you about the role of the GWC, if anything?

10

MR DOBSON: It was a phone conversation. He explained the current issues that the board was looking at, that I guess the environmental landscape that we were operating in, discussions around some of the big-picture items which was the TAB sale and in general, just an overview of what the Commission was doing at that point in time.

15

MR LEIGH: What, if anything, did Mr Connolly tell you about the matters that fell within and without the remit of the GWC when it came to casino regulation?

20

MR DOBSON: Sorry, can you ask that question again?

MR LEIGH: Did you and Mr Connolly speak about what matters the GWC did look at and did not look at when it came to regulating casinos?

25

MR DOBSON: I don't recall that part of the conversation.

MR LEIGH: At the time that you spoke to Mr Connolly, were you aware about media allegations that had been made in relation to Crown?

30

MR DOBSON: No.

MR LEIGH: So, you hadn't heard anything as to allegations that Crown Casino had been used for money laundering, or had been involved with junkets with alleged criminal links?

35

MR DOBSON: I'd read it briefly in the media, but to be fair I hadn't looked at it in detail.

MR LEIGH: Was that an issue which came up in the discussion between you and Mr Connolly?

40

MR DOBSON: No.

MR LEIGH: You then say at paragraph 26 of your statement that you asked Mr Connolly some questions arising from your review of the annual reports. Do you recall now what it was that you asked him and what it was that he told you?

45

MR DOBSON: I don't recall.

5 MR LEIGH: I've mentioned Mr Connolly now so I'm just going to ask you some
brief questions in relation to the issue of conflict of interest. This is something which
you pick up in your witness statement at paragraph 38.3. If we can please bring up
page 8 of that statement.

10 So in 38.3, you can see there that you say:

Late in 2020, Mr Connolly disclosed that he had a conflict of interest.

What was the nature of the conflict he disclosed?

15 MR DOBSON: Prior to a board meeting, Mr Connolly explained to the board
members that he knew Claude, I get his pronunciation wrong, Marais. He was a
friend and a social friend and they did fishing trips together and he was going to
disclose that at the start of the meeting.

20 MR LEIGH: And when it was disclosed, was it disclosed as being something that
was a conflict or was a potential conflict of interest; if you recall?

25 MR DOBSON: I don't believe the word "potential" or "real" or any of those sort of
contexts was used at the time. It was just disclosed to the commissioners.

MR LEIGH: Do you recall if you ever heard about this relationship that
Mr Connolly had at any earlier time?

30 MR DOBSON: No.

MR LEIGH: How significantly do you consider in the time that you'd been on the
GWC prior to this declaration being made, how significantly did the work of the
GWC depend on the work of Mr Connolly?

35 MR DOBSON: It was key, a key staff member.

MR LEIGH: And how significantly did the work of the GWC depend on the
exercise of Mr Connolly's discretion and judgment?

40 MR DOBSON: If it was day-to-day operational material then that would be a matter
for Mr Connolly and the parts of importance would come to us for decision-making
that required the board's involvement.

45 MR LEIGH: After you learned of this declared conflict, did you have any concerns
as to whether that conflict may have affected at all the discharge of Mr Connolly's
duties?

MR DOBSON: No, I did not.

MR LEIGH: Did you have any view as to whether it may have had any impact at all on the work of the GWC?

5

MR DOBSON: I felt it put him in an awkward position after he made that disclosure to us, but I actually don't have any concerns as to his integrity as a person.

MR LEIGH: And just on that, while we're talking about him, more broadly, what was your view of the work that he performed for the GWC, the quality of the work, the nature of the work?

10

MR DOBSON: In fairness, I'd only been on that board for a very short period when that meeting occurred where the disclosure was made and it might have actually only been the second time I'd met him, because to that Mr Connolly was in the Pilbara in the Kimberley doing the Banned Drinkers Register, which from my understanding on another board was quite a substantial piece of work. So I like to be able to judge people after meeting them a few times and it was hard to get a - I can't give you now answers to that at that point of time when that disclosure was made.

15

MR LEIGH: I'm going to ask some questions about the operation of the GWC board and particularly your view as to how that GWC operates as an organisation, how it compares to other boards of which you've been involved. So, at paragraph 31 of your witness statement, you estimate that each month you spend about eight hours reading board papers prior to meetings and perhaps three to six hours attending meetings; is that correct?

20

MR DOBSON: That's correct.

MR LEIGH: Again, understanding that things have now changed once this Royal Commission was constituted - prior to this Royal Commission being constituted, how does that work load compare to your experience with working on other boards, particularly other governmental boards?

30

MR DOBSON: It's comparable.

35

MR LEIGH: Comparable?

MR DOBSON: Yes.

40

MR LEIGH: Is it correct to say that the agenda items for meetings of the GWC appeared automatically on the iPads prior to meetings?

MR DOBSON: They appear on there, but also we get a Dropbox link. We receive an email from one of the executive staff to say they're now available to be read.

45

MR LEIGH: And after the meetings are completed you're then sent as well the

minutes for those meetings?

MR DOBSON: Correct.

5 MR LEIGH: And who writes the agenda for the meetings?

MR DOBSON: I'm not sure.

10 MR LEIGH: Do you yourself or other GWC members have input into the writing of the agenda items?

MR DOBSON: Not unless there's a specific agenda item we want raised.

15 MR LEIGH: And how often has it been the case that there has been a specific agenda item that you want raised?

MR DOBSON: There might be something that flows on from business arising, so from previous meetings that might then trigger a new paper for the next meeting, but to my knowledge there hasn't actually been, since I've been in there hasn't been any out of sessions requests that have triggered a board paper to come up.

MR LEIGH: So to the best of your knowledge, in the time you've been there since October, the agenda has been solely put together by other persons, not the GWC members themselves?

25 MR DOBSON: Yes, that's correct.

MR LEIGH: The Commission has heard evidence from another GWC member to the effect that it's fair to characterise the approach of the GWC as reactive rather than proactive, and I don't seek to bring this up from screen, but for the benefit of the transcript the reference is page 75 on 13 May 2021 at line 40, that characterisation I've just stated, that the GWC is reactive rather than proactive, do you agree with that characterisation or disagree?

35 MR DOBSON: Disagree.

MR LEIGH: Can you explain to the commission what your view is?

MR DOBSON: My view is that there are matters they are actively working on at the background that would mean that elements of what they're doing are proactive, but in the most part the papers are reactive. That's the nature of the government board. I've been around them for a while now and I've seen most how - the other boards I've been on and most of the time it's going to be the same business each month that needs to be reported on, but where there is a one-off matter that needs a decision, then the staff are proactive in their efforts to prepare a paper that will cover that and it might be an emerging issue that needs a decision, so. I can give an example of that, if that helps.

MR LEIGH: That would be useful, thank you.

5 MR DOBSON: So recently there was an investigation into some community gaming matters and in my opinion, that was a proactive use of resources. The staff at the commission actively conducted an investigation and brought before us papers, evidence, quite substantial amounts of paperwork, that took into account what they were trying to achieve and for our input at the board meeting.

10 MR LEIGH: Alright. I might segue from there with your comment about substantial amounts of paperwork, because the Commission has received copies of the agendas, the minutes of the GWC meetings. Would it be fair to say those agendas are often quite voluminous?

15 MR DOBSON: Compared to other government board meetings, I would say they're actually on par.

MR LEIGH: Okay. I'm going to take you briefly to some of the matters that I've noted in the agendas of the GWC for meetings where you've been present and ask
20 you to confirm these are some of the matters which the GWC deals with.

MR DOBSON: Yes.

MR LEIGH: The first is in relation to the approval of new styles of electronic
25 gaming machines. If we could please bring up GWC.0002.0016.0336, and at page 147. Then going down from here you can see it says there this is an EGM presentation for Choy's Kingdom Link. Then going down for the next few pages if you keep going page by page for about five pages. Looking at what we're seeing coming up there, it's obviously a reasonably detailed explanation of an electronic
30 game.

MR DOBSON: Yes.

MR LEIGH: I think it goes on for the next 60-odd pages. These sorts of
35 presentations to the GWC, do they ask you to approve every electronic game that the casino seeks to roll out?

MR DOBSON: I believe so.

40 MR LEIGH: Also, is it right to say that the GWC also considers submissions as to whether or not there should be cancellation of licences of employees if those employees have breached conditions of their licence, for example, by failing to report a conviction?

45 MR DOBSON: Correct.

MR LEIGH: I'm going to ask for a document to be brought up, but can it please be

brought up only on the screens of counsel and the Commission, not the public monitors, because it reveals a public name. That's GWC.0002.0016.0367 and at page 44. Can that be taken off the public screen, please, and just put up on the screens of counsel and the commissioners. Thank you. So we go to page 44 and you
5 can see that there's a discussion here about potential disciplinary action for a person who has failed to report, I believe it's a traffic offence.

MR DOBSON: Yes.

10 MR LEIGH: Do you recall dealing with this matter?

MR DOBSON: Yes.

MR LEIGH: And the last thing that I want to ask you about is the GWC dealing
15 with relatively minor criminal matters that are alleged against the licensee. So if we can please bring up GWC.0002.0016.0314 and at page 45, please. You can see here there's a discussion of an alleged incident of a juvenile being on the premises of the casino and again, this is a matter that was brought to the full GWC for its consideration, then subject to a discussion at a meeting; is that correct?

20

MR DOBSON: Yes.

MR LEIGH: Would you agree these are the sorts of matters that are contemplated by section 7(a) of the Gaming and Wagering Commission Act? I'll bring that up so you
25 can have a look it's PUB.0004.0005.0117 and at page 19, please. You can see it talks about the duty of the Commission to administer the law relating to gaming. Is that your understanding that these sorts of matters which deal with gaming are contemplated by that provision of the GWC?

30 MR DOBSON: Yes.

MR LEIGH: Just in relation to the relative seriousness of these sorts of matters, are you aware that the maximum penalty for a licensee having a child onto the casino premises is \$5,000?

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MR DOBSON: No, I'm not aware of those penalties.

MR LEIGH: Were you aware that the maximum penalty for a licensed casino employee failing to inform the GWC of a conviction is a fine of \$500?

40

MR DOBSON: I can't recite all the penalties of the Acts.

MR LEIGH: Were you aware that they were relatively minor penalties?

45 MR DOBSON: They were penalties nonetheless, I'm not sure of the scope if they are minor or major, but I know there's penalties for all these offences.

MR LEIGH: Given what I'm suggesting to you as the penalty amount, the maximum \$5,000 and maximum \$500, would you agree these are matters of relatively minor importance?

5 MR DOBSON: I'd deem them petty.

MR LEIGH: Petty, okay. In relation then to the fact that the GWC is tasked with dealing with those sorts of matters which you have characterised as petty, how does that compare with your work on other government boards in relation to the nature of
10 the work that's brought before the board to consider?

MR DOBSON: I've always said --- the board is primarily meant to be there for strategic matters not operational matters so when I see that sort of paper come before us, and bearing in mind I'm reasonably new to the board, I assume there is some
15 context as to why we're being provided that information.

MR LEIGH: Yes, and appreciating that you're new and you perhaps haven't had time to form firm views yourself, is it your preliminary view it's appropriate for the board to spend the amount of time that it does on the sorts of matters you've
20 described as "petty"?

MR DOBSON: If they're in the context of keeping appropriate casino licence holders to account then it's appropriate we deal with them, but a juvenile on premises I don't deem to be something that is serious to warrant a board paper.
25

MR LEIGH: Have you or any other members of the GWC ever discussed potentially having these sorts of matters dealt with by officers of the GWC under delegated authority?

30 MR DOBSON: I don't recall those conversations.

MR LEIGH: What do you understand the position to be in relation to the GWC's use of delegations?

35 MR DOBSON: So there is a delegations process, which is pretty common across most government departments in regards to payment of invoices, or day-to-day operational matters that don't need board approval. So, there is a policy in force. I can't recall the exact wording, so.

40 MR LEIGH: Are you aware of how many delegations are presently in existence?

MR DOBSON: No.

MR LEIGH: Are you aware whether the GWC has a register of delegations?

45

MR DOBSON: I'm going to say no.

MR LEIGH: Are you aware of how often delegated powers are exercised on behalf of the GWC?

MR DOBSON: There might be matters that come to us as a board where
5 Mr Connolly or Mr Ord have noted they've used their delegation to approve those and I've seen those papers and matters before, but I can't recite what those areas are.

MR LEIGH: Moving on for a moment, you then say at paragraph 44 of your witness
10 statement that GWC members also have the capacity to request a paper for a particular topic; is that going back to what you discussed earlier when you were saying it was possible to follow up matters between meetings?

MR DOBSON: Yes.

MR LEIGH: And I think --- well, how often does that potential get used by GWC
15 members?

MR DOBSON: Again, I mean I can't recall the exact number. I've attended
20 meetings --- I've been a part of it since July. So I would say there's been a couple of occasional, maybe two or three times that's occurred, but I don't recall exact numbers.

MR LEIGH: Then in relation to commenting on things prior to a meeting, what's the
25 extent, if any, of pre-meeting contact between GWC members to work through preliminary views as to an agenda item, or to discuss whether other agenda items would be necessary?

MR DOBSON: That doesn't occur.

MR LEIGH: At all?
30

MR DOBSON: Not to my knowledge.

MR LEIGH: Alright. So you've never had contact with another GWC member out
35 of session, out of meeting time?

MR DOBSON: In a social context perhaps, but not to discuss matters, because it
40 wouldn't be proper, because the commission chair is also, you know, would need to be part of that discussion.

MR LEIGH: And is that, again, when you said "it's not proper" is that your
experience on other boards as well that it's not discussed outside of session?

MR DOBSON: My preference as a chairman of a government department is that
45 matters for discussion should be brought before so all board members can be input, opinions aren't formed prior to attending the meeting.

MR LEIGH: Turning then to the way the meetings are actually conducted, so procedurally, can you just explain to the Commission how meetings work? Just by way of example, is it the case that the chairman calls on the item, gives their point of view, then members have input? Is it some different way; tell us how it works?

5

MR DOBSON: It follows a pretty standard agenda. The agenda paper comes up, the chair welcomes the members, goes through, notes apologies, moves onto minutes, business arising and then the general items, 1 to X, and then general business and then meeting closed.

10

MR LEIGH: But in terms of the way the agenda items are actually dealt with, so is it presented by someone? Does each member talk to it in turn? Do members only talk if they want to talk? How does that work?

15

MR DOBSON: Minutes, I guess, would be run through by the chair, then if there's papers, say the financials for example, then the chair or the deputy chair or Mr Connolly would go through those. The staff members have had the opportunity to question financials and bring in the staff and then drill into them and we've certainly got two accountants on the board who have gone into detail on the

20

financials and other times there might be staff members that put up policy papers that would require to talk to the paper. So where it's a paper that needs to be spoke to, that staff member would come in and present to the board. But a lot of the time they, you know, the chair would talk to the paper if it was something he was competent to talk to.

25

MR LEIGH: And in terms then of the discussion that follows the presentation or the chair introducing the item, how robust of a discussion does it follow amongst the GWC members?

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MR DOBSON: Robust?

MR LEIGH: Would you be able to give any further detail about that?

35

MR DOBSON: There's a two-way conversation. Opinions are considered and if there is information to be clarified or more research required, then that's done. I wouldn't suggest that discussion is ever silenced or cut off. There's plenty of discussion and ample opportunity to do so.

40

MR LEIGH: And in terms of that level of discussion that goes on amongst the members, again, how would you say that compares to your experience on other boards and committees?

45

MR DOBSON: It's comparable, it's collegiate. There's no aggression and it's in polite tones.

MR LEIGH: Moving on then to the question of perhaps the strategic aspect or direction of the GWC, you say at paragraph 28 of your witness statement that your

role is to have oversight of the GWC with regard to maintaining corporate governance of the agency; is that correct?

MR DOBSON: Yes.

5

MR LEIGH: And then you add:

10 *Generally, the executive will come to us with their corporate plan, and the GWC will provide the governance to ensure the agency is resourced and structured properly.*

Again, is this a role or function that's universal across the boards that you have been involved with?

15 MR DOBSON: Yes.

MR LEIGH: In relation to the issue of resourcing you then say at paragraph 42 of your statement that, "the department supports the GWC by providing resources, staff and buildings and that they also provide officers who monitor and investigate the Crown and report to the GWC on those investigations"; is that right?

20

MR DOBSON: Yes.

MR LEIGH: Paragraph 45 that follows after that you then say that the support from the department appears to be limited; can you give some more detail about that to the Commission, please?

25

MR DOBSON: I say it appears to be limited from a brief period on the board that I haven't seen a huge number of staff, only the ones that have presented to the board, and I say that in the sense that we don't have our own staff member per se that is our executive officer that just works for the board which is how I've seen it work in other agencies and also that's on my opinion. I've seen what I would call stress levels within staff members.

30

MR LEIGH: You have seen stress levels of staff members, is that right?

35

MR DOBSON: Yes.

MR LEIGH: Is that something which you've seen since you started or is that a recent matter?

40

MR DOBSON: Since appointment to this board.

MR LEIGH: And have those stress levels been constant since the time you've started or have they been increasing or decreasing?

45

MR DOBSON: Just to be clear, this is talking about staff members' stress levels?

MR LEIGH: Yes.

MR DOBSON: Well, I would say it's consistent.

5

MR LEIGH: And in relation to the resources, you indicate that they're limited and that staff are stressed. But previously, I read you the portion of your witness statement where you said that the GWC will provide the governance to ensure the agency is resourced and structured properly. So is there an issue with the GWC not
10 ensuring that there's sufficient resources available if there are people who are stressed?

MR DOBSON: Sorry, can you ask that question again, please?

15 MR LEIGH: So you've explained to us that resources seem to be limited and that staff seem to be stressed.

MR DOBSON: Yes.

20 MR LEIGH: And I took you earlier to a portion of your witness statement where you said one of the roles of the GWC was to ensure the agency is resourced and structured properly, so if resources are limited, is the GWC, at least in the time that you've been on the GWC, has it perhaps not been able to successfully resource the
25 agency?

25

MR DOBSON: I can only give my opinion and say it doesn't appear to be well-resourced based on my opinion of looking at staff members, in their presentations to us and the post-meeting discussions around their workload and I'd say that when I talk about resources, I'm primarily talking about staff resources,
30 human resources, which appear to be overworked.

MR LEIGH: Yes, and in relation to those staff and human resources, are you aware of the fact that the GWC approves the annual budget for the agency?

35 MR DOBSON: I'm aware they do it. I haven't been through a budget cycle yet, though, as a board member.

MR LEIGH: Alright. My understanding is that you did vote to approve the 2020-21 budget in August 2020; do you recall that?

40

MR DOBSON: I don't recall that, if it's in the papers and I was there, then I assume I did.

MR LEIGH: Can we bring up GWC.0002.0016.0310, and please go to page 157?
45 Do you recognise this format of document?

MR DOBSON: Yes.

MR LEIGH: And what do you understand it to be?

MR DOBSON: It's the cover sheet for the budget.

5

MR LEIGH: Alright. Looking at that now, does that ring a bell for an item that you may have seen?

MR DOBSON: It does.

10

MR LEIGH: Alright. And do you recall that the resolution of the GWC was to approve the budget that was then stated?

MR DOBSON: That appears correct.

15

MR LEIGH: Alright. I can take you to the minutes where that's done, but if you're happy to accept that, alright.

COMMISSIONER OWEN: Can I just ask, do you know Stacey Blackman?

20

MR DOBSON: Not personally.

COMMISSIONER OWEN: And do you know what position that person holds?

25

MR DOBSON: No, I don't. I believe she might be the financial officer and this might go back to the commentary I asked or mentioned earlier about the two accountants on the board and I believe it might have been Stacey or one of her other staff that presented to this topic, but I just say that in the context this is my second meeting at the board, so I was still finding my feet.

30

MR LEIGH: Yes, of course. Are you aware whether the board has taken, or has discussed taking any steps to increase the level of support that it can provide a level of resources that it can provide for the agency?

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MR DOBSON: I don't recall those conversations.

MR LEIGH: Can we bring up, please, PUB.0004.0005.0107 and go to sections 18(1) and 18(2). Can we have those side-by-side, please? Now, have you previously had a chance to look at these sections of the GWC?

40

MR DOBSON: Yes.

MR LEIGH: And do you understand --- well, what's your understanding of what those sections provide for?

