

IN THE PERTH CASINO ROYAL COMMISSION

WITNESS STATEMENT OF DUNCAN ST JOHN BERESFORD ORD OAM

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STATEMENT OF DUNCAN ST JOHN BERESFORD ORD OAM

I, MR DUNCAN ST JOHN BERESFORD ORD, c/- Level 17, Gordon Stephenson House, 140 William St, Perth WA 6000, former Director General of the Department of Local Government, Sports and Cultural Industries and former Chairperson of the Gaming and Wagering Commission, say as follows:

1. This statement is made voluntarily to the Perth Casino Royal Commission (**Royal Commission**) to provide additional information and clarification prior to its interim report due 30 June 2021.
2. This statement:
 - a speaks to the impact of the Covid-19 pandemic on the Department of Local Government, Sports and Cultural Industries' (**DLGSC**) operations including gaming and wagering regulation;
 - b discusses the sources of Gaming and Wagering Commission's (**GW Commission**) revenue and how they are treated by the Commission;
 - c clarifies some of the logistical and financial arrangements between the DLGSC and the GW Commission;
 - d clarifies aspects of the GW Commission's 2019-20 Annual Report;
 - e explains the GW Commission's cooperation with and approach with respect to the Bergin Inquiry;
 - f discusses the working relationship between the GW Commission and WA Police;
 - g further speaks to some of the views and recommendations I advanced in the second witness statement I provided to the Royal Commission (**Second Witness Statement**); and
 - h makes some additional comments I intended to make when I was called to give evidence before the Royal Commission.

3. Unless otherwise stated, the information in this statement comes from my knowledge, examination of the records held by the DLGSC or the advice of officers employed by it.

Impact of Covid-19 Pandemic on the DLGSC

4. The Royal Commission has been presented with evidence on the significant impact of the Covid-19 pandemic on the DLGSC's regular operations including gaming and wagering regulation.
5. I concur with that evidence and am of the view that it is hard to understate the adverse effect of the pandemic on the DLGSC's staffing and operational capacity during 2020.
6. A number of the challenges arose inherently from the normal regulatory remit of the DLGSC. For example:¹
 - a the DLGSC provided extensive advice and legislative and policy support to local governments particularly as to implementing public health and emergency management requirements. Local governments control and operate many public spaces and amenities and therefore a critical participant in the effective implementation of public health measures;
 - b arguably the sporting and cultural industries have been more adversely affected by the pandemic than many other industries. The DLGSC provided extensive advice and policy support for these industries as well as financial and industry support. The DLGSC took a leading role in framing and developing the guidelines and rules for community participation and involvement in sports and cultural activities (including concerts, public galleries and libraries);
 - c the application and implementation of public health measures for the Perth Casino complex was and still is a critical matter in the public health response to the pandemic as the Perth Casino complex is a large and (ordinarily) well attended entertainment precinct.² The DLGSC and GW Commission have overseen

¹ See DLG.0002.0008.0003, pp 11, 50-55.

² See e.g., GWC.0002.0016.0299_0007; DLG.0002.0002.0173; GWC.0002.0016.0359; GWC.0002.0016.0303.

three distinct close-down and reopening procedures for each of the three major State lockdowns.

7. Other burdens were imposed specifically on the DLGSC out of expediency and urgency some of which did not flow from its normal regulatory remit. For example:
 - a the DLGSC provided administrative and policy support for the Department of Treasury and the Small Business Development Corporation (**SBDC**) in administering the retail tenancy land tax rebate scheme. This initially involved DLGSC of officers assisting the SBDC by giving advice on grants but then progressed to the officers being involved in assessing land tax refunds;
 - b as part of the COVID-19 relief package, licensees were eligible for a refund of the 2020 annual liquor licence fees and penalties. This required the DLGSC to contact all licensees to refund approximately 4,400 payments;
 - c the DLGSC issued existing liquor licence holders with occasional licences to sell a limited amount of packaged liquor with a takeaway meal in circumstances where the existing licence would not usually permit it. As occasional licences are only permitted to be issued for up to 3 weeks under the relevant legislation, numerous licences were required for each premises;
 - d the DLGSC provided advice to industry on frequently changing State Government directions concerning the operation of business;
 - e the DLGSC oversaw the imposition of State-wide liquor sale restrictions and customised restrictions for the Kimberley region; and
 - f as paragraphs [158]-[165] of the witness statement Michael Connolly provided to the Royal Commission illustrate, Michael as Deputy Director General and I as Director General were appointed as authorised officers to approve applications for increases to capacity limits for funerals, a role Michael estimates

