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PERTH CASINO ROYAL COMMISSION

PUBLIC HEARING - DAY 7

10.00 AM MONDAY, 17 MAY 2021

COMMISSIONER C F JENKINS

HEARING ROOM 4

**MR ADAM SHARPE and MS KALA CAMPBELL and MS GEORGINA CLARKE as
Counsel Assisting the Perth Casino Royal Commission**

MR NICK MALONE as Counsel for Mr Michael Christopher Connolly

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

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

**MR JOSEPH GARAS SC and MR TIM RUSSELL 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 JENKINS: Good morning. Before we commence there is a statement which I will read in relation to the issue of separate hearings. In order to comply with the reporting schedule, the Royal Commission proposes from time to time 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 have questions arising from the consideration of the materials or arising from the examination of the witness generally, first, those questions will be delivered in writing to the legal representatives of the witness or to the witness, if unrepresented. And, secondly, 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 of resolving the issues raised. Accordingly, a witness will not be excused from further attendance and released from the effect of the witness statement at the conclusion of oral evidence. Rather, the Commission will provide written notice releasing the witness (a) if the Commissioners decide it is not necessary to request them to answer written questions or (b) the Commissioners are satisfied that the process of answering written questions has been completed.

Unless an order to the contrary is made, written answers provided in accordance with item 3 will be made public. This explanation may be turned into a Practice Direction. It may then have some minor changes made to it but that is, in essence, the approach that the Commission is taking to these separate hearings.

Before we commence, can I just take appearances because I think we might have some people appearing today who have not previously appeared before the Commission as counsel.

Mr Sharpe, you're appearing for the (inaudible).

MR SHARPE: May it please the Commissioner.

COMMISSIONER JENKINS: Mr Evans?

MR EVANS: For the GWC and the (inaudible), Commissioner.

COMMISSIONER JENKINS: Thank you. Then in the back row, starting from the left, counsel who may be speaking today.

Ms Seaward, you have appeared.

MS SEAWARD: I have appeared in the past.

COMMISSIONER JENKINS: Thank you. Mr Malone?

5

MR MALONE: For Mr Connolly, thank you, Commissioner.

COMMISSIONER JENKINS: Thank you. And Mr Garas?

10

MR GARAS: With Mr Russell, yes, for the Crown entities.

COMMISSIONER JENKINS: Thank you. Mr Evans, I believe it is your witness.

MR EVANS: It is, Commissioner, thank you.

15

Ms Fiorentino, if you can just step forward, thank you.

COMMISSIONER JENKINS: Ms Fiorentino, do you choose to take the oath or the affirmation?

20

MS FIORENTINO: I can take the oath.

MS CARMELINA FIORENTINO, SWORN

25

COMMISSIONER JENKINS: Mr Evans, can you bear with me, please. Last week I had the sound turned down on my laptop but it seems that it's no longer on mute and I will just change that. Thank you.

30

EXAMINATION-IN-CHIEF BY MR EVANS

MR EVANS: Ms Fiorentino, you've been summonsed to appear before the Commission today?

35

MS FIORENTINO: Yes, I have.

MR EVANS: You have prepared a witness statement, at the invitation of the Commission, as your evidence-in-chief in these proceedings?

40

MS FIORENTINO: Yes, I have.

MR EVANS: I believe you have a copy of that.

45

MS FIORENTINO: Yes, I do.

MR EVANS: Apart from one typographical error which I think is in paragraph 11.4 - it's undoubtedly the drafter's fault, the reference to the *Casino Control Act 1954* should be the *Casino Control Act 1984* - you have read the contents of your statement and you are satisfied that they are true and correct, according to the best of your knowledge and belief?

MS FIORENTINO: Yes, I am.

MR EVANS: I tender Ms Fiorentino's statement.

COMMISSIONER JENKINS: Ms Fiorentino's statement which is GWC.0003.0003.0006 will be an exhibit.

EXHIBIT #GWC.0003.0003.0006 - WITNESS STATEMENT OF MS CARMELINA FIORENTINO

COMMISSIONER JENKINS: Does that then make the documents referred to in it exhibits also?

MR EVANS: I don't know whether we have been following that practice.

COMMISSIONER JENKINS: I know. It just all of a sudden occurred to me that perhaps we should have.

MR EVANS: They have certainly been uploaded as a bundle, as I understand it, into the online hearing book. And it's probably appropriate, subject to a question of redaction which is floating around in relation to the content of some of those I don't know whether it has been attended to, but I don't think there's any difficulty with them being exhibits.

COMMISSIONER JENKINS: But the statement then - the value of it is reduced if the documents referred to it are ---

MR EVANS: That's right, although there may be some duplication because you'll find witnesses are frequently referring to the same documents, particularly in relation to the minutes. Perhaps Mr Sharpe has a solution to this problem.

COMMISSIONER JENKINS: Mr Sharpe?

MR SHARPE: I understand the practice to date has been that the witness statement is tendered but not the attachments or exhibits to it. That's my present understanding of the practice that has been followed to date.

COMMISSIONER JENKINS: Perhaps we need to look at that because it does seem to me where a witness then refers to something occurring and substantiates that by

reference to a document, the witnesses themselves would be perhaps assuming that the Commission will have regard ---

MR SHARPE: Yes.

5

COMMISSIONER JENKINS: --- to the document. So we'll just leave that under advisement for the moment, thank you.

MR EVANS: Subject to that, Commissioner, Ms Fiorentino's statement is tendered.

10

COMMISSIONER JENKINS: Thank you. Yes, Mr Sharpe.

MR SHARPE: Thank you, Commissioner.

15

CROSS-EXAMINATION BY MR SHARPE

MR SHARPE: Ms Fiorentino, can I confirm that you are currently a member of the Gaming and Wagering Commission of Western Australia?

20

MS FIORENTINO: Yes, I am.

25

MR SHARPE: You were appointed to the GWC on 1 August 2018 for a two-year term?

MS FIORENTINO: Yes, I was.

30

MR SHARPE: Then you were appointed for a further two-year term from 1 August 2020?

MS FIORENTINO: Yes.

35

MR SHARPE: I would just like to ask you some questions about how you came to be approached to join the board. Are you able to advise the Commission how it was that you came to be approached to join the board? Perhaps I should be a bit more specific. Did you register your interest in joining Western Australian Government boards?

40

MS FIORENTINO: Yes, I did. On the Onboard WA website, I registered my CV and my interest in joining a State Government board, correct.

MR SHARPE: When were you first approached to join the GWC?

45

MS FIORENTINO: During 2018, approximately I think it was June or early July 2018, I received a phone call from a staff member in Minister Papalia's office asking if I was interested in a position as Commissioner on the GWC. I expressed my

interest in it and the appointment proceeded from there.

MR SHARPE: During that phone call, what was explained to you about the role that you would performing as a member of the GWC or was there an explanation about what the role involved?
5

MS FIORENTINO: No, not during that phone call. No.

MR SHARPE: Why did you decide to accept the invitation to become a member of the GWC?
10

MS FIORENTINO: There were a couple of reasons. I had experience in the gaming sector, having worked in Lotterywest as a finance manager for a number of years. I was interested in expanding my directorship portfolio and it was also a sector that aligned with my values, to be able to regulate - to have some input into regulating gaming and gambling within WA.
15

MR SHARPE: What did you consider that you would bring to the role of being a GWC member?
20

MS FIORENTINO: I had a number of years past experience in directorship positions with not-for-profit organisations, so I had governance experience. I had a number of years accounting and finance experience. I felt, having completed MBA studies in 2015, that I could bring all of that experience and knowledge to the GWC Board, as Commissioner, and make a positive impact.
25

MR SHARPE: Did you have specific experience at that time relating to regulation and oversight of casinos or casino gaming?

MS FIORENTINO: No.
30

MR SHARPE: As regards your re-appointment from 1 August 2021, can you explain to the Commission how that process for reappointment works, in that did you make an application for reappointment or was the reappointment process managed, in effect, automatically?
35

MS FIORENTINO: I knew my two-year term was expiring on 1 August 2020. I made an email inquiry with Mr Ord, Duncan Ord, that I was interested in being reappointed. I recall being advised to let Minister Papalia's office know of that. So I made an email expression of interest, again attaching my CV, requesting reappointment. Prior to 1 August 2020, I received a letter from Minister Papalia's office, advising me that I had been reappointed for another two-year term.
40

MR SHARPE: If I can then go back to the initial approach from the Department of Local Government, Sport and Cultural Industries - I'm sorry, you said you were approached initially by the Minister's office?
45

MS FIORENTINO: Correct.

MR SHARPE: Then I understand that you had some communication with the
Department of Local Government, Sport and Cultural Industries subsequent to that;
5 is that correct?

MS FIORENTINO: The induction meeting was with staff from the Department.

MR SHARPE: Can I call up GWC.0003.0003.0002. Are you able to confirm this is
10 a copy of an email dated 31 July 2018 from Kelly Pemberton, regulatory officer at
the Department?

MS FIORENTINO: Yes.

15 MR SHARPE: That confirms a date, time and location for your induction meeting?

MS FIORENTINO: Yes, it did.

COMMISSIONER JENKINS: Can we focus on the substance of it? My copy - it's
20 very blurry where I am.

MR SHARPE: Yes. I will just ask, can we pop out the sentence that starts, "The
Gaming and Wagering Commission". In that email you were advised that the
Gaming and Wagering Commission meets on the fourth Tuesday of each month?
25

MS FIORENTINO: Yes.

MR SHARPE: Then the email goes on to provide links to various web pages and
legislation relevant to the work of the GWC?
30

MS FIORENTINO: Yes.

MR SHARPE: It attached your formal appointment letter?

35 MS FIORENTINO: The formal appointment letter I received directly from Minister
Papalia's office. This also confirms my appointment.

MR SHARPE: I see.

40 MS FIORENTINO: Yes.

MR SHARPE: Commissioner, we did raise the issue earlier about documents being
tendered. I was proposing to tender various documents as we went through which
will address some of the documents that have been attached. At this point I propose
45 to tender GWC.0003.0003.0002.

COMMISSIONER JENKINS: The document bearing that number will be an

Exhibit.

5 **EXHIBIT #GWC.0003.0003.0002 - EMAIL FROM MS PEMBERTON TO MS
FIORENTINO DATED 31 JULY 2018**

10 MR SHARPE: Can we call up GWC.0003.0003.0004. Now, this letter is your
formal appointment letter that you were referring to or is this different to that letter?

MS FIORENTINO: My recollection is I received a letter from Minister Papalia's
office and I also received this letter from the Department, correct.

15 MR SHARPE: This is a letter dated 31 July 2018 from Kelly Pemberton of the
Department to you, confirming your appointment; is that correct?

MS FIORENTINO: Yes. Yes.

20 MR SHARPE: Can we pop out the paragraph commencing, "As a member of the
Commission". The letter states:

*As a member of the Commission you are entitled to an annual meeting fee of
\$16,600 which is paid in fortnightly installments.*

25 Is that correct?

MS FIORENTINO: Correct.

30 MR SHARPE: Your fee for your role as a GWC member was set by the Department
or by the minister? It was not a matter of negotiation, it was set?

MS FIORENTINO: It was a set fee, correct.

35 MR SHARPE: Is that the total remuneration that you received for being on the
GWC?

MS FIORENTINO: Correct.

40 MR SHARPE: I note it's described as "an annual meeting fee". Do you agree that's
how it's described?

MS FIORENTINO: It is an annual meeting fee. The process for payment was on a
fortnightly basis after deducting PAYG tax.

45 MR SHARPE: Did you understand from this reference to this being an annual
meeting fee, and when read with the reference in the previous email to the GWC
meeting on the fourth Tuesday of each month, did that lead you to form a view about

the extent of your commitments to the GWC or the extent of the time commitments that would be required?

MS FIORENTINO: Can you clarify what you mean?

5

MR SHARPE: Yes. Perhaps I should put it much more generally than that. Based on this initial correspondence, did you form any expectation about a time commitment that would be required of you as a GWC member?

10 MS FIORENTINO: No. There was no clarity at that point about my time commitment. However, having been a director in the past, I knew it involves, clearly, attending the meetings but the preparation leading up to the meetings and ongoing reading around that.

15 MR SHARPE: Commissioner, I tender GWC.0003.0003.0004.

COMMISSIONER JENKINS: The letter from the Department to Ms Fiorentino bearing that number will be an exhibit.

20

EXHIBIT #GWC.0003.0003.0004 - FORMAL APPOINTMENT LETTER TO MS FIORENTINO FROM THE DEPARTMENT

25 MR SHARPE: Can we call up GWC.0003.0003.0006, which is Ms Fiorentino's witness statement, and go to page 5 and pop out paragraph 13. So this is - paragraph 13 refers to your induction meeting with Ms Pemberton and Mr Connolly, the Department's Chief Casino Officer?

30 MS FIORENTINO: Yes.

MR SHARPE: Just noting your reference there to the Department's Chief Casino Officer, is it your understanding that the Chief Casino Officer position is an appointment made by the Department or is it an appointment that's made by the
35 GWC itself?

MS FIORENTINO: Do you mean at that time?

MR SHARPE: At that time.

40

MS FIORENTINO: I did not know who appointed the Chief Casino Officer at that time during the meeting.

MR SHARPE: At the present day, what is your view about who - what is your
45 understanding about who appoints the Chief Casino Officer?

MS FIORENTINO: Now I understand the Chief Casino Officer is an employee of

the Department.

MR SHARPE: The decision about who the Chief Casino Officer should be is made by the Department or made by the GWC?

5

MS FIORENTINO: Can you rephrase that?

MR SHARPE: Who decides ---

10

MS FIORENTINO: Who makes ---

MR SHARPE: Who decides who the Chief Casino Officer will be? Who appoints the Chief Casino Officer, is it the Department who is responsible for the appointment or is it the GWC which is responsible for the appointment?

15

MS FIORENTINO: My understanding is it's the Department.

MR SHARPE: Can we then go back to a full view of page 5 of the witness statement and then draw your attention to paragraph 14, in which you refer to being given an induction file, you say the contents of which Ms Pemberton discussed with you and that you subsequently read in more detail. You go on in paragraph 15 to identify those documents.

20

So if you can just - the first document you refer to at 15.1 is a list of GWC meeting dates and then the second is the GWC Code of Conduct of January 2018. Can we call up GWC.0003.0003.0001. Is this the document that you are referring to?

25

MS FIORENTINO: Yes, it is.

MR SHARPE: Can we go to page 3 and go to the second paragraph and pop that out. I take your attention to the second sentence, which says it's the responsibility of all members of the Commission to familiarise themselves with the code and to adopt the ethical standards described within it. Is it your understanding that this code applies to GWC members? Does it apply to GWC members?

30

MS FIORENTINO: Yes, it does.

MR SHARPE: Then if we can go to page 4 and pop out the last paragraph. At your witness statement at paragraph 58 you refer to a particular note. Can I ask you to confirm whether that's the note that you're referring to at paragraph 58 of your witness statement?

35

MS FIORENTINO: Correct. It is, yes.

MR SHARPE: Is it your understanding that this code of conduct applies to the GWC members but not to departmental officers who are performing services for the GWC? Is that your understanding?

40

45

MS FIORENTINO: Can you rephrase that?

5 MR SHARPE: Sure. Sure. We established earlier your understanding that this code of conduct applies to GWC members.

MS FIORENTINO: Correct.

10 MR SHARPE: Is it your understanding that this code does not apply to departmental officers who are performing services for the GWC?

MS FIORENTINO: Correct. My understanding - yes, that is my understanding, that the code of conduct is for GWC members and that note on page 4 refers to department employees being bound by the Department's code of conduct. Correct.

15

MR SHARPE: Commissioner, I tender that document.

COMMISSIONER JENKINS: The January 2018 code of conduct bearing the number that Mr Sharpe referred to earlier, will be an exhibit.

20

EXHIBIT #GWC.0003.0003.0001 - JANUARY 2018 CODE OF CONDUCT

25 MR SHARPE: Can we then go back to your witness statement at page 5. The document you refer to at 15.3 is the Public Sector Commission, Good Governance Guide for Public Sector Boards and Committees.

MS FIORENTINO: Yes.

30

MR SHARPE: Can we call up GWC.0003.0001.0008. Is that the document that you are referring to at 15.3 of your witness statement?

MS FIORENTINO: Yes, it is. Yes, it is.

35

MR SHARPE: Commissioner, I tender that document.

COMMISSIONER JENKINS: The Public Sector Commission document entitled "Good Governance for Public Sector Boards and Committees", bearing the number that Mr Sharpe has read out, will be an exhibit.

40

EXHIBIT #GWC.0003.0003.0001 - PUBLIC SECTOR COMMISSION DOCUMENT ENTITLED GOOD GOVERNANCE GUIDE FOR PUBLIC SECTOR BOARDS AND COMMITTEES

45

MR SHARPE: If you go back to your witness statement at page 5, I note you have also provided at 15.4 a GWC paper titled Differentiating Between Electronic Gaming Machines and Poker Machines, and various policies which you've listed at 15.5.

5 MS FIORENTINO: Various GWC policies at 15.5, correct.

MR SHARPE: In your witness statement at paragraph 14, you refer to Ms Pemberton discussing the documents in your induction file with you. What was the content of that discussion? What did Ms Pemberton tell you about those documents?