45

MR DOBSON: It basically gives the gaming commission the power to take on additional staff and or delegate authorities and investigations to public servants or

other State Government agencies that can assist.

MR LEIGH: So in relation to that and in relation particularly to where it says in paragraph 18(2) that the arrangement for staff under 18(1) is to be made on such terms as agreed by the parties, are you aware of whether there's been any negotiations for such an arrangement?

MR DOBSON: No, I'm not aware.

MR LEIGH: Are you aware of what the current terms of the arrangement are?

MR DOBSON: As in "term" you mean timeframe or as in conditions?

MR LEIGH: In terms of do you know what the arrangement provides for by way of staff or resources for the GWC?

MR DOBSON: So, to my understanding, there is an element within the GWC budget that is provided to the department to provide staff to execute the duties of the GWC.

MR LEIGH: And in terms of that provision of staff, do you know how many staff are provided?

MR DOBSON: No.

MR LEIGH: Do you know the conditions under which they are provided such as their pay?

MR DOBSON: No.

MR LEIGH: Is this something which was ever discussed, to the best of your knowledge, amongst members of the GWC?

MR DOBSON: No.

MR LEIGH: In relation then to your earlier comment about resources being limited, do you consider this is something which the GWC could investigate to potentially seek further resources, or re-direct the way that resources are currently allocated?

MR DOBSON: It is possible they could do that.

MR LEIGH: Alright. Moving away then from the budget issues and going to document GWC.0001.0007.0187, do you recognise that document which is headed "Board Essentials" as being one of the ones you were provided when you commenced with the GWC?

MR DOBSON: I don't recall if it was provided or not but I've read it before in my

context with other government board roles.

MR LEIGH: Alright. If we could please go to page 2 and the fourth paragraph down, starts with "In general, boards are responsible", if you could just read that?

5

MR DOBSON: You want me to read it aloud?

MR LEIGH: No, just to yourself.

10 MR DOBSON: Yes.

MR LEIGH: In particular, the comment there is the fact that boards are not responsible for day-to-day operations, is that something which is consistent with your understanding from the work you've been involved in with other boards?

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MR DOBSON: Absolutely.

MR LEIGH: And how well do you consider the GWC operates in accordance with that principle?

20

MR DOBSON: Prior to this Royal Commission being called and from my limited involvement I didn't have any concerns.

MR LEIGH: Okay. In the final sentence of page 2, I think you can see it says, "as a board member you are responsible for familiarising yourself".

25

MR DOBSON: Sorry, which - - -

MR LEIGH: Final sentence of page 2 down the bottom.

30

MR DOBSON: Yes.

MR LEIGH: Again, is that consistent to your understanding as to your responsibility on other boards?

35

MR DOBSON: Yes.

MR LEIGH: Do you consider that you have been properly supported by the GWC more broadly in terms of coming to understand your responsibilities on the GWC?

40

MR DOBSON: I'd say yes.

MR LEIGH: If we can go to page 6 and in the second paragraph from the bottom, you can see there's a recommendation that the board considers producing a statement of intent in response to a statement of expectation.

45

MR DOBSON: Yes.

MR LEIGH: Do you know whether either such statement exists in relation to the GWC?

5 MR DOBSON: I'm not aware.

MR LEIGH: And do you know whether the GWC members have ever discussed potentially seeking such a statement to explain or guide the GWC role?

10 MR DOBSON: No.

MR LEIGH: Now, the last paragraph of the page, if we can bring that up, please, you can see that suggests that ministers should be regularly informed of relevant matters, is that again consistent with your experience on other boards?

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MR DOBSON: Yes, via the chairperson, though.

MR LEIGH: If we can go now please to page 25. You can see there the heading it says "governance principles"?

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MR DOBSON: Yes.

MR LEIGH: Going down to 1, there's a principle that says "roles and responsibilities are clear and understood" and I'll just get you to read that paragraph.

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MR DOBSON: Yes.

MR LEIGH: So, short question: How clear do you consider the roles and responsibilities of the GWC to be and do you think there is that understanding amongst the GWC?

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MR DOBSON: Sorry, I'm going to have to ask for that question again, please.

MR LEIGH: So, do you consider that the roles and responsibilities of the board individual members and so on are clear and well understood?

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MR DOBSON: Well, they're in statute, so to a degree, yes.

MR LEIGH: And do you consider that in the time that you've been operating with the GWC it's been always apparent to you just the nature of the work the GWC is entrusted with performing?

40

MR DOBSON: Yes.

45 MR LEIGH: Looking at the remaining criteria, if we can have this page and the subsequent page side-by-side please, just take a moment to look through each of those seven criteria and then afterwards, please indicate to the Commission whether

there's any in particular you consider whether the GWC does or does not meet?

MR DOBSON: Perhaps I can talk to each of the numbered points, would that be simpler?

5

MR LEIGH: Of course.

MR DOBSON: Point 3, the board has a strategic focus, agreed. Point 4, relevant risks are identified and managed, disagree. Point 5, control systems have integrity and support accountability, agree. They're in public sector regulations and in relevant laws. A culture of responsible and ethical decision-making is promoted, partially. The board operates effectively, in the scope of the board with the exclusion of the chairman, I believe yes.

MR LEIGH: Alright. The two that you have identified as potentially issues --- number 4 and number 6 --- can you explain in a little more detail what you consider the problems to be and tell the Commissioners whether you have any suggestions as to how that might be improved in the future.

MR DOBSON: Which points again, sorry?

MR LEIGH: I think you told us you disagreed with 4 and you partially disagreed with 6, so if you can now tell the Commissioners some more detail as to why you have concerns in relation to those points and if you have suggestions about how to address those concerns?

MR DOBSON: I think in regards to the gaming industry, it's emerging and there are continuing changes particularly in the on-line space and so the risks that are known that appear before the board are somewhat historical ones and emerging and proactive risks would require further work and to my understanding, that work to identify and plan for those risks has not occurred.

COMMISSIONER OWEN: I might have missed it, but I didn't hear you comment on 1 and 2 at the bottom of the previous page?

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MR DOBSON: Apologies, Commissioners, would you like me to go back to 1 and 2 first?

COMMISSIONER OWEN: Just 1 and 2. The terminology was agree or disagree or partially.

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MR DOBSON: So to 1, I would say agree. To 2 I would say agree. Would you like me to continue with the other ones?

MR LEIGH: Is there anything further you wanted to add in relation to either 1 or 2 for the Commissioner's benefit, anything further you think might be relevant for their on this inquiry?

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MR DOBSON: Whether it's going to come up further in the evidence or the questions that the chair and the CEO is one and the same is a pretty redundant model and I trust that that will be eventually amended in regulations or statute.

5

MR LEIGH: And when you say "it's a redundant model", what do you mean by that?

MR DOBSON: There is no independence to the person's role and a chairperson should, in my experience, be separate to the CEO/Director-General of the department.

10

MR LEIGH: Okay. Is there anything that you wanted to say in relation to number 2, as to the structure and composition, as to whether there's sufficient expertise and diversity?

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MR DOBSON: There's definitely diversity and the board members are very experienced and competent people. I don't have any doubts in that regard and I think the challenge is that if the Commission was seeking to look down the path of where to find people who have relevant gaming experience that would be willing to take on a board role, the pool of resources and human resources in that regard is very limited, particularly by jurisdiction because we'd have exactly the same scenario you'd have with Mr Connolly which is where those relationships would be difficult to actually maintain and control. So potentially it would have to be something similar to how the CCC recruit investigators where you go cross-jurisdiction, so there can be little chance of conflict of interest, but there just isn't in my experience, enough people with governance experience in casino regulation and that's our challenge as commissioners. I haven't worked in a casino and I don't know all the rules of gaming and so we can only go on the advice of staff. So, in that regard, if there was to be some independent thought, which a board should have and some --- it wouldn't have to be all members subject expertise, because it would be a pretty one-sided board --- but it should see experience across a wide range of things such as accounting and legal, but there is going to be a massive challenge there to fill that gap.

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MR LEIGH: Then we had earlier been talking about number 4 and you said that you had concerns that the board's focus was somewhat historical and there wasn't perhaps as much focus on emerging problems and you gave on-line gaming as one of those issues. How does that then fit together with point 3, which is whether or not the board has a strategic focus? You're saying it does have a strategic focus, but more on a historical nature of issue?

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MR DOBSON: The strategic focus is really sticking to what the annual report and the objectives are, but I don't see any micro management of operational matters. So, that's why I believe we are a strategic focus board.

45

MR LEIGH: Alright. Then you didn't have concerns in relation to point 5, but you said you had some partial concerns in relation to point 6. Can you explain that in

some more detail?

MR DOBSON: I guess with the benefit of hindsight, the disclosure by Mr Connolly is a concern for myself and perhaps I should have asked further questions when that
5 disclosure was made, but bearing in mind it was only a few meetings in, I was still finding my feet and I didn't want to come in like a wrecking ball and have a crack at people before I knew more to the story. So at that point in time it was a bit of a concern and then at a later date I was to discover that Mr Ord had done his own
10 inquiry into that disclosure and I was disappointed to be told that at a meeting rather than being told upfront as a board member that was occurring.

MR LEIGH: So does that feed into point 7 there where it says "board operates effectively", do you consider that as an instance where perhaps the board didn't
15 operate as effectively as it might have?

MR DOBSON: The board would have operated effectively if we were told but the chairperson did that on their own volition without communicating that to other
members.

MR LEIGH: I'm thinking of the chairperson as being a member of the board as well.
20

MR DOBSON: They are, but it's their day-to-day job. I talk about board members in the sense of those people that are doing other jobs in their lives and then they come in and make decisions once a month.
25

MR LEIGH: In terms of what you're explaining now where you were essentially disappointed by that process, do you know whether that was a view shared by other
GWC members?

MR DOBSON: I can't comment for them.
30

MR LEIGH: I don't know if the Commissioners have any further questions but I was now intending to move to some questions on policy work. So, in relation then to
35 section 7 of the Gaming and Wagering Commission Act, and we'll please bring that up as PUB.0004.0005.0107 and if we can go to sections 7 and then have the next page side-by-side, please. We looked at section 7(1)(a) earlier. Had you previously been aware of subsection (ba) or 1(ba) which talks there about formulating and implementing policies?

MR DOBSON: It's in the Act. I don't recall recalling those exact words, but it seems to be a duty that we'd be responsible for.
40

MR LEIGH: And looking then --- I think it's over the next page at 7(1)(f) in relation to advising the minister.
45

MR DOBSON: Yes.

MR LEIGH: And lastly 7(1)(g) and there, the duty of the commission to make certain recommendations?

MR DOBSON: Yes.

5

MR LEIGH: In respect of those things I've just taken you to, since you became a member of the GWC, are you aware of there have been any policies promulgated by the GWC as contemplated by section 7(1)(ba)?

10 MR DOBSON: I don't recall.

MR LEIGH: Are you aware of the GWC generally making recommendations to the minister as to the control and supervision of gambling?

15 MR DOBSON: I believe they have and continue to do, but I don't recall it occurring during my time on the board.

MR LEIGH: And then lastly, are you aware, again, since your time on the board, the GWC making any recommendations as contemplated by section 7(1)(g)?

20

MR DOBSON: I guess the initial start of the inquiry was an area that we were going to look at, so when we were discussing as a board how to act in regard to the outcome of the New South Wales inquiry, that was utilising those powers to the minister.

25

MR LEIGH: Alright. Putting aside this particular inquiry, or what's now led to this inquiry, are you aware if the GWC has discussed otherwise doing any of those things that are listed as part of its duties?

30 MR DOBSON: I don't recall.

MR LEIGH: Moving on then to what you referred to at paragraph 38.2 of your witness statement, a review by Ernst & Young, and you explained that the scope of the review was to provide assurance to the GWC, that legislative responsibilities in respect of gaming are being fulfilled and that GWC officers have appropriate processes and practices in place to meet all of its legislative responsibilities. Do you have that?

35

MR DOBSON: Yes.

40

MR LEIGH: Am I correct in understanding, because the GWC was seeking that sort of review, it had some concerns that its legislative responsibilities were not being fulfilled?

45 MR DOBSON: The chair put this paper to us, to say that we were going to do a review in the context of looking to our roles and responsibilities as an agency, as in "us" as in GWC and that it would report back and it wasn't seen to be - it was

somewhat a brief paper that we considered.

MR LEIGH: Did the chair explain why it was that he considered that such a paper might be a good idea?

5

MR DOBSON: The chair said it was good governance to look at this review and undertake this process and it seemed on face value to be okay to me.

MR LEIGH: Did you understand it as being essentially something which is proactive rather than responding to something?

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MR DOBSON: Absolutely.

MR LEIGH: You have also then included as an attachment to your witness statement an email chain from Ms Houston and that's GWC.0003.0009.0019 and starting on page 3 you can see the original email from Ms Houston to you?

15

MR DOBSON: Yes.

MR LEIGH: She explains the objectives of the audit?

20

MR DOBSON: Yes.

MR LEIGH: And a second dot point she talks about an assessment as a response to the COVID-19 pandemic. Then in response to that, you send another email back, which is at page 2. You can see the second dot point there on that email, where you say that this appears to be something you don't recall; do you remember writing that email?

25

MR DOBSON: Yes.

30

MR LEIGH: Is it that you don't recall COVID-19 being discussed at that meeting at all or that you didn't recall it being discussed in relation to the audit review?

MR DOBSON: I don't recall it being discussed in the scope of an area that the audit review was going to look into.

35

MR LEIGH: Alright. Then there's some text in blue underneath, which gives an answer as to how that was suggested?

40

MR DOBSON: Yes.

MR LEIGH: And that obviously suggests that the Director-General was a person who suggested the inclusion. Had the Director-General prior to you receiving that email explained to any of the GWC members that he might be making that suggestion?

45

MR DOBSON: I don't recall that occurring, that's why I asked the question.

MR LEIGH: And obviously, it's not a unilateral decision, because it's seeking GWC member input, but how did you feel about the fact that what was now being
5 suggested or proposed did not align with what had been discussed as to the best of your recollection at the meeting?

MR DOBSON: I was disappointed, that's why I wrote this email to clarify and find
10 out more scope of what was actually being involved.

MR LEIGH: And you say you were disappointed, why is that?

MR DOBSON: Because the scope of this work seemed significantly different to
15 what we approved as a board paper, hence why I asked these questions about the scope, the fees. There was no scope, there was no fee estimate put to us as a board to consider and so I asked the question, as you can see at point 3, about the scope and why, and what the cost was going to be. It's a job as a probing director is to ask those questions.

MR LEIGH: Yes. If you can then please take us to page 1 of this document. You
20 can see there the final email in the chain or the most recent email in the chain at the top, where you ask for a conference call to be arranged regarding the paper?

MR DOBSON: Yes.

MR LEIGH: Was a call ever arranged?
25

MR DOBSON: I don't recall now, to be honest.

MR LEIGH: Okay. Then just more broadly on the question of the powers of the
30 Commission, obviously this audit review was looking at those legislative responsibilities. If we can please bring up GWC.0003.0009.0017, and this is an email where there's some additional discussion or communication about the GWC's powers or role. And you can see that there's a reference to general information about
35 powers to be taken in investigation?

MR DOBSON: Yes.

MR LEIGH: Do you recall what the circumstances were that led to this email being
40 sent to the GWC?

MR DOBSON: I don't recall.

MR LEIGH: Now, the date is 26 October 2020, so it's quite shortly after you joined
45 the GWC. Do you remember what sort of matters were then being discussed by the GWC prior to this email?

MR DOBSON: Is it possible to have a look at the board agenda for the meeting of 27 October, because that might put into context why that paper was put?

5 MR LEIGH: I think we'll try and arrange that for you over the morning break. In the meantime I'll bring up GWC.0003.0009.0018. Do you recognise this document as being the attachment to that email?

MR DOBSON: Yes.

10 MR LEIGH: And taking a moment to look at the first dot point in relation to the Commission's power to undertake investigations and then the second dot point, what the investigations could be in relation to. Now, in relation to the nature of the investigations that can be carried out, you'd agree that the explanation that's provided here doesn't suggest that the investigations are limited in any way, that there's no
15 areas which the GWC cannot look into in relation to gaming?

MR DOBSON: Agree.

20 MR LEIGH: At paragraph 41 of your statement --- - -

COMMISSIONER OWEN: Just before you leave that document, Mr Dobson, I'm going to come back to these issues later in the day, but I'm interested in you've referred to it's a strategic board with a focus on strategy. I'm always interested as a matter of nomenclature what people understand by strategy and strategic and in this
25 context. When I look at that list that's on the screen now that seems to me to be nuts and bolts.

MR DOBSON: Correct.

30 COMMISSIONER OWEN: How does that fit into your notion of strategy?

MR DOBSON: It doesn't. It appears that we've been given powers to recommend investigations, or be involved more operationally in that decision-making process.

35 COMMISSIONER OWEN: Alright, thank you. I will come back to that, but that clarifies.

40 MR LEIGH: I was about to take you to paragraph 41 of your witness statement and that's where you say based on information provided in your tenure you understood that money laundering investigation sits outside the GWC remit in terms of statutory responsibility?

MR DOBSON: Yes.

45 MR LEIGH: Where does that understanding come from?

MR DOBSON: So, as a financial planner, I've done qualifications, training and

continuing professional education in regards to money or AML requirements and knowing the client, knowing the source of the money and those sort of areas, as my understanding is from that industry I work in on a day-to-day job, that is a Federal Government agency that primarily takes carriage of that called AUSTRAC.

5

MR LEIGH: But obviously we looked a moment ago at section 21(a) and that summary of those powers that were given to you and I think you agreed there was nothing in that summary which suggested you were limited from looking into those matters as the GWC; is that correct?

10

MR DOBSON: Correct.

MR LEIGH: And as a former police officer, you understand, or do you understand the distinction between investigating a matter for the purpose of gathering evidence in relation to that matter and potentially prosecuting that matter as opposed to investigating a matter, because it might be relevant to some other issue that you are looking at?

15

MR DOBSON: Yes, I understand both those statements.

20

MR LEIGH: And would you accept that part of the role of the GWC is to, amongst other things, advise as to the suitability of persons who might be licensees holding a casino licence?

25

MR DOBSON: It appears to be within the brief and the legislation of what we operate within, yes.

MR LEIGH: So on that basis and perhaps understanding, as you said, that the Commonwealth authorities are responsible for investigating perhaps prosecuting AML-type offences, did you understand that there was any prohibition on the GWC looking into matters such as money laundering if it was relevant to questions as to a suitability of a licensee?

30

MR DOBSON: If it came up and it was recommended to the board that we commence and investigation into that, then I'd endorse that.

35

MR LEIGH: Commissioners, that might be a suitable time.

COMMISSIONER OWEN: Thank you. We will come back at 11.25.

40

ADJOURNED

[11.12 AM]

45

RESUMED

[11.26 AM]

COMMISSIONER OWEN: Thank you, Mr Dobson. Yes, Mr Leigh.

MR LEIGH: Thank you, Commissioner. Mr Dobson, just before the break, we had been talking about some matters relating to, first of all, an Ernst & Young report and then prior to that in relation to an email providing you information as to the powers of the Commission. During the break, I understand you've had a chance to briefly look at the agenda for the meeting immediately preceding that email about the powers. Having done so, is there anything that you'd like to tell the Commissioners about as to what it was that was the genesis of that email?

MR DOBSON: It appears looking at the agenda there was a presentation from Crown executives in regards to some ongoing matters that required our decision or at least guidance and that paper looks to be a refresher of powers for the Commissioners to be across.

MR LEIGH: Do I take it from that, that you've considered or that the GWC considered, that depending on the nature of the presentation, it might be necessary to exercise some powers?

MR DOBSON: When it was sent in advance, I was of the thought process that we were going to be asked to make a decision in regards to something like that but it was, "Here's your powers, in case you forgot."

MR LEIGH: Alright. We discussed briefly the audit report or the proposed audit report and we went through the emails where you had raised some concerns about the potential change in scope. The change that was being proposed by the chairman appears to have been to add an additional item for review; did you understand it to be that way?

MR DOBSON: That's how I read it to be.

MR LEIGH: What was the concern as to adding an item as opposed to perhaps deleting an item that the GWC had wished to consider?

MR DOBSON: Any amendment to the scope that we had agreed on as a board in my opinion should be brought back to the board or at least to be put out as sessions to the board for consideration.