involved 'personally [approving] approximately 300 applications' and 'could have been a 6-month full-time role on its own'.³

8. The net effect of Covid-19 on the GW Commission was the suspension of processes including the review of KPI's for the GWC, meetings of committees and planning and strategy meetings. All of these processes required the involvement of DLGSC staff who were redeployed on Covid-19 response measures.⁴ Additional effects of the Covid-19 pandemic on the GW Commission's operations are recorded at page 20 of its Annual Report for 2019-20.⁵

Sources of GW Commission revenue

9. Page 31 of the GW Commission's 2019-20 Annual Report evidences that GW Commission revenue and income (in the broadest sense of money coming in) is comprised of:⁶
 - a user charges and fees;
 - b revenues related to restricted cash and special purpose accounts;
 - c interest revenue; and
 - d income from the State Government (by way of appropriation and, in the 2019-20 financial year, a \$500,000 grant from HealthWay, a State Government entity).
10. As Note 3.2 on page 38 of the GW Commission's 2019-20 Annual Report explains, user charges and fees are comprised of:
 - a the casino gaming licence fee (in 2019-20, \$2,980,812);
 - b monies received from applications, licences and permits (in 2019-20 \$584,454);⁷

³ MCN.0001.0001.0039 at MCN.0001.0001.0057.

⁴ See e.g., GWC.0002.0016.0299_0011 (Financial Year 2019-20 budget allocations extended).

⁵ PUB.0002.0001.0658 at PUB.0002.0001.0678.

⁶ PUB.0002.0001.0658 at PUB.0002.0001.0686.

⁷ See for example sections 28 and 53 of the *Gaming and Wagering Commission Act 1987* (WA).

- c returns/levies (related to Bingo Return, Continuing Lottery Levy and the Video Lottery Terminal Return which in 2019-20 was \$142,164);⁸
 - d other (including regulatory fines and penalties and Gaming Infringement Notices which in 2019-20 was \$3,906); and
 - e recoups for services provided. In other words, professional services fees *received by the GW Commission* for services provided to other entities. In 2019-20, these entities were Racing and Wagering Western Australia and the Lotteries Commission of Western Australia.⁹
11. My understanding is that there is no requirement under any of the relevant legislation that the casino gaming license fee be spent or reserved for casino regulation specifically. On that understanding, it is my view that the core statutory requirement in this context is for the GW Commission receive casino gaming license fee monies and, so far as those monies remain available to it, to spend them in pursuit of any of its statutory functions and responsibilities (including its diverse range of non-casino responsibilities).¹⁰
 12. Of course, the GW Commission's fundamental purposes and duties set out in section 7 of the Gaming and Wagering Commission Act and in specific legislation such as the Casino Control Act are relevant and informative in determining how available funds should be apportioned to the pursuit of the GW Commission's different objectives.
 13. Note 3.3 on page 38 of the GW Commission's 2019-20 Annual Report states that revenues related to restricted cash and special purpose accounts comprises:
 - a contributions made by third parties to special purpose accounts administered by the GW Commission such as Problem Gambling

⁸ See for example sections 104F-104G of the *Gaming and Wagering Commission Act 1987* (WA) and the *Gaming and Wagering Commission (Continuing Lotteries Levy) Act 2000* (WA).

⁹ PUB.0002.0001.0658 at PUB.0002.0001.0696.

