



Copyright in this document is reserved to the State of Western Australia. Reproduction of this document (or part thereof, in any format) is prohibited except with the prior written consent of the Attorney General or Perth Casino Royal Commission or as permitted by the *Copyright Act 1968* (Cth).

PERTH CASINO ROYAL COMMISSION

PUBLIC HEARING - DAY 31

10.00 AM TUESDAY, 31 AUGUST 2021

COMMISSIONER C F JENKINS

HEARING ROOM 3

MS KALA CAMPBELL and MS MIA HENDERSON as Counsel Assisting the Perth Casino Royal Commission

MS RACHAEL YOUNG as Counsel for Consolidated Press Holdings Pty Ltd and CPH Crown Holdings Pty Ltd

MR PETER SADLER as Counsel for the Gaming and Wagering Commission of Western Australia

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

MR JESSE WINTON 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 NICHOLAS MALONE as Counsel Mr Michael Connolly

10:00AM

COMMISSIONER JENKINS: Thank you. Please take a seat. The Commissioners are conducting concurrent hearings today. Obviously I will conduct this morning's hearing. The other Commissioners will refer to the transcript and recording of this hearing and may have a follow-up questions in due course. We sit today to hear the evidence of Trevor Fisher.

Mr Fisher, could you please come forward. Are you represented today?

10 WITNESS: Yes.

COMMISSIONER JENKINS: Mr Sadler is representing you. That's a positive. Mr Fisher, would you like to take the oath or affirmation.

15 WITNESS: Affirmation, please.

COMMISSIONER JENKINS: Please state your name aloud.

20 **MR TREVOR JAMES FISHER, AFFIRMED**

COMMISSIONER JENKINS: Thank you, Mr Fisher, please take your seat. I think you know the procedure from last time. It will follow much the same. Mr Sadler will first ask you some questions about your second witness statement.

EXAMINATION-IN-CHIEF BY MR SADLER

30 MR SADLER: Mr Fisher, were you summonsed to appear before the Perth Royal Commission today?

MR FISHER: Yes.

35 MR SADLER: The Commission has provided you with a list of topics which will be covered during your examination?

MR FISHER: Yes.

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

MR FISHER: Yes.

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

MR FISHER: Yes, I do.

10:02AM

MR SADLER: For the Commission's benefit, what date did you sign that document?
It is on the last page.

5 MR FISHER: 29 August 2021.

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

MR FISHER: Yes, I certainly have.

10

MR SADLER: The contents of that statement are true and correct to the best of your
knowledge?

MR FISHER: Yes, they are.

15

MR SADLER: Commissioner, I tender the second witness statement of Trevor
Fisher dated 29 August 2021 with the number GWC.0003.0017.0001.

20 COMMISSIONER JENKINS: The second witness statement of Mr Fisher will be an
exhibit with said number.

**EXHIBIT #GWC.0003.0017.0001 - SECOND WITNESS STATEMENT OF MR
TREVOR JAMES FISHER DATED 29 AUGUST 2021**

25

COMMISSIONER JENKINS: Thank you, Mr Sadler.

Yes, Ms Campbell.

30

CROSS-EXAMINATION BY MS CAMPBELL

35 MS CAMPBELL: Mr Fisher, I am going to be asking you some questions today in
relation to some specific topics.

MR FISHER: Yes.

40 MS CAMPBELL: I will let you know when as we go when we move from one topic
to the next.

MR FISHER: Thank you.

45 MS CAMPBELL: The first question I want to ask you some questions about is the
processes of the GWC meeting. Is it right that you attended GWC meetings most
months between April 2012 and December 2017?

10:03AM

MR FISHER: Yes.

MS CAMPBELL: Who prepares the agenda packs for a GWC meeting?

5

MR FISHER: The Department.

MS CAMPBELL: Does the GWC ever have any input into the preparation of those agenda packs?

10

MR FISHER: Only ^ word that's carried forward from the meeting before.

MS CAMPBELL: What types of things might the GWC have input on?

15 MR FISHER: I can't recall anything in particular.

MS CAMPBELL: So it is only in the previous month's meeting that the GWC might inform the Department that they would have input into a specific agenda item for the following month?

20

MR FISHER: No, not necessarily. It could be something that they needed to do a little bit of homework on it and then bring it to a meeting a little further down the track.

25 MS CAMPBELL: Okay. Do any communications happen between the GWC and the Department between meetings?

MR FISHER: Not that I know of.

30 MS CAMPBELL: You said that the GWC might ask the Department to do some homework prior to meeting in the future. Is it possible for the GWC to ask the Department to gather certain information to include in the agenda pack for a meeting?

35 MR FISHER: Just rephrase that again, please.

MS CAMPBELL: Is it possible for the GWC to request that the Department gathers certain information to include in the agenda pack for a meeting?

40 MR FISHER: Yes.

MS CAMPBELL: You review those agenda packs before each meeting?

MR FISHER: Yes.

45

MS CAMPBELL: So, generally speaking, if a document is included in an agenda pack, you will have read it before the meeting?

10:05AM

MR FISHER: Yes.

5 MS CAMPBELL: And then at the meetings, if a GWC member asks a question, is that question recorded in the minutes for the meeting?

MR FISHER: No, I don't think so.

10 MS CAMPBELL: And that's the same ---

MR FISHER: Unless it was requested to be put into the minutes.

15 MS CAMPBELL: Understand. Is that the same for a response in relation to a question?

MR FISHER: Yes.

MS CAMPBELL: And the same for a discussion around an agenda item generally?

20 MR FISHER: Yes.

MS CAMPBELL: How about objections, are objections to a resolution always noted in the minutes?

25 MR FISHER: No I don't --- no, I can't answer that.

MS CAMPBELL: At the meetings, could you explain for us the process of the GWC approving or rejecting something? Is there some kind of vote of the members or

30 MR FISHER: Yes, there is a vote.

MS CAMPBELL: Thank you, Mr Fisher.

35 The next topic I would like to ask you about is junket regulation. In the evidence you gave last time when you appeared before the Commission, you said that you were aware of junket operators in general; is that right?

MR FISHER: Yes.

40 MS CAMPBELL: Your understanding was that they brought in high rollers to Perth Casino; is that right?

MR FISHER: Mm-hmm.

45 MS CAMPBELL: And you were not aware of any processes or procedures in place in respect of junkets at Perth Casino?

10:06AM

MR FISHER: No.

MS CAMPBELL: Is it correct that as far as you were aware, Perth Casino did not
5 report to the GWC about junket operations?

MR FISHER: Yes, that's correct.

MS CAMPBELL: You said in your evidence that you were aware of a document
10 called the Casino Operations Manual for Perth Casino; is that right?

MR FISHER: I was aware of it, yes.

MS CAMPBELL: What is your understanding of the purpose of that document?
15

MR FISHER: I can't really recall that.

MS CAMPBELL: Is it the case that it generally sets out procedures and processes
20 for the operation of Perth Casino?

MR FISHER: Yes. Yes.

MS CAMPBELL: Mr Fisher, I am going to ask you some questions about an
25 amendment that was made to the Casino Operations Manual that removed a section
that concerned junkets. And that amendment was some time ago back ---

MR FISHER: Yes.

MS CAMPBELL: --- in 2016. I am going to take you through a number of
30 documents.

MR FISHER: I don't recall very much of this.

MS CAMPBELL: I will take you through some documents to see if we can help
35 refresh your memory. Can we please start with CRW.707.016.3823. Mr Fisher, this
is the Perth Casino Operations Manual as at January 2016. If we just go to page 54,
you can see at 16.1 --- 16.2 subsection 1 that Perth Casino requires formal GWC
clearance for approved junket operators. Do you recall any occasions where the
GWC considered clearance of a junket operator at Perth Casino?

40

MR FISHER: No, I can't.

MS CAMPBELL: Mr Fisher, you said in your evidence last time you appeared
45 before the Commission, that if Mr Connolly wanted to make a change to the Casino
Operations Manual, he would bring that change to the attention of the GWC at a
monthly meeting; have I got that right?

MR FISHER: Yes.

10:09AM

MS CAMPBELL: Is it the case that the reason that change is brought to the GWC is so that the GWC can either approve or reject it?

5 MR FISHER: Yes. Correct.

MS CAMPBELL: And what if Perth Casino wrote to Mr Connolly and requested that an amendment be made to the Casino Operations Manual; would you have expected that to be raised at a GWC meeting for the GWC's consideration?

10

MR FISHER: Yes, it would have been.

MS CAMPBELL: Now I will take you to another document, Mr Fisher. Can I call up CRW.708.008.7829. This is a letter from March 2017 sent from Mr Hulme at Perth Casino to Mr Connolly about a proposed amendment to the Casino Operations Manual. If we go to page 4 of that letter you can see the proposed amendment to the operations manual marked in tracked changes, and at the bottom of that page you can see that Perth Casino proposed removing section 16, the junket programme section.

20 Mr Fisher, if we now go to your witness statement and can we please have pages 5 and 6 side by side. You say at the bottom of page 5, top of page 6, that in relation to the amendments for section 16 that we just saw in mark-up, you remember those being discussed?

25 MR FISHER: No, I stick by my statement.

MS CAMPBELL: Yes, so you do remember the amendments being discussed?

MR FISHER: No, I can't say I can. Not now anyway.

30

MS CAMPBELL: So that statement in paragraph 20 you no longer remember those amendments being discussed?

MR FISHER: When is this one done?

35

MS CAMPBELL: So if we go back to the amendments, to the Casino Manual ---

MR FISHER: The statement in front of me is a statement from the first hearing or?

40 MS CAMPBELL: No, this is your current statement, Mr Fisher.

MR FISHER: Okay.

MS CAMPBELL: I will just take you back.

45

MR FISHER: Yes, just go back.

10:12AM

MS CAMPBELL: This is section 16 at the bottom of the page. You can see in tracked changes that it has been struck out.

5 MR FISHER: Yes.

MS CAMPBELL: And you now have no memory of that amendment to the Casino Operations Manual?

10 MR FISHER: No.

MS CAMPBELL: Okay, I will take you to another document, Mr Fisher.

15 Can I please call up GWC.0004.0008.0004. This is a letter from March 2017 from Mr Connolly acting with his delegated authority as Chief Casino Officer to Mr Preston. In this letter, Mr Connolly approves the amendments to the Perth Casino Operations Manual that we just saw in tracked changes. And then I'll take you to some GWC minutes where that amendment was considered.

20 COMMISSIONER JENKINS: So that was section 16, what we saw. Where is that referred to in that letter?

MS CAMPBELL: I understand that the tracked change amendments that were where section 16 was struck out are the changes Mr Connolly attaches with this letter.

25 COMMISSIONER JENKINS: Right. But was that section 16 part of any of those other sections or is it a separate section?

MS CAMPBELL: It is a separate section. It didn't have any amendments made to it as such, it was just struck out. Perhaps if we go to the GWC meeting minutes where you can see the approval of the removal of that section. So if we go to GWC.0002.0016.0222. These are the minutes for meeting on 23 May 2017. If we go to page 93 you can see on that page in the table setting out delegations, it says that the requirement for junket operators to be approved by GWC has been removed.

35 COMMISSIONER JENKINS: Sorry, where will we find that, Ms Campbell?

MS CAMPBELL: Let's go to the next page ---

40 COMMISSIONER JENKINS: I can see that ---

MS CAMPBELL: It's in the bottom --- 11/4/2017, at the bottom of that section of the table and it says:

45 Requirement for Junket Operators to be approved by GWC has been removed

COMMISSIONER JENKINS: Yes. Thank you.

10:15AM

MS CAMPBELL: Mr Fisher, can you see that in the GWC minutes?

MR FISHER: Yes, I can see that.

5

MS CAMPBELL: Do you recall any discussion around this?

MR FISHER: No, I haven't got any recollection.

10 MS CAMPBELL: Mr Fisher, I showed you before the letter from Mr Connolly to Mr Preston dated March 2017 where the amendments were improved. Having seen that letter, is it the case that Mr Connolly only brought the amendments to section 16, removing that section, to the attention of the GWC after he had already approved it?

15 MR FISHER: No, I don't think so.

MS CAMPBELL: So you recall that letter was dated in March 2017?

MR FISHER: (Inaudible).

20

MS CAMPBELL: And these GWC meeting minutes are dated in May 2017. Was this the first time that it came to the attention of the GWC that that section of the Casino Operations Manual was being removed in May 2017?

25 MR FISHER: I don't have any recollection, no.

MS CAMPBELL: You don't call?

MR FISHER: No.

30

MS CAMPBELL: I am going to move to a new topic. We will stay with junkets but I will ask you some questions about AUSTRAC. When you gave evidence before the Commission previously, Mr Sharpe asked you some questions about money laundering, and you said that during your tenure the Commission did not have any
35 interaction with AUSTRAC that you are aware of.

MR FISHER: That's right.

MS CAMPBELL: Is that a correct summary of your evidence?

40

MR FISHER: Yes.

MS CAMPBELL: Is it the case that you would expect if anyone on the GWC had been in contact with AUSTRAC about money laundering at the Perth Casino, that
45 they would have informed other members of the Commission?

MR FISHER: Yes.

10:17AM

MS CAMPBELL: If we go back to your current witness statement at page 5 you say that you have no recollection of communications between Mr Connolly and AUSTRAC between March 2017 and October 2017; is that still the case? And so
5 you do not recall whether Mr Connolly told the GWC about his communications with AUSTRAC?

MR FISHER: No, I don't have any recollection.

10 MS CAMPBELL: You also don't have any recollection of the AUSTRAC information report on casino junkets?

MR FISHER: (Nods head).

15 MS CAMPBELL: Mr Fisher, have you had a chance to review the AUSTRAC report?

MR FISHER: No, I haven't.

20 MS CAMPBELL: I would like to take you to one point that is made in that document. If I could please call up GWC.0004.0019.0012. So this is AUSTRAC's information report on casino junkets dated 14 July 2017. And seeing that document, Mr Fisher, doesn't refresh your memory at all?

25 MR FISHER: No, it doesn't. Certainly doesn't.

MS CAMPBELL: If we go to page 4 of that document, please. About halfway down that page in the paragraph that starts "At present", AUSTRAC reports that:

30 the only activity undertaken by all state regulators is the review and *approval of casinos' junket operation procedures*.

Do you see that, Mr Fisher?

35 MR FISHER: Yes, I can see that.

MS CAMPBELL: During your time on the Commission, what did the GWC do to review and approve Perth Casino's junket operations procedures?

40 MR FISHER: I can't recall anything.

MS CAMPBELL: Now, with the benefit of hindsight and having some knowledge of AUSTRAC's inquiries, do you think it would have been better for the GWC to have had an active role in reviewing and approving Perth Casino's junket operation
45 procedures?

MR FISHER: Yes, I do. I think COVID has helped, too.

10:20AM

MS CAMPBELL: What do you mean?

MR FISHER: It's kept a lot of them away.

5

MS CAMPBELL: Understand.

Mr Fisher, I will take you to the next topic now. I am going to ask you some questions about minimisation of harm.

10

MR FISHER: Yes.

MS CAMPBELL: If we go back to your witness statement at page 6, at paragraph 23 you say that you were concerned with problem gambling at the Perth Casino because you have seen the damage it can do to people in your community.

15

MR FISHER: Yes.

MS CAMPBELL: Could you explain what kind of harm you've witnessed in the community arising from problem gambling?

20

MR FISHER: I haven't had a personal effect on any friends or family, but I've just seen what it can do to outside families in the way of broken homes and abuse and all that sort of --- down that line.

25

MS CAMPBELL: I understand. And what is your understanding of the term "harm minimisation" then?

MR FISHER: Banks foreclosing, broken homes, kids on the street.

30

MS CAMPBELL: So would you say harm minimisation is avoiding those consequences?

MR FISHER: I would hope so, yes.

35

MS CAMPBELL: Am I right to assume that as a result of your community experience, that you think harm minimisation for gambling is important?

MR FISHER: Yes.

40

MS CAMPBELL: What is your understanding of the GWC's role in relation to minimising harm arising from gambling?

MR FISHER: Keeping their eye on the actual structure of what the casino are doing to --- I know they have an officer there doing --- I think in one of my statements I mentioned our, I went to a meeting at the casino about this subject, and there was a lot of people there, there was a guest speaker from the east coast and it was a very

45

informative meeting. And GWC were invited to attend and I was just one of the people that went.

5 MS CAMPBELL: Was that Crown's Responsible Service of Gambling meeting you are referring to?

MR FISHER: Yes. Yes.

10 MS CAMPBELL: Mr Fisher, are you aware that the GWC has harm minimisation duties under the GWC Act?

MR FISHER: No I haven't.

15 MS CAMPBELL: I might just take you to the Act now. If we could please call up GWC.0001.0007.0200. This is the Gaming and Wagering Commission Act, Mr Fisher. If you could please go to page 19. Do you see where it says "duties of Commission", if we could go to the next page and put them side by side, please. Mr Fisher, I will draw your attention to subsection (ba). It says that it will be the duty of
20 the Commission:

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.

25 Do you see that, Mr Fisher?

MR FISHER: I can see that.

30 MS CAMPBELL: Do you recall seeing that in the GWC Act?

MR FISHER: No, I don't, but I elaborated the section before what I spoke to you about, so it's the same-same.

35 MS CAMPBELL: Yes, but at no point when you started at the GWC or during your tenure that section was brought to your attention?

MR FISHER: No, not that I can recall.

40 MS CAMPBELL: But based on your answer, were you aware that generally the GWC had to take into account harm minimisation?

MR FISHER: Yeah.

45 MS CAMPBELL: If we could then please go to page 21 of that document. Section 8 sets out the powers of the Commission. If we can go to the next page side-by-side, please. Subsection (da), which is at the bottom of page 14. And that provides that the Commission may:

..... take steps to minimise harm to the community, or any part of the community, caused by gambling

5 Is it the same that you've not seen that section of the GWC Act before?

MR FISHER: No.

10 MS CAMPBELL: But you were generally aware that the GWC had that power to take that step?

MR FISHER: Yes. Yes.

15 MS CAMPBELL: Seeing these sections of the GWC Act now, Mr Fisher, do you think it would have been better for those to have been brought to your attention when you started at the GWC?

MR FISHER: Undoubtedly.

20 MS CAMPBELL: Mr Fisher, were you aware of a subcommittee called the Problem Gambling Support Services Committee, or the PGSSC?

25 MR FISHER: I was aware of it, but I don't know when it was started or implemented.

MS CAMPBELL: Do you have any idea about the type of work that the PGSSC does?

30 MR FISHER: No, I think they liaise with Crown.

MS CAMPBELL: Do you recall if the PGSSC provided reports of its work to the GWC?

35 MR FISHER: No, I can't recall anything.

MS CAMPBELL: Could you tell us, from your perspective, beyond the meeting that you've already outlined that GWC members attended at Crown in relation to their Responsible Service of Gaming program, what the GWC do in relation to minimisation of harm arising from gambling?

40

MR FISHER: No, I can't really --- we were aware of it, obviously, on the GWC we were aware of it. But what we did to facilitate or move on with it I can't really answer that question.

45 MS CAMPBELL: Okay.

MR FISHER: It just won't come to me.

10:28AM

MS CAMPBELL: You don't recall?

MR FISHER: Yeah, I do recall something but it won't come to me.

