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PERTH CASINO ROYAL COMMISSION

PUBLIC HEARING - DAY 30

10.00 AM MONDAY, 30 AUGUST 2021

COMMISSIONER N J OWEN

HEARING ROOM 3

MS ANN SPENCER and MS KARESS DIAS and MS GABY O'HARA and MS ELLY STURGEON as Counsel Assisting the Perth Casino Royal Commission

MR ANTHONY WILLINGE as Counsel for Consolidated Press Holdings Pty Ltd and CPH Crown Holdings Pty Ltd

DR ELIZABETH BOROS as Counsel for Mr Ken Barton

MS JOANNE SHEPARD and MR ROBERT FRENCH as Counsel for Mr Barry Felstead

MR PAUL D. EVANS as Counsel for the Gaming and Wagering Commission of Western Australia

MS FIONA SEAWARD and MR JOSHUA BERSON as Counsel for the Department of Local Government, Sport and Cultural Industries

MR KANAGA DHARMANANDA SC and MR TIM RUSSELL and MS MEL JASPER and MR RICHARD LILLY as Counsel 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

MR PETER WARD as Counsel for Mr John Poynton

10:00AM

COMMISSIONER MURPHY: Good morning. The Commissioners are conducting concurrent hearings today so I will conduct this hearing. The other Commissioners will refer to the transcript and the recording of this hearing and may have follow-up questions in due course.

Ms Hayward, would you please stand. Will you take an oath or affirmation?

PROFESSOR HAYWARD: Affirmation, please.

PROFESSOR COLLEEN PATRICIA HAYWARD, AFFIRMED

COMMISSIONER MURPHY: Thank you. Please be seated.

Mr Evans.

EXAMINATION-IN-CHIEF BY MR EVANS

MR EVANS: Thank you, Commissioner.

Professor Hayward, you have prepared for the purposes of this Commission a second witness statement at the invitation of the Commission; is that correct?

PROFESSOR HAYWARD: I have.

MR EVANS: It is dated 27 August 2021. Do you have a copy in front of you?

PROFESSOR HAYWARD: I do.

MR EVANS: That is your signature on the 21st page?

PROFESSOR HAYWARD: Yes, my copy is not actually signed but I did sign it at the office the other day.

MR EVANS: Thank you. The contents of your statement are true and correct to the best of your knowledge, information and belief?

PROFESSOR HAYWARD: They are.

MR EVANS: Commissioner, tender document GWC.0003.0018.0001.

COMMISSIONER MURPHY: Thank you.

**EXHIBIT #GWC.0003.0018.0001 - SECOND WITNESS STATEMENT OF
PROFESSOR COLLEEN PATRICIA HAYWARD**

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COMMISSIONER MURPHY: Ms Spencer?

CROSS-EXAMINATION BY MS SPENCER

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MS SPENCER: Thank you, Commissioner. May it please the Commission.

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Professor Hayward, the purpose of today is to explore further topics with you and if
necessary clarify your evidence and some of the matters Mr Feutrill covered with
you back in May. Firstly I would like to take you to the GWC Act, specifically the
part of the Act which deals with the GWC. If we can call up PUB.0004.0005.0107.
If we can scroll through slowly pages 125 to 127, you will see section 7 there,
Professor Hayward.

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At the time you were a GWC member, were you familiar with section 7 of the GWC
Act?

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PROFESSOR HAYWARD: Sorry. Could you go back to the start of 7, please.

MS SPENCER: Page 125, please. It goes across the page and then finishes on page,
if we scroll to 127 as well, please. At the time you were a GWC member, were you
familiar with section 7 of the GWC Act?

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PROFESSOR HAYWARD: In my view, yes.

MS SPENCER: If we could go to page 126, I want to zoom in on section 7, sub-
paragraph 1(ba), the top half of page 126. You see that one of the duties there was:

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*to formulate and implement policies for the scrutiny control and regulation of
gaming and wagering, taking into account the requirements and interests of the
community as a whole and the need to minimise harm caused by gambling*

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You see that there?

PROFESSOR HAYWARD: Yes.

MS SPENCER: Do you recall this provision?

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PROFESSOR HAYWARD: Yes.

MS SPENCER: During your time on the GWC, do you recall if the GWC

formulated or implemented any policies that were contemplated by this section, so for the scrutiny, control and regulation of gaming?

5 PROFESSOR HAYWARD: Definitely that.

MS SPENCER: What policies can you recall?

10 PROFESSOR HAYWARD: We had policies around --- I assume you mean different to the WA Appendix?

MS SPENCER: Yes.

15 PROFESSOR HAYWARD: I would note that in particular, but there were deliberate considerations of things like gaming machines, their placement, the numbers of them. Whether it made its way into a policy, I wouldn't be able to confirm those, but ditto to harms caused by gambling although that was a frequent item on our agendas and discussed frequently throughout the course of my tenure.

20 MS SPENCE: As far as you are aware, was that encapsulated in a document anywhere?

25 PROFESSOR HAYWARD: Part of my --- I'm doing my best to answer you, but there have been so many documents that I've read through in the last couple of days especially that it's a little difficult for me to know, did I recall in that moment, or am I recalling because of something that I've just read.

MS SPENCER: Sure. Okay. I understand.

30 I will move on to electronic gaming machines, if I may.

PROFESSOR HAYWARD: Yes.

35 MS SPENCER: I will refer to those at EGMs. I want to explore the GWC's approval process. You talk in your latest statement at paragraph 51 the process of the GWC in terms of authorising new games of the casino. You make particular reference to EGMs and that an evaluation is undertaken as to whether or not a machine is too many like a poker machine. That's at 51.3 of your statement.

40 During your time as a member, you were aware there was a prohibition in WA on poker machines?

PROFESSOR HAYWARD: Yes.

45 MS SPENCER: In your statement at paragraph 52 you refer to the Government having a long-standing policy. You see that there?

PROFESSOR HAYWARD: Yes.

10:07AM

MS SPENCER: Did you understand during your tenure on the GWC that the prediction was in fact written law under section 85 of the GWC Act?

5 PROFESSOR HAYWARD: Yes, I certainly understood it was in the Act.

MS SPENCER: Okay, and also section 22 of the Casino Control Act?

PROFESSOR HAYWARD: Yes.

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MS SPENCER: I'm happy to bring those documents up.

PROFESSOR HAYWARD: No, I recall that. Yes.

15 MS SPENCER: Back in May, do you recall an exchange with Mr Feutrill where you gave evidence about the GWC providing in-principle approval to Burswood or Crown as they were at the time, and then that approval often followed a presentation by people from Burswood or Crown; do you recall that evidence?

20 PROFESSOR HAYWARD: Yes.

MS SPENCER: I can take you to the transcript if you would like to.

25 PROFESSOR HAYWARD: No, that was in accordance with normal process so, yep.

MS SPENCER: Is it the case that in the assessment of an EGM, the GWC considered more than just whether or not the game was a poker machine?

30 PROFESSOR HAYWARD: Yes.

35 MS SPENCER: In terms of the discussions that the GWC had, when deciding whether or not to approve an EGM, in your statement at 51.3 you refer to house advantage, rules and Crown's reasons for introduction of the game. Now, are those things --- do you make reference there only to games or does that also apply to EGMs?

PROFESSOR HAYWARD: To EGMs as well is my recollection.

40 MS SPENCER: Sure. Could you explain to the Commissioner what it is you mean by the house advantage in the context of an EGM?

PROFESSOR HAYWARD: My understanding is that goes to at least 90 per cent return to player.

45

MS SPENCER: And when you refer to the rules of the game in paragraph 51.3, could you just explain what you mean by that?

PROFESSOR HAYWARD: When we considered any proposal for a new game, the conversation went to things like what is so different about this game to what has been in the past. Generally when Crown Casino presented to us, they would liken it to a previous game. So if there had been a game by a particular game manufacturer and a game type that had been previously approved, they would say --- this is like that or that or there were four or five different game manufacturers. They all had their own style of game, and generally what we were looking at was new artwork on really the same game over and over again.

MS SPENCER: Could I just check with you what you mean by "artwork"?

PROFESSOR HAYWARD: Yes, all the visuals one would see. So if there were particular pictures, they would change depending on the game. The rules tended not to. They were the same. The way the pictures appeared was in keeping with whatever was the type of game. And we also considered things like how many games, whether or not the number of EGMs proposed was in keeping with --- was under the ceiling of how many EGMs there could be in any case, where they would be placed in terms of gaming facility within the casino and the various costs per game.

MS SPENCER: And where they were placed in the casino, you mean --- their footprint basically in the casino, where they would sit in, compared to all the others - --

PROFESSOR HAYWARD: Yes. And some of it --- I mean, most of it, as I'm sure you would expect, was on the main gaming floor, but there were also other areas like the Pearl Room or the international room or things like that, EGMs were not so popular in those places, but once again it wasn't a surprise to us that in the more high end part of the Victorian the costs per game might also be higher than on the main gaming floor. So we looked at all of that.

MS SPENCER: And the third point you make in paragraph 51.3, you make reference to the reasons given by Crown Perth for the introduction of a game.

PROFESSOR HAYWARD: Yes.

MS SPENCER: Can you think of any examples, sitting here today, of reasons which Crown Perth gave over the time in which you sat on the GWC?

PROFESSOR HAYWARD: In terms of 51.3 and the last sentence, yes?

MS SPENCER: Well, the first sentence of 51.3. Sorry, it is the second sentence, you are correct.

PROFESSOR HAYWARD: Okay, did --- without getting things to a process where it was just routine so you don't need to consider it in specifics, because every game was considered in specifics, every game was demonstrated, it wasn't like "This is like

5 this other one so please tick", it wasn't any time like that, but the main reason coming forward in terms of why a new machine, even if it is that same game type, was to keep the punter's interest. Essentially, if someone likes a particular style of game, they may well appreciate the same style of game but with different artwork, potentially different features to keep their interest. Does that make sense?

10 MS SPENCER: It does. Thank you. Can you think of any other reasons Crown Perth gave as to wanting to introduce new EGMs?

PROFESSOR HAYWARD: It was mostly about keeping the punters interested.

15 MS SPENCER: Now, when the GWC is considering all these factors when reviewing an EGM, what sort of weight was attributed to each factor? I'm interested to know was one particular factor, for instance, considered to be more important to the GWC than another?

20 PROFESSOR HAYWARD: I think for me, the standout was the game type. Not that I've played any of these but if there was a tiled turnover that was my preference in seeing it and considering it for approval as opposed to the game type which was rolling balls. I and the other Commissioners, Gaming and Wagering Commissioners, were always keen to have verification that those rolling ball-type games fitted within the time per game. They always looked as though they were going faster, but we did have those tested specifically. So the timing of the game was always a really
25 important consideration and I think in looking at all of the various considerations we gave to any new game request that would have been top of the list.

30 MS SPENCER: Would it have been given greater weight in a decision-making process?

PROFESSOR HAYWARD: I think so.

35 MS SPENCER: Say, for example, you had three reasons, would you attribute a third, a third, a third to each of the reasons or was it something like ---

PROFESSOR HAYWARD: The timing was always paramount.

40 MS SPENCER: Was there a handbook or anything like that which set out a process for making these decisions?

PROFESSOR HAYWARD: I don't recall, to be honest.

45 MS SPENCER: Or any other kind of document perhaps which set out the sorts of questions that you could ask the presenters from Crown or Burswood?

PROFESSOR HAYWARD: I didn't feel we were limited in terms of anything that we wanted to raise. If, for instance, on that last example, if it was the rolling balls and we really wanted to be clear that each game took at least a certain amount of

time, then we might ask for further information. We might ask for testing. I didn't ever really feel that that's not a question we could ask. If people had a question, it was open in terms of us asking that.

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MS SPENCER: Thank you. Turning to paragraph 52 of your statement, you set out the key differences between an EGM and a poker machine ---

PROFESSOR HAYWARD: Yes.

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MS SPENCER: --- being that EGMs do not have a spinning wheel display and must be started using a start button. Can you explain at best you can to the Commissioner what you mean by a spinning wheel display?

15

PROFESSOR HAYWARD: For me, I have never played a poker machine.

MS SPENCER: Or EGM?

PROFESSOR HAYWARD: Yes, but to be able to compare.

20

MS SPENCER: Yes.

PROFESSOR HAYWARD: So this was very much that things had to be played, it was always left to right, always by line and how to compare that with an actual poker machine and how that worked, in not having played it, it's hard for me to differentiate.

25

MS SPENCER: Do you recall seeing advice or guidance from the department, perhaps about the difference between an EGM and a poker machine?

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PROFESSOR HAYWARD: It was often in the conversation.

MS SPENCER: In what conversation?

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PROFESSOR HAYWARD: Any game conversations about game approvals.

MS SPENCER: Within the GWC meetings?

PROFESSOR HAYWARD: Yes. Once again, as you can imagine, for me the rolling ball style of game always represented --- was the closest representation to what I would expect from a poker machine so that was a particular interest of mine and that, how is this different, is it different, was part of that conversation.

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MS SPENCER: Did anyone give you assurance of the difference between that rolling ball that you were concerned with and the poker machine?

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PROFESSOR HAYWARD: Yes. That assurance came from the department.

10:19AM

MS SPENCER: Was it a paper or from a particular person at the department, do you recall?

5 PROFESSOR HAYWARD: Not in any particular pattern, sometimes from a person, sometimes within a paper.

MS SPENCER: If we could call up GWC.0002.0016.0035_R. This is an agenda paper for the September 2011 meeting. That's scrolled down to page 407. This is
10 item 8.2. If we could just have a scroll through these pages you will see that it is differentiating between electronic gaming machines and poker machines. That's quite a detailed note on the difference there. Do you recall seeing that document? Appreciating it was years ago.

15 PROFESSOR HAYWARD: Yes, look, it doesn't surprise me that it came, but even in scrolling back, the picture where there was the poker machine, it doesn't leap forward as, yes, I definitely remember that.

MS SPENCER: Sure. I will just take you to the minutes of that meeting. That's
20 GWC.0002.0016.0046. If we just go to the first page. This is the meeting on 27 September 2011 of the GWC. You will see there in the "Present" that your name appears there, Professor Hayward?

PROFESSOR HAYWARD: Yes.
25

MS SPENCER: If we just go to page nine and just looking at item 8.2, about three quarters of the way down the page, you see the resolution there to approve the electronic gaming machines policy and that was the document I just took you to in the agenda just before.
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PROFESSOR HAYWARD: Yes.

MS SPENCER: Does that refresh your memory as to whether or not you were given guidance as to the differentiation?
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PROFESSOR HAYWARD: That certainly is what that shows. I just didn't have a recollection of it.

MS SPENCER: Sure.
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If we could go back to the agenda, please, at page 414, can you see there there is a list of principles the GWC applies to determine that a machine is not a video poker machine?

45 PROFESSOR HAYWARD: Mm-hmm.

MS SPENCER: There are five factors there, appearance, player interaction, speed of play, winning combinations and symbols. Does that accord with your recollection of

the principles you apply as a GWC member in assessing proposed EGMs?

5 PROFESSOR HAYWARD: Yes. Certainly all those matters were discussed in terms of whether or not a game was given in-principle approval, but I don't recall us ever sitting down and going, "Okay, what do people think about appearance or what do people think about this", but all those things were in the mix.

10 MS SPENCER: I think I know the answer to the question but I will ask it anyway.

PROFESSOR HAYWARD: Yes.

15 MS SPENCER: Do you recall ever referring to this document at all during your tenure? I'm curious to know whether, say, when you were assessing an EGM whether you would have --- the members would have that document with them?

PROFESSOR HAYWARD: Not that I recall.

20 MS SPENCER: I would like to now keep on the topic of EGMs but ask you questions about the speed of play.

25 Just before we leave this document, you see there at point 3 that each game takes around --- takes a minimum start of 5 seconds. When you were last before the Commission you gave evidence, and I'm paraphrasing here, that the speed of games was essentially the lapse between games so that it gave a player breathing space to think about whether or not they wanted to stay playing or walk away. Do you recall that evidence?

30 PROFESSOR HAYWARD: Yes.

MS SPENCER: I'm happy to bring up the transcript if you would like?

PROFESSOR HAYWARD: No, it sounds right.

35 MS SPENCER: Can I just confirm that speed of play you were talking about there, was that in an EGM context?

PROFESSOR HAYWARD: Yes.

40 MS SPENCER: Now, in May ---

PROFESSOR HAYWARD: And I think only in an EGM context.

45 MS SPENCER: Thank you. In May you also gave evidence that you didn't ever see a policy manual per se by the GWC, and you said that in the context of questions asked by Mr Feutrill in respect of looking at elements of games which required GWC approval and, in particular, in respect of the element of speed of play. Do you recall that exchange with Mr Feutrill?

10:25AM

PROFESSOR HAYWARD: I think so.

MS SPENCER: Yes. Again I can bring up the transcript.

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PROFESSOR HAYWARD: No, no, that sounds right.

MS SPENCER: Do you recall from your time on the GWC considering EGM speed of play issues and approaches from Burswood or Crown to reduce the length of games?

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PROFESSOR HAYWARD: Yes, definitely.

MS SPENCER: I would like to look at 2014, Professor Hayward.

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PROFESSOR HAYWARD: Yes.