10

MS FIORENTINO: I recall she gave me the file and went through touching upon each of those documents. The meeting went for one hour, so it was not in-depth and I knew that I would be reading those subsequent to the induction meeting. It was just highlighting, pointing out each of the different documents and then I was given the file to take with me.

15

MR SHARPE: During that discussion, did Ms Pemberton or Mr Connolly tell you anything about the nature of the role of being a GWC member?

20 MS FIORENTINO: I do recall that the role as a GWC commissioner required the GWC to regulate gaming, gambling and wagering within WA and the responsible service of gambling in WA.

MR SHARPE: Was there any discussion at that meeting about whether it was any part of the GWC's function to monitor or regulate money laundering at the casino?

25

MS FIORENTINO: No.

MR SHARPE: Was it part of that discussion whether the GWC had a function regarding monitoring or regulating junkets at the casino?

30

MS FIORENTINO: No, not - I do not recall that at that meeting at all.

MR SHARPE: Was there any discussion about whether the GWC's function was to monitor or regulate criminal elements infiltrating casino operations?

35

MS FIORENTINO: No. No.

MR SHARPE: Was there any discussion at that meeting about whether it was the GWC's function to monitor or regulate problem gambling or gaming addiction?

40

MS FIORENTINO: I do recall there was mention that the GWC's - one of its functions was the responsible service of gambling. So yes, I do recall that.

MR SHARPE: At that meeting, was there any discussion of the GWC's role in assessing the suitability of the holder of the casino gaming licence for the casino?

45

MS FIORENTINO: Rephrase that please.

MR SHARPE: Was there any discussion about whether the GWC had a role in assessing the suitability of the holder of the licence for gaming at the Perth Casino?

5

MS FIORENTINO: No, I don't recall.

MR SHARPE: Following your induction meeting, you received an email from Ms Pemberton. Can we call up GWC.0003.0003.0003. Is this the email that you refer to in your witness statement at paragraph 17?

10

MS FIORENTINO: Yes.

MR SHARPE: It contains a link to GWC policies; is that correct?

15

MS FIORENTINO: Yes, correct.

MR SHARPE: It contains a list of current members of the GWC and their bios or biographies?

20

MS FIORENTINO: Yes, correct.

MR SHARPE: If we go to page 2, there's a draft bio that is included for you; is that correct?

25

MS FIORENTINO: Yes. There was a draft which I later updated, yes.

MR SHARPE: How did you update that?

30

MS FIORENTINO: I expanded on that sentence.

MR SHARPE: Yes?

MS FIORENTINO: I just felt that was quite brief and so I expanded on that. But otherwise, in essence, that is correct, but I just added additional detail about my biography.

35

MR SHARPE: Can you scroll down to page 4. In your witness statement at paragraph 17.1 you state that the email attached a copy of the WA appendix to the 2016 Gaming Machine National Standard. That's the document that's - I should say it's only the first page of the document, it's not the whole document that has been included in this exhibit. But is that the document that you are referring to in paragraph 17.1?

40

45

MS FIORENTINO: Yes, that looks like the front cover of the Gaming Machine National Standard, yes.

MR SHARPE: That was provided to you as an attachment to that email?

MS FIORENTINO: It was a - yes, it was a copy attached. Correct.

5 MR SHARPE: Commissioner, I tender GWC.0003.0003.0003.

COMMISSIONER JENKINS: That's the email?

MR SHARPE: Yes.

10

COMMISSIONER JENKINS: The email from Ms Pemberton to Ms Fiorentino, dated 2 August 2018, bearing that number will be an exhibit.

15 **EXHIBIT #GWC.0003.0003.0003 - EMAIL FROM MS PEMBERTON TO MS FIORENTINO DATED 2 AUGUST 2018**

MR SHARPE: I call up 0003.0003.0006 and go to page 6, please. At paragraph 19
20 you say that you printed and read the following documents about the GWC and its functions, which you found from links provided to you by Ms Pemberton. The first document referred to is at 19.1, a summary paper on the WA gaming legislation, including background to the legislation and the current legislative framework.

25 MS FIORENTINO: Yes.

MR SHARPE: Where was that document? Where did you find that document?

MS FIORENTINO: It would have been in one of the links provided to me by Ms
30 Pemberton in her email. That's the only way I would have discovered that.

MR SHARPE: But where was it from? Do you recall where it was from, that document?

35 MS FIORENTINO: In that email dated 2 August 2018 from Ms Pemberton there were a number of links, but also further reading embedded within the links, and I wanted to familiarise myself completely and so this might have been an additional attachment within one of the links. I don't recall exactly but I know it was definitely within the information and the links provided by Ms Pemberton.

40

COMMISSIONER JENKINS: I think the question was do you know who prepared it? Whose paper it was?

MS FIORENTINO: No, I don't.

45

MR SHARPE: Later in your witness statement at paragraphs 34 to 35, you state that following your induction meeting you printed an extract from the Department's

website, titled The Role of the Gaming and Wagering Commission of Western Australia, which contained the broad objectives of the GWC and the GWC's duties in relation to the gaming and wagering industry. You identify that a copy of a printout from that website is annexed to your statement in March, GWC.0003.0003.0005. Do you see that? Do you agree with that?

MS FIORENTINO: Yes. At paragraph 34 and paragraph 35 of my statement, yes.

MR SHARPE: I call up GWC.0003.0003.0005. Is that the document that you are referring to there?

MS FIORENTINO: Yes, it is.

MR SHARPE: Can we scroll down to show that it runs to two pages. If we go back to the first page, do you agree that at the top left of the page it bears the date 5 November 2018?

MS FIORENTINO: Correct.

MR SHARPE: Commissioner, I tender that document.

COMMISSIONER JENKINS: The document entitled The Role of the Gaming and Wagering Commission of Western Australia, having the number referred to by Mr Sharpe, will be an exhibit.

EXHIBIT #GWC.0003.0003.0005 - DOCUMENT ENTITLED "THE ROLE OF THE GAMING AND WAGERING COMMISSION OF WESTERN AUSTRALIA" DATED 5 NOVEMBER 2018

MR SHARPE: At your witness statement at paragraph 20 you refer to the fact that about one month after the induction meeting you were provided with an iPad for downloading GWC meeting agenda packs.

MS FIORENTINO: Yes, correct.

MR SHARPE: How were the GWC member agenda packs provided to you using the iPad? How were they made available through the iPad?

MS FIORENTINO: Month by month or on that first meeting.

MR SHARPE: Oh, on a month-to-month basis. How was the iPad used?

MS FIORENTINO: Each month when the agenda packs were ready, we would receive an email from one of the regulatory officers at the Department, advising us that the agenda pack was ready for reading and for downloading on iAnnotate. The

software used was called iAnnotate.

MR SHARPE: How far in advance of meetings were the document packs provided to you?

5

MS FIORENTINO: Usually by the Thursday before the meeting on the following Tuesday, we would have access to the agenda packs on our iPads.

MR SHARPE: Then moving to the Australasian Casino and Gaming Regulations Conference in 2019, which is referred to at paragraph 21 - sorry. Yes, it is referred to at paragraph 21 of your witness statement. You identify that all of the GWC commissioners were invited to that conference; is that correct?

10

MS FIORENTINO: Yes, correct.

15

MR SHARPE: Who of the GWC commissioners, apart from you, attended that conference? Do you recall?

MS FIORENTINO: I recall Duncan Ord was at the workshops and seminars that I attended. I could not attend all the seminars. The three that I attended were noted there. I also recall Mr Andrew Duckworth was at least one of the ones that I attended. I don't recall other commissioners but they may have attended the seminars that I wasn't able to attend, so I can't comment.

20

MR SHARPE: At paragraph 22 of your witness statement you refer to providing a summary of your notes for the conference seminars to GWC members at a GWC meeting on 28 May 2019 at agenda item 5.7. Do you agree with that?

25

MS FIORENTINO: Yes.

30

MR SHARPE: Can I call up GWC.0002.0016.0274 and go to page 72. Is the agenda item 5.7 you are referring to?

MS FIORENTINO: Yes, it is.

35

MR SHARPE: Can we then go to page 73. These are the summary notes which you provided to the other Commissioners?

MS FIORENTINO: Correct. During that GWC meeting, yes, it was included within the agenda.

40

MR SHARPE: Can we just then go down to under the heading 15 May 2019 and pop out, firstly, the paragraph beginning "Culture". This issue that's raised in this question is:

45

How should the casino regulator achieve monitoring of a casino's corporate culture?

What is your view about that issue that you've posed there?

MS FIORENTINO: Can you clarify that question?

5

MR SHARPE: Yes. In that paragraph you've posed the question:

How should the casino regulator achieve monitoring of a casino's corporate culture?

10

MS FIORENTINO: Yes. This wasn't my question, these were notes I took during the seminar from the presenters.

MR SHARPE: Do you have a view about how casino regulators such as the GWC should monitor compliance of the casino's corporate culture?

15

MS FIORENTINO: Corporate culture is set by the directors. That tone is set at the top of the organisation. As a regulator, yes, there can be monitoring and this is something all organisations are grappling with, as to how to monitor corporate culture. But that is something set by the directors of that organisation.

20

MR SHARPE: If you then go to the next question, beginning with "Disruptors". If you can pop out the paragraph beginning with "Disruptors". I note that the question at the end of that paragraph is:

25

Does the casino regulator have a role in safeguarding the casino industry?

What's your view about whether the GWC has a role in safeguarding the casino industry in Western Australia or, specifically, the Perth Casino?

30

MS FIORENTINO: First of all, this is a question that was posed by the presenter. So it's not necessarily my question, but it's a question posed by the presenter. My understanding, my understanding, is that the regulator - and this is obviously from my experience with the GWC - has a role in monitoring and regulating the casino industry within WA, according to the legislation, and also the responsible provision of that, of gambling. So within that broad context, that's my understanding.

35

MR SHARPE: The specific question that's there is whether the casino regulator has a role in safeguarding the casino industry. Do you consider that the regulator does have that role? Does the GWC have the role of safeguarding the casino industry in Western Australia?

40

MS FIORENTINO: It depends what you mean by "safeguarding". That can be interpreted in so many different ways, safeguarding the employees, safeguarding the casino revenue. I have not given it enough thought to form an opinion on that.

45

MR SHARPE: Then going to the third paragraph, starting with "Technology". The

question that is posed at the end of that paragraph is:

How is the casino regulator keeping up with understanding technology changes.

5

So the question specifically relating to the GWC is how is the GWC keeping up with understanding technology changes and how it impacts on its role in regulating the Perth Casino.

10 MS FIORENTINO: My perspective on this is that the gambling sector, not only within WA but within Australia, has many disruptors and they're from a technology, online gambling background. Many are based outside of Australia and yet can target the West Australian community for online gaming. I feel that, as a regulator, we are not - our legislation, our powers are not keeping up with these disruptors to the
15 gambling sector within WA.

MR SHARPE: What would you suggest as reforms to the legislation to assist the GWC to keep up with technological change?

20 MS FIORENTINO: The technology disruption in gambling is borderless. It requires, I do think, national collaboration of regulators and it's not unique to the gambling sector. There are many industries affected but in particular with gambling, it requires national collaboration and reform.

25 MR SHARPE: Can we then go to page 74, the next page. I note this is a page discussing - sorry. This is the seminar or session that you attended concerning illegal offshore and online wagering. I was going to ask you about your views about that, but is there anything you wish to add to what you've just said? I think you've just
30 been addressing that topic about how that affects casino regulation in Western Australia.

MS FIORENTINO: Mmm.

MR SHARPE: I think you've just ---
35

MS FIORENTINO: I think I've ---

MR SHARPE: Is there anything you wish ---

40 MS FIORENTINO: I've answered that, thank you.

MR SHARPE: As a consequence of you putting forward your paper, was there a discussion about any of the matters that we've just gone through at the GWC meeting?
45

MS FIORENTINO: The information was noted but nothing further was taken from that.

MR SHARPE: Can we then go to page 75. Page 75, which is the second attachment, is the Australia and New Zealand Casino and Gaming Regulator's draft minutes from 15 May 2018. I note that this is before you were a member of the
5 GWC, but I take it you obtained these draft minutes when you attended the 2019 meeting? Is that correct?

MS FIORENTINO: We were given a copy of these, correct.

10 MR SHARPE: I note that in the preliminaries dealing with who is present, there doesn't appear to be a representative from Western Australia present. Do you agree that there wasn't, according to the minutes, a representative present in 2018?

MS FIORENTINO: From those minutes, there doesn't appear to be anyone from
15 WA representative on that meeting.

MR SHARPE: As a more general matter, does Western Australia - does the GWC, as Western Australia's casino and gaming regulator, actively participate with the Australia and New Zealand Casino and Gaming Regulators?
20

MS FIORENTINO: Okay. My understanding is this group of regulators nationally met once per year. May 2018, which obviously I wasn't present; there was the May 2019, during which I was present and I recall discussions at that meeting in May 2019 to meet twice a year. It doesn't meet often at all.
25

MR SHARPE: When it does meet, does the GWC send a representative on a regular basis or is it not something that the GWC really actively participates in?

MS FIORENTINO: It's not actively participating in. As I said, members were
30 invited to attend. I did attend the May 2019, but it wasn't something that was actively enforced at the GWC meetings.

MR SHARPE: Do you think it would be of benefit to the GWC to become regularly involved with the Australia and New Zealand Casino and Gaming Regulators?
35

MS FIORENTINO: Yes, absolutely. Yes. Yes.

MR SHARPE: Commissioner, I tender that document.

40 MR GAROS: Commissioner, before that document is received as an exhibit, can I raise a non-publication issue. It applies to this document and a number of other documents which, for convenience, are broadly the documents which are identified as GWC.0002.0016 and then various other documents with that same prefix. There may be material within those documents that the Crown entities wish to press a
45 non-publication order on. This material and the similar material runs for several hundred pages. It was only received late last night and so my instructors have not had sufficient opportunity to work through those materials to assess whether the

non-publication order will be pressed in relation to that material. I understand that this issue may have been raised last week by Mr Dharmananda as well and there is, I understand, a protocol, potentially, that is yet to be agreed in relation to it.

5 MR SHARPE: In that case, I won't press the tender but simply ask that it be marked for identification.

COMMISSIONER JENKINS: I was just wondering, the pages that have been shown to the witness, do they present any problem?

10 MR GAROS: I would need to take instructions.

COMMISSIONER JENKINS: Your instructor is shaking her head.

15 MR GAROS: I'm instructed those particular pages, there is no issue. It's a question as to whether within the several hundred other pages, in fact probably thousands of pages, having regard to the full list that we've received, that there may be material within there.

20 COMMISSIONER JENKINS: So the pages from these minutes or the agenda paper, I should say, were pages 72 through to 75; is that right?

MR SHARPE: Page 75 is the first page of the minutes of the gaming regulators conference, but if we can scroll through and identify how - it's only a few pages. Can we scroll through? Keep going.

25

COMMISSIONER JENKINS: That's 75 to 84.

MR SHARPE: Stop there. 85 is a blank page.

30 COMMISSIONER JENKINS: Pages 75 to 85 of the - can you tell me what they are? They are the minutes of the GWC of what date?

MR SHARPE: Sorry, these are the minutes of the Australia and ---

35 COMMISSIONER JENKINS: Oh, yes.

MR SHARPE: Australia and New Zealand Casino and Gaming Regulator's minutes of board and commission members forum.

40 COMMISSIONER JENKINS: But they actually formed part of the GWC agenda papers?

MR SHARPE: Yes.

45 COMMISSIONER JENKINS: That document down the bottom actually has the Gaming and Wagering Commission ---

MR SHARPE: Yes, so it's agenda item 5.7. It starts at page 72. Perhaps we can go back to page 72. That's the first page identifying the agenda item and then there's two attachments, the first attachment being Ms Fiorentino's notes of her attendance at the Australasian Casino and Gaming Regulators conference of 2019 and the second attachment being the minutes from the Australasian Casino and Gaming Regulators conference held on 15 May 2018. I should say the draft minutes.

COMMISSIONER JENKINS: Mr Garas, is there any problem with pages 72 through to 85, inclusive, of those minutes of the meeting on 28 May - I shouldn't say that was the date of the meeting, but - is that the date of the meeting, 28 May 2019, or is that the date of the agenda papers?

MR SHARPE: The date of the meeting was 28 May 2019.

COMMISSIONER JENKINS: Thank you. Mr Garas, back to you. Is there any difficulty with pages 72 through to page 85 of the agenda pack for the GWC meeting on 28 May 2019 becoming an exhibit?

MR GAROS: I'm instructed that there is no issue with those particular pages, Commissioner. I understand that last week the position that was being adopted was that these exhibits or these documents were not being received as exhibits as yet, until there was an opportunity to potentially apply redactions. They may then be received as the exhibit. Whether that may be a more convenient course in relation to all these documents, as it is quite an extensive list of these similar agendas and minutes.

COMMISSIONER JENKINS: But if there isn't any difficulty with them and we exhibit them, it's over and done with and the issue is resolved here and now. I can't see that there would be any need for any redaction in these documents.

MR GAROS: I'm certainly content if it's just these pages that are received as the exhibits. We certainly have no issue with that, Commissioner.