5

MS CAMPBELL: I am going to take you to a very specific example of when harm minimisation was considered at a GWC meeting. If we could please call up GWC.0002.0016.0178_R. These are the GWC meeting minutes for 26 April 2016 and agenda for 20 May 2016 meeting. So if we go to page 3. We're just rebooting the document display system.

10

COMMISSIONER JENKINS: And admiring the coat of arms in the meantime!

MS CAMPBELL: Mr Fisher, you can see you were present at this meeting?

15

MR FISHER: Yes.

MS CAMPBELL: If we could please go to page 154.

Mr Fisher, this is an agenda item that was prepared by Mr Beecroft that provides a report on a desktop assessment of gambling prevalence studies conducted in Australia. Do you recall reading Mr Beecroft's desktop assessment at this time?

20

MR FISHER: No, I can't.

25

MS CAMPBELL: If we go to page 155, the next page, this is the first page of the study. I will give you a few minutes to read through this page, Mr Fisher.

MR FISHER: No I don't recall. This is five years ago. I don't remember what I did yesterday.

30

MS CAMPBELL: But if you just have a read of that page now.

MR FISHER: Yes.

35

MS CAMPBELL: Can you see that the data that was being relied on by Mr Beecroft was the Productivity Commission report from 1999?

MR FISHER: Yes, I can see that.

40

MS CAMPBELL: This is a meeting in May 2016. Is it correct to say that the data that was being relied on by Mr Beecroft at that point was around 17 years old?

MR FISHER: Yes.

45

MS CAMPBELL: Do you think that it would have been better for the GWC to have relied on data that was more recent?

10:32AM

MR FISHER: Hindsight is marvellous, isn't it?

MS CAMPBELL: It is.

5

MR FISHER: Probably would have been, yeah.

MS CAMPBELL: If we just go to page 156, the next page, I will let you read the conclusions. So just those two dot points at the top of the page under "Conclusion".

10

Is it the case that Mr Beecroft concludes that it is reasonable to assume that WA's problem gambling has remained the same because there has been no change to WA's access to gambling products?

15

MR FISHER: Yes.

MS CAMPBELL: Isn't it true that the number of EGMs in Perth's casino had increased from 200 machines in 1985 to 2,500 in 2012?

20

MR FISHER: Yes.

MS CAMPBELL: So would you agree that increasing the number of EGMs in Perth Casino may mean patrons have a greater access to gambling products in Western Australia?

25

MR FISHER: Yes, but they have more of a variety too, to choose from. Just because there is more machines, doesn't mean there is more gamblers.

MS CAMPBELL: Yes, but they do have greater access with more machines?

30

MR FISHER: I agree with that, yes.

MS CAMPBELL: You don't recall if Mr Beecroft took the GWC through the study at the meeting, do you?

35

MR FISHER: No, I don't.

MS CAMPBELL: Mr Fisher, we might go back to your statement at page 6, please. At paragraph 24 you say that you were not aware of any research being conducted into the harm caused by gaming at Perth Casino.

40

MR FISHER: Yes.

MS CAMPBELL: So as far as you are aware, the GWC has never commissioned or conducted any studies or reports on the harm caused by casino gaming at Perth Casino?

45

MR FISHER: (Inaudible).

5 MS CAMPBELL: And as far as you are aware, Perth Casino has never commissioned or conducted and presented to the GWC any studies or reports on harm caused by gaming at Perth Casino?

MR FISHER: Obviously I was wrong because there was something there.

10 MS CAMPBELL: Do you recall the GWC ever reviewing any literature about potential harms caused by casino gaming?

MR FISHER: No.

15 MS CAMPBELL: With the benefit of this discussion and the documents I've shown you today, do you think it would have been better for the GWC to have commissioned its own studies on harm caused by gaming at Perth Casino?

20 MR FISHER: Yes, probably.

MS CAMPBELL: Mr Fisher, you mentioned before Crown's Responsible Service of Gaming program. I would like to ask you some questions about that. We're still on your statement, so at paragraph 26, please. You say you recall that, and at paragraph 27 you go on to say that you remember meeting with the head of Crown's
25 Responsible Service of Gambling division from time to time who would present to the GWC on certain matters.

MR FISHER: Yes.

30 MS CAMPBELL: Do you recall the name of the person who was head of Crown's Responsible Service of Gaming division?

MR FISHER: No.

35 MS CAMPBELL: When you say they presented to the GWC, would that have been at a GWC meeting?

MR FISHER: Yes.

40 MS CAMPBELL: This might be a hard one on the memory, Mr Fisher, but do you recall examples of the topics they might have discussed?

MR FISHER: No. No, I can't.

45 MS CAMPBELL: If they did present to the GWC at a GWC meeting, would that have been recorded in the agenda items and minutes for that meeting?

MR FISHER: I would have thought so.

MS CAMPBELL: And as far as you are aware, did the GWC ever ask Perth Casino for specific information about its Responsible Service of Gambling program?

5 MR FISHER: No, but we had a --- there was a monthly report, I don't know if this is what you were leading into, of people who were evicted and all those sorts of things. There was a monthly report every month, yeah.

10 MS CAMPBELL: And was that something that was considered in the GWC meetings?

MR FISHER: Yeah, it was always in the minutes. And it didn't use to vary very much, the numbers of people that were --- but this is not only the gambling side, this is the alcohol side of it as well, that were evicted. And the number didn't usually
15 vary. I can't even remember how many it was, I think it was --- don't hold me to this but I think it was around about 100, give or take 20 or 30.

MS CAMPBELL: Are you referring to people that were evicted from the premise of Crown, and that's different to patron who had self-excluded themselves from
20 gambling?

MR FISHER: Yes, that's different.

MS CAMPBELL: So the statistics you are referring to that were reported to the
25 GWC were for people who had been removed from the premise?

MR FISHER: Yes.

MS CAMPBELL: Were you aware of any statistics about the success of Crown
30 Perth's Responsible Service of Gambling program?

MR FISHER: No, I wasn't, no.

MS CAMPBELL: Do you recall if the GWC ever asked Perth Casino for those kind
35 of statistics?

MR FISHER: I can't recall that.

MS CAMPBELL: Do you think, Mr Fisher, with hindsight, that it was important for
40 the GWC to understand how successful Perth Casino's Responsible Service of Gambling program actually was?

MR FISHER: Yes.

45 MS CAMPBELL: And, having regard to the GWC's duties and powers under the Act that we've just reviewed, do you think it would have been better if the GWC had done more to minimise the harm caused by gaming to patrons in Western Australia?

10:39AM

MR FISHER: You are coming across to me like to say that gambling is a huge, huge, huge problem. I don't know if it is a huge, huge, huge problem. And in answer to your question, I think you are coming across too heavy.

5

MS CAMPBELL: Okay. Do you think that the GWC did enough?

MR FISHER: Yes.

10 MS CAMPBELL: And when you say that you don't consider gambling to be a "huge, huge problem", can you elaborate on that for me, please?

MR FISHER: Oh. Well, I've just seen a scale there that was .17 or something. We've only got machines just out here at the Burswood, and not scattered all over the country like the east coast. So, yeah.

15

MS CAMPBELL: So is that two points, Mr Fisher: you think one of the reasons it isn't such a huge, huge problem is because gambling is confined to Perth Casino ---

20 MR FISHER: Yeah, yeah.

MS CAMPBELL: --- in relation to the EGMs?

MR FISHER: Yep.

25

MS CAMPBELL: Is the other reason that you are referring to is the fact that you think that there is not a high prevalence of problem gambling in Western Australia based on the 1999 Productivity Commission Report?

30 MR FISHER: Yes, I'd say so, yeah.

MS CAMPBELL: Okay. Mr Fisher, I will take you to another topic now. I would like to ask you some questions about advertising. Were you aware that there is a restriction in the GWC regulations, with limited exceptions, prohibits gambling operators from advertising?

35

MR FISHER: You mean media advertising?

MS CAMPBELL: Yes, communications with the community.

40

MR FISHER: Gambling --- not to do with the casino or just gambling in general.

MS CAMPBELL: So it prohibits gambling operators, say, for example, a casino, from advertising gambling.

45

MR FISHER: TAB and that, or not?

10:41AM

MS CAMPBELL: Yes.

MR FISHER: Yes.

5

MS CAMPBELL: Any gambling operator.

MR FISHER: Okay. This might not answer your question, but I brought it up once when I saw a lot of the east --- the American people advertising gambling here. I brought it up at the casino. And we, we as a GWC, didn't have the power to stop the gambling --- stop the advertising here because it was administered from the Federal Government side. Does that --- probably nothing to do with your question, is it?

10

MS CAMPBELL: That's okay, Mr Fisher. I will ask you a question about that anyway. The advertising that you were talking about, was that in relation to internet casinos, online casinos?

15

MR FISHER: Yeah, those --- more of a lottery and more of a --- yeah, down that line.

20

MS CAMPBELL: I understand.

MR FISHER: And also the betting side of it that you see on TV now, it's all off the east coast, football betting and all that. I was dead against all that.

25

MS CAMPBELL: Why do you think that these restrictions that prohibit advertising for casino operators exist? It might be a similar reason to what you've just explained in relation to your reaction to those American adverts.

MR FISHER: Why do I think?

30

MS CAMPBELL: Yes, why do you think that there is a prohibition?

MR FISHER: I think kids can get addicted to it. Put it on at midnight, not midday.

35

MS CAMPBELL: Right. So, would I be right in summarising that you think that it might have been to help protect patrons from gambling-related harms?

MR FISHER: Yes, it would have been.

40

MS CAMPBELL: We understand that Perth Casino sent correspondence to its customers via emails and letters. Have you ever seen any of that correspondence?

MR FISHER: I wasn't aware.

45

MS CAMPBELL: I will show you an example now. Please call up CRW.700.070.1579. This is one of the communications sent from Perth Casino to its patron. It is an example, so you can see there are placeholders where names would

go.

MR FISHER: Yeah.

5

MS CAMPBELL: I will give you a moment to have a read of that document, Mr Fisher. If you had seen that document and it was given to you, say, during a GWC meeting, do you think you would have thought it looked like an advertisement?

10 MR FISHER: No, because it's going out to members. It's not going out to the broad public. If it had been going out --- if that had been advertised in the Western Australian, I probably would have said something. If you are a member of something, and you get information, that's how you choose.

15 MS CAMPBELL: So is your understanding of an advertisement that it could only be made to the public at large, not to a specific member group?

MR FISHER: Mm-hmm.

20 MS CAMPBELL: So you can't advertise to members?

MR FISHER: Yeah, you can advertise to members, yeah.

25 MS CAMPBELL: Would this be an example of an advertisement that is just directed to members?

MR FISHER: Yes. Yeah.

30 MS CAMPBELL: This particular example, Mr Fisher, can you see that it is offering complimentary gaming chips?

MR FISHER: Mm-hmm.

35 MS CAMPBELL: Do you think that this kind of communication that is offering, for example, free gaming chips to patrons, is the type of communication that promotes gambling?

40 MR FISHER: No, I don't think so. I don't think it is any different to McDonald's advertising free chips for when you buy one burger or something like that. That's the way I look at it, down that line. Same sort of principle.

45 MS CAMPBELL: But if we take your McDonald's example and they are offering free chips, do you think that that would encourage people to go to McDonald's to go and the free chips?

MR FISHER: Yeah, I don't know. They are not members, are they.

MS CAMPBELL: No.

MR FISHER: Could do, yeah.

5

MS CAMPBELL: So you think it is possible that an advertisement like this one, or a communication rather like this one might encourage members to gamble at Perth Casino?

10

MR FISHER: Well, it is a reward. I don't know what a membership costs and I don't know what benefits they get from being a member. They might get a discount off meals as well. So there is an incentive to go there and have meals as well. You might be able to take your family and get 30 per cent off for your whole family so there is a benefit there.

15

MS CAMPBELL: I understand your example, Mr Fisher, but this particular example is specifically in relation to complimentary chips, isn't it?

MR FISHER: Yes.

20

MS CAMPBELL: So this specific example is encouraging members to go to Perth Casino to engage in gaming.

MR FISHER: Yes, probably.

25

MS CAMPBELL: And we've just spoken a lot about members. Do you agree that generally speaking, patrons who might be at the highest risk of gambling-related harm are likely to already be existing customers of Perth Casino?

30

MR FISHER: Can you rephrase that?

MS CAMPBELL: Of course. Would you agree that patron who might be at the highest risk of harm, so you might call them problem gamblers, are likely to already be existing customers of the Perth Casino?

35

MR FISHER: Oh, yes, I would say so.

MS CAMPBELL: And possibly also members of the casino's loyalty program?

40

MR FISHER: Yes, I would say so.

MS CAMPBELL: With that context, do you think that if communications were sent to the Perth Casino's loyalty program, so its members, that they would be being sent to a population group that has a higher risk of gambling related harm than if they were just sent to the population at large?

45

MR FISHER: Yes, probably.

MS CAMPBELL: With the benefit of this discussion, Mr Fisher, during your tenure on the GWC, do you think it would have concerned you, knowing that communications similar to the example I've shown you were being sent by Perth Casino to its members?
5

MR FISHER: I don't think --- where would the GWC have the power to stop them from sending out promotional brochures or memberships, you know ---

10 COMMISSIONER JENKINS: Mr Fisher, I think that is a different question. You are simply being asked at the moment, do you think it was be a matter that would have concerned the GWC?

MR FISHER: No, I don't think so.
15

MS CAMPBELL: So you don't think that, sitting in your tenure as a GWC member, would have be concerned that advertisements like this one, offering complimentary gambling chips to Perth Casino's loyalty members like we've just spoken about are at the highest risk of harm, which you agreed with?
20

MR SADLER: I don't think he agreed it was the highest risk of harm.

MS CAMPBELL: I will rephrase.
25 At a higher risk of harm than the general population, that that would have concerned you?

MR FISHER: Probably not. I'm on a see-saw. I don't know which way to go. There is a concern --- it's not a huge concern, if that's what you mean.
30

MS CAMPBELL: And why don't you think it is a huge concern?

MR FISHER: Because it is going to members. And I don't think --- I don't know how big their membership was or is, or was at the time here, was it 14 August, whether it is going to that many members that are the problem gamblers.
35

MS CAMPBELL: But in general you agreed that patrons who were members of Crown Perth's loyalty program would be at a higher risk of harm than the general population?
40

MR FISHER: Yes, probably, yeah.

MS CAMPBELL: So do you still think that because this communication was only sent to members that that is a reason for it not being concerning or do you think that is a reason for concern?
45

MR FISHER: No, I don't think it is a reason for concern.

10:52AM

MS CAMPBELL: Okay. Mr Fisher, you asked before what would the GWC have been able to do; is that a correct summary of your question to me before?

5 MR FISHER: To do with this?

MS CAMPBELL: Yes.

10 MR FISHER: Yeah, I don't know what we could have done. We could have stopped them from advertising but, you know, they are a private company.

MS CAMPBELL: Do you think that it would have been appropriate for the GWC to have issued directions to regulate the type of communication that Perth Casino was sending to its customers?

15

MR FISHER: In hindsight, yes, probably, because we had the power to work out what gaming machine went so it's probably on the same vein.

MS CAMPBELL: Thank you, Mr Fisher.

20

I will move on to a new topic, Mr Fisher. I would like to ask you about electronic gaming machines. I will refer to those machines at EGMs which I ask you questions. If we could go back to your witness statement at page 8. You say at paragraph 32 that recall that you understand that Perth Casino cannot have games played with poker machines?

25

MR FISHER: That's right.

MS CAMPBELL: And you say that that is a matter of public policy; is that right?

30

MR FISHER: Yes. Can you please explain your understanding of the public policy reason that poker machines are banned in Western Australia?

MR FISHER: (No audible answer).

35

MS CAMPBELL: Can you elaborate, when you say it is a matter of public policy, what do you mean?

MR FISHER: We had a policy of the no pokers, pokie machines, it was a criteria that had to be assessed (inaudible).

40

COMMISSIONER JENKINS: I think you are being asked is what do you understand is the reason for the policy?

45 MR FISHER: No, I can't.

MS CAMPBELL: You don't recall anything? And you say in the same paragraph to your statement that you can't recall the difference between an EGM and poker

machine, but the GWC did have a policy setting out the criteria to be assessed?

5 MR FISHER: No poker machines were on the east coast, but not here. Yeah, I don't know (inaudible).

10 MS CAMPBELL: Mr Fisher, I will take you to a document which I think is the policy you might be referring to in your statement. That is DLG.8001.0001.5349. Is this the policy you were referring to in your statement, Mr Fisher?

MR FISHER: No, I can't recall it.

MS CAMPBELL: You don't ever remember seeing this document?

15 MR FISHER: No.

MS CAMPBELL: Were you familiar with the WA Appendix to the Gaming Machine National Standard?

20 MR FISHER: No.

MS CAMPBELL: You don't ever recall hearing that before?

25 MR FISHER: No.

30 MS CAMPBELL: Okay. I will ask you some questions, Mr Fisher, about the approval process for an EGM game. If we go back to Mr Fisher's statement at page 8, paragraph 30, you say that new or amended games had to be approved by the GWC. I wanted to clarify that when you say "amended games", are you talking about a game that is a variant or derivative of a game that has already been approved by the GWC?

35 MR FISHER: The amended game would have been. The new game would have been one that was displayed in front of us either onscreen or the machine came in.

MS CAMPBELL: So, is it the case that if Perth Casino wanted to provide a new type of game being played on a new EGM to its patrons, it must first get GWC's approval?

40 MR FISHER: Yes.

MS CAMPBELL: And is that so GWC can make sure that that game complies with the EGM policy and national standards?

45 MR FISHER: Yes.

MS CAMPBELL: And you describe broadly that approval process for EGM games at paragraph 30 of your statement. It seems to me you describe it as a four-step

process: first, Perth Casino submits an application.

MR FISHER: Yes.

5

MS CAMPBELL: Second, Perth Casino presents the game to the GWC, third, the GWC asks questions of the presenter ---

MR FISHER: Yeah, if they wanted them.

10

MS CAMPBELL: And, fourth, the GWC either approve or reject the game.

MR FISHER: Yes.

15

MS CAMPBELL: Is that an accurate summary of your understanding?

MR FISHER: Yes, certainly is.

20

MS CAMPBELL: When you say that Perth Casino submits an application, what information does that application contain?

MR FISHER: They will go through and show you the whole workings of the machine and roll it and show the odds and the pictures and all those sort of things that went with that machine.

25

MS CAMPBELL: So is that in the application, Mr Fisher, or the presentation? Or are they the same thing?

MR FISHER: Both the same thing.

30

MS CAMPBELL: So both the application and the presentation, is it that they show you photos or do they show you a video?

35

MR FISHER: They showed you a video of each individual at location and they used to go for, I'm guessing here, probably two or three minutes each. Might even be a bit longer.

MS CAMPBELL: What do they show you on that video?

40

MR FISHER: Just how it would work if Mrs Brown went and put the money in and rolled it and how it would work.

MS CAMPBELL: Do you hear sound on those videos or ---

45

MR FISHER: Yes.

MS CAMPBELL: You hear the sounds?

10:59AM

MR FISHER: Yes, very loud sound.