MS SPENCER: If we could please bring up GWC.0002.0016.0129. If we go to item 5.2 on page 2. This is a document you may be somewhat familiar with, Professor Hayward. I see you referred to it in your last witness statement at paragraph 53. These are the minutes from the GWC meeting on 25 March 2014 and you will see on the first page, if we could just look at the first page and you will see you were an attendee of that meeting.

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25 Now, moving to item 42 and what is minuted there, can you read that to yourself ---

PROFESSOR HAYWARD: 5.2?

MS SPENCER: 5.2, please. Let me know when you've had a read of that.

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PROFESSOR HAYWARD: Yes. Thank you. Yes.

MS SPENCER: What I would like to ask you about is the second paragraph. It is one sentence in that paragraph. The second part of that sentence says:

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..... the Deputy Director General was requested to liaise with Crown Perth with a view to decreasing the game speed by a further 20%.

You see that there?

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PROFESSOR HAYWARD: Yes.

MS SPENCER: You say in paragraph 53 that you don't recall the consideration given to increasing the minimum speed of play for EGMs. But there is no reference in your statement to the agenda for that item. So I would like to show you the corresponding agenda documents which relates to those minutes I just took you to. So if we could bring up GWC.0002.0016.0126_R, starting at page 22. This is the

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agenda you will see on the top of that page. From 22 to 52, if we could just scroll through that slowly. I don't expect you to read it. It's 30 pages we will scroll through, but just to see if any of that jogs your memory at all. If we could slow down the scroll, that would be great, please.

All right, so that was the agenda item. All the documents that went with that. Does that assist at all in refreshing your memory as to the discussions at the 24 March meeting and why the Deputy Director General was requested to liaise with Crown about decreasing the game speed by 20 per cent?

PROFESSOR HAYWARD: I don't know that I recall. My assumption, however, is that it looks as though Crown had come forward with that request and that the Gaming and Wagering Commission required more information about that. I think in Mr Preston's letter he references that particular point, if we could go back to that.

MS SPENCER: Yes, sure. I think that was --- if we could scroll up until we find Mr Preston's letter. It's one of the last documents, and just if we start at

PROFESSOR HAYWARD: Yes, next page. I thought I spotted in that quick scroll that there was something about the timing. Perhaps it is on the next page.

MS SPENCER: If I could perhaps draw your attention to this in the minutes.

PROFESSOR HAYWARD: Yes.

MS SPENCER: So the Deputy Director General was requested to liaise with Crown Perth with a view to decreasing the game speed by a further 20 per cent. So, essentially, making the game longer as opposed to shorter. So perhaps the opposite to what you might be thinking of?

PROFESSOR HAYWARD: Yeah, I know for me, which is why we did have it tested, the rolling ball style of game always, to me, looked quicker than tiles being turned over across a screen. So every time there was a game type that was like that, we went to the same conversations.

MS SPENCER: Yes so I think scrolling through that agenda item, some of the images, were they the balls that you were concerned about?

PROFESSOR HAYWARD: Yes, just --- it felt faster.

MS SPENCER: Sure. If we could scroll up to the pictures on the PowerPoint on this agenda. I'm unsure of the exact page. We may have to scroll up until we hit it.

PROFESSOR HAYWARD: It's a shame that you don't have access to the video clip because that showed the movement as well as just "It's moved and here's what it looks like."

MS SPENCER: Yes. Is it these sort of things you were concerned about?

5 PROFESSOR HAYWARD: Yes, not so much the pictures that are there when you reach this point, but it's how you got there. It's the ball rolling down what looked like a test tube, really.

10 MS SPENCER: If we can flick back to the agenda item 5.2, please. Sorry, on the minutes.

Do you recall the Deputy Director General, which we will see from the first page of the minutes is Mr Michael Connolly, I believe, at that stage. Do you recall him reporting back to the GWC about slowing down the game?

15 PROFESSOR HAYWARD: I don't recall specifically.

MS SPENCER: Sure. Looking at that item 5.2, do you agree with me that looking at these minutes, the GWC's attitude at this time was to decrease the EGM's speed of play, so in fact making the games longer?

20 PROFESSOR HAYWARD: Yes.

MS SPENCER: Do you recall if it was the ball delivery system or across all EGMs?

25 PROFESSOR HAYWARD: My recollection is that it was specific to the ball delivery.

MS SPENCER: You refer in your latest statement at paragraph 53 to having refreshed your memory for the GWC's agenda for the 2014 meeting: if we could bring that up now, GWC.0002.0016.0115. If we could just show the first page and then scroll down to page 9, please. You will see there this is item 4.1, so the matters to be actioned. And the first item in that table there is for the Deputy Director-General to liaise with Crown. That is what we were just talking about that Mr Connolly was going to go away and talk to them. Then it says "A verbal update to be provided at the 24 June meeting". You see that there?

35 PROFESSOR HAYWARD: Yes.

MS SPENCER: Now, if we just turn to the minutes, if we could please bring up 40 GWC.0002.0016.0116. Just the first page, thank you. We can see, Professor Hayward, that you attended that meeting there, and that Mr Michael Connolly also attended as the Deputy Director General.

45 PROFESSOR HAYWARD: Yes.

MS SPENCER: Now, turning to the bottom of page 1, you can see there 4.1(i), electronic gaming machine speed of play, there are two short paragraphs and it spreads over the page. If you could read those two paragraphs to yourself. Do you

know how Mr Connolly made those inquiries with Crown Perth?

5 PROFESSOR HAYWARD: Not that I recall. When Mr Connolly reported to us, it was just directly in terms of that, meetings or conversations had taken place.

10 MS SPENCER: There is a reference there to "adverse consequences" in the second sentence. Are you able to give the Commissioner any insight as to what consequence Mr Connolly was referring to?

PROFESSOR HAYWARD: I can't recall in terms of the specifics of this meeting. Once again, my assumption is about revenue.

15 PROFESSOR HAYWARD: Essentially more money rolls in, essentially.

MS SPENCER: On page 2 it refers to unwanted outcomes to increasing game length. Do you see that there?

20 PROFESSOR HAYWARD: Yes.

MS SPENCER: Do you recall what that was about?

PROFESSOR HAYWARD: I don't.

25 MS SPENCER: I want to stay on the topic of speed of play but move to a later time period, being 2019. Do you recall that the speed of play or the length of game, if you like, reduced from 5 seconds to 3 seconds during your tenure on the GWC?

30 PROFESSOR HAYWARD: Yes.

MS SPENCER: Do you recall the GWC meeting on 26 March 2019 when Mr Felstead, Mr Preston and Mr Sullivan came and presented on Crown's proposed amendments to the WA Appendix?

35 PROFESSOR HAYWARD: That sounds familiar.

40 MS SPENCER: I might bring up the agenda item if I may, GWC.0002.0016.0268. Okay, the first page is subject to a non-publication order, so perhaps just private screens only on the first page, so we can see what the document is. You see it is 26 March 2019 agenda for the GWC?

PROFESSOR HAYWARD: Yes. I have no doubt about that date because it followed the routine pattern of when meetings happened.

45 MS SPENCER: Okay. If we could just go down to page 76, please. This is referring to the presentation that I just asked you about.

PROFESSOR HAYWARD: Yes.

MS SPENCER: That Mr Felstead, and Mr Preston would come and deliver a presentation to the Commission. If we could just scroll down slowly, please. Starting on this page is a letter from Crown dated 7 March 2019 to Mr Ord as the head of the GWC. If we continue to scroll slowly and if we could pause on page 79.

PROFESSOR HAYWARD: Yes.

MS SPENCER: Bottom half of page 79, you will see the table there.

PROFESSOR HAYWARD: Yes.

MS SPENCER: At point 2 there is a proposed increase in the speed of game from 5 seconds to 3 seconds. You see that?

PROFESSOR HAYWARD: Yes.

MS SPENCER: A track change document there. There is a reference to reducing the return to player from 90 per cent to 87.5 per cent. You see that there?

PROFESSOR HAYWARD: Yes.

MS SPENCER: If you scroll down to page 83, this is the last page of the letter of 26 March 2019, and you will see there in the second --- the paragraph there about Responsible Service of Gambling.

PROFESSOR HAYWARD: Yes.

MS SPENCER: If I could draw your attention to the second paragraph, you will see there is a submission there from Crown that the proposed amendments, so that is the third line of the second paragraph:

..... the proposed amendments to clause W A4.2 of the WA Appendix will not have any impact on gambling related harm.

You see that there?

PROFESSOR HAYWARD: Yes.

MS SPENCER: If we could bring up the minutes to the meeting, GWC.0002.0016.0271, page 1, just on the private screens, please. If you could just keep that extract of that letter in your mind, if you could. You see there, Professor Hayward, you were an attendee on 26 March?

PROFESSOR HAYWARD: Yes.

MS SPENCER: If we scroll down to page 4, which can go on the public screen, this

10:45AM

deals with item 6.4, amendment to the WA Appendix, and you will see that the presentation lasted about 45 minutes. So the first line says ---

5 PROFESSOR HAYWARD: When they arrived.

MS SPENCER: Yes, arriving at 8.45 and leaving at 9.28.

PROFESSOR HAYWARD: Yes.

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MS SPENCER: What do you recall of this presentation?

PROFESSOR HAYWARD: It was a little unusual because Mr Felstead didn't usually attend Gaming and Wagering Commission meetings. So that was a bit unusual in its own right. And to me, and I daresay the other GWC Commissioners, it pointed to the importance that Crown Casino was placing on the matters being presented.

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MS SPENCER: Did Mr Felstead say anything to that effect or is that just ---

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PROFESSOR HAYWARD: No, it is my assumption. That's what it felt like at the time.

MS SPENCER: Did you have a discussion with the GWC members about that assumption that you had?

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PROFESSOR HAYWARD: I don't recall.

MS SPENCER: If we can go back to what you recall from this 45-minute presentation.

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PROFESSOR HAYWARD: Yes. Sorry, it's not the presentation as much as the conversation that followed that is in my recollection. If someone was presenting something, they would present. There were questions along the way, where that was relevant ---

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MS SPENCER: From the GWC members?

PROFESSOR HAYWARD: Yes. And there wasn't --- the body of the discussion followed whoever was presenting their exit from the room, because you didn't discuss a whole range of things in the presence of whoever was presenting. And for me, the two main things, which is what you've pointed out in the letter in any case, one about the speed of game, and the other about the return to player, they were the main two aspects of our discussions that followed.

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MS SPENCER: Okay. If I could step back to the presentation, I want to exhaust your memory on that point if I may.

45

PROFESSOR HAYWARD: Yes.

5 MS SPENCER: Do you recall in that particular presentation that questions were asked? I know you said that questions were generally asked, but do you recall in that presentation?

10 PROFESSOR HAYWARD: My recollections were there were questions, so "Why this? What will it mean?" That sort of question. And certainly in terms of the speed of game, there would have been questions around what are the extra features, before someone moves from one game to the next game, as opposed to what is the timing of the base game without those added on features. That certainly would have been in questions asked.

15 MS SPENCER: So would you describe that presentation as an interactive presentation?

PROFESSOR HAYWARD: I don't know I'd go so far. Interactive is kind of on par.

20 MS SPENCER: Conversations?

PROFESSOR HAYWARD: Yes. There were questions asked and certainly they were addressed but I wouldn't call that interactive.

25 MS SPENCER: Okay, and 45 minutes, was that quite a long presentation --

PROFESSOR HAYWARD: Yes, definitely.

30 MS SPENCER: --- compared to what you had previously?

PROFESSOR HAYWARD: Yes.

35 MS SPENCER: I just want to test your recollection of Crown's submission which I took you to earlier, that it will not have any impact on gambling-related harm. Do you recall if that was specifically interrogated by the GWC members to the presenters?

40 PROFESSOR HAYWARD: I don't know that it was specifically considered. Indirectly it was considered in terms of the point where one game was started and the next one was started.

45 Because that was seen to be related to harm minimisation as opposed to somebody just pressing, then indirectly it would have been, but I don't know that it was asked so specifically.

MS SPENCER: Do you recall the agenda paper in July 2019 which dealt more substantively with Crown's application that we were just discussing there? I will bring up the agenda item, GWC.0002.0016.0281. Agenda item 5.3. Perhaps if we

scroll through that slowly.

PROFESSOR HAYWARD: So I'm taking their letter as the submission?

5

MS SPENCER: Yes.

PROFESSOR HAYWARD: Yes.

10 MS SPENCER: Are any of these documents familiar to you, Professor Hayward?

PROFESSOR HAYWARD: They are. If I sound hesitant it's because I wouldn't be able to tell you how much of that was recollection of the time and how much of it is -
--

15

MS SPENCER: In the last few days?

PROFESSOR HAYWARD: Yes.

20 MS SPENCER: I understand.

PROFESSOR HAYWARD: I'm sorry.

MS SPENCER: You refer at paragraph 54 of your latest witness statement to your understanding that in-game features of EGMs was extending the overall game speed to in excess of 5 seconds.

25

PROFESSOR HAYWARD: Yes.

30 MS SPENCER: Do you recall if Crown provided you --- by "you", I mean the GWC --- with details of the proportion of EGMs that were affected by this?

PROFESSOR HAYWARD: I don't remember that. I do remember --- I don't remember if it was in this specific presentation but when a presentation was made about any proposed game coming to the GWC, we saw what you are not seeing and that is actually the video. You could see the speed and you could also see, you know, if there is a winning line or outcome here, these are the sorts of features that come up. So we had that overall picture.

35

40 MS SPENCER: Okay. Did the GWC, at any point, ever call upon an independent third party to verify how many EGMs in the casino this affected, this bonus feature extending the game time?

PROFESSOR HAYWARD: I know we used the GLI ones that did this testing. I can't recall whether we asked for that testing or whether Crown Perth asked for that testing.

45

MS SPENCER: Okay. Now, you say in paragraph 55 of your latest witness

statement that you recall a robust discussion on this issue of reduction of game speed.

PROFESSOR HAYWARD: Yes.

5

MS SPENCER: Before I ask you about the content of that discussion, I want to ensure that we have the timing of that discussion right. If I could just bring up the minutes of the meeting of 23 July 2019, so GWC.0002.0016.0285. If we could just go to the first page, please, you will see there, Professor Hayward, you were an apology to this meeting.

10

PROFESSOR HAYWARD: Is that a good thing? Sorry!

MS SPENCER: With that in mind, does that --- perhaps I will take you to the item. If we just scroll down so that was item 5.3 there. That is the resolution to approve the changes to the WA Appendix?

15

PROFESSOR HAYWARD: Providing there were additional features.

MS SPENCER: Yes. But of course you weren't at this particular meeting where the resolution was passed.

20

PROFESSOR HAYWARD: No, although it does accord with the conversations that we had previously.

25

MS SPENCER: Yes, that was really my --- I wanted to show you that so we could get some timing around these robust discussions you talk about in your witness statement.

PROFESSOR HAYWARD: Yes.

30

MS SPENCER: Was it perhaps the March 2019 meeting you are recollecting those robust discussions?

PROFESSOR HAYWARD: It may well have been.

35

MS SPENCER: Could you just, as best you can recollect, tell the Commission about those robust discussions which might have been in March 2019 between the GWC members about this application or submission from Crown?

40

PROFESSOR HAYWARD: My recollections of I guess the attitude I had of reading in advance of that meeting the submission by Crown Perth was like any business, a business is under pressure to make more money. There was always a level of, probably not suspicion but scepticism around what is this really about, and are we simply being asked to endorse this because it brings in Crown Perth more revenue. That was --- I think it would be fair to say that that was always at the back of our minds, while understanding that Crown Perth is a business and that's normal for business.

45

MS SPENCER: So was there anything the GWC did in the context of this submission to help alleviate that scepticism or concern?

5 PROFESSOR HAYWARD: Yes, lots of that was, I guess, aligns with the reference I just made to actually seeing the videos.

MS SPENCER: Yes.

10 PROFESSOR HAYWARD: Because even if someone had had a stopwatch or anything like that on any of their gadgetry, you could actually time what does that look like from when you press play you will to the end of that particular game. So it was actually about watching those videos and having a look at the timing in a real-time sense that alleviated some of that.

15 MS SPENCER: So there was the aspect of considering the business aspect and there was a bit of scepticism perhaps about why you were being asked to approve this. That was part of this robust discussion you refer to. Can you think of any other things that were discussed amongst the GWC members?

20 PROFESSOR HAYWARD: As well as the speed of game was that second element about Crown Perth's proposal to reduce the return to player. So they were the two main items that were in that GWC discussion.

25 MS SPENCER: And what was discussed in relation to the return to player proposed reduction?

PROFESSOR HAYWARD: That was a pretty easy blanket no to be honest.

30 MS SPENCER: I see. Appreciating that you weren't at the meeting in July 2019, do you recall if you provided any feedback on that proposal in advance of that meeting, knowing that for whatever reason you weren't there? Did you submit anything to be considered at that meeting in your absence?

35 PROFESSOR HAYWARD: I don't think I did.

MS SPENCER: Were there any discussions, shall I say offline in between the meetings that you had with any of the other GWC members?

40 PROFESSOR HAYWARD: No, in fact I think we had each other's emails but not necessarily each other's phone numbers and things like that. But even in the context of if you did a "reply all", you would get everyone's emails but I don't think, not just I don't recall, I don't think that there were any out-of-session conversations about it. Certainly not that included me.