MR LEIGH: Some of the other questions that you raised in relation to the potential report were in relation to budgeting and the cost of the expanded scope. What was your understanding as to who would pay for that report?

MR DOBSON: I assumed it was going to come out of our budget.

MR LEIGH: And did you at that stage have any view as to the capacity of the budget to absorb that expense?

MR DOBSON: No, I didn't, that's why I asked the question as what the cost was going to be.

MR LEIGH: Alright. The last question in relation to that review report. Are you
5 aware to whether that review report has been finalised?

MR DOBSON: I don't believe so.

MR LEIGH: You haven't received a copy of anything since then?
10

MR DOBSON: I've seen an interim PowerPoint document.

MR LEIGH: In relation to the Ernst & Young review?

MR DOBSON: I believe it's interim.
15

MR LEIGH: Do you recall when it was that you received that PowerPoint presentation?

MR DOBSON: I can't recall exactly. In the last week and a bit, two weeks perhaps.
20

MR LEIGH: Thank you. After you have had that meeting in October that we talked about earlier where you received the email as to your powers, a few months after that point, do you recall the GWC resolving to inform the minister of the matter, and that
25 was in relation to a November 2020 meeting?

MR DOBSON: I don't recall that exact meeting.

MR LEIGH: Can we please bring up GWC.0002.0016.0335? If we can go to page
30 7, please. If we could please turn off the monitors that are visible to members of the public and bring up the unredacted document only on the tables or the monitors of the Commissioners and counsel. I beg your pardon. Please don't bring up for a moment --- I might just read a paragraph to you, and ask you if this triggers any recollection. This, again, is the minutes for the November 2020 meeting and there's a
35 statement as follows:

*In respect of the ILGA inquiry, the Chairman advised that he will write to the Minister to provide comfort that the Commission is engaged with the inquiry and is satisfied with the actions currently being taken by Crown Perth
40 (withdrawing from junkets and no longer accepting cash deposits) whilst it awaits the outcome of the ILGA inquiry in February 2021.*

Do you recall that being said or that being part of a discussion at one of the GWC meetings?
45

MR DOBSON: Yes, I recall that being an action that the Commission agreed to.

MR LEIGH: Do you recall why it was that it was considered appropriate that the GWC should write to and update the minister?

5 MR DOBSON: It's appropriate as the chairperson to update the minister on something that was considered contentious.

10 MR LEIGH: And so in relation to something that was considered contentious, is that just broadly in terms of the matters being considered by ILGA, or was it something specific?

15 MR DOBSON: I think it was in regards to the inquiry in New South Wales, because there was - in the interim there was no action from us as a commission, as in we weren't changing or doing anything and it would have given the minister comfort that we had a plan of attack, which was to wait for the inquiry results to come out from New South Wales and that was the advice we received from Mr Connolly and Mr Ord was to wait. We don't want to jump the gun and make recommendations that could already be made in that inquiry.

20 MR LEIGH: When you say you had this recommendation from Mr Connolly and Mr Ord, did the GWC then discuss this recommendation and agree that was the appropriate way forward?

25 MR DOBSON: I don't recall the exact conversations, but if it's in the minutes, then I can only say that it occurred.

MR LEIGH: Do you recall why it was that it was said to be perhaps a preferable option to wait for the ILGA inquiry rather than taking any steps on your own?

30 MR DOBSON: Because from what I understood, we didn't want to make any changes in advance knowing that the Crown operator did multi-jurisdictions, so we didn't want to make any changes here that might go at odds as to what the recommendations were going to come out and it seemed to be a prudent approach to wait for the inquiry to take its course and then to make recommendations as a result of that.

35 MR LEIGH: Are you aware of whether any letter to the minister was sent?

MR DOBSON: I don't recall.

40 MR LEIGH: You didn't see a copy of anything to the best of your recollection?

MR DOBSON: To the best of my recollection, I don't recall seeing that letter.

45 MR LEIGH: Do you recall where there was any response being received from the minister in relation to that, if there was any communication?

MR DOBSON: I don't recall.

MR LEIGH: The next thing I want to ask you about in some detail, materials that the GWC received prior to a meeting on 15 December 2020. So if we can please bring up GWC.0002.0016.0345 and just stay at page 1, please. Just looking at that document again, do you recognise it, or recognise the format of it?

MR DOBSON: Yes, I do.

MR LEIGH: And do you have a positive recognition of this being the matters that were to be discussed at that 15 December 2020 meeting?

MR DOBSON: Without going over to page 2 of the agenda, it looks to be pretty accurate.

MR LEIGH: Can we call up page 2, please, and have that side-by-side?

MR DOBSON: Thank you. Yes, I recall being there and those items on the agenda.

MR LEIGH: Alright. Before we go and look at the content of the detail of those individual agenda items, I'm going to show you the minutes of the meeting first and ask you some questions about that. Can we please bring up GWC.0002.0016.0346 and do you agree that those are the minutes for that meeting?

MR DOBSON: Yes.

MR LEIGH: And as the minutes suggest, you were there in attendance?

MR DOBSON: Yes.

MR LEIGH: Do you have an actual recollection of that yourself?

MR DOBSON: Yes.

MR LEIGH: Now, if we go to page 9, please, item 12.5, now just read paragraphs 1 to 3 for yourself, please, and let me know when you're finished.

MR DOBSON: Yes.

MR LEIGH: Paragraph 1 talks about "Papers being received after hours last night and the document being circulated", do you recall that late circulation of papers?

MR DOBSON: Yes, I do, because it was real late.

MR LEIGH: If we can please bring up GWC.0001.0010.0002, so do you see in relation then to the email, it appears that there's something that's been forwarded via Mr Connolly first and then from Jocelynne Stephens to all the members of the GWC?

MR DOBSON: Yes.

MR LEIGH: Do you recall actually getting this email?

5

MR DOBSON: Yes.

MR LEIGH: Obviously you can see from the time it's only sent at 5.23 pm?

10 MR DOBSON: Yes.

MR LEIGH: And it appears to have an attachment, you can see the name of that screen there "20.12.14", I won't read the rest of it. Do you recall having received that email whether you had an opportunity to read that attachment and the materials provided with it prior to the meeting?

15

MR DOBSON: No, I skimmed it that night.

MR LEIGH: When you said you "skimmed it" does that mean you essentially went through the entirety of it, but at a high level?

20

MR DOBSON: Yes.

MR LEIGH: If we go back to GWC 0002.0016.0346_0009. Looking at those paragraphs and particularly at paragraph 3, that seems to indicate there were actually Crown persons at the meeting to talk to the documents we've just looked at; is that correct?

25

MR DOBSON: Correct.

30

MR LEIGH: And that the submission they made was concerned with governance arrangements and internal reform?

MR DOBSON: Yes.

35

MR LEIGH: Now, if you look at paragraph 4 it says they also gave an update on new anti-money laundering training?

MR DOBSON: Yes.

40

MR LEIGH: Am I right in saying that that presentation that they gave was on multiple matters, not just confined to a one topic area?

MR DOBSON: Yes.

45

MR LEIGH: And in the second paragraph there's some timing explanation as to when it was that those persons from Crown joined the meeting to make their

presentation?

MR DOBSON: Yes.

5 MR LEIGH: It says there at 10.37 am, do you recall them entering the meeting while it was commenced?

MR DOBSON: I do.

10 MR LEIGH: And then at paragraph 5 it shows they left at 11.14 am?

MR DOBSON: Yes.

15 MR LEIGH: So in total they would have presented for approximately 35 minutes; is that right?

MR DOBSON: Yes.

20 MR LEIGH: In paragraph 2, it also shows that Ms Coonan joined the meeting, and Ms Coonan I understand to be a member of the GWC --- beg your pardon, is Ms Coonan the chair of Crown?

MR DOBSON: Crown Resorts chairman.

25 MR LEIGH: Thank you, and she also joined by Teams?

MR DOBSON: Correct.

30 MR LEIGH: And then lastly at paragraph 5 is in relation to persons leaving the meeting again, all of those persons leaving at approximately the same time. And the final paragraph is that member Katie Hodson-Thomas left also at the same time?

MR DOBSON: Yes.

35 MR LEIGH: Am I correct in assuming that members wouldn't have discussed amongst themselves their views as to the presentation while the Crown persons were still joined to that meeting?

MR DOBSON: That's correct.

40

MR LEIGH: Does that mean that Ms Hodson-Thomas left without taking part in the discussion that followed the presentation?

MR DOBSON: That's correct.

45

MR LEIGH: Do you have any recollection as to why it was that Ms Hodson-Thomas left immediately after the presentation?

MR DOBSON: I don't recall why she left, it would have been personal.

5 MR LEIGH: When you say "personal" is that something which was another personal matter she had to attend to, whether she, for example, had a conflict of interest or anything else to that effect?

10 MR DOBSON: No, no, I believe she had another appointment or another meeting. Katie is on a couple of other boards as well so she's quite a busy person. I think there might have been a minute or two gap in between the Crown executives departing and Katie departing. I don't recall the conversation or the scope of it.

15 MR LEIGH: Alright. Now, you can see down the bottom of that page item 13, it says the meeting was declared closed at 11.50 am.

MR DOBSON: Yes.

20 MR LEIGH: With persons having left at 11.15 or thereabouts that would have left you approximately half an hour to discuss the presentation you had then see; is that correct?

MR DOBSON: Yes.

25 MR LEIGH: And then at paragraph 6, I believe it is, there's an explanation as to what the members talked about after that presentation, saying they discussed the Commission's response to date and the information provided by the Crown reps. It's not clear from that statement whether the information provided there is referring to the written documentation they'd been provided the night before or in relation to the oral presentation that had just been witnessed by the GWC members. Do you recall
30 whether you spoke about both presentations?

35 MR DOBSON: If I can put it in my own words, what happened was they presented to the meeting, Coonan spoke through the presentation and went through the PowerPoint slides and it was a very professional report and in fairness once we had time to go through it with her on the screen we probably got a better appreciation for
40 what they were trying to convey rather than us trying to read that report because there was - not report, PDF which was converted from a PowerPoint. Barton sat next to me and he added bits and pieces throughout the conversation, but primarily it was driven by Coonan as chairperson from the Teams' screen.

MR LEIGH: Alright. You said essentially it was a PowerPoint-type presentation which had been changed to PDF.

45 MR DOBSON: Yes.

MR LEIGH: Does that mean they were coming up as slides as opposed to, for example, a letter?

MR DOBSON: Yes, there were slides, that was my recollection. It was like a strategic overview. These were key changes, talking through it. I mean - I assume it's been provided in minutes, but it was quite detailed about all the strategic changes they had been making as an agency or as a listed company in terms of changing all their processes, protocols, new governance staff they'd brought in and that included a fellow --- the name escapes me --- that had been recruited from National Bank to head up their investigations and money laundering aspects of their business, so Coonan spoke to all of that and it was actually really, in my opinion, a very clear presentation.

MR LEIGH: So, once that presentation was concluded, we've looked already at the comments that it makes in the minutes as to what was then discussed by the GWC and there's a comment at paragraph 6 saying that members agreed to direct the Crown to not re-commence junket activities without prior approval and then in the box underneath that in terms of the resolution, there's a resolution both as to ceasing junket directions and as to amending licensing requirements.

MR DOBSON: Yes.

MR LEIGH: Those were all matters discussed in the GWC in that half an hour period following the presentation?

MR DOBSON: Yes.

MR LEIGH: And can you --- obviously it's reasonably brief in terms of what is presented in the minutes --- can you let the Commissioners know whether you have any further recollection as to what was the content of that discussion leading to the conclusion by the GWC that it was appropriate to issue a direction to cease junket operations, or amend licensing requirements given that you had just heard that Crown was making, as you put it, all these changes to its systems?

MR DOBSON: Yeah, I believe that direction --- so I'll answer that in two parts. The direction around the junket operations was Crown hadn't told us they were ceasing it themselves and the advice from the staff was that it would be appropriate now to put a direction notice to them that they also cease. So we're taking their word that they're going to stop and we're also putting it into effect that we're telling them to cease, as well. But my understanding at that point was that junkets had ceased in any case because of COVID. There was no international travellers to Crown. So that was my understanding of that matter and then the second matter in regards to the licensing requirements, was in regards to them saying across their workforce they were increasing their training of their staffing identification of AML requirements and from my recollection, we deemed it appropriate that that be formalised by way of policy from the GWC that they take that again. So what in effect those two resolutions are trying to do is cherrypick the parts out of Crown's presentation that we can amend and then put into policy.

MR LEIGH: Alright. Now as you explained Crown was making these changes to its AML processes. Did you understand why it was those changes were being made?

5 MR DOBSON: Do you mean in regards to the whole organisation or just in regards to the two parts that we ---

MR LEIGH: In regards to the presentation that you were hearing and that you had had Ms Coonan take you through and explain what was changing.

10 MR DOBSON: Yeah.

MR LEIGH: Did you understand why it was that Crown considered changes were necessary?

15 MR DOBSON: Well, that was in the context of them having an inquiry in New South Wales and they appeared to be getting on the front foot to make improvements to their business I guess in anticipation of what was coming out of New South Wales.

20 MR LEIGH: And in terms of what might be coming out in the New South Wales inquiry, did you at this time have an understanding as to what might emerge when that inquiry was completed?

MR DOBSON: No.

25 MR LEIGH: I'm going to ask now for a document to be called up, but can we please make sure that the public monitors do not display the document, it's GWC.0002.0016.0345. Again, can the public monitors be turned off, please? Thank you.

30 Alright. If we can please have pages 449 and 450 up side-by-side. Do you recognise this document as being one of the documents included in that pack that was provided to you the night before the meeting?

35 MR DOBSON: I don't recall. If it was in the pack it was in there, but I don't recall that exact text, no.

40 MR LEIGH: Alright. You've explained to the Commission earlier that because you received it very late the night before the meeting, you only had a chance to skim it that evening. Did you have an opportunity to go back and read it more thoroughly once the meeting had been completed?

MR DOBSON: I didn't take that action.

45 MR LEIGH: Do you know whether any other GWC members may have read that after the meeting and then discussed that at a later date?

MR DOBSON: I'm not sure.

MR LEIGH: You've never heard any other GWC members mention to you that they had read this document?

5 MR DOBSON: No.

MR LEIGH: You can see obviously that this is a letter from Mr Ken Barton and in the second paragraph of the letter he explains that annexure A, amongst other things, advises as to the current status of the ILGA inquiry, do you have that? If we can then
10 go to annexure A, please, which begins at page 451 and have 451 and 452 up side-by-side. In relation to that second page of annexure A, which is 452, you see there is a paragraph which starts, "we further note" above some dot points?

MR DOBSON: Yes.

15

MR LEIGH: Just take a moment to read that paragraph and those dot points.

MR DOBSON: Yep.

20 MR LEIGH: You see there is some discussion there as to an inquiry into the Riverbank account?

MR DOBSON: Yes.

25 MR LEIGH: Now, again, this is 15 December 2020. As at that time, did you understand or would you have understood what was meant by the Riverbank account?

MR DOBSON: It didn't --- I don't recall the context of that.

30

MR LEIGH: Do you now understand what is meant by the Riverbank account?

MR DOBSON: Yes.

35 MR LEIGH: But you're not sure if you would have at that time?

MR DOBSON: I don't recall.

MR LEIGH: You don't recall. The first dot point explains there's a report available
40 and there's a date given in relation to certain transactions in that account?

MR DOBSON: Yes.

MR LEIGH: And then in the third dot point there's also reference to another report
45 in relation to its review of the issue of money laundering based on that early report; do you see that? Finally, the paragraph below that there's some discussion about voluntary provision of those reports; do you see that?

MR DOBSON: Sorry, which paragraph is voluntary.

5 MR LEIGH: This is the paragraph underneath the dot points and there's a discussion about providing these reports to AUSTRAC.

MR DOBSON: Yes.

10 MR LEIGH: What do you understand AUSTRAC to be?

MR DOBSON: The Federal agency that regulates suspicious transactions from any transaction matching and has responsibility for AML.

15 MR LEIGH: Looking then at what is in that paragraph, what's your understanding as to the significance as to there being reports made to AUSTRAC?

MR DOBSON: It looks like Crown has taken action to clean the house up.

20 MR LEIGH: When you say "clean the house up", what would be being cleaned?

MR DOBSON: They've identified issues that they need to report to AUSTRAC and there's responsibilities for deposit takers and all the range of people that play in that space. Crown is one of those and they have responsibilities to report matters when it comes across them to AUSTRAC. That's my understanding of that scope of that
25 legislation from my other professional career. But Crown looks like they've done the right thing and identified those concerns and reported it.

MR LEIGH: Alright. Now, I'm going to ask that we go next to some pages which show the executive summary of some of these reports. I understand from discussions
30 with my friend that that's suitable, but please let me know if I stray into an area which is a problem for Crown. If we can please go to page 461 and you can see here, obviously the summary of the report. If you look at the third paragraph, it explains an analysis of certain cash deposit, less than \$10,000. What do you understand, if
35 anything, to be the significance of cash deposits of less than \$10,000?

MR DOBSON: Well, they're not reported to AUSTRAC unless they are repeat transactions that are suspicious.

40 MR LEIGH: And then we go to page 462, there's a summary of observations and the table at the top is headed "Potential structuring activity". What do you understand, if anything, to be meant by "structuring"?

MR DOBSON: The timing of their deposits.

45 MR LEIGH: And do you have an understanding as to why structuring might be used by a person in making deposits?

MR DOBSON: Data matching in reporting.

MR LEIGH: And then, the second to third last dot points, which I think if we can minimise the screen again, there's some discussion there about the total of the
5 number of patrons identified in this potential structure transactions. And if the page can be raised a little bit, there's also a discussion as to the total percentage of cash deposits that were assessed as forming part of potential structuring. Again, appreciating that you didn't look at this at the time, but looking at this now, what do you understand to be conveyed by those top two dot points in the report?

10 MR DOBSON: They identified 52 people who were doing suspicious transaction.

MR LEIGH: If we can then now please bring up the next report which is at page 512 and towards the bottom of the page, there's a paragraph that commences "money
15 laundering through" and there's two dot points underneath that. Do you have that?

MR DOBSON: Yes.

MR LEIGH: Just have a moment to read that through.

20 MR DOBSON: Yes.

MR LEIGH: If we can now please look at the bottom paragraphs of the page, starting at section 142 in the third to last paragraph.

25 MR DOBSON: Yes, read it.

MR LEIGH: You've read that entire section?

30 MR DOBSON: Yes.

MR LEIGH: What it says there in relation to structuring in and of itself being a criminal offence and, therefore, being suggestive of money laundering, is that something which coincides with your own understanding prior to reading that
35 paragraph?

MR DOBSON: It's talking about that they've identified that it's a breach of section 142 and they're reporting it and they've explained what they've observed in terms of the structuring. That's how I take those sentences to read.

40 MR LEIGH: Then if we go to the top of page 513, and again, there's a discussion here in that third paragraph as to what cuckoo smurfing is. Have you heard that expression before, "cuckoo smurfing".

45 MR DOBSON: Not prior to this report.

MR LEIGH: So, back as at 15 December 2020, this wouldn't have been something

that you had previously encountered.

MR DOBSON: No.

5 MR LEIGH: Is this something that was raised or indeed talked about by the Crown executives, as best as you can recall, in the course of their presentation?

MR DOBSON: I don't recall them getting into the operational aspect of how these money laundering offences occurred.

10

MR LEIGH: Alright. Then if we go please now to the third paragraph in the bottom of this page. Reading "Initialism's review of the activity". I'll just let you read that, as well.

15 MR DOBSON: Yes.

MR LEIGH: And so again, in terms of your understanding of what that is telling the reader, what do you understand that to be saying?

20 MR DOBSON: Initialism have done a review of the accounts and determined that there is the structuring and cuckoo smurfing and that's done under the deposits of the threshold.

25 MR LEIGH: Going back to page 462 of this report. And looking there at the second table which is headed "Total potential structuring activity by calendar year", what do you understand to be suggested by that table as to the times at which potential structuring was taking place?

30 MR DOBSON: Primarily occurred between 2013 and '15.

MR LEIGH: Again, do you recall to the best of your recollection whether this detail was disclosed to the GWC board in that presentation that you've previously told the Commission about?