¹⁰ Section 14(1)(aa) of the *Casino Control Act 1984* (WA) provides that 'casino gaming license fees paid under section 20' are funds available for the administration of that Act. However, there is no express indication that those funds can only be used for the purpose of administering that Act. Section 20(1)(a) of that Act provides in essence that the casino operator must pay to the GW Commission a casino gaming license fee. Importantly, section 9(1)(b) of the *Gaming and Wagering Commission Act 1987* (WA) provides that 'the funds available to the Commission consist of – ... (b) ... moneys otherwise lawfully received by, made available to or payable to the Commission'.

Support Services, the Gaming Community Trust Fund and the Sports Wagering Account (the latter account being one administered by the GW Commission but utilised in accordance with the directions of the Minister for Sport and Recreation);

- b the Racing Bets Levy (by far the largest revenue item in every GW Commission budget of recent memory); and
 - c interest revenue from restricted cash and special purpose accounts.
14. It follows from the paragraph immediately above that 'interest revenue' as reported in page 31 of the GW Commission's 2019-20 Annual Report comprises interest revenue other than from restricted cash and special purpose accounts.¹¹

Staffing arrangements between the DLGSC by the GW Commission

- 15. There are no DLGSC staff specifically dedicated to GW Commission work only. One part-time level 5 Executive Officer is substantially tasked with supporting GW Commission meetings and actions arising.
- 16. There are currently 13 FTE positions filled within the audit and inspectorate staff.
- 17. In addition to these staff in the Regulatory Division, the GW Commission is supported by DLGSC staff in Finance, Payroll, HR and other corporate services areas.

Financial arrangements between the DLGSC and GW Commission

Special Purpose Account

- 18. During my evidence to the Royal Commission on 10 May 2021¹² I stated that I believed that, but was not certain whether, the GW Commission has its own agency special purpose account.
- 19. I am now advised that pursuant to section 9(2)(a) of the Gaming and Wagering Commission Act the GW Commission has such an account.

¹¹ See paragraph [29] of the first witness statement I provided to the Royal Commission which notes that the GW Commission holds a modest cash reserve as equity (which reserve generates interest): WIT.0002.0001.0001_R_0008 [29] (or DLG.0001.0002.0001_0008).

¹² 20210510 – PCRC Transcript Day 03, pp 72 [5] (Transcript, 87 [5]).

It is operated by DLGSC officers with a relevant financial delegation from the accountable authority (the Director General of the DLGSC).

20. This agency special purpose account consists of two interest bearing bank accounts entitled 'GWC-Operating' and 'GWC-Racing Bets Levy'. The GWC-Operating account consists of three special purpose accounts:
- a the Problem Gambling Support Fund, expenditures from which are approved by members of the Responsible Gambling Committee and the GW Commission. As page 42 of the GW Commission's 2019-20 Annual Report notes,¹³ the fund in that financial year received contributions from the Lotteries Commission of WA, Crown, the WA Bookmakers Association, Racing and Wagering WA and the GW Commission. These funds are used to provide services for problem gamblers and undertake problem gambling related research;
 - b the Gaming Community Trust Fund comprises winning from gaming activities that have remained unclaimed for more than 14 months plus interest. It is held for the recommended purposes of the Trust approved by the Minister for Racing and Gaming for the benefit of the community;¹⁴ and
 - c the Sports Wagering Account, which holds monies paid by Racing and Wagering WA under section 104 of the *Racing and Wagering Western Australia Act 2003 (WA)* and monies appropriated by the Department of Treasury that were collected from the 'point of consumption' tax imposed and assessed in accordance with the *Betting Tax Act 2018 (WA)* and the *Betting Tax Assessment Act 2018 (WA)*. Monies in this account are held in trust until distributed as directed by the Minister for Sport and Recreation.¹⁵

DLGSC professional services payment

21. Each year the DLGSC proposes a budget for the GW Commission's approval and to ensure the GWC's compliance with section 40 of the

¹³ PUB.0002.0001.0658 at PUB.0002.0001.0700.

¹⁴ See section 109C(2) of the *Gaming and Wagering Commission Act 1987 (WA)*.

¹⁵ See section 110A of the *Gaming and Wagering Commission Act 1987 (WA)*.