45 MS SPENCER: Thank you. Do you recall ever receiving a copy of the revised EGM policy after this meeting? Perhaps I will show you the document. That is

11:01AM

GWC.0001.0007.0192. If we could just scroll slowly through that document.

5 PROFESSOR HAYWARD: Once again this is familiar to me but I couldn't say to you because it was familiar at the time or familiar because of the reading over the last few days.

MS SPENCER: All right. Thank you. I'm just going to move to October 2018 now.

10 PROFESSOR HAYWARD: Yes.

MS SPENCER: If we could bring this up on the private screens.
GWC.0002.0016.0256. The pages I will take you to are not subject to a non-
15 publication order, so perhaps we can go to the first page of that document to see what that is. You see it is the agenda, GWC meeting, 23 October 2018.

If we could scroll down to page 115, dealing with item 6.5, "Crown Perth
presentation - EGM win celebrations and game approval process" and it refers to the
20 fact that Mr Sullivan and Mr Bossi will attend the meeting to conduct a presentation on EGM win celebrations and game approval process. You see that?

PROFESSOR HAYWARD: Yes.

25 MS SPENCER: If I use the phrase "a loss disguised as a win", what would you understand that to mean in the context of an EGM?

PROFESSOR HAYWARD: I don't know.

30 MS SPENCER: It's all right. If you could scroll to page 122. Perhaps if you could have a read of this game to yourself. If you use the phrase "loss disguised as a win", does that provide any assistance in what that might mean?

PROFESSOR HAYWARD: It doesn't, really because when I think about a loss, I go
35 to that video 1, no game wins, so the win value is zero.

MS SPENCER: How about video 2, small game win, bearing in mind there is a bet
value of \$1.50?

40 PROFESSOR HAYWARD: Yes. Okay. So it is less than. It sounds like it is one of the features. It might also be related to within a game, so I won't go back to the rolling balls but rather the tile games. A player could nominate whether the game was only considering one line or a pattern of lines or all of the tiles. And if it was one line, that is harder to get than if you've nominated all of them, and my thinking is it probably lies in that somewhere.

45 MS SPENCER: Sure. So was the phrase "loss disguised as a win" ever used in your time at the GWC?

PROFESSOR HAYWARD: Not that I recall.

5 MS SPENCER: Okay. Perhaps if I now take you to the minutes of that meeting, item 6.5. And the minutes are GWC.0002.0016.0259. If we go to the first page and look at the attendees, and your name is second on the list.

PROFESSOR HAYWARD: Yes.

10 MS SPENCER: Now if we go to page 3, please, halfway down the page, item 6.5, you will see that it was minuted but after Mr Sullivan and Mr Bossi from Crown left the meeting, members discussed the issue of flashing lights and music being played when a player has not won more than they bet. Do you recall that at all?

15 PROFESSOR HAYWARD: That does sound familiar.

MS SPENCER: You will see there was an agreement to consider going to Crown in December that year to view the win celebrations on the EGMs, but that the GWC would wait for Mr Preston's presentation on EGM risk management next month; do you recall that?

20

PROFESSOR HAYWARD: Once again that sounds familiar.

MS SPENCER: Do you recall the concern about, well, the music being played when the player has not won more than they had bet, so what I have described as the loss disguised as a win?

25

PROFESSOR HAYWARD: Yeah, my recollection of that conversation is that the more bells and whistles, in colloquial terms, the more enticing it would be for the player. If you weren't winning, it shouldn't be celebrated as a win.

30

MS SPENCER: So that was the concern of the?

PROFESSOR HAYWARD: That is my recollection.

35

MS SPENCER: Going back to the plan to go to Crown in December 2018 but waiting for Mr Preston's presentation first. Do you recall that Mr Preston was the Chief Legal Officer at Crown Perth?

40 PROFESSOR HAYWARD: Yes.

MS SPENCER: It wasn't until December 2018 Mr Preston presented to the GWC on Crown Perth's Responsible Service of Gaming. Do you recall that presentation?

45 PROFESSOR HAYWARD: I think so.

MS SPENCER: I will take you to the agenda item. It is in the November 2018 agenda paper. That is GWC.0002.0016.0260. Again, if we can show the first page.

That is the agenda for the November 2018 meeting. If we scroll to page 13, please. This is in response to the VCGLR Sixth Review of the casino operator.

5 PROFESSOR HAYWARD: Yes.

MS SPENCER: If we scroll through this agenda item at 5.2 and 5.3, slowly, just to see if that helps refresh your memory on this topic. There are quite a few pages to get through. If you need me to slow down, just let me know.

10 PROFESSOR HAYWARD: I think I've read this document in the last few days, I think.

MS SPENCER: We will continue to scroll down.

15 PROFESSOR HAYWARD: Yes.

MS SPENCER: Then item 5.3 here notes that Mr Preston will come to the meeting for a presentation on risk management system for electronic gaming machines. I will just take you to the minutes of that meeting before I ask you some questions about that presentation.

PROFESSOR HAYWARD: Yes.

25 MS SPENCER: This will need to be on the private screen, please, GWC.0002.0016.0250. If we could start at the first page, please. It's the 18 December 2018 meeting. You see you are listed as an attendee at that meeting.

PROFESSOR HAYWARD: Yes.

30 MS SPENCER: And if we go to page 2, items 5.2 and 5.3 there. We can see at 5.3 it says that Mr Preston attended at 9.16 and later in the item it says that he left at 10.14. So he was there for the best part of an hour. What can you recall about that presentation from Mr Preston?

35 PROFESSOR HAYWARD: Once again I can't be certain how much my recollection is from the time versus reading documents over the last couple of days.

40 In terms of the VCGLR item, the overwhelming impression that was built about the differences between Crown Melbourne and Crown Perth, and --- but going through the recommendations that pertained to Crown Melbourne in case any had relevance in the Crown Perth context, and having a look at them, recommendation by recommendation, in terms of, in some instances, it not being relevant and in others there having some relevance but steps already being taken in Crown Perth in terms of
45 addressing those recommendations even though they weren't specific to Crown Perth.

MS SPENCER: Was the GWC, in your view, provided with sufficient comfort in respect of its response to the VCGLR review, how you said there was the comparison

between Melbourne and Perth?

PROFESSOR HAYWARD: I think so.

5

MS SPENCER: How would you describe the level of engagement between GWC members and Mr Preston during that presentation?

PROFESSOR HAYWARD: I'm not sure if this bit is going to answer your question, but any time Mr Preston attended a GWC meeting, my impression of him was that he was open to any questions. You certainly didn't feel like you couldn't ask questions. I didn't ever feel that he was flippant or dismissive in his responses to questions. So he seemed open and if we had a question then he certainly struck me as doing his best to respond properly to that question. Does that ---

15

MS SPENCER: That answers my question in a general sense.

PROFESSOR HAYWARD: Yes.

MS SPENCER: In perhaps turning to this meeting specifically, do you recall, for instance, any specific questions that were asked by GWC members at this meeting? For example, did you ask any yourself?

20

PROFESSOR HAYWARD: I think I would have, but I don't recall the specifics of either any questions I might have asked or others, actually. The differences between Crown Melbourne and Crown Perth, between gaming in Victoria and gaming in Western Australia were often in conversations but I couldn't say whether that was specific to this.

25

MS SPENCER: Do you recall if the GWC as a whole understood Mr Preston's presentation? By that I mean was there anything that perhaps --- whether anything needed clarifying at all or were you satisfied that all the queries were covered?

30

PROFESSOR HAYWARD: I don't recall that. I think part of his accessibility in terms of the information that he was providing was he spoke in a way that could be understood, rather than so into jargon or industry-specific principles that if you weren't full-time in the industry, you wouldn't be --- he didn't do that.

35

COMMISSIONER MURPHY: Ms Spencer, would this be a suitable time?

40

MS SPENCER: Yes, I do have three more questions and then we might.

COMMISSIONER MURPHY: Carry on.

MS SPENCER: Do you recall if Crown was asked to improve on anything after this presentation?

45

PROFESSOR HAYWARD: I don't recall.

11:18AM

MS SPENCER: We saw there that item 5.3 in the agenda was EGM risk management?

5 PROFESSOR HAYWARD: Yes.

MS SPENCER: Was that ever touched on in the presentation, as far as you can recall?

10 PROFESSOR HAYWARD: I can't recall.

MS SPENCER: Was there any discussion about this issue that I describe as the losses disguised as wins? What we were talking about before, the flashing lights when there wasn't ---

15

PROFESSOR HAYWARD: Yes.

MS SPENCER: --- when the player actually got less than the money they had put in. Was there any discussion about that particular aspect of EGMs?

20

PROFESSOR HAYWARD: While I recall those discussions, I couldn't say to you that it happened here.

MS SPENCER: With Mr Preston in the room?

25

PROFESSOR HAYWARD: Yes.

MS SPENCER: That would be a convenient time.

30 COMMISSIONER MURPHY: Thank you.

Ms Hayward, we will adjourn for 15 minutes and resume at 11.30.

35 **ADJOURNED** [11.19AM]

RESUMED [11.35AM]

40

COMMISSIONER MURPHY: Ms Hayward, Ms Spencer.

MS SPENCER: Thank you, Commissioner.

45 Professor Hayward, apologies for jumping around in time but I would like to go back to August 2018.

11:35AM

PROFESSOR HAYWARD: Yes.

5 MS SPENCER: Do you recall --- sorry, 2010. Do you recall in 2010 that Burswood was looking to expand its casino operations?

PROFESSOR HAYWARD: That does sound familiar.

10 MS SPENCER: All right. I will bring up the agenda for August 2010. Just on the private screen, please, GWC.0002.0016.0007. If we could just show the first page, please. You will see there that is the agenda for the Gaming and Wagering Commission, August 2010. If we could scroll down to page 15, please. This is item 4.2. You will see it is in relation to the redevelopment of the Burswood Entertainment Complex. Do you recall this agenda item?

15

PROFESSOR HAYWARD: Once again I don't know that I recall it from the time but I do recall it from the last few days.

20 MS SPENCER: Perhaps we might scroll through the whole agenda item if you would like.

PROFESSOR HAYWARD: Yes.

25 MS SPENCER: There are quite a few pages, and you let me know if you would like to slow down on any particular spot. Just to help refresh your memory. This is an extensive letter from Mr Felstead as the Chair of the GWC.

PROFESSOR HAYWARD: Yes.

30 MS SPENCER: If we could go back, please, to page 15, there is more to the agenda item but I thought I would deal with it in chunks.

PROFESSOR HAYWARD: Thank you.

35 MS SPENCER: Page 15, we will see Mr Beecroft, the principal policy officer prepared that paper and you will see that Burswood are seeking approval to increase the number of EGMs. You will see down there at the background, the increase of EGMs by 250, the number of gaming tables by 50, and the area of the gaming licence floor. You see that there?

40

PROFESSOR HAYWARD: Yes.

45 MS SPENCER: We scroll through the letter or submission from Mr Felstead. From page 38 if we could go there, please. This was the impact prepared by someone at the department. Do you recall at the time reading through this document?

PROFESSOR HAYWARD: I don't recall specifically.

11:39AM

MS SPENCER: Was it your usual practice when you got the agenda papers that you would read through everything?

5 PROFESSOR HAYWARD: (Nods head).

MS SPENCER: Perhaps if we could have a scroll through the impact assessment in relation to proposed increase in gaming capacity. Do you recall seeing game impact assessments during your tenure on the GWC?

10

PROFESSOR HAYWARD: Not --- not frequently, actually.

MS SPENCER: When we get to page 45, if we could please pause there, operator. Page 45, you will see, deals with harm minimisation. Perhaps if you could just read through that page and let me know when you've finished that.

15

There is a reference in the first half of that page to the prevalence rate, the Productivity Commission in 1999. Do you recall reading that report?

20 PROFESSOR HAYWARD: I don't recall that.

MS SPENCER: I will clarify that. There was one in 1999 and another in 2010.

PROFESSOR HAYWARD: No, I don't recall.

25

MS SPENCER: Were you provided with copies of that?

PROFESSOR HAYWARD: I couldn't say that we weren't, but I don't recall in fact.

30 MS SPENCER: I will take you to the minutes where this item was considered. If you could bring up GWC.002.0016.0015, please. You can see, third name, you were an attendee at that meeting. If we could go to page 2. There is the item 4.2 and the resolution to approve in principle the expansion, the introduction of fully automated table games, increasing the EGMs and note the intention of Burswood Ltd to
35 commission 125 EGMs within the licensed area.

PROFESSOR HAYWARD: Yes.

40 MS SPENCER: Do you recall discussing with other GWC members in relation to this agenda item?

PROFESSOR HAYWARD: I actually don't. My recollections are much more aligned with several instances where Crown Perth came about their whole footprint, not just the gaming floor footprint. So that picked up on restaurants and other areas
45 in the whole of the footprint. That is much more in my head than this.

MS SPENCER: Than this specifically, I see.

PROFESSOR HAYWARD: Yes.

5 MS SPENCER: The reliance on the low prevalence, which the Productivity Commission found in 1999, did you or any other members of the GWC question that reliance on those figures at the time, bearing in mind this is August 2010 and these are figures from some 11-odd years earlier?

10 PROFESSOR HAYWARD: I don't remember. I'm sorry.

MS SPENCER: Looking back now, do you think it was appropriate to be relying on problem gambling prevalence figures that were 11 years old?

15 PROFESSOR HAYWARD: I don't know how worthwhile it was to rely on them, but one of the differences, of course, in the WA context compared to not only Victoria but other eastern states, is the casino is the one place and there was often conversation around that. It's not like you can be casually walking past somewhere and there is a gaming machine, or there is an opportunity to bet. You have to deliberately go there to be able to do it, and to game. That difference was often in
20 the conversation. That's not this specifically, I appreciate.

MS SPENCER: Yes. Thank you. Now, are you aware whether the GWC, during your time as a member, initiated any of its own research into the prevalence of gambling harm in Western Australia?
25

PROFESSOR HAYWARD: I don't recall that we did. There were conversations in terms of some research that was being done nationally rather than in the context of WA, and I don't recall the GWC ever commissioning any ourselves.

30 MS SPENCER: I just want to check that there is nothing that you can recall from discussions about this item in August 2010.

PROFESSOR HAYWARD: Yes, I don't think there is.

35 MS SPENCER: In July 2010, so months before this, do you recall Professor Daube on behalf of the Public Health Advocacy Institute of WA --

PROFESSOR HAYWARD: Yes.

40 MS SPENCER: --- you recall that document?

PROFESSOR HAYWARD: I do.

45 MS SPENCER: I might just bring that up on the screen for you. GWC.0002.0016.0012, and on the private screen, please. You will see there are annotations at the top right where it says "Tabled"?

PROFESSOR HAYWARD: Yes.

11:47AM

MS SPENCER: If we scroll down to page 5. If we could get page 6 alongside it if that's possible, please. Do you recognise that document Professor Hayward?

5 PROFESSOR HAYWARD: I do. Once again I'm not too sure how many of that recognition is from the time or from my recent readings.

MS SPENCER: Sure. Perhaps I will give you an opportunity just to have a read of that again now.

10

PROFESSOR HAYWARD: Yep.

MS SPENCER: I will bring up the minutes for you where this letter was considered. GWC.0002.0016.0014.

15

PROFESSOR HAYWARD: Thank you.

MS SPENCER: If you can just show the first page, please. Your name is third on the list. We'll scroll down to page 11. If we can get those side by side, please. You will see there at the bottom of page 11 under "General Business" that the Chairman tabled that letter?

20

PROFESSOR HAYWARD: Yes. Do you recall what discussion was had about that letter?

25

PROFESSOR HAYWARD: I'm not sure that I recall the specifics. In part, at least part of my memory of the letter is because I know --- personally I know Professor Daube, and also the work of that health institute at Curtin Uni. That's the one while it's not related to this, that really campaigned anti-smoking heavily in WA, and was effective. I can't recall in terms of the timing whether this was Professor Daube's next campaign. It was a little bit of what it felt like. There is also not enough in the letter, I think, to be --- or certainly I expect the department responded.

30

MS SPENCER: Do you know if the department or the chairman responded to the letter?

35

PROFESSOR HAYWARD: No, I just expect that they would have. You don't get correspondence and not reply to it. But at the same time, I don't know what was in the letter.

40

MS SPENCER: Or if in fact there was a letter.

PROFESSOR HAYWARD: Sure.

45 MS SPENCER: In your witness statement at paragraph 42, you say that you are aware of the Australian Gambling Research Centre --

11:50AM

PROFESSOR HAYWARD: Yes.

5 MS SPENCER: --- and the Victorian Gambling Foundation and recall that there research was discussed from time to time.

PROFESSOR HAYWARD: Yes.

10 MS SPENCER: When you say "their" research, do you recall specifically what was discussed?

15 PROFESSOR HAYWARD: Not in the specifics. We did always have an eye to if there were any reports coming out of research that was undertaken, that certainly would not have been every meeting or even every other meeting, so sporadic in terms of what research reports were available at the time.

MS SPENCER: So there is no particular report that you can recall that was the subject of discussion?

20 PROFESSOR HAYWARD: Not in the specifics.

MS SPENCER: Just staying with your latest witness statement, at paragraph 46 you say that the consideration of problem gambling and the Responsible Service of Gaming, that those discussions were not always recorded in the minutes. Are you able to offer any explanation as to why this was the case?