5 MS CAMPBELL: You said if the GWC had questions, they would ask the presenter, is that right?

MR FISHER: Yes, you could ask straight away.

10 MS CAMPBELL: Are those questions and the answers to those questions recorded anywhere, perhaps in meeting minutes?

MR FISHER: No, I don't recall they were.

15 MS CAMPBELL: Mr Fisher, I understand that there was a change in the approval process for EGM games in 2016. I might take you to a document that summarises the process in 2016. Can we please call up DLG.8001.0025.8097. This is a document that is summarising the approval process for EGMs at Perth Casino. It is dated in May 2016. If you go to page 5.

20 Mr Fisher, this chart represented what this document says is the EGM process at May 2016 and I will just give you a moment to have a read of that chart. Is it the case that the process described in this chart is a slightly different process from the one you describe in your witness statement?

25 MR FISHER: I think when it went from game presentation to GWC, then it went to not approved in-principle, I think that was the end of it then.

MS CAMPBELL: Yes.

30 MR FISHER: Approved in-principle, going down.

I didn't realise that it went down so many steps.

35 MS CAMPBELL: Yeah. Was it your understanding that the GWC had final approval?

MR FISHER: Yes.

40 MS CAMPBELL: And is it your understanding now, seeing this document, that the GWC as at 2016 only had in-principle approval?

MR FISHER: No

45 MS CAMPBELL: You don't? Looking at this document, Mr Fisher, is that what it says to you? Do you agree that it says that the GWC only has approval in-principle?

MR FISHER: I thought when we approved it, it was approved game straight through to the bottom.

11:03AM

MS CAMPBELL: So you don't recall the Department and the Chief Casino Officer having any role in approval of EGM games?

5 MR FISHER: No.

MS CAMPBELL: Taking --- if we take this approval process as set out in this chart as fact, would I be correct to say that in 2016, the approval process as you understood it, where the GWC had final approval, changed to transfer the control
10 from the GWC to the Department and Chief Casino Officer?

MR FISHER: No, I don't recall any of that side. No, I'm not with your question.

MS CAMPBELL: That's okay. I will repeat it for you, Mr Fisher.
15

If we just say that the chart represents an accurate process for what was happening in relation to EGM approval in 2016 ---

MR FISHER: Yes.
20

MS CAMPBELL: --- accepting that you don't have any memory of it, that the control for final approval of an EGM game had changed from being with the GWC to being with the department and Chief Casino Officer?

MR FISHER: Why would the Chief Casino Officer actually, or his department, submit something to the GWC to be approved and then has to go under delegation from him again down below? That's

MS CAMPBELL: Does this process not make much sense to you?
30

MR FISHER: No, it doesn't make any sense. Lost.

MS CAMPBELL: Looking at this process, though, Mr Fisher, you said to me before that it was for the GWC to consider whether the game complied with the EGM
35 policy and the National Standard. If the GWC only has in-principle approval and only sees a presentation of the game but doesn't get the application that goes to the department, is it the case that the GWC wouldn't be able to assess compliance with the EGM policy because it wouldn't have enough information?

MR FISHER: When the delegation came from Crown to present the in-principle machine, I understood they had the approval from, I can't think of the name of the people that govern, who are the ---

MS CAMPBELL: Are you referring to the credibility ---
45

MR FISHER: Yes, yes. I thought they would have submitted something, before it came to us, to see that the approval was going to be given to them to put the machine

11:06AM

in Crown Perth.

5 MS CAMPBELL: As I understand it, Mr Fisher, that accredited testing facility report that you are referring to certifies compliance with the National Standard.

MR FISHER: That's right.

10 MS CAMPBELL: And that that report was only given to the Department as part of the submission, the full submission you see at step 2 of the approval process, and not given to the GWC for its in-principle approval. Do you have any recollection of that?

15 MR FISHER: No, I don't.

MS CAMPBELL: Do you have any recollection of seeing the accredited testing facility reports after 2016?

20 MR FISHER: No, I don't, no.

MS CAMPBELL: With the benefit of this discussion, Mr Fisher, and appreciating you weren't aware of the more complicated EGM approval process, do you think it would have been appropriate for the process to allow the GWC to receive enough information, including the accredited testing facility report to be able to certify compliance with its own EGM policy?

MR FISHER: Yes.

30 MS CAMPBELL: Commissioner, I'm about to move on to another topic and I thought it might be a good time to take a break.

COMMISSIONER JENKINS: Mr Fisher, we will have morning tea. We will resume again in 15 minutes. That takes us to, say, 25 minutes past 11. Thank you.

35 MS CAMPBELL: Thank you, Commissioner.

ADJOURNED

[11:08A.M.]

40

RESUMED

[11:28A.M.]

45 COMMISSIONER JENKINS: Yes, Ms Campbell.

MS CAMPBELL: We've just discussed the approval process of EGMs. I would like to take you to the example of an approval for a new EGM game. Can I please call up GWC.0002.0016.0125. This is the GWC meeting from 25 February 2014.

Mr Fisher, can you see on that page you were present at that meeting?

MR FISHER: Yes.

5

MS CAMPBELL: Can we go to page 2, and I draw your attention to 5.4, EGM presentations. You can see there that there was a game presentation on the game of the Flintstones Cape Fortune. I will give you a moment to read through 5.4.

10 MR FISHER: Yes.

MS CAMPBELL: You can see the members expressed concern about the delivery mechanism of the symbols in the Flintstones game.

15 MR FISHER: Yes.

MS CAMPBELL: Do you recall what it was about the delivery mechanism that was concerning?

20 MR FISHER: I think it was the time, the time of the rolling, I think.

MS CAMPBELL: When you say "time", do you mean that ---

MR FISHER: The seconds.

25

MS CAMPBELL: Too quick?

MR FISHER: Yes, too quick.

30 MS CAMPBELL: Was it the case that the GWC members considered the mechanism of the symbols looking like a spinning wheel?

MR FISHER: I can recall something about the symbols but I can't specifically recall what it was.

35

MS CAMPBELL: As a result of that concern, you can see that the members requested a real-time demonstration of all variations of the Flintstones game that had already been approved by the Commission?

40 MR FISHER: Yes.

MS CAMPBELL: Do you know why the GWC made that request?

MR FISHER: No, I can't recall why.

45

MS CAMPBELL: I will take you to another document, Mr Fisher, which is the minutes of the GWC meeting. Can I call up GWC.002.0016.0129. This is the GWC

11:31AM

meetings from the next month.

Mr Fisher, you can see you were present at this meeting as well?

5

MR FISHER: Yes.

MS CAMPBELL: Please go to page 2 of that document. Do you recall a presentation made by Mr Connolly of a video of a spinning wheel followed by the video of an EGM that used the delivery mechanism of balls dropping into tubes?

10

MR FISHER: No, I don't.

MS CAMPBELL: You don't recall that presentation?

15

MR FISHER: No, I don't.

MS CAMPBELL: Do you remember seeing a video of an EGM game where the delivery mechanism of the ball was dropping into the tubes?

20

MR FISHER: No, I can't recall it.

MS CAMPBELL: So you don't recall a video of that nature?

25

MR FISHER: No, not balls dropping into a tube, no.

MS CAMPBELL: What about the balls just dropping from the top of the screen in general?

30

MR FISHER: No, I can't remember anything to do with balls. All I can remember is the rolling over and pictures lining up or not lining up.

MS CAMPBELL: And those pictures of the symbols you are referring to ---

35

MR FISHER: Symbols, yes.

MS CAMPBELL: --- do you recall whether they were in a round shape?

MR FISHER: No, I thought they were always rectangular or square.

40

MS CAMPBELL: Okay. Can you see in this meeting at item 5.2, we'll just get the document displayer to please zoom in on that item. I will give you a moment to have a read of that item, Mr Fisher.

45

MR FISHER: Yes.

MS CAMPBELL: At this meeting the members requested that Mr Connolly liaise with Perth Casino with a view of decreasing game speed by a further 20 per cent?

11:34AM

MR FISHER: No, I can't recall that.

MS CAMPBELL: Can you see that that is what is recorded in the minutes?

5

MR FISHER: Yeah, I can see that.

MS CAMPBELL: You don't recall remember the reason for that?

10 MR FISHER: No, I don't, no.

MS CAMPBELL: I will move to our next EGM topic. I would like to ask you questions about the GWC's approval of the number of EGMs in Perth Casino.

15 A lot of those submissions about increases in number of EGMs were made before your time on the Commission.

MR FISHER: Yes.

20 MS CAMPBELL: But there was one made in August 2012. And if we could please call up CRW.707.001.0968. This is a letter from Mr Preston to Mr Sargeant in August 2012. Have you seen this letter before?

MR FISHER: No, I can't say I have.

25

MS CAMPBELL: I will just give you a moment to read the first page of that letter, Mr Fisher.

MR FISHER: Yes.

30

MS CAMPBELL: I will draw your attention to the second-last paragraph which provides that the Government has agreed, in principle, to the introduction of more table games and EGMs at Perth Casino.

35 MR FISHER: Yes.

MS CAMPBELL: Mr Fisher, with the benefit of hindsight, and also our discussions about harm minimisation today, do you think that when approving an increase in the number of EGMs at Perth Casino, one of the things the GWC should consider is the potential harm those machines might cause to patrons?

40

MR FISHER: Well, it was the Government who set it up to have the extra machines in the new casino. So I can't see where the GWC would have a say on whether there should be less or whether there should be more.

45

MS CAMPBELL: Isn't it the case ---

MR FISHER: It's a government decision.

5 MS CAMPBELL: Isn't it the case that the GWC has final approval of all EGM increases in Perth Casino?

MR FISHER: Yes, I'd say so.

10 MS CAMPBELL: And when they are considering whether or not to approve an increase in the number of EGM machines, one of the things that they should consider is the potential harm those machines might cause to the community?

MR FISHER: Yes, probably.

15 MS CAMPBELL: Then if we just go to page 15 of that letter, please. On this page of the letter, Perth Casino addresses that, Mr Fisher, and says that it does not expect to see a material increase in the incidents of problem gambling as a result of the proposal. And even if they were wrong on that, Crown's RSG practices would be effective in mitigating that risk. And you can see that at the third paragraph from the
20 bottom.

MR FISHER: Hm.

25 MS CAMPBELL: At this point in time, Mr Fisher, around August 2012, do you know if the GWC had any idea about the prevalence of problem gambling in Western Australia?

MR FISHER: No, I can't.

30 MS CAMPBELL: And looking at this now, do you think it would have been beneficial for the GWC to have had reference to academic studies or literature about preventing harm when it considered a proposal for the increase of EGM machines at Perth Casino?

35 MR FISHER: Yes, it probably would have been.

40 MS CAMPBELL: And having considered the GWC's duties in relation to the harm minimisation that we looked at in the GWC Act today, do you think, looking back now, that the GWC had a duty to consider the need to minimise harm when approving EGMs at Perth Casino?

MR FISHER: Yes, probably.

45 MS CAMPBELL: Thank you, Mr Fisher. We'll move on from EGMs and I would like to ask you some questions about the adequacy of the Department's briefing to the GWC.

MR FISHER: Yes.

11:40AM

MS CAMPBELL: You told me earlier that the Department prepares the agenda packs for the GWC meetings?

5 MR FISHER: Yes, that's correct.

MS CAMPBELL: And if Crown is making a proposal to the GWC, does the Department or the Chief Casino Officer make a recommendation about whether the GWC should approve or reject the proposal?

10

MR FISHER: Mike Connolly would have made a recommendation.

MS CAMPBELL: Yes. I am going to take you to an example of one of those recommendations, Mr Fisher. That example is specific to EGM speed of play issue in 2014, and I will just take you through some relevant documents in relation to that example. Can we call up DLG.0004.0001.0236. This is the Department's operation division meeting minutes from 27 March 2014, and I understand you probably won't have seen these minutes before? If we could put pages 2 and 3 side-by-side, please. Mr Fisher, I will direct your taxation to paragraph 4.1 in the second paragraph of that item, bottom of page 2 and the top of page 3.

20

MR FISHER: Yes.

MS CAMPBELL: You see that Mr Connolly informs the Department that the GWC would like to consider whether the minimum speed of play should be increased from 5 seconds to 6 seconds, and Mr Connolly advised that he would liaise with Crown.

25

I will take you to another document now, Mr Fisher, DLG.8001.0002.7525. In this document is an email chain between Mr Preston and Mr Connolly. If we go to page 2 of that document, please, you will see that Mr Preston provides Mr Connolly with some dot points about Crown's position on the proposed increase to the minimum speed of play. I will just give you a minute to read through those five or six dot points.

30

35 MR FISHER: Yes.

MS CAMPBELL: Then if we go back to page 1 you will be able to see Mr Connolly's response to Mr Preston. If you zoom in on that response, please. It starts with "yeah". Did you have a chance to read that?

40

MR FISHER: Yes.

MS CAMPBELL: DLG.0002.0002.0052, please.

45 MR FISHER: Yes.

MS CAMPBELL: If we can go to pages 19 and 20 side-by-side, please. Then I will

direct your attention, Mr Fisher, to item 4.1.

MR FISHER: Yes.

5

MS CAMPBELL: If you could include the paragraph above, (i), thank you. And you can see that Mr Connolly outlines a number of adverse consequences with a proposed increase to the minimum speed of play, and then recommends no further action by the GWC, so no change to the speed.

10

MR FISHER: That's right.

MS CAMPBELL: After looking at the chain of documents I've taken you to, Mr Fisher, do you think it is possible that Mr Preston and Mr Hulme influenced the recommendations to the GWC about increasing the minimum speed.

15

MR SADLER: Can I point out that Mr Fisher doesn't remember the 25 March agenda item on this, he wasn't at the meeting, he wasn't a party to the email between those two people, and he hasn't been asked if he remembers this particular meeting yet, so I'm not sure what he can really contribute toward this.

20

COMMISSIONER JENKINS: Thank you, Mr Sadler. I think the witness has in any event answered no, so I think you can move on.

25 MS CAMPBELL: Thank you, Commissioner.

Mr Fisher, I will move on to our next topic, which is, I would like to ask you some questions about conflicts of interest. We can bring down that document now, please. The first thing I would like to ask you about, Mr Fisher, is the trip to Macau that Mr Sargeant, Mr Felstead and Mr Preston went on together in 2013. Do you recall the trip that I'm referring to?

30

MR FISHER: Yes, I do.

35 MS CAMPBELL: Do you remember when you first found out about that trip?

MR FISHER: No, it would have been after, at a meeting when Mr Sargeant declared it.

40 MS CAMPBELL: At a GWC meeting?

MR FISHER: Yes.

MS CAMPBELL: And I will just take you to some minutes of the meeting, Mr Fisher. Can we please call up DLG.0002.0002.0052. It's the first page of that document, please. Mr Fisher, you can see you were present at this meeting?

45

MR FISHER: Correct.

11:47AM

MS CAMPBELL: Then if we go please go to page 27. I will direct your attention to item 10.4, Mr Fisher. I will give you a second to have a read of that item.

5 MR FISHER: Yes.

MS CAMPBELL: Is this when you recall becoming aware of the Macau trip at this meeting?

10 MR FISHER: Yes, it would have been.

COMMISSIONER JENKINS: Or would it have been the earlier meeting, because it says that ---

15 MR FISHER: Well, he declared it here, didn't he.

COMMISSIONER JENKINS: Yes, but it said there was a discussion of it in the August 2013 meeting. See the last paragraph?

20 MR FISHER: Yes.

MS CAMPBELL: Do you recall the discussion in August 2013?

MR FISHER: Yes, yes, I do.

25

MS CAMPBELL: Mr Fisher, looking back now, do you think it was appropriate that Crown pay for Mr Sargeant's trip to Macau?

MR FISHER: Well, they wanted him to see how things operated over there so I thought, yes, why not. I had nothing against it.

30

MS CAMPBELL: In hindsight, do you think it would be better for perhaps the GWC members not to accept any kind of trips that are paid for by Crown?

MR FISHER: No, because you've got to experience things to bring experience back to GWC. So if they want people to understand how things are working, why should the GWC pay for it? I've got nothing against Crown paying for that, no.

35

MS CAMPBELL: And you have no concerns about any perceived conflict of interest that might arise?

40

MR FISHER: No, no, I don't think it was a conflict of interest. Barry was not that sort of person.

MS CAMPBELL: But not even a perception of a conflict of interest from an outsider?

45

MR FISHER: No, no, no. He wasn't --- definitely not that way.

5 MS CAMPBELL: Okay. Mr Fisher, the other thing I would like to ask you questions about is the relationships between Department employees and casino employees. If we go to your statement now at page 10, please. And then if you zoom in a little bit, please, document displayer. You say that whilst you were on the GWC you were aware of Mr Connolly's fishing trips but did not know that they were with Crown employees?

10 MR FISHER: That's correct.

MS CAMPBELL: And after leaving the GWC you've subsequently become aware that the fishing trips were with Crown employees?

15 MR FISHER: Yes, only just --- very --- in the last few months.

MS CAMPBELL: So, as far as you were aware, whilst you were on the GWC, Mr Connolly never disclosed his personal friendships with Crown employees?

20 MR FISHER: No.

MS CAMPBELL: Do you think it's possible that there could have been a perceived conflict of interest arising from Mr Connolly's friendships with Crown employees?

25 MR FISHER: No, I don't think so.

MS CAMPBELL: Not even a perception from an outside perspective?

30 MR FISHER: No, I don't think so.

MS CAMPBELL: Looking back in hindsight, Mr Fisher, do you think it would have been better for Mr Connolly to have disclosed the friendships to the GWC?

35 MR MALONE: Sorry, Commissioner, I rise. Mr Connolly did disclose them to the Chairperson of GWC. I'm not sure whether that fact is being put to the witness or not, but possibly could we be more specific to the question?

40 COMMISSIONER JENKINS: Yes, thank you.

Ms Campbell, do take that on board.

MS CAMPBELL: Sure.

45 Mr Fisher, you don't recall Mr Connolly ever disclosing to you when you were present at a GWC meeting the personal friendships he had with Crown employees?

MR FISHER: No.

11:52AM

MS CAMPBELL: And do you think he should have disclosed, at a GWC meeting, to all members, those personal friendships?

5 MR FISHER: Where do you start and stop disclosing friends?

MS CAMPBELL: Would you agree that you start with those friends who are Crown employees?

10 MR FISHER: Yes, probably.

MS CAMPBELL: Okay. And if Mr Connolly had disclosed those friendships to you while you were on the GWC, do you think it would have impacted the reliance you placed on Mr Connolly's advice, particularly in relation to Crown proposals?

15

MR FISHER: No, I don't think it would have. I knew the guys from Crown as well, and they came across as astute businessmen and, how do I describe it, honest sort of people. I don't think I would have been out of the box to jump up and down.

20 MS CAMPBELL: Commissioner, that concludes my questions for Mr Fisher.

COMMISSIONER JENKINS: Thank you. Does any counsel wish to cross-examine?

25

CROSS-EXAMINATION BY MS SEAWARD

MS SEAWARD: Mr Fisher, my name is Seaward and I appear for the Department. I wanted to ask you a few questions about what has arisen today. You were asked some questions about harm minimisation and you were showing some papers that had some research. If the witness could be shown GWC.0002.0016.0178 at page 154. To orientate you, this is 16 May 2016 GWC meeting and this was a paper Mr Beecroft prepared. If I could ask the operator to roll to the next page. This is the page you were shown by Counsel Assisting about the research?