COMMISSIONER JENKINS: I will exhibit those pages and they have the number 000 - I won't read out the number. You have read them out previously, Mr Sharpe. But it's the 10 pages from 72 through to 85. That's not 10 - I can't count - it's 13, or so, of the minutes of the GWC meeting on 28 May 2019. Thank you.

EXHIBIT #GWC.0002.0016.0274 - PAGES 72 TO 85 OF MINUTES OF GWC MEETING DATED 28 MAY 2019

MR SHARPE: I then turn to paragraph 23 of your witness statement. In your witness statement you state that you did not have any areas of specific responsibility on the GWC, but that you and Jodie Meadows are more interested in the financial

statements because of your background as chartered accountants. Is that correct?

MS FIORENTINO: I will rephrase that.

5 MR SHARPE: No, you phrase it in your own words.

MS FIORENTINO: When I was appointed, my understanding was I had no specific areas of responsibility. However, because of my background as a chartered accountant, and Jodie has the same background, we did naturally take quite an
10 interest in the financial statements as well. Correct.

MR SHARPE: At paragraph 25 of your witness statement, you refer to the Department's internal audit committee which was established pursuant to the Western Australia's Treasurer's instruction.

15

MS FIORENTINO: Correct, yes.

MR SHARPE: Call up GWC.0002.0016.0306 and go to page 181. Is this the agenda item that you refer to in your witness statement?

20

MS FIORENTINO: Yes, it is.

MR SHARPE: Can we go to page 182. Is that the Treasurer's instruction which you were referring to in your witness statement?

25

MS FIORENTINO: Yes, it is.

MR SHARPE: Commissioner, I did have in mind to tender this but it may be that it will cause more issues to tender these now because then there will be agreed an agreed protocol. Perhaps we should simply mark these for identification for the time
30 being?

COMMISSIONER JENKINS: Yes, certainly.

35 MR SHARPE: I ask that agenda item 11.3 be marked for identification.

COMMISSIONER JENKINS: The first document you showed the witness was the front page of the minutes; is that right - of the agenda?

40 MR SHARPE: The agenda item. Can we quickly scroll back to the first page. Yes. So that's agenda item 11.3.

COMMISSIONER JENKINS: How many pages form this agenda paper?

45 MR SHARPE: The Treasurer's instruction runs from pages 182 to 186.

COMMISSIONER JENKINS: Those pages will be marked for identification.

DOCUMENT MARKED FOR IDENTIFICATION
#GWC.0002.0016.0306- PAGES 182 TO 186 TREASURER'S INSTRUCTION

5

MR SHARPE: Ms Fiorentino, I understand that during discussions in 2020, you and Jodie Meadows both expressed an interest in being the GWC's representative on the internal audit committee; is that correct?

10

MS FIORENTINO: Yes, correct.

MR SHARPE: Ultimately, Jodie Meadows was appointed because you had a commitment which meant you could only attend two of the four scheduled meetings?

15

MS FIORENTINO: Yes.

MR SHARPE: Are you aware whether the Department's internal audit committee has met at this time?

20

MS FIORENTINO: It has not yet met, to my understanding. They haven't yet met.

MR SHARPE: Turning then to paragraph 28 of your witness statement, you refer to applying for and receiving 50% of your travel costs, up to a maximum of \$2,000, towards your director professional development for attending the Australian suite of company directors annual governance summit on 4 and 5 March 2019 in Sydney?

25

MS FIORENTINO: Yes, correct.

MR SHARPE: I call up GWC.0002.0016.0270, page 8 and scroll down to item 12. Item 12 then runs over the page, so if you can scroll down so that you are showing both the bottom of page 8 and the top of page 9. In the second paragraph on page 9, it's recorded that you notified the commission of your registration to attend the summit that we just discussed?

30

MS FIORENTINO: Yes.

MR SHARPE: Then go back to the full document. Then there's a discussion which is recorded in the last paragraph, which leads to the agreement that you will have 50% of your travel costs, up to a maximum of \$2,000, refunded?

35

MS FIORENTINO: Yes, correct.

MR SHARPE: I will mark that for identification. That's agenda item 12 in GWC.0002.0016.0270, being the minutes of the meeting of the GWC on 26 February 2019.

40

45

COMMISSIONER JENKINS: Thank you. Ms Fiorentino, down the bottom of paragraph 12, what's the commission meeting that Mr Sargeant was going to attend? Which commission?

5 MS FIORENTINO: Where it's referring to the March meeting, that would be the GWC meeting.

COMMISSIONER JENKINS: Oh, I see. He was going to be in Sydney.

10 MS FIORENTINO: During that ---

COMMISSIONER JENKINS: I see. And it was a question of him returning for ---

15 MS FIORENTINO: For the March GWC meeting.

COMMISSIONER JENKINS: Thank you. I read it incorrectly. Thank you, Mr Sharpe.

20 MR SHARPE: Why did you ask the GWC to contribute to your costs of travel for attending that summit?

25 MS FIORENTINO: As a director, professional director, I believe it's important to keep my skills up-to-date. That summit, in particular, was a substantial theme. It was around the governance changes following the Hayne Royal Commission and I was very interested to attend. I also felt it was important that other commissioners knew the contents of that conference. And, yes, I applied if there was a policy in regards to professional development of directors, and the agreement was to pay up to 50% of my costs. My costs were substantially lower and only \$778 required reimbursement.

30 MR SHARPE: If I can call up GWC.0002.0016.0268. Go to page 16, please. This is the agenda for 26 March 2019 and this is - you just referred to having provided a summary to the other members. Is this the agenda item through which you provided that summary?

35 MS FIORENTINO: Yes, it is. Yes.

40 MR SHARPE: If we can just scroll through that document through to page 24, just a page at a time. Those are the notes that you provided to the other GWC members for their consideration?

MS FIORENTINO: During that GWC meeting.

45 MR SHARPE: Yes.

MS FIORENTINO: Yes, they are.

MR SHARPE: Was there any discussion of the issues which you raised at that meeting, that you can recall?

5 MS FIORENTINO: I recall my notes were accepted, they were noted, but I don't recall any following discussion.

MR SHARPE: Commissioner, I will mark for identification pages 16 to 24 of GWC.0002.0016.0268.

10 COMMISSIONER JENKINS: Thank you, Mr Sharpe. They will be marked for identification.

15 **DOCUMENT MARKED FOR IDENTIFICATION**
#GWC.0002.0016.0268 - PAGES 16 TO 24

MR SHARPE: Turning then to paragraph 29, you talk about your actual monthly time commitment in performing your role as a member of the GWC. You identify in 20 29.1 that preparation for meetings takes between five to seven hours.

MS FIORENTINO: That's purely reading the agenda packs. Yes, correct.

MR SHARPE: And that attendance at the GWC meeting each month usually takes 25 between three and four hours?

MS FIORENTINO: Yes, correct.

MR SHARPE: And that you then travel when the meetings are in person and that 30 takes a further time commitment?

MS FIORENTINO: Yes.

MR SHARPE: Then at 29.4 you refer to other GW business which takes an 35 additional five to 10 hours?

MS FIORENTINO: Five to 10 hours per month.

MR SHARPE: Per month. 40

MS FIORENTINO: Yes.

MR SHARPE: Has the time taken to attend to the other GWC business changed 45 since you first joined the GWC?

MS FIORENTINO: It has definitely increased. Definitely the time commitment during - particularly during late 2019 and during 2020, with the keeping up with the

reading on what was happening around Australia and allegations towards Crown, yes, I was spending a lot more time on GWC matters.

5 MR SHARPE: Have you received any additional remuneration for the increasing activities that you've had to perform as a GWC member or is it still the \$16,600 per annum?

10 MS FIORENTINO: It is still the same annual setting fee. There is no additional remuneration.

MR SHARPE: Is there any proposal to increase the remuneration of GWC members?

15 MS FIORENTINO: I'm not aware of any.

MR SHARPE: Or is there any proposal to make any allowance for the additional time that is currently required for GWC members?

20 MS FIORENTINO: Relating to this Royal Commission, there was discussion and agreements that members record the time, the additional time that's being taken towards Royal Commission matters and to submit it to the Department for reimbursement. That hasn't happened yet.

25 MR SHARPE: Has there been an agreement about the rate at which reimbursement will occur, the hourly rate for reimbursement?

MS FIORENTINO: The discussion I recall referred to the members sitting fee rate would be - that annual rate would be used on an hourly basis.

30 MR SHARPE: How will the GWC fund the additional payments to members?

MS FIORENTINO: My understanding is it would come from the GWC finances.

35 MR SHARPE: Will that come from existing financial sources or will there be an application for further, for example, appropriations from Government?

MS FIORENTINO: I'm really unsure. I'm really unsure on that.

40 MR SHARPE: Commissioner, I note the time. I'm about to embark on a new topic. If it's convenient, can we adjourn now?

45 COMMISSIONER JENKINS: Certainly, Mr Sharpe. Ms Fiorentino, we will have morning tea now. If you could be back in time to recommence at 11.30. 15 minutes for morning tea and we will adjourn until 11.30.

ADJOURNED

[11.13 AM]

RESUMED

[11.30 AM]

5

COMMISSIONER JENKINS: Yes, Mr Sharpe.

10 MR SHARPE: I call up GWC.0003.0003.0006 of Ms Fiorentino's statement at page 10. At paragraph 36 of your witness statement you state that you consider the GWC has been obstructed in the exercise of its powers in discharge of its responsibilities and obligations whilst you've been a member of the GWC, in the sense it has faced certain obstacles. Then running over the page, you identify four obstacles. The fourth obstacle that you identify is that the Department's Director-General, Duncan Ord, performs the dual roles of GWC Chair and Department Director-General. Why have you identified that as an obstacle or how is that an obstacle?

20 MS FIORENTINO: For good governance, a Chair should be completely independent to have full powers towards governance of the Commission. I do feel that, as I stated there, performing the dual roles of Chair as well as Director-General is not in accordance with good governance practices.

25 MR SHARPE: Then the first three that you identify are that the GWC is totally reliant on the Department's staff for support, the Department has staff resourcing constraints and that there's dependence on key Department staff, particularly Mr Connolly as the Chief Casino Officer. Is that correct?

MS FIORENTINO: Correct, yes.

30 MR SHARPE: Apart from those matters, are there any other obstacles that you consider impede the exercise of the functions of the GWC or is that - those are the ones that you wish to address?

MS FIORENTINO: Those are the ones, as included in my statement, that I see, yes.

35 MR SHARPE: At your witness statement at 38.1, you say that you've experienced obstacles as a GWC commissioner in respect to the issue of key performance indicators. You refer to an agenda item 11.5 which was presented during your first GWC meeting on 28 August 2018. Can I call up GWC.0002.0016.0239 and turn to page 497, please. Is this the agenda item that you are referring to there?

40

MS FIORENTINO: Yes, it is.

45 MR SHARPE: Perhaps can we scroll through the pages to page 503 just to see what's there. Now, could you - would you please explain, by reference to those documents, the concerns that you had regarding KPIs, the concerns you expressed at that time?

MS FIORENTINO: As a chartered accountant, my understanding of key performance indicators is they're used, firstly, to identify the objectives of the organisation and measure performance towards those objectives. When we were presented with this during the August 2018 GWC meeting, I could not make sense of it and I expressed my concern during that meeting that this is meaningless to me, it's a working document on an Excel spreadsheet and we really need a complete review of KPIs.

MR SHARPE: In your view, how should the KPIs have been improved?

MS FIORENTINO: What I stated during that meeting is that we really need to, firstly, understand the objectives of the GWC and then indicators to measure performance towards those objectives. So this was a strategic review, that was what I was requesting.

MR SHARPE: Commissioner, I will mark those pages of GWC.0002.0016.0239 for identification.

COMMISSIONER JENKINS: Thank you. They are so marked.

**DOCUMENT MARKED FOR IDENTIFICATION
#GWC.0002.0016.0239 - AGENDA ITEM, GWC MEETING DATED 28
AUGUST 2018**

MR SHARPE: I call up GWC.0002.0016.0256. Please go to page 11. In your witness statement at paragraph 38.2 you refer to the KPI issue you raised being added to a list of "matters to be actioned".

MS FIORENTINO: Yes, correct.

MR SHARPE: Is this the document that you are referring to in your witness statement at 38.2?

MS FIORENTINO: It's agenda item 5.1 in the GWC minutes of October 2018, yes.

MR SHARPE: If you can go back to the first page, you can see that it's 23 October.

MS FIORENTINO: Yes, it mentions it at the bottom, yes.

MR SHARPE: Oh, yes.

MS FIORENTINO: 23 October 2018, yes. Correct.

MR SHARPE: You state that the KPI issue was described as "provide a review/progress report on regulatory responsibilities across the Department"; is that

correct?

MS FIORENTINO: Yes, correct.

5 MR SHARPE: If we can go to the next page of that document, is that 5.7 on that list?

MS FIORENTINO: Yes, it is.

10 MR SHARPE: The responsible officer is identified as DDGR. Who's that?

MS FIORENTINO: That's Mr Michael Connolly at that time, yes.

15 MR SHARPE: It's stated that the date due for that item is December 2018; is that correct?

MS FIORENTINO: Yes.

20 MR SHARPE: And who set that as the deadline? Who set the December 2018 deadline?

MS FIORENTINO: My recollection is that deadline was set by Mr Connolly, and the GWC approved that.

25 MR SHARPE: Then in your witness statement at 38.3 you mention that you raised KPI issue during a number of subsequent GWC meetings and that it was due to severe departmental staff resourcing constraints that actioning of that item continued to be delayed. Is that correct?

30 MS FIORENTINO: Yes, correct.

MR SHARPE: At 38.3.1 of your witness statement you refer to agenda item 11.4 of the meeting of 29 October 2019. Do you see that?

35 MS FIORENTINO: Yes, I do.

MR SHARPE: I call up GWC.0002.0016.0289. You can see this is the agenda for the meeting of 29 October 2019. Please go to page 192. This is the agenda item that you refer to in your witness statement; is that correct?

40 MS FIORENTINO: Yes, it is.

MR SHARPE: I note at paragraph 39 of your witness statement you refer to the OAG, which I take it is the Office of the Auditor-General; is that correct?

45 MS FIORENTINO: Yes.

MR SHARPE: And issued a GWC management letter, dated 5 September 2019, noting KPI targets as a moderate finding and of sufficient concern requiring action to be taken. If we can go to page 193 of the document on the screen, is that the letter that you're referring to at paragraph 39 of your witness statement?

5

MS FIORENTINO: If that's the letter dated 5 September 2019, I think, further on because ---

MR SHARPE: Can we scroll down.

10

MS FIORENTINO: --- it refers to this KPI targets as a moderate finding.

MR SHARPE: Can we scroll down to the next page, please. Go to the next page. You can see the date of the letter now.

15

MS FIORENTINO: Yes.

MR SHARPE: It's the 5th ----

20

MS FIORENTINO: That would be the letter I'm referring to, yes.

MR SHARPE: Scroll to the next page, please. When you refer to the noting of KPI targets as a moderate finding and of sufficient concern requiring action to be taken, is this the document that you were referring to?

25

MS FIORENTINO: Yes.

MR SHARPE: The interpretation of the moderate finding is to be understood by reference to the key to the ratings document; is that correct?

30

MS FIORENTINO: On that page.

MR SHARPE: On that page?

35

MS FIORENTINO: Yes, correct.

COMMISSIONER JENKINS: Can we go back to the first page, so I can have a look at what was sent?

40

MR SHARPE: Yes. To the first page of the letter?

COMMISSIONER JENKINS: Yes.

MR SHARPE: Next page, please.

45

COMMISSIONER JENKINS: I thought it might set out what the issue was with the KPIs, but am I missing something in a scan of the document?

MR SHARPE: Can we go to the next page. It might be that we can ask Ms Fiorentino if you can assist us in understanding what is the KPI issue that's been identified at this time by the Auditor-General?

5

MS FIORENTINO: Can you go to the next page, 196, and there it discusses a little bit further. There was one particular KPI that had not changed since 2017-18 and the OAG understood - or my understanding was that it needed to be reviewed, that particular indicator needed to be reviewed.

10

COMMISSIONER JENKINS: Thank you.

MR SHARPE: Then you refer to raising the KPI review issue on 17 December 2019, 25 February 2020, 28 April 2020 and then on 28 July 2020. At 38.3.5 of your witness statement you refer to agenda item 5.3, confirmation of intent to amend target KPIs to 2019-2020. In that document, the second document ID that you've identified is GWC.0002.0016.0310. I will call up that document. This is the agenda for 25 August 2020. But if you go to page 3, you see this is the draft minutes of the meeting of 28 July 2020. I take it you are intending to refer to this part of the document?

20

MS FIORENTINO: Yes, correct.

MR SHARPE: Then if we go to item 5.3, sorry, which is on page 5. Can we have the next page. Thank you. So if I can take you to item 5.3, it appears to be dealing with two issues. The first is to reaffirm of an approval of an amendment to a specific KPI and that also appears in the first part of the resolution which is 115 of 2020. Do you agree with that?

25

MS FIORENTINO: Yes.

30

MR SHARPE: And is that addressing the specific issue which was raised by the Auditor-General?