30 PROFESSOR HAYWARD: I think one of the features of GWC minutes generally is that they are pretty sparse. It tends to be around the decision rather than very much commentary around conversations that happen to reach a decision.

MS SPENCER: Sure.

35 PROFESSOR HAYWARD: That is certainly in there in some regards. But you wouldn't count on it in all instances by any means.

MS SPENCER: All right. Did that sparseness ever cause you concern?

40 PROFESSOR HAYWARD: It did on some occasions and there were some occasions, although I couldn't be specific about it, where not only myself but other GWC members asked for the minutes to be expanded.

MS SPENCER: Expanded?

45 PROFESSOR HAYWARD: Yes.

MS SPENCER: And who was taking the minutes, generally?

PROFESSOR HAYWARD: There was an executive officer. It wasn't always the

11:53AM

same person, but someone from the department.

MS SPENCER: From the department, okay. Thank you.

5

PROFESSOR HAYWARD: Yes.

MS SPENCER: I will just move on to another topic, related, the Responsible Service of Gambling.

10

PROFESSOR HAYWARD: Yes.

MS SPENCER: Do you recall in late 2017 the GWC requested Crown Perth started providing, I will refer to it as RSG ---

15

PROFESSOR HAYWARD: Yes.

MS SPENCER: --- RSG statistics? "Yes".

20

MS SPENCER: Do you recall why that came about? Was there anything particular that spurred that request?

PROFESSOR HAYWARD: I don't recall if there was a specific instance, but one of the members on the GWC at that time had a personal request, almost around Responsible Service of Gambling and harm minimisation. In fact I recall with his repeated raising of that issue, the Commission, the Gaming and Wagering Commission, felt it best to request specific consideration and a detailed report coming back to us, and that we start to receive those figures in terms of its application.

25
30

MS SPENCER: So do you recall that those statistics started being provided as part of a standing item on the agenda?

PROFESSOR HAYWARD: Yes.

35

MS SPENCER: You spoke to a GWC member who was particularly vocal in this area. Do you recall who that was?

PROFESSOR HAYWARD: Mr Bovell.

40

MS SPENCER: I will bring up the August 2019 agenda, just on the private screen, please, to take you to an example of the RSG statistics. That is GWC.0002.0016.0283. Down to page 33, please.

45

PROFESSOR HAYWARD: You can see there that Mr Bovell was an apology for that meeting, just by the bye.

MS SPENCER: He was going to be an apology at that meeting.

PROFESSOR HAYWARD: Yes.

5 MS SPENCER: I see that, thank you. Page 33. If we could scroll through this report through to page 38, please, does that accord with your recollection of what the reports look like?

PROFESSOR HAYWARD: Yes.

10 MS SPENCER: I will take you to a consideration of this particular report. Again on the private screen, please. GWC.0002.0016.0286. If we start with page 1, please. You can see your name there on the list as an attendee. If we go down to page 3 and item 6.2, which is in reference to that RSG report that we were just looking at earlier.

15 PROFESSOR HAYWARD: Yes.

MS SPENCER: You will see that members requested the following statistics, so how many third-party exclusion applications were sent --- well, of the ones sent, how many returned and then some statistics around since 1985, how many Crown Perth
20 initiated permanent self-exclusions, how many are still in existence, essentially. You see that?

PROFESSOR HAYWARD: Yes.

25 MS SPENCER: Now, at the September meeting, the GWC had Crown Perth's response to those queries. So if we could bring up the September 2019 agenda pack on the private screen, please, GWC.0002.0016.0287. If we go to item 5.5, so it is under "BUSINESS ARISING", starting at page 26, please. You will see that there it is prepared by Mr Radis dealing with the GWC's --- it's in the same wording as the
30 minutes there.

Now, if we go to page 27, please, and this is the correspondence from Crown in response to those queries. You will see at the bottom of page 27 there that of the 110
35 third-party exclusion applications that were sent out over that period of time, so that is a period of 8.5 months there, that only 16 were returned. You see that in the table at the bottom of page 27?

PROFESSOR HAYWARD: Yes.

40 MS SPENCER: Now if we turn to page 28, the table there, so, of the self-exclusions initiated between 1985 and 12 September 2019, there were 6,113. And, of those, 3,013 have been revoked.

PROFESSOR HAYWARD: Yes.

45 MS SPENCER: You see that?

12:00PM

PROFESSOR HAYWARD: Yes.

5 MS SPENCER: Now, would you agree that they are quite alarming or concerning statistics?

10 PROFESSOR HAYWARD: It looks like big numbers, but I think it needs to be compared with actual usage. So how many people would have visited and then you get into the complication of maybe it is a group of people that go back time and time again because it is their main leisure activity, things like that. So it looks high, but I'm not too sure on the question of relative to what.

15 MS SPENCER: So looking at that now you are thinking you want more information?

PROFESSOR HAYWARD: That could have been useful. I'm just not sure that the information that would have been useful could have been provided.

20 MS SPENCER: Okay. I will just bring up the minutes of that meeting, again on the private screen, please. GWC.0002.0016.0288. We see on page 1 that you are in attendance at this meeting. And if we scroll down to item 5.5 on page 3, that is dealing with Crown's letter that we just looked at.

25 You will see there that there is no record of a debate, it was simply a resolution to note the report.

PROFESSOR HAYWARD: Yes.

30 MS SPENCER: Do you recall the discussion about the response from Crown?

35 PROFESSOR HAYWARD: I don't recall that discussion as much as the GWC conversations around why those figures could be of interest to the GWC. My recollection, at least, is that that was around --- we all wanted that information, but as you can see Mr Bovell was also there. I've already described it almost as a personal quest for him. If my memory serves me well, he had a personal friend who had, through gambling, lost the house, lost the family, and he may have even self-harmed in that process. So it felt very close to Mr Bovell, he made no secret of that. And some of the conversation was around, once again, who knows what the answer is, but around the level of responsibility or not on the individual who goes to a casino to play games.

45 MS HAYWARD: You said there Mr Bovell had a personal quest. Do you think he placed too much emphasis on this issue? Or there needed to be that much emphasis on it?

PROFESSOR HAYWARD: I think sometimes when he raised it, it was a bit hard to see the relevance, but for me, part of the benefit of a diversity of views around any board table is that you cover more issues. And while something might not have been

something that you would raise, it doesn't mean it's not of interest when someone else does. So, as I say, sometimes it was a very stretched relevance that it would be raised, but I think it still was a good thing that it was raised.

5

MS SPENCER: Sure. Okay. Now, seeing that the resolution was simply to note the report, as best you can recall, is it the case that nothing further was done once those statistics were received?

10 PROFESSOR HAYWARD: The statistics kept coming and there were ---

MS SPENCER: Sorry, I will clarify. In relation to that letter, GWC made the response, "Tell us more about the two components", they wrote back that the report was noted. Is it the case that that's where that matter ended?

15

PROFESSOR HAYWARD: In terms of provision and request of that information, I think that was the end. It wasn't the end in terms of other information coming through at various times about RSG at Crown Perth.

20 MS SPENCER: All right. What other sorts of information did you gather --- did you request or receive from Crown regarding the RSG?

PROFESSOR HAYWARD: Over time I have a recollection, hopefully accurate, of when RSG services were first introduced at Crown Perth. I remember that the GWC
25 went on a visit to see those premises, how they would operate ---

MS SPENCER: Did you go on that visit?

PROFESSOR HAYWARD: Yes.

30

MS SPENCER: Could you tell us about that visit and what it involved?

PROFESSOR HAYWARD: Mostly it was looking at the location and how
35 accessible it was. It is one thing to provide a service, including the counselling service that can go with RSG if no one can find their way to the office, that kind of thing.

It is interesting because when I go to functions at Crown, the area where I walk past -- I have to walk past there and each time I think okay, the offices are still there.
40 They are very accessible. I could have ducked in from where I was walking through.

MS SPENCER: So easy to find?

PROFESSOR HAYWARD: Easy to find, easy to access. Apart from that initial
45 visit when it was first established, I've not even been into that particular office area. But having a look at that in terms of privacy provisions, you know, different rooms in terms of counselling for people, yeah, that was very early on.

MS SPENCER: Can you recall what year the visit was?

PROFESSOR HAYWARD: Not without trawling through the minutes.

5

MS SPENCER: Perhaps earlier or later in your tenure?

PROFESSOR HAYWARD: Oh, yes. And we did from time to time, I'm thinking that it was probably on our request for further information. There were more detailed questions. Even when the electronic surveillance was updated at Crown Perth in terms of the main gaming floor, part of that was how that technology could be used, in terms of identifying people who might be either have or a developing gambling problem because of how long they were there or --- you know? Yeah.

MS SPENCER: And you say it was people reviewing the footage to identify those people. Did you ever get any reports about that, about how many people might have been identified using that method?

PROFESSOR HAYWARD: Not that I recall.

20

MS SPENCER: Did you ever get any feedback on whether that was a successful way to identify patrons that potentially have an issue?

PROFESSOR HAYWARD: My recollection is that the massively upgraded surveillance systems were much more around the efficacy of the games themselves --

25

MS SPENCER: Sorry to interrupt, do you recall the time period around this?

PROFESSOR HAYWARD: No, I don't recall, I'm sorry.

30

MS SPENCER: Are you familiar with the Problem Gambling Support Services Committee?

PROFESSOR HAYWARD: Yes.

35

MS SPENCER: Do you recall the GWC's power under the GWC Act to create subcommittees?

PROFESSOR HAYWARD: For that problem gambling or just generally?

40

MS SPENCER: Generally. Perhaps I will bring up the legislation for you. If we could just bring up PUB.0004.0005.0107, I'm just bringing up the Act. If we could go to pages 30 and 31 side-by-side, please. Section 15 is what I was alluding to.

45

PROFESSOR HAYWARD: Yes. I do know that that is in the Act. And I think in my first witness statement I indicated that to my knowledge, we didn't ever establish any such committees.

12:09PM

MS SPENCER: Okay. So you didn't consider the Problem Gambling Support Services Committee, which I am going to call the PGSSC, you didn't consider that or no one told you whether or not that was a subcommittee for the purposes of section 5 15?

PROFESSOR HAYWARD: I didn't see it as a subcommittee, yes, what you said.

MS SPENCER: Why do you say you didn't see it that way?
10

PROFESSOR HAYWARD: My assumption would have been that any committees or subcommittees of the GWC would be --- you would have a fair representation of GWC members.

MS SPENCER: I see.
15

PROFESSOR HAYWARD: It was important. It was reported to us periodically, but there weren't any ordinary members as part of it.

MS SPENCER: So you referred to there an assumption ---
20

PROFESSOR HAYWARD: Yes.

MS SPENCER: --- so no one sat down or ever pointed you to, "This is the PGSSC, it does this and this" ---
25

PROFESSOR HAYWARD: Not that I recall.

MS SPENCER: If I can bring up a document on the private screen, the February 30 2020 agenda. GWC.0002.0016.0296. Item 9.2 is on page 257, please. I want to draw your attention to that.

PROFESSOR HAYWARD: Yes.

MS SPENCER: So the recommendation here provided by M Vote, the regulatory officer, is that the Commission provide feedback on the PGSSC's strategic plan and seek membership nomination for PGSSC or the Department of Communities and Mental Health Commission. If we could scroll through that agenda item, please, to help refresh your memory of this matter. Do you recall seeing the strategic plan?
35
40

PROFESSOR HAYWARD: I've refreshed my memory of it over the last few days, yes.

MS SPENCER: Would you like me to scroll through that document now?
45

PROFESSOR HAYWARD: No.

MS SPENCER: If we could bring up the minutes, GWC.0002.0016.0297, starting on page 1, please. We see your attendance there at that meeting. Just at page 10, please, to the resolution. You will see at 9.2 item (i), request the PGSSC to provide a briefing on meeting outcomes after each meeting?

PROFESSOR HAYWARD: Yes.

MS SPENCER: Do you recall a discussion about this agenda item?

PROFESSOR HAYWARD: I'm not too sure if what I'm about to relay is specific to this item of this meeting, but some of the conversation that did happen around the PGSSC was questions about its effectiveness, the level of contribution, I think at that stage there was one of the groups that didn't ever turn up to any meetings, and it also melded with the conversations that we were otherwise having around harm minimisation and gambling addiction.

MS SPENCER: You mention "effectiveness" there.

PROFESSOR HAYWARD: Yes.

MS SPENCER: Do you recall whether there was a view of the GWC as to its effectiveness or otherwise?

PROFESSOR HAYWARD: Look, I can only tell you my personal view, and that is that it seemed that these meetings happened, that there were particular services that were funded via that and through the contributions that we've seen outlined, but it otherwise seemed a bit moribund, actually.

MS SPENCER: Was there anyone at that meeting, as best you can recall, that was leading the discussion around the PGSSC?

PROFESSOR HAYWARD: Not that I can recall.

MS SPENCER: Having sat on the GWC from 2006 to around 2020, are you able to explain that it wasn't until February 2020 that this reporting requirement of the PGSSC came to be, that was the first part of that resolution I took you to?

PROFESSOR HAYWARD: Yes. For me, it was --- some of it was about a lack of clarity that it was even happening, and some of it was around, while people wanted gambling help services provided, and they needed to be funded, a lack of surety around what else the PGSSC actually did. So it wasn't high on the priority because people simply didn't know enough about what it was doing.

MS SPENCER: Were you eventually informed about what it was doing?

PROFESSOR HAYWARD: Yes, but I think that is what we are seeing in the last couple of documents.

MS SPENCER: So at best at the time do you recall what you were told about what it was doing?

5 PROFESSOR HAYWARD: Once again it was really in terms of the help facilities and assistance provided via them rather than they did anything --- I still don't recall anything earth shattering that they could claim.

MS SPENCER: All right.

10

The PGSSC --- so that resolution was made in February 2020, but they didn't actually meet in 2020. Was this ever communicated to the GWC?

PROFESSOR HAYWARD: No, not that I recall.

15

MS SPENCER: So there was no explanation given as to why it didn't meet?

PROFESSOR HAYWARD: No. No, in fact, I will go further and say I wasn't aware that it didn't meet.

20

MS SPENCER: Right, okay. I just want to turn to another topic, which is the EFTPOS machines at table games.

PROFESSOR HAYWARD: Yes.

25

MS SPENCER: At paragraphs 47 and 48 of your statement you talk about the introduction of the EFTPOS at the gaming tables. At paragraph 48 you are saying here that although you recognised, and by "you", meaning the GWC, having EFTPOS would mean that there would no longer be a break in play, are you saying
30 that the GWC's hand was forced by the community who expected EFTPOS facilities?

PROFESSOR HAYWARD: I think that was certainly part of the case that presented to the GWC.

35

MS SPENCER: Who presented?

PROFESSOR HAYWARD: I would be guessing.

MS SPENCER: Was it someone from the department or Crown?

40

PROFESSOR HAYWARD: I really would be guessing.

MS SPENCER: Okay. Do you recall how the GWC informed itself of that community expectation?

45

PROFESSOR HAYWARD: Once again, I think that would have been included in whatever submission came to us to be able to support that introduction.

MS SPENCER: You don't recall perhaps whether there was a survey or anything undertaken, any of that nature? What I'm really trying to get at is whether there was a presentation about it or whether it was the GWC were self-reflecting and thinking,
5 "You know, if I was doing this, I would want to be able to have a cashless facility".

PROFESSOR HAYWARD: I think there was a presentation but I couldn't be specific about that.

10 MS SPENCER: Moving on to the topic of other services provided by the department. Now, do you recall your evidence on the last occasion that you don't recall receiving documents identifying what services would be provided to the GWC and at what price? Do you recall that evidence?

15 PROFESSOR HAYWARD: I do recall that evidence, yes.

MS SPENCER: In your latest witness statement at paragraph 10 you say in relation to financial statements of the GWC, that the GWC was more focused on looking out for figures that looked out of kilter --

20 PROFESSOR HAYWARD: Yes.

MS SPENCER: --- rather than interrogating the numbers.

25 PROFESSOR HAYWARD: Yes.

MS SPENCER: I want to ask you questions about a particular GWC meeting in March 2009, appreciating that it is a long time ago, but we'll do our best.

30 PROFESSOR HAYWARD: Okay, thank you.

MS SPENCER: I will firstly take you to the agenda item, GWC.0007.0011.0043. If we could go to page 497, please. Page 497, please. This is agenda item 9.2, looking at the budget for 2009/2010. I want to draw your attention to the second half of the
35 page where it says "in relation to the operating expenses". You see there where it says:

40 *Recoupment for services received from RGL [racing, gaming and liquor] has increased by \$771,344, due to a review of fees and charges exercise undertaken by RGL. This figure is now a true indication of the costs and services provided by the Department.*

You see that there?

45 PROFESSOR HAYWARD: Yes.

MS SPENCER: I will take you down to page 500 of that document. Sorry, perhaps

if we could pop back to 498, just to see the end of that agenda item paper. Sorry, I've caused that. That was a paper prepared by Mr Sargeant.

5 PROFESSOR HAYWARD: Yes.

MS SPENCER: All right, and if we go to page 500 now, please. If we just look at the cost of services under "Operating expenses"; you see that at the top?