35

MR FISHER: Yes, correct.

MS SEAWARD: And I think you agreed --- I think it was put to you that the research that this was based on was from 1999?

40

MR FISHER: Yes.

MS SEAWARD: And do you agree that it would have been better to have more recent research; is that correct?

45

MR FISHER: Yes.

MS SEAWARD: If I could ask you to look at the paragraph which is under the first table, there is table 1, and there is the first paragraph, so the second paragraph under that, it commences with "The 2010 Productivity Commission report". Can I ask you to read that paragraph, please.

MR FISHER: Yes.

MS SEAWARD: So you can see from that paragraph that Mr Beecroft had regard to a 2010 Productivity Commission report as well?

MR FISHER: I see that, yes.

MS SEAWARD: Would you accept that it is not as concerning, this paper, because he's not only relying on 1999 information?

MR FISHER: Certainly agree.

MS SEAWARD: Thank you. You were asked questions about advertising done by Crown. Is it fair to say that at the time you were on the Commission, you yourself weren't familiar with what the legal rules were about what advertising is or isn't permitted?

MR FISHER: Yes, that's correct.

MS SEAWARD: And you still don't know what rules apply?

MR FISHER: Still don't know.

MS SEAWARD: So you are also not familiar with whether there were any exceptions or permitted advertising that is allowed to occur? And so when you were shown a picture of a letter that was sent by Crown --- we don't need to bring it up on the screen --- you don't know whether that was a lawful permitted advertising, do you?

MR FISHER: No.

MS SEAWARD: Would you agree that to the extent you may be concerned about advertising, one of the things you would need to know is whether that was lawfully permitted under the relevant regulations?

MR FISHER: Yes. Correct.

MS SEAWARD: You were also asked some questions about the approval process for EGMs. And we don't need to take you to the documents, but there was a flowchart that you were shown.

11:57AM

MR FISHER: Yes.

5 MS SEAWARD: Is it right to say that during your time on the Commission, the process that was followed is that there was an initial presentation of a new proposed game by Crown to the Commission members?

MR FISHER: Yes.

10 MS SEAWARD: And that the first stage was an in-principle approval for that game?

MR FISHER: Yes.

15 MS SEAWARD: And as part of considering giving that in-principle approval, is it fair to say that the Commission members would assess the proposed game against the criteria in the relevant policy about EGMs?

MR FISHER: Yes.

20 MS SEAWARD: And against the relevant WA Appendix which set out the specific requirements?

MR FISHER: Yes, that's right.

25 MS SEAWARD: And the purpose of doing that was to determine whether it was not a poker machine?

MR FISHER: Mm-hmm.

30 MS SEAWARD: Is it fair that the reason why there was in-principle approval at the beginning was because Crown needed to know whether it was likely before the game would be approved before they spent the money building the game?

MR FISHER: Yes.

35

MS SEAWARD: And is it correct to say that a condition of the in-principle approval was that once that game was built, it would be returned for consideration as to whether it still met the criteria?

40 COMMISSIONER JENKINS: Returned to whom?

MS SEAWARD: Sorry. That there would be a consideration of whether that game met the criteria?

45 COMMISSIONER JENKINS: By whom?

MR FISHER: Yes.

11:59AM

MS SEAWARD: And was that be done by either the Commission, or could it be done by the Chief Casino Officer acting under delegation?

5 MR FISHER: No, I can't recall whether Chief Casino Officer could have done it under the delegation without the Commission's approval.

MS SEAWARD: So you can't recall whether that was permitted or not?

10 MR FISHER: No, I can't recall, no.

MS SEAWARD: Thank you. Was there also a requirement that the game, once built, be subject to the external testing?

15 MR FISHER: Yes.

MS SEAWARD: And, again, that external testing couldn't happen until the game was actually constructed?

20 MR FISHER: That's right.

MS SEAWARD: No further questions.

COMMISSIONER JENKINS: Thank you, Ms Seaward.

25 Mr Malone?

CROSS-EXAMINATION BY MR MALONE

30

MR MALONE: Yes, thank you, Commissioner.

35 Mr Fisher, I appear for Mr Connolly and I have some questions in relation to delegation and removal of junket provisions that you were shown earlier by Counsel Assisting. Do you remember that evidence?

MR FISHER: Yes.

40 MR MALONE: I've got two parts to ask you about, about the amendment itself and the GWC's response to it. I will ask you the general question first and then we will come to the specifics.

MR FISHER: Okay.

45

MR MALONE: If the GWC was unhappy or disagreed with the way a delegate, any delegate, who held power pursuant to an instrument of delegation, if the GWC was unhappy with how that person had used that delegation, the GWC would have made

12:00PM

that person aware; is that right?

MR FISHER: Oh, yeah.

5

MR MALONE: And the way the GWC would have made that person aware is in a GWC meeting?

MR FISHER: Yes, definitely.

10

MR MALONE: You would expect that if they were to make a person aware of that, it would be noted, ie it would actually be minuted?

MR FISHER: Yes, I would have thought so.

15

MR MALONE: Turning to the junket provisions themselves, and I will bring up a document for your benefit, CRW.708.008.7829. This is the first page of a letter that maybe was shown earlier today. If we scroll through to page 7, you will see that this is the removal of section 16, titled "Junket program".

20

MR FISHER: Yes.

MR MALONE: You were asked questions about this provision being removed from the Casino Operations Manual. Do you remember those questions?

25

MR FISHER: Yes, I do.

MR MALONE: Those questions, and the transcript may correct me, were in relation to the removal of junket provisions from the Casino Manual?

30

MR FISHER: Removal, yes.

MR MALONE: If we now move to page 23 of the same document, you will see that this is what is called attachment 2 to that letter, and this is, you will note, because it is not struck out, it is the proposed new section to be put into the Casino Manual, and you will see, if you just scroll down the page, there is no need to read it in any particular --- I will take you to the parts I want you to look at, but you will see, under "Legislation/Requirements" the word "junkets" there? Do you see that in about the middle of the page?

35

MR FISHER: Yes.

MR MALONE: And you see that there is a discussion then that flows on about junket activity, what a junket is, the definition is provided and the like; do you see that there?

40

MR FISHER: Yes.

45

MR MALONE: And if we now scroll through to, I believe, page 25, that's blank. Maybe we try page 26 if that will assist. It should be borne out on all those pages. I can give a new reference if that may assist, CRW.708.008.7854. That happened to
5 me as well so I thought that might be the case.

If we can just go back one page if that's possible. You will see there this is the "Section Contents", and what is set out there is new provisions in relation to premium gaming business, junket programs, junket and premium program
10 procedures, referral agents and foreign currency matters. Do you accept that this new section included new provisions in relation to junkets?

MR FISHER: (Inaudible).

15 MR MALONE: So it wasn't the case that section 16 was being removed in its entirety ---

MR FISHER: No, that's right.

20 MR MALONE: --- there was a new section coming in on different terms, admittedly, but there was a new section coming in?

MR FISHER: Yes.

25 MR MALONE: Turning then to Mr Connolly's use of delegated power in relation to this matter, if the GWC was unhappy with the way Mr Connolly used that delegation of power to approve the changes to the Casino Manual, you would have expected the GWC to make Mr Connolly aware of that?

30 MR FISHER: Definitely.

MR MALONE: And the meeting at which the GWC was made aware, being the May 2017 meeting, and I can take you to it if you like, do you have any recollection of anyone making Mr Connolly aware that they were unhappy with the way that
35 delegation was ---

MR FISHER: No, I can't recall that.

40 MR MALONE: Do you accept that --- you cannot recall because it didn't happen, or because you can't recall that ---

MR FISHER: I cannot recall it.

45 MR MALONE: I might just cover off on this point then. For your benefit, if we turn to GWC.0002.0016.0220_0004, you will see under 11.2, "Approvals under Delegation"?

MR FISHER: Yes.

MR MALONE: Unless I've made an error, I believe that is the minutes of that meeting. And you will see there, "Resolved [to] note the approvals issued under delegation."

5

So do you accept that no one at that meeting made Mr Connolly aware that they were unhappy with the way that delegation had been used?

MR FISHER: Yes, that's right.

10

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

QUESTIONS BY THE COMMISSIONER

15

COMMISSIONER JENKINS: Anyone else? No.

I only have one area I wanted to ask you about, Mr Fisher. That was in relation to the Problem Gambling Support Services Committee. When you were a member of the GWC, did you understand that that committee was a subcommittee of the GWC or did you think that it was created by some other body or what?

20

MR FISHER: I thought it was GWC department in that whole area ---

25

COMMISSIONER JENKINS: A combined ---

MR FISHER: Yes.

COMMISSIONER JENKINS: And so who did you think ---

30

MR FISHER: It was a separate identity.

COMMISSIONER JENKINS: Separate identity?

35

MR FISHER: Yes.

COMMISSIONER JENKINS: So did you think it had responsibility for its own operation or did you think that the Department or the GWC or Crown, somebody else oversaw it?

40

MR FISHER: No, I thought they were just a standalone committee.

COMMISSIONER JENKINS: Were you aware, when you were a member of the GWC, that the GWC provided some funding to that committee?

45

MR FISHER: Yes, and I put that in my --- I knew some funding was going there, but I couldn't say where it was coming from, whether it was out of the Department's funding or whether it was out of the GWC funding, but I knew that they were getting
5 funding to have for that committee.

COMMISSIONER JENKINS: Did you know how it was determined, the amount of funding it received from either the Department or ---

10 MR FISHER: No, I thought there was a levy, but I could be wrong.

COMMISSIONER JENKINS: Those were all the questions I wanted to ask, Mr Fisher.

15 MR FISHER: Thank you.

COMMISSIONER JENKINS: Yes, Mr Sadler.

20 **RE-EXAMINATION BY MR SADLER**

MR SADLER: Thank you. Can I please have brought up the letter of 2 August 2012 which has the number CRW.707.001.0968.

25 Just to orientate you, Mr Fisher, this was the letter that Crown wrote to Mr Sargeant and you don't have any recollection. It is the one where the bottom two paragraphs were brought to your attention where the Government has agreed in-principle to the introduction of additional gaming tables and EGMs. You were asked some questions
30 particularly in relation to the Gaming and Wagering Commission's considerations of Responsible Service of Gambling and harm minimisation.

MR FISHER: Yes.

35 MR SADLER: Can we please have brought up GWC.0002.0016.0069. This is the agenda for the meeting on 28 August 2012. Apologies, I don't have the minutes, I can find them and I'm not sure if you were actually at this or not, but we will work on the assumption that you were and check it afterwards. Can we go down to page 26.

40 This is agenda item 5.2 where the increase in EGMs was considered by the Gaming and Wagering Commission. I would also like to draw your attention to a paragraph on the next page, please, at the top.

45 This paragraph is to the effect that you are considering the prevalence of problem gambling and the report by the Productivity Commission. Would you like to make any more comments about the Gaming and Wagering Commission and consideration of problem gambling in relation to the increase of EGMs at the casino in response to

12:10PM

the building of Crown Towers? I believe you had a concern you may not have considered problem gambling in relation to this proposal?

5 MR FISHER: No, I didn't consider that, no, with a proposal, no, there wasn't.

MR SADLER: Just to clarify that answer, do you think that the Gaming and Wagering Commission did take into consideration problem gambling issues when making the ---

10

MR FISHER: Oh, would have, for sure. Yeah.

MR SADLER: And that is recorded there in the agenda paper?

15 MR FISHER: Yeah.

MR SADLER: That's all the questions I have.

COMMISSIONER JENKINS: Thank you, Mr Sadler.

20

Mr Fisher, that concludes your evidence today. As the other Commissioners are not present, after they review your evidence they may have some questions for you. I imagine, if that occurs, that can be dealt with in writing. Nevertheless, I will leave the summons in place just in case we need to see you again, but I would very much doubt it.

25

MR FISHER: Okay.

COMMISSIONER JENKINS: Thank you very much for your assistance today. We will now adjourn until 2 pm.

30

THE WITNESS STOOD DOWN

35

ADJOURNED

[12:11P.M.]

RESUMED

[2.01 PM]

40

COMMISSIONER JENKINS: Please be seated.

Ms Katie Hodson-Thomas, could you stand and say your full name.

45

WITNESS: Katina Hodson-Thomas.

COMMISSIONER JENKINS: Would you like to take the oath or the affirmation?

WITNESS: I will swear on the Bible, thank you.

5 **MS KATINA HODSON-THOMAS, SWORN**

COMMISSIONER JENKINS: Thank you, please take your seat. Yes, Mr Evans.

10

EXAMINATION-IN-CHIEF BY MR EVANS

MR EVANS: Thank you, Commissioners.

15

Ms Hodson-Thomas, you were provided a list of topics for this phase of the inquiry before the Royal Commission?

MS HODSON-THOMAS: Yes.

20

MR EVANS: You were invited to prepare a written statement in relation to those topics?

MS HODSON-THOMAS: Yes, and I have.

25

MR EVANS: That is a statement dated 27 August.

MS HODSON-THOMAS: That's correct.

30

MR EVANS: Of 30 pages bearing the document ID GWC.0003.0013.0067. Do you have a copy of that?

MS HODSON-THOMAS: Yes, I do.

35

MR EVANS: You have read it?

MS HODSON-THOMAS: I have.

40

MR EVANS: And so far as you are aware, the contents of that statement are true and correct to the best of your knowledge, information and belief?

MS HODSON-THOMAS: They are.

45

MR EVANS: Tendered as Ms Hodson-Thomas's evidence-in-chief, Commissioners.

COMMISSIONER JENKINS: Thank you. Ms Hodson-Thomas's second statement bearing that number will be an exhibit in the Commission.

5 **EXHIBIT #GWC.0003.0013.0067 - SECOND WITNESS STATEMENT OF MS
KATINA HODSON-THOMAS DATED 27 AUGUST 2021**

CROSS-EXAMINATION BY MS LONG-DROPPERT

10

MS LONG-DROPPERT: Ms Hodson-Thomas, my name is Long-Droppert, I am one of the Counsel Assisting the Commission, I will be asking you questions this afternoon. The statement that you have just tendered is the second statement that you have tendered in the new inquiry of the Royal Commission?

15

MS HODSON-THOMAS: That's correct.

MS LONG-DROPPERT: You've also given oral evidence at a hearing in May?

20

MS HODSON-THOMAS: Correct.

MS LONG-DROPPERT: And you will recall that Mr Leigh asked you questions about the topics, subject of your second witness statement. I will do my best not to traverse old ground but there are some topics that I require further clarification on.

25

MS HODSON-THOMAS: Yes.

MS LONG-DROPPERT: And there are also new topics about which you were asked which form the subject of the (inaudible).

30

MS HODSON-THOMAS: Okay.

MS LONG-DROPPERT: The first topic I am going to ask you about is financial matters.

35

MS HODSON-THOMAS: Yes.

MS LONG-DROPPERT: You were asked in your witness summons about the adequacy of briefings provided by the Department concerning the Commission's finances, including the service fee charged by the Department.

40

MS HODSON-THOMAS: Yes.

MS LONG-DROPPERT: I just want to take you to paragraph 16 of your statement if I may. You state at a meeting of August 2021 of the GWC, the Department explained how the service fee was calculated; is that correct?

45

MS HODSON-THOMAS: That's correct. We received a board paper to explain

process and it gave us greater clarity around the total cost of service.

5 MS LONG-DROPPERT: Thank you. Prior to that meeting you say you didn't have transparency around how that fee was calculated?

10 MS HODSON-THOMAS: No, and I don't think any of us ever asked for that. And I think by and large we accepted that it was a historic figure, and that it increased by CPI annually.

15 MS LONG-DROPPERT: If I could just bring up GWC.0012.0001.0250 at 599 and I note that this is subject to a non-publication order so if the operator could only bring up those two pages, 599 and 600. Thank you. This is the board paper to which you referred in your earlier answer?

MS HODSON-THOMAS: It is, indeed.

20 MS LONG-DROPPERT: And just to confirm, it is this paper which gave you and the rest of the members on the GWC some clarity as to how the service fee is to be calculated?

MS HODSON-THOMAS: That's correct.

25 MS LONG-DROPPERT: Based on your recollection of that, how do you now understand the service fee is calculated by the Department?

30 MS HODSON-THOMAS: That it is a formula that was determined some time prior to the Machinery of Government changes, that they had made a determination how costs of services were calculated and the formula, as I understand it from this paper, is that of that 100 per cent pie, if you like, 28.5 per cent is allocated to GWC.

MS LONG-DROPPERT: Thank you. And can I ask what gave rise to this particular explanation or circumstances where it wasn't forthcoming in the past?

35 MS HODSON-THOMAS: Well, I think we've all been under a microscope in term of the Royal Commission, and we felt that we needed to have greater clarity and we asked the Department for this information. It had never (inaudible) obviously we need to know and understand these things. Whether this formula is right or wrong is yet to be determined.

40 My view and observation as a Commission member, and what I've gained over a period of time in terms of an understanding of the workload of the Commission, to better equip us, if you like. We need to really understand the amount of time inspectors, individuals of GWC or who are charged with responsibility for work for
45 GWC, how they allocate their time, what that utilisation might look like, and the time sheets, from what I understand, from information that we were provided doesn't allow for that.

MS LONG-DROPPERT: What I think you are saying Ms Hodson-Thomas is that there is another level of explanation that the GWC requires to fully understand how this fee is calculated?

5

MS HODSON-THOMAS: Yes, indeed.

MS LONG-DROPPERT: Thank you. If I could now please go to the next topic, which is delegations. You were asked in the witness summons about your understanding of the Commission's intention in delegating all powers other than the power of delegation to departmental officers.

10

MS HODSON-THOMAS: Yes, I remember.

MS LONG-DROPPERT: I do note that in your statement you say that on 25 May 2021, the GWC revoked all delegations and they are now under review.

15

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

MS LONG-DROPPERT: The questions I'm about to ask you are about the period prior to that when the powers were still in force --

20

MS HODSON-THOMAS: Yes.

MS LONG-DROPPERT: --- and I will ask you about the revocation in a little while. You said at paragraph 19 of your statement that the purpose of the delegations was to allow relevant departmental officers to make routine decisions.

25

MS HODSON-THOMAS: Yes.

30

MS LONG-DROPPERT: And to take steps to implement approvals that had been passed by the GWC in circumstances where the board only met on a monthly basis and was dependent upon the department's officers and employees to undertake the work required for the GWC.

35

MS HODSON-THOMAS: That's correct.

MS LONG-DROPPERT: So there are two parts to that answer, if I might suggest. I want to focus on the first reason, which is to allow for the relevant departmental officer to make routine decisions.

40

MS HODSON-THOMAS: Yes.

MS LONG-DROPPERT: Can you explain to the Commission, please, what you understand to be routine matters in respect of the regulation of Perth Casino?

45

MS HODSON-THOMAS: Well, it might be for the provision of a permit for a lottery, for example, or it might be to look at licensed employees that needed to be

expedited in a timely fashion.

5 MS LONG-DROPPERT: Those are in respect of particular issues, but was there a policy, an overarching GWC policy that identified the specific issues that were classified as routine and able to be approved under the exercise of delegation?

