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PERTH CASINO ROYAL COMMISSION

PUBLIC HEARING - DAY 31

10.00 AM TUESDAY, 31 AUGUST 2021

COMMISSIONER C MURPHY

HEARING ROOM 4

**MS ANN SPENCER and MR JOE WOODS and MS APARNA JAYASEKERA as
Counsel Assisting the Perth Casino Royal Commission**

**MR P A WALKER 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**

**MR ROB BATHURST and MR CHENDA TAN as Counsel for the Department of
Local Government, Sport and Cultural Industries**

**MS CLARA WREN 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**

MS OLIVIA TATE as Counsel for Mr Michael Connolly

10:00AM

COMMISSIONER MURPHY: Good morning, please be seated. The Commissioners are again conducting concurrent hearings today. I will conduct this hearing this morning. The other Commissioners will refer to the transcript and the recordings and may have follow-up questions in due course.

The witness is Mr Harrison. I believe you are taking an affirmation. Would you please stand and state your name for the record?

10 WITNESS: Kevin John Harrison.

KEVIN JOHN HARRISON, REAFFIRMED

15

EXAMINATION-IN-CHIEF BY MR EVANS

MR EVANS: Mr Harrison, you have been invited to prepare a further witness statement for this phase of the Royal Commission's hearings, I understand?

MR HARRISON: Yes.

MR EVANS: You have done so?

MR HARRISON: Yes.

MR EVANS: That is your second witness statement, dated 27 August 2021?

MR HARRISON: Yes.

MR EVANS: Of, I think, 18 pages. Do you have a copy with you?

MR HARRISON: Yes.

35

MR EVANS: That was signed by you?

MR HARRISON: Yes.

MR EVANS: The contents are true and correct, to the best of your knowledge and belief?

MR HARRISON: Yes.

MR EVANS: That is document GWC.0003.0016.0001. That is Mr Harrison's evidence-in-chief.

COMMISSIONER MURPHY: Thank you very much. That document is admitted.

5 **EXHIBIT #GWC.0003.0016.0001 - SECOND WITNESS STATEMENT OF
KEVIN JOHN HARRISON, DATED 27 AUGUST 2021** COMMISSIONER
MURPHY: Ms Spencer?

MS SPENCER: Thank you, Commissioner.

10

CROSS-EXAMINATION BY MS SPENCER

15 MS SPENCER: Mr Harrison, the purpose of today is to explore some further topics
with you and, if necessary, to clarify your evidence on some matters which Mr Leigh
covered with you on your last appearance on 18 May. When you gave evidence on
the last occasion, you didn't recall the memorandum explaining the difference
between poker machines and EGMs. Do you recall that evidence?

20 MR HARRISON: Yes.

MS SPENCER: What is your understanding of the difference between a WA
electronic gaming machine and a poker machine?

25 MR HARRISON: The poker machine is where it has the balls dropping down and an
electronic gaming machine is more of a visual thing, where it doesn't create that fast
drop-down speed of the ball.

30 MS SPENCER: Were there any other distinctions in your mind between the two?

MR HARRISON: Well, the timing. EGMs were slower in being recorded.

MS SPENCER: How do you mean "slower"?

35 MR HARRISON: The time taken to get an answer.

MS SPENCER: So, the speed of the game?

40 MR HARRISON: Speed of the game, yes.

MS SPENCER: That goes to my next question about the use of the term "speed of
play". So that is your understanding of the concept ---

45 MR HARRISON: Yes.

MS SPENCER: --- of speed of play. How has that become your understanding of

10:04AM

speed of play? Did someone explain that to you or is it self-taught?

5 MR HARRISON: Yes, it was explained by members of the department, prior to being the chairman, and by the Chief Casino Officer.

MS SPENCER: Who was the chairman that explained that to you?

10 MR HARRISON: It would have been Barry.

MS SPENCER: Barry Sargeant?

MR HARRISON: Yes.

15 MS SPENCER: And the Chief Casino Officer?

MR HARRISON: When I first joined, it may have been Mick Connolly.

20 MS SPENCER: Who else could it have been?

MR HARRISON: There's a Mr Alby, is it?

25 MS SPENCER: When you were last before the Commission, you gave evidence that speed of play was one of the factors the GWC considered when it was deciding whether or not to approve an electronic gaming machine. I'll just refer to those as EGMs. Do you recall that evidence?