10 PROFESSOR HAYWARD: Yes.

MS SPENCER: If we go down to the fourth item, recoupment for services received from Department of Racing, Gaming and Liquor, we can see there estimated 2008/2009, 3.187 million. And then, annual budget for 2009/2010, 3.8 million. You see that?

PROFESSOR HAYWARD: Yes.

MS SPENCER: That's the difference of 771,000 that I took you to before. Do you agree this seems to be a very large increase in service fees?

PROFESSOR HAYWARD: It certainly does at this point in time. I could not tell you that I recall the conversation, if any, at that time.

25 MS SPENCER: That was my next question. I will just show you the minutes for completeness, it's DLG.0008.0015.5549. If we can start on page 4, which has the attendees, please. You will see, second from the bottom, that you were at that meeting.

30 PROFESSOR HAYWARD: Yes.

MS SPENCER: If we scroll down to page 12, please, item 9.2, and you will see that there was no debate recorded, but it was just to simply note --- the resolution to note the report that I just took you to.

35 Now, sitting here today, knowing that you don't have a recollection of interrogating those numbers at the time, do you think that it should have been something that was questioned?

40 PROFESSOR HAYWARD: Part of what I don't recall is the detail that came through. I would not be able to tell you, for instance, how the information of this is now a true record of what the costs actually are. I can't recall how, or if.

MS SPENCER: So you never got a breakdown of that sum?

45 PROFESSOR HAYWARD: Look, I can't recall if we did or we didn't. At this point in time, looking back, if we didn't, we certainly should have asked for it, but I don't know.

12:25PM

MS SPENCER: Okay, thank you.

5 Now, keeping with the 2009 financial year, do you recall at that time whether the GWC had a website?

PROFESSOR HAYWARD: Oh, I don't know.

10 MS SPENCER: Perhaps if we could bring up Mr Daube's letter. I think he made mention to a website in that letter.

PROFESSOR HAYWARD: Yes, he did.

15 MS SPENCER: I think we'll just get a number. It might just assist us with a date on that letter.

PROFESSOR HAYWARD: It's about the same time.

20 MS SPENCER: Yes.

PROFESSOR HAYWARD: In his letter he talks to not being able to find that on the website.

25 MS SPENCER: That's as I'm recalling it too. We will check that, in the private screen, GWC.0002.0016.0012, pages 5 and 6 next to each other would be great, please.

30 On the first page of that letter, three-quarters of the way down you will see that he's been trying to get some information on the GWC but it's difficult and the website isn't functional. That's on 22 July 2010. So does that assist your recollection whether there was a website at that time?

35 PROFESSOR HAYWARD: Yeah, look, I wouldn't argue with anybody who suggested a start date for that. It's not something that I went to.

MS SPENCER: All right. Could we please bring up the March 2010 agenda, that's GWC.0002.0016.0002_R. If we could turn to page 156, please. This is one of the standard financial reports you received, I think.

40 PROFESSOR HAYWARD: Yes.

45 MS SPENCER: So from page 156 through to 167, this is dealing with the budgets. If we could just scroll through that slowly, please. It has that comparative for previous financial years. When we get to page 163, if we could stop there. Looking at the operating expenses in 2008/2009, one of the items there is "capital expenses --- web design", actually spend 2008/2009, 260,000. Do you recall what that was for?

PROFESSOR HAYWARD: Not with any specific detail.

5 MS SPENCER: Do you recall whether around that time if there was any discussion around designing a website?

PROFESSOR HAYWARD: I'm assuming that there was, but I don't recall specifics.

10 MS SPENCER: And just one final topic I wanted to explore with you, and I know you touched on this a bit with Mr Feutrill but I am not going to duplicate that discussion, it's on delegations. You say in your witness statement at paragraph 14 that any exercise of delegated power was required to be reported at a subsequent meeting of the GWC, and you say that as far as you are aware, this happened.

15 PROFESSOR HAYWARD: Yes.

MS SPENCER: Now my question is, was there a central repository or register, if you like, where all the exercises of delegated power were kept that members could look at at any time?

20

PROFESSOR HAYWARD: I'm not aware of anything other than what came through the record that was the agenda and minutes.

25

MS SPENCER: All right. I just want to turn to December 2012.

PROFESSOR HAYWARD: Yes.

30 MS SPENCER: I would like to show you the agenda paper for that meeting. If we could bring up on the private screen GWC.0002.0016.0082. Page 201, please. This is a paper relating to the change of a delegation which was signed in April 2012. So we might just scroll through this document slowly, please. This is the proposed delegation. If we could go back to page 202.

35 You will see here that with effect from 18 December 2012, all of the Commission's powers conferred by those four pieces of legislation. You see that there?

PROFESSOR HAYWARD: Yes.

40 MS SPENCER: At page 205, so that was the delegation that was going to replace this one, which was entered into in April 2012. You can see there, if we scroll through that slowly, that that was quite prescriptive?

PROFESSOR HAYWARD: Yes.

45 MS SPENCER: Now if we bring up the minutes relating to this item, on the private screen, GWC.0001.0016.0083 and starting at page 1 we can see you were in attendance at that meeting. If we scroll down to page 7, you see agenda item 8.2. You will see, at the resolution there, that April --- the second resolution was to

rescind the instrument of delegation of 24 April 2012. And then to effectively execute the new delegation.

5 PROFESSOR HAYWARD: Yes.

MS SPENCER: Are you able to recall why all of the powers were delegated on this occasion?

10 PROFESSOR HAYWARD: My understanding, then and now, is that delegations were actually only exercised on matters that were routine. Often when a matter, for instance, a request for in-principle approval for a new game, and the in-principle approval had already been given so the delegation was the follow-up, I don't recall, in checking what delegations had been exercised and were reported to us, alarm bells
15 going off about "Oh, I don't know that that's what we actually meant when we said we'd delegate." I don't recall there being any of those alarm bells.

MS SPENCER: Thank you. I know I said that was the last topic, but looking at the time, I think I can squeeze one more in quickly.

20

We're staying in 2012 and this is going back to Crown --- I want to go back to the EGM topic. In 2012, do you recall that Crown applied to increase the number of EGMs at the casino? So they did it in 2010, which we talked about earlier. And do you recall them coming back in 2012 asking for a further increase?

25

PROFESSOR HAYWARD: I don't know I would have said, yes, it was definitely in 2012, but certainly the idea of them coming back, yes.

MS SPENCER: All right. I will bring up the November 2012 minutes.

30 GWC.0002.0016.0081. So this was a meeting you were in attendance, you can see on the first page.

PROFESSOR HAYWARD: Yes.

35 MS SPENCER: Items 3 and 4 on pages 2 and 3 --- I'm dealing with this in reverse. Usually I show the agenda and then the minutes. I think it will be quicker in this case. You see the resolution on page 3, the approval of increase from 2,000 EGMs to 2,500?

40 PROFESSOR HAYWARD: Yes.

MS SPENCER: And then also table games. Is it all coming back to you now?

PROFESSOR HAYWARD: In very general terms.

45

MS SPENCER: Sure. I will go back to the agenda item when it was first tabled in August 2012. That's GWC.0002.0016.0069, page 26, please. This is a document prepared by someone at the Department of Racing, Gaming and Liquor. And there is

a reference to an increase of 500 EGMs.

PROFESSOR HAYWARD: Yes.

5

MS SPENCER: Over five years.

PROFESSOR HAYWARD: Yes.

10 MS SPENCER: Extra gaming tables and eight new high roller tables. You see that?

PROFESSOR HAYWARD: Yep.

15 MS SPENCER: If we go to page 27, please. There is some reference there to some prevalence of gambling, the statistics again.

20 Sorry, this whole second page, rather, you will see there is a reference to the prevalence of gambling and statistics from 1994 and 1999, and you will see the sentence in the first paragraph, these are the only surveys conducted in Western Australia.

PROFESSOR HAYWARD: Yes.

25 MS SPENCER: And if we quickly bring up the November 2012 agenda, I will show you one of those impact assessments again that we looked at earlier, but this is a different impact assessment. GWC.0002.0016.0077. And if we could go to page 25, please.

30 You will see at the top of that document the proposed "IMPACT ASSESSMENT PROPOSED INCREASE IN GAMING CAPACITY". And there is a reference in this document, in this page, rather, to the 1999 findings in relation to prevalence. Perhaps I will just give you a moment just to re-familiarise yourself with that document.

35 PROFESSOR HAYWARD: Yes.

40 MS SPENCER: Do you think it was appropriate at that time that a decision was made without updated research on the prevalence of problem gambling? So when we were talking about 2010, it was 11 years. This is another two years on, 13 years later.

PROFESSOR HAYWARD: I think that lots of issues, not just this, would benefit from more frequent and more detailed research.

45 MS SPENCER: And there is also a reference, you will have seen in there, to comments of Senator Xenophon?

PROFESSOR HAYWARD: Yes.

MS SPENCER: Do you think those comments should have been taken into account by the GWC? Perhaps I will ask this question first; do you know if they were taken into account?

5

PROFESSOR HAYWARD: I can't recall if they were, but once again, we were very aware of how different WA is to other jurisdictions in terms of accessibility to machines.

10 MS SPENCER: Sorry, if I could --- so looking at it today, do you think the comments of Senator Xenophon should have been something taken into account in the GWC's consideration of increasing gaming for EGMs and the table gaming?

15 PROFESSOR HAYWARD: Today I can say yes, but I also need to say I'm not sure that they weren't.

MS SPENCER: So, yes, they should have been taken into account or, no, they shouldn't have?

20 PROFESSOR HAYWARD: Oh, I think they should have. I think anyone with a view their comments ought to be considered. What I can't tell you is whether or not they were.

25 MS SPENCER: All right. Thank you. I have no further questions, thank you, Commissioner.

COMMISSIONER MURPHY: Thank you very much, Ms Spencer. Do counsel representing other parties have questions? No, there don't appear to be any.

30 I just have a couple, Ms Hayward.

QUESTIONS BY THE COMMISSIONER

35

Ms Spencer took you to a conversation about poker machines. Is it your view that changes to the machines, EGMs, over time have made it more difficult for the GWC to meet its obligation to keep poker machines out of Western Australia?

40 PROFESSOR HAYWARD: There has always been a question around acknowledging that the Act says that there will not be poker machines and that always being part of the consideration of things that come before the GWC seeking in-principle approval can't look like poker machines. The degree to which there is actually a difference is something that would be an interesting unpicking I think.

45

COMMISSIONER MURPHY: Are you comfortable that the GWC has met its

12:42PM

obligations to keep poker machines out of Western Australia?

5 PROFESSOR HAYWARD: Certainly in terms of that being a consideration at each time, yes.

COMMISSIONER MURPHY: All right. I think that's it from my questions. Do you have any follow-up, Ms Spencer?

10 MS SPENCER: No thank you, Commissioner.

COMMISSIONER MURPHY: Mr Evans?

15 MR EVANS: No, thank you, Commissioner.

COMMISSIONER MURPHY: Thank you very much.

20 Ms Hayward, I thank you for your evidence today, it's been of great help to the Commission. As I noted earlier, the other Commissioners are in other sessions and they may have questions so the summons will remain in place but you can feel free to go, with our thanks very much.

PROFESSOR HAYWARD: Thank you very much.

25

THE WITNESS WITHDREW

30 COMMISSIONER MURPHY: We will adjourn until 2.00 pm.

ADJOURNED [12.46PM]

35 **RESUMED** [2.01PM]

40 COMMISSIONER MURPHY: Good afternoon. As I mentioned this morning, the Commissioners are conducting concurrent hearings today and I will conduct this hearing this afternoon. The other Commissioners will refer to the transcript and recording of this hearing and may have follow-up questions in due course. The witness is already here.

45 Would you please stand and state your full name for the record.

WITNESS: My name is Jodie Elizabeth Meadows.

COMMISSIONER MURPHY: Will you take an affirmation or an oath?

MS MEADOWS: I will take the affirmation.

COMMISSIONER MURPHY: Thank you.

5

MS JODIE ELIZABETH MEADOWS, AFFIRMED

10 COMMISSIONER MURPHY: Thank you. Please be seated. Mr Evans.

EXAMINATION-IN-CHIEF BY MR EVANS

15

MR EVANS: Thank you, Commissioner.

Ms Meadows, at the invitation of the Commission you prepared a witness statement for this phase of the Royal Commission's proceedings. Do you have a copy of that in front of you?

20

MS MEADOWS: Yes, I do.

MR EVANS: I unfortunately don't have a document, Commissioner, but it is a statement of some 32 pages executed, signed yesterday as I recall. The number is GWC.0003.0014.0021.

25

COMMISSIONER MURPHY: Thank you.

MR EVANS: You have read that recently, and there were documents forwarded to you over the weekend I understand. After considering that, there is one paragraph you wish to correct in your statement?

30

MS MEADOWS: Yes. Paragraph 101.

35

MR EVANS: That paragraph dealt with an issue in relation to independence of outcomes on electronic gaming machines and the correction will be to delete that paragraph, and what would you say instead of that?

MS MEADOWS: I was not present at that meeting which the question relates to, and I endeavoured to answer to the best of my knowledge. Over the weekend I did read another document so I understand that the independent ebbs of outcome from the WA Appendix were deleted simply because they were a double-up of already what was included in the main Gaming National Framework document, and that's the only reason why they were deleted from the WA Appendix.

40
45

MR EVANS: Thank you. With the correction by deletion of paragraph 101 and that

observation, that is Ms Meadows's evidence in that.

COMMISSIONER MURPHY: That document is admitted.

5

EXHIBIT #GWC.0003.0014.0021 - SECOND STATEMENT OF MS JODIE ELIZABETH MEADOWS

10

COMMISSIONER MURPHY: Thank you. Ms Dias.

CROSS-EXAMINATION BY MS DIAS

15

MS DIAS: Thank you.

20 Ms Meadows, I will begin with questions about the relationship between the GWC and the department. Going back to the last occasion when you gave evidence to the Commission, at that time the Chief Casino Officer was Mr Beecroft, is that correct?

MS MEADOWS: That's correct.

25 MS DIAS: Since then I understand there has been changes to the Chief Casino Officer?

MS MEADOWS: Yes.

30 MS DIAS: Can you tell me who has held those roles since?

35 MS MEADOWS: Certainly. So Mr Beecroft stepped down from that position due to ill-health and then Nicola Perry was appointed as a temporary Chief Casino Officer. And since then Germaine --- Larcombe, maybe, has very recently been appointed as the latest Chief Casino Officer.

40 MS DIAS: Thank you. On the last occasion that you provided evidence, your evidence regarding the role of the Chief Casino Officer was to the effect that it was to fulfil some roles under the Casino Control Act, however, that it was a fairly minor and rarely used role. Has your understanding of that role evolved since then?

MS MEADOWS: I still believe that they are completing tasks under the Casino *Control Act and I haven't changed my views.*

45 MS DIAS: Do you believe that the Chief Casino Officer role requires some kind of specialist understanding or some knowledge about casino regulation?

MS MEADOWS: I would definitely think that would be the case. I understand that

1 5 Germaine doesn't necessarily have that experience. However, in Western Australia at the moment it is extremely challenging to find people who actually have casino regulation experience, and that Germaine is actually --- her background is as a regulator. So she's bringing experience in how to regulate as opposed to casino experience, but, yes, she has a lot to learn and I understand that the department is trying to provide her with some someone that can provide that casino level of support.

10 MS DIAS: I might come back to her experience. I will just ask you some questions about the role of the Chief Casino Officer and who it primarily assists. What is your understanding of who that role is for?

15 MS MEADOWS: My understanding is the Chief Casino Officer is a departmental appointment and a member of the department, and that's my understanding.

MS DIAS: In relation to who the role assists, would you say it favours the Department or the GWC?

20 MS MEADOWS: I would say the Department.

MS DIAS: In practice, who is the Chief Casino Officer currently accountable to?

25 MS MEADOWS: The Director General Department.

MS DIAS: In relation to being informed about Ms Perry's appointment, or accounting appointment to the position, how was the GWC informed about that?

30 MS MEADOWS: I believe that we were informed, we were informed in one of our meetings or by email. I can't recall exactly.

MS DIAS: Was there any input that the GWC had into that appointment?

35 MS MEADOWS: No.

MS DIAS: Did the GWC seek to have any input into that appointment?

40 MS MEADOWS: We supported that appointment in one of our meetings when we were asked to. There was a short-term appointment, I believe it was going to be to 30 June, it was definitely temporary. Mr Beecroft had left quite quickly and legally there is a requirement to have a Chief Casino Officer, and so we didn't have any input into who it was going to be. However, given her experience in the Department she probably had a reasonable amount compared to anyone else.

45 MS DIAS: Were you informed of the experience that Ms Perry had?

MS MEADOWS: I believe so, but she was also familiar to us because she appears, had appeared in our meetings before.

MS DIAS: Had she appeared in relation to the casino components of the meetings or into GWC generally?

5 MS MEADOWS: GWC generally.

MS DIAS: Moving on to Ms Larcombe, I am going to take you to a document that should only be shown on the Commissioner and witness screens, as I understand there is an application being made against the document. GWC.0012.0001.0250. I
10 would like to take you to page 5 of that document. Can you see that document on your screen yet?

MS MEADOWS: Not yet.