35 MR DOBSON: I don't recall it.

40 MR LEIGH: Do you recall whether the presentation was perhaps as blunt as is what's being put in this table, suggesting that there is an indication of structuring occurring. Do you recall whether it was expressed in terms such as that at the presentation?

MR DOBSON: No, I don't recall it.

45 MR LEIGH: Do you recall whether there was any direct statement to the effect that Crown believed there may have been money laundering occurring at that presentation?

MR DOBSON: I don't recall.

MR LEIGH: When that meeting concluded on 15 December 2020, if you can recall what your mindset at that stage was, did you then understand that there was evidence
5 that suggested that there had been money laundering in these accounts?

MR DOBSON: I don't know if that was part of this paper, so I don't remember if I had that opinion or not at the end of that meeting, but I think there was an understanding within the commission that these sort of incidents had occurred, or
10 that data and that level of forensic information was provided from Crown during that report I don't recall, but the Commission had concerns about it.

MR LEIGH: When you say "the Commission had concerns", is that a concern that something may have been happening, or that you were concerned that something had
15 happened and by "something" I'm talking about money laundering?

MR DOBSON: Had, past tense.

MR LEIGH: Okay. Are you aware of whether following the receipt of this
20 information, the GWC provided any update or information to the minister as to what information had been received?

MR DOBSON: I don't recall.

MR LEIGH: And having been provided by Crown with this information that we've
25 now gone through in some detail, you told us that the steps that were taken were essentially to wait for the ILGA inquiry to conclude?

MR DOBSON: Yes.
30

MR LEIGH: Do you consider that your view would have been any different as to what would the appropriate next step be, if you'd had the opportunity to review these documents in the same level of detail that we've just reviewed them now, at the time of that 15 December 2020 meeting?
35

MR DOBSON: I don't believe the action would be any different, because historical matters waiting for a report to be finalised, that gave us the basis for our advice from that point.

MR LEIGH: Thank you, Commissioners. Those are the questions I have for this
40 witness.

COMMISSIONER OWEN: Thank you, Mr Dharmananda?

MR DHARMANANDA: No, thank you.
45

COMMISSIONER OWEN: Is there anyone else.

MR BERSON: Mr Berson for the Department, Commissioner. Just one quick query for Mr Dobson. Mr Dobson, do you recall Counsel Assisting asking you questions about the quality of the discussion in GWC meetings?

5

MR DOBSON: In a broad sense.

MR BERSON: I think you described them as "robust". There was a 2-way conversation and you referred to requests for information made at those meetings?

10

MR DOBSON: Yes.

MR BERSON: And are those requests of departmental officers?

15

MR DOBSON: I believe they would be.

MR BERSON: And those departmental officers would then answer the requests for information either at the meeting ---

20

MR DOBSON: If they were questions they could take on notice they'd take at the meeting and if they were questions that required preparation of information, then they would return out of sessions, or at the next meetings the answers.

MR BERSON: Thank you, Mr Dobson. No further questions, Commissioners.

25

COMMISSIONER OWEN: Now, Mr Stulsic, no questions?

MR STULSIC: No questions.

30

COMMISSIONER OWEN: Mr Dobson, I have some matters I'd like to raise with you, and I'll start with the one that I started on earlier, and just bear with me for a moment. I often find it useful when I'm confronted with a problem that's arisen --- or let's call it a problem that's arisen in relation to the exercise of powers --- to ask three questions --- what, how and why. What do we do, how do we do it, but why we do it? Your evidence in your statement is that when you got the call from the minister's office saying you were under consideration for this position, you said you read, or it may have been after there was an indication to you that you would be appointed, you went to the website, you read the legislation and you had a look at the annual reports. Can I put this to you, that much of that material --- and it's all outlined in your statement, and we can go to it if you like, but it may not be necessary --- that much of that information is nuts and bolts. It's about the what we do and the how we do it, rather than the "why" and I'll come to the why in a minute. Is that a reasonable statement?

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40

45

MR DOBSON: I think it's fair.

COMMISSIONER OWEN: Now, let's come to the "why", and it's a question of the

what we do and the how we do it are not ends, they are means to ends; would you agree with that?

MR DOBSON: Sorry, you've lost me on that one.

5

COMMISSIONER OWEN: Right. You know the difference between means and ends. We say something is not an ends in itself, it's a means to get to the end product to which you aspire.

10 MR DOBSON: Okay.

COMMISSIONER OWEN: Right. Would you agree with me that what I've termed the "nuts and bolts" that you get from this legislation and what's in the annual reports and so on, are more about the means rather than the end in itself?

15

MR DOBSON: Yeah, I'm going to be frank, I'm struggling to follow the line of questioning here. I don't understand. Yes, I get that there needs to be probably more clarity about what they're trying to achieve to improve the regulatory environment of racing and gaming.

20

COMMISSIONER OWEN: Young lawyers look at this should never look at me as a role model as to how to ask questions.

25 MR DOBSON: I'm sorry, it's been a few hours and I'm trying to get my head around what you're saying.

COMMISSIONER OWEN: I'm coming to this question of strategy and you can call it regulatory philosophy, the purposes and objects for which the system is in place. So the nuts and bolts, what I call the nuts and bolts are how you get, how you fulfil that strategy and I want to talk about the strategy. I want to get your idea of the strategy, because when you read the legislation, did you get a clear understanding of the "why"? What's this really all about? Why are we here? Why are we doing this?

30 MR DOBSON: I did. I had a feeling for what the nature of the work was going to be, which was to be in this space of improving, you know, the regulation or the service delivery of business in those spaces, whether it be racing and gaming, or TAB operations, or Crown, or Two-ups at Kalgoorlie. All those things appeared within the scope of what they were doing. I think what dawned on me post being involved in this, is where I've been involved in boards at the past, it was quite high-level and that is around those strategies, setting those objectives of we were trying to achieve. Whereas the statutes that form the basis of the Gaming and Wagering Commission are predominantly focussed on operation matters and a lot more involvement from board members in those decision-making of operational matters.

45

COMMISSIONER OWEN: I want to take you back to the period around July of 2020 when you were first appointed. What was your understanding of what I call the

"why", the strategic objective, the regulatory philosophy, or the purpose and object for which we are regulating gaming --- and wagering of course, but let's concentrate on gaming. What did you see as the elements of the regulatory philosophy?

5 MR DOBSON: I can't talk to the elements of the regulatory philosophy other than
what I can read into it and what I read through the reports information and I guess
what my opinions are is having been a patron of Crown and other gaming in the past.
It was really to be there as an agency that had regulatory focus, but also to ensure
that the right things were being done by the people in that industry, knowing the
10 history of it. So, and knowing that casinos have only had a brief history in WA since
the early '80s. So my understanding was that we would be more --- not a tick and
flick as a board, because I hate that word --- but boards should be presented the facts
to make decisions from executive staff rather than --- and I give you the
example --- as board members a club that had breached their gaming licence would
15 appear before us and accept questions and be in a sort of tribunal-type environment
and as a board member I don't think that's fitting, that's appropriate and that would
have been done by staff. So that's where some of these crossovers for myself are a
challenge and to what they actually do to come back to your question about "what
are the whys", if I was told prior to accepting this role that I would be almost
20 conducting an inquiry and having members of the public running poker nights at
bowling clubs come and present before us and take questions, I probably wouldn't
have accepted this role. That's not what my role is as a director, a professional
director.

25 COMMISSIONER OWEN: Can I put it to you this way? Another witness answered
a question of the type that I've just put to you about the "why" the regulatory purpose
objects and purposes this way; that it is, in essence, a public interest or community
interest function. That's why you regulate these things, in the public interest, in the
community interest and there are three elements to it. One, fairness, to make sure
30 that a patron who goes in to play a game --- say the electronic gaming machines, or
the roulette table --- that that person can have confidence that the game is being
played according to the rules that have been set. That's the first element. The second
element is harm minimisation. And the third element is the question of the suitability
of that person or that entity to have a licence to conduct those functions. How does
35 that strike you as a description of the regulatory philosophy as you understood it and
gleaned it from the Act, Acts you read?

MR DOBSON: I think that's a quite fair synopsis of the role of the board members
that we would do those as in the best interests of the users of the gaming machines,
40 but also in respect to how, how the overplay of government regulation in that space
works and making sure the government is giving a return on investment, because
essentially they have a licence for Crown and they have a licence for TABs and those
other activities.

45 COMMISSIONER OWEN: And if we can come to the second, the middle one of
those three I've mentioned which is harm minimisation, what do you understand by
harm minimisation in the public interest?

MR DOBSON: So, that would be the plight of people that have gambling addictions and assisting people who do have those addictions to be given appropriate treatment options or to be removed from establishments that allow problem gambling. I think
5 that's an enormously important role that the GWC and some of the related trust accounts that are formed through the GWC have, to continue that relationship with other not-for-profit providers to help those people that do come across that addiction.

COMMISSIONER OWEN: And, are there any other elements that go into harm
10 minimisation in the public interest that you can see?

MR DOBSON: Oh, there'd be multiple. It's a pretty broad beast. There's a whole range of elements there in terms of how that could be dealt with.

15 COMMISSIONER OWEN: Would it include minimising the opportunities for criminality within the operations of the organisation?

MR DOBSON: Yes.

20 COMMISSIONER OWEN: Okay. I'm interested in the comment, the answer that you gave to Mr Leigh about the lack of discussions between board members outside the confines of the meetings and you said "it wouldn't be proper to do that". Is that not something that you've seen in other organisations in which you've been involved, that there are interchanges between members outside the meeting structures?
25

MR DOBSON: Sure, that occurs and it depends on what the nature of the discussions are. That may well occur between other members, but I hold a philosophical point of view that it's best to have all the parties at the table for the discussion and I don't like silos occurring, or people forming power bases prior to
30 having chats about matters and I've seen that from grassroots community not-for-profits, where that can occur. Call it "purple circle", so I don't like that behaviour and if I'm a chairman, I encourage people to include all parties for discussion. So, if there was a --- like, an example is that email about Ernst & Young, that would be a discussions between meetings and an appropriate way would be to
35 email to all the members identifying my concerns, rather than pick up the phone and ambush them one-by-one with my opinion.

COMMISSIONER OWEN: But might it not also be the case that where there are complex and technical matters that you might not understand that you may have a
40 particular board member that you think does have expertise in that area and you might contact them and say "what's this really all about?"

MR DOBSON: I think that would be appropriate in that circumstance, because that's really clarifying a matter, rather than discussing it or forming an opinion on the
45 matter with collusion. I would say that if you rang up a board member whether it's in this board or any other board and asked additional information, that's a fair approach.

COMMISSIONER OWEN: So, in that sense, would you reconsider your answer that it wouldn't be proper to have these discussions outside?

MR DOBSON: I'm happy to reconsider that answer, yeah.

5

COMMISSIONER OWEN: If I can come back to my regulatory philosophy question, has anything of the type that I've mentioned, that is looking at well, what does the public interest really require of us as a board, has there in your time on this commission, has there been any discussions of that nature?

10

MR DOBSON: I think to answer that, the board is always acting in the public's interest about when we're looking at decision-making framework. I don't know that the word, what would the public think, or that saying has come up as such. But we're always thinking, what's the perception of the public? What would the pub test, so to speak, be of this matter? That's going through the directors' heads as their reasoning process. I've got no reason to have doubts on other directors' mindset on that. It seems there's always commentary about well, if we did this, that would be the impact of that for the community. So, those conversations have occurred.

15

COMMISSIONER OWEN: I'm not sure that the pub test really is what I'm asking you, though, because the pub test is really "how will this impact"?

20

MR DOBSON: Yeah.

COMMISSIONER OWEN: But the question is more on the notion of the public interest and the reasons why you have these powers to regulate and to intervene. Has that ever been discussed?

25

MR DOBSON: Yes, it has.

30

COMMISSIONER OWEN: In what context?

MR DOBSON: Well, I guess this whole inquiry that started into Crown was the first example of that, into community gaming. There's continual examples that are brought by staff to our consideration of where there's been issues in community gaming and I'm happy to give an example of that, where we've discussed that through. But certainly in the scope of the Crown inquiry and I guess our own pre-empting of what was coming out of New South Wales, we were continually as a board having those discussions about what our powers are, what we should be doing and what we should be looking at, but the guidance was that we would be waiting until the inquiry from New South Wales gave their findings and then from there, we would have a paper or a position ready to go.

35

40

COMMISSIONER OWEN: Turning to a topic, in your calling as a financial planner, you would be aware of the concept of ongoing professional development?

45

MR DOBSON: Yes.

COMMISSIONER OWEN: Do you see a role for ongoing professional development for board members, members of the Commission?

5 MR DOBSON: I definitely would, yes.

COMMISSIONER OWEN: Has that ever been discussed?

MR DOBSON: It hasn't, no.

10 COMMISSIONER OWEN: I beg your pardon?

MR DOBSON: It has not.

15 COMMISSIONER OWEN: Alright, I think that covers what I wanted to ask. Anything arising from that, Mr Leigh.

MR LEIGH: No, thank you, Mr Commissioner.

20 COMMISSIONER OWEN: Mr Dobson, were you in the room when I read that statement out early this morning? So, you understand that I can't release you from the effect of the summons. We hope it won't be necessary to call you back, but there may be questions that we will pose in writing. Thank you very much for your evidence. It's been of great assistance to us. Thank you, and we'll adjourn until 2
25 pm.

THE WITNESS STOOD DOWN

30 **ADJOURNED** [12.17 PM]

RESUMED [1.59 PM]

35 COMMISSIONER OWEN: Yes, thank you. Ms Meadows, I believe. Please come forward and would you please mind stating your full name for the record please?

THE WITNESS: Jodie Elizabeth Meadows.

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

THE WITNESS: Affirm.

45 **JODIE ELIZABETH MEADOWS, AFFIRMED**

COMMISSIONER OWEN: Thank you, please sit down. Mr Evans.

EXAMINATION-IN-CHIEF BY MR EVANS

5

MR EVANS: Thank you, Commissioner. Ms Meadows, you've been summoned to appear before the Commission today?

COMMISSIONER JENKINS: Yes.

10

MR EVANS: And you've been invited to make a statement of your evidence-in-chief in relation to the matter before the commission?

MS MEADOWS: Yes.

15

MR EVANS: And I believe you've prepared a statement.

MS MEADOWS: Yes.

20

MR EVANS: Do you have a copy of that in front of you?

MS MEADOWS: Yes, I do.

MR EVANS: You've read the contents of the statement, you've signed it?

25

MS MEADOWS: Yes.

MR EVANS: And to the best of your knowledge and belief, it is true and correct?

30

MS MEADOWS: Yes.

MR EVANS: I tender Ms Meadow's statement.

35

EXHIBIT #GWC.003.0007.0015 - WITNESS STATEMENT OF MS JODIE ELIZABETH MEADOWS, DATED 14 MAY 2021

COMMISSIONER OWEN: Ms Nelson.

40

CROSS-EXAMINATION BY MS NELSON

45

MS NELSON: Thank you, Commissioners.

Ms Meadows, this afternoon, I'm going to take you through generally the process, the

functions and powers of the Gaming and Wagering Commission and then I'll take you to some specific meetings. So, your witness statement, which as we've heard is exhibit GWC.0003.007.0015, explains you've been a member of the GWC since mid 2018; is that correct?

5

MS MEADOWS: Yes, August I think.

MS NELSON: If you can just keep your voice up a little bit.

10 MS MEADOWS: Sure. August, I believe.

MS NELSON: And you were appointed by the minister for a two-year term initially?

15 MS MEADOWS: Yes.

MS NELSON: And you've since been reappointed?

MS MEADOWS: Yes.

20

MS NELSON: And your original appointment followed by expression of interest you lodged with the Department of Premier and Cabinet that you lodged in their board area?

25 MS MEADOWS: Yes, so I'm not sure how my appointment came about, because I wrote a letter to the Minister expressing an interest in joining boards, but I also put an application up on the same day onto OnBoardWA, and so I'm not sure which of those two avenues the approach came through.

30 MS NELSON: I see, thank you. And you explain in your witness statement that you've had extensive experience as a chartered accountant. I think it's since 1993 and that included working in private practice and as an auditor.

35 MS MEADOWS: I believe, I became --- yes, I qualified in 1993. I started working at Pricewaterhouse in 1990.

MS NELSON: And you've also had experience being on a board, however, would you agree that that experience is largely in the last three years?

40 MS MEADOWS: Yes, in the last three years. Yeah, I have sat on other --- well, I wouldn't call them "boards", but a franchise council ten years ago, but most of my governance experience sitting on boards is more current, but I have had board-facing experience as a CFO.

45 MS NELSON: Thank you, and was your appointment to the board of the GWC your first appointment after completing the Australian Institute of Company Directors course?

MS MEADOWS: No.

MS NELSON: What other board were you appointed to?

5

MS MEADOWS: I hope I get the dates right. I sat on the audit and risk committee for the Curtin University Student Guild --- I'll just get the timing right --- and then I believe it was GWC.

10 MS NELSON: So, is it fair to say that your experience with casino gaming prior to being appointed to the GWC was limited to auditing the accounts of the Burswood Resort Casino, which you did when you were at PricewaterhouseCoopers in 1993?

MS MEADOWS: My experience with casino gaming ---

15

MS NELSON: Yes.

MS MEADOWS: --- was limited to auditing the financial statements? No, I've certainly had quite a bit of experience in going to the casino and watching people gaming there.

20

MS NELSON: In a personal capacity?

MS MEADOWS: Yes.

25

MS NELSON: And how often, prior to 2018, would you have gone to the casino in a personal capacity?

MS MEADOWS: There was a period of several years where I would have gone probably once a week in the company of somebody who gambled quite a lot.

30

MS NELSON: But you didn't gamble yourself?

MS MEADOWS: No, not more than --- not very much at all, no.

35

MS NELSON: And what was it about watching that experience of that person that caused you to want to take up this appointment in the GWC in 2018, or was there no connection?

MS MEADOWS: I guess a) I understood quite a bit about gaming and wagering on the races and I also understood what it was like for people who had gambling problems, or for the people that were living with people that had gambling problems.

40

MS NELSON: And have you been able to use that experience whilst you've been on the GWC since 2018?

45

MS MEADOWS: Yes.

MS NELSON: In what way have you used that experience?

5 MS MEADOWS: When the casino in particular, if they come in and demonstrate a new game --- not an electronic gaming machine game, but a new table game --- I have a better understanding than most of the commissioners about how that game would work in reality, in real life.

10 MS NELSON: Are you talking about gambling addiction?

MS MEADOWS: No, I'm talking about the understanding of how the game would work, where the chips would be placed and what the dealer would do and ---

15 MS NELSON: Right.

MS MEADOWS: --- and how the outcome would be paid.

20 MS NELSON: And the board as it's constituted today, are you would you say, the only one with that level of practical experience?

MS MEADOWS: I would think so.

25 MS NELSON: In your opinion, do you have the most extensive financial experience of everyone on the board at the moment?

MS MEADOWS: There is another gaming and wagering Commissioner who also is a chartered accountant. I couldn't attest to whether she had more experience than me, but we probably have similar levels.

30 MS NELSON: And do the other members of the committee rely on the two of you when it comes to the accounts, or the financial aspect of the work?

MS MEADOWS: Yes.

35 COMMISSIONER OWEN: I think it might be as well if we name the other board member just for the record?

MS MEADOWS: Carmelina Fiorentino.

40 MS NELSON: Thank you, Commissioner. Going to your induction and training and perhaps if we look at your statement GWC.0003.0007.0015_0006, paragraph 16 to 18, thank you. You're talking particularly in this portion from 16 to 18 about your induction and is it fair to say that you had, in essence, a 30-minute discussion with Mr Michael Connolly who was then the Deputy Director-General and the Chief
45 Casino Officer and were offered some links to find the legislation and annual reports and policies of the GWC?

MS MEADOWS: Yes.

MS NELSON: And that's the extent of your induction?

5 MS MEADOWS: Yes.

MS NELSON: And at paragraph 18.2 of your statement at page 6, you refer to Mr Connolly walking you through the contents of a folder.

10 MS MEADOWS: Yes.

MS NELSON: What did he point out in particular, in relation to 18.2.2, the applicable legislation relevant (audio dropout). If you can't recall ---

15 MS MEADOWS: I don't recall going through the legislation in any level of detail at that session.

MS NELSON: Did he give you any instruction on the structure of the GWC?