MS FIORENTINO: Yes, it was. That particular resolution was, yes.

35

MR SHARPE: The second issue that appears to be being dealt with appears from the second resolution which is stated to be:

40 *The GWC reaffirms the Commission's intent to initiate a forward review of KPIs to better reflect the desired performance of the Commission.*

Is that correct?

MS FIORENTINO: Yes.

45

MR SHARPE: And when you in your witness statement were referring to raising the

issue again, did you raise it in the course of that discussion which led to that resolution?

MS FIORENTINO: Yes, I did.

5

MR SHARPE: And what did you say during that discussion?

MS FIORENTINO: I recall expressing my concerns that a review of the KPIs had not yet been commenced. I understood that was related to staff resourcing constraints at the Department. Nonetheless I requested that we needed to have a review of KPIs to ensure that they were fit for purpose for the GWC.

10

MR SHARPE: Commissioner, I mark for identification GWC.0002.0016.0130 at pages 5 and 6.

15

COMMISSIONER JENKINS: They will be marked for identification with that number.

20 **DOCUMENT MARKED FOR IDENTIFICATION**
#GWC.0002.0016.0130 - PAGES 5 AND 6

COMMISSIONER JENKINS: Ms Fiorentino, can I ask you about the first issue which is dealt with in that report. The last paragraph on page 3:

25

The KPI to be clarified was amended at the previous meeting and was in relation to the integrity of casino operations. Number where unlawful.

30 Which is then set to an unlikely figure. Was that a target that was set to an unlikely figure. I just can't see how the KPI itself could be set to an unlikely figure. The report is what it is, isn't it? You've got so many unlawful occurrences. You've got so many?

35 MS FIORENTINO: My understanding was that it was the target that was set at a figure that was too high at 10. And that target should be something you're aspiring towards and the OAG expressed concern at the figure 10 and that the target should be reviewed and we agreed to reduce it to 1, which was acceptable to the OAG.

40 COMMISSIONER JENKINS: Thank you. Thank you, Mr Sharpe.

MR SHARPE: At paragraph 40 of your witness statement you refer to a GWC meeting on the 22 September 2020 at item 12 and you refer to GWC.0002.0016.0315. Do you see that?

45

MS FIORENTINO: Yes.

MR SHARPE: I call up that document GWC.0002.0016.0315. So this is the agenda pack for 27 October. If we can go to page 3. So I take it you are intending to refer to the draft minutes which are at page 3?

5 MS FIORENTINO: Correct. The meeting minutes of 22 September 2020.

MR SHARPE: And you refer to item 12. So can we please go to page 9. So item 12, general business, the DDG, that's, I take it, Michael Connolly. Is that correct?

10 MS FIORENTINO: Mr Connolly, correct.

MR SHARPE: And so this is the paragraph that you're referring to in your witness statement at 40. And I note in particular the last sentence:

15 *The proposal will include details of how structure and function will align with the core business objective of the Commission as well as recommended key performance indicators and a revised reporting framework.*

20 So what was the nature of the discussion or the nature of the proposal as put forward by Michael Connolly during that meeting that has been minuted here?

MS FIORENTINO: My recollection was that Mr Connolly advised the members that he understood that there needed to be restructure of support given by the Department to the GWC. Part of that reform and review would include review of
25 KPIs and also review of the reporting to the GWC.

MR SHARPE: Commissioner, I seek to have that document GWC.0002.0016.0315 at page 9 marked for identification.

30 COMMISSIONER JENKINS: Yes. That will be so marked.

DOCUMENT MARKED FOR IDENTIFICATION
35 **#GWC.0002.0016.0315 - PAGE 9**

COMMISSIONER JENKINS: What was your understanding as to how far that proposal has advanced?

40 MS FIORENTINO: At this point in time it hasn't advanced yet.

COMMISSIONER JENKINS: Thank you. Thank you, Mr Sharpe.

45 MR SHARPE: At paragraph 41 you refer to the GWC's approval of the hiring of an external consultant to review the KPIs and you state that the Department staff resources were so constrained that scoping and managing this project with an

external consultant did not proceed.

MS FIORENTINO: Yes.

5 MR SHARPE: Did the GWC commissioners themselves give consideration to stepping in and doing the scoping and managing of external consultancy themselves?

MS FIORENTINO: Each of us commissioners has other responsibilities as well. We certainly discussed how we could get this project moving, understanding the
10 delays that were happening at the Department, the staff resource constraints but, you know, none of us could actually or none of us were able to step in and actually do the project scoping and management.

MR SHARPE: Turning then to the next topic, at paragraph 44 of your witness
15 statement you state that it's your understanding that it is not within the GWC's function or powers to regulate or monitor risks associated with money laundering or player criminal links to the casino, and that regulation of these risks are within the powers and remit of other agencies, for example, AUSTRAC and/or AFP. How did you reach the understanding which you have expressed in paragraph 44?

20 MS FIORENTINO: Going back to my induction, certainly there was no reference at all to our powers or responsibilities being related to anti-money laundering or probity into player criminal links at the casino. But this was also confirmed, my recollection is, during a GWC meeting in 2019. My recollection is - my understanding was
25 further confirmed during a discussion during a meeting.

MR SHARPE: At paragraph 45 of your witness statement you refer to the GWC not, to the best of your knowledge, having any specific policies or procedures relating to risks associated with money laundering and criminals infiltrating casino operations.
30 As regards money laundering, do you think that the GWC should now - do you now think the GWC should develop policies to deal with money laundering at the casino or the issue of money laundering at the casino?

MS FIORENTINO: I think that's a question that requires substantial reform and
35 rethink, and is beyond my experience and capability. I certainly have no experience in anti-money laundering, so I really can't comment on that.

MR SHARPE: Do you understand the GWC to have a role to play in licensing
40 casino employees?

MS FIORENTINO: Yes.

MR SHARPE: Do you consider that an aspect of that role may be relevant to the
45 question of criminal elements infiltrating casino operations?

MS FIORENTINO: My understanding is that the GWC does have probity - looking into probity approvals for casino employees and key casino employees. Part of

performing that role is getting police clearance, and that is the extent that I understand our responsibilities as GWC members.

5 MR SHARPE: Turning then to paragraph 47 of the witness statement, you refer to junket operations. You refer to section 25A of the Casino Control Act and state your understanding that the GWC does have specific powers to regulate and monitor junkets at the Perth Casino, but that probity into alleged criminal links and junket players is not within the powers of the GWC. You refer to a resolution at document GWC.0002.0016.0286. I call up that document. These are the meeting minutes of
10 the meeting on 27 August 2019; is that correct?

MS FIORENTINO: Yes.

15 MR SHARPE: If you can go to page 3, please, and if we go to item 6.4, I take it that's the item that you're referring to at paragraph 47 of your witness statement?

MS FIORENTINO: Yes.

20 MR SHARPE: Again it says the DDGR. That's Michael Connolly, is that correct?

MS FIORENTINO: At that time, yes, it was Mr Connolly, yes.

25 MR SHARPE: There's discussion there of the DDGR being authorised to explore the idea of a national framework for the approval and management of junket activities. Can you explain how your understanding - you say your understanding was confirmed by this item. Can you explain how this discussion relating to this item confirmed your understanding about GWC's responsibilities in respect of junket operations?

30 MS FIORENTINO: During the meeting, yes, there was discussion around the GWC's role in monitoring junket operations, and what I understood and what was resolved was that criminal links to do with junket players was not within the remit of GWC. So note 1 refers to Federal border protection agencies who issue them visas. That was my understanding, that it was not within our remit and that we would be
35 advised if there was an issue. So that confirms my understanding, which was from the induction meeting.

40 MR SHARPE: Can I call up GWC.0003.0007.0011. This is a briefing note to the Minister. If you can go to the next page, please. You see it's signed by Michael Connolly and dated 30 July 2019. Can we go back to the first page, please. Is this a document which you've previously seen?

45 MS FIORENTINO: I have previously seen this. This is a - my understanding is this is a draft briefing note.

MR SHARPE: Was there a briefing note that was finalised and sent?

MS FIORENTINO: Look, I'd have to check back on the meeting resolution. I recall this being discussed as a draft during that August 2019 GWC meeting.

5 MR SHARPE: In the course of that, was there anything that was discussed in the course of discussing this briefing note that informed your understanding about the GWC's role in respect of junket operations?

MS FIORENTINO: So repeat ---

10 MR SHARPE: Sorry. That was ---

MS FIORENTINO: Clarify that, please.

15 MR SHARPE: During the discussion of this draft briefing note, was there discussion of junket operations which has influenced your understanding of how the GWC has responsibilities in respect of junket operations?

20 MS FIORENTINO: My recollection is this draft briefing note was also attached to this particular agenda item 6.4. That's my recollection, without having the pack in front of me. And, yes, it did clarify my understanding through that resolution during that meeting at that agenda item.

MR SHARPE: Commissioner, I tender GWC.0003.0007.0011.

25 COMMISSIONER JENKINS: That will be an exhibit.

EXHIBIT #GWC.0003.0007.0011 - BRIEFING NOTE TO MINISTER SIGNED BY MICHAEL CONNOLLY DATED 30 JULY 2019

30

MR SHARPE: Can I call up PUB.0004.0005.0001. This is the *Casino Control Act*. Can we go to page 46, please. In your witness statement at paragraph 47 you refer to section 25A of the *Casino Control Act*. How is your understanding of the role of the GWC in respect of junkets informed by or affected by section 25A?

MS FIORENTINO: Look, my understanding is that that section of the *Casino Control Act* gives us power to regulate and monitor junket operations. But not beyond that towards investigating criminal links. That was my understanding.

40

MR SHARPE: So not beyond, investigating criminal links. How were you to - how was the GWC to investigate those criminal links? What's your understanding of how that was to occur?

45 MS FIORENTINO: Well, like, I didn't realise that it was actually - well, I didn't understand that it was within our remit to investigate criminal links of players in junket activities, so I had, you know, no understanding of that.

MR SHARPE: I see. Can we call up GWC.0002.0016.0369. This is the meeting minutes for 23 February 2021. Can we go to page 4, please. Can you show the next page at the same time, please. If we go to item 5.3, it refers to a resolution to give effect to a direction to Crown Perth to prohibit the conduct of junkets. Why has the GWC now taken the step of issuing a direction to prohibit the conduct of junkets?

MS FIORENTINO: This was following the release of the Bergin Report in NSW. Clearly, there was activity that has occurred - has been alleged to occur, that has occurred, that was raised in the Bergin report and we discussed the next step and we felt it was appropriate to give effect to a direction to Crown Perth to cease junkets and junket player activity.

MR SHARPE: How else has the Bergin report caused you to - sorry. Has the Bergin report caused you to take a different approach to your role on the GWC other than in relation to junkets?

MS FIORENTINO: Can you expand on that?

MR SHARPE: We've just been discussing that the Bergin report has led the GWC to take a view that it should issue this prohibition on junkets. Has the Bergin report led to other changes in view, either a view of the GWC generally about how it should conduct its role of regulating the Perth Casino?

MS FIORENTINO: Firstly, I think that's the whole purpose of this Royal Commission, is to fully investigate the powers and duties of the gaming commission, so I welcome that. Yes, there is heightened scrutiny. There was previously, but even further so. So, yes, it has raised a number of concerns for GWC members.

MR SHARPE: Commissioner, I mark GWC.0002.0016.0369 at pages 4 and 5 for identification.

COMMISSIONER JENKINS: The minutes of that number will be an exhibit - oh, sorry, marked.

MR SHARPE: Sorry, marked for identification.

COMMISSIONER JENKINS: Marked for identification.

DOCUMENT MARKED FOR IDENTIFICATION
#GWC.0002.0016.0369 - PAGES 4 AND 5

MR SHARPE: Turning to your witness statement at 57.1 - at 57 you refer to conflicts that you've declared on the GWC conflict of interest register.

MS FIORENTINO: Yes.

MR SHARPE: At 57.1 you note that you declared that you knew Joshua Preston, who was an employee of Perth Casino until 2020 because he is a colleague and friend of your ex-husband; is that correct?
5

MS FIORENTINO: Yes. As stated there, my ex-husband is colleague and friend of Josh Preston, but I'm not - I haven't met with him in over 20 years.

10 MR SHARPE: Just for clarification, when you refer to your ex-husband being a colleague, your ex-husband is not an employee of Crown?

MS FIORENTINO: No.

15 MR SHARPE: The second conflict you declared was at a meeting on 16 February 2021. You refer to declaring a conflict of interest at that GWC meeting, in that you expressed an interest in a director position at Future Fund Australia, of which Mr John Poynton is a director and that Mr Poynton is a previous Chair of the Perth Casino. At the time that you expressed that interest, was Mr Poynton still a director of Perth Casino?
20

MS FIORENTINO: Yes, he was.

MR SHARPE: When did you express the interest?
25

MS FIORENTINO: That was during 2020. My recollection is August or September 2020, I expressed my interest.

MR SHARPE: Why did you declare this as a conflict?
30

MS FIORENTINO: Any - look, I feel as a director and commissioner on the GWC, even perceived conflicts of interest need to be declared. Even if there's no actual conflict of interest, it's a perceived conflict and I just felt that was important to declare that.
35

MR SHARPE: You've also indicated that you have not met with Mr Poynton and that your expression of interest did not lead to any appointment to the Future Fund?

MS FIORENTINO: No, no. Not as yet anyway, no.
40

MR SHARPE: So the expression of interest is still registered with the Future Fund?

MS FIORENTINO: My inquiry with Mr Poynton is what is the process for appointment and I expressed an interest in a future appointment on the Future Fund Australia.
45

MR SHARPE: Turning then to your witness statement at paragraph 58, you state

that you're not aware of the GWC having a conflict of interest policy for departmental staff and other persons carrying out duties on behalf of the GWC; is that correct?

5 MS FIORENTINO: Yes. I'm not aware of the GWC itself having a conflict of interest policy for department staff, correct.

MR SHARPE: And we went earlier to the note in the code of conduct which said that departmental staff will be regulated by their own departmental code of conduct,
10 rather than abide by that code of conduct? Is that ----

MS FIORENTINO: That's correct. They're regulated by the Department's code of conduct, correct.

15 MR SHARPE: So there's no procedure in place by which a departmental officer who's acting to provide services to the GWC would be required to provide notice of that conflict to the GWC?

MS FIORENTINO: Can you repeat that?
20

MR SHARPE: Yes. So the position is that a departmental officer who is in a position of conflict would need to declare that to the Department through the Department's policy. Is that your understanding?

25 MS FIORENTINO: That's my understanding, yes.

MR SHARPE: But there's not a policy which would require a departmental officer who has a conflict in performing obligations for, or exercising powers for, GWC to declare to the GWC that they have a conflict? Is that your understanding?
30

MS FIORENTINO: Yes, that's my understanding. Yes.

MR SHARPE: Can we go to GWC.0002.0016.0333. If you go to item 2, the DDG, the Deputy Director-General again, that's Michael Connolly?
35

MS FIORENTINO: Yes.

MR SHARPE: Michael Connolly disclosed he had a relationship with Claude Marais, general manager legal and compliance with Crown Perth; is that correct?
40

MS FIORENTINO: Yes, correct.

MR SHARPE: You stated in your witness statement at paragraph 37 that the GWC was dependent on Mr Connolly?
45

MS FIORENTINO: As the Chief Casino Officer, yes, the GWC relied on his knowledge of casino regulations. Yes, correct.

MR SHARPE: How did you react when you learnt that Mr Connolly was friends with the general manager of legal compliance at Crown Perth?

5 MS FIORENTINO: Look, I had a level of discomfort, quite a level of discomfort. It was - the conflict was noted but nothing further was done.

MR SHARPE: At paragraph 59 of your witness statement you refer to GWC members requesting that the acting Chief Casino Officer, Mr Mark Beecroft, also
10 complete the GWC conflict of interest register.

MS FIORENTINO: Yes.

MR SHARPE: Do you consider that there should be a policy for departmental staff
15 who are acting to exercise powers or provide services to the GWC, exercise the powers of the GWC or provide services to the GWC, to advise the GWC about the conflicts that they have?

MS FIORENTINO: Yes, absolutely. Yes.
20

MR SHARPE: Turning then to a different topic, can we call up GWC.0002.0016.0298 and go to page 383. This is agenda item 11.2, which sets out the GWC budget for 2020 to 2021. Can you scroll through just to show that it runs to page 387. If we can go back to page 385 and if we can look at the right column,
25 which is the annual budget for 2020-2021. I won't get you to pop anything out, just leave it as is. I would just like to ask you some questions about this budget document.

If we start by going to revenue from services, it shows that the largest revenue source
30 for the GWC is the casino gaming licence fee, which is about \$3 million; is that correct? Is that the correct interpretation of that?

MS FIORENTINO: Yes. The figure mentioned there, \$3,001,476, correct.

MR SHARPE: Then if we turn to the operating expenses, it shows that the budget for fees paid to board members is, for 2020-2021, \$116,465; is that correct?
35

MS FIORENTINO: Correct.

MR SHARPE: And that the largest item of operating expenses is services provided by the DLGSC, which is the Department?
40

MS FIORENTINO: Yes, correct.

MR SHARPE: Which is \$4,215,105?
45

MS FIORENTINO: Correct.