Financial Management Act 2006 (WA). During my tenure each budget approved by the GW Commission has substantially reflected the budget proposed by the DLGSC and the advice of DLGSC officers.

22. Section 40 of the above Act, where it applies, requires the accountable authority of a statutory authority to prepare annual estimates in accordance with any relevant Treasurer's Instructions. Treasurer's Instruction 953 relevantly requires the GW Commission to submit annual estimates for the approval of the Minister administering that Act and then to publish the approved annual estimates in its annual report. The GW Commission is separately required to prepare, have approved and then table in Parliament, its annual reports, pursuant to Part 5 of the *Financial Management Act 2006 (WA)*.
23. Once the GW Commission approves a budget, the requirements of Part 5 of the above Act are followed and ultimately the annual report of the GW Commission (including the approved budget) is tabled in Parliament.
24. Incorporated within the GW Commission's budget is the amount the GW Commission will pay to the DLGSC (as will be seen, monthly) over the pending financial year, for the services the DLGSC will provide the GW Commission for that financial year (**DLGSC professional services payment**). The DLGSC professional services payment is recorded in the GW Commission's budget as 'professional services'.¹⁶
25. At this point I wish to clarify that during my evidence to the Royal Commission on 10 May 2021¹⁷ I agreed that the 'services and contracts fees of \$4.2 million... [a]re... amounts paid to the [DLGSC]'. This is incorrect; the DLGSC professional services payment (in 2019-20, \$4,140,575) is the amount paid by the GW Commission to the DLGSC for the DLGSC's services.

Determining the DLGSC professional services payment

26. The amount of the DLGSC professional services payment for the pending (upcoming) financial year is determined as a percentage of

¹⁶ PUB.0002.0001.0658 at PUB.0002.0001.0695. See also at PUB.0002.0001.0708 ('Services provided by DLGSC').

¹⁷ 20210510 – PCRC Transcript Day 03, p 73 [20] (Transcript, 878[20]).

the DLGSC's Racing, Gaming and Liquor division's (**RGL division**) total budget for the pending financial year.

27. That is, the total expected budget of the RGL division is multiplied by a (fractional) number between 0 and 1, and the resulting figure is the DLGSC professional services payment for the pending financial year.
28. The RGL division's total expected budget for a pending financial year is, ordinarily, and broadly speaking, established by May or June each year as part of the State Budget process. I say 'broadly speaking' because throughout the year the Expenditure Review Committee can approve the contribution of additional budgetary amounts, say for particular Government policy initiatives, to the RGL division. In determining the DLGSC professional services payment the officers of the DLGSC work off the budgetary information available at the time.
29. In the 2019-20 financial year the State Budget process was delayed by a number of months due to the impact of Covid-19. In that financial year the officers of the DLGSC proceeded on an informed estimate as to what the RGL division's budget would be (having regard also to the effect of legislative measures guaranteeing and extending supply).
30. Once the GW Commission budget, and therefore the DLGSC professional services payment, is ultimately approved, the DLGSC professional services payment is invoiced monthly to the GW Commission and is not thereafter reconciled or adjusted (including adjusted at the end of the financial year in light of the actual costs incurred by the DLGSC's Racing, Gaming and Liquor division over that financial year).¹⁸
31. The point made immediately above explains why in the GW Commission's Annual Report of 2015-16 the target and actual figures for 'services provided by DRGL'¹⁹ were the same.²⁰
32. It is possible to adjust the DLGSC professional services payment after it is published in the GW Commission's annual report as tabled in Parliament. This could be done, in consultation with the GW

¹⁸ This is evidenced in page 50 of the GW Commission's 2019-20 Annual Report (PUB.0002.0001.0658 at PUB.0002.0001.0708) where the '2019-20 Target' and '2019-20 Actual' amounts for 'Services provided by DLGSC' are the same.

¹⁹ PUB.0002.0001.0588 at PUB.0002.0001.0651.

²⁰ Cf 20210518 – PCRC Transcript Day 08 (HR4), 34 [15]-[20] (Transcript, p 769 [15]-[20]).