10 MS HODSON-THOMAS: I can't recall whether we actually had a document. There probably is one but I have been inundated with documents in the last 24 hours and trying to get my head across all of those, but my recollection on that I can't ---

MS LONG-DROPPERT: You can't recall?

15 MS HODSON-THOMAS: No.

MS LONG-DROPPERT: Right. I want you to assume that there is no document that has an overarching guide as to what might be a routine matter. And in those circumstances, would you agree that in practice it was left in the hands of the relevant departmental officer to make the value judgment as to whether something was routine?

20 MS HODSON-THOMAS: That's correct. But they always came back to Commission meetings each month for either noting or if we had further questions or whether we were unhappy with something we would be able to --- be able to raise issues around that. So there was a process in terms of an officer might undertake that in any given month, but they would have to come back to the Commission.

30 MS LONG-DROPPERT: And in respect of approvals or matters, powers exercised under delegation, that wasn't the subject of prior approval by the GWC, that was tabled to the GWC in the form of a table which had a short annotation regarding what the regarding what that exercise was --- what the exercise of that power was?

MS HODSON-THOMAS: Can you just run through that again. You lost me.

35 MS LONG-DROPPERT: Sure. In respect of powers exercised under delegations that were not the subject of prior GWC approval ---

MS HODSON-THOMAS: Yes.

40 MS LONG-DROPPERT: --- how were those matters brought to the GWC's attention?

45 MS HODSON-THOMAS: They would be brought back in a board paper describing what the delegation, that specific delegation was.

MS LONG-DROPPERT: You've described this in your oral evidence just now, but at 22 of your statement you say the expectation was that any exercise of delegated power would always be reported back to the GWC.

MS HODSON-THOMAS: Correct.

5 MS LONG-DROPPERT: In your view, what were the implications of a failure by a Departmental officer or the Chief Casino Officer to report an exercise of delegated power back to the GWC?

10 MS HODSON-THOMAS: That would be very poor performance but how would I know if they didn't report it back?

MS LONG-DROPPERT: And if the GWC later became aware of an exercise of delegation without meeting the requirement of reporting back to the GWC, what would the consequence of that be?

15 MS HODSON-THOMAS: I would imagine there would be serious consequences, but I'm not --- it's never occurred certainly while I've been on the Commission that I'm aware of.

20 MS LONG-DROPPERT: When I asked you before about how powers under delegation were reported to the GWC and you gave an answer, when you received that report as part of the board pack, what was your usual practice in relation to reviewing it?

25 MS HODSON-THOMAS: Board pack. I would read the board pack ahead of the meeting and, as I said in previous evidence, it would either come up on my iPad and I could make notes and annotate anything that I had issues with, questions, or I would sometimes download it to my laptop. But, yes, I would read through those papers diligently.

30 MS LONG-DROPPERT: In respect of the approvals that have been exercised under delegation without prior approval of the GWC in your time on the GWC you say you didn't have cause to raise any queries in relation to that exercise, the exercises of power?

35 MS HODSON-THOMAS: No.

MS LONG-DROPPERT: And you didn't have cause to revisit any decision made under delegation?

40 MS HODSON-THOMAS: We may have revisited but I can't recall any specifics.

MS LONG-DROPPERT: Taking you now to 25 May 2021 at paragraph 24 of your statement you say that the delegations have been revoked and they are now being reviewed.

45 MS HODSON-THOMAS: Correct.

MS LONG-DROPPERT: Can you explain to the Commission what that review entails?

5 MS HODSON-THOMAS: There is --- can I just step back a moment, please, and just provide a bit of a picture, if you like.

MS LONG-DROPPERT: Sure.

10 MS HODSON-THOMAS: We are in a state of flux in terms of changes in staffing components, there is a restructure obviously going on. That's probably not the right word but for the sake of giving evidence today, will talk to it as being a restructure. People have been charged with responsibility for a number of different aspects of
15 their roles, such as the new Chief Casino Officer, Germaine Larcombe. She has taken it upon herself to review all of the previous delegations which had been revoked and they are now being brought back to the Commission for our consideration. Namely, two have come by circular resolution today, in fact.

MS LONG-DROPPERT: Right.

20

MS HODSON-THOMAS: And they, as I understand it, are the only two delegations that we have in place at this time.

MS LONG-DROPPERT: Thank you, Ms Hodson-Thomas.

25

I want to move on to the next topic, which is in respect of media allegations. But the questions I'm about to ask probably also encompass the enquiries that those particular allegations gave rise to and the GWC's response to them.

30 MS LONG-DROPPERT: You've been asked in your summons about allegations in relation to the physical tampering with EGMs at Crown Melbourne in 2018.

MS HODSON-THOMAS: Yes.

35 MS LONG-DROPPERT: At paragraph 26 you say that you recall being aware of allegations in relation to tampering when they were reported in the media.

MS HODSON-THOMAS: Yes.

40 MS LONG-DROPPERT: And also after there was an inspection of EGMs at Crown Perth by Departmental inspectors.

MS HODSON-THOMAS: Correct.

45 MS LONG-DROPPERT: Do you recall that the media allegations in respect of alleged tampering of EGMs included tampering in respect of what is known as blanking plates?

MS HODSON-THOMAS: Yes.

5 MS LONG-DROPPERT: And do you recall at the time that there was also allegations that Crown-branded plastic picks were used to jam EGM buttons in place to simulate continuous play?

MS HODSON-THOMAS: So I understand.

10 MS LONG-DROPPERT: Do you recall at the time that as a result of those allegations and the VCGLR investigation, Crown Melbourne was (inaudible).

MS HODSON-THOMAS: Correct.

15 MS LONG-DROPPERT: At paragraph 27 of your statement, you say that after the GWC was made aware of those allegations, Mr Preston of Crown Perth attended the 22 May 2018 GWC meeting to provide a briefing on the authorised use of blanking plates on EGMs at Crown. Do you recall that presentation?

20 MS HODSON-THOMAS: Only because I've seen it in more recent days.

MS LONG-DROPPERT: You've since refreshed your memory as to ---

25 MS HODSON-THOMAS: I've had a cursory look at it.

MS LONG-DROPPERT: Right. And you state in paragraph 28 of your statement that Mr Preston in that presentation discussed the allegations and in particular the differences between Crown Perth processes and those previously used at Crown Melbourne?

30 MS HODSON-THOMAS: Yes.

MS LONG-DROPPERT: Do you have an active recollection of that or is that only by reference to refreshing your ---

35 MS HODSON-THOMAS: Only by reference to refreshing my memory.

MS LONG-DROPPERT: And so your recollection --- can I draw the distinction in respect of the recollection in the second part of that paragraph which says that the distinction was drawn that Crown Perth outsourced the maintenance of EGMs to an independent contractor?

MS HODSON-THOMAS: Yes.

45 MS LONG-DROPPERT: Do you have an independent recollection of that being an issue brought up by Mr Preston at the briefing?

MS HODSON-THOMAS: No.

MS LONG-DROPPERT: In respect of what you say at 29, do you have --- in respect of recalling, you were satisfied with the accuracy and sufficiency of the information provided by GWC ---

5

MS HODSON-THOMAS: At the time, yes.

MS LONG-DROPPERT: At the time?

10 MS HODSON-THOMAS: Yes.

MS LONG-DROPPERT: If we could please bring up GWC.0002.0016.0231 at page 3. Do you recognise these as the minutes of the 22 May 2018 GWC meeting?

15 MS HODSON-THOMAS: I do.

Mr Preston identified the differences between Crown Perth processes and *those previously used at Crown Melbourne that reduced the likelihood of any similar matters occurring at Crown.*

20

Yes, I recall that.

MS LONG-DROPPERT: And here the resolution of the GWC was to note the statement from VCGLR attached to the Crown Resorts release?

25

MS HODSON-THOMAS: Yes.

MS LONG-DROPPERT: And to otherwise take no further action?

30 MS HODSON-THOMAS: That's correct.

MS LONG-DROPPERT: And am I right in saying that at paragraph 30 of your statement, that in addition to being satisfied with Mr Preston's presentation at the 22 May 2018 GWC meeting, that those understandings you identify in numbered paragraphs 30.1 to 30.4 gave you comfort in the GWC's decision to simply note the VCGLR's statement?

35

MS HODSON-THOMAS: That's correct.

40 MS LONG-DROPPERT: And at the point of choosing to simply note the report at 22 May 2018, to the best of your recollection, there were no outstanding matters in relation to EGM tampering at Crown Perth?

45

MS HODSON-THOMAS: None that I can recall, no.

MS LONG-DROPPERT: Could I please bring up DLG.8001.0047.5563, which is an email from Michael Connolly to Mr Preston of Crown Perth dated 27 April 2018.

And if the operator could please zoom in on the bottom part of that email first.
That's fine. Thank you.

5 You will see that this email was sent in advance of the 22 May 2018 GWC meeting?

MS HODSON-THOMAS: Yes.

10 MS LONG-DROPPERT: You will note that Mr Connolly is expressing his surprise to hear that there are machines on the gaming floor that have a continuous play feature.

MS HODSON-THOMAS: Yes.

15 MS LONG-DROPPERT: And you will note he is asking for some urgent advice about the number and type of machines that have this feature?

MS HODSON-THOMAS: Yes.

20 MS LONG-DROPPERT: And that he wants to set up a test environment for inspection?

MS HODSON-THOMAS: Mm-hmm.

25 MS LONG-DROPPERT: And that he's asked for a written response from Crown Perth as to the three matters that form the three bullet points that Crown Perth --- one, that Crown Perth did not distribute or allow the use of any device to facilitate continuous play, such as the plastic picks alleged to be distributed in Crown
30 Melbourne; two, that the players are not issued multiple club or loyalty cards; and, three, if there are any other issues relating to this or related allegations the Commission should be made aware of. You see that, Ms Hodson-Thomas?

MS HODSON-THOMAS: I do.

35 MS LONG-DROPPERT: If we can please scroll up to the top of that document, operator, so that we can see Mr Preston's response.

You will note that he responds also on 27 April 2018 and says:

40 *I confirm I will attend the GWC meeting to present on the issues below and on the outcome of the blanking buttons matter.*

MS HODSON-THOMAS: What he doesn't respond to is the request by Mr
45 Connolly to set up a machine in the test environment for inspection.

MS LONG-DROPPERT: Right.

MS HODSON-THOMAS: So I don't know if that occurred, and I would have

expected that Crown should have made that happen.

MS LONG-DROPPERT: Thank you, Ms Hodson-Thomas.

5

Also, you will note that this does not provide the written response that Mr Connolly is requesting in his email below?

MS HODSON-THOMAS: Yes.

10

MS LONG-DROPPERT: So ---

MS HODSON-THOMAS: And I would also point out we are not privy to these sorts of emails, so this is the first I've seen of it.

15

MS LONG-DROPPERT: Right. And perhaps you've pre-empted my next question. Do you recall either Mr Preston or Mr Connolly bringing to the GWC's attention that there were still matters outstanding in respect of EGMs at Crown Perth at the 22 May 2018 meeting?

20

MS HODSON-THOMAS: No.

MS LONG-DROPPERT: And you recall that --- the minutes of that meeting record Mr Preston presenting on blanking plates?

25

MS HODSON-THOMAS: Yes.

MS LONG-DROPPERT: Do you have a specific recollection of if he reported on the continuous play issue?

30

MS HODSON-THOMAS: No. I don't recall that at all.

MS LONG-DROPPERT: Sorry, to clarify, you don't recall that ---

35

MS HODSON-THOMAS: That he talked about continuous play. No, I had no recollection of that.

MS LONG-DROPPERT: But you do have a recollection of him taking about blanking plates?

40

MS HODSON-THOMAS: More so because I've seen the documents.

MS LONG-DROPPERT: Thank you. Do you recall if it was brought to the GWC's attention at the 22 May 2018 GWC meeting, or at all, that Mr Connolly had asked Crown Perth for a written response in respect of the issues outlined in the three dot points in this email?

45

MS HODSON-THOMAS: I don't recall that, no.

MS LONG-DROPPERT: If those matters had been brought to your attention, that would have altered your previous understanding that the allegations as to EGM tamperings were historic?

5

MS HODSON-THOMAS: I think we all would have been more concerned if we'd had all of the information, but given that we weren't given all of the information, it is really difficult to answer.

10 MS LONG-DROPPERT: And in your view is this the type of correspondence that should have been brought to the GWC's attention at that meeting?

MS HODSON-THOMAS: Yes. If there were issues that were outstanding. If, for example, in this case, Mick Connolly was the Chief Casino Officer, he had made
15 three requests to Crown Casino and they hadn't been responded to, I think it was up to the Chief Casino Officer, the CCO, to raise that with us.

MS LONG-DROPPERT: Thank you.

20 If we could bring up CRW --- this is subject to a non-publication order, so please, if the operator can not put it on the public screen. CRW.708.002.4274. Now, this is Crown Perth's response to the email of 27 April 2018 and you will note that the correspondence is dated 11 July 2018.

25 MS HODSON-THOMAS: So after the May meeting?

MS LONG-DROPPERT: After, yes.

MS HODSON-THOMAS: Yep.

30

MS LONG-DROPPERT: And it says:

We refer to your email dated 27 April 2018.

35 And it gives a detailed response in respect of those queries outlined by Mr Connolly in that email.

MS HODSON-THOMAS: Yep.

40 MS LONG-DROPPERT: Now, it is an eight-page letter so we don't have time to go through it all, but I would like you to take it from me, and I'm sure that your or another counsel will correct me if I'm wrong, but within the first three pages Crown Perth states to the effect that there are EGMs on the Crown Perth floor with continuous play features. He confirms that.

45

MS HODSON-THOMAS: Right.

MS LONG-DROPPERT: Is that a matter that should have been brought to the GWC's attention?

5 MS HODSON-THOMAS: I would have to go and review the minutes of the July meeting and August meeting to see whether in fact it had been raised.

MS LONG-DROPPERT: Right. And if those meetings were to show that this matter had not been raised, what would that indicate to you?

10

MS HODSON-THOMAS: That it was a failing on the part to report it up to the GWC.

MS LONG-DROPPERT: Right. And if we can please go to page 4. At the bottom of that page it says:

15

Following your inspection of the above game types

Sorry, Commissioner, I'm not sure the extent to which I'm able to read this out in circumstances where it is the subject of a non-publication order.

20

COMMISSIONER JENKINS: I'm unaware of why it is subject to a non-publication order so it might be better simply to ask Ms Hodson-Thomas to read that portion of the document you are referring to.

25

MS LONG-DROPPERT: Thank you.

MS HODSON-THOMAS: The last couple of paragraphs?

30 MS LONG-DROPPERT: Yes, the last couple of paragraphs.

Does that indicate to you that Crown Perth was investigating physical tampering of EGMs on the Crown Perth floor?

35 MS HODSON-THOMAS: Yes.

MS LONG-DROPPERT: And if we go ---

MS HODSON-THOMAS: Post their presentation to us.

40

MS LONG-DROPPERT: And if we go to page 5, please, operator, and underneath the heading "gaming machine department findings", you will note there is the second dot point. Just note that. And after "Internal audit department findings", the second dot point.

45

MS HODSON-THOMAS: Mm-hmm.

MS LONG-DROPPERT: So in total there were 40 incidents where an EGM was

tampered with in a 26-day period.

MS HODSON-THOMAS: Yes.

5

MS LONG-DROPPERT: Now, I want you to assume that this letter --- sorry, do you have a recollection of this letter being brought to the attention of the GWC?

MS HODSON-THOMAS: No.

10

MS LONG-DROPPERT: In your view should this correspondence have been brought to the attention of the GWC?

MS HODSON-THOMAS: It certainly should have.

15

MS LONG-DROPPERT: And if the matters raised in this correspondence, I'm referring to the 27 April 2018 initial request and then this response, if those matters had been brought to the GWC's attention, is it possible that there may have been a different regulatory outcome or course adopted by the GWC in respect of EGM tampering allegations?

20

MS HODSON-THOMAS: Absolutely.

MS LONG-DROPPERT: Thank you.

25

Now, if I could go to the next topic, which is the 2019 allegations as to money laundering and criminal infiltration. This is a line of questioning in relation to the 60 Minutes program, "Crown Unmasked" --

30 MS HODSON-THOMAS: Yes.

MS LONG-DROPPERT: --- which aired on 28 July 2019, and you said in your statement that Mr Preston gave you a briefing ---

35 MS HODSON-THOMAS: Correct.

MS LONG-DROPPERT: --- at the 27 August 2019 meeting. And I note you say you recall Mr Preston's messaging was that those claims were unsubstantiated?

40 MS HODSON-THOMAS: That's correct.

MS LONG-DROPPERT: And you have an active recollection of that messaging?

45 MS HODSON-THOMAS: I do, indeed. I can still read it on the PowerPoint presentation that they denied all of those allegations. That I have a clear recollection of.

MS LONG-DROPPERT: When Mr Preston said to you that those claims were

unsubstantiated, did you have any consideration for how those claims might have been proved or substantiated, by what method they might be proved or substantiated?

5 MS HODSON-THOMAS: I didn't give it any thought at the time.

MS LONG-DROPPERT: But you now know that those claims are the subject of numerous investigations?

10 MS HODSON-THOMAS: That is correct.

MS LONG-DROPPERT: And you also noted that at the time that after --- that the response of GWC after the presentation by Mr Preston was to note that there were ongoing investigations, including by VCGLR, ILGA ---

15 MS HODSON-THOMAS: Yes.

MS LONG-DROPPERT: --- and the Corruption Commission, sorry, ACIC, I think. And so ---

20 MS HODSON-THOMAS: We made a determination at that time that we would await the outcomes of all of those investigations.

MS LONG-DROPPERT: Correct. Okay.

25 If we could please go to GWC.0002.0016.0283 at page 43, this is subject to a non-publication order so if the operator could please not put it on the public screen.

30 This is a briefing note that was drafted by Mr Connolly in advance of that meeting, the 27 August 2019 meeting. It is dated 20 August --- 20 August 2019. Do you recall this document?

35 MS HODSON-THOMAS: Yes, I think I do. I remember that clearly we were advised and provided with information that it was federal border protection agencies that were responsible for the issuing of visas. AUSTRAC had responsibility in administering anti-laundering, and I certainly remember the discussion around the national framework for the approval and management of junket activities.

40 MS LONG-DROPPERT: Right. Can I just draw your attention to the first paragraph. And the second half of the first sentence, which is:

..... it is probably timely to review current processes and potential improvements to reduce regulatory risks presented by this activity

45 So do you understand here Mr Connolly to be recommending a review of regulatory processes?

MS HODSON-THOMAS: Indeed.

MS LONG-DROPPERT: If we go to the next page, please, operator. Can I ask you to note that. If you go to the fourth paragraph, it says:

5 *The Commission's position on junkets and international players has not
changed for several years and given the recent media interest and allegations
relating to some players and the source of their gaming funds it is perhaps
timely to review the current position and if that approach meets the policy and
enforcement requirements of the Commission in 2019 and beyond.*

10

Do you also understand this to be in essence recommending a review of regulatory processes in relation to junket oversight?

MS HODSON-THOMAS: Yes.

15

MS LONG-DROPPERT: But the GWC did not resolve to undertake a review of that kind after receiving this report?

MS HODSON-THOMAS: If I can just go back to the first page.