20 MS MEADOWS: The structure of the GWC, can you explain?

MS NELSON: How it interacted with the department.

25 MS MEADOWS: Yes, that the GWC was supported by the department.

MS NELSON: And did he go through what that support would look like in practical application?

30 MS MEADOWS: That the department would prepare board papers for us to review before the board meetings and that the department provided regulatory support and all the inspectors worked for the department.

35 MS NELSON: But he went through how many inspectors went for the department ---

MS MEADOWS: He didn't say specifically how many inspectors there were, no.

MS NELSON: What else did he tell you about the role of the inspectors?

40 MS MEADOWS: I don't recall specifically.

MS NELSON: And what did he tell you about what you've said at 18.2.3, which is your role as a member of the GWC?

45 MS MEADOWS: Though I don't recall the specific words that were used, our role was to attend the meetings, review the papers, attend the meetings and make decisions around the matters that were raised within the board papers.

MS NELSON: Did he tell you what type of matters were going to be in the board papers?

5 MS MEADOWS: I don't recall specifically that being discussed.

MS NELSON: Did the chair, who at that time was Mr Duncan Ord, did he give you any introduction or any induction at all?

10 MS MEADOWS: No.

MS NELSON: When did you first have a conversation with him?

MS MEADOWS: The morning of my first meeting.

15

MS NELSON: And, what was that conversation?

MS MEADOWS: It was, it was an introduction to each other, pleasantries.

20 MS NELSON: Did Mr Connolly put you in touch with any other member of the Commission before your first meeting?

MS MEADOWS: No.

25 MS NELSON: Were you informed in that conversation with Mr Connolly about the delegation that was in place, that there was a register or not, or who performed what roles under which piece of the legislation?

MS MEADOWS: No, no.

30

MS NELSON: Were you aware that there was a delegation architecture in place?

MS MEADOWS: In that meeting, no.

35 MS NELSON: When did you first become aware of that?

MS MEADOWS: That items were delegated?

MS NELSON: Yes.

40

MS MEADOWS: I don't recall when I was first aware that items were delegated. I don't recall that.

45 MS NELSON: In that meeting with Mr Connolly, did you have a conversation about the role of the Chief Casino Officer?

MS MEADOWS: No.

MS NELSON: Were you told there was such a position?

MS MEADOWS: Not in that meeting, no.

5

MS NELSON: When did you find out about that position?

MS MEADOWS: I was already aware that the position of Chief Casino Officer existed from when I worked at Pricewaterhouse and it was in the Casino Act, so I did
10 know that that position existed.

MS NELSON: But you didn't have a conversation with Mr Connolly about how that was going to work in practice?

15 MS MEADOWS: I don't recall that, no.

MS NELSON: Thank you. If we could go to 0007 page of the statement, thank you, which is paragraph 23, in particular. You refer to "not receiving any formal training on the performance in your role of the GWC". Have you had occasion to think about
20 what formal training might have been beneficial for you to have received?

MS MEADOWS: In relation to regulation?

MS NELSON: Or in any aspect of your role in the GWC, what would have assisted
25 you?

MS MEADOWS: No, I haven't actually had an opportunity to think about that. I guess that's the question, and the answer is that I haven't specifically thought about what the training would look like.
30

MS NELSON: Were there any aspects that you felt you were deficient in when you first started? You mentioned regulation?

MS MEADOWS: Yes, yes. When I first started as a Commissioner, my
35 understanding was the legislation as I'd read it and interpreted it myself. So, I would have thought that training into, you know, a deeper level of understanding of how that legislation worked and a deeper level of understanding of how regulation, you know, of casinos and of wagering, as well, would have been of assistance.

40 MS NELSON: And what particular decisions would that have assisted you in making?

MS MEADOWS: We made decisions, many decisions in every meeting that I attended, that were all around regulation and legislation, so I believe it would have
45 assisted with, with many decisions.

MS NELSON: Before we go there, do you know if the GWC was ever given any

direction or statement of appointment from the Minister as to what the regulatory direction was to be?

MS MEADOWS: I'm not aware of anything from the Minister.

5

MS NELSON: If we go to paragraph 55 please of the statement which is at 0015, you state in this paragraph that it was your understanding that the Commission needed to be mindful of the public interest in protecting jobs and tourism and taxes that arise from the continued operation of the casino; is that a fair summary of what's in that document?

10

MS MEADOWS: That was certainly one of the factors that came into decision making.

15

MS NELSON: And was that discussed formally during the meetings, or ---

MS MEADOWS: Yes, we would quite often talk about the wording that I have there, that we had the ability to regulate the casino out of business.

20

MS NELSON: And during that discussion, was there ever a conversation about the tension between keeping the casino in business, but being a regulator and knowing that by keeping the casino in business and increasing their business, you might actually be causing, or that increase in business might arise from problem gambling or ---

25

MS MEADOWS: Absolutely, yes. So getting the tension right, or the balance right was something that we talked about all the time, that we could regulate the casino out of business, but we also needed, needed to be fulfilling our role as the regulator.

30

MS NELSON: And what did you see as the essence of your role as the regulator? What was the philosophy behind regulating the casino? Like, if you were to regulate it out of business, what would be the purpose behind it?

MS MEADOWS: I'm not sure if I understand the question.

35

MS NELSON: Were you trying to reduce social harm to particular problem individuals, or were you trying to reduce criminal conduct generally in the casino? Or, what was it that you were trying to achieve when you were wanting to regulate the casino?

40

MS MEADOWS: Like the overarching principle of what we were trying to achieve?

MS NELSON: Correct, yes.

45

MS MEADOWS: So, the overarching principle of what the GWC was trying to regulate or deliver was the overseeing of the casino RWWA community gambling, ensuring that the rules of the gaming was fair, that return to player was being

followed, that the rules of the games were being fair, that the casino licensee and the casino employees were licensed, that harm minimisation from gambling, responsible service of gambling was in play and then also, to ensure that the public interest and that casino revenue and, therefore, casino taxes were being calculated correctly.

5

MS NELSON: Okay, thank you. We look at the GWC website currently, which is document PUB.0002.0001.0716 and under the objectives the broad objectives of the Gaming and Wagering Commission in relation to the gaming and wagering industry, are to approve or withhold approvals of licences, permits, certificates and authorisations, take steps to minimise harm and to seek, receive, disseminate or publish information. Have you had occasion to look at section 7 of the Gaming and Wagering Commission Act, which deals with the purposes of the GWC?

10

MS MEADOWS: I'm sure I have. I don't remember it word for word.

15

MS NELSON: I'll take you there in a minute, but my proposition to you is that the first dot point is only one aspect of what's in the legislation, but it's a broader role than just approving, withholding approvals of licences, permits or certificates; do you agree with that?

20

MS MEADOWS: I would agree and I would also say that the GWC has not had any input of what's on the writing of this website. Presumably, a PR company wrote this.

MS NELSON: Thank you. If we can look at section 7 of the Gaming and Wagering Commission Act. You can see at section 7(1) subsection (c), essentially what the objective was in that first dot point on the website?

25

MS MEADOWS: Yes.

MS NELSON: Thank you, and if I could go back to the whole of section 7. Is it also a duty of the GWC to formulate policies for the scrutiny, control and regulation of section 7(b)?

30

MS MEADOWS: Yes.

35

MS NELSON: And to keep the conduct extending character of engaging and wagering under review?

MS MEADOWS: Which point is that, sorry?

40

MS NELSON: At the top of the second page in subsection (b).

MS MEADOWS: Yes.

MS NELSON: And at section 7(1)(f) --- which is over the next page, thank you --- the GWC has the power to advise the Minister of its own motion as to any matter relating to gambling.

45

MS MEADOWS: Yes.

MS NELSON: Was that ever done during your time on the Commission?

5

MS MEADOWS: My understanding is the Director-General of the department Duncan Ord used to meet with the Minister quite regularly. Did we formally offer any motions with matters relating to gambling? In December, I understand that the Director-General was going to be contacting the Minister to advise him about position with regard to the Crown situation at the time and he was going to be formally advising the Minister of what our position was and to ensure that the Minister was comfortable with that.

10

MS NELSON: So it's December, 2020?

15

MS MEADOWS: Yes.

MS NELSON: And did Mr Ord report back to you that that had been done?

MS MEADOWS: No, he didn't report back to us that that had been done. The next meeting that we had was February when the Bergin report had come out.

20

MS NELSON: Right, we'll go into that in some detail later on. But was Mr Ord reporting to the minister, to your knowledge, as the chair of the GWC, or as the Director-General of the department?

25

MS MEADOWS: In that particular instance, I believe as the chair of the GWC.

MS NELSON: And was that a task that the GWC had asked him ---

30

MS MEADOWS: No.

MS NELSON: --- to perform.

MS MEADOWS: No, he suggested that he would do it.

35

MS NELSON: Was there any time set aside for the GWC to consider what role they should perform as in regulation, a strategic discussion?

MS MEADOWS: No. We, in 2019, we asked for a strategic off-site day to be organised, but the department advised that they didn't have the capacity to organise such a day.

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MS NELSON: And did the chair have the support? Did he support that proposition?

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MS MEADOWS: Did he support the proposition? I don't think that he objected to the concept of the strategic off-site, but was in agreeance that the department didn't

have the capacity to organise or facilitate a day like that.

MS NELSON: Was there any discussion about how those resources could be made available to the GWC?

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MS MEADOWS: At that particular time, or generally?

MS NELSON: At that particular time?

10 MS MEADOWS: I don't recall, I don't recall exactly, no.

MS NELSON: You refer at paragraph 78 of your statement about the concentration of knowledge and you use the phrase "in certain individuals", who are you talking about?

15

MS MEADOWS: Mick Connolly, Barry Sergeant.

MS NELSON: Perhaps if we go to the statement GWC.0003.0007.0015, "a concentration of critical knowledge with a select few individuals, or even one individual". So apart from Mr Connolly and Mr Sergeant, are you referring to anyone else?

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MS MEADOWS: No.

25 MS NELSON: How did that exacerbate the resourcing issue?

MS MEADOWS: I'll give a specific example. We had been trying for quite some time, well over a year, to have what we call a matrix, or what we refer to as a matrix that led to some KPIs, where we wanted to have prepared for each area of legislation that we were required to be responsible for, what were we doing against that, and what were the KPIs we would use to measure whether we were being successful against those measures? And after over a year of regularly asking for this to happen and offering to do it ourselves in off-site sessions, we then decided to hire some consultants to help with that, so Riskwest was engaged to assist with the process of developing this matrix and it was explained to us that that was difficult, because the person that would be required to brief Riskwest was Mr Connolly. He was coming up for two weeks' holiday. He cut it down to one week's holiday to then sit with Riskwest and brief them to help prepare this matrix for us which, I guess if I can give some context, meetings are about three hours over 11 months in the years, there's 33 hours, works out to be about four days of actual GWC time. It's a very complex industry with a lot of inherent risks and we wanted to have some sort of overview, where we could see if we were doing what we were supposed to be doing. Once we had that, we could put red, green, are we ticking that box, dashboard-type scenario and put some risk references or rate the risks against each of the areas and then put some fire power at the higher-risk areas. That's what we were trying to achieve. So, we engaged Riskwest to do that, but due to COVID and the availability of the people at the department, that got stalled.

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MS NELSON: You referred to "we" trying to get this off the ground, who was we, apart from yourself?

5 MS MEADOWS: The GWC.

MS NELSON: So, all the members?

10 MS MEADOWS: In particular, Colleen Hayward, Carmelina Fiorentino and myself.

MS NELSON: And were you having this conversation just taking the COVID as a reference, were you having this conversation from the beginning of 2019, or ---

15 MS MEADOWS: No, I believe it first was raised around October 2018 and then throughout 2019 to the point where December 2019 we were particularly frustrated and this was when we requested the engagement of external consultants. They were engaged in December to start the work in January 2020 and then I believe COVID was what, eight, nine weeks later.

20 MS NELSON: And who engaged the external consultants in December 2020?

MS MEADOWS: The GWC.

25 MS NELSON: Who in particular on the GWC?

MS MEADOWS: I don't know, but I believe Mick Connolly selected Riskwest.

30 MS NELSON: You've mentioned KPIs; I'll just ask you a few questions about that. We'll go to paragraph 50, which is 0014. And you've said that you thought that the timeliness of the department's response to your request was due to resourcing?

MS MEADOWS: Yes.

35 MS NELSON: And who was it told you or the committee that in particular, who was it that said that?

MS MEADOWS: The two people that were usually present who were from the department, so the Director-General and Mick Connolly.

40 MS NELSON: I'll take you to an agenda paper from 19 August, 2019. Would you have been at that meeting? You were appointed on 1 August.

MS MEADOWS: Um, yes.

45 MS NELSON: It's GWC.0002.0016.0239 at page 0497 and it goes to 0503. We'll just go back to the first page which is 0497. In the second paragraph, "the current KPIs have been in place for many years". However in 2011 as part of the annual

audit process, auditors recommended that the Commission formally approve target KPIs for the coming year. And this was done in 2018.

5 MS MEADOWS: There's two completely separate KPI conversations that have been going on.

MS NELSON: I see.

10 MS MEADOWS: And you'll see throughout the minutes there's reference to --- yeah, there's two KPI discussions. This KPI discussion is around the KPIs issued by the Office of the Auditor-General to determine whether the Gaming and Wagering Commission is fulfilling its role. Quite different from what I was talking about before, which is more like a framework to ensure that we're meeting these targets, that this --- we're one KPI from the Office of the Auditor-General and it is 15 dollars spent running the Gaming and Wagering Commission divided by numbers of infringement issued. That's our only --- that's the key performance indicator as to whether we're doing our role properly, is the number of infringements that we give out and so, that's a different conversation.

20 MS NELSON: Did you have some knowledge about this particular, how this progressed?

MS MEADOWS: Yes.

25 MS NELSON: What can you tell the Commission about that?

MS MEADOWS: I'm just trying to remember what year it was. In one year, there were ten infringements given out by the GWC. The next year there was --- there was reasons why there was ten given out in one year and then there was only one given 30 out the next year and we received a black mark against our --- from the Office of Auditor-General, for having fewer infringements one year from the next and, therefore, we were, we had been requesting to have the KPIs changed, because it was a flawed KPI. It assumed that the number of infringements that we were issuing was a reflection of whether we were doing a good job or not. We wanted to have that, 35 have that reviewed. We asked to have it reviewed for the 2020 --- the year ending 30 June 2019. We were advised that the Office of the Auditor-General and the department were too busy to review it. The next year it was reviewed and the reply or the response from the Office of Auditor-General was that the KPI was satisfactory and that would continue to be our KPI.

40 MS NELSON: Thank you. If we could go in this document to page 0498, which is the second page. It's very hard to see, I know. Thank you. So under the heading "Gaming", "Inspections Performed", 90. That's not only in relation to the casino, is it?

45 MS MEADOWS: No, I believe that below that, is casino.

MS NELSON: That's what I'm trying to see. So, casino inspections, it's 70; is that correct? Thank you. And then investigations 57 and audits completed 305, and so that's for the year, financial year ending 30 June 2019. Would you expect that those KPIs would continue in the further years, the coming years? Just asking that
5 question, because they're the same targets for the latest.

MS MEADOWS: I can't see what's at the top, sorry. What's ---

COMMISSIONER OWEN: I think the witness is asking for the context in which
10 that appears.

MS NELSON: Okay.

MS MEADOWS: So, this is the number of inspections.
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MS NELSON: It appears to be the KPI target, it's the second page of that memo that we were just looking at.

MS MEADOWS: I understand that the number of inspections requested has
20 increased in our latest.

MS NELSON: We'll just look at the latest one, which is from the meeting of 15 December 2020, GWC 0002.0016.0345 at page 0426. If I could have page 0426 please? If we could then go to the next page and at the top, you can see it's for the
25 financial year ending 30 June 2021. Then, under casino inspections, casino investigations, casino audits completed, it appears to be the same numbers --- 70, 57.

MS MEADOWS: My understanding is that the KPI is not how many inspections are done, it is how many infringements are issued.
30

MS NELSON: I see, okay. We'll leave that, thank you. You mentioned in your statement you were given an iPad to access the broad agenda items and minutes?

MS MEADOWS: Yes.
35

MS NELSON: And were you also given an email address?

MS MEADOWS: Yes.

MS NELSON: And a contact list for other board members?
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MS MEADOWS: Yes.

MS NELSON: Did you have secretarial support?
45

MS MEADOWS: From the Commission?

MS NELSON: Yes.

MS MEADOWS: From the department, in that they prepared all of our papers, yes.

5 MS NELSON: But there was no separate admin support that was just for the GWC?

MS MEADOWS: There was consistent people that we dealt with. I don't know if they did anything else within the department outside of the GWC.

10 MS NELSON: And apart from Mr Connolly, who were those people?

MS MEADOWS: I only know their first names --- Emily, Stephanie and Jocelyne --- were the people that I mostly contacted. There was also support from the people that prepared the papers, the regulatory advisers, I think they're called.

15

MS NELSON: And what type of support did the regulatory advisers give you?

MS MEADOWS: They wrote papers that were presented or that were included in our board papers.

20

MS NELSON: And, who controlled the agenda items for each meeting?

MS MEADOWS: Who controlled?

25 MS NELSON: Or, who decided what was on the agenda?

MS MEADOWS: Well, we have a set layout of the agenda of which quite a few items are standing items. Items that would appear on the agenda were, sometimes they would appear because that, that request had come through to the department and then those matters would be, would be put on the agenda and other times items would be in the agenda because we requested them, or because of some sort of action that we'd taken in a previous meeting. For example, we might be presented with some information, we might then issue a show cause notice to Crown and then in the next meeting, there would be an agenda item because of action that we'd taken in the previous meeting. Other things that might be an application for a permit or whatever, and then that would appear in the agenda.

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MS NELSON: The agenda and the board pack appear to be quite voluminous; would you agree with that?

40

MS MEADOWS: Yes, yes.

MS NELSON: I think you said in your statement it would take anything from three hours upwards to a day to read through some of the papers?

45

MS MEADOWS: Yes.

MS NELSON: And you were also required to attend to emails between meetings?

MS MEADOWS: Yes.

5 MS NELSON: What type of matters were dealt with by email?

MS MEADOWS: Sometimes we would have rotary resolutions. The first year that I was on the Gaming and Wagering Commission it was very rare to receive an email. There were certainly some emails around the time of the 60 Minutes' episode.

10

MS NELSON: So, that's in August 2019?

MS MEADOWS: I can't recall the exact month, but at that time there was a flurry of emails and in more recent times there has been significantly, a significant increase in the number of emails.

15

MS NELSON: And the flurry of emails around the time of the 60 Minutes media report, was that between GWC members, those emails, or was it between GWC members and the department?

20

MS MEADOWS: Between the department and the GWC.

MS NELSON: And, can you recall generally what those emails were about?

MS MEADOWS: Yes, there was emails suggesting that it was going to be on, so to watch it. There was emails around the Minister asking for a briefing around a wording of a press release, um, and what else? And then, it was an agenda item for our next meeting.

25

30 MS NELSON: And do you know if the Minister was given a briefing?

MS MEADOWS: I received --- we, the GWC --- received a copy of a briefing note that we were told was being given to the Minister.

35 MS NELSON: Who prepared that note?

MS MEADOWS: I presume Mr Connolly did, or someone who worked for Mr Connolly.

40 MS NELSON: You've also mentioned in your statement that you have asked to become a member of the Internal Audit Committee for the department?

MS MEADOWS: I didn't asked, I was asked.

45 MS NELSON: You were asked, sorry. Who asked you to do that?

MS MEADOWS: Duncan Ord.

MS NELSON: And is it still the case that the committee has not yet met?

MS MEADOWS: Yes.

5

MS NELSON: And do you know who else is on the committee?

MS MEADOWS: No. Sorry, last week Duncan Ord told me the name of the newly-appointed independent chair. I can't recall his name, but I don't know anyone else who's on it.

10

MS NELSON: And once you'd settled into the role as a Commission member, did you form some sense of what role the Chief Casino Officer-appointed Mr Connolly performed?

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MS MEADOWS: In his capacity as the Chief Casino Officer, or in his capacity ---

MS NELSON: Was it clear to you when he was wearing one hat as opposed to the other hat, or was it not clear?

20

MS MEADOWS: No, it wasn't, it wasn't clear, no.