Commission, by seeking an adjustment to the relevant budgetary estimates as part of the WA Government's mid-year review process for the State Budget. However, during my tenure, such an approach was not pursued because it did not appear to be of public value.

33. It follows from the above that the DLGSC professional services payment has, in recent history including the present, *not* been determined by reference to the *actual* costs incurred by the DLGSC in providing services/support to the GW Commission, including services/support in casino regulation. The DLGSC professional services payment is determined around the beginning of a financial year and is intended to deliver costs recovery on a reasonably (rather than precisely) accurate basis for services to be performed for the GW Commission over the pending financial year by the DLGSC

Determining the DLGSC services payment each year

34. My understanding is that before my tenure, for the 2015-16 financial year, the DLGSC's predecessor, the Department of Racing, Gaming and Liquor, undertook some work with the Department of Treasury to identify an appropriate cost-recovery and sharing mechanism for that Department. For reasons that are unknown to me but seem sensible because they are consistent with my own experience, that work proceeded on the analytical premise that the budgetary expenditure of the Department of Racing, Gaming and Liquor could be divided between expenditure incurred in performing its liquor functions and expenditure incurred in support of its racing and gaming functions.
35. It is important to clarify that 'costs incurred in support of racing and gaming functions' comprise *both* the costs of the DLGSC providing support to the GW Commission, and the costs of the DLGSC providing support to the Racing Penalties Appeal Tribunal.
36. The conclusion reached from the above work, which I understand looked at various matters including but not limited to the distribution of employees in different business areas and their salaries along with an analysis of the functions and work streams of the Department, was that while there are variances each year, it is reasonably and sufficiently accurate to seek cost recovery on the basis that:

- a 70% of the Department of Racing, Gaming and Liquor's budget is expended in the pursuit of its liquor functions; and
 - b the remaining 30% of the budget is expended in the pursuit of racing and gaming functions, comprised in particular of:
 - i 28.75% of the Department's costs being attributable to providing support for the GW Commission; and
 - ii the remaining 1.25% of the Department's costs being attributable to providing support to the Racing Penalties Appeal Tribunal.
37. The conclusions from the above work were adopted by the Department of Racing, Gaming and Liquor and have continued post- the 2017 MOG changes, albeit that that former Department now exists as the RGL division within the DLGSC.
38. So, for example, in the 2018-19 GW Commission budget the increase in the DLGSC professional services payment of \$113,220 simply comprised or reflected 28.75% of the increase for that year in the budget of the Racing, Gaming and Liquor division.²¹
39. The '70/30' (or strictly speaking, '70/28.75/1.25') split is a useful analytical tool that has been followed very closely by the DLGSC and its predecessor since the 2015-16 financial year, but it is not an absolute rule. For the 2020-21 financial year it was very slightly departed from (whether that departure will continue in future years is, as paragraph [41.a] below suggests, a matter yet to be seen).
40. In the 2020-21 financial year the officers of the DLGSC observed that over the past two financial years the GW Commission's output in terms of audits, inspections and investigations had increased materially, from 29% of RGL division's comparable output, up to 40%. In practical terms this meant the DLGSC was providing materially more services to the GW Commission, raising the question of how costs recovery from the Commission should be increased to reflect this.
41. Those officers made a recommendation to me, which I approved, that the proposed DLGSC professional services payment for the budget be

²¹ Cf 20210513 – PCRC Transcript Day 06, 88-93 (Transcript, pp 424-429).

increased by 5% (an increase above CPI and made on top of the figure the payment would otherwise would have been). As I understand it a modest increase of 5% was considered appropriate because:

- a it was uncertain whether the material increase in output would be sustained over the coming years, meaning a larger increase might necessitate more dramatic re-adjustments in future years if the trend reversed;
 - b although the GW Commission had ample cash reserves to meet a larger adjustment it nevertheless is an agency that in recent years has been operating on a deficit; and
 - c as there are differing budgetary and regulatory priorities within the DLGSC and developments within one business area can affect other areas, the preferred approach for DLGSC where more accurate costs recovery is desired is to gradually and incrementally increase recoupment over several years rather than significantly increase it in one year.
42. At paragraph [39] of this statement I described the adjustment made in 2020-21 as 'very slight'. I am advised that for the financial year in question the net result of the above adjustment was that 29.8% (rather than 29.75%) of the RGL division's expected budgetary expenditure was treated as attributable to the DLGSC's provision of support and services to the GW Commission.