MR SHARPE: On the casino gaming licence fee, is it your understanding that that casino gaming licence fee should be applied only to casino regulation or that it can be applied generally for GWC operations?

5

MS FIORENTINO: My understanding is the latter, that the licence fee from the casino forms part of general revenue and then that there is no specific allocation as to what that gets exactly - or that that's got to be used exactly for casino regulation.

10 MR SHARPE: Are you aware, is that the general understanding of the GWC?

MS FIORENTINO: I can't comment on other GWC members but certainly that's my understanding.

15 MR SHARPE: Commissioner, I ask that GWC.0002.0016.0298 at pages 383 to 387 be marked for identification.

COMMISSIONER JENKINS: They will be so marked, those numbers.

20

DOCUMENT MARKED FOR IDENTIFICATION
#GWC.0002.0016.0298 - PAGES 383 to 387

25 COMMISSIONER JENKINS: Have you finished with that document, Mr Sharpe?

MR SHARPE: Yes, I was going to move to another document.

30 COMMISSIONER JENKINS: Whilst you're stopped there, I would like to ask a question. So we see that the services provided by the Department are the most substantial cost or expense and you would have seen that in the budgets and financial accounts. How did you think that that number was determined?

MS FIORENTINO: Which particular number?

35

COMMISSIONER JENKINS: Well, either, you know, if it was 2018-19, it was \$4,140,575, or later on it was a bit different.

MS FIORENTINO: Mmm.

40

COMMISSIONER JENKINS: But how did you think that amount was calculated?

45 MS FIORENTINO: Look, my understanding, and I don't know if there's a specific formula but it seemed to be, I guess, a balancing item in the budget for the services provided by the Department. I don't know because I don't know within the Department what formula exactly was used. But what I noticed was that, I guess, the net income minus expenses would always balance out, so it seemed to me to be a

balancing item.

COMMISSIONER JENKINS: That didn't cause you any concern that maybe it was just, sort of, simply plucked out of the air by virtue of - to balance the income?

5

MS FIORENTINO: My understanding was the Department fully supported the gaming commission and for that and their services and also, you know, audit investigations of gambling and casino, they had the staff. So, no, I didn't question how that was actually calculated. No, I didn't.

10

COMMISSIONER JENKINS: Did you have an understanding as to whether that sum represented the cost of the total services, that is all the services provided by the Department to the GWC, or did you think there might be uncosted services?

15 MS FIORENTINO: My understanding was that was the fully costed amount for services provided by the Department.

COMMISSIONER JENKINS: Thank you. Thank you, Mr Sharpe.

20 MR SHARPE: I call up GWC.0002.0016.0313. These are the minutes for 25 August 2020. Go to page 6, please. If we look at agenda item 11.2, pop out the fourth paragraph, please:

25 *The Commission informed members that the Department was proposing to increase the fee for services provided to the Commission by 5%.*

When was that increased fee going to take effect or proposed to take effect?

30 MS FIORENTINO: Just from reading that, it would be from - to do the GWC budget for year ending 30 June 2021 because it appears to be related to that budget.

MR SHARPE: Do you recall if the chairman/chairperson gave an explanation of the basis for that fee increase?

35 MS FIORENTINO: I do, yes. I do recall a brief explanation but it was not minuted, so I must say I don't recall the details of that.

MR SHARPE: No. Was there discussion by the GWC of whether it should agree to that fee increase?

40

MS FIORENTINO: The resolution shows we approved the budget, so that fee increase is included in the budget, so clearly we agreed to it, yes.

45 MR SHARPE: Perhaps to put it another way, would the GWC accept the figure that was put by the Chairman for Departmental Services, accept that as the value, or would the GWC consider that that was a fee that was able to be negotiated, or a cost was able to be negotiated between the GWC and the Department?

MS FIORENTINO: I don't recall negotiations, I do recall brief discussion about the reason behind that 5% increase, but certainly not negotiations, no.

5 MR SHARPE: How does the - sorry. Does the GWC take steps to ensure that the services provided by the Department are commensurate in value to the service fee that's paid to the Department?

10 MS FIORENTINO: No, the GWC doesn't audit the Department's services provided to the GWC.

15 MR SHARPE: If we can then go back to the document and pop out the sixth paragraph, beginning "Members discussed". If I can just ask you to read that paragraph and then I'll ask you some questions about it.

MS FIORENTINO: Certainly. Finished.

20 MR SHARPE: Is what has been minuted here that the Department identified it was paying WA Police to do probity checks that the WA Police were no longer performing. Is that what's being said here? I'm asking because I don't understand what's being said here.

25 MS FIORENTINO: Look, just reading that, my understanding from that is that there was an expense billed to the Department which in actual fact should be a GWC expense and that department officer advised the GWC that this properly belongs in the GWC financial statements and budget. But that's my understanding.

30 MR SHARPE: So there's a service which is being provided by WA Police which the Department says should be being billed directly to the GWC rather than being billed to the Department?

MS FIORENTINO: Yes, that's my reading of that. Yes, correct.

35 MR SHARPE: Turning to another topic, has the GWC ever received a formal statement of expectation from the Minister about its functions and operations, to your knowledge?

MS FIORENTINO: Not to my knowledge, no.

40 MR SHARPE: Has the GWC developed a skills matrix for the skills of GWC commissioners?

MS FIORENTINO: No.

45 MR SHARPE: Can I call up GWC.0002.0016.0349. These are the minutes - sorry, can we turn to page 3. Is that the right document? Sorry, go back to the first page. If we go back to page 5. Yes, that's all right. This is an agenda item from that

meeting which concerns the delegation to a Mr Beecroft of powers of the GWC. If we can go down to "Under the current situation", it refers to the fact that the position of the Deputy Director-General currently has delegation for all the Commission's powers conferred by the four Acts that are listed there, except for the power of delegation itself. Then it says that due to the Deputy Director-General stepping aside as Chief Casino Officer, it's necessary to delegate these powers to the director of strategic regulation. I understand that's the substantive position of Mark Beecroft; is that correct?

10 MS FIORENTINO: Yes, that's my understanding, yes.

MR SHARPE: Then if we go to page - sorry, go to the next page. The following page. This is the proposed direction that the GWC delegates to the holder of the position of director, strategic regulation, the Commission's powers with respect to those four Acts, under those four Acts.

MS FIORENTINO: Yes.

MR SHARPE: Commissioner, I ask that be marked for identification, GWC.0002.0016.0349 at pages 5 to 7.

COMMISSIONER JENKINS: They will be so marked with that number.

25 **DOCUMENT MARKED FOR IDENTIFICATION**
#GWC.0002.0016.0349 - PAGES 5 TO 7

MR SHARPE: I call up GWC.0002.0016.0368. These are the minutes of that meeting. Go to page 3. Sorry, just bear with me. There is a different version of that document up. Can we go to page 3, please. GWC.0002.0016.0368. Go to page 3.

EPE OPERATOR: This is the operator from Law in Order. I seem to only have the redacted copy at this point.

MR SHARPE: That's all right. We will proceed without the document. I will just put questions to you. If you are disadvantaged because I haven't got the document in front of you, please feel free to indicate if you're not able to answer because of that. The first thing to confirm is that at that meeting, the members noted that Mr Connolly had stepped aside from being Chief Casino Officer. Do you agree that occurred?

MS FIORENTINO: Yes.

MR SHARPE: And that members supported the appointment of Mr Beecroft as the Chief Casino Officer.

MS FIORENTINO: On an acting basis.

MR SHARPE: On an acting basis.

5 MS FIORENTINO: That was my understanding, yes.

MR SHARPE: Perhaps if we go back to GWC.0003.0001 - sorry, I will start again. Go back to GWC.0002.0016.0349. Go to page 7, please. This is the delegation that was proposed. Was this delegation signed and put into effect? Are you aware if it
10 was signed and put into effect?

MS FIORENTINO: Without having the resolution in front of me, my recollection is yes. However, I'd need to see the resolution from the minutes of that meeting.

15 MR SHARPE: I call up again GWC.0002.0016.0368 and go to page 3. Can we enlarge page 3. Can we zoom in on page 3, please. There we go. Okay. I will just let you read item 4.

MS FIORENTINO: Yes.

20

MR SHARPE: Are you aware if that - so there's a resolution that it should - that a delegation should be made. Are you aware if it has actually been put into effect?

MS FIORENTINO: Well, we agreed during that meeting, we resolved to make that
25 delegation, so my understanding is that, yes, it is in effect.

MR SHARPE: It is in effect. Why was the decision made to delegate to Mr Beecroft the substantive position of director, strategic regulation, rather than to delegate it to Mr Beecroft himself?

30

MS FIORENTINO: I really don't know. I don't know.

MR SHARPE: Was there any discussion about whether the delegation to Mr Beecroft should be a broad general delegation of this kind of all of the powers, or if it
35 should be a narrower delegation of specific powers? Was there any discussion of that?

MS FIORENTINO: No, I don't recall that. I recall that as - the position of Chief Casino Officer required delegation and Mr Beecroft was fulfilling that role, hence the
40 resolution.

MR SHARPE: Are you aware whether the delegation to the Deputy Director-General position has been revoked?

45 MS FIORENTINO: I'm not aware. I'm not aware.

MR SHARPE: Just on to the last topic, so far as the GWC's oversight of the

Department services is concerned, for the services that the Department provides to the GWC, in your assessment, is the GWC effective in its oversight of the activities that the GWC receives from the Department or the services received from the Department by the GWC?

5

MS FIORENTINO: Can you clarify what you mean by "effective"?

MR SHARPE: Yes. Are you - to what extent are you, as a GWC, able to understand and identify the nature of the services that are being provided by the Department to the GWC?

10

MS FIORENTINO: My understanding is from an, I guess, oversight position. As GWC members that meet monthly, we have oversight over the reports that are provided to us by the Department, but certainly not going further into auditing veracity or further than that. We did certainly rely on information provided to us by the Department.

15

MR SHARPE: Do you consider it would be desirable for the GWC to have a greater oversight over the activities being - the services being provided by the Department than it currently does?

20

MS FIORENTINO: My understanding is this is all legislated within the Gaming and Wagering Commission Act, that the Department is to provide these services. So we worked within that framework. No, I didn't question further beyond the fact that they were complying with what was required in the GWC Act.

25

MR SHARPE: I have no further questions, Commissioner.

COMMISSIONER JENKINS: Thank you, Mr Sharpe. Ms Seaward, any questions?

30

MS SEAWARD: Thank you, yes, Commissioner.

CROSS-EXAMINATION BY MS SEAWARD

35

MS SEAWARD: Ms Fiorentino, you were asked some questions about oversight at that point. I'd like to start there. Is it fair to say that the way the Department and the GWC interacted the most was during the monthly meetings?

40

MS FIORENTINO: Yes, yes. Certainly there was a requirement to interact every month during the GWC meetings, correct.

MS SEAWARD: During those GWC meetings, the agenda papers would have been prepared for you to review and those agenda papers were prepared by the Departmental officers responsible for the particular topics or areas?

45

MS FIORENTINO: Yes.

MS SEAWARD: During those meetings, the commission then discussed whatever the resolution or paper was that was put before you?

5

MS FIORENTINO: Yes, correct.

MS SEAWARD: If the commission members had any questions for the Departmental officers, they could be asked of those officers? You could ask those questions during the meeting to any of the officers who were present?

10

MS FIORENTINO: Correct.

MS SEAWARD: If they had an answer, they could give it to you during that meeting?

15

MS FIORENTINO: Yes, if they had an answer. Yes.

MS SEAWARD: If they didn't have an answer, they would take it away and it would come back at a later meeting with an updated paper?

20

MS FIORENTINO: Correct.

MS SEAWARD: To the extent that there is papers put forward requiring a decision to be made by the Commission on that day, as opposed to (inaudible), so to the extent you are required to make a decision, the Commission would then debate amongst themselves what they should do about that proposal?

25

MS FIORENTINO: Yes.

30

MS SEAWARD: It wasn't a case that the commission thought they had to do whatever the Department had recommended, was it?

MS FIORENTINO: That was certainly not the case.

35

MS SEAWARD: To the extent that during any of those meetings you or any other commissioners had particular things you wanted the Departmental officers to do, you would raise those and request that those things be done by the Department?

40

MS FIORENTINO: Yes.

MS SEAWARD: The KPIs is one such example you've given in your statement, that you requested there be a complete review of the KPIs for the commission?

45

MS FIORENTINO: Yes.

MS SEAWARD: You were taken to a number of documents about those KPIs, the

minutes. I don't need to take you to them again. But is it the case that come the end of 2019, it had reached the point that the Auditor-General's issue had been addressed, but you still then wanted the broader review of the KPIs to be undertaken?

5 MS FIORENTINO: Yes, I did.

MS SEAWARD: Then you were taken to some minutes from September 2020 where Mr Connolly advised the commission that a broader review was going to take place of the structuring of the relevant part of the Department that assisted the GWC; is that correct?
10

MS FIORENTINO: Yes.

MS SEAWARD: As part of that review, you could deal with reporting structures and also the KPIs?
15

MS FIORENTINO: Correct.

MS SEAWARD: Is it fair to say that between the end of 2019 when you dealt with that first issue and that updated report in September 2020, the Department had experienced the difficulties of needing to deal with COVID-19 during that period of time?
20

MS FIORENTINO: Yes, correct.
25

MS SEAWARD: That had certainly impacted on the ability of the Department to carry out those bigger, broader reviews that had been planned prior to COVID-19?

MS FIORENTINO: Yes. Having said that, can I just add, I did raise the KPI concerns during my meeting in August 2018.
30

MS SEAWARD: Yes. So that's when it first started, yes?

MS FIORENTINO: Yes, correct.
35

MS SEAWARD: Then you were taken to the end of December position?

MS FIORENTINO: Correct.

MS SEAWARD: That's where we had reached and then we wanted the broader review again at that point. You raised it again?
40

MS FIORENTINO: Yes, correct.

MS SEAWARD: In addition to considering matters during the GWC meetings, is it the case that the agenda papers also contain reports of the commission to note about the activities that the Departmental officers had been carrying out on behalf of the
45

Commission during the previous month?

MS FIORENTINO: Can you give an example of what you mean?

5 MS SEAWARD: There will be a report that summarises the various audits and inspections that the inspectors have been undertaking?

MS FIORENTINO: Yes, correct.

10 MS SEAWARD: There's usually some standing items about - in relation to the casino, at least. A summary of the casino gaming action during the previous month?

MS FIORENTINO: Yes, correct.

15 MS SEAWARD: A summary of different (inaudible) average statistics during that period of time as well?

MS FIORENTINO: Yes, particularly regarding social - responsible service of gambling, correct.

20

MS SEAWARD: I should add at this point: it's correct, isn't it, that the Perth Casino is merely one part of the work of the GWC?

MS FIORENTINO: It is one part, yes, correct, within our duties and responsibilities.

25

MS SEAWARD: The Departmental officers are providing you with updates on all those other activities that they do each month as well?

MS FIORENTINO: Correct.

30

MS SEAWARD: In terms of the general workload of the GWC is it fair to say that since about 2019, the workload has been increasing?

35 MS FIORENTINO: Certainly the workload since early 2019 I have noticed definitely an increase.

MS SEAWARD: Some of that increase has been concerned with the casino and the various media reports that came out about Crown activities in China in 2019?

40 MS FIORENTINO: Yes.

MS SEAWARD: And then (inaudible) to the Bergin Inquiry came from that?

MS FIORENTINO: Yes.

45

MS SEAWARD: Was the privatisation of the TAB also an issue that occupied a lot of time?

MS FIORENTINO: It was certainly a matter that required more time than usual from GWC members during the meetings, yes. Yes.

5 MS SEAWARD: In addition, to those matters requiring more work from the GWC, correspondingly, they required more work from the Departmental officers?

MS FIORENTINO: Yes.

10 MS SEAWARD: You were taken to a document, GWC.0002.0016.0274 at page 73, please. That's 73. These were some notes you took when you went to the Australian Casino and Gaming Regulators conference in 2019?

MS FIORENTINO: Yes, correct.

15

MS SEAWARD: You were taken to several parts of this document. One of the notes you made was about disruptors (inaudible), et cetera. I just wanted to understand, were your notes about disruptors about the effect of online activities disrupting ---

20

MS FIORENTINO: See, these - again I'll mention, these are notes I took from the presentation but they're not my questions or my notes. Well, they are my notes, my summary notes. But my understanding was all these online disruptors, yes, are having an impact on casino operations and revenue, yes.

25

MS SEAWARD: Generally speaking, was the commission, around this time and going forward, concerned about the effects of online gambling generally?

30

MS FIORENTINO: It wasn't raised during GWC meetings, no. I don't recall.

MS SEAWARD: Was there a concern about - from a social responsibility and responsible gambling, any concerns about online gaming?

35

MS FIORENTINO: I can speak for myself as a member. Yes, I was concerned about that. Yes, absolutely.

40

MS SEAWARD: Were there any discussions in the GWC meetings then about the extent to which online gambling would affect the casino or was the concern more about socially responsible gambling?

45

MS FIORENTINO: The concern - my understanding and my concern was about online gambling generally and particularly the targeting of minors, yes.