MR HARRISON: Yes.

30 MS SPENCER: Broadly speaking, during your tenure on the GWC, what was the GWC's attitude to the speed of play of EGMs?

35 MR HARRISON: Well, when EGMs came up for presentation and approval, if they appeared to be faster and similar to a poker machine, they were queried and either rejected or asked them to have a look at the timing.

MS SPENCER: There was a particular timing, during your tenure, that was the allowable length of a game in terms of number of seconds?

40 MR HARRISON: Yes. It was 6 seconds, yes.

45 MS SPENCER: Would you look at an agenda and some minutes from a GWC meeting in March 2014, Mr Harrison. I will bring those up in front of you on the private screen, if I may. It's GWC.0002.0016.0126_R. You see there the first page of that document. That is the agenda for March 2014?

MR HARRISON: Yes.

10:06AM

MS SPENCER: Yes?

MR HARRISON: Yes.

5

MS SPENCER: Scroll down to page 22, please, agenda item 5.2. This relates to the Shuffle Master EGM ball delivery and the Flinstones Cape Fortune game. You see from the background on page 22, the GWC were concerned about the ball delivery mechanism of singles within that game. Do you recall that issue?

10

MR HARRISON: I don't recall it but I was there, so I accept it, yes.

MS SPENCER: This is just the agenda pack. Perhaps we will scroll slowly through this agenda item to help you refresh your memory.

15

MR HARRISON: Yes.

MS SPENCER: Let me know if there is any page you would like to stop at.

20

MR HARRISON: Yes. Yes.

MS SPENCER: Would you like me to pause on that page, Mr Harrison?

MR HARRISON: Yes, please.

25

MS SPENCER: Next page, please.

MR HARRISON: Yes.

30

MS SPENCER: Next page, please. Would you like the opportunity to read this entire letter or would you like to scroll through this, Mr Harrison? Is it assisting in recalling this matter?

MR HARRISON: Yes.

35

MS SPENCER: Next page, please.

MR HARRISON: Yes.

40

MS SPENCER: Next page, please. Next page, please.

MR HARRISON: Yes.

45

MS SPENCER: Thank you. That might be the last page, we'll just check. This is the last page of that agenda item. Does that assist in refreshing your memory ---

MR HARRISON: Yes.

10:15AM

MS SPENCER: --- about this matter? I will call up the minutes, GWC.0002.0016.0129, of the GWC meeting on 25 March 2014. On the first page there you see, Mr Harrison, your name and that you were present at that meeting?

5

MR HARRISON: Yes.

MS SPENCER: Can scroll down to item 5.2 on the second page, please. Could you just read that to yourself, Mr Harrison, item 5.2.

10

MR HARRISON: Yes.

MS SPENCER: I would like to ask you about the second paragraph, which is just one sentence. The second part of that sentence says.

15

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

Do you see that?

20

MR HARRISON: Yes.

MS SPENCER: Do you recall the discussions which resulted in this request being made?

25

MR HARRISON: Yes, because there was still thoughts from some of the commissioners that the ball drop appeared too quick and was very much like for a poker machine.

MS SPENCER: I see. Do you agree with me, looking at the minutes from that meeting, that the GWC's attitude at that time was to decrease EGM speed of play? So, in effect, make games longer?

30

MR HARRISON: It --- I think it --- yes, yes.

35

MS SPENCER: Do you recall if that attitude was in the context of machines using the ball delivery system like this game here, or EGMs generally?

MR HARRISON: No, it was with the ball delivery system.

40

MS SPENCER: I see.

MS SPENCER: Do you recall whether the Deputy Director-General liaised with Crown Perth about the game speed?

45

MR HARRISON: Yes, because we had follow-up.

MS SPENCER: I will bring up the GWC's agenda for its June 2014 meeting. It's

10:18AM

GWC.0002.0016.0115 at page 9, please. You will see agenda item 4.1 there and then the top line of that table refers to a "verbal update to be provided" at the 24 June meeting?

5

MR HARRISON: Yes.

MS SPENCER: That accords with your recollection, Mr Harrison?

10

MR HARRISON: Yes, yes.