GW Commission oversight of services performed by the DLGSC

43. There are numerous ways in which the GW Commission can oversee the services performed for it by the DLGSC and ensure accountability and transparency. I consider that the provision of services to the GW Commission by the DLGSC is a transparent process.
44. The key sources of information and/or means by which the members of the GW Commission can know what the DLGSC is doing for the GW Commission are as follows:

- a the GW Commission's annual reports detail the activities of the GW Commission, virtually all²² of which are activities undertaken by the DLGSC. Since at least its 2010-11 Annual Report the GW Commission's annual reports include a section entitled 'Detailed information in support of key performance indicators' which provides additional detail and overview;²³
 - b the GW Commission's monthly meetings in which members can and do directly query DLGSC officers on services provided²⁴ and in which numerous reports and agenda papers outline particular services performed by DLGSC's officers for the GW Commission;
 - c the monthly²⁵ financial reports provided to the GW Commission by the DLGSC which include statements of comprehensive income and financial position for the period as well as a covering agenda paper summarising and bringing attention to significant variances in figures (such as variances in projected and actual expenditure),²⁶ which members have queried;²⁷
 - d the annual GW Commission budgetary and KPI process and papers, where services provision by DLGSC and costings are a matter of importance.²⁸
45. I emphasise that if a member of the GW Commission had any concerns about services provision by the DLGSC, they would be free to direct those queries to officers of the DLGSC during any of the GW Commission's meetings (or in advance of or outside the regular meeting schedule), in which case relevant DLGSC officer(s) involved

²² The main exception is activities performed directed by GW Commission members, for example attending meetings and when serving on ancillary bodies such as the Community Gaming Trust.

²³ PUB.0002.0001.0001 at PUB.0002.0001.0053.

²⁴ See e.g., GWC.0002.0016.0265_0002 to GWC.0002.0016.0265_0003 (numerous additional work requested on sale of TAB); GWC.0002.0016.0279_0002 (trends analysis requested for Casino Gaming Action report); GWC.0002.0016.0285_0005; GWC.0002.0016.0286_0003 (Members requesting statistics on Casino exclusion applications).

²⁵ If the GW Commission has no meeting on January or a brief January meeting with no financial report item, then the financial report provided in the February meeting of the GW Commission will cover the two-monthly period of 1 December of the preceding year to 30 January of that year.

²⁶ See e.g., GWC.0002.0016.0367_R_0198; GWC.0002.0016.0344_0003.

²⁷ GWC.0002.0016.0265_0003; GWC.0002.0016.0276_0006; GWC.0002.0016.0279_0005 (CFO or proxy requested to attend and discuss financial report item on monthly basis).

²⁸ GWC.0002.0016.0279_0005 (CFO or proxy requested to attend and provide more detailed information on budget process).

would, subject to any confidentiality issues, be expected to address the member's concerns or comments.

2019-20 Annual Report of the GW Commission

46. I note that page 17 of the 2019-20 Annual Report for the GW Commission records 6,746 'Audits, Inspections, Assessments and Investigations' with respect to the Casino for the 2019-20 financial year whereas page 18 records:
- a 3,848 EGM software and seal checks;
 - b 9 Revenue Audits; and
 - c 2,882 Casino audits and inspections completed,
- over the same financial year, which sums in total to 6,739.²⁹
47. I am advised that page 17 records *all* audits, inspections, assessments and investigations including the investigation of 7 Casino complaints (see the fifth bullet point on page 17), whereas page 18 provides figures for particular kinds of compliance activities ultimately omitting the investigation of 7 Casino complaints. This explains the difference of 7 in each figure.