45

MS SEAWARD: It's easier to monitor the effect of gambling on minors, and other social issues, in a physical environment like the casino than it is in an online environment?

MS FIORENTINO: Absolutely, yes.

MS SEAWARD: No further questions.

5 COMMISSIONER JENKINS: Thank you, Ms Seaward. Mr Malone?

CROSS-EXAMINATION BY MR MALONE

10

MR MALONE: Ms Fiorentino, if I take you to page 11 of your witness statement, paragraph 37, that paragraph has three sentences in it. I would like you to look at the last one, which starts with, "As a consequence of the Department's increasing workload". That sentence finishes with the words "the mental health and wellbeing of key department staff". Do you include in the phrase "key department staff" Mr Connolly?

15

MS FIORENTINO: Yes, I do. Yes.

20 MR MALONE: No further questions. Thank you, Commissioner.

COMMISSIONER JENKINS: Thank you. Mr Garas?

25

MR GAROS: No questions. Thank you, Commissioner.

QUESTIONS BY THE COMMISSIONER

30 COMMISSIONER JENKINS: Ms Fiorentino, I might fill in the remaining time until 1 o'clock with a few questions that I have arising from your evidence. You said that you thought that it would be appropriate for the GWC to have an independent Chair. Can I ask you then what your view is about what role, if any, departmental officers should play in the GWC. Should there remain - should the Director-General, for
35 example, remain a member of the GWC or do you think there should not be a departmental representative on the GWC itself?

MS FIORENTINO: My personal views on this?

40 COMMISSIONER JENKINS: Yes, I'm asking for those.

MS FIORENTINO: Okay. That there needs to be complete separation, that the GWC needs to be an independent regulatory body with an independent Chair and there is no necessity for departmental staff being on the GWC, except if they were
45 providing reports. But the ideal would be that the GWC would be resourced itself to provide the services required to oversight gambling and gaming within WA.

COMMISSIONER JENKINS: Do you think it would be an advantage, or not, for there to be a representative of WA Police?

5 MS FIORENTINO: It all depends, the future of regulation of gambling in WA, but my perspective is it would definitely be an advantage to have that skill set on the GWC, yes.

10 COMMISSIONER JENKINS: Thank you for that. Turning then to the question of delegations, once you were appointed to the GWC, did you become aware that Mr Connolly had a delegation similar to the one that was given to Mr Beecroft in respect of all of the GWC's powers?

MS FIORENTINO: Yes, that became apparent to me in my time as a member. Yes.

15 COMMISSIONER JENKINS: Did you understand that those delegations were exclusive or that delegation was exclusive - that is, because he was delegated that power, the GWC couldn't exercise its powers - or did you understand that the powers were concurrent still?

20 MS FIORENTINO: The latter. Concurrent. That was my understanding.

COMMISSIONER JENKINS: Did you gain an understanding that Mr Connolly approved changes to the casino operations manual by virtue of his delegation?

25 MS FIORENTINO: My understanding, any changes to the casino operations manual had to come to GWC meetings for our approval.

COMMISSIONER JENKINS: Before those changes were made?

30 MS FIORENTINO: Before those changes were made. Absolutely, yes. That's my understanding.

35 COMMISSIONER JENKINS: Going on then to another topic, in August 2019, do you recall receiving a presentation from Crown about the allegations that were then - had been made in the media?

MS FIORENTINO: August of 2019?

40 COMMISSIONER JENKINS: August of 2019.

MS FIORENTINO: I do recall - I mean, yes, I do recall a presentation that staff from Crown made. Yes, correct.

45 COMMISSIONER JENKINS: I don't want to put words into your mouth, but do you have much of a recollection about that? The way you are answering causes me to query that.

MS FIORENTINO: I can't recall the specific contents of that presentation.

COMMISSIONER JENKINS: Do you recall that at that time there were media allegations about the integrity of gaming in Crown facilities around Australia?

5

MS FIORENTINO: Yes, I recall. Yes, definitely there were those allegations and we, as members, were concerned about that, yes. Yes.

10 COMMISSIONER JENKINS: Speaking now for you personally, do you recall - and if you simply don't remember, please tell me. Do you recall, you personally, whether you were comforted by what you were told by Crown or whether you still had those concerns or what the situation was?

15 MS FIORENTINO: There was a level of reassurance from what Crown presented, although it wasn't until the Bergin Inquiry that we realised, or I realised that, in fact, some of this was ongoing in Crown Perth. So I recall a level of reassurance from Crown's presentation. However, yes, we were awaiting the outcome of the Victorian regulator's report into the review of the casino holder and that was going to be important for us to understand, well, what has been uncovered by Victoria, is there a
20 requirement for us in Perth to do a similar review, even though we didn't have it in our legislation. So there was a level of reassurance but not completely, absolutely not completely, no.

25 COMMISSIONER JENKINS: One question I want to ask you, just about a document that has been produced by the GWC. It's a letter of 14 December 2020 to Mr Ord, as Chairman of the GWC, from Crown Perth and it had attached to it a report from Grant Thornton and a report from Initialism about the Riverbank and Southbank accounts. In those reports it has lists of - I might have called them bank statements on another occasion, but they look somewhat like bank statements. Do
30 you remember if that letter and its attachments were provided to the GWC?

MS FIORENTINO: I don't recall that it was.

35 COMMISSIONER JENKINS: Can I now turn to the question of the disclosure to the GWC by Mr Connolly of his friendship with Mr Marais. I just want to understand the detail of that. It was a verbal disclosure?

40 MS FIORENTINO: It was, yes, just a verbal disclosure at the beginning of the meeting because it was a standing item for every meeting at agenda item number 2. It was extremely important to disclose any conflicts of interests, so it was discussed. Mr Connolly provided that disclosure verbally. We noted it. My understanding was that Mr Ord, as Chair, was already aware of it and nothing further was - nothing further.

45 COMMISSIONER JENKINS: What I want to ask is do you recall how much detail Mr Connolly gave about the friendship? Is that how he described it, first of all, I suppose? Do you recall that? Did he describe it as a friendship?

MS FIORENTINO: Yes, he did, a friendship with - he mentioned Claude Marais' name and that it was a friendship that involved fishing trips.

5 COMMISSIONER JENKINS: Did he give any detail as to how long the friendship had been?

MS FIORENTINO: No, no, I wasn't aware how long.

10 COMMISSIONER JENKINS: Did he give any detail about the number of times a year, or whatever, he had contact with Mr Marais outside of the work?

MS FIORENTINO: No, no.

15 COMMISSIONER JENKINS: Did he mention anybody else that he had a conflict with or a perceived conflict or potential conflict with, who worked for Crown?

MS FIORENTINO: From my recollection, it was just Claude Marais' name that was mentioned during that meeting.

20 COMMISSIONER JENKINS: In respect of the issue of regulating who participates in junkets and who operates junkets, have you considered whether the GWC should have memorandums of understanding with the WA Police or with AUSTRAC or with Border Force about the issue of junkets? I know they're now prohibited, so we
25 are really talking either prior to or in the future.

MS FIORENTINO: Definitely, memorandum of understanding for information sharing would have been absolutely helpful. We didn't have that but, yes, that would be helpful in regulating junkets and possible criminal infiltration within that.

30 COMMISSIONER JENKINS: The Problem Gambling Support Services Committee, do you understand that this is a committee of the GWC or an independent committee?

35 MS FIORENTINO: I didn't - my understanding is that's an independent committee. It doesn't report to the GWC. I've certainly never had - I don't recall a report from that group to the GWC.

40 COMMISSIONER JENKINS: Is a member of the GWC a member of that committee or not?

MS FIORENTINO: I don't know.

45 COMMISSIONER JENKINS: In respect to providing credit to gamblers, whilst you've been on the GWC, have you been aware that the casino can only do that with the consent of the GWC?

MS FIORENTINO: I don't recall us, as a GWC, approving amounts that the casino can lend to players. Yes. Although they do have what's called an escrow account, but my understanding is it's - I'm not sure if that is connected to what you're referring to.

5

COMMISSIONER JENKINS: At the moment I'm just talking about, really, the regulation of that and whether you have an opinion as to whether the GWC's regulation of the provision of - sorry, regulation of the power of the casino to grant credit was adequate or is adequate. From what you're suggesting, you don't feel you're on top of that topic?

10

MS FIORENTINO: I don't feel I'm on top of it, although my personal opinion is yes, there should be, just purely for being responsible in the service of gambling at the casino, there should be limits placed on the amount that gamblers can use at the casino.

15

COMMISSIONER JENKINS: Can I just clarify your evidence in relation to the financial situation and the GWC. Do you feel that the GWC is adequately resourced financially or not?

20

MS FIORENTINO: Can you, like, expand on that, in terms of did we have sufficient staff supporting us?

COMMISSIONER JENKINS: Did you have sufficient financial support in order to purchase, if you like, the services of others that you required to discharge your functions?

25

MS FIORENTINO: Well, if I think about the KPI matter then I would have to answer no, there wasn't adequate support and financial resourcing for us to fulfil our requirements, our requests.

30

COMMISSIONER JENKINS: Have you ever considered whether the GWC should go to the government, the State Government to seek extra financial support?

35

MS FIORENTINO: I didn't consider that, no.

COMMISSIONER JENKINS: Was there a reason for that? It just didn't cross your mind or you didn't think it was your role?

40

MS FIORENTINO: My understanding, it was fairly clear in the legislation what we had as a GWC, in terms of resources from the Department through the Gaming and Wagering Commission Act, but it was apparent that was inadequate. It wasn't something that I raised that we should take it further and actually have an amendment to the legislation, no.

45

COMMISSIONER JENKINS: Then, finally, in terms of the governance of the GWC, we've heard evidence there's no nominations committee in respect of future

appointments. Do you think the GWC should have a nominations committee and a qualifications matrix?

5 MS FIORENTINO: Yes. That is definitely proper governance, that a risk - a skills matrix be prepared on the board's skills and where the deficits are and that there is a nomination subcommittee for the appointment of new members. That's ideal proper governance, yes.

10 COMMISSIONER JENKINS: Thank you, Ms Fiorentino. Those are my questions. I know we've gone over time but I suggest we finish Ms Fiorentino's evidence now and we can start a bit later this afternoon to give everyone time to have their luncheon break. Are there any questions arising from my questions?

15 MR SHARPE: No questions from me, Commissioner. I expect this afternoon's witness won't take the fully allotted time, so starting late won't be an issue.

COMMISSIONER JENKINS: Any questions from Ms Seaward, Mr Malone or Mr Garas arising from my questions?

20 MS SEAWARD: No, thank you.

MR MALONE: No, thank you, Commissioner.

25 MR GAROS: No, thank you, Commissioner.

COMMISSIONER JENKINS: Thank you. Yes, Mr Evans?

MR EVANS: One hopefully, if I could, Commissioner.

30

RE-EXAMINATION BY MR EVANS

35 MR EVANS: Ms Fiorentino, my learned friend took you to a topic as to whether the Bergin report had caused you to take a different approach to the role of GWC. In response, you pointed out that this commission itself is a response to that, and that you also thought you had a heightened sense of scrutiny of the casino. Can I draw your attention to one other matter with the GWC commission which may indicate that heightened sense of scrutiny. I've got to find the document. I think it is
40 GWC.0002.0016.0349, which should be the minutes of a meeting of 16 February 2021. That's not the one. In that case, it may be 0367. Now we have a redacted version.

45 COMMISSIONER JENKINS: Do you have a copy there that you could show Ms Fiorentino?

MR EVANS: I have an electronic copy but I don't have a physical copy of the

minutes. I can pass my computer across, if that is ----

COMMISSIONER JENKINS: Yes, why not.

5 MR EVANS: I'll just bring it up. I think it's about the third page, resolution 1 of 2021.

MS FIORENTINO: Yes, yes.

10 MR EVANS: You recall resolution 1 of 2021?

MS FIORENTINO: Correct. Yes, I do.

MR EVANS: That was a resolution ----

15

COMMISSIONER JENKINS: Would you just read it out?

MS FIORENTINO: It's quite lengthy.

20 COMMISSIONER JENKINS: Oh, it's quite lengthy.

MS FIORENTINO: Shall I read it?

25 MR EVANS: If you read the opening paragraph, it will just give you the flavour of what the substance is.

MS FIORENTINO: Yes:

30 *Resolved 1 of 2021 to request the Minister to direct the Commission under s 21A(5) of the Casino Control Act 1984 to arrange an inquiry and report on the findings of the inquiry to establish, firstly, the suitability of Crown Perth as an operator in light of the findings of the Bergin Report.*

And it continues on.

35

COMMISSIONER JENKINS: Thank you.

MR EVANS: Those are manifest action of the heightened concerns that the Commission had?

40

MS FIORENTINO: Absolutely.

MR EVANS: No further questions.

45 COMMISSIONER JENKINS: Thank you, Mr Evans. Ms Fiorentino, as I understand it, that completes your substantive evidence. However, because there are two members of the Commission who are sitting in another room this morning,

hearing other evidence and they have not had the opportunity to listen to your evidence, I'm not going to excuse you now because what is going to occur is that - I don't know if you were in the hearing room when I read out the statement this morning, but they will review the transcript or the audiovisual of your evidence.

5 They may have a few questions for you just like I had questions arising out of your evidence. So it is possible that you will be asked to provide written answers to those questions or, alternatively, return for some short evidence. But anyway, we will let you know as soon as possible whether that occurs or is going to occur. Otherwise, thank you very much for attending today and for your assistance in providing your

10 evidence. We do appreciate it. Thank you.

THE WITNESS STOOD DOWN

15 COMMISSIONER JENKINS: The Commission will now adjourn until 2.15.

ADJOURNED [1.15 PM]

20

RESUMED [2.15 PM]

25 COMMISSIONER JENKINS: Mr Sadler.

MR SADLER: Thank you, Commissioner.

30 **MS MATILDA RUTH PROWSE, AFFIRMED**

COMMISSIONER JENKINS: Yes, Mr Sadler.

35 MR SADLER: Ms Prowse, were you summonsed to appear before the Perth Casino Royal Commission today?

MS PROWSE: Correct.

40 MR SADLER: The Commission advised you to prepare a written statement in relation to those topics?

MS PROWSE: Yes, they did.

45 MR SADLER: Do you have a copy of the statement which you prepared?

MS PROWSE: I do.

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

MS PROWSE: I have.

5

MR SADLER: Do you have any corrections that you would like to make to that statement?

10 MS PROWSE: I do. Just one correction on page 7, point 30 towards the bottom of that, there is a bracketed text that reads "Duncan Ord or his deputy Michael Connolly". That should read "Mark Beecroft".

COMMISSIONER JENKINS: Sorry, which paragraph number was that?

15 MR SADLER: 30, Commissioner. The transcript reference is GWC.0003.0006.0003_0007.

20 COMMISSIONER JENKINS: So the amendment sought to be made is to delete - sorry, Ms Prowse, can you just - - -

MS PROWSE: Michael Connolly. He had left at the point I joined the Commission and Mark Beecroft was in that position.

25 COMMISSIONER JENKINS: So you want Mark Beecroft substituted for Michael Connolly?

MS PROWSE: Correct, Commissioner.

30 COMMISSIONER JENKINS: So that change will be made. Thank you. Mr Yes, Mr Sadler.

MR SADLER: And with that correction are the contents of that statement true and correct to the best of your knowledge and belief?

35 MS PROWSE: Yes, they are.

40 MR SADLER: Thank you, Ms Prowse. Commissioner, I tender that with the correction of Matilda Ruth Prowse dated 12 May 2021 which has GWC.0003.0006.0003.

COMMISSIONER JENKINS: Thank you. That statement will be an exhibit with that number. Thank you.

45 **EXHIBIT #GWC.0003.0006.0007 - STATEMENT OF MS MATILDA RUTH PROWSE DATED 12 MAY 2021**

COMMISSIONER JENKINS: Yes, Mr Sharpe.

5 **EXAMINATION-IN-CHIEF BY MR SHARPE**

MR SHARPE: Thank you, Commissioner. Ms Prowse, you were appointed a member of the GWC on 11 January 2021?

10

MS PROWSE: Correct.

MR SHARPE: You are currently a member of the GWC?

15 MS PROWSE: Correct.

MR SHARPE: So far you've attended four GWC meetings, two in February and one in April - sorry, one in each of March and April?

20 MS PROWSE: That's correct.

MR SHARPE: I would just like to ask you questions about how you came to be appointed by the GWC. Did you register your interest with the WA Government about becoming a board or committee member?

25

MS PROWSE: I did.

MR SHARPE: How did you register that interest?

30 MS PROWSE: I registered it on the Government website shortly after I completed the AICD course.

MR SHARPE: What information did you provide through that website?

35 MS PROWSE: I can't recall. But they had boxes that require you to add certain information so it's quite constrained about what you put there.

MR SHARPE: Can we go to paragraph 12 of the witness statement on page 3. Paragraph 12 you state that you were approached by Ms Alana Morris, Senior Policy Adviser in the Minister's office in May 2020 and asked to provide your CV?

40

MS PROWSE: Correct.

MR SHARPE: Then you met with Ms Morris and an Elly White regarding your potential appointment to the Commission. Who is Elly White?

45

MS PROWSE: I don't recall her title but she worked in the Minister's office and was

a junior policy adviser in the Minister's office.