MS SPENCER: We will turn to the minute, GWC.0002.0016.0116, and call up the first page with the attendees. You see your name is third on the list there, Mr Harrison?

15

MR HARRISON: Yes.

MS SPENCER: You see there, also, that Mr Michael Connolly attended as the Deputy Director-General? You see that?

20

MR HARRISON: Yes.

MS SPENCER: Turning to the bottom of page 1, you see item 4.1 there?

25

MR HARRISON: Yes.

MS SPENCER: The subparagraph with the little (i). There are two short paragraphs. Could you bring pages 1 and 2 of these minutes side-by-side, please, because it spreads over the next page. Could you read 4.1(i) to yourself, Mr Harrison?

30

MR HARRISON: Yes.

35

MS SPENCER: Do you know if anyone at that meeting asked Mr Connolly how he made those inquiries with Crown Perth? Whether it was a phone call or an email or he went there in person, or otherwise?

MR HARRISON: No, I don't know.

40

MS SPENCER: You don't recall if anyone asked?

MR HARRISON: No.

45

MS SPENCER: There is a reference there to adverse consequences on the third line.

MR HARRISON: Yes.

MS SPENCER: Are you able to give the Commissioner any insight as to what consequences Mr Connolly was referring to there?

10:20AM

MR HARRISON: Besides, I think, there was an economic consideration that was involved, but one of the main reasons, from memory, was that there was only a certain number of machines provided by the suppliers, because they were different in
5 Western Australia to what was provided in other States, but Burswood was finding a lack of gaming machines to put on display.

MS SPENCER: So when you say "economic", because this is dealing with --- you made inquiries whether the game speed could be increased, so when you say
10 "economic consideration", what is it that you mean?

MR HARRISON: That the --- I guess it's taking into account the return to Burswood would be reduced and the return to the State.

15 MS SPENCER: If there was a necessity to alter that particular game?

MR HARRISON: Yes.

MS SPENCER: Is it because of the cost involved in Crown having to have a third
20 party amend just those machines ---

MR HARRISON: Yes.

MS SPENCER: --- is that what you mean? On page 2 of the minutes, there is a
25 reference to "unwanted outcomes resulting from increasing the time taken to play an EGM". Do you recall what the unwanted outcomes were?

MR HARRISON: No.

30 MS SPENCER: You say in your witness statement at paragraph 41 that it was resolved; that no further action was to be taken in relation to this issue. Why was that? What was the collective view of the GWC?

MR HARRISON: We just had --- they had received that information from Crown as
35 to where it generally complied with the Australian Standards.

MS SPENCER: Then was it a mixture, also, of those economic issues that you were

40 MR HARRISON: Yes.

MS SPENCER: --- talking about earlier as well?

MR HARRISON: Yes.
45

MS SPENCER: In paragraph 35 of your witness statement, you talk about verifying or inspecting game source code. Perhaps we could turn to that. You have that in

10:23AM

front of you, your statement?

MR HARRISON: Yes.

5

MS SPENCER: The fifth line down, you refer to:

The testing facility also provides a HMAC SHA1 signature

10 Could you explain to the Commissioner what that is?

MR HARRISON: It's a key that looks at authentication, an authentication code which is in combination with a secret cryptographic code, and it allows the inspectors when they're checking the machines, to check the signature and to confirm the integrity of the software.

15

MS SPENCER: Are we talking about a particular device?

MR HARRISON: No, it's a --- what would you call it? It's a certification that's a part of the machine, that's incorporated into the machine.

20

MS SPENCER: The inspectors check whether that signature is present in the machine?

25 MR HARRISON: Yes.

MS SPENCER: I will jump back in time and I would like to go back to August 2010.

30 MR HARRISON: Yes.

MS SPENCER: Do you recall in 2010, Burswood, as it was then, was looking to expand its casino operations?

35 MR HARRISON: Yes.

MS SPENCER: I will take you to the agenda item in the August board papers. It's GWC.0002.0016.0007. Perhaps just on the private screen, please. Could we show the first page to show it is the August 2010 agenda. Is that in front of you, Mr Harrison?

40

MR HARRISON: Yes.