Bergin Inquiry

48. Before discussing the GW Commission's interactions with the Bergin Inquiry it is important to start with the 60 Minutes story on the Crown group, which aired on 28 July 2019 and used as evidence matters going back to 2012 and 2016. I recall it included a significant interview with a former Head of the Australian Border force who made it clear that Federal enforcement agencies had concerns with Crown and were monitoring potential criminal activities. By 14 August 2019 the Bergin Inquiry was established in NSW.
49. It is important to note that the 60 Minutes story only once mentioned Perth in passing and was mostly focused on Crown Melbourne. After the story the GW Commission immediately requested a formal Crown response.³⁰ As Chairperson and Director General I was contacted to

²⁹ PUB.0002.0001.0658 at PUB.0002.0001.0675 - PUB.0002.0001.0676.

³⁰ See GWC.0001.0008.0001, GWC.0001.0008.0002 and GWC.0001.0009.0001.

cooperate with Bergin. My view at the time, which I stand by today, is that calling for an inquiry in WA (such as under section 21A of the Casino Control Act) at that time may have undermined the Bergin Inquiry in NSW. Furthermore I considered that the proper conduct of the Bergin Inquiry would ultimately be to WA's advantage in initiating its own inquiry down the track. Some of the reasons which informed my view at the time were:

- a the contact I received from the Bergin Inquiry and Federal officials led me to understand that the Bergin Inquiry was going to review Crown operations in WA and Victoria and not just NSW;
 - b I considered that an investigation in WA at that time might have unduly crossed-over, overlapped or interfered with the swift resolution of the Bergin Inquiry, and *vice versa*, say by giving Crown a basis to resist legal process or seek extensions of time with respect to either inquiry; and
 - c I considered that an investigation in WA might be even more efficiently and effectively conducted if it succeeded the Bergin Inquiry, so that it could consider some of the evidence brought before, and the findings reached by, that Inquiry.
50. Given the 60 Minutes story disclosed the interest the AFP and Australian Border Force had in money laundering, I believe it was reasonable to expect, and I did expect, that those agencies would seek the support of State regulators in addressing matters of concern (that is, 'RISKS', as that term has been used during this Royal Commission). In my view the current AUSTRAC investigation evidences that AUSTRAC had the capacity to take action at that time but did not do so.
51. It was reasonable for the GW Commission to assume that law enforcement agencies were going through their own processes and that we would receive from them indications of any gap in our oversight.
52. DLGSC staff were in contact with officers in Victoria immediately after the 60 Minutes story was aired and became aware that the VCGLR were investigating the specific incidents outlined in the 60 minutes story. There was no particular incident identified in WA that would have

given cause for an immediate investigation and hence awaiting the outcome of Bergin and the Victorian Commission for Gambling and Liquor Regulation (**VCGLR**) inquiries along with Crown curtailing their Junket operations was considered an appropriate response at the time.

53. On 18 February 2020 I met with the Hon PA Bergin SC and advised the members of the GW Commission as to our discussion and informed members that Commissioner Bergin encouraged the receipt of submissions from all jurisdictions.³¹
54. Around April 2020 the GW Commission's intention was to provide a submission to the Bergin Inquiry.³² However, the Bergin Inquiry was interrupted due to the Covid-19 pandemic and the request for a submission evolved into a request to participate in the round table discussed immediately below.
55. On 28 October 2020 Michael Connolly and Mark Beecroft participated in a Regulatory Round Table meeting convened by the Bergin Inquiry's solicitors with representatives from all Australian jurisdictions and from Canada and New Zealand.³³
56. On November and December 2020 Michael Connolly corresponded with solicitors for the Bergin Inquiry, providing them with information and responses to inquiries.³⁴ On 15 December Mr Connolly responded to a summons from the Bergin Inquiry, providing further information.³⁵

GW Commission relationship with WA Police

57. Throughout its existence the GW Commission and the Department assisting it have maintained a working relationship with WA Police the extent of which has varied over time.³⁶ As I noted in the second witness statement I provided to the Royal Commission, I consider that that

³¹ GWC.0002.0016.0297_0003. See also GWC.0001.0007.0392.