20

MS LONG-DROPPERT: Sure. It was a paper for discussion, obviously.

MS LONG-DROPPERT: Yes.

25

MS HODSON-THOMAS: But as to whether we made any resolutions, I would have to look at the minutes, but --- and you've only given me the actual agenda paper but not specifically what the minutes resolved.

MS LONG-DROPPERT: How about we get the minutes up to resolve that issue.

30

MS HODSON-THOMAS: All right.

MS LONG-DROPPERT: GWC.0002.0016.0286 at page 3, and again, if this can only be displayed on the private screen.

35

MS HODSON-THOMAS: If I can add, I think our minutes certainly in more recent times are much more fulsome, and when you reflect on the minutes of the meeting of 27 August, as I'm just about to look at, it's not as fulsome as it could have been in terms of what the discussions were. But I will just read that seeing as how you pointed out 6.4.

40

MS LONG-DROPPERT: 6.4, junket processes.

MS HODSON-THOMAS: Is there anything after this page or is that just the resolution.

45

MS LONG-DROPPERT: We can go over the page to see, but from my memory,

that's the only resolution in relation to this.

5 MS HODSON-THOMAS: Right. Okay. So clearly we had a discussion about it but no formal resolution was made. That came later.

MS LONG-DROPPERT: But at this meeting ---

10 MS HODSON-THOMAS: No.

MS LONG-DROPPERT: --- despite Mr Connolly raising it and suggesting it, there was no resolution for a regulatory review?

15 MS HODSON-THOMAS: No.

MS LONG-DROPPERT: Just in respect of the quality of the minutes, was it the usual practice for minutes to be circulated for members to confirm and have input on before they were signed in advance of the next meeting?

20 MS HODSON-THOMAS: Certainly in more recent times we do. Just trying to remember whether we did. I think over the last 18 months I'm sure that the minutes were actually provided to us prior to the meeting so that if there are any amendments they can be resolved ahead of the meeting.

25 MS LONG-DROPPERT: Right. But, for example, if we could go to page 1 of this minute, the first agenda item of this meeting was the confirmation of the minutes held at the prior meeting?

30 MS HODSON-THOMAS: Yes.

MS LONG-DROPPERT: That is a standing agenda item of the GWC meeting?

MS HODSON-THOMAS: That's correct.

35 MS LONG-DROPPERT: So each member who was in attendance at a GWC meeting, it would have been their usual practice to confirm the minutes of a meeting you had in the previous month?

40 MS HODSON-THOMAS: You've lost me there.

MS LONG-DROPPERT: So what I'm trying to establish is that ---

45 MS HODSON-THOMAS: We made a determination ahead of the meeting that we confirmed those meetings. Minutes weren't confirmed until the actual meeting, and they always appeared in our board pack. So I would get August minutes --- I mean the board pack for this last month, the format of which has changed, but largely it is an agenda, which then goes into the confirmation of the minutes, and the minutes are actually in full within the board pack.

MS LONG-DROPPERT: Right.

5 MS HODSON-THOMAS: And there have been occasions where members, Commission members would say that they needed to amend something within a resolution, or the language that was used in something.

10 MS LONG-DROPPERT: Right. What I'm trying to get at, Ms Hodson-Thomas, is you made a comment about the quality of the minutes in the past.

MS HODSON-THOMAS: Yes.

15 MS LONG-DROPPERT: And what I'm trying to establish, tell me if you agree with this proposition, is that minutes of the prior meeting were confirmed at the next meeting and there was an opportunity for members to have input in relation to the minutes?

MS HODSON-THOMAS: Yes.

20 MS LONG-DROPPERT: And so the minutes we have at our disposal signed are the minutes that had been approved?

MS HODSON-THOMAS: Been approved, yes, exactly.

25 MS LONG-DROPPERT: The next topic I would like to ask you about is in respect of the Australian Commission for Law Enforcement Integrity, the Operation Angove report, and our recent discussion may have some relevance to this.

30 You say at paragraph 45 of your statement that on 15 September 2020 you received an email from Stephanie Reincastle. I understand Stephanie Reincastle to be both a Departmental employee and also the executive assistant of the GWC?

MS HODSON-THOMAS: One of them.

35 MS LONG-DROPPERT: One of them. Was she at the time usually responsible for circulating board papers and minutes?

40 MS HODSON-THOMAS: Stephanie was a new addition to the team. My recollection of Stephanie was she came on around about that time and they were doing a roster where we would have Emily one month, Stephanie the next and Ross the following month. In more recent times it has only been Emily. But yes, on this occasion I remember receiving this email from Stephanie, and I also remember the attachment of the Angove investigation report which I read.

45 MS LONG-DROPPERT: Which you read, and you noted that the outcome of the investigation is that there were no findings of corruption in relation to the three matters you've identified at numbered paragraphs 46.1 to 46.3.

MS HODSON-THOMAS: Correct.

5 MS LONG-DROPPERT: And that you essentially again took comfort in that in that it was consistent with what Mr Preston had been telling the GWC at the August 2019 meeting.

MS HODSON-THOMAS: Yes.

10 MS LONG-DROPPERT: Can we please get the email from Ms Reincastle displayed, it is GWC.0003.0013.0001. And this is the email attached to your statement?

15 MS HODSON-THOMAS: I recall it. I've read it and I noted it, and it's not in the minutes, and I don't recall the conversation we had. I was prepared for this question. And it really is a red flag to me now when I read it and also note that it is not in the minutes.

20 MS LONG-DROPPERT: You are stealing my thunder, Ms Hodson-Thomas. If we can take it back one step, just for the purposes of the Commission and the public, you will note that at the bottom of this page, of this email, it says --- sorry, let me take it one step back. Ms Reincastle has provided the agenda papers for the September 2020 meeting available as an attachment in a Dropbox file?

25 MS HODSON-THOMAS: Correct.

30 MS LONG-DROPPERT: And then she said that there is a letter attached to the email, and that letter --- part of that letter is the Operation Angove report; is that correct?

MS HODSON-THOMAS: That's correct.

MS LONG-DROPPERT: And ---

35 MS HODSON-THOMAS: I'm not sure I saw the letter that was attached but I have a clear recollection of reading the Angove report.

MS LONG-DROPPERT: We hopefully can refresh your memory in a second.

40 MS HODSON-THOMAS: Okay.

MS LONG-DROPPERT: You will note there that she states that the letter attached is confidential, which it may or may not be, but in any event, and that it won't be referred to in the agenda or minutes of the meeting.

45 MS HODSON-THOMAS: Yes.

MS LONG-DROPPERT: And that Mick wants to have an off-record discussion with you in relation to this?

5 MS HODSON-THOMAS: Yes.

MS LONG-DROPPERT: If we could now go to GWC.0003.0013.0003, so this isn't actually subject to a non-publication order which probably gives you a sense of how confidential it actually is. This is a letter from Crown Perth ---

10

MS HODSON-THOMAS: Yes.

MS LONG-DROPPERT: --- to Mr Connolly dated 10 September 2020, and you will note that it summarises what Crown thinks the Operation Angove report finds, the outcome of that report.

15

If we scroll over to the next page, please, it says:

Should you or the Commission have any questions regarding the report or other matters relating to the findings, please contact me directly.

20

MS HODSON-THOMAS: Yes.

MS LONG-DROPPERT: So if there were any --- this is Crown Perth's invitation to the GWC to consider the report and raise any questions with Crown Perth in relation to its findings; correct?

25

MS HODSON-THOMAS: Correct.

MS LONG-DROPPERT: Right. You've said in your statement that the outcome of the investigation was that there was no findings --- that there were no findings of corruption; correct?

30

MS HODSON-THOMAS: Yes.

35

MS LONG-DROPPERT: But it is also true that there were other findings made during the course of this investigation; correct?

MS HODSON-THOMAS: Yes, there were.

40

MS LONG-DROPPERT: Can you please, operator, go to page 7 of this document, which will take us into the report issued by the ACLEI. And starting at the third paragraph it says:

45

While we did not find evidence of corruption in relation to any of the three corruption issues we did identify the following: - there was an arrangement between Home Affairs and Crown which enabled

Crown to provide support to visa applicants and on occasion it appears this support arrangement was given too much weight by the people processing the visa applications

5

And it also says:

10 *- there were policies and procedures in place for the clearing of passengers outside of the terminal that required the same immigration and custom checks that take place inside the terminal. The documentation that we reviewed showed that face to passport checks were occurring for passengers on chartered flights, but we were provided insufficient information to comment on baggage checks, other than it appears that they were conducted rarely.*

15 Do you see that?

MS HODSON-THOMAS: Yes, I do.

MS LONG-DROPPERT: And it says --- the last paragraph says:

20

While none of these issues with administration are synonymous with corruption, poor or lax governance can create a corruption vulnerability. Accordingly, I have raised each of these issues in this report for the attention of Home Affairs and the ABF.

25

When you read this report, were those matters of concern to you?

MS HODSON-THOMAS: They probably were, but again I took the report in its entirety, that there was no corruption found. That would have been the issue that would have been the red flag for me. Obviously their processes were lax and there clearly is a need for improvement in that. And the letter you showed me before, if I recollect, Crown did actually highlight that in closing couple of paragraphs. I only read it on the terminal view, but I think they did identify that they needed to make improvements.

35

MS LONG-DROPPERT: Would you not agree, though, Ms Hodson-Thomas, that the affect of the paragraphs that I've read out is that the ACLEI has identified serious governance issues?

40 MS HODSON-THOMAS: Yes, they have.

MS LONG-DROPPERT: And your position is that because there were no outright findings of corruption, those governance issues were not of concern to you?

45 MS HODSON-THOMAS: At the time, no.

MS LONG-DROPPERT: Right. And do you consider that those matters as to the serious corporate governance issues were relevant to the suitability of Crown Perth to

hold a casino licence?

5 MS HODSON-THOMAS: Ultimately, all of these issues fall under that remit in terms of whether they are or should hold their licence but it will be, obviously from my perspective as a GWC Commission member, we are all awaiting the outcome of this Royal Commission. That doesn't mean that we've stopped doing our task as a regulator, and we continue to operate in that environment. I look at this report from 2019 and the landscape has hugely changed. So many things have occurred that are
10 red flags to all of us and we realise that we have to scrutinise, poke, prod, and pry better than we did in the past.

MS LONG-DROPPERT: But can I just interrupt you for a second.

15 MS HODSON-THOMAS: Sure.

MS LONG-DROPPERT: You've identified that this report was 2019. It was actually September 2020 --

20 MS HODSON-THOMAS: All right. I got the date wrong.

MS LONG-DROPPERT: --- but that's relevant though, isn't it ---

25 MS HODSON-THOMAS: It is.

MS LONG-DROPPERT: --- because this time there were investigations on foot; correct?

30 MS HODSON-THOMAS: Correct, and we were awaiting those investigations.

MS LONG-DROPPERT: And investigations that GWC had resolved to monitor?

MS HODSON-THOMAS: Yes. Correct.

35 MS LONG-DROPPERT: And is it not the case, Ms Hodson-Thomas, that here we have the outcome of a report showing serious governance issues and it was not of concern to you at the time?

40 MS HODSON-THOMAS: Well, I think it is difficult to say it wasn't of concern to us because there is nothing reported in the minutes and we do actually have the problem that the discussion was going to be off record. So for me to actually recall what was --- what transpired at that meeting, I can't recall. At the time, I know I read the report.

45 MS LONG-DROPPERT: Right, and so reading the report and noting that it identified serious and lax governance issues that could create corruption vulnerability, did you not then think that it should have been the subject of formal consideration and resolution on the record at GWC board level?

02:51PM

MS HODSON-THOMAS: Yes.

MS LONG-DROPPERT: You considered that that was appropriate at the time?

5

MS HODSON-THOMAS: No, no, I considered that I should have, yes.

MS LONG-DROPPERT: In hindsight or at the time?

10 MS HODSON-THOMAS: No, in hindsight.

MS LONG-DROPPERT: Right.

15 COMMISSIONER JENKINS: Before you move on, do you recall whether Mr Connolly explained why it had to be off the record and (inaudible)?

MS HODSON-THOMAS: I don't. And actually when I read that email, it was like a red flag to me. But at the time I probably would have gone to that email and looked cursorily at the email, downloaded the board pack and looked at the attachments.

20

COMMISSIONER JENKINS: Thank you.

MS LONG-DROPPERT: Thank you, Commissioner.

25 Now, you would say that there is no minuting of the discussion about the report?

MS HODSON-THOMAS: That I can recall.

MS LONG-DROPPERT: But do you recall a discussion at that meeting?

30

MS HODSON-THOMAS: I can't recall, I'm sorry.

MS LONG-DROPPERT: Is there any reason to think it wouldn't have been discussed at the 22 September 2020 meeting?

35

MS HODSON-THOMAS: Normally things like this would have been minuted, so I can't give you an answer as to why that is not the case.

40 MS LONG-DROPPERT: But it not being minuted would be consistent with the intention expressed in the email that it be off the record; correct?

MS HODSON-THOMAS: Indeed.

45 MS LONG-DROPPERT: So we can't rely on the minutes as an accurate representation of what was discussed at that meeting?

MS HODSON-THOMAS: Quite possibly not.

MS LONG-DROPPERT: I just want to delve into that a little bit further. So in circumstances where at the 27 August 2019 meeting it was decided to note and monitor particular investigations ---

5

MS HODSON-THOMAS: Just stop there for a minute. Which meeting?

MS LONG-DROPPERT: 27 August 2019 where Mr Preston gave the presentation in respect of the 60 Minutes allegation.

10

MS HODSON-THOMAS: Got it. Right, got that there.

MS LONG-DROPPERT: I know there are a few things in the timeline.

15 MS HODSON-THOMAS: Yes.

MS LONG-DROPPERT: Was it not then incumbent upon the GWC to formally consider this report?

20 MS HODSON-THOMAS: Yes.

MS LONG-DROPPERT: And for that consideration to be on the record?

MS HODSON-THOMAS: Absolutely.

25

MS LONG-DROPPERT: And for there to be a resolution about what the GWC was going to do in respect of it?

MS HODSON-THOMAS: Indeed.

30

MS LONG-DROPPERT: And failing to do that denied the public the opportunity to scrutinise any GWC consideration of this report?

MS HODSON-THOMAS: It could be argued that's the case.

35

MS LONG-DROPPERT: I'm moving on to harm minimisation.

Operator, thank you, you can bring that document down.

40 You've been asked about harm minimisation, Ms Hodson-Thomas?

MS HODSON-THOMAS: I have.

45 MS LONG-DROPPERT: Are you aware generally that the Commission is delving into this as a topic of interest?

MS HODSON-THOMAS: I am, yes.

MS LONG-DROPPERT: At paragraph 51 you state that you are not aware of any specific research commissioned by the GWC into harm caused by casino gaming; is that correct?

5

MS HODSON-THOMAS: I understand that research is undertaken, but not specifically that we've commissioned, no.

MS LONG-DROPPERT: Right. You have a general understanding that there is research out there ---

10

MS HODSON-THOMAS: Yes.

MS LONG-DROPPERT: --- including that published by Gambling Research Australia?

15

MS HODSON-THOMAS: Yes.

MS LONG-DROPPERT: And in the course of your research and having regard to the research published by Gambling Research Australia, are you aware that the last report published by GRA was in 2016?

20

MS HODSON-THOMAS: By GRA, gambling ---

MS LONG-DROPPERT: Gambling Research Australia.

25

MS HODSON-THOMAS: The last research that they had undertaken, what specifically to? Harm minimisation?

MS LONG-DROPPERT: Just in general, the last report.

30

MS HODSON-THOMAS: Look, I think it has been dated. I did actually look at the website this morning, just out of interest, because I was particularly interested in something a colleague had told me recently in relation to the uptake in gambling during COVID, particularly. And there is a paper on that. But I can't recall the 2016 research.

35

MS LONG-DROPPERT: You say that you are generally aware, at a high level, that there is a low level of gambling prevalence --- sorry, problem gambling prevalence in Western Australia?

40

MS HODSON-THOMAS: As compared to other jurisdictions?

MS LONG-DROPPERT: And are you aware that the last time statistics were published in relation to the prevalence of gambling related harm in Western Australia was in 1999 by the Productivity Commission?

45

MS HODSON-THOMAS: That's a long time ago.

MS LONG-DROPPERT: So you are aware of that?

5

MS HODSON-THOMAS: No, I'm not, but that is a long time ago for statistics like that to have been published.

10 MS LONG-DROPPERT: So do you agree then that there is a limitation to the extent that you could rely on that understanding as to the prevalence of problem gambling in Western Australia?

15 MS HODSON-THOMAS: Well, we do see statistics in our board packs each month in terms of the number of people that attend the casino, disorderly behaviour, those that are ejected, problem gamblers, that comes up monthly for us to review.

20 As to doing a deep dive and looking at trends across the years, that's never happened although we have asked for that it's not been forthcoming. And I would contend the reason it hasn't been forthcoming is that the GWC is under enormous pressure and they have not been able to respond to all of our requests.

MS LONG-DROPPERT: When you say "We've asked for that", is that the GWC has asked Crown Perth for those statistics or?

25 MS HODSON-THOMAS: No, no, we've asked the GWC to provide us with the trends, the information is provided to them, you could probably map it in a graph or -- a line graph to show what the incidence is. From my perspective, and to give a really good understanding of things, and do to do a really good analysis of other jurisdictions, I would like to see the trends over the period of time, particularly
30 COVID. Even when the casino operated to a lesser extent during those restrictions to see, because we did note revenue has gone up, and how does that relate to the number of people at the casino. Yes, there is room for trend analysis to be done.

35 MS LONG-DROPPERT: To date, that trend analysis hasn't been undertaken, and that trend analysis has also not been undertaken in respect of the Responsible Service of Gambling statistics that Crown Perth reports to the GWC on a monthly basis?

MS HODSON-THOMAS: Yes.

40 MS LONG-DROPPERT: You say you've started to sit on the committee of the PGSSC, the Problem Gambling Support Services Committee.

MS HODSON-THOMAS: That's correct. I've only attended one meeting.

45 MS LONG-DROPPERT: Right. It may be the extent to which you can assist the Commission ---

MS HODSON-THOMAS: Is limited, I would suggest.

MS LONG-DROPPERT: So, in respect of my one question is around how the PGSSC applies the funds provided to it by the GWC. Do you have any extra clarity about that after attending the one meeting?

5

MS HODSON-THOMAS: There was a budget provided but I can't really recall that. It was probably the figures that each participant contributes and I know that the agency contributed 76,000 which was a determination that was made by the previous Director-General. My understanding that it is used for advertising in terms of promoting guidance around where people can get help. There was a discussion around the abandonment rate of people ringing services because they had a problem gambling issue and wanted to talk to somebody about that. That's as much information as I can give you.

10

MS LONG-DROPPERT: And I note that the GWC has now requested that the PGSSC report to the Commission on a monthly basis?

MS HODSON-THOMAS: That's correct.

MS LONG-DROPPERT: That report would include some of those statistics that you referred to about (inaudible).

20

MS HODSON-THOMAS: One would hope so, and, it's probably the appropriate place to ensure that proper research is done about problem gambling and the people that fall into that category and how best we can assist.

25

MS LONG-DROPPERT: You are aware the PGSSC was established in 1995?

MS HODSON-THOMAS: Yes.