MR SHARPE: You say that at the meeting the role of being a GWC Commissioner was described to you in broad terms?

5

MS PROWSE: Correct.

MR SHARPE: How was the role described to you?

10 MS PROWSE: In broad terms.

MR SHARPE: What were those terms? What was the description given to you?

15 MS PROWSE: There was no information provided. It was very general terms in respect to the Commission being involved with the Crown Casino, with racing and issue with licences.

20 MR SHARPE: At the time that you agreed to be appointed as a member of the GWC, what did you understand that that role would entail, the role of being a member of the Commission?

25 MS PROWSE: Prior to my appointment I was not fully aware through the meeting that I had with the Minister's Senior Policy Adviser what was provided to me prior to that meeting and at my induction was the most current annual report of the Department and email links to relevant legislation.

MR SHARPE: When you were invited to become a member of the GWC, why did you decide to accept that invitation?

30 MS PROWSE: My career has been very much focused on assisting those in the community and working for the betterment of the WA community through that work and that was one of my driving factors. But also to work with the - sorry, I'll start that again. But also to be part of increasing the representation of women on Government boards and committees.

35

MR SHARPE: What skills and experience did you consider you would bring to the role of being a GWC member?

40 MS PROWSE: My previous career has been very broad. It's been a number of years in the public sector and also in the full purpose sector. In the public sector it included working with relevant legislation considering that in the application of the roles that I had there.

45 MR SHARPE: So you received a letter dated 11 January 2021 from the Minister advising you had been appointed to the GWC?

MS PROWSE: Correct.

MR SHARPE: Can we call up GWC.0003.0006.0002_R. Is that the letter you received?

5 MS PROWSE: It is indeed.

MR SHARPE: The letter advises that your appointment commences on 1 January and it expires on 31 December 2022.

10 MS PROWSE: Correct.

MR SHARPE: Commissioner, I tender that letter.

15 COMMISSIONER JENKINS: The letter of appointment, with the number identified by Mr Sharpe, will be an exhibit.

**EXHIBIT #GWC.0003.0006.0002_R - LETTER OF APPOINTMENT FROM
MINISTER DATED 11 JANUARY 2021**

20

MR SHARPE: At the time of your appointment to the GWC, did you have any qualifications in relation to the regulation of casinos or gambling?

25 MS PROWSE: No, I didn't.

MR SHARPE: If we then go back to the witness statement at paragraph 13. Sorry, that's what we've just covered. Leave it as is, thank you. If we then go to paragraph 14, you describe having an induction session with Ms Emily Howell, who was an executive officer to the GWC.

30

MS PROWSE: Correct.

35 MR SHARPE: In your discussions with Ms Howell, you say you discussed the position generally?

MS PROWSE: Yes.

40 MR SHARPE: What did Ms Howell say about the position of being a member of the GWC?

MS PROWSE: I can't recall any specifics. It was a very general conversation, the majority of which focused on giving me the iPad and explaining how that worked and then there were IT problems with the iPad that took up a lot of our meeting.

45

MR SHARPE: What were the IT problems with the iPad?

MS PROWSE: I don't know, that's why they got an IT person to com and look at it.

MR SHARPE: So it wasn't working when they gave it to you?

5 MS PROWSE: No.

MR SHARPE: But it was working by the time you finished the meeting?

MS PROWSE: Correct.

10

MR SHARPE: At paragraph 14 you refer to three documents that you provided at the meeting, being the GWC Annual Report 2019-2020, the Public Sector Commission document Board Essentials, Good Governance Guide for Public Sector Boards and Committees, and a GWC paper entitled Differentiating Between
15 Electronic Gaming Machines and Poker Machines.

MS PROWSE: Correct.

20

MR SHARPE: Those were the only documents given to you by Ms Howell at that time?

MS PROWSE: Correct, they were the only hard copy documents provided me.

25

MR SHARPE: They were the only hard copy documents. At paragraph 19 of your witness statement you state that on 9 March 2021, Ms Howell provided you with a copy of the GWC's Code of Conduct?

MS PROWSE: Correct.

30

MR SHARPE: Can I call up GWC.0001.0007.0188. Is that the document that you're referring - no, that's not the document. Sorry, is this the document that was provided to you at that time?

MS PROWSE: It was.

35

MR SHARPE: Are those the only hard copy documents that Ms Howell has provided to you?

MS PROWSE: Yes.

40

MR SHARPE: Ms Howell also provided you with the iPad and explained how it could be used to access meeting papers and relevant statutes; is that correct?

MS PROWSE: Yes.

45

MR SHARPE: Did Ms Howell identify relevant statutes for you to look at?

MS PROWSE: Yes.

MR SHARPE: How did she identify those statutes?

5 MS PROWSE: They were provided to me in an email.

MR SHARPE: What were the statutes that were identified?

10 MS PROWSE: They were the Gaming and Wagering Commission legislation regulation, the Burswood casino, the betting and wagering. I think they were all of them.

MR SHARPE: Did Ms Howell refer you to any other sources of information in her emails or otherwise?

15

MS PROWSE: Not that I recall.

MR SHARPE: Did Ms Howell provide any policies to you, any GWC policies to you?

20

MS PROWSE: No, she did not.

MR SHARPE: Turning then to paragraph 15, you do not have any specific responsibilities on the GWC; is that correct?

25

MS PROWSE: Correct.

MR SHARPE: Turning then to remuneration and time spent, at paragraph 16 of the witness statement you say that you were are paid approximately \$16,600 per year for your services on the GWC; is that correct?

30

MS PROWSE: That's correct.

MR SHARPE: You also state that the Chair has agreed an uplift to that amount, to take into account the increased time commitment arising from this Royal Commission; is that correct?

35

MS PROWSE: That's correct.

40 MR SHARPE: When did the Chair advise you of that?

MS PROWSE: I believe that was a conversation that was had at the March meeting, at the March or April meeting at which I raised it, and the Chair confirmed that the matter would be taken to the Public Sector Commission for confirmation on the level of remuneration.

45

MR SHARPE: Has the Public Sector Commission now set the level or agreed the

level of remuneration?

MS PROWSE: Not at this point in time.

5 MR SHARPE: How will the uplift be funded by - what will be the source of the funds for the uplift? Are you aware of how that will be funded?

MS PROWSE: I'd be speculating, although the Chair of the Commission has indicated that the funding for all activities relating to the Perth Royal Commission
10 will be met.

MR SHARPE: Will be met from which source, did he say?

MS PROWSE: No.
15

MR SHARPE: At paragraph 17 of your witness statement you state that you spent approximately five to six hours a month performing your role as a member of the GWC, and attending GWC meetings takes about two to three hours of this total and the rest is preparation time; is that correct?
20

MS PROWSE: Correct.

MR SHARPE: Then at paragraph 18 you note that the time given to the above does not include time spent on matters relating to PCRC.
25

MS PROWSE: Correct.

MR SHARPE: What is the time commitment that you have - that has arisen in relation to the PCRC?
30

MS PROWSE: It's currently significant. I, at this stage, haven't totalled the amounts up.

MR SHARPE: When you refer to matters relating to the PCRC, what are you referring to, what sort of matters?
35

MS PROWSE: The engagement of legal representation and additional remuneration for hours outside of just gaming and wagering work.

MR SHARPE: Turning to paragraph 20 of your witness statement - pop out paragraph 20, please - you state that you have not felt obstructed in the exercise of the GWC's powers, but that the reliance of the GWC on Department employed staff to perform activities reduces your autonomy and ability to direct staff activities. Is that correct?
40

MS PROWSE: Correct.
45

MR SHARPE: How does the reliance on the GWC staff reduce your autonomy?

5 MS PROWSE: I think, in my observations, having attended four meetings, that the full-time staff that support the activities of the Commission are employed under the Public Sector Act and that that places restrictions on our ability to direct their activities because we, the Commission, does not directly employ those members of staff.

10 MR SHARPE: In your view, would the commission be able to operate with more autonomy if it directly employed its own staff?

MS PROWSE: I believe so.

15 MR SHARPE: Then pop out paragraph 22, please. Sorry, I should have said paragraph 21. My apologies. You refer in this paragraph to your concerns that action items, including items dating back to 2018, remain outstanding. Are you able to give some examples of the kind of action items that have remained outstanding?

20 MS PROWSE: I would need to review the action list to be sure.

MR SHARPE: You also refer to seeking clarity from the Chair as to why a particular action to do with regulatory review had been marked low priority. You state that the Chairman advised that due to the COVID-19 pandemic, agencies had been directed to prioritise recovery efforts. That reference there to "agencies", is that a reference to the Department and the GWC or is it just a reference to the Department? I can put it another way: has the GWC been directed to prioritise recovery efforts due to the COVID-19 pandemic?

30 MS PROWSE: The Gaming and Wagering Commission has not. The Department has.

MR SHARPE: So the reference in that sentence to "agencies have been directed to prioritise recovery efforts" is a reference to the Chairman advising that his Department had been directed to prioritise recovery efforts?

35 MS PROWSE: Correct.

MR SHARPE: Was the Department - sorry, was the decision to mark the action item that you're referring to here as low priority, was that a decision that was made by the GWC or by the Department?

45 MS PROWSE: My understanding, it was by the Department. The action predated my time on the Commission and when I sought clarity, it appeared that the priority rating was given by the Department.

MR SHARPE: Do you consider that the priority ratings for actions that are outstanding should be assigned by the GWC itself rather than by the Department?

MR PROWSE: I think it's reasonable to expect it to be based on a conversation of both of those parties, given where the resources are allocated.

5 MR SHARPE: Are you aware if there was any conversation of that kind that led to it being allocated a low priority?

MS PROWSE: It predated my time when that allocation was made.

10 MR SHARPE: Apart from the example which you give in paragraph 21, are there any other examples of how the GWC's autonomy has been reduced by its reliance on the Department?

MS PROWSE: Not that come to mind.

15

MR SHARPE: In your assessment, what should happen to ensure that the GWC does have the autonomy it needs to perform its functions?

MS PROWSE: I think the answer to that question will come out of reviews like this.
20 There is an opportunity to consider the independence of the GWC, both in terms of its staffing and its resourcing, its financial resourcing.

MR SHARPE: Turning then to paragraph 22 of your witness statement, you state that you are not aware of any specific policies and procedures regarding the exercise
25 of the GWC's power for the discharge of its responsibilities and obligations in respect of the regulation and oversight of the Perth Casino. Is that correct?

MS PROWSE: Correct.

30 MR SHARPE: You have not been directed by Ms Howell as to how to identify specific policies and procedures?

MS PROWSE: No.

35 MR SHARPE: You note at paragraph 22 that you're aware of the existence of the casino manual which mandates certain procedures, but you've not read it or been provided a copy of it; is that correct?

MS PROWSE: Correct.

40

MR SHARPE: Turning then to the issue of junkets, you address this at paragraph 24 of your witness statement. At the second meeting you attended, the GWC issued a direction to Crown to stop junket operations; is that correct?

45 MS PROWSE: Correct.

MR SHARPE: Can we call up GWC.0002.0016.0369. Go to page 4, please. Can

you also show page 5, please. Is this the direction that was given - sorry, is this the resolution to give that direction?

MS PROWSE: Yes.

5

MR SHARPE: What is your understanding about the GWC's responsibilities with respect to regulating junkets?

MS PROWSE: Can you reframe that question?

10

MR SHARPE: Do you understand that the GWC has a role or responsibility in respect of regulating junket operations in respect of Perth Casino? Do you understand it's within the remit of responsibilities of the GWC to regulate junket operations?

15

MS PROWSE: I understand that to be the case.

MR SHARPE: How did you form that understanding?

20

MS PROWSE: It's within the legislation as part of our roles initially in integrity of the operations of Crown Casino.

MR SHARPE: Why has the GWC now decided to prohibit junkets?

25

MS PROWSE: In relation to this matter, it was following the outcome of the Bergin Inquiry and recommendations there.

30

MR SHARPE: Turning then to the question of money laundering or the regulation of money laundering, at paragraph 25 of your witness statement - sorry, you can go back to the witness statement now. Your understanding of the GWC's responsibilities with respect to money laundering are set out in that paragraph; is that correct?

MS PROWSE: Correct.

35

MR SHARPE: You state your understanding that the GWC has a responsibility to report any issues with money laundering to other authorities?

MS PROWSE: Correct.

40

MR SHARPE: You state that the GWC and the relevant regulator will then work on a strategy to address the issue?

MS PROWSE: Yes.

45

MR SHARPE: Is it your understanding that the GWC has a responsibility to actively monitor and investigate whether money laundering is occurring at the Perth Casino?

MS PROWSE: It's my understanding from the legislation that the GWC does have the power to investigate and undertake reviews, yes.

5 MR SHARPE: Does that power to investigate and undertake reviews extend to a power - sorry, extend to a responsibility to monitor and investigate money laundering, in your view?

MS PROWSE: I think the Act does say that.

10

MR SHARPE: In your witness statement you refer to the relevant regulator. Who are you are referring to as being the relevant regulator?

MS PROWSE: AUSTRAC and also the Federal and State police.

15

MR SHARPE: So how do you understand the responsibility for monitoring or investigating money laundering at Perth Casino to be shared or divided between GWC, AUSTRAC and the police?

20 MS PROWSE: My reflections on the legislation is it's not clear where the responsibility lies. I think in practical terms we have managed that through the attempt to be collaborative with those other agencies and should we receive information from AUSTRAC then we would work with them and act on a strategy to address it.

25

MR SHARPE: Turning then to the question of the infiltration of criminal elements into casino operations, do you understand - sorry, I will start that again. Turning to that topic regarding implication of criminal elements into casino operations, what's your understanding of the GWC's responsibilities with respect to licensing casino employees?

30

MS PROWSE: My understanding, it is to undertake audits and reviews of the processes and around the character and integrity of those people working at the casino.

35

MR SHARPE: Do you consider that part of the reason for the GWC's involvement with licensing casino employees is to - sorry, I'll start that again. What do you understand to be the purpose of the GWC having responsibility for licensing casino employees?

40

MS PROWSE: It's to ensure that they are of good character, to undertake that role. So part of that includes doing - having a criminal screening checked into their previous behaviours and actions.

45 MR SHARPE: So do you understand that the GWC's role in respect of licensing casino employees is to prevent criminal elements infiltrating casino operations?

MS PROWSE: No.

MR SHARPE: Do you understand the GWC to have a role to play in preventing criminal elements infiltrating casino operations in other ways?

5

MS PROWSE: I think by working collaboratively with, for example, AUSTRAC or the Federal Police should they become aware that criminal elements are involved in the casino, to work with them around addressing those issues.

10 MR SHARPE: Do you consider that the GWC should develop a policy as regarding the prevention of criminal elements infiltrating casino operations?

MS PROWSE: I'm unsure.

15 MR SHARPE: Turning then to paragraph 30 and the question of support from the Department, you have amended the second sentence in paragraph 30 so that it used to refer to Duncan Ord and Michael Connolly but it now refers to Duncan Ord and Mark Beecroft. That's correct?

20 MS PROWSE: Correct.

MR SHARPE: In this sentence as it was originally drafted, you referred to those two people as being very experienced?

25 MS PROWSE: Correct.

MR SHARPE: Do you also consider Mr Beecroft to be very experienced?

MS PROWSE: Yes, I do.

30

MR SHARPE: Are you aware that Mr Ord is to retire as the Director-General?

MS PROWSE: Indeed.

35 MR SHARPE: Do you have concerns that the retirement of Mr Ord, who you identify as being very experienced, will diminish the ability of the Department to assist the GWC?

MS PROWSE: Not necessarily.

40

MR SHARPE: At paragraph 31 you refer to delays in addressing take away queries.

MS PROWSE: Correct.

45 MR SHARPE: Can you give examples of the delays that you're talking about there?

MS PROWSE: The example given there is around the key performance indicators

for the GWC and the discussion that predated my time but has continued during my time.

5 MR SHARPE: At paragraph 35 of your witness statement you refer to raising a conflict of interest. I call up GWC.0003.0006.0001. Can we scroll through to the next page, please. Is this the conflict of interest declaration that you're referring to?

MS PROWSE: Yes, it is.

10 MR SHARPE: In that document you refer to a potential conflict arising in respect of Denise Cheir(?).

MS PROWSE: Correct.

15 MR SHARPE: Is it correct all of the times you mentioned in this document that your interactions with Denise Cheir had occurred after she ceased to be an employee of Crown?

MS PROWSE: Correct.

20 MR SHARPE: Commissioner, I tender GWC.0003.0006.0001.

25 COMMISSIONER JENKINS: That document will be an exhibit with the number you have just identified.

**EXHIBIT #GWC.0003.0006.0001 - CONFLICT OF INTEREST
DECLARATION**

30 MR SHARPE: I call up GWC.0002.0016.0349. Go to page 5. Sorry, stay there for a moment. So this is the agenda for the meeting on 16 February. Go to page 5, please. This agenda item concerns a delegation being made to the Director of Strategic Regulation. If I can take you to the heading "Current Situation" it refers to
35 "the position of Deputy Director-General has delegation for all the Commission's powers conferred by" those four acts "other than the power of delegation itself" and says that due to the Deputy Director-General stepping aside as Chief Casino Officer it is necessary to delegate these powers to the Director of Strategic Regulation. Are you familiar with the setting aside of the Deputy Director-General?