15 MS DIAS: And paragraph 2 of item 1 ---

MS MEADOWS: I'm still on the --- paragraph 2 of item 1. Yes.

MS DIAS: Did you understand this to be Ms Larcombe being appointed to the
20 substantive position of the Chief Casino Officer?

MS MEADOWS: My understanding was that she had already been appointed as the Chief Casino Officer, and that that was a Department decision as to who gets appointed into that role. This was more of a courtesy of the Director General in her
25 capacity as the Chair to answer our queries about this appointment.

MS DIAS: And where does your understanding of the Chief Casino Officer being a departmental role come from?

30 MS MEADOWS: In more recent times it definitely comes from the Director General telling us quite clearly this was a Department appointment and we would not have an input --- we were not provided any input into who the Chief Casino Officer would be.

35 MS DIAS: Can you tell me who told you that?

MS MEADOWS: The Director General of the department.

MS DIAS: Who was it?

40

MS MEADOWS: Lanie Chopping. It is in more recent times. However, in the past, Mick Connolly was the Chief Casino Officer but was also the Deputy Chair. He came to our meetings as the Deputy Chair. We wouldn't call him in his capacity as Chief Casino Officer.

45

MS DIAS: Has the GWC ever sought to get legal advice to determine who should be appointing the Chief Casino Officer?

MS MEADOWS: No. I might say at this point we do have quite a lot of stuff going on. You state the GWC has never selected the Chief Casino Officer. Has the GWC ever made any effort to involve itself in the decision?

5

MS MEADOWS: Have we ever made any effort to involve ourselves, yes. Mick Connolly was appointed before my time. When Mark Beecroft was appointed it was discussed in a GWC meeting that Duncan Ord --- well, we had a discussion around it, so the decision hadn't necessarily been made in that case before we discussed it, but with regards to Nicola, that was again a requirement for that to be fairly quick and with regards to Germaine, we have brought it up in that meeting that we were just looking at that paragraph. We had brought it up to discuss it, but the decision was definitely already made already. There was (inaudible) after that.

10

MS DIAS: And would you agree that the Chief Casino Officer having a role under the Casino Control Act, which the GWC administers, or regulates the casino component, would you say that the Chief Casino Officer role should be a Gaming and Wagering Commission-related role or should report to the Gaming and Wagering Commission?

20

MS MEADOWS: I think they should report to the Gaming and Wagering Commission and I think the Gaming and Wagering Commission should be involved in that appointment.

MS DIAS: And in your view, what would need to change to ensure that GWC had ownership over the position?

MS MEADOWS: Well, I would imagine the legislation would need to change to say that that person reported to the Gaming and Wagering Commission.

30

MS DIAS: So is it your understanding that it is a statutory limitation that makes the Chief Casino Officer role a departmental role in your view?

MS MEADOWS: I would think so, but I'm not a lawyer, so

35

MS DIAS: I am going to now move on to the financial side of the Gaming and Wagering Commission. In paragraph 12 of your witness statement, I am going to refer to your second witness statement as your witness statement for the purposes of this hearing. You say that you have generally found that briefing papers given by the department to the GWC on financial matters to be adequate. Considering your professional background, how could financial reporting to the GWC be improved to more than adequate?

40

MS MEADOWS: I think it was satisfactory. I can read and understand statements that are presented quite easily. If they were to be more satisfactory for people that didn't have a financial background, they can be presented in ways that are easy to understand, I would suggest, graphical. They are quite complicated in some respects

45

but I can understand it. But I would think, yes, graphical representations and if they don't understand the financial statements they can read the CFO report. To me the CFO report explains what is going on, so they should still be able to interpret it using her information.

MS DIAS: Does the GWC have a financial committee?

MS MEADOWS: No, we don't.

MS DIAS: So all of the information regarding GWC finances is provided in the agendas for GWC members?

MS MEADOWS: Yes. And I might say the financials are pretty straightforward. We have several ways that we generate revenue, we have one significant expense. It is a fairly straightforward financial reporting pack, and you wouldn't need a finance committee underneath it.

MS DIAS: And speaking of that one large sum that is coming out, are you referring to the professional service fee?

MS MEADOWS: Yes.

MS DIAS: In paragraph 15 of your witness statement you refer to the --- to an agenda paper outlining the calculation of the services fee that was presented to the GWC. I refer to GWC.0003.0014.0019.

Would you agree, Ms Meadows, that the service fee is in effect a fee that the department charges the GWC for performing the (inaudible) duties of regulation and providing assistance to the GWC?

MS MEADOWS: Yes.

MS DIAS: Would you agree that it is necessary for the GWC to pay the department to perform these duties because the GWC does not employ its own staff or control or maintain any of its own assets?

MS MEADOWS: Yes.

MS DIAS: I'm just waiting for GWC.003.0014.0019. Do you recall this agenda paper?

MS MEADOWS: I certainly do. Our meeting was on Friday.

MS DIAS: How this did agenda paper come about?

MS MEADOWS: The GWC members asked for an explanation as to how this professional fee --- the underlying calculation of this fee based on questions that we

received in our first appearances at the Royal Commission.

MS DIAS: Were you satisfied with the information provided in this paper?

5

MS MEADOWS: It certainly explains where the calculation came from.

MS DIAS: Are you satisfied with the way that calculation has come from?

10 MS MEADOWS: It answers the question as to where the calculation came from in
the first place. Am I satisfied with the calculation? If I was --- I'm not sure if the
way that they've allocated the fee between the professional services fee between the
number of inspections that take place by the Gaming and Wagering Commission, and
15 the number of inspections that take place through Liquor Licensing is the way that
the split has occurred, but an audit or an inspection at Crown is fairly quick. They
can move from table to table or they do most of it by surveillance footage. But a
Liquor Licensing inspection can involve getting on a plane and flying to Marble Bar
or driving around from venue to venue. So to split the fee based on purely the
20 number of inspections without factoring in how long each one could take may not
necessarily be the fairest way to split it.

MS DIAS: Is that your understanding of this paper, that the fee is split in that way,
only in relation to the audits taking place? If we could go to the bottom of page 1,
please. Thank you.

25

MS MEADOWS: Yes, so it is split based on the functions that it is performing. So
if you look on the next page, page 2 and scroll down, you can see the Gaming
Commission, our target audits in 2018/2019 was 6,808, and Liquor Licensing was
almost 17,000. Therefore, Liquor Licensing pick up a bigger share. Having said
30 that, each of their individual audits will take a lot longer to do.

MS DIAS: So in your view what is a better way of calculating the fee?

MS MEADOWS: Well, you would need to factor in the amount of time it takes to
35 do each inspection. So the number of inspections is important but also the resources
required to do each inspection probably need to be factored into the equation.

MS DIAS: What about the other services provided by the Department, what is your
understanding of how they are costed for? So assistance with briefing papers and
40 processing of application, the other roles outside of inspections?

MS MEADOWS: So my understanding is that the fee that we get charged is a share
of what is called --- what is referred to as the licensing division, which there is
another paper that I refer to, where the cost for the licensing division is 10.2 million
45 and we pick up 4.1 million of it. So presumably the people that work on the Gaming
and Wagering papers work in the licensing division, and therefore that's how we
receive the charge.

MS DIAS: Your understanding, is that charge included in this paper? Is it part of the percentage?

5 MS MEADOWS: I believe so, yes, or --- we don't get charged any other amount.

MS DIAS: So if we have a look at the bottom of page 1 again, and it says here, you've got the two dot points, 1 and 2, and says that the remaining 30 of the TCOS, which is the total cost of service, is expended in the racing and gaming functions.
10 Then if we go to the top of page 2, and there it has 28.57 per cent of RGL costs are providing support for the GWC, and the remaining 1.25 per cent of RGL costs are attributable to provide support for the Racing Penalties Appeal Tribunal, what is your understanding of where the a and b costs come from in the context of the bottom of page 1?

15 MS MEADOWS: How is the 30 per cent --- so those two numbers add up to 30 per cent.

MS DIAS: So that's item 2?

20 MS MEADOWS: So item 2 is then broken up to a and b. So the 30 per cent in item 2 is then broken up into a and b to equal that 30 per cent.

MS DIAS: Does that suggest to you that a significant portion of the department's
25 resources in relation to gaming and wagering are expended on support of the GWC?

MS MEADOWS: 28.57 per cent. Is that significant? I would think it was a significant amount.

30 MS DIAS: That's of the 30 per cent?

MS MEADOWS: No, no, that's of the 100 per cent. 28.75 per cent goes to the Gaming and Wagering Commission. 70 per cent goes to Liquor Licensing and 1.25 per cent going to the Racing Penalties Appeal Tribunal.

35 MS DIAS: Sorry, do you mind saying that again?

MS MEADOWS: So there is 100 per cent of the cost, of which 70 per cent goes to Liquor Licensing, which leaves 30 per cent. Of that 30 per cent, 28.75 per cent of that is Gaming and Wagering Commission, and then a very small part is Racing Penalties Appeal Tribunal.

MS DIAS: So just looking at that 30 per cent, which is the gaming and wagering side ---

45 MS MEADOWS: 28.75.

MS DIAS: But the 30 per cent in point 2, which is on page 1 ---

MS MEADOWS: Yes. Of that 30 per cent on page 1, Gaming and Wagering Commission takes up almost 98 per cent.

5 MS DIAS: Yes --

MS MEADOWS: Yes.

10 MS DIAS: --- so that suggests that in the context of gaming and wagering, support to the GWC --- it is significant support being provided to the GWC ---

MS MEADOWS: Yes.

15 MS DIAS: --- in relation to the department's functions for gaming and wagering?

MS MEADOWS: Yes. For gaming and wagering we take up nearly 100 per cent of the support. It is a very small portion going to the other organisation.

20 MS DIAS: So do you agree that the department, in the context of gaming and wagering, most of their role is providing executive support to the GWC?

MS MEADOWS: Executive support, no. There is a team of inspectors who perform the thousands of inspections to the GWC.

25 MS DIAS: But that's for the GWC. So if we include that in support to the GWC?

30 MS MEADOWS: Yes. Sorry, could I add, it's not just the human beings that are providing support. We are charged occupancy costs, rent, photocopiers, insurance, all sorts of different costs make up that figure, it's not just the human beings who work for us.

MS DIAS: If we go to GWC.0002.0016.0367_R and page 207, please, do you recognise this paper?

35 MS MEADOWS: I can tell what it is. I don't know it from memory.

MS DIAS: What is it?

40 MS MEADOWS: It is a paper to the GWC in March 2021 for budget approval to forward to the minister.

MS DIAS: If we go to page 209 and zoom into the top quadrant, the cost of services, you can see a fee for about \$4.14 million?

45 MS MEADOWS: Yes.

MS DIAS: Is that the professional services fee?

MS MEADOWS: Yes, it is.

5 MS DIAS: At paragraph 16 of your statement you mention the GWC's responsibilities in relation to financial management. Would this include ensuring that money is used for the purposes for which it is provided?

MS MEADOWS: Yes.

10 MS DIAS: You previously informed the Commission that the entirety of the casino licence fee could be used by the GWC to manage and regulate the casino. Does this continue to be your view?

15 MS MEADOWS: That we could use the entirety of the fee to regulate the casino. We do have other expenses that aren't necessarily casino regulation. We get remuneration for the board directors which would need to be covered. We are planning on having in future budgets training and other costs which we would need revenue to cover.

20 MS DIAS: But in relation to the casino licence fee, what is your view about how that should be expended?

MS MEADOWS: I would think the vast majority of the casino licence fee should be used to regulate the casino.

25 MS DIAS: How did the GWC satisfy itself that the vast majority of the casino licence fee was being used for casino regulation?

30 MS MEADOWS: In the financial year ending 2020? By --- I think it just would have been by viewing that level of activity that we saw within the department, the papers that we were presented --- if you look at the paper we had up there before, the number of inspections that are completed, and I can tell, for this financial year, the value of money we are getting out of the Department is considerable, certainly considerably more than we would be paying for.

35 MS DIAS: But do you agree of the income the GWC is receiving from various sources, the casino licence should be used predominantly for casino regulation?

40 MS MEADOWS: Yes.

MS DIAS: However, would you agree that there is currently no ability for the GWC to have oversight of exactly where that casino licence fee is going?

45 MS MEADOWS: Yes, I also believe that the department doesn't necessarily have the exact oversight of where the funds are going in that the employees which make up the --- the salaries make up a significant cost and they don't complete detailed time sheets and logging their time, allocating their time as to where they are working, but I

understand that the department is looking at that at the moment, working out how they can better track that.

5 MS DIAS: And has that been raised by the GWC?

MS MEADOWS: Yes, and it's been raised by the Chair/Director General.

10 MS DIAS: Turning to paragraph 18 of your statement, you discuss the GWC's reliance on the Chief Financial Officer's sign off.

MS MEADOWS: Yes, I am a Chief Financial Officer, and I know that there is reliance placed on the sign-off of a Chief Financial Officer.

15 MS DIAS: And that --- the CFO, are they employed by the Department?

MS MEADOWS: Yes, they are.

20 MS DIAS: Do they also presumably then do work for the Department?

MS MEADOWS: Yes, they are the CFO of the Department.

25 MS DIAS: Did you ever consider that there may be a conflict of interest in the CFO of the Department, who is receiving the professional service fee, also being the one recommending the professional service fee?

30 MS MEADOWS: Potentially there is a conflict of interest. To me, it's accounting. So I wouldn't perceive that to be a conflict of interest. But I guess you could look at it that way.

MS DIAS: Why is that? That you don't consider it to be?

35 MS MEADOWS: Because I'm a Chief Financial Officer. I assume I would always act with the greatest of integrity.

MS DIAS: Could you understand though that even if acting in the greatest of integrity there is an inherent tension in being the one seeking the money for the services, but then also receiving the money or giving the money for the services?

40 MS MEADOWS: Yes. Having said that, there is also a complete audit done by the Auditor General and a Chief Financial Officer who was acting inappropriately, there is criminal offences under ASIC, but presumably under the equivalent government regulations. I would hope an audit afterwards would pick up if there was anything untoward. But having said that, it is the Department of Treasury in conjunction with
45 the Department who originally came up with the split, or requested the split. They've also accepted that split as 70 per cent, 28 per cent, 1.25 per cent.

MS DIAS: I will move on now to some questions about the internal audit committee,

and whether you've had any involvement in it this year.

5 MS MEADOWS: No, I've never had any involvement with the Audit and Risk Committee.

MS DIAS: Going to DLG.0006.0003.0013, this is an email from you to Ms Roche?

10 MS MEADOWS: Yes.

MS DIAS: Can you explain whether there has been any response to this email or any further discussion about your involvement in the committee?

15 MS MEADOWS: I'm not --- I imagine Fiona would have replied. There has been --
- I've had no contact at all regarding the Audit and Risk Committee. In our last two
Gaming and Wagering Commission meetings we did discuss that being part of the
Department's Audit and Risk Committee was probably not the appropriate course
that the GWC should take because the GWC has very specific risks, and to be part of
20 an Audit and Risk Committee covering local government, sport and recreation, it
might not be the ideal Audit and Risk Committee. So we are talking about setting up
one that sits directly under the GWC with the right skill set and the right focus.

25 MS DIAS: Beyond talking about it, has any action been taken in relation to setting
up the committee?

MS MEADOWS: Yes, it is on our action items list. It is happening. There is lots of
things happening.

30 MS DIAS: Speaking of things happening, I have a few questions about the KPIs. As
I understand it, that's been a long-running issue since about December 2019,
(inaudible) requested by the GWC. Has anything --- has the KPI review been
undertaken yet?

35 MS MEADOWS: No, the KPI review hasn't been undertaken. I believe in the
December 2020 meeting we --- we have our KPIs for this year --- hang on, what
month are we in now. The KPIs for the current year haven't been accepted yet.

MS DIAS: Is there a process around reviewing those?

40 MS MEADOWS: Yes, there is.

MS DIAS: Can you expand on what that process is, please?

45 MS MEADOWS: The Department is undertaking a review.

MS DIAS: So it is an internal review?

MS MEADOWS: I'm not sure if they are getting someone to do it externally, it is
not

risk-based as we were originally trying to do. I think later on when we get to the strategy works it is listed in there, amongst many other things that the department is preparing.

5

MS DIAS: Has the GWC directed what that review should look like?

MS MEADOWS: "Directed what the review should look like."

10 Yes. Originally what we --- what we are trying to achieve is the mapping of our legislation to our risks. We have a risk register that has been prepared, or a risk matrix that has been prepared, that's due to be completed by the Department in December. That then gives us a framework to map against our legislation and then set KPIs against the risks and the legislation so that we are measuring what we are
15 supposed to be doing.

MS DIAS: So the GWC has informed the Department of what outcome they would like from the KPI?

20 MS MEADOWS: Many times.

MS DIAS: And given the document suggests that GWC initially believed the Riskwest review would do this ---

25 MS MEADOWS: Yes.

MS DIAS: --- however, there seems to have been some confusion over what the purpose of the Riskwest review was for ---

30 MS MEADOWS: Yes.

MS DIAS: So, given these confusions, has the GWC taken greater control over this KPI review?

35 MS MEADOWS: The KPI review is one of many actions, or many works on our program. If I can just find the actual --- I can give you the date that that is scheduled to be completed.

MS DIAS: Is that December 2021?