30

MS LONG-DROPPERT: So from 1995 until July 2021 the GWC has not had any input from the PGSSC at its meetings?

MS HODSON-THOMAS: It appears not. If I could just add there, because I think moving forward it is important for the Commissioners to also understand, I talked about a restructure, Erin Gauntlett, and we approved this at our last meeting, has been charged with chairing that committee, and I get the impression that she will be a very good Chair, understands the need for the commissioning of research. I know that there are discussions with Curtin University regarding research, and I also sent an email to the Executive Officer after my first meeting, subject to discussions that we had at GWC that related to the time spent of individuals on the casino footprint, that the casino had reduced the number of hours from 18 hours to 24 hours. I have to say when I heard that I was staggered. I cannot for the life of me imagine anyone even wanting to be on the casino floor for 18 hours.

35

40

45

MS LONG-DROPPERT: And I get ---

MS HODSON-THOMAS: Sorry. A little bit of a soapbox for me.

5 MS LONG-DROPPERT: Not at all. It is important the Commission hears from relevant people about their understanding of these things. Thank you for that.

10 What I'm hearing from you is that those statistics were in some ways enlightening and in other ways shocking. Do you think that if the GWC had had access to statistics like that either from PGSSC or from Crown Perth, and I know that they are now reporting, but prior to 2018, that that could have helped guide policy decisions?

15 MS HODSON-THOMAS: Of course. We'd be better informed. And, I would argue, evidence based, so that you could actually, when you changed a policy, that you could rely on that evidence to substantiate those changes.

20 MS LONG-DROPPERT: I will come to policy changes, one particular policy change which I'm sure you are prepared for me to ask you about and how that may or may not have been evidence-based, but quickly, just to run through and perhaps a "yes" or "no" answer in relation to these could assist us to motor through.

You have identified at paragraph 70 the times at which the GWC might commission an expert report?

25 MS HODSON-THOMAS: Yes.

MS LONG-DROPPERT: You've identified the time that that might happen would be in relation to EGM certification?

30 MS HODSON-THOMAS: That's right.

MS LONG-DROPPERT: And so just by way of clarification, the GWC in your time has never sought the input of an expert on gambling addiction?

35 MS HODSON-THOMAS: Not that I'm aware of, no.

MS LONG-DROPPERT: And in your time on, the GWC has not sought the opinion of an expert in relation to the addictiveness of EGMs?

40 MS HODSON-THOMAS: Not that I'm aware of.

MS LONG-DROPPERT: And never sought the expert opinion in respect of any policy changes that might have had a harm-related consequence?

45 MS LONG-DROPPERT: Is it a fair characterisation that, say, prior to July 2021, and I note that there have been changes that have been made, that GWC has had an incomplete picture as to the nature of gambling-related harm at the Perth Casino?

MS HODSON-THOMAS: Yes, I would say that we do have an incomplete picture

in terms of those trends that I talked about. We have a picture, but as to its completeness, no, it certainly needs to be better.

5 MS LONG-DROPPERT: And one more question in relation to the statistics, the Responsible Service of Gambling statistics that Crown Perth provides to the GWC, I note that you said that there is no trend analysis in relation to those statistics. To the best of your recollection have those statistics been used to guide any policy change decisions?

10 MS HODSON-THOMAS: Not that I'm aware of.

MS HODSON-THOMAS: Yes.

15 MS LONG-DROPPERT: I do have some questions about this.

MS HODSON-THOMAS: That's okay.

20 MS LONG-DROPPERT: During your time on the GWC prior to the approval of this change, what was your understanding of the rationale behind the requirement that EGMs have a minimum game speed of five seconds?

MS HODSON-THOMAS: What the rationale was?

25 MS LONG-DROPPERT: Yes.

30 MS HODSON-THOMAS: I can't --- really can't answer that if I didn't answer it in my statement. Obviously, if the game is faster, it has the potential to be more addictive. And so it's been a position, as I understand it, a policy position that was probably taken before my time, that a rate of speed be five seconds. So when the change came to the Commission --- and am I going too far ahead?

MS LONG-DROPPERT: It's okay.

35 MS HODSON-THOMAS: Okay, so when that proposal came to the Commission, and I recall it because --- firstly, philosophically, I'm not a gambler and to me, I really don't understand people's desire to gamble on an electronic gaming machine, let me make that clear first and foremost.

40 The point I was trying to make, in terms of the five seconds, I understood when Crown came to us it was largely a commercial decision. They were claiming that there was insufficient revenue, they weren't competitive with the eastern jurisdictions so when people came here to Western Australia as visitors to the casino, their argument was that they wanted to try and be in keeping with the other jurisdictions.

45 MS LONG-DROPPERT: Right.

MS HODSON-THOMAS: Now, the five second, as I understand it, I know that

there is a three seconds, but the three seconds is where there are additional add-ons or features to a game which extends the time, so in essence ---

5 MS LONG-DROPPERT: I might interrupt you there. I will get to that. But in respect of them bringing this proposal to you in, I think --- I think the first proposal was in March 2019, and then it was the subject of a further board paper which I will bring you to but I just want to interrogate how Crown Perth had represented the minimum game speed through the GWC prior to bringing this proposal to you, and
10 that's --- what I want to do is bring up some --- sorry, let me take a step back.

I don't know if you recall in December 2018 Crown attended the GWC meeting to provide the Board with an update in response to the finding and recommendations of the VCGLR's Sixth Review. There were 20 recommendations, some of which were
15 responded through the Responsible Service of Gambling issues; do you recall that?

MS HODSON-THOMAS: Only because I've seen some documentation that relates to it. But as to do I recall that specific meeting, no.

20 MS LONG-DROPPERT: If we could bring up the board pack that relates to that meeting, GWC.0002.0016.0260. Page 14, please, operator.

You will see that this is a letter which is essentially a submission, and it's from Crown Perth to GWC, because Crown Perth has been asked to provide a detailed
25 submission of its Responsible Service of Gambling and the applicability of SG related recommendations to Crown Perth. Do you see that, Ms Hodson-Thomas?

MS HODSON-THOMAS: I'm sure I read it.

30 MS LONG-DROPPERT: Right. So you would have read it, but you don't have an active recollection of it.

If we could go to page 29, please. Under the heading section 11, entitled "Other harm minimisation strategies", you see that?
35

MS HODSON-THOMAS: Yes.

MS LONG-DROPPERT: Operator, if we could scroll through to 31, please.

40 You can see on 30 there is a reference to limits on automated teller machines, there is a reference to the WA Appendix to the Gaming Standards, do you see that?

MS HODSON-THOMAS: Mm-hmm.

45 MS LONG-DROPPERT: One of the things it points to is banknote acceptor. On page 31 at the top it refers to speed of play.

MS HODSON-THOMAS: Yes, and return to player.

MS LONG-DROPPERT: Right, and it says:

5 The Commission has determined that the speed of play on EGMs operating at *Crown shall exceed 5 seconds, in contrast to other Australian jurisdictions where the following speed of play applies*

Do you see that at the top on page 31?

10 MS HODSON-THOMAS: Yep.

MS LONG-DROPPERT: So do you agree that in this document, Crown Perth relies on the five-second minimum speed of play requirement as a distinguishing harm minimisation feature of Crown Perth, as compared to other Australian jurisdictions?
15

MS HODSON-THOMAS: I suppose you could argue that.

MS LONG-DROPPERT: Right. That representation was part of the material that the Board relied upon in taking no further actions to the VCGLR's Sixth Review
20 recommendations?

COMMISSIONER JENKINS: That is the Commission took no further action?

MS LONG-DROPPERT: The Commission, yes.
25

MS HODSON-THOMAS: Can you repeat the question? Sorry, you've lost me.

MS LONG-DROPPERT: Sure. I want you to take it from me that the Commission took no further action in relation to the recommendations of the VCGLR. At least at
30 the meeting of December 2018.

MS HODSON-THOMAS: Okay, I take it from you.

MS LONG-DROPPERT: And do you accept that this is part of the representation
35 that the material --- sorry, this is part of the material that the Board relied upon in taking no further action in respect of those recommendations?

MS HODSON-THOMAS: I'm not sure that we relied on this specifically to take no further action. What was the date of this letter? It was December, wasn't it?
40

MS LONG-DROPPERT: November 2018.

MS HODSON-THOMAS: I can't answer that, I'm sorry.

45 MS LONG-DROPPERT: Fair enough. Thank you.

But it is true that in this document there is no reference to how that five-second

minimum speed may or may not relate to in-game features?

MS HODSON-THOMAS: In this particular document, yes.

5

MS LONG-DROPPERT: Now if we could then move forward to March 2019 when Crown Perth first makes a submission to the GWC board in relation to the reduction in minimum game speed from five to three seconds, and if we go to GWC.0002.0016.0268 and go to page 77, this is the March 2019 agenda paper from -

10

MS HODSON-THOMAS: March 2019. Okay.

MS LONG-DROPPERT: Yes. The submission from Crown --- the initial submission from Crown as to increasing --- sorry, as to reducing the minimum speed of play. If we could go to page 77, please.

15

MS HODSON-THOMAS: Do you want to foreshadow your question?

MS LONG-DROPPERT: So my question is, do you recall reading the submission now that it is in front of you?

20

MS HODSON-THOMAS: I do recall it. I think as I said before, the argument from Crown was that they weren't competitive. So this is just an extension of that.

25

MS LONG-DROPPERT: And if you go to page 81, I think that confirms what you've just said, which is that at paragraph 4 Crown Perth is of the respectful view that speed of play should not be a distinguishing factor between an EGM and poker machine, thus bringing it in line with other jurisdictions.

30

MS HODSON-THOMAS: Yes.

MS LONG-DROPPERT: So do you see the tension that I'm trying to draw your attention to, Ms Hodson-Thomas, where in November 2018 Crown Perth sought to rely on this as a distinguishing harm minimisation feature?

35

MS HODSON-THOMAS: Harm minimisation, and here, came to argue the opposite, yes, I do.

MS LONG-DROPPERT: That it is now commercially disadvantageous.

40

MS HODSON-THOMAS: Yes.

MS LONG-DROPPERT: And do you recall any particular thoughts you might have had at the time about this apparent change of position?

45

MS HODSON-THOMAS: Look, my position at the time was that I didn't want to see a reduction in speed. I did agree to it on the basis that I understood that all of

those features extended the game. And that was my understanding. And I also took some comfort from Barry Sergeant who was a Commission member and former Director-General of Racing, Gaming and Liquor until his retirement, but a
5 Commission member. And I always found that Barry was a very heavy regulator, if you like, had the very big stick approach to things. And his view was that Crown would push for a reduction, but that we needed to hold firm. And I think that we did so, even though you might argue that we have softened our approach to it.

10 MS LONG-DROPPERT: Okay. I do want to test that. If we could go to GWC.0002.0016.0281, which is an agenda paper, a standalone agenda paper authored by Mr Connolly, you may recall at the March meeting it was resolved that Mr Connolly would go away and do a more detailed paper and it would be brought back for consideration by the board; do you recall that?

15 MS HODSON-THOMAS: If you say so, I believe you.

MS LONG-DROPPERT: Okay. Now, again, at paragraph 4 --- sorry, at paragraph 5 of this --- on this first page, the second sentence says:

20 *Crown argue that the original determination of a 5 second minimum was made at a time when games were almost exclusively stand alone in nature and did not have any extra play game features.*

25 So do you agree with me that there is a key assertion here, that firstly the original determination of a five-second minimum was made at a time when there were almost exclusively standalone games with no in-game features? Do you agree with that?

MS HODSON-THOMAS: That's what they argue, yes.

30 MS LONG-DROPPERT: Right. So that is one of Crown's key assertions?

MS HODSON-THOMAS: Yes. And one of their assertions about it being also good for harm minimisation.

35 MS LONG-DROPPERT: Well, yes. There is --- I don't know if I agree with that, but I will perhaps come to that later. And then the second assertion is the last sentence, which is:

40 *On average, with a base game speed of 5 seconds, Crown calculate that the total time for each game is in excess of 8 seconds.*

MS HODSON-THOMAS: Yes, and that's what I recall, that even though we were reducing the speed, that in essence where there were features on the game it would
45 make it eight seconds.

MS LONG-DROPPERT: Right --

MS HODSON-THOMAS: That's my understanding.

5 MS LONG-DROPPERT: --- and the basis of your understanding, though, is Crown?
Crown is the source of that information; correct?

10 MS HODSON-THOMAS: No. Because we are relying heavily on people within the
Department, Chief Casino Officer, to actually confirm that that is the case, that that
has been tested.

MS LONG-DROPPERT: But you see here that this is prefaced by saying "Crown
argue", so this is restating of a Crown submission, correct?

15 MS HODSON-THOMAS: That's semantics, but go on.

MS LONG-DROPPERT: Right. Then I just want to take you to page 18 in this
bundle, which is Crown's further submission provided in April 2019, and this is a
letter from Mr Barry Felstead who is the CEO of Australian Resorts through Mr
Connolly.

20 MS HODSON-THOMAS: Mm-hmm.

MS LONG-DROPPERT: Do you recall reading this as part of the board pack in July
2019?

25 MS HODSON-THOMAS: I'm sure I would have read it but I'm just trying to refresh
my memory.

30 MS LONG-DROPPERT: Sure. It says:

*As previously provided to the Commission, Crown Perth is of the view that the
proposed amendments to the WA Appendix will result in the following positive
benefits*

35 And in the first dot point it is:

- estimated increase in gaming revenue of approximately \$26.7 million per *annum*
.....

40 Correct?

MS HODSON-THOMAS: Mm-hmm.

45 MS LONG-DROPPERT: Ms Hodson-Thomas, the corollary of an increase of
Crown revenue of \$26.7 million ---

MS HODSON-THOMAS: Is that more people are gambling.

MS LONG-DROPPERT: --- is a loss ---

MS HODSON-THOMAS: It is.

5

MS LONG-DROPPERT: --- of \$26.7 million for the EGM players of Crown Perth; correct?

10 MS HODSON-THOMAS: I think the question here, though, I am going to pose the question to me, is that when I read that paper and saw that, that actually is a red flag for me, and it doesn't mean that I automatically would give in-principle support for what Crown were driving. I don't particularly care about their revenue, it's not of my concern. That's their concern. My concern as a Commission member is to make
15 sure that whatever decision I make is in the interest of the public, and that I take into account harm minimisation.

20 So, sure, the reduction in speed was an issue, but I felt comfortable at the time that we weren't reducing the speed of the game to three seconds in accordance with other jurisdictions. That in fact the game --- the speed of the game was much greater than three seconds, largely because of the features.

MS LONG-DROPPERT: To the extent that the change would produce an increase in gaming revenue of approximately \$26.7 million per annum, that strategy, harm
25 minimisation strategy that protects EGM players in periods from losing that per annum, you were effectively making the decision to dilute that strategy by approving this change? Correct?

MS HODSON-THOMAS: I would argue differently, but that's a determination for
30 all of you to make. I would argue that when we made that determination it wasn't driven because of the 26.7 million, or that we would gain greater revenue. It made, it was a factor in my determination about whether I would agree or not. That is the information that is provided to us. Whether in fact they had gaming revenue increase of 27.6 million as a result of the increase in speed or decrease in speed, whichever way you look at it, I don't have the answer to that.

35

MS LONG-DROPPERT: I just wanted to ask you two more things about this. If I
40 could get the minutes of the July 2019 meeting up, GWC.0002.0016.0285 at page 2, and you'll note the discussion that was noted, and the resolution, which incorporates that change in respect of games which have an in-game feature which we have been discussing.

45 Now, I drew your attention earlier to two of the key assertions made by Crown, firstly that the percentage increase of EGMs' in-game features has significantly increased since the policy was first adopted. Do you recall any independent interrogation of that assertion during this meeting?

And the second assertion as to the average time played, and how that time was calculated by Crown Perth, do you recall any independent interrogation of that

statistic at this meeting?

MS HODSON-THOMAS: I'm sure that it had been done but I don't recall.

5

MS LONG-DROPPERT: And am I right in thinking based on your answers as to independent input there was no input from a gambling addiction expert as to how rate of play might influence harm minimisation?

10 MS HODSON-THOMAS: None.

MS LONG-DROPPERT: And no input into respect of how in-game features might increase addictiveness?

15 MS HODSON-THOMAS: No.

MS LONG-DROPPERT: And so in hindsight, do you accept that in relation to the GWC's approval of this change, there was an inadequate consideration of harm minimisation?

20

MS HODSON-THOMAS: We could have done better, obviously. We could have actually looked at further evidence but clearly we didn't.

MS LONG-DROPPERT: The final thing I want to ask you about this is if you go to
25 GWC.0002.0016.0318 please, operator, at page 4, these are the minutes of 22
September 2020, the infamous minutes that don't record any discussion of Operation
Angove but that is digressing.

30 Agenda item 6.5, Crown Casino EGM speed audit, it says:

Inspectors reported that the auditing mechanism utilised by Crown Perth was monitoring the amount of time a player's loyalty game card was inserted into an EGM and not the actual speed of game play.

35 MS HODSON-THOMAS: Yes, I recall this, and it was not what was presented to us. This was a major concern.

MS LONG-DROPPERT: When you say "it was not what was presented to us", you are referring to ---

40

MS HODSON-THOMAS: In terms of how they were auditing it.

MS LONG-DROPPERT: Was it also not what was presented to you in respect of the submission to change the minimum speed of play in 2019?

45

MS HODSON-THOMAS: I would argue that that is, yes, the case.

MS LONG-DROPPERT: Thank you.

Now, just one more question and then I will let you go --- or I will hand you over!

COMMISSIONER JENKINS: Ms Hodson-Thomas ---

5

MS HODSON-THOMAS: I was getting very excited.

MS LONG-DROPPERT: A couple of quick questions in relation to conflicts. You say that Mr Connolly reported his friendship with Mr Marais at the October 2020 meeting?

10

MS HODSON-THOMAS: That's correct.

MS LONG-DROPPERT: Is that when you became first aware of that?

15

MS HODSON-THOMAS: Yes, that is.

MS LONG-DROPPERT: At the time, do you recall whether you considered that friendship to be appropriate?

20

MS HODSON-THOMAS: Look, I think I was a bit stunned to be advised that, but Perth is a small place and people go to school together and find themselves in all different walks of life, and Mick's background was such that he would have had contact with a number of people. But yes, I was surprised by it. And we were advised by the DG, Duncan Ord, that he had subsequently done some follow-up in terms of propriety regarding the relationship.

25

MS LONG-DROPPERT: And at the time, did you consider that a friendship of that nature might have compromised Mr Connolly's ability to perform his role as Chief Casino Officer independently?

30

MS HODSON-THOMAS: On reflection, I think there is the perception that it could well have done that.

MS LONG-DROPPERT: Thank you, Ms Hodson-Thomas.

35

Commissioners, I have no further questions.

COMMISSIONER JENKINS: We might take a five-minute break because I know that the operators, if we are going to go beyond 4, need to have a break. We may not go beyond 4, but just in case, we will take 5 minutes now.

40

The hearing will adjourn for five minutes until 3.35.

45

ADJOURNED

[3:29P.M.]

RESUMED

[3:35P.M.]

5 COMMISSIONER JENKINS: Thank you. Please take your seats.

MR WINTON: Commissioners, I seek leave to ask questions.