MS NELSON: After you'd settled into the role and attended a few meetings, what did you think that the Chief Casino Officer's purpose was?

25

MS MEADOWS: The Chief Casino Officer's purpose is just to fulfil some roles under the Casino Act. Some fairly minor roles. Their reference to the chief casino's title was quite rarely used.

MS NELSON: Were you aware that there were regular operational meetings between the department gaming operations divisions and Crown?

30

MS MEADOWS: Yes.

MS NELSON: How did you become aware of those?

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MS MEADOWS: Just through general conversation at meetings.

MS NELSON: Would you be shown the minutes of those meetings?

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MS MEADOWS: No, no, no. It would be more that Mr Connolly would say "When I caught up with Crown this month". We didn't --- that's an operational matter, so we didn't really get involved in what was discussed in those meetings. If it was important, it would end up on our agenda.

45

MS NELSON: So you understood that the matters that were discussed at that meeting would generally end up on your agendas?

MS MEADOWS: No, that they were just operational matters.

5 MS NELSON: What do you mean by "operational matters", what type of matters are operational?

MS MEADOWS: The timing of when the inspectors are going to go. I guess that wouldn't be discussed, because then they would know when they were coming. Operational matters? I'm not really sure.

10 COMMISSIONER OWEN: Did you ever turn your mind to the capacity in which Mr Connolly was attending the meetings that you've just mentioned? Did you ever turn your mind to that issue? He was Chief Casino Officer, do you know if he held any other positions?

15 MS MEADOWS: Well, he's the Deputy Director-General of the department; is that what you mean?

20 COMMISSIONER OWEN: Yes. Did you turn your mind to the capacity in which he was attending those meetings? Because you've just given us a description of what you thought the Chief Casino Officer's role was.

MS MEADOWS: Yes.

25 COMMISSIONER OWEN: I'm only asking you whether you turned your mind to that issue?

MS MEADOWS: No, I didn't. I didn't.

30 MS NELSON: Did you ever feel that the matters that appeared on the agenda of the GWC had been previously discussed at these operational meetings?

MS MEADOWS: No.

35 MS NELSON: You never got that sense?

MS MEADOWS: No.

40 MS NELSON: Crown's required to pay an annual casino gaming licence fee. What was your understanding of how that was applied to the Commission or to the department? Where did the money go?

MS MEADOWS: Part of the money is part of the income of the GWC, our top-lined revenue and the rest of the money would go to the State.

45 MS NELSON: Why was only part of that licence fee applicable to run the Commission?

MS MEADOWS: Well actually no, I believe all of it would go there.

MS NELSON: And how did you form that belief?

5

MS MEADOWS: I'm visualising the financial statements in my head and looking at how much the casino tax is each month.

MS NELSON: So, it was your understanding the practical effect, that the
10 Commission received that licence fee and was able to spend the entirety of it; is that your understanding?

MS MEADOWS: Managing the casino, yes, in regulating the casino, yes.

MS NELSON: Do you recall on 26 May 2020 that the GWC received an agenda
15 paper in relation to reducing the annual casino licence fee due to the impact of COVID?

MS MEADOWS: Yes.

20

MS NELSON: And what do you recall about the discussion around that agenda item?

MS MEADOWS: I believe that there was a paper, the casino was asking for a
25 reduction in the fee. The paper, I believe from the department, suggested a fixed amount as their recommendation that that be approved. We had a robust conversation about whether that should happen or not.

MS NELSON: Tell me about the robust conversation.

30

MS MEADOWS: I suggested that wasn't a good look, that the casino tax would be
reduced given the current investigations that were going on. We discussed that
Crown was in significant, or appeared to be in financial, under financial distress from
being closed. We discussed the people who worked there. We discussed, um, I'm
35 not sure of the exact timing, but Crown did ask for the ability to put a mortgage over
the casino of \$560 million, if I'm correct. It was discussed for quite some time.
There was some people who were very much in favour of it and there were others
that weren't as much, as with any board.(audio dropped out) an agreement. The
agreement we ended up landing on was to reduce the tax, but align it with the exact
40 number of days that the casino was closed for, not just an arbitrary figure as had been
suggested by the department and that was where we landed. I understand later that
the Minister then overturned the decision.

MS NELSON: Thank you. I'll just take you to that agenda paper and it's
45 GWC.0002.0016.0300 and at page 38. So the author of the paper was a Mr Beecroft.
You're nodding for the transcript, can you make sure you answer.

MS MEADOWS: Yes.

MS NELSON: Thank you. Was he present at the meeting?

5 MS MEADOWS: I don't recall.

MS NELSON: When the department put forward a recommendation in an agenda paper such as this, would the author of the paper generally appear to argue for the recommendation, or would Mr Connolly do that on their behalf?

10

MS MEADOWS: Mr Connolly would generally do it.

COMMISSIONER OWEN: Just so the record's clear, I think Ms Meadows referred to a reduction in the tax. I think you meant the licence fee, didn't you? The application was for a reduction in the licence fee. You see, there are two different things. There's the licence fee that the casino pays and then there's the tax that goes to the State.

15

MS MEADOWS: Yes, okay, yes.

20

COMMISSIONER OWEN: You were talking about the licence fee?

MS MEADOWS: I am, yes.

25 MS NELSON: So, the recommendation in the box at the top is for a reduction in effect of \$816,750?

MS MEADOWS: Yes.

30 MS NELSON: And is it your evidence that that was not the recommendation that went to the Minister?

MS MEADOWS: Can I see the next page, please? I can't recall the exact --- I do know that the amount that was suggested we disagreed with and a different amount was put forward.

35

MS NELSON: Thank you, that can be taken down. If I could just ask you some questions generally about the process for setting the budget at the GWC. Were you as a member involved in that process?

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MS MEADOWS: In setting the budget?

MS NELSON: Yes.

45 MS MEADOWS: No, a budget was presented to us by the Chief Financial Officer.

MS NELSON: So you had no role in allocating particular expenses or ---

MS MEADOWS: Allocating expenses?

MS NELSON: Or setting my particular dollar amounts for the budget?

5

MS MEADOWS: No.

MS NELSON: Did you have any role as a member of the GWC in discussing how many staff members from the department would support the casino gaming function as opposed to the non-casino gaming function?

10

MS MEADOWS: As part of the budget process.

MS NELSON: Yes.

15

MS MEADOWS: As part of the budget process?

MS NELSON: Yes.

20

MS MEADOWS: No, no.

MS NELSON: At all?

MS MEADOWS: I think --- I see where you're going. In the budget, there's an allocation from the department which is presumably an arbitrary allocation of the total cost of the department divided by the various areas within the department. So, that figure is just a division of the pie and that was the piece of the cost that was allocated to us. Did we discuss on other occasions how many people were allocated, how many physical resources were allocated to us? Yes.

30

MS NELSON: Yes.

MS MEADOWS: Yes.

MS NELSON: You've already mentioned earlier in your evidence that you had a discussion about that in relation to going off-site for a strategic workshop. Did you have other conversations about getting more people equivalent FTE to assist you do your role?

40

MS MEADOWS: Yes.

MS NELSON: You did. In what context?

MS MEADOWS: So, two examples spring to mind. The first was I suggested that we should, or asked if the Gaming and Wagering Commission wrote a letter to the Minister asking for additional resources would that help, or would that assist the pressures that the department were under? I'm not going to say that I was laughed at,

45

but it certainly caused amusement to the public servants in the room and then they explained that writing to the Minister wouldn't produce any more bodies to assist. And I guess another example was, I think it was September 2020, when Mr Connolly presented an organisational chart of the department where he was proposing to
5 restructure the department to try and ensure that all areas, but ensure that our area would receive enough support, because it was very obvious that we weren't getting enough support. We spoke about it very regularly and he was putting together a proposal of how to restructure the department to try and support us.

10 MS NELSON: And what happened to that proposal?

MS MEADOWS: So that proposal then needed to be --- there was some sensitivities around that proposal with any restructure of an organisation that needed to then go through various channels within the public service to facilitate that process
15 happening. As far as I know, it didn't eventuate, or hasn't eventuated yet.

MS NELSON: If we could have the briefing note GWC.0003.0007.0011. After the 60 Minutes report was aired on 28 July 2019, you refer to this briefing note having been prepared.

20 MS MEADOWS: Yes.

MS NELSON: And is it correct it was prepared by Mr Connolly? If we could see page 2, as well, on the screen.

25 MS MEADOWS: Yes, it is correct that it was prepared by Mr Connolly.

MS NELSON: And this briefing note that you've given us is unsigned. Are you aware of whether it actually went to the Minister?

30 MS MEADOWS: I'm not aware if it actually went to the Minister other than it was attached to an email from Mr Connolly saying that he would.

MS NELSON: And whose ---
35

MS MEADOWS: I have no reason to believe that he didn't.

MS NELSON: And under whose direction was this briefing note written?

40 MS MEADOWS: I believe the Minister asked for information.

MS NELSON: So it wasn't instigated by the GWC?

MS MEADOWS: No, it wasn't instigated by the GWC. This was 60 Minutes, obviously. It was on a Sunday night and these emails came fairly quickly after that, before we had had a meeting.
45

MS NELSON: Thank you. And the last paragraph of the first page it refers in the last sentence to "regulators conducting a teleconference on 31 July 2019". Did you take part in that teleconference?

5 MS MEADOWS: No. I believe by that sentence, "regulators conducting a teleconference" that Mr Connolly would have attended that teleconference on behalf of the regulators. We didn't all attend.

MS NELSON: Did he report back to you what was the outcome of that meeting?

10

MS MEADOWS: I don't exactly recall. I'm sure he would have, but I don't recall.

MS NELSON: So this briefing note is dated 30 July 2019. The next GWC meeting was 27 August 2019 and Crown presented to the GWC on that occasion. Do you recall that meeting?

15

MS MEADOWS: Yes.

MS NELSON: Do you recall what the topics were that were covered in that presentation?

20

MS MEADOWS: This is when the CEO and the legal counsel for Crown presented, yes.

MS NELSON: And what impression were you left with after that presentation?

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MS MEADOWS: After the presentation, we were left with the impression that the 60 Minutes story was not true, that it was a media hype, or media beat-up and that Crown were categorically denying or refuting the claims that were in the 60 Minutes episode.

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MS NELSON: And you mentioned that the attendees from Crown were the CEO and the legal counsel, is that from Crown Perth, or from over east?

MS MEADOWS: It was Josh.

35

MS NELSON: Mr Preston?

MS MEADOWS: Yes, Mr Preston.

40

MS NELSON: And Mr Marais?

MS MEADOWS: No, it was the CEO of Crown from the east coast.

MS NELSON: Mr Barton, was it?

45

MS MEADOWS: No, the previous CEO. It was the first time that he'd ever come to

a GWC meeting.

MS NELSON: And he attended in person?

5 MS MEADOWS: Yes.

MS NELSON: Had the GWC requested this presentation?

10 MS MEADOWS: Yes, we issued a show cause notice, if I recall. Maybe we hadn't.

MS NELSON: Were you aware that Mr Connolly had emailed Mr Preston, Mr Hulme and Mr Marais to ask that particular topics were covered in the presentation?

15 MS MEADOWS: Was I aware that he had emailed them? No, but now that I recall, we couldn't have issued a show cause notice, that he must have invited them to attend, or they must have asked to attend, but I didn't know that he sent an email requesting specific topics to be covered.

20 MS NELSON: I'll show you an email which is CRW.709.021.4377. It's an email sent on 21 August 2019 from Mr Connolly to Mr Preston, Mr Hulme and Mr Marais subject GWC presentation 27 August, and there are various dot points in which Mr Connolly says:

25 *I would specifically request that the presentation cover*

Those dot points. I'll just give you a minute to look at those.

30 MS MEADOWS: Okay.

MS NELSON: Do you recall whether all those dot points were covered in the presentation?

35 MS MEADOWS: I couldn't recall whether they all were, but it was a very detailed presentation. There's nothing there that's jumping out at me as not being covered.

40 MS NELSON: Commissioners, I just want to take the witness to a particular paragraph of her statement in which she has something to say about the veracity of what the presentation contained. I'm wondering whether I should invite you to close the court at that point, or if you'd like me to continue.

COMMISSIONER OWEN: Mr Dharmananda?

45 MR DHARMANANDA: It's a little difficult without knowing exactly what the question is, but it might be we will see how it goes, Commissioner.

COMMISSIONER OWEN: This can only go to state of mind, it won't be going to

the underlying facts?

MR DHARMANANDA: No.

5 COMMISSIONER OWEN: Just proceed and we'll take it cautiously.

MS NELSON: Thank you. If I could have the statement of Ms Meadows
GWC.0003.0007.0015_0013 and in particular, paragraph 48, which goes over to the
next page. You talk about the GWC having been obstructed by Crown. What did
10 you mean by that?

MS MEADOWS: The presentation that we were given in that meeting, the
information that we were provided in that meeting then some of those matters then
turned out to be false, as was uncovered in the Bergin Inquiry and by being given
15 incorrect information we were obstructed in discharging our duties. If we had been
given correct information, we may have gone --- we would have gone down a
different path than we did at the time. The information that we were given led us to
believe that the 60 Minutes story was not true.

20 MR DHARMANANDA: I wonder if, Commissioner, for the purposes of the record
it might be useful to seek to identify the relevant minutes of the GWC which attaches
the relevant presentation, because that hasn't been done with respect to paragraph 48,
nor has my learned friend produced that material.

25 COMMISSIONER OWEN: The difficulty is that there are certain parts of this which
a party has sought a non-publication order.

MR DHARMANANDA: Yes.

30 COMMISSIONER OWEN: And there are other parts that may cross into issues,
perhaps not as at 27 August 2019, but contextually to other issues in which there are
other perhaps non-production or non-publication issues.

MR DHARMANANDA: Yes, I understand that, Commissioner. It's just for the
35 purposes of --- without displaying the material, at least identifying the relevant
documents by identifying number might assist for later purposes. Because presently,
we are not exactly sure what particular presentation is being adverted to in line 3 of
paragraph 48.

40 COMMISSIONER OWEN: I think --- I'll come to you in a minute, Mr Evans --- we
can certainly identify the presentation without actually going to it.

MR DHARMANANDA: Yes.

45 COMMISSIONER OWEN: And leave it at that.

MR DHARMANANDA: Yes, Commissioner.

COMMISSIONER OWEN: So we don't need to go to any other documents at this stage.

5 MR DHARMANANDA: Not at this stage and if the minutes that we apprehend might be the minutes that paragraph 48 refers to, then certain things would become clearer for us on that.

COMMISSIONER OWEN: Mr Evans?

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MR EVANS: I just want to indicate, Commissioner, that, as expediently adopted in another place this morning, was to read in only parts of these documents. One of the problems with these agenda papers is they're enormous and there are objections taken to perhaps two paragraphs of them. That may be put off until later today.

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COMMISSIONER OWEN: I think if we can identify --- it may not be necessary to go to the documents at all at this stage, but if we can identify for the record the board pack and the part of the board pack to which this refers, if indeed it is in that board pack, and the minutes of 27 August 2019 meeting and the presentation.

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MR EVANS: Yes, just as far as I can recall that doesn't affect any of the applications we have on non-publication and I'm certainly content with that.

COMMISSIONER OWEN: Alright. Ms Nelson, if we identify the minutes --- if we identify the board pack for 27 August meeting and, in particular, the section which relates to this presentation, that's the first thing, the presentation itself simply by an identifier number and then the minutes of 27 August 2019 meeting again identifying the section in the minutes which deal with this presentation.

25

30 MS NELSON: Thank you, Commissioner. The board pack is GWC.0002.0016.0283. At this stage, I don't have the actual page number. It would be between pages 30 and 43, I believe.

COMMISSIONER OWEN: I'll give a direction that those exact page numbers be identified and included in the transcript.

35

MS NELSON: Thank you. And the minutes of the meeting of 27 August 2019 at GWC.002.0016.0286.

40 COMMISSIONER OWEN: I've been given a different number. That is correct the one that you have read out, and the presentation?

MS NELSON: At this stage, I don't have the actual presentation. I will locate that, Commissioner.

45

COMMISSIONER OWEN: I think I do. Someone will correct me if I'm wrong, but the number I have is GWC.0001.0009.0001. It is a PowerPoint presentation. That

can be corrected if it is, in fact, incorrect.

MS NELSON: Yes, that is correct. Thank you, Commissioner.

5 COMMISSIONER OWEN: And so the only thing left over from that is --- and I'll repeat the direction that I've given --- that the transcript when it is produced will have within it the page numbers of the board pack for the 27 August 2019 meeting.

MS NELSON: Thank you.

10

Now, if we could go back to your statement, Ms Meadows, GWC.0003.0007.0015_0015, in particular paragraph 54. You're talking about junket operations and your understanding as to the reason changes were made to the legislation. Are you talking in that paragraph about the removal of the regulations relating to junkets?

15

MS MEADOWS: Yes.

MS NELSON: And where did you obtain that understanding as to why?

20

MS MEADOWS: The very first time I understood that, that was explained to me by Barry Sargeant.

MS NELSON: The reason you've said there is because the WA Police and Interpol refused to do background checks on junket operations; is that correct?

25

MS MEADOWS: Yes. There's two, unable and refused. I believe WA police were unable to, or didn't assist and then Interpol eventually refused to do it.

30 MS NELSON: And when did you have this conversation with Mr Sargeant?

MS MEADOWS: Certainly before the 60 Minutes episode. Quite early on, I would think in my time on the Commission.

35 MS NELSON: Did Mr Sargeant tell you what correspondence or what had been done to make contact with WAPOL and Interpol to get these checks done, or to attempt to?

40 MS MEADOWS: He told me that with WA police they would put in requests for the information with Interpol, we didn't really discuss it, other than that Interpol said that they would not be able to assist any longer.

MS NELSON: And the request for information to WA police, did Mr Sargeant give you a sense of the time period in which those requests were being put in, what year?

45

MS MEADOWS: I believe it was in the lead-up to the legislation being changed.

MS NELSON: And was that the only reason that Mr Sargeant gave to you for the removal of the requirement?

MS MEADOWS: Yes.

5

MS NELSON: And is it your understanding that since then, the GWC has relied upon the visa process system, the Federal visa process system to, in a sense, vet unsuitable people coming in as junket operators or participants?

10 MS MEADOWS: Yes.

MS NELSON: Were you aware that Crown was involved or attempted to get involved in assisting some travellers on junkets to get visas?

15 MS MEADOWS: I believe that was part of the 60 Minutes TV show.

MS NELSON: Was that the first time you became aware of that?

MS MEADOWS: Yes.

20

MS NELSON: And was that of concern to you at the time?

MS MEADOWS: That they were assisting people with organising their visas?

25 MS NELSON: Yes.

MS MEADOWS: It was a concern, the way it was portrayed in the 60 Minutes event, the 60 Minutes episode.

30 MS NELSON: Was that a matter that was discussed at the GWC at the time of the 27 August meeting?

MS MEADOWS: I can't recall exactly what was discussed. However, I do recall that the Office of Home Affairs said that that wasn't the case.

35

MS NELSON: And when was that? When did you find out what the Office of Home Affairs' view was?

MS MEADOWS: Around that time.

40

MS NELSON: And how did you find that out?

MS MEADOWS: I don't recall.

45 MS NELSON: We'll go to paragraph 56, please, of the statement, which is on the same page, going over onto the next page. At 56.1 you discuss how an annual probity and suitability review undertaken of Crown Perth operations staff may assist

in ensuring the integrity of gaming undertaken by junkets.

MS MEADOWS: Yes.

5 MS NELSON: How would that assist?

MS MEADOWS: The integrity of the gaming by ensuring that the people that are actually performing the gaming are suitable people and not, for want of a better word, assisting with cheating in the gaming.

10

MS NELSON: So it's targeted at the actual Crown Perth employees?

MS MEADOWS: Yes.

15 MS NELSON: And then at 56.2 audits by department inspectors on behalf of the GWC, how would that assist in ensuring the integrity of gaming undertaken by junkets?

MS MEADOWS: Again, to be overseeing that the games are being played correctly.

20

MS NELSON: And at 57 over the next page, that with regards to criminals infiltrating casino operations, I am aware of the following policies and procedures, 57.1, the extensive probity and suitability exercise before the casino licence is issued ---

25

MS MEADOWS: Yes.