40

MS MEADOWS: No, that's the risk review. It's like an attachment to my witness statement. It comes after 8.3.

MS DIAS: Are we able to pull that up on the screen? Is there a GWC number in the
45 top right hand corner?

MS MEADOWS: Of the witness statement?

MS DIAS: No, of the page.

MS MEADOWS: No, because I printed this out.

5

MS DIAS: I don't seem to have that document.

MS MEADOWS: It was attached to my written statement. It's also --- have you got --- page 133 of the GWC agenda papers from Friday's risk meeting, August 2021.

10

MS DIAS: If that document goes off on the screen I believe it can't be shown to the public screens, only to your screen and the Commissioner's screen.

MS MEADOWS: The August agenda papers?

15

MS DIAS: I believe so, yes.

MS MEADOWS: Okay.

20

MS DIAS: Could you also explain what is ---

MS MEADOWS: This is a table --- you can't read it, but a table --- that outlines four areas that we identified in our strategic planning day that we wish to develop a program of works around, the first being a governance framework, the second is a regulatory function, third is stakeholder and community management, and the fourth is continuous improvement and business intelligence.

25

And under the first category, which is governance and framework, the first action item is identification of a suite of government instruments relating to the GWC governance practices in the context of its regulatory and compliance, executive and management personnel and its strategy, risk management and performance. And then there is a list of all of the different instruments that are going to be prepared, everything from an induction pack, risk register, key performance indicator suites, conflicts of interest policy, and the time frame for that is September 2021. And I know that a person has been appointed in the department to be working towards that timetable.

30

35

MS DIAS: So this is all being undertaken by the department on behalf of the GWC?

40

MS MEADOWS: Yes.

MS DIAS: The GWC, once it is received, will you then review it ---

MS MEADOWS: Certainly, absolutely.

45

MS DIAS: Okay. In relation to the strategy day, could you tell me a little bit about that, how long it ran for, who attended and who organised it?

MS MEADOWS: Sure. The department organised it. I think Fiona Roche who was the Deputy Director-General organised it. It was attended by the new Chair Lanie Chopping, the GWC members, including Barry Sergeant who called in through a Teams meeting, it was facilitated by Peter Fitzpatrick. Fiona Roche the Deputy Director was there, and a lady whose name I can't recall who was potentially going to be providing executive support to the GWC going forward but didn't end up taking the role.

10 MS DIAS: Is the GWC currently looking for someone to provide executive support to them?

MS MEADOWS: I believe that has been resolved.

15 MS DIAS: Is that role specifically a GWC-related role? So their entire workload is for the GWC?

MS MEADOWS: Yes. I believe there has been a change in the department's structure and this person is appointed.

20 MS DIAS: Generally speaking, how would you describe the working relationship between the GWC and the Department at the moment?

MS MEADOWS: At the moment? The working relationship between --- I would say that everybody is under a lot of pressure at the moment. There is a lot of work that needs to be completed and everybody is working together as best they can.

MS DIAS: And has the GWC sought additional support not from the Department but from the Minister, for example, as a result of this additional workload?

30 MS MEADOWS: No, we haven't. The Minister did come to one of our meetings to introduce himself but, no, we haven't sought to go to the minister. The Department has been --- is providing a lot of resources. They are putting a lot of energy towards this and we are also using Quinn Emanuel in regards to the Perth Casino Royal Commission.

MS DIAS: And in your view, are the resources sufficient for the work being undertaken?

40 MS MEADOWS: I know that the people at the department are working very, very long hours and are under a lot of pressure to try and produce everything that is required.

MS DIAS: As a GWC member, though, do you believe that the resources available to you at the moment are sufficient?

MS MEADOWS: At the moment we are receiving --- I would like some things to be fast-tracked, for example, the risk register not being available to December 2021 is

not ideal, however, we are working with the resources that we have. And also, there has been a lot of loss of corporate knowledge, and I think that --- and there is not that many people in Australia, let alone WA, who understand the casino industry. So it would be ideal if we had someone who was a high-level expert in casino regulation to be helping but it doesn't exist at the moment.

MS DIAS: Has any effort been undertaken to find ---

MS MEADOWS: Yes, throughout Australia, yes. We recently had someone join the GWC as a GWC member from Queensland who will be dialling in through Teams meetings but I understand the department has been looking throughout Australia for appropriate people. I don't think coming --- I don't think people would be all that keen to get themselves into a situation like this at the moment if you were a casino regulator.

MS DIAS: I will now move on to the issue of delegation. So you've previously given the Commission evidence about delegations that the GWC has made and most recently that is in your witness statement. If we go to GWC. 0002.0016 .0298_R, page 351. Do you recognise this agenda paper?

MS MEADOWS: Yes.

MS DIAS: And if we go to page 352 this was the instrument seeking to be approved?

MS MEADOWS: Yes.

MS DIAS: And which was subsequently approved?

MS MEADOWS: Okay.

MS DIAS: Did you want me to go to the minutes where that is approved?

MS MEADOWS: No, no. I mean that one is not signed but presumably one was signed, or I signed one.

MS DIAS: According to your statement at paragraph 22, your understanding of the intention around delegating the powers was to allow the Deputy Director General to act on behalf of the GWC in the event that an urgent but minor issue arose between meetings and to finalise formal requirements after GWC in-principle support; do you agree with that?

MS MEADOWS: Yes.

MS DIAS: If we look at the instrument of delegation that was just on the screen, were these limitations outlined in this instrument?

MS MEADOWS: No, they weren't.

5 MS DIAS: Now, if I take you to GWC.0002.0016.0299 at page 10 and if we have a look at 9.3, do you agree that is the resolution to approve the instrument of delegation?

MS MEADOWS: Well, that's the minutes approving it, yes.

10 MS DIAS: And, again, is there any limitation, other than sub-paragraphs (v) and (vi), that limit the approvals of delegation to minor and urgent matters?

15 MS MEADOWS: There is nothing that there specifically says "minor" or "urgent" matters. However, the delegations have been in place for a long time and there has never been any instance where the delegation has been used for something that wasn't a minor or urgent matter. It was certainly my understanding that that's what the delegations were meant for.

20 MS DIAS: In your view, could you give me an example of a minor and urgent matter?

25 MS MEADOWS: Sure. So there might be a request for a particular lottery permit or something that we are asked to approve, and we might have a query and we might say, "We'll approve this subject to double-checking this particular piece of information." And if that piece of information is double-checked and found to be correct, then we give in-principle approval subject to that. And then they will use the delegation to approve it between meetings rather than everybody waiting another month for our next meeting to come about.

30 MS DIAS: And was it only once something had been approved in principle by the GWC that you believed these delegations were exercised?

35 MS MEADOWS: Not necessarily. If something minor came up between the meetings, we wouldn't give in-principle approval. Sometimes we would be notified in the next meeting.

MS DIAS: What is something minor but urgent that would come up where the GWC wouldn't see it, for example?

40 MS MEADOWS: An urgent request for a permit that fell outside the normal delegations.

MS DIAS: And how did the GWC come to be notified of these exercises?

45 MS MEADOWS: There is a standing agenda item in every meeting, I believe. I think I referred to it in my paper as always being item 11 but it does change. There is a standing agenda item where in a paper that is presented, that lists whenever the delegations have been used.

MS DIAS: And what required someone to provide a summary when of delegations exercised?

5 MS MEADOWS: Presumably it's being going on for a long time. As far as I know the delegations have always been reported on.

MS DIAS: We can see from the instrument of delegation itself, the instrument that the GWC resolves to delegate, but it is not a requirement of the delegation.

10

MS MEADOWS: No, it's not written within there, no.

MS DIAS: So it is a matter of practice then?

15 MS MEADOWS: It is a matter of practice, yes.

MS DIAS: In paragraph 23 of your statement you stated that your general understanding was that matters would be minor operational matters for the exercise of delegation. But you agree that the instruments could confer much broader power?

20

MS MEADOWS: Yes, but I never saw that to happen. If there was ever an instance between meetings that was not minor, then we would be contacted. We would have a circular resolution, emails going around.

25 MS DIAS: Who was making the decision as to whether a matter was minor or not?

MS MEADOWS: That would have been the Deputy Director-General. He would have been deciding what was minor and not minor.

30 MS DIAS: Did the GWC ever provide guidance as to --- I am going to take you to a document CRW.709.002.3590 which is dated 25 February 2021. That's CRW.709.002.3590.

35 Do you agree that this instrument of approval is being exercised under delegated power?

MS MEADOWS: Yes.

40 MS DIAS: If we now go to GWC.0004.0003.0006, page 2. This document is a delegation of power that is dated 27 June 2017. And do you agree that the previous instrument of approval that we saw was under a delegation of power from 27 June 2017? Would you like me to go back?

45 MS MEADOWS: Did it say 27 June 2017? I understand that Mr Beecroft was given delegations in a meeting in February 2021.

MS DIAS: So this is a delegation, if we go to page 1, to the person in the role of

Chief Casino Officer.

MS MEADOWS: So that document is from 2014.

5

MS DIAS: Replacing a document from 2014.

MS MEADOWS: Okay.

10 MS DIAS: If we go back to CRW.709.002.3590, the document we just had up, you can see that this is in accordance with the Gaming and Wagering Commission of Western Australia resolving on 27 June 2017?

15 MS MEADOWS: Yes, there is a delegation to the Chief Casino Officer, and then Mr Beecroft was appointed to the position of Chief Casino Officer so, therefore, had those delegations.

MS DIAS: If we go back to those delegations themselves --- before we do though, you can see this is an amendment to the Casino Manual Operations?

20

MS MEADOWS: Yes.

MS DIAS: Then, if we go back to the instrument of delegation, and do you understand the Casino Manual to arise under a direction provided under section 24?

25

MS MEADOWS: Yes, we issued --- if you go back to the previous document, the GWC issued a direction to stop international gaming business. We issued a direction to do that, and therefore the Casino Manual then gets updated based on the direction.

30 MS DIAS: My question is more in relation to which of these delegated powers confers the power for the Chief Casino Officer to amend the Casino Manual?

MS MEADOWS: Which one gives them the power to do it?

35 MS DIAS: Yes.

MS MEADOWS: Well, one of them is actually doing it and presumably the other one gives the power.

40 MS DIAS: So of these nine points on the delegation of powers, can you identify which of them actually gives the Chief Casino Officer the power to amend the Casino Manual?

MS MEADOWS: I can't find one that would align to that.

45

MS DIAS: Were you under the belief that under this delegation, so prior to the delegation being --- I will rephrase that. Were you of the understanding that the Chief Casino Officer could amend the Casino Manual?

MS MEADOWS: I hadn't read that delegation on the left from 2017. I joined in 2018.

5 MS DIAS: When you joined were you under the belief that the Chief Casino Officer could amend the Casino Manual?

MS MEADOWS: I hadn't really thought about it.

10 MS DIAS: You talked about the fact that when an exercise of delegation occurred, it would then be provided to the GWC in the GWC agenda pack, usually item 11. If we go --- if we have a look at this CRW.709.002.3590, so it is on the right-hand side of your screen, when would you expect to be informed about this exercise of delegation?

15 MS MEADOWS: The date of that meeting is 25 February. So that's the same date that we issued the direction to ban international gaming. We requested it in December the previous year, and then in February we confirmed the order. We confirmed the direction. I would expect it would happen in the next meeting. Having
20 said that, we talked about it in the meeting in February. So I would expect the March meeting.

MS DIAS: So if we go to GWC.0002.0016.0367_R at page 203. If you could read the second line after the recommendation box.

25 MS MEADOWS: It's not in there. Having said that, this was a time of extreme flux at the GWC and the department. Mick Connolly, as the Deputy Chair and Deputy Director General, had left; Mr Beecroft was appointed the Chief Casino Officer the same day that that delegation was signed, or certainly that was the meeting where ---
30 maybe it was --- anyway, it was that month the Royal Commission, we received the Bergin Report which we had an emergency meeting about on 16 February, and then on 26 or 25 February, the State Solicitor came in and we approached the Minister about calling an inquiry. There was a lot going on and if that wasn't recorded there, then I guess it is on the department and all of us to have not noticed that it was not
35 recorded there.

Having said that, we completely knew that the Casino Manual, operating manual, was being modified to stop international gambling at Crown.

40 MS DIAS: But would you agree --- understanding everything that you've just said, would you agree that there may not be robust procedures in place in relation to the reporting of and exercise of delegations?

MS MEADOWS: I think in that circumstance it wasn't reported. Is there a robust
45 process behind the scenes? I wouldn't know the behind-the-scenes process.

MS DIAS: As a GWC member, would you know if a delegation had not been

reported to you, an exercise of delegation?

MS MEADOWS: No, because you don't know what you don't know.

5

MS DIAS: So there is no complete register of exercises of delegation?

MS MEADOWS: If it's not included in the register then you wouldn't know either.

10 MS DIAS: However, a register would likely have reference to the instrument of approval, for example.

MS MEADOWS: Yes, I understand that there is a register of delegations.

15 MS DIAS: Now?

MS MEADOWS: That's my understanding, that a lot of work has gone on around delegations. In fact, the vast majority of delegations has been removed so that there is only a limited number.

20

MS DIAS: Have they been removed by the GWC?

MS MEADOWS: Yes.

25 MS DIAS: Why was that?

MS MEADOWS: Because during the course of the Perth Royal Commission it came to our attention that there were more delegations than we felt comfortable with, so we asked to have them all removed and now the Chief Casino Officer has had a small number --- so, we had all of the ones that were not minor, administrative-type delegations removed, and now the new Chief Casino Officer has a very small number of delegations that have been added and we are reviewing on an ongoing basis to see what other delegations she needs to carry on her role without being hindered.

35

MS DIAS: Do any other GWC members have any delegations?

MS MEADOWS: (No audible answer).

40 MS DIAS: I am now going to move on to problem gambling considerations as well as Responsible Service of Gambling. In paragraph 70 of your witness statement you state that Crown is effectively self-regulating from a Responsible Gambling ---

MS MEADOWS: Yes.

45

MS DIAS: Could you explain what you mean by that?

MS MEADOWS: They are self-regulating in that there is --- the GWC are not dictating what they need to do through any law. Our obligation is to, as the GWC,

ensure harm minimisation or to oversee harm minimisation, but we don't have a lack of legislative power over Crown to dictate their program. So they decide what their program is, they present it to us, and we make assessments as to whether we believe it is satisfactory or not.

MS DIAS: How does the GWC make those assessments? What informs that decision-making?

MS MEADOWS: Informs that decision-making --- generally it would be presentations from Crown as to what systems they have in place, what programs they have and information that is then provided to us on a monthly basis about how those programs are working.

MS DIAS: Does the GWC have any other sources of information or get information about best practice or current research in relation to harm minimisation and problem gambling?

MS MEADOWS: We're not provided --- we haven't been provided with any by the department. However, I have read some recently --- I guess it wasn't recently, when COVID happened, shared a White Paper, had a discussion with a White Paper at one of our meetings that showed the biggest growth in spending during the original COVID lockdown, when most people might have thought it was food or alcohol, the number one increase in expenditure around Australia was gambling, especially because there was no other sport. So we do discuss some level. But, having said that, reviewing research is not something that is a regular part of our meeting agendas.

MS DIAS: And so in relation to making decisions around harm minimisation, where does the GWC get its expertise or knowledge in doing so beyond the presentations given by Crown Perth?

MS MEADOWS: We rely on the Department and we are a community-based board who have --- some of us have quite a lot of exposure to that, and so a lot of it is personal experience.

MS DIAS: Do you rely on the information provided by Crown Perth?

MS MEADOWS: We don't rely on the information provided by Crown Perth. We review any information that they provide us and have our own discussions and use our own thoughts, and so we don't rely on the information they provide us. We also have inspectors on site to confirm information that they give us and statistics.

MS DIAS: I will take you to a March 2019 presentation from the casino licensee. GWC.0002.0016.0269, slide 8. Do you recall this presentation?

MS MEADOWS: Yes.

03:07PM

MS DIAS: If we can go to slide 8, please.

5 Would a presentation like this be an example of where the GWC considers the issue of harm minimisation?

MS MEADOWS: Absolutely.

10 MS DIAS: Do you recall the discussion that occurred around this particular presentation?

15 MS MEADOWS: I don't remember the exact discussion but I'm sure that we would have had a very significant discussion about this. This was a major request from Crown and would have had the harm minimisation or Responsible Gambling outcome of this, we would have discussed quite significantly.

MS DIAS: If we go to slide 12. Next slide, I believe.

20 It talks about a business assessment. Did Crown Perth provide you with a business assessment?

MS MEADOWS: Sorry, what line are you?

25 MS DIAS: The top heading.

MS MEADOWS: Oh, the heading. That's their assessment. That's Crown assessing.

30 MS DIAS: So did Crown ever provide you with things like business assessments?

MS MEADOWS: I believe that is what that slide is, their assessment. Crown's assessing, they want GWC to assess it, this is what Crown is assessing.

35 MS DIAS: Right, and so this, in your view, was the amount of information that Crown had in relation to ---

MS MEADOWS: There was also a letter from Barry Felstead as well.

40 MS DIAS: If we go to slide 16 ---

45 MS MEADOWS: We would have been talking significantly, a lot about the speed of play change. The return to player we would have dismissed immediately. Not immediately, after not that much discussion. It was probably a strategy of Crown asked for a few things and expect to get knocked back on the return to player. With the speed of play one, that is a significant. We would have talked about that quite a lot.