10 COMMISSIONER JENKINS: Thank you.

CROSS-EXAMINATION by MR WINTON

15 MR WINTON: Ms Hodson-Thomas, my name is Winton and I appear for the Crown group. I just want to ask you some questions in relation to one topic.

You recall my learned friend took you to the Operation Angove issue and the report that was produced?
20

MS HODSON-THOMAS: Yes.

MR WINTON: And there was a suggestion that within that report there were some governance failures that were identified that you thought were perhaps a red flag in respect of Crown Perth's suitability to hold the licence?
25

MS HODSON-THOMAS: It may have been inferred that way, yes.

MR WINTON: Do you recall that the findings that my learned friend were referring to were actually findings in respect of things like baggage handling and things of that nature?
30

MS HODSON-THOMAS: I would have to go back and really thoroughly read the report, but I recall at the time it was as you have articulated.
35

MR WINTON: And do you accept that those sorts of governance failures are really failures that sit with entities such as the Australian Border Force and Home Affairs rather than Crown Perth?

40 MS HODSON-THOMAS: On all of those fronts, yes.

MR WINTON: So would you accept that to the extent that governance failures were identified, they really don't bear on Crown Perth's suitability?

45 MS HODSON-THOMAS: Very true.

MR WINTON: Thank you, Commissioners, no further questions.

COMMISSIONER JENKINS: Thank you, Mr Winton.

Yes, Ms Seaward.

5

CROSS-EXAMINATION BY MS SEAWARD

10 MS SEAWARD: I seek leave to ask a few questions, Commissioners.

Ms Hodson-Thomas, my name is Seaward and I appear for the Department.

MS HODSON-THOMAS: Yes.

15

MS SEAWARD: You were asked questions about the Problem Gambling Support Services Committee you were recently sitting on.

MS HODSON-THOMAS: Yes.

20

MS SEAWARD: As I understand, it is a new practice that has been established that the Department, in their agenda packs for you each month, will include a paper on the activities of the committee?

25 MS HODSON-THOMAS: That's correct.

MS SEAWARD: At the board meeting you had last week, there was a paper regarding the Problem Gambling Support Services Committee in that pack?

30 MS HODSON-THOMAS: Yes, correct.

MS SEAWARD: In addition to information in the boards packs, one of the requirements for the GWC is to prepare an annual report each year?

35 MS HODSON-THOMAS: That's correct.

MS SEAWARD: That annual report is provided to Commission members usually around August of each year in a draft form?

40 MS HODSON-THOMAS: That's right. We read it and can make comment on it. And then it is tabled in Parliament sometime later.

45 MS SEAWARD: Is it fair to say that part of the annual report, there is usually a section in there concerning the activities of the Problem Gambling Support Services Committee?

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

MS SEAWARD: You were also asked some questions about harm minimisation and the various research that has or has not been conducted, and you were referred to some 1999 research?

5

MS HODSON-THOMAS: I think that was the question that was posed to me, yes.

MS SEAWARD: Is it your recollection or understanding that that research was a Productivity Commission research that was done in 1999?

10

MS HODSON-THOMAS: I think the barrister actually referred to that.

MS SEAWARD: Are you aware that in 2010 there was a review by the Productivity Commission, and as part of that review they looked at the 1999 research?

15

MS HODSON-THOMAS: No, I'm not aware of that, but thank you.

MS SEAWARD: So you were not aware they reviewed and said it was appropriate in all the circumstances at that point to still rely on that research?

20

MS HODSON-THOMAS: Right.

MS SEAWARD: So that wasn't something drawn to your attention to date?

25

MS HODSON-THOMAS: No.

MS SEAWARD: Thank you very much.

No further questions, thank you.

30

COMMISSIONER JENKINS: Yes, Mr Malone.

CROSS-EXAMINATION BY MR MALONE

35

MR MALONE: Thank you, Commissioner.

My name is Malone and I appear for Mr Connolly.

40

MS HODSON-THOMAS: Right.

MR MALONE: I have a question in relation to a table that you were shown by Counsel Assisting. I will bring it up for you for your assistance, if we may, it's CRW.708.002.4278.

45

Whilst it is coming up, I will give you the context. This is the letter dated 11 July

2018 from Joshua Preston of Crown to Mr Connolly.

MS HODSON-THOMAS: Right.

5

MR MALONE: I may need to read that number again as it's not coming up. It's CRW.708.002.4278. There we go.

Do you recall seeing this table earlier today?

10

MS HODSON-THOMAS: In the questioning, yes.

MR MALONE: Yes. You see how that table refers to circumstances or instances at this various chips or picks or different devices are being used in the EGMs themselves?

15

MS HODSON-THOMAS: Right. It says clip/pin, plastic card/credit card, plastic wedge, thin foreign coin, plastic tag, yes.

MR MALONE: As I understand it, your evidence earlier today was that you hadn't seen the context of this letter, and that ---

20

MS HODSON-THOMAS: I don't recall having seen this, no.

MR MALONE: No, and that the contents of this letter hadn't been passed on to you prior to you seeing it today?

25

MS HODSON-THOMAS: I don't recall having seen it, no.

MR MALONE: I'm about to take you to another document. And before I do, I will get you to clarify, if I may, your recollection now; do you recall the 2018 August meeting of the GWC?

30

MS HODSON-THOMAS: Do I recall it, no.

35

MR MALONE: I will take you now to GWC.0002.0016.0239_0012. While that document is coming up, I will ask you a question in between.

I understand your evidence earlier today that you were shocked, or that you wanted that information that was set out in that letter to be provided to you ---

40

MS HODSON-THOMAS: And you are now going to tell me it was in a board pack?

MR MALONE: I'm not going to do that, no. What I'm going to do is show you the agenda paper, and specifically item 5.4 and you will see there that the DDGR to provide a verbal update on the VCGLR investigation into the use and distribution of picks on electronic gaming machines at Crown Melbourne.

45

MS HODSON-THOMAS: And the update will include information relating to the relevance of this issue as Crown Perth.

5 MR MALONE: Yes.

MS HODSON-THOMAS: Right.

10 MR MALONE: So that was an update provided by the DDGR following receipt of that letter?

MS HODSON-THOMAS: Right.

15 MR MALONE: Do you remember that update being provided to the GWC?

MS HODSON-THOMAS: He may have given a verbal update. And I just can't recall, it is too long ago.

20 MR MALONE: I accept that to be the case. I can't tell you what I was doing in August 2018. But do you accept the contents of the letter may well have been provided in that verbal update?

MS HODSON-THOMAS: Yes, it could well have.

25 MR MALONE: Thank you, Commissioner, no further questions.

QUESTIONS BY THE COMMISSIONER

30 COMMISSIONER JENKINS: Thank you, Mr Malone. Anyone else?

35 I had some questions, Ms Hodson-Thomas. The issue of conflict of interest and Mr Connolly, when Mr Connolly declared his conflict of interest to the GWC, that was in relation to his relationship with Mr Claude Marais; is that right?

MS HODSON-THOMAS: That's correct. And only Claude.

40 COMMISSIONER JENKINS: That is what I wanted to clarify. He didn't mention Mr Preston or Mr Hulme?

45 MS HODSON-THOMAS: No, now whether he had even --- I think as I understand from reading media reports, he had a friendship with Mr Preston and Mr Hulme, whether he had declared that at previous meetings prior to my appointment, I'm not aware of that, Commissioner, no.

COMMISSIONER JENKINS: And in respect of GWC's current processes and conflicts of interest, not of GWC members but of departmental officers, yes, or GWC

officers, is there a form for officers, say, the inspectors and the CCO to complete?

5 MS HODSON-THOMAS: Look, I don't know the detail of that. I do know that the new --- the Acting Director General Lanie Chopping has put in different processes and has greater expectations, and I understand that staff now have to advise and put in writing those declarations. Whether it had been done previously, I assumed it had but I can't confirm that.

10 COMMISSIONER JENKINS: In respect of the speed of play, the rate of play, did you understand when the GWC considered that submission, that it was also considering a submission for the deletion in the prohibition on multiline playing?

15 MS HODSON-THOMAS: Can you --- multiline playing?

COMMISSIONER JENKINS: Yes, did you appreciate that there was --- I think it is clause 4 or paragraph 4 of the WA Appendix to the National EGM Standard which used to prohibit multiline playing in EGMs in Western Australia?

20 MS HODSON-THOMAS: No, I don't recall that, Commissioner.

COMMISSIONER JENKINS: So do I gather from that that you don't recall the GWC agreeing to remove that prohibition?

25 MS HODSON-THOMAS: No, I don't recall that we agreed to that, no.

30 COMMISSIONER JENKINS: In respect of the reduction in the rate of play, that's otherwise known as speed of play, can I just get your understanding of what it means? So, in respect of an EGM with in-game features, how --- what is the minimum speed of play, as far as you're concerned, on a losing game? What is the minimum time it takes to play the game, from when a patron presses the button, to when they can press the button again if they have lost on that game?

35 MS HODSON-THOMAS: I can't answer that to that level of --- I just really don't have a frame of reference for that, Commissioner. I would assume it was the full five seconds or longer, but I don't know the answer to that.

40 COMMISSIONER JENKINS: I won't ask you any more questions about that, but what is then your general understanding of what the GWC approved as the minimum rate of play in an EGM with in-game features?

MS HODSON-THOMAS: From start to finish?

45 COMMISSIONER JENKINS: Well, what --- yes.

MS HODSON-THOMAS: So when, I'm assuming, and don't forget I think I've said this here at the Commission before ---

COMMISSIONER JENKINS: I apologise if you have.

5 MS HODSON-THOMAS: No, no, no. That --- electronic gaming machines are almost a foreign device to me, but I'm assuming that somebody sits in front of it and presses a button and from the start of the balls not rolling down because that's prohibited, but where they flip across, that from the start of that to the completion of that, it should be between five and eight seconds.

10 COMMISSIONER JENKINS: And is that why you say that even with the approval that has been given, the rate of play in Western Australia should still be higher than interstate?

MS HODSON-THOMAS: Yes.

15

COMMISSIONER JENKINS: Can I move on to the Problem Gambling Support Services Committee. What do you understand to be the relationship between that committee and the GWC?

20 MS HODSON-THOMAS: Well, I now understand they should be reporting up to us and while one of the barristers has pointed out that, there is information in the annual report; in the period that I've been on the GWC there has not been a great deal of reporting up. Whether in fact because I'm not sure when the chief casino operator, whether he in fact sat on the Committee and perhaps may have given a verbal report,
25 but I do recall when Duncan advised us, I think it was earlier this year, that he had given approval, or maybe it was the latter part of last year, it's all a bit of a blur, about the approval of the 79,000 from department funds to go into that committee.

30 COMMISSIONER JENKINS: I was going to ask you about that. I will in a moment. Can I just explore further your understanding about the relationship between the two.

The Commission has heard evidence from another GWC member that quite recently in 2021, the GWC has received a briefing paper which identifies the Problem
35 Gambling Support Services Committee as a subcommittee of the GWC; is that your current understanding?

MS HODSON-THOMAS: Yes, that's more recently. Yes.

40 COMMISSIONER JENKINS: Prior to that did you have any understanding of the relationship between the two organisations?

MS HODSON-THOMAS: I knew it existed, but what the relationship should have looked like, no.

45

COMMISSIONER JENKINS: And in light of the fact that you've now been told that it is a subcommittee, has the GWC done anything about, for example, delegating any powers to it?

MS HODSON-THOMAS: No. Not that I'm aware of. I think I mentioned earlier in my evidence today that Erin Gauntlett, and we gave approval for this, in-principle support for her chairing that committee moving forward, and that the meetings would be more frequent, and that there would be a proper reporting mechanism to the Commission.

COMMISSIONER JENKINS: So do I gather from that that perhaps --- the directions from the GWC to the Problem Gambling Support Services Committee are still in their fairly early days?

MS HODSON-THOMAS: Yes.

COMMISSIONER JENKINS: In respect of funding, do I understand what you are saying now is that Mr Ord determined how much and authorised the contribution of the GWC to that committee in the past?

MS HODSON-THOMAS: That's correct. He didn't bring that to the GWC for our ratification, if you like, endorsement.

COMMISSIONER JENKINS: Moving on, can you tell me, do you know whether the GWC authorised the Perth Casino Pearl Room to open during any COVID lockdown period?

MS HODSON-THOMAS: I can't recall, no. I don't think so.

COMMISSIONER JENKINS: You mentioned very early on in your evidence that there were two delegations. Did I hear you correctly? Could you just identify what those two are?

MS HODSON-THOMAS: That was a rotary resolution today, and it came to our Commission meeting on the 27th, a proposal and it was just two delegations: one was for being able to, within each month and meeting, for the Chief Casino Officer to approve somebody that would be applying for a permit or a licence. And the other one was to do with electronic gaming machine software where there was a fault. And we limited it only to where there was a fault, then that could be conducted as a delegation.

COMMISSIONER JENKINS: By whom?

MS HODSON-THOMAS: By the Chief Casino Officer.

COMMISSIONER JENKINS: Thank you. Now I want to ask you about banknote acceptor limits, and I appreciate what you say about you not being an EGM expert. I don't know if you noticed one of the documents that was shown to you, it was a submission from Crown about the harm minimisation practices that existed at Perth Casino, and it said that in respect of EGMs the banknote limiter at Perth Casino was

\$100.

MS HODSON-THOMAS: Right. So ---

5

COMMISSIONER JENKINS: Were you aware of that? That the most a patron could put into an EGM was \$100?

10 MS HODSON-THOMAS: No, I wasn't aware of that. Thank you for bringing my attention to that.

COMMISSIONER JENKINS: What I was going to ask you was whether you were aware that there was a different banknote limiter for EGMs as opposed to fully automated table games.

15

MS HODSON-THOMAS: No, I don't know the answer to that, Commissioner, I'm sorry.

COMMISSIONER JENKINS: That's fine.

20

Then, lastly, Ms Hodson-Thomas, the Commission wants to give you the opportunity to say anything you would like to say about what you see as the current and future relationship between the GWC and the, Department, and how that is generally going, and whether you see improvements in that or not.

25

MS HODSON-THOMAS: Well, can I start off by saying that I don't envy the new Acting Director General's task. She's been given a terrible set of circumstances to administer.

30 As to our relationship with the agency, I think that broadly speaking, all Commission members sitting around the broad table are very respectful of staff and the work they do. They are under enormous pressure, obviously to produce documents for the Perth Casino Royal Commission, and they are working tirelessly and we are very mindful of that.

35

I see, in the new Acting Director General that she has very much a regulatory hat, and that she wants to raise the bar and, in doing so, has a high expectation of us as well.

40 The relationship obviously between the Acting Director General and Commission members is fairly, to use one of your words, infancy, if you like. Relationship building takes time to build trust between individuals. I think we are working as a collective, trying very hard to respond to the circumstances of the many inquiries that have been undertaken. And I've been a keen observer of the Royal Commission. I
45 make it part of my daily task to read all of the media extracts, which I actually share with Commission members. The agency, well, GWC doesn't provide that as a service to us. I have raised that as a matter of course because I think it is very important for us to be across all of the issues.

Have I covered enough? Is there anything out of ---

5 COMMISSIONER JENKINS: It is really your opportunity to speak to us. That's what I want to do.

10 MS HODSON-THOMAS: My observation is that we are working in a framework that is outdated. I think I might have said this in my last appearance, that there is significant need for reform. I think the Director General is conflicted in that he is not only serving the GWC but he is serving --- or he or she is serving many aspects, given the composition of the Department. There is certainly significant room for improvement. Understanding how and what inspectors do, for example, I think other Commission members probably raised the issue that an inspection at a casino cannot be compared to an inspection perhaps of a licensed premise and drilling down into time sheets, for example, getting an understanding of the utilisation of staff is really key, I think, in working out what the total cost of service is, in fact. I don't think we have a true picture of that.

20 COMMISSIONER JENKINS: In respect of the inspectors' work and the audit program, what is happening in that regard in this respect? For example, has the GWC made any decision as to whether there is a need or a requirement for an audit program of the RSG program, the Responsible Service of Gaming program or the AML/CTF program? Has there been any movement there or not?

25 MS HODSON-THOMAS: I think there has certainly been movement there. Whether there has been --- papers that have come before the Commission, I can't recall having seen them in the recent months but certainly they are matters for actioning. I think the way the structure of the board papers this last meeting was a significant improvement. I mean obviously everything was done as it always was and there was no change, but there has been considerable effort in refining the board packs, and I was very impressed. I mean, obviously it is a moving feast but you can see that there is a lot of work that's been undertaken behind the scenes. I think one of the other issues that we face is the loss of corporate knowledge.

35 And, as I've already mentioned, you have a new Director General acting in the role, Chief Casino Officer that comes out of water regulation, Erin Gauntlett who is, I would describe as a competent senior public servant who comes with great governance skills, but none of them have gaming experience.

40 There is attrition in the Department, and I think it was expressed that departmental morale is low and that is of concern. So those are risks to GWC that we need to consider, and how we can best support staff as well as do the role of regulator as well.

45 COMMISSIONER JENKINS: Thank you, Ms Hodson-Thomas. Mr Evans.

Ms Hodson-Thomas, that concludes your evidence this afternoon. Because

04:01PM

Commissioner Owen is not with us, there is the possibility of after he reviews your evidence that he will have a question or two. I very much doubt that you will be required back here. It is possible you will be asked to provide an answer in writing to something, but in any event I will leave the summons in place just in case you are required back. So thank you very much for your assistance.

MS HODSON-THOMAS: Thank you.

10 COMMISSIONER JENKINS: We will adjourn until 10 am tomorrow morning.

THE WITNESS STOOD DOWN

15

ADJOURNED AT 4.02 PM UNTIL WEDNESDAY, 1 SEPTEMBER 2021 AT 10.00 AM

Index of Witness Events

MR TREVOR JAMES FISHER, AFFIRMED	P-3090
EXAMINATION-IN-CHIEF BY MR SADLER	P-3090
CROSS-EXAMINATION BY MS CAMPBELL	P-3091
CROSS-EXAMINATION BY MS SEAWARD	P-3125
CROSS-EXAMINATION BY MR MALONE	P-3128
QUESTIONS BY THE COMMISSIONER	P-3131
RE-EXAMINATION BY MR SADLER	P-3132
THE WITNESS STOOD DOWN	P-3133
MS KATINA HODSON-THOMAS, SWORN	P-3134
EXAMINATION-IN-CHIEF BY MR EVANS	P-3134
CROSS-EXAMINATION BY MS LONG-DROPPERT	P-3135
CROSS-EXAMINATION by MR WINTON	P-3171
CROSS-EXAMINATION BY MS SEAWARD	P-3172
CROSS-EXAMINATION BY MR MALONE	P-3173
QUESTIONS BY THE COMMISSIONER	P-3175
THE WITNESS STOOD DOWN	P-3181

Index of Exhibits and MFIs

EXHIBIT #GWC.0003.0017.0001 - SECOND WITNESS STATEMENT OF MR TREVOR JAMES FISHER DATED 29 AUGUST 2021	P-3091
EXHIBIT #GWC.0003.0013.0067 - SECOND WITNESS STATEMENT OF MS KATINA HODSON-THOMAS DATED 27 AUGUST 2021	P-3135