MS NELSON: That's a one-off event. How would that assist in the ongoing probity or ongoing integrity of gaming?

30

MS MEADOWS: Well, that exercise would be to ensure that the owners of the casino licence are not criminals. There's background checks done into key people, police clearances provided.

35 MS NELSON: And you also talk about sharing information between the GWC and the Victorian regulator, and that's at 57.1.3. Is there a formal memorandum of understanding in place between those two regulators to ensure that?

MS MEADOWS: I don't know.

40

MS NELSON: When you say the GWC shares information, are you actually talking about the department sharing that information or does the GWC actually correspond with the Victorian regulator?

45 MS MEADOWS: The department shares that information on our behalf.

MS NELSON: Do you see, or does the GWC see that information that's shared

before it's shared? Do you have an ongoing review of what is shared with the Victorian regulator?

5 MS MEADOWS: In particular, we're talking about a casino licence? So as an example, there is one under way at the moment where Pricewaterhouse Cooper is conducting a probity, a probity examination and once that report is available, that would be shared between GWC and the Victorian regulator. So, by "sharing", I don't mean sharing of information. We share the report.

10 MS NELSON: So the sharing of information is limited to the review of the Victorian licensee and any close associate probity suitability assessment; is that right?

MS MEADOWS: No, I'm sure other information would be shared.

15 MS NELSON: But that's what I'm asking you. What information is shared, and how do you know that and do you have any oversight of that?

MS MEADOWS: How do I know what information is specifically shared?

20 MS NELSON: Yes.

MS MEADOWS: Do we receive copies of what's shared? No, we don't.

25 MS NELSON: Do you know if there's any information shared about particular junkets that operate in the Victorian jurisdiction?

MS MEADOWS: I believe that there has been some information shared in the past, but not that I've seen.

30 MS NELSON: And how did you know, come to know that information?

MS MEADOWS: I can't recall.

35 MS NELSON: In September 2020, Mr Connolly was provided with the Federal body ACLEI, their Operation Angove report into allegations of corrupt conduct between the Department of Home Affairs officers and Border Force officers in approving visas for Crown VIPs to travel to Australia. Are you aware of that Operation Angove report?

40 MS MEADOWS: I have heard of it, yes.

MS NELSON: You haven't read it?

MS MEADOWS: I haven't read it, no.

45 MS NELSON: Were you aware that Mr Connolly was provided information about it?

MS MEADOWS: I don't recall.

5 MS NELSON: And if we could go to the minutes of the 27 October meeting which is GWC.0002.0016.0333 at page 2, thank you. And you can see at point 5.3 AUSTRAC Enforcement Investigation - Crown Resorts Limited and there's a note that there was a verbal update provided by the Deputy Director-General regarding the AUSTRAC enforcement investigation. Do you recall anything that you were told?

10

MS MEADOWS: Yes, I remember the update.

MS NELSON: What do you remember that you were told?

15 MS MEADOWS: That Melbourne Casino or Crown Casino had been --- are under investigation from AUSTRAC for transactions that were going through the Southbank bank account.

MS NELSON: Were you told anything about any other bank account?

20

MS MEADOWS: I'm aware of the Riverbank bank account.

MS NELSON: And was that part of the briefing that you received on 27 October?

25 MS MEADOWS: On 27 October we received the copy of the show cause notice that the Victorian regulator had issued to Crown on the back of the AUSTRAC investigation into the Southbank bank account. Did we discuss the Riverbank bank account? I can't recall specifically if we discussed it in that meeting.

30 MS NELSON: Do you recall whether you discussed, or whether it was reported to you that the Operation Angove report had made some findings about Crown's support to visa applicants?

MS MEADOWS: We didn't discuss that.

35

MS NELSON: And also during the 27 October 2020 meeting, Crown gave a presentation on the Crown reform program, do you recall that?

MS MEADOWS: Yes.

40

MS NELSON: And what was the substance of Crown's message that you took away from that presentation?

45 MS MEADOWS: The substance of the message was that they were going to be making some significant improvements and take some very serious action against addressing any future potential risks in that area.

MS NELSON: And did the GWC discuss what might be done within the West Australian jurisdiction in terms of investigations ---

MS MEADOWS: Yes, we did.

5

MS NELSON: --- or concerns?

MS MEADOWS: Yes.

10 MS NELSON: And what were the concerns discussed?

MS MEADOWS: Obviously the concerns were, the concerns were around --- around Crown and the activities that had been happening in the past and what was going to be the position of the GWC, what actions would we take?

15

MS NELSON: And what was it resolved to do?

MS MEADOWS: We resolved that, as the ILGA inquiry was well advanced and that the international borders were closed, there hadn't been any junkets operating for quite some time --- I believe the State borders were still closed --- that we would wait until the Bergin Inquiry was completed and that they'd handed down the findings so as to not double up on the investigation that was already under way.

20

MS NELSON: And how did the GWC inform itself as to the progress of the Bergin Inquiry?

25

MS MEADOWS: Well, we received verbal updates each meeting, but we would obviously follow it in the press.

30 MS NELSON: And who did you receive the verbal updates from?

MS MEADOWS: Mr Connolly. He would update and then we would discuss.

MS NELSON: So, to your knowledge, there was no formal communication channel between the GWC and the Bergin Inquiry?

35

MS MEADOWS: In January 2020, Duncan Ord met with Bergin and there was some conversations around the GWC assisting going forward. So, I believe the communications were with Duncan Ord himself.

40

MS NELSON: And to your knowledge, did those communications continue between January 2020 and in February 2021 by Mr Ord?

MS MEADOWS: Not that I recall, not that I know of.

45

MS NELSON: If we could go to the 24 November 2020 meeting, GWC.0002.0016.0335 at page 0007 and particularly item 12.3 ---

MR DHARMANANDA: Commissioners, I hesitate to rise. I understand that there's a claim for privilege over the first paragraph of agenda item 12.3 and aspects of the heading which are in the process of being provided to the solicitors assisting the
5 Commission for redacted versions.

COMMISSIONER OWEN: The heading I can understand. I've often wondered about whether legal professional privilege applies to the fact of advice being sought, provided it doesn't indicate in any way the content of a privileged communication, a
10 protected communication.

MR DHARMANANDA: Yes, Commissioner. The difficulty being in the current context that it suggests at least the subject of the advice that is being sought.

15 COMMISSIONER OWEN: Who's made the claim? The department?

MR DHARMANANDA: It's a claim that's been made on behalf of the Gaming and Wagering Commission but supported by the department.

20 COMMISSIONER OWEN: Alright, if there's a claim that hasn't been yet resolved.

MS NELSON: I'll leave it, thank you Commissioners. If we could move onto the meeting of 15 December 2020, and that can be taken down off the screen, thank you. This was a meeting in which the chair of Crown requested to attend the meeting. Do
25 you recall that particular occasion?

MS MEADOWS: Yes.

30 MS NELSON: And you were given agenda papers for 15 December and there was quite a number of pages that were given to you the night before 14 December 2020; do you recall that?

MS MEADOWS: I don't believe that, what you were referring to were our agenda papers. So, we received the agenda papers several days earlier.
35

MS NELSON: So you did receive an email the night before?

MS MEADOWS: I did not see an email, but yes, I understand an email was sent after close of business on the Monday evening.
40

MS NELSON: And the meeting was to be held?

MS MEADOWS: 8.30 Tuesday morning.

45 MS NELSON: When you say you didn't see the email, you didn't read it before the meeting?

MS MEADOWS: I didn't, no.

MS NELSON: Did you read it after the meeting?

5 MS MEADOWS: No, I didn't actually.

MS NELSON: And this is an email, just for the record, which is GWC ---

MS MEADOWS: I read it --- I read it this morning, actually.

10

MS NELSON: Thank you. I don't want to put up on the screen, but for the record it's GWC.0001.0010.0002. Perhaps if I could have it put up, but not on a public screen, just so I can confirm with the witness we're talking about the same email. And, if we could go to the next page, thank you. There are no other pages, Madam Associate? It appears to be one page, so we'll go to the particular attachment in another document. GWC.0002.0016.0345 at 0049. Is that the email that you read earlier this morning?

15

MS MEADOWS: Yes. So if I could put some context around it, if you see the heading of the previous email that he sent, this has had an 11 Mb document attached to it called "Crown Controls and Reforms", I believe was the heading of the email, which was sent after-hours. When I arrived at the meeting in the morning, Mr Barton was present and Helen Coonan called in and they did a PowerPoint presentation that went for quite some time which was called "Reform" and it was with the same title. I then presumed that the email that had been sent the night before was a version of that PowerPoint presentation that was then given that day. So, when I returned to my office after the meeting and looked at the emails that I'd received, I saw the email heading which was the same as the presentation that was given and thought the two were the same and didn't then go and download the 11 Mb document, which I see is different than the presentation that was given.

20

25

30

MS NELSON: Thank you, that can be taken down from the screen. Thank you, Madam Associate. And, as a result of the presentation that you witnessed by Ms Coonan and Mr Barton, did that presentation cause any discussion amongst the GWC members, or what were the actions that were resolved to take after that presentation?

35

MS MEADOWS: After the presentation, as well as questions that we asked Ms Coonan and Mr Barton, the Commission --- the GWC decided to issue a direction that junkets, premium players, international gambling should be formally suspended until further notice.

40

MS NELSON: And during the presentation --- well, if I could ask this question, having looked at the email this morning, did you look through the entire bundle of documents that was attached to the email this morning?

45

MS MEADOWS: Yes, I had to skim through them, because it was hundreds of pages and I needed to get here, but yes.

MS NELSON: And do you recall that there was a particular report from Grant Thornton?

5 MS MEADOWS: Yes.

MS NELSON: Did you look at that report this morning?

MS MEADOWS: Yes.

10

MS NELSON: And the presentation that was given on 15 December 2020, did that address at all anything that you saw this morning in the Grant Thornton report?

MS MEADOWS: There was no mention of the Grant Thornton report if that's what --- or any of the statistics or information that was included in the Grant Thornton report, no, none of that was mentioned. The presentation was all about, I would say like a go forward position. This was all the things that Crown was going to do going forward or was in the process ...(audio dropped out) to address those issues.

20

MS NELSON: Was there any discussion by Ms Coonan or Mr Barton about particular bank accounts and what had been occurring in the past, in the recent past by Crown?

25 MS MEADOWS: I don't recall any specifics about that. I do recall it was about improvements and matters going forward.

MS NELSON: When you looked at the bundle this morning, do you recall seeing a report from a company called Initialism?

30

MS MEADOWS: Yes.

MS NELSON: And did you look at that report in some detail this morning?

35 MS MEADOWS: Like, very briefly. From the time I downloaded the reports to when I had to get here was a very short time period.

MS NELSON: And what was your impression of what that report was about?

40 MS MEADOWS: It was concerning.

MS NELSON: In what aspect?

45 MS MEADOWS: It was concerning what --- the whole report, all of the reports. It was concerning that what looked like fairly obvious transactions, fairly obvious transactions either had, you know, that Crown had effectively turned a blind eye to or that no-one had noticed them or that AUSTRAC hadn't picked up on them earlier. It

was all quite concerning.

MS NELSON: And was it your view that the department or the GWC should have had any idea that that was occurring in the accounts?

5

MS MEADOWS: Should we have had an idea that that was occurring in those accounts?

MS NELSON: Well, did you have any opportunity to overview those accounts?

10

MS MEADOWS: I understand now that those bank statements were being sent through to the department, but the Commission had no knowledge of that.

MS NELSON: When you say "I understand that now", when did you get that information for the first time?

15

MS MEADOWS: That the department was in possession of the bank statements? When we discovered several weeks ago that a subpoena summons had been issued by Bergin to get copies of the bank statements in December and that was when it became apparent that the bank statements were in the possession of the department. That's when I became aware of it.

20

MS NELSON: So you found this out several weeks ago, so after the Bergin report had been released?

25

MS MEADOWS: Yes, yes. That we had the bank --- that the department had copies of the bank statements, yes.

MS NELSON: And did you find out at the same time that the Bergin Inquiry had subpoenaed them in December, or did you know that in December?

30

MS MEADOWS: We did not know that in December.

MS NELSON: So you found that out at the same time that you found out the department had been in possession of the bank accounts?

35

MS MEADOWS: Yes, yes, because we knew about the summons and that the summons had been responded to.

MS NELSON: When did you find out about the summons?

40

MS MEADOWS: The first few days when the Royal Commission was asking for documents to be produced.

MS NELSON: And do you know how the department came to get the bank records?

45

MS MEADOWS: I now know that Crown provides documentation each month to

the department and that those bank statements were included in the documentation.

MS NELSON: But you hadn't been aware of that up until recently; is that correct?

5 MS MEADOWS: (Answer not audible).

MS NELSON: And in February 2021 you had two GWC meetings that were very close together, on 17 February and on 23 February 2021?

10 MS MEADOWS: Yes.

MS NELSON: On 23 February the GWC considered a paper from a departmental employee regarding a recommendation to give a direction to ban junkets, premium players and privileged players?

15

MS MEADOWS: Yes.

MS NELSON: And who had given the direction to that departmental employee to write that paper?

20

MS MEADOWS: The GWC did in the December meeting.

MS NELSON: At the 23 February meeting the GWC resolved to issue that direction and also to approve two casino gaming bank accounts. Do you recall that?

25

MS MEADOWS: Yes.

MS NELSON: And the day after that meeting there was a media release from the GWC, if we could have that document, thank you. GWC.002.0016.0348 at pages 2 and 3. Did you have any input into writing that media release?

30

MS MEADOWS: No.

MS NELSON: Did you see it before it went out?

35

MS MEADOWS: No.

MS NELSON: Have you seen it before?

40

MS MEADOWS: No.

MS NELSON: This is the first time?

MS MEADOWS: Yes.

45

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

Moving on, just to talk quickly about management of conflicts of interest, in your statement at paragraph 19 you refer to Mr Connolly taking you to a particular aspect of the code of conduct, which was the prohibition on you participating in gambling at this casino whilst being a member. So it's GWC.0003.0007.0015 at 0007. And the document, if we go to 0009 now please --- sorry, I've got the wrong page. Perhaps the easiest way to do it is to take you to the 2018 code of conduct, which is GWC.0001.0007.0188 at 0009. That document talks in the second paragraph, last sentence about the Commission appropriately identifying, declaring and appropriately managing any conflicts of interest in the public interest and the interests of the Commission. What has been your opinion about how the Commission has managed conflicts of interest?

MS MEADOWS: With regards to the GWC members?

MS NELSON: Yes.

MS MEADOWS: During every meeting we have a standing agenda item which is where we announce any conflicts of interest. Recently we put in a new policy in place that requires a completion of a form that is submitted, if anybody has any conflicts, and we manage those accordingly.

MS NELSON: Did you have any oversight as a GWC member of any conflicts that the departmental employees who were bringing up the agenda papers might have had?

MS MEADOWS: Yes, that Mick Connolly notified of a perceived conflict of interest or a conflict of interest in a meeting in October 2020.

MS NELSON: And what was the substance of that declaration?

MS MEADOWS: That he had a friendship with one of the --- a Crown employee, who was a Claude Marais, I believe his name is, who'd recently been promoted to a senior legal position at Crown, and that they were fishing buddies and that they regularly went fishing together, but Mr Connolly assured us that they never discussed --- never discussed anything to do with work.

MS NELSON: And was there discussion amongst the Commission members as to how to manage that declaration?

MS MEADOWS: Immediately after, no. I think everybody was just taken aback. And there was a lot going on in that particular meeting. In my mind, I knew that I would manage that particular conflict within the context of that meeting if it was required. But in meetings like that, the GWC asks lots of the questions, so I was comfortable going forward in that particular meeting that Mick would be like an observer.

MS NELSON: Was there any discussion about how that conflict would be managed

in an ongoing basis, not just in that meeting, but in the future?

5 MS MEADOWS: No, but then I do understand that Duncan Ord launched an investigation into Mr Connolly and then obviously before the February meeting took place it was no longer an issue.

MS NELSON: Why was there not a January meeting?

10 MS MEADOWS: So, there's not usually a meeting in January. I unfortunately turned up to the January meeting and it wasn't on. In the December meeting, there was some discussions about whether there would be a January meeting and it would be dependent --- it was decided that it would be dependent on whether the Bergin report had been handed down or not. So, therefore, it didn't happen --- it hadn't, so it didn't happen in January and we had the extra one in February.

15 MS NELSON: And when you found out about Mr Connolly's relationship with Mr Marais, were you given a sense of how long he'd had that relationship for?

20 MS MEADOWS: I believe they had been friends for quite some time. And I had thought about it quite a lot over the Christmas break and it was my intention in the January meeting to have a discussion around that. But, as I said, there was no-one else at the January meeting.

25 MS NELSON: Did it cause you to reflect on the impartiality of any advice he might have given in previous meetings?

30 MS MEADOWS: Did I reflect on that? I have always found Mick Connolly to be a professional and I didn't --- I didn't believe, because he had a fishing relationship with this individual, that it would impact his --- the quality of his work.

MS NELSON: Was there any discussion in the GWC about Mr Connolly remaining as a deputy chair of the committee?

35 MS MEADOWS: No.

MS NELSON: Do you know why that was?

40 MS MEADOWS: Why there hadn't been a discussion around it? I would --- the meetings around that time were --- there was a lot of very complicated issues that were being addressed at the time and there was really a lot of high tension going on. And I think that we probably should, or we absolutely should have had more discussions around it. But there was just a lot going on in those meetings.

45 MS NELSON: So it might have been an oversight?

MS MEADOWS: Yes.

MS NELSON: Were you or the GWC involved in appointing Mr Beecroft as the acting Chief Casino Officer?

5 MS MEADOWS: In --- a paper was put up. We didn't select him, but he's the obvious choice within the department to do that. But I understand --- we're not involved in the selection process, but I believe that we did have a paper put forward where we were requested to support the appointment of Mr Beecroft.

10 MS NELSON: Why do you say that the GWC is not to be involved in the appointment of the Chief Casino Officer?

MS MEADOWS: We weren't involved in it.

15 MS NELSON: Could you have been involved if you'd wanted to?

MS MEADOWS: I would imagine so. But it was a fairly obvious appointment in that time period where one needed to be appointed very quickly and he was the logical, obvious choice for that quick resolution. As to what the plan is going forward, I'm unsure, but in that time of needing to have one appointed, he was the
20 obvious choice.

MS NELSON: So you'd had some experience of dealing with Mr Beecroft?

25 MS MEADOWS: Yes, yes. So in particular, if Mr Connolly was unavailable or on leave or the like, then he would step up.

MS NELSON: Turning briefly to the delegations that were in place between the GWC and the department, you mentioned at the beginning of your evidence that you weren't given any instruction as to what delegations were in place when you were
30 appointed. How did you come to know, or who had delegations and over what particular powers?

MS MEADOWS: In our board papers at the end, or towards the end, we receive like noting of any delegations that have been exercised during the month. Other
35 delegations --- I know, for example, in I believe it was March, we gave delegations to Mr Connolly to be able to handle the COVID situation with Crown needing to shut down at any time and the very quick changes that were going on in the world at that time around whether the casino could stay open, or whether it needed to have to shut down. There's procedures or they might need some guidance or legal approval
40 to do things from the GWC. And we were heading into a weekend and we gave Mr Connolly permission to be --- or delegations to be able to handle that on our behalf.

MS NELSON: And on 16 February 2021, you also gave Mr Beecroft's position, the
45 director of strategic relations, delegations. Do you recall that?

MS MEADOWS: Yes, yes, as he was going to be stepping up and taking over

Mr Connolly's role.

MS NELSON: Were you aware of whether Mr Ord held any delegations in his role as Director-General or chair?

5

MS MEADOWS: No, I wasn't aware of that.

MS NELSON: Are you aware of any delegation register being held by the department?

10

MS MEADOWS: I'm not aware of a register.

MS NELSON: Nothing further, thank you, Commissioners.

15 COMMISSIONER OWEN: I would like to finish this afternoon. Is there likely to be any lengthy cross-examination or re-examination.

MR DHARMANANDA: Not lengthy Commissioner, no.

20 COMMISSIONER OWEN: Ms Meadows, I'll probably be about 10 minutes. Are you happy to continue, or would you like a break?

MS MEADOWS: No, if it's 10 minutes more, I'm good. Please continue.