MS DIAS: Why is that?

MS MEADOWS: Because the speed of play that a game --- it increases the speed that a game is played at. It can have an impact on the harm that that game can cause.

5 MS DIAS: So why is it that the GWC would have ignored the return to player request but considered the speed of play request?

MS MEADOWS: Because the return to player request is --- it has a financial impact on the players that are playing, and Crown have a 90 per cent return to player. They
10 were just trying to get a greater return to the house for no upside for the players whatsoever.

MS DIAS: What is the upside in the speed of play request?

15 MS MEADOWS: The upside for the speed of play is that it can make the games more interesting. Players were coming from overseas and interstate where games are faster, and then they come to Western Australia and go to the casino here and play their electronic gaming machines here, as opposed to pokies in the eastern states or overseas, they come and play the games here, and the games are 40 per cent slower.
20 So for players, it is more interesting if the games are faster, and it also meant that players that were coming from other jurisdictions were receiving a product or entertainment value they were used to receiving.

MS DIAS: Would you agree that they were used to receiving poker machines
25 though?

MS MEADOWS: The speed of play on an electronic gaming machine and a pokie machine are similar.

30 MS DIAS: Do you believe there is a difference though between the speed of play on a pokie machine and an EGM?

MS MEADOWS: The difference between a poker machine and an electronic gaming machine are set out in the WA Appendix to the National Gaming Standard.
35 And there is --- I don't think that the speed of play between a poker machine and electronic gaming machine is any different. Like, if it goes for three seconds, it goes for three seconds.

MS DIAS: I might take you to the WA Appendix. If we go to
40 DLG.8001.0001.5353. Is this the WA Appendix you are talking about?

MS MEADOWS: Yes.

MS DIAS: If we go to 4.2, I believe it is the last page, if we go to page 5. If we look
45 at WA4.2 and it is titled "Determination of a Poker Machine" would you agree that item 2, speed of play, is part of that determination?

MS MEADOWS: It is. And the casino licensee was applying to amend this WA

Appendix which included the factors for determining a poker machine?

MS MEADOWS: Yes.

5

MS DIAS: Did any consideration go into whether such amendments would make EGMs in Western Australia more like poker machines?

MS MEADOWS: No. There was a report prepared by an accredited testing facility outlining whether this change would do that, and it didn't. It indicated that the change to the speed of play wouldn't have that effect.

10

MS DIAS: I will take you to that report. If we could go to GWC.0002.0016.0281. If we go down to the report produced by GLI, is this the report you mentioned?

15

MS MEADOWS: Yes.

MS DIAS: If we go to the next page, did the GWC Commission this report?

MS MEADOWS: I don't believe so, but I wasn't present at this meeting, a July meeting.

20

MS DIAS: But did you consider this the agenda pack for the July meeting?

MS MEADOWS: I have read it, but I wasn't there to ask any questions. Please ask your question.

25

MS DIAS: Sorry?

MS MEADOWS: Did we commission this, no, I don't believe we commissioned it, no. It is quite common for Crown to Commission reports in advance to be proactive. They wouldn't come to the GWC and ask for something and without having a lot of reports to back up their position.

30

MS DIAS: And is it common for Crown to provide you with the request for the reports of the GWC so you can see what Crown Perth asked from the independent ---

35

MS MEADOWS: No, we have not asked for that, no.

MS DIAS: Now, if we go to the assessment against the Act, and I note that you weren't at this meeting to ask questions, can you read that paragraph?

40

MS MEADOWS: The assessment against the Act? That was pretty much word for word out of my statement:

45

The Act prohibits games being played with a "Poker Machine". While the Act refers to "Poker Machines" it does not explicitly define what a Poker Machine is or provide a list of factors to determine a poker machine such as those in

clause WA4.2. As such, the proposed deletions from WA4.2 would not impact the requirements from the Act

5 That's my understanding. If the WA Appendix is changed, it effectively changes the definition of what is not a poker machine.

MS DIAS: So if the WA Appendix is changed, it changes the definition of a poker machine?

10

MS MEADOWS: Of what is not. Well, the definition that we use to determine what is a poker machine and what's not a poker machine is what is in the WA Appendix.

MS DIAS: But this assessment doesn't tell you whether the approvals are getting you closer to what is a poker machine; is that correct?

15

MS MEADOWS: No, it doesn't. And how fast is a poker machine is also a question.

MS DIAS: Do you believe that GWC members had clarity around what was and was not a poker machine?

20

MS MEADOWS: Yes.

MS DIAS: And where did that clarity come from?

25

MS MEADOWS: From reviewing many EGM machine games that are presented to the GWC. In my induction I received an article on defining what an electronic gaming machine was versus a poker machine. We understand what the WA Appendix says and, you know, I think we know the difference.

30

MS DIAS: And you understand what the WA Appendix says; however, that can still be amended by the GWC?

MS MEADOWS: Well, we did amend it so presumably we can amend it, yes. Unfortunately there is no definition of what a poker machine is in the legislation, so we have to be guided by something and we're guided by the WA Appendix.

35

MS DIAS: Would it be useful to have a definition in the Act?

MS MEADOWS: I wouldn't imagine that that definition would be anything different to what is in the WA Appendix.

40

MS DIAS: Now I am going to move on to the topic of the GWC's role as a regulator. You touch on this in paragraph 8.3 of your statement.

45

Would you agree that the main role of the department in relation to gaming and wagering is to provide support to the GWC? I think we touched on this earlier?

MS MEADOWS: The main role of the department with regards to the GWC, yes.

MS DIAS: With regards to gaming and wagering?

5

MS MEADOWS: Yes.

MS DIAS: In your discussion of topic one in your witness statement from paragraph 7 onwards, and particularly 8.3, you state that the PSB Guidelines didn't always apply perfectly to the GWC.

10

MS MEADOWS: Correct.

MS DIAS: In your view, was this because of GWC's role as a regulator?

15

MS MEADOWS: Yes, the document, PSB Guidelines are quite generic. There is all sorts of boards within the Government that are running businesses, there is regulators, there are all sorts of different boards so it is quite a generic document and not all of it applies to regulators.

20

MS DIAS: What do you consider the main distinctions between a regulator and a conventional board?

MS MEADOWS: A regulator is following legislation to ensure a business or organisation or an industry is following the rules and laws that it is supposed to, whereas some other businesses, some other boards are almost like commercial boards in the government where they have strategic objectives for growth and acquisitions and all sorts of different --- target markets, all sorts of different avenues that they can be taking, whereas the Gaming and Wagering Commission is a regulator.

25

30

MS DIAS: Does that mean you would have a more operational role in the sense that part of the role is to approve applications?

35

MS MEADOWS: Yes.

MS DIAS: Having these different responsibilities, such as the approval of applications, do you think GWC members require a specific expertise or skill set?

MS MEADOWS: We think that the GWC, like any board or organisation, requires a cross-section of skills. We need regulatory skills, we need understanding of gambling, we need people with experience with problem gambling, we need accountants, we need, you know, we have an ex-politician, we have people that understand legislation. We need a complete skills matrix and make sure that you have a cross-section of skills.

40

45

MS DIAS: Are there any skills that you think are particularly important or essential to have on the GWC?

MS MEADOWS: I would think that having regulatory experience is essential, which we have had for the last many, many years by having Barry Sargeant, who is one of the most experienced casino regulators in Australia. Obviously we had the Deputy
5 Chair who is also a highly experienced casino regulator, and now we have our new Chair who has regulatory experience, and the new Chief Casino Officer. And we also have a new appointee, Mike Sarquis(?) from Queensland, who has casino regulatory experience from Queensland.

10 MS DIAS: Until this recent appointment, would you agree that all of the regulatory experience came from the Department?

MS MEADOWS: Barry Sargeant was a member of the GWC. A long time, for more than 10 years, until his retirement the month before last, and then Mike has
15 replaced him.

MS DIAS: Now, in paragraph 9 of your statement when you refer to having an extreme workload ---

20 MS MEADOWS: Yes.

MS DIAS: --- is this referring to since the Perth Royal Commission or prior to that?

MS MEADOWS: Prior to that it was already particularly busy and challenging. It
25 probably ramped up considerably around December this year. Sorry, December last year. And now it is very considerable.

MS DIAS: What caused this extreme workload prior to the Perth Casino Royal
30 Commission?

MS MEADOWS: There was a lot of activity around media reports that were coming out of Bergin, so we had Crown presenting to us on anti-money laundering processes they were putting in place, we were getting legal advice, there was --- show cause
35 notices had been issued to Crown Melbourne, AUSTRAC had announced a money laundering investigation into Crown Melbourne, there was a lot of activity in the lead-up to the release of the Bergin Report and many other commissions and inquiries that we were following as well.

40 And then of course the Perth Casino Royal Commission started, which took it to a next level.

MS DIAS: Could you provide a guide as to how much that workload has increased?

MS MEADOWS: In the last week, in preparing my witness statement and meetings
45 with my lawyers, and in the same week also having a almost 400-page board pack for a four-hour meeting on Friday morning for the Gaming and Wagering Commission, I would say that it probably took up and studying over the weekend, I would say it

took 70 hours from last weekend and this weekend, and all the work in the middle.

5 MS DIAS: What about in circumstances where you are not preparing for a hearing, so with the general GWC business at the moment?

MS MEADOWS: Preparing for a meeting?

10 MS DIAS: Has that increased, for example, since you started?

MS MEADOWS: Oh, from, when I very first started, preparing for a meeting and the length of the meeting was a lot less than it is now. So now meetings go the full -- - we went over half an hour this time in our meeting this week, but meetings take up the full time and move along at a very fast pace to try and get through the entire agenda and to read the papers takes a day. Like to really absorb them and make sure we are across them.

MS DIAS: This is a bit of a hypothetical question, but if, for example, the Perth Casino Royal Commission was no longer taking up GWC time, would the time taken to consider board packs and attend meetings still be more than it was, say, when you began?

MS MEADOWS: Yes, because all through 2020 the board papers and the meetings took a long time. Our board packs were 800 pages. We had one where they were 800 pages and there was an 800-page attachment. But 300 to 500 pages every meeting. So it's not just the Perth Casino Royal Commission that has increased the workload, it was increasing before that.

MS DIAS: What other kinds of things, aside from media allegations and responding to inquiries has increased the workload?

MS MEADOWS: We also just don't look after Perth Casino, we look after wagering and community gaming as well. Recently we had to do an investigation into a community-based poker organisation. We had a full investigation into that. We look after the Bookmakers Association, look after RWWA, the TAB, sale of the TAB, that was a very, very significant use of our time. And if that comes back on again, if that comes back on again now, then that will be very interesting for our workload.

MS DIAS: Beyond the changes that you've spoken about today already, have there been any other changes to how GWC operate as a result of the Commission in terms of, for example, more strategy direction or, you know, seeking further information for things, greater directions, the operational side of it?

MS MEADOWS: Yes, so we have a new Director General, and we have many --- many of the people that were previously reporting to us have moved on. So there is high staff turnover at the moment. But our board pack, the look and feel of our board pack has changed. The people that are preparing the reports are attending the

meetings now so we can ask questions directly, whereas previously we would always ask questions of Mr Connolly because he was across what was in all of the papers.

5 There is definitely, off the back of our strategic planning day and this, we have a lot better direction of where we're going, which, from a governance point of view, we've been pushing for a long time. We knew that we needed to have a lot better governance systems in place, and so we've now documented what it is that we want in our strategic day, and we're definitely moving towards that and feeling more in control.

10 MS DIAS: And you weren't feeling in control prior to this?

MS MEADOWS: Well, we had been for several years trying to get our KPIs with our risk matrix and mapping to the legislation, those sorts of governance documents or processes in place. We tried through a Riskwest report to try and move that process along which didn't eventuate. So we certainly had been trying. We requested offsite sessions to try and put a framework around where we were trying to get to because we didn't have time in our meetings to be able to do that sort of thing.

20 MS DIAS: Going back to the KPIs, for example, and the length of time that has taken to eventuate and is still in process, is the move to do it now at the moment as a result of the Department being more on board or the GWC pushing the issue?

25 MS MEADOWS: I wouldn't say that the GWC --- I wouldn't say that the Department was not on board before. The Department, and I'm sure it is in most of our original statements, were under enormous pressure, enormous pressure, not able to deliver everything that we were asking for, despite --- they were working very, very hard and under huge amounts of pressure, and I think making sure the GWC had the right KPIs mapped to the right legislation and mapped to the right risks and that was not as critical as COVID or sale of the TAB or Bergin Inquiry and those sorts of things.

30 MS DIAS: But would you agree that the Department would still be under significant pressure due to ---

35 MS MEADOWS: They are definitely under a significant amount of pressure.

40 MS DIAS: However, KPIs and other strategic things are now escalated and are ---

MS MEADOWS: Yes. My understanding is that there is a resource that has been recruited whose responsibility was to address issues that we have requested.

45 MS DIAS: Thank you, Ms Meadows.

Thank you, Commissioner.

QUESTIONS BY THE COMMISSIONER

COMMISSIONER MURPHY: Thank you, Ms Dias.

5

Do counsel representing other parties have any questions? No? I just have a couple of questions.

COMMISSIONER MURPHY: You will be pleased to know that I won't go into the detail of the financial arrangements, but I take your point that an hours basis is the only way to get to the bottom of exactly what resources are going into providing services. But a 70:30 split, historically, there is no reason why that would be the relationship going forward is there? I mean, if there was an increase in expenditure on liquor, if it were to double, for example, there is no reason why automatically the casino regulation budget would need to double to match that.

15

MS MEADOWS: Correct. In fact the number of inspections that are planned for this year has jumped dramatically. And we've only received a 5 per cent increase, even though the number of inspections that will be happening, that are happening, has gone from 6,000 to 10,000, 5,000 to 10,000. So we haven't had a doubling of the fee.

20

COMMISSIONER MURPHY: But it is your view that the GWC is getting good value out of the service fee that it pays at the moment?

25

MS MEADOWS: At the moment we are getting outstanding value. There are a lot of resources at the department who are currently working on GWC, including providing documents to the Perth Casino Royal Commission, which a lot of people I understand --- there are people working full-time on, or have been working full-time on, pulling together that information for the GWC.

30

COMMISSIONER MURPHY: If I can take you back to the period before Bergin and before the Royal Commissions, you were suggesting that the department was busy, the resources were scarce. Was that the GWC view, that the budgets were tight, the resources to actually carry out your role were restricted by budget capacity? Was that a discussion point at the GWC?

35

MS MEADOWS: Yes. At one point I did raise should we --- should the GWC write a letter to the Minister for additional funding, and I said this in my first statement, and I was laughed at, that I just didn't understand how the Public Service worked and that if we wrote to the minister there would not be any money forthcoming.

40

COMMISSIONER MURPHY: Thank you.

The only other issue I wanted to ask you about was in terms of dictating Crown in relation to Responsible Service of Gambling and gaming you seemed to suggest there was some limitation on the ability of GWC to regulate?

45

MS MEADOWS: No, I don't think there is --- we could issue directions to do

whatever we wanted to, however, the programs that they present to us and their level of enthusiasm doesn't make me feel that we need to put any directions in place at the moment. In fact, when Crown do come to us, they are always very aware that that is something that we have a great focus on. So if they come to us and ask for something, they will be referencing the harm minimisation. For example, recently when the EFTPOS terminals were approved we asked the question, have they got a Responsible Gambling advertising or whatever on them and, sure enough, yes, straight away (inaudible) so they do know that it is a high priority for us and they do demonstrate it often.

COMMISSIONER MURPHY: Thank you. That's my question.

Ms Dias? Mr Evans?

RE-EXAMINATION BY MR EVANS

MR EVANS: Just one got, I better diffuse it.

Ms Meadows, you were taken to a direction signed by Mr Beecroft in relation to the direction to close down the International Commission Business at the casino. Can I just take you to the minutes of the relevant meeting of the Commission, GWC.0002.0016.0369_R, page 5. This is Resolution 6 of 2021. You were at this meeting, Ms Meadows?

MS MEADOWS: This was the meeting on 23 February. Yes, I was there, yes.

MR EVANS: That meeting considered giving effects to (inaudible) prohibiting basically all International Commission Business, that's 1a?

MS MEADOWS: Yes.

MR EVANS: And it was obvious there were some necessary amendments to the Casino Manual operations, which was the subject of sub-resolution 3; you see that?

MS MEADOWS: Yes.

MR EVANS: Is it your understanding that the instrument signed by Mr Beecroft reflects the implementation of that resolution?

MS MEADOWS: Yes.

MR EVANS: Thank you. No further questions.

COMMISSIONER MURPHY: No further questions?

03:38PM

Thank you very much.

5 Thank you very much, Ms Meadows. Your evidence has been of great assistance to the Commission. As I mentioned before, the other Commissioners may have questions so the summons will remain in place but you are free to go today with our thanks very much for your evidence.

10 MS MEADOWS: Thank you.

THE WITNESS STOOD DOWN

15 COMMISSIONER MURPHY: Thank you. We will adjourn until 10 am tomorrow.

ADJOURNED AT 3.39 PM UNTIL TUESDAY, 31 AUGUST 2021 AT 10.00 AM

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