40 MS PROWSE: Yes.

MR SHARPE: That do you understand the reference to the Director Strategic Regulation becoming the CCO to be a reference to Mr Beecroft?

45 MS PROWSE: Yes.

MR SHARPE: If we then go to page 7. Do you read this as a delegation which is unsigned, giving the Gaming and Wagering Commission, of all of its powers under those four acts apart from the power of delegation to the Director Strategic Regulation?

5

MS PROWSE: Yes.

MR SHARPE: I call up GWC.0002.0016.0368. So this is the minutes of the meeting of 16 February 2021. Turn to page 3, please. So item 4 dealing with delegations commences by noting that Mr Connolly has stepped aside from the CCO role and that Mr Beecroft is appointed as CCO. Is it your understanding that Mr Beecroft is acting in the role of CCO?

10

MS PROWSE: That's my understanding.

15

MR SHARPE: The minutes record that the GWC resolved to delegate to the Director of Strategic Regulation the powers conferred on the GWC by those four acts other than the power of delegation itself.

20

MS PROWSE: Yes.

MR SHARPE: Are you aware of whether the instrument of delegation has been signed?

25

MS PROWSE: I'm not aware of that.

MR SHARPE: Why was the delegation made to the Director Strategic Regulation position rather than Mr Beecroft personally?

30

MS PROWSE: I'm unable to answer that.

MR SHARPE: Why was the delegation made of the powers generally rather than specific powers?

35

MS PROWSE: I'm unable to answer that.

MR SHARPE: Are you aware of whether the powers - sorry, next question. Are you aware of whether there was previously a delegation of those powers to the Deputy Director-General?

40

MS PROWSE: If they were, it would have predated my time. So the minutes you are referring to on 16th February was the first meeting that I attended in the capacity as a member of the Gaming and Wagering Commission.

45

MR SHARPE: So you are not aware of previous delegations that have been made to the Deputy Director-General?

MS PROWSE: No. It predates my time on the Commission.

COMMISSIONER JENKINS: Could you read the paragraph underneath
"DELEGATIONS" there on that document. Do you, having read that, do you think
5 the meeting was told that Mr Connolly as Deputy Director-General had the powers
that were now being - you were being asked to delegate to Mr Beecroft?

MS PROWSE: Yes. I think that's the assumption that would be made is that
10 Mr Connolly had those powers and that they were now being given to Mr Beecroft.

COMMISSIONER JENKINS: Thank you. Thank you, Mr Sharpe.

MR SHARPE: Are you aware whether the powers that had been delegated to the
15 Deputy Director-General have been revoked in light of Mr Connolly stepping aside
from the CCO role?

MS PROWSE: I'm unaware of that.

MR SHARPE: Turning then to the question of skills matrix, has the GWC
20 developed a skills matrix for GWC Commissioners?

MS PROWSE: Not that I've seen or been made aware of.

MR SHARPE: Has the GWC ever received a formal statement of expectation from
25 the Minister in respect of its roles and responsibilities?

MS PROWSE: Not that I've seen or been made aware of.

MR SHARPE: No further questions, Commissioner.

COMMISSIONER JENKINS: Thank you, Mr Sharpe. Now, Ms Prowse, there are a
number of other lawyers who act for different parties. I will now ask them whether
they've got any questions for you. Ms Seaward acts for the Department. Mr Malone
35 sitting next to her acts for Mr Connolly and Mr Garas at the end acts for Crown.
They may or may not have questions.

Thank you, Ms Seaward.

40 **CROSS-EXAMINATION BY MS SEAWARD**

MS SEAWARD: Just briefly. Ms Prowse, I appreciate you have only been to a few
45 meetings. The first meeting was a special meeting ---

MS PROWSE: Correct.

MS SEAWARD: --- to look at the report. Leaving that meeting aside, and thinking about remaining meetings, you described in your statement the process of agenda papers being prepared. Is it fair to say that at the meetings the Commission members would then consider each agenda paper, to discuss what is required of them, and make a decision if needed?

MS PROWSE: Correct.

MS SEAWARD: Do you understand that it is the role of the Commission members to make the decision, you don't have to follow what the Department officers say necessarily?

MS PROWSE: That's correct.

MS SEAWARD: Is it also the case that those other meetings, some of the agenda items include the Department officers providing you with an update on the work they've done to support the Commission in the previous month, for example there is a summary of the audits and inspections that have been undertaken?

MS PROWSE: Yes, there is.

MS SEAWARD: And I see there is a summary of the casino gaming action.

MS PROWSE: Correct.

MS SEAWARD: And a summary of Crown's Responsible Gambling statistics?

MS PROWSE: Yes.

MS SEAWARD: And whilst the questions you have been asked to focus on, in relation to the Commission's role in relation to the casino, there are other topics and other matters that the Commission has responsibility for as well?

MS PROWSE: There are.

MS SEAWARD: And those departmental officers will provide the same sort of information about those other aspects of the role?

MS PROWSE: Yes.

MS SEAWARD: No further questions.

COMMISSIONER JENKINS: Thank you. Mr Malone?

MR MALONE: No questions.

COMMISSIONER JENKINS: Mr Garas?

MR GARAS: No questions, thank you, Commissioner.

5 **QUESTIONS BY THE COMMISSIONER**

COMMISSIONER JENKINS: I just have a few questions, Ms Prowse, just to clarify your evidence.

10

So do I understand that your first meeting - by the first meeting of February 2021 Mr Connolly had stood aside as the Chief Casino Officer?

15 MS PROWSE: The first proper board meeting I think that was part of our normal schedule was the 21st, the first meeting I attended was on the 16th which was a special meeting. My understanding is that Mr Connolly had stepped aside at the point of which that second meeting in February occurred.

20 COMMISSIONER JENKINS: So did he attend either of those meetings in February?

25 MS PROWSE: I can't be sure because I was never introduced to him. So I didn't know who he was and there were a lot of people that were attending, particularly the meeting on the 16th, to give advice to the Commission on the implications of the Bergin Inquiry and the preparation of a media statement.

COMMISSIONER JENKINS: Thank you for that.

30 The GWC Code of Conduct which you were shown, do you understand that that Code of Conduct applies to the Departmental staff who service the GWC or not?

35 MS PROWSE: My understanding is that that document is purely for the Gaming and Wagering Commission board members. And that my recollection of that document is that it states that all other staff were involved in assisting the Commission come under the public sector commission's conflict of interest.

COMMISSIONER JENKINS: Do you think that departmental staff who provide services to the GWC should report conflicts of interest to the GWC or not?

40 MS PROWSE: They should report conflicts.

45 COMMISSIONER JENKINS: You were asked questions about regulating junkets and you spoke about working in a collaborative way with other agencies. Do you know if the GWC has any memorandums of understanding with other bodies such as WA Police, (inaudible) or AUSTRAC?

MS PROWSE: I'm not aware of any formal MOUs and have not seen any

documents.

COMMISSIONER JENKINS: So when you say you understand that GWC does work in a collaborative way, what leads you to that opinion?

5

MS PROWSE: Certainly at the meeting that we had on the 16th that was attended by a member of the WA Police Force, there was a conversation at that meeting about working collaboratively across both organisations to share information where information was available.

10

COMMISSIONER JENKINS: You were asked about ways to improve the autonomy of GWC and you said that the answer may well come out of this inquiry. One of the ways this inquiry is assisted is by hearing the personal opinions of people like yourself. I appreciate you haven't been on the GWC for long but then that gives you a unique perspective that others don't have. You've put your toe in the water so to speak. So do you have personal opinions about how the operation of the GWC could be improved?

MS PROWSE: I do in the short time that I've been there so they are probably not as well informed as others but my initial sense is that the role would be enhanced through having an independent body. Gaming and wagering has become a very complex environment and requires special skills and resources to meet those challenges. I think the legislation is dated, it's no longer contemporary. It doesn't take into consideration a number of factors that are now impacting on wagering and gambling.

COMMISSIONER JENKINS: In respect of independence, the Commission currently is required to have the Director-General of the Department as the Chair. What is your view about whether that is appropriate or not?

30

MS PROWSE: I think it presents some risks in terms of the independence of that Chair in advising and assisting Commissioners.

COMMISSIONER JENKINS: And if the Chair was not a member of the Department, and was an independent person, do you think that there should be a representative of the Department actually a member of the GWC or not?

MS PROWSE: I would suggest less as a member and maybe as part of an advisory group to the GWC.

40

COMMISSIONER JENKINS: Do you think it would be of assistance for there to be a member of the police force as a member of the GWC?

MS PROWSE: I think that's an interesting proposition.

45

COMMISSIONER JENKINS: Can I ask you about your understanding of the Problem Gamblers Support Services Committee.

MS PROWSE: Yes.

COMMISSIONER JENKINS: Are you aware of that committee?

5

MS PROWSE: I'm aware of them, not necessarily the detail.

COMMISSIONER JENKINS: Do you understand that that's a committee of the GWC or not?

10

MS PROWSE: Not.

COMMISSIONER JENKINS: And in fairness to you, because I don't want to mislead you, the evidence that we've heard so far is that there is not a member of the GWC on that committee. Is that - does that accord with your knowledge as well?

15

MS PROWSE: Yes, it does.

COMMISSIONER JENKINS: And does the GWC, as far as you're aware, receive any reports from that?

20

MS PROWSE: Not that I've seen in any of the board papers that have been available during my time.

COMMISSIONER JENKINS: So in respect of the board papers you've seen, I suppose it follows from what you've said there isn't even any report to you of the activities of that committee?

25

MS PROWSE: Not that I've seen in the board papers.

30

COMMISSIONER JENKINS: I appreciate you've only been on the Commission a short time so don't interpret this as any kind of criticism, but I just wanted to know whether you were aware that the casino can only provide credit or loans to gamblers with the consent of the GWC? Did you know that?

35

MS PROWSE: No, I did not.

COMMISSIONER JENKINS: Did you and do you know now whether the GWC has any directions or whether there's anything in the casino operations manual - no, I'll put that to one side. Are you aware whether there are any directions which govern the granting of credit or loans to gamblers by the casino?

40

MS PROWSE: Not that I've seen or been made aware of.

COMMISSIONER JENKINS: In respect of the casino operations manual, you say that you're aware of that. Who do you understand has the power to make changes to that manual?

45

MS PROWSE: It's only in recent times that I've become aware of that through probably meetings from March onwards that that manual exists. I think my assumption is that endorsements of any amendments to that document comes from
5 the Gaming and Wagering Commission.

COMMISSIONER JENKINS: And so in delegating all your powers under the *Casino Control Act* to Mr Beecroft and Mr Connolly earlier, do you understand that say Mr Beecroft now could approve changes to the casino operations manual without
10 referring them to the GWC first?

MS PROWSE: I probably had not understood that at the time.

COMMISSIONER JENKINS: And in respect to that delegation, what is your understanding of how it works? Do you believe that having delegated its powers to Mr Beecroft only he can exercise them or do you understand that the GWC and Mr Beecroft can exercise them concurrently?
15

MS PROWSE: My understanding from the legislation is that they could be exercised concurrently.
20

COMMISSIONER JENKINS: Have you formed any opinion about the adequacy of the financing of the GWC?

MS PROWSE: One of my observations would be in the short time I've been there is that transparency of the allocation of funds from the GWC to the Department to fund resources, so the staff, for example, and I've not been there long enough to have seen a full budget, break down of the budget and only the high level budget in terms of the sums of 4 million. And I think the Commission needs more information about what that comprises and how that figure is reached.
25
30

COMMISSIONER JENKINS: That's all the questions that I have, Ms Prowse. Thank you. Now, counsel, are there any questions arising from them. Mr Sharpe?

MR SHARPE: No thank you, Commissioner?
35

COMMISSIONER JENKINS: Ms Seaward.

MS SEAWARD: No, Commissioner.
40

MR MALONE: No Commissioner.

MR GARAS: No Commissioner. Mr Sadler.

MR SADLER: Could we pull up paragraph 11 of your witness statement if possible. In paragraph 11 you describe in days how much time you have spent so far on the GWC. Can you please describe to the Commission whether you feel you, given that
45

amount of work expended, have a good grip of the legislation and the policies and procedures and all the players the and the regulation of the casino and everything else that the GWC does?

5 MS PROWSE: I would say not. I think what one would normally expect when joining a board is to have a period of learning, of understanding the dynamics of the board and the decisions and responsibilities. There has not been business as usual for me since I started on the Commission. So there it's focus has always been on the current situation at Crown.

10 MR SADLER: You said that you haven't had a "business as usual" board meeting at the moment with the Crown issues that are going on right now. How much time do you think is spent in the meetings you've been at so far with dealing with this inquiry of the two days work?

15 MS PROWSE: In the meetings themselves, I would probably estimate 80% of our time is taken up with discussing and considering the matters relating to Crown.

20 MR SADLER: And just to check, you haven't received any training when you joined the GWC?

MS PROWSE: I have not received any training.

25 MR SADLER: Can I please bring up the email GWC.0003.0009.0020. And it's an email from Emily Howell to Ms Prowse. Now, you were asked, I will give you a chance to read that in a second. You were asked questions about what hard copy material you were provided when you joined the GWC and I believe, and I will get corrected if I'm wrong, that one of the documents you were shown was the GWC Code of Conduct. Can you just read this email for me for a second and see if
30 that - see it's dated 9 March 2021. Do you recall if you were provided with a Code of Conduct in hard copy when you joined the GWC or did that come later?

35 MS PROWSE: I think on reflection I was provided with a hard copy and then this email followed on 31 January.

MR SADLER: I will just show you one document. Can we pull up GWC0001.0007.0187. It should be the Board Essentials. Just to check, was this the document that you were provided when you joined?

40 MS PROWSE: Correct.

MR SADLER: And not the Code of Conduct or both?

45 MS PROWSE: I can't be sure but I think it was the Code of Conduct as well.

MR SADLER: Just one more question. You were asked some questions regarding the GWC's ban of junkets and you were asked on what basis the GWC banned

junkets and I think your answer was in response to the Bergin Inquiry and recommendations to the Department. That was the answer you gave in respect to that. Can we pull up GWC.0002.0016.0346. And these are the minutes of a meeting on 15 December 2020. And you will see the attendees there and it's correct that you weren't a member at this stage?

MS PROWSE: Correct.

MR SADLER: And if we go to page 9 of this document, I believe we were discussing resolution 235 of 2020 which is to ban junkets. When that resolution was made you were not a member of the GWC?

MS PROWSE: That's correct.

MR SADLER: Can we pull up GWC.0002.0016.0368. Then we want page 3, I think. Just the last page of that document. Now, this was 16 February so this was the first meeting that you attended?

MS PROWSE: Correct.

MR SADLER: Now resolution 3/2021 i. "support the appointment of Mark Beecroft as Chief Casino Officer", do you remember much discussion about Mr Beecroft's appointment in the meeting?

MS PROWSE: No, I don't.

COMMISSIONER JENKINS: It's late in the day, you reminded me, Mr Sadler, that I had a question about that myself. In respect to the appointment of Mr Beecroft as the Chief Casino Officer, what was your understanding of what the role of the GWC in that appointment, or not the appointment of Mr Beecroft in particular but the appointment of the Chief Casino Officer?

MS PROWSE: My understanding in terms of the legislation is that the Gaming and Wagering Commission are unable - it doesn't have the powers to employ full-time positions but we only have the power to employ casual and part-time positions. So that would have come from the Department, recommendation for Mark Beecroft.

COMMISSIONER JENKINS: So do you think that the GWC could have said to the Department, "we don't accept that appointment, we want to either look for someone ourselves or we want you to go and find us someone else"?

MS PROWSE: I think we could have done that. I feel that that opportunity to have those conversations are available in those meetings. We could have asked for more details about his experience and knowledge. It was my first meeting. At that point in time I didn't know the questions to ask but I think on reflection we could have asked more in-depth questions of suitability and capability.

COMMISSIONER JENKINS: Thank you. Are there any questions arising from those few questions?

MR SHARPE: No thank you, Commissioner.

5

MR SADLER: No thank you, Commissioner.

COMMISSIONER JENKINS: Ms Prowse, the situation is this. That, as you will see, I'm sitting by myself today and so the other two Commissioners have not had the opportunity to hear your evidence. The plan is that they will review your evidence either by reading the transcript or watching a recording of your evidence. It is possible that they will have some questions for you arising from your evidence. If that is the case, you will be, or your lawyer will be, sent those questions in writing and you will be asked to reply in writing. It may be that there will be the need for you to come back and give some further evidence orally but that's probably unlikely. Because of the need for the other members to review your evidence, I won't be releasing you from giving further evidence at this time. But you should be advised through your lawyer within a fairly short period whether you are required to answer questions or not.

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20

MS PROWSE: Thank you, Commissioner.

COMMISSIONER JENKINS: Thank you very much for coming here today and giving your evidence. It has been most helpful and you are certainly free to go now.

25

The hearing can now adjourn. Thank you, counsel.

THE WITNESS STOOD DOWN

30

HEARING ADJOURNED AT 3.24 PM UNTIL TUESDAY, 18 MAY 2021 AT 10.00 AM

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