³² GWC.0002.0016.0309_0002; GWC.0002.0016.0299_0002.

³³ GWC.0001.0007.0001.

³⁴ GWC.0001.0007.0390.

³⁵ GWC.0001.0007.0393.

³⁶ 20210526 – PCRC Transcript Day 12, 26-28, 60 [35]-61 [5] (Transcript pp 1173-1175, 1207 [35]-1208 [5]) (2007-2010); 20210525 – PCRC Transcript Day 11, 11 [45]-12 [30] (Transcript, pp 1005 [45]-1006 [30]) (1985); 20210511 - PCRC Transcript Day 04, 71 [40], 73 [40] (Transcript pp 180 [40], 182 [40]) (relationship generally).

working relationship can be improved and in that regard some measures are underway.³⁷

58. In the course of preparing my first and second witnesses statements I recalled that around January 2021, the-then Chief Casino Officer, Michael Connolly, informed me that Detectives from the Money Laundering Squad of WA Police reached out to Government Inspectors. The Detectives advised that they had concerns and would like to meet with relevant DLGSC/GW Commission officers to discuss possible collaboration. The above was the extent of my recollection at the time; I later found the email chain in which Mr Connolly informed me of the above matters.³⁸ As to that email chain, I did not attend the meeting of 11 January 2021 evidenced in the chain and have no recollection or record as to what was discussed in it.

Statement of Information dated 22 April 2021

59. I refer to my evidence before the Royal Commission on 10 May 2021 with respect to this document (QNE.0001.0001.0001), where I was unclear on whether Fiona Roche signed the document as Acting Deputy Director-General or Acting Director-General.³⁹
60. Having further considered the matter, I now recall that I was on leave during the relevant period and Fiona Roche was serving during my leave as Acting Director-General, meaning she signed the document in that capacity.

General Comments

61. Having reviewed the transcript of my appearance before the Royal Commission on 10 May 2021 and my first witness statement to the Commission I realise the focus of my evidence was on the introspective work of the GW Commission over the past two years focusing on the failures of Crown senior management evidenced by developments in Melbourne and Sydney. Those failures took the whole national industry by surprise.

³⁷ DLG.0001.0003.0001_0009, [43].

³⁸ DLG.0001.0008.0002.

³⁹ 20210510 – PCRC Transcript Day 03, pp 66 [40]-67 [10] (Transcript, 81 [40]-82 [10]).

62. Whilst it was imperative that the Royal Commission received that information and I addressed those matters fulsomely I think I was mistaken to not make clear my confidence in the staff of the DLGSC who work in gaming and wagering regulation and the members of the GW Commission. I rely on them for their specialist knowledge. Furthermore I am confident in the skills of the experienced and talented people that the Government appoint to the GW Commission. While there is always room for improvement I think that the DLGSC and members of the GW Commission have consistently done good work and have served the public interest well.
63. Furthermore I have reviewed the transcript of my evidence to the Royal Commission where I said I was aware that Michael Connolly had worked as Chief Casino Officer for a long time and had a good working relationship with some Crown staff.⁴⁰ I recall that at one point during my tenure as Director General, Mr Connolly sought my approval for he and staff within the RGL division to attend a party, on Crown premises, for Mr Paul Hume's retirement from Crown. At that time I knew Mr Hume solely to be a former RGL employee and therefore former colleague of those RGL staff attending and I was unaware of any friendship between Mr Connolly and Mr Hume. At the time I saw the request for approval as an appropriate disclosure by staff that they were going to attend Crown premises.

⁴⁰ 20210511 - PCRC Transcript Day 04, 2 [40]-4 [20] (Transcript, pp 111 [40]-113 [20]).

I declare that this statement is true and correct to the best of my knowledge and belief and that I have made this statement knowing that if it is tendered in evidence I will be guilty of a crime if I have wilfully included in this statement anything which I know to be false or that I do not believe is true.

Contains sensitive information



Witnessed at Perth

On 23-06-2021 at 9:40am

Contains sensitive information