25 COMMISSIONER OWEN: Alright. Mr Dharmananda.

CROSS-EXAMINATION BY MR DHARMANANDA

30

MR DHARMANANDA: Thank you, Commissioner.

In your witness statement, we don't need to go to it, at paragraph 48 you mention a presentation made by Crown. If I could take you please to the minutes from that meeting, which is GWC.0002.0016.0286. You're in attendance there, Ms Meadows?

35

MS MEADOWS: Yes, that's me.

MR DHARMANANDA: And if you look further down the page, you'll see also attendances, there's a reference to Mr Preston, to whom you referred.

40

MS MEADOWS: Yes.

MR DHARMANANDA: And then there's a reference to Mr Marais; do you see that?

45

MS MEADOWS: Yes.

MR DHARMANANDA: Yet, in your witness statement you refer to the CEO presenting. Were you in error in that regard?

5 MS MEADOWS: It would appear so.

MR DHARMANANDA: So there were other presentations given by Crown from time to time, were there not?

10 MS MEADOWS: Yes, there were presentations given by Crown very regularly.

MR DHARMANANDA: But the presentation to which you make reference in paragraph 48 is not one that the CEO attended?

15 MS MEADOWS: It wouldn't appear so.

MR DHARMANANDA: And you've given some evidence this afternoon about the GWC's approach not to double up on any inquiry; do you recall that?

20 MS MEADOWS: Yes.

MR DHARMANANDA: Was the GWC of the mind that they should await the outcome of the Bergin Inquiry? Is that how you decided to proceed?

25 MS MEADOWS: Before we would decide what our course of action would be?

MR DHARMANANDA: Yes.

30 MS MEADOWS: Yes. We also didn't want to use up Crown's resources as well, whilst they were already answering queries from Bergin.

MR DHARMANANDA: Yes. And were you aware that there was also an inquiry that was taking place in Victoria?

35 MS MEADOWS: Yes.

MR DHARMANANDA: So was it the decision made by the GWC to await the outcome of those inquiries before taking any steps?

40 MS MEADOWS: Yes.

MR DHARMANANDA: And so if, as you say, the presentation in August, as adverted to in paragraph 48, was obstructive, what would you have done differently?

45 MS MEADOWS: If Crown had said --- well, we would have taken different action. What would we have done differently?

MR DHARMANANDA: Yes.

MS MEADOWS: I'm sure as a Commission we would have discussed it and then worked out what our course of action would be.

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MR DHARMANANDA: But you had already determined to await the inquiry's outcome in Victoria and in New South Wales?

MS MEADOWS: That was more recently.

10

MR DHARMANANDA: When was the Bergin Inquiry announced?

MS MEADOWS: It was more that the information that was coming out of the Bergin Inquiry that contradicted this was later.

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MR DHARMANANDA: If that is so, would you accept that the Bergin Inquiry was announced on 4 August 2019?

20

MS MEADOWS: I'm not sure of the date, but if that's when you tell me that it was announced, then that's when it was announced.

MR DHARMANANDA: Thank you.

25

COMMISSIONER OWEN: And Mr Berson.

MR BERSON: Yes, Commissioner, just a couple of questions of Ms Meadows.

30

CROSS-EXAMINATION BY MR BERSON

MR BERSON: Thank you, Commissioner.

35

You were asked some questions by counsel assisting about an agenda paper recommending a reduction in the casino licence fee. In response, I think you said you had some disagreement with the recommendation from the department?

40

MS MEADOWS: Well, we had a discussion in the GWC, yes. We often have robust discussions where people didn't agree with things, but we would land on a response.

MR BERSON: And in terms of the recommendations offered by the department generally, you weren't required to adopt those recommendations?

45

MS MEADOWS: No.

MR BERSON: And you didn't consider yourself under an obligation to adopt the

recommendations?

MS MEADOWS: Absolutely not.

5 MR BERSON: And you would apply your own independent mind ---

MS MEADOWS: Yes.

10 MR BERSON: --- in the context of the GWC meetings to reach a decision as a committee?

MS MEADOWS: Yes.

15 MR BERSON: You were also asked by counsel assisting about some questions in relation to the KPI review that the GWC was seeking for its own benefit, as opposed to the Auditor General KPI.

MS MEADOWS: Yes.

20 MR BERSON: And you referred to the delay in the briefing of an external consultant in December 2019 as a result of COVID coming shortly after the decision was made to break?

25 MS MEADOWS: No. So, we agreed to appoint a consultant in December and then those consultants were to be briefed towards the end of January when Mr Connolly reduced his annual leave by one week to make himself available to do that and then Risk West presumably then went on to do their work. We never then received the report, or COVID happened and then it was stalled.

30 MR BERSON: So COVID-19 had an impact ---

MS MEADOWS: Yes, yes.

35 MR BERSON: --- on the report as you understand it?

MS MEADOWS: Well, the department, obviously looking after --- you know, sure the casino closed, but the sports and cultural side of the department then became under significant pressure because those two areas were heavily impacted by COVID, whereas the casino closed down, so.

40 MR BERSON: And the department was involved in the general response to COVID-19 in the State as you understand it?

45 MS MEADOWS: Yes, yes, yes, and in relation to Crown as well and of course, racing, which continued.

MR BERSON: Prior to COVID occurring, at paragraph 37 of your statement --- now

I don't need to take you to that --- you referred to your time commitment as a member of the GWC increasing as a result of the sale of the TAB, the Bergin Inquiry and then, moving to this year, the commencement of this Royal Commission?

5 MS MEADOWS: Yes.

MR BERSON: And it's fair to say that those impacts on your time also impacted on the departmental resourcing and the department's ability to resource the commission?

10 MS MEADOWS: Absolutely, yes.

MR BERSON: And at paragraph 49 of your statement, you note that in your view the GWC has been obstructed by resourcing issues within the department, which you then go on to discuss. And that's just the general resourcing limitations that are
15 placed on the department and the office's ability to respond.

MS MEADOWS: Yes, yes. And if I could add to that, that's more in particular in the senior levels. Mr Connolly, when he did the presentation about planning to restructure the department to better support us, there was comments made around the
20 lack of level 7s --- sorry, level 8s and level 9s. Our interaction was with the more senior people and that seemed to be where the issue that was impacting the GWC was the lack of the very senior people that would assist us.

MR BERSON: And at paragraph 75 of your statement, you also raise some
25 inadequacies with the board papers and you note, in particular, an issue with the minutes at 75.4, which you raised at the most recent meeting and that change has been implemented.

MS MEADOWS: Yes.
30

MR BERSON: And those other issues that you've raised in paragraph 75, have they been raised with members of the GWC or the department?

MS MEADOWS: These are --- I'm sorry, to have strategic off-site sessions has been
35 raised and we have one scheduled for 2 June with third party facilitators and during that process, that is when I will be suggesting that all of these matters --- you know, annual review of board performance, annual KPI settings, skills matrix reviews, et cetera --- will be scheduled to be completed throughout the year.

40 MR BERSON: So they're constructive matters for you to raise on that occasion?

MS MEADOWS: Yes.

MR BERSON: Nothing further, Commissioners.
45

COMMISSIONER OWEN: Thank you.

Ms Meadows, we talked about the resources that the GWC --- well, the resources that are provided by the department to GWC and GWC funds those.

MS MEADOWS: Yes.

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COMMISSIONER OWEN: When you're told about the cost of those resources, are you simply presented with a charge or do you have details of what's been provided?

MS MEADOWS: We're presented with a charge. The budget exactly equals the actuals every month and the final expense for the year appears in the financial statements. So my assumption would be that the Office of the Auditor-General when they are reviewing the financial statements would be looking for confirmation of how the departmental cost is split.

10
15 MR BERSON: That's fine. Thanks, Commissioner, thank you.

COMMISSIONER OWEN: Ms Meadows, the paragraph of your witness statement to which Mr Berson just took you, the skills matrix reviews in time to make re-elections before the appointment is decided; in the period since you have been on the Commission have you ever been consulted about the appointment of new members?

MS MEADOWS: No, we haven't. When Professor Hayward was --- we were advised that it was going to be her last meeting the next meeting, I suggested that we go through a skills matrix exercise, so that we could put forward suggestions as to what skills were needed. And Mr Ord advised that the Minister had already made the selections as to who would be joining, so we weren't asked. We tried --- I tried to suggest that we should. And I hope that going forward now that we --- that we will be able to put in place that we can give some suggestions.

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COMMISSIONER OWEN: Thank you.

Now I want to ask you a series of questions. This is relating to the question of detection of money laundering.

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MS MEADOWS: Yes.

COMMISSIONER OWEN: This is a series of questions I'm going to ask you about that topic. Can I go back. You have had experience as an auditor?

40

MS MEADOWS: Yes.

COMMISSIONER OWEN: And if I may say so, as a gratuitous aside, probably in the time that auditing was properly done, because the auditor wielded a green pen.

45

MS MEADOWS: Yes.

COMMISSIONER OWEN: Would you agree --- and I'm standing back, not necessarily talking about an audit by the GWC or departmental office of the casino, but audit generally --- that the purpose of audit is more than just identifying erroneous recording of financial transactions or inappropriate treatment of various expenses and revenue, but also to look at systemic, look for systemic errors within the recording and reporting system of the organisation concerned? Would you agree with that?

MS MEADOWS: Yes.

COMMISSIONER OWEN: Resulting always, in the end, in the opinion as to whether the financial statements give a true and fair view?

MS MEADOWS: Yes.

COMMISSIONER OWEN: Could I ask that the witness statement, Ms Meadows' witness statement be brought up? It's GWC.0003.0007.0015. And can we go to page 18 and have page 19 there, as well? I want to take you first to the first sentence of paragraph 59. Could you just remind yourself of what you say there that.

.... money laundering risks do not fall within the remit of the GWC

According to your statement they're within the remit of other law enforcement agencies?

MS MEADOWS: Yes. I think by that, when I'm talking about money laundering I'm talking about financial transactions going through bank accounts and the ability to be able to look behind those financial transactions.

COMMISSIONER OWEN: What I'm interested in is those words "does not fall within the remit of the GWC". That's what I'm really exploring. Then, if we go to paragraph 60.1, one of the buttresses of that view that you've taken is the Victorian regulatory authority's media release and that's GWC.0003.0007.0012, if that could be brought up. And if I could ask you to look at particularly the second sentence of the first paragraph. Now, you'll see that the context of this media release is casino junket operators and it mentions AUSTRAC, so it can be inferred that money laundering might be an issue which was involved in the Victorian regulator's decision to issue this press release. Would you agree with that?

MS MEADOWS: Yes.

COMMISSIONER OWEN: So, if you see the second sentence:

The [regulator] approves systems of internal controls and administrative and accounting procedures for the casino and ensures Crown complies with these internal controls through its regular monitoring and compliance activities at the casino.

Would you agree with me that audit may be a useful tool for monitoring and compliance activities of a regulator?

5 MS MEADOWS: Yes.

COMMISSIONER OWEN: Alright. Then, if we go to the third last paragraph, read that please.

10 MS MEADOWS: Out loud?

COMMISSIONER OWEN: Yes:

As one of a number of regulators

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MS MEADOWS: *the VCGLR works proactively with relevant regulators and law enforcement agencies including Victoria Police and AUSTRAC. Any matters that fall outside the VCGLR's remit are referred to the relevant agency.*

20 MS NELSON: In the time that you've been on the Commission, would it be accurate to substitute the GWC for the VCGLR in the first sentence of that third last paragraph?

25 MS MEADOWS: It wouldn't be, because the Western Australian regulator doesn't proactively work with AUSTRAC and WA Police. That's my understanding, that we don't proactively work with them.

30 COMMISSIONER OWEN: Alright. Now, can we go back to the witness statement and if we could go to page 19 and if you have a look at the paragraph 61, could you just refresh your memory as to what you said in paragraph 61?

MS MEADOWS: Yes.

35 COMMISSIONER OWEN: And you refer there to whether audits covered those matters.

40 MS MEADOWS: Yes. I asked that as a question. I know that the casino operating manual says that a transaction over \$10,000 needs to be reported, but I asked the question, as you do in a board meeting, where you phrase things as questions. So, I asked that question knowing that that is in the operating manual, but I wanted to find out if that was something in particular we were auditing.

COMMISSIONER OWEN: And were you given an answer to that?

45 MS MEADOWS: No, I haven't been given an answer yet.

COMMISSIONER OWEN: From your knowledge of the way in which audit and

inspection occurs at the casino, do you know of any reason why audit could not look at those sorts of transactions, the bank statements and other material towards that end?

5 MS MEADOWS: I can't see why they couldn't do that. If it does say in the casino operating manual, which I believe it does, that transactions over \$10,000 need to be reported to AUSTRAC then it doesn't help the transactions that are \$8,000 or \$9,000 or those sorts of transactions. But yes, I can't see why that couldn't be something that the inspectors were checking, if they're not checking it already.

10 COMMISSIONER OWEN: And if an audit of that type were to be done, might it not assist in the detection of systemic error that resulted in perhaps inadvertent non-disclosure of those materials?

15 MS MEADOWS: Yes.

COMMISSIONER OWEN: And from that perspective, do you draw a distinction between detection of suspect transactions or illegal transactions for the purpose of prosecuting for a breach of the criminal law on the one hand and detection of systemic errors that indicate a problem within the operating procedures of the gaming operations of the casino?

MS MEADOWS: That's a very long question.

25 COMMISSIONER OWEN: On the one hand you've got the law enforcement side ---

MS MEADOWS: Yes.

COMMISSIONER OWEN: --- which is, you investigate activities ---

30 MS MEADOWS: Yes, yes.

COMMISSIONER OWEN: --- for the purpose of prosecuting if there has been a breach of the criminal law.

35 MS MEADOWS: Yes.

COMMISSIONER OWEN: That's on the one hand. But you also investigate to detect errors, which indicate, which might indicate that the controls and procedures which are in place are ineffective or inappropriate for the task for which they've been implemented.

45 MS MEADOWS: I believe that that's what the inspectors are doing. They're testing, you know, they're testing all --- not all, they're testing a lot of Crown's internal procedures all of the time. I believe that that's what their job is to do.

COMMISSIONER OWEN: But whether those investigations go to the issues which

you raised in the second sentence of paragraph 61 of your witness statement is at present an unanswered question?

MS MEADOWS: Yes.

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COMMISSIONER OWEN: Alright, thank you. Can I come back to the question of delegation?

MS MEADOWS: Yes.

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COMMISSIONER OWEN: What's your understanding of the power that the Gaming and Wagering Commission, the board members retain in relation to matters which have been delegated either to the casino control officer or to some other person within the department?

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MS MEADOWS: The powers that we do still retain, that we could cease that delegation at any point.

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COMMISSIONER OWEN: I can, if you wish, take you to examples, but what seems to be the practice is that at each monthly meeting, the Commission members are given a list of the exercises of delegated power.

MS MEADOWS: Yes.

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COMMISSIONER OWEN: But it seems to be, according to the notations in the minutes, for noting.

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MS MEADOWS: I see. So we could overturn it. The things which we do delegate, my understanding is that they're operational-type matters. But I would then think that if something is included and it is for noting, that we could overturn it.

COMMISSIONER OWEN: Has that ever arisen in your time on the Commission?

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MS MEADOWS: I've never seen anything come through one of the delegations that was --- that was not operational or we knew that we were giving that delegation around the COVID-type delegations. There's never been anything there that has caused concern. I'm sure, if there was, we would raise it and it would be addressed. I wouldn't just assume that we would then just note it and move on, if there was something in there that was of concern to us.

40

COMMISSIONER OWEN: Thank you. Can I take you to paragraph 73 of your witness statement? Can you see it's the third sentence which attracted my attention.

MS MEADOWS: Yes.

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COMMISSIONER OWEN: In the light of the discussion that I've had with you about what audits are done in this financial area that might lead to a detection of

systemic error, can you amplify that third sentence?

5 MS MEADOWS: Yeah. I don't know, in the agenda papers, the board papers, you'll see there's tables of information that is presented that shows the results of all the inspections that have been done through the month. And so I guess my point here was that you can't really see from the information that's presented what it is we're trying to --- they're trying to achieve with each of the audits that's been done. When I first came to be a Commissioner, there was all these reports with figures and numbers and you didn't really --- it was difficult to see what it was we were trying to
10 achieve with them. So, if the reporting was clearer, to show this is the outcome that we're trying to achieve and this is why we're auditing these particular areas then it might have been easier to see what areas were being covered and what areas weren't being covered. But it's --- I don't know, I'm not sure if you've seen the spreadsheets. Some of them are quite difficult to read. It doesn't really set out clearly what the
15 audit program is and what's been trying to be achieved by it.

COMMISSIONER OWEN: Alright, thank you. Ms Nelson, anything arising from that.

20 MS NELSON: No, thank you, Commissioner.

COMMISSIONER OWEN: Mr Evans?

25 MR EVANS: I have one question which may miscarry horribly, we'll see. Mr Connolly taxed you with the proposition that the GWC had effectively already made up its mind not to do anything at the time of the Crown presentation in August.

30 MS MEADOWS: In August?

MR EVANS: In August of 2019?

MS MEADOWS: No. That Crown had made up its mind not to do anything?

35 MR EVANS: No, that you and the GWC had made up its mind that it would await the outcome of other inquiries before considering taking any action in relation to Crown, at the time of the presentation?

40 MS MEADOWS: No, we hadn't decided that before the August 2019 meeting.

MR EVANS: That was what I thought. Can I take you to something in particular which you put in your statement that you felt obstructed by some aspects of Crown's presentation. This also crosses over to something the Commissioner put to you.

45 Now, the difficulty is there's a non-publication application in relation to the actual presentation itself. But I think it would assist Ms Meadows if she saw one paragraph. I think the document can be brought up on screen without it appearing

publicly, as I understand it. The document, if that can be the case, is GWC.0001.0009.0001. Can I go to page 7 of that presentation? Can I invite your attention to the bottom bullet point in relation to bank accounts? You gave some evidence in response to questions from Ms Nelson about becoming aware of the existence of other bank accounts only relatively recently?

MS MEADOWS: I believe I said that I wasn't aware that the department had those bank statements in its possession.

MR EVANS: And you became aware of the Riverside bank accounts on what occasion?

MS MEADOWS: When I became aware of the Riverside bank accounts was through the media, around the time of the Bergin Inquiry when --- but I do believe that name of that bank account was shown in a presentation to us at some point.

MR EVANS: When you look at that bullet point, can you tell me what impression you get from reading that bullet point; whether, had you known that the Riverbank bank accounts were in existence at that time, you might have formed a different view?

COMMISSIONER OWEN: Is that a correct factual basis? I can't remember the dates upon which those accounts were closed.

MR EVANS: Nor can I, frankly, Commissioner.

COMMISSIONER OWEN: I have a feeling it was before 2019.

MS NELSON: I think it was December 2019, the Riverbank account.

MR EVANS: This is August. The point may not ultimately assist the commissioners.

COMMISSIONER OWEN: Alright, thank you.

Ms Meadows, we're running a system where we're having simultaneous hearings and so for that reason, the other Commissioner will watch the videos and read the transcript. So I can't release you from the effect of the summons at the moment, because the process we're going to use is that if there are further questions that arise from that process, they'll be relayed to you through the Commission's solicitors. And then we'll try desperately not to call you back and only do so if it's avoidable, but we'll give you the opportunity to ask the questions in writing. But until that's done, then you will be formally released in writing from the effect of the summons, but until that time, the summons is still in force. But thank you very much for your assistance. It has been of great help to us. Thank you, and we will resume at 10 o'clock tomorrow.

THE WITNESS STOOD DOWN

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MR BERSON: Commissioner, before we do rise, I just raise two issues in relation to privilege. There appears to be an inadvertent disclosure at GWC.0002.0016.0300, which we will correspond with the solicitors assisting the Commission on. And out of fairness to those assisting the Commission, including counsel assisting and

10 Mr Evans, I note that the issue I raised in relation to GWC.0002.0016.0345 is not the subject of any correspondence with the solicitors assisting the Commission. Rather, it was identified during this morning's proceedings and hasn't yet been communicated.

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COMMISSIONER OWEN: And that was the heading.

MR BERSON: Yes, Commissioner.

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COMMISSIONER OWEN: Thank you for that. We'll resume at 10 am tomorrow.

HEARING ADJOURNED AT 4.35 PM UNTIL TUESDAY, 18 MAY AT 10.00 AM

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