MS SPENCER: Can we go to page 15. You will see the topic of the agenda item 4.2 is "Redevelopment of Burswood Entertainment Complex", and there are some recommendations provided there. One of those at point (ii) is an increase in the number of EGMs to 2,000 up from 1,750, increasing the gaming tables ---

45

10:26AM

MR HARRISON: Yes.

MS SPENCER: --- by 50 and the licensed casino gaming areas?

5

MR HARRISON: Yes.

MS SPENCER: Do you recall this issue ---

10

MR HARRISON: Yes.

MS SPENCER: --- before the GWC?

MR HARRISON: Yes.

15

MS SPENCER: Turn to page 18. This is a detailed letter from Burswood to Mr Sargeant as the chair of the GWC. Sorry, it might start at page 19. It's quite a lengthy letter, so I don't expect you to read everything sitting here today. Can we scroll through slowly, please. Do you recall reading this letter at the time, Mr

20

Harrison?

MR HARRISON: Yes.

MS SPENCER: It was your usual practice to read these board packs from cover to cover in advance of the GWC meetings?

25

MR HARRISON: Yes.

MS SPENCER: Keep scrolling, please. On page 38, if we could stop at the start of 38, please, this is an impact assessment of the proposed increase in gaming capacity at the Burswood Entertainment Complex. Do you recall reading this document at the time? Perhaps we will scroll through it, so you can look at that. Could we pause when we get to page 45, please. Is this looking familiar, Mr Harrison?

30

35

MR HARRISON: Yes.

MS SPENCER: Perhaps you could read this page to yourself, please?

MR HARRISON: Yes.

40

MS SPENCER: There is a reference in the first half of that page to some prevalence rates of problem gambling found by the Productivity Commission in 1999. See that? It's in the first paragraph, mostly?

45

MR HARRISON: Yes.

MS SPENCER: Do you recall reading the Productivity Commission's report, at all, into gambling?

MR HARRISON: No.

5 MS SPENCER: How did the GWC inform itself in relation to harm minimisation, in terms of informing itself as to what would be, say, best practice in the context of casino gaming?

MR HARRISON: I'm not sure if I understand that.

10 MS SPENCER: Perhaps I will start with another question. Were you provided with any training when you were on the GWC in respect of harm minimisation?

MR HARRISON: No.

15 MS SPENCER: When you looked at issues like harm minimisation, how did the GWC know what was good practice and what was not good practice? How did it know what ideal practice would be?

20 MR HARRISON: Well, papers like this, which gave indications from the Productivity Commission as to the effects of gambling ---

MS SPENCER: All right.

25 MR HARRISON: --- was about all we had.

MS SPENCER: Do you recall that in August 2010, this Burswood expansion was agreed to in principle?

30 MR HARRISON: Yes.

MS SPENCER: I will bring up those minutes. It's GWC.0002.0016.0015. We will bring up the first page to confirm your attendance there, Mr Harrison. Second from the bottom, do you see that ?

35 MR HARRISON: Yes.

MS SPENCER: Go to page 2, please, item 4.2. You see the resolution there, approving ---

40 MR HARRISON: Yes.

MS SPENCER: --- those matters in principle. Do you recall the discussion between the GWC members from that August 2010 meeting?

45 MR HARRISON: There was a focus on the expansion that was proposed, I think, more than anything else that I can remember.

10:34AM

MS SPENCER: How do you mean? So a focus on that issue, as opposed to harm minimisation, or ---

5 MR HARRISON: Yes, yes.

MS SPENCER: Do you recall some of the topics of discussion?

MR HARRISON: No, other than --- no.

10

MS SPENCER: Was it considered a good idea, a bad idea? I mean, ultimately it was approved, but were there some members, perhaps, who needed convincing or the like?

15 MR HARRISON: Not that I can recollect.

MS SPENCER: How about the reliance on those figures from the Productivity Commission in 1999? This is fast forwarding 11 years, you're relying on the prevalence statistics. Did you or any of the other GWC members question that at all at the time?

20

MR HARRISON: But, from memory, weren't those figures extrapolated forward to give an indication of the current problem?

25 MS SPENCER: In that impact assessment?

MR HARRISON: Yes.

MS SPENCER: No. That extrapolation, though, that was by someone at the department?

30

MR HARRISON: No, by the Gaming Commission --- by the Productivity Commission. I'm not sure now, but I can remember it being there.

35 MS SPENCER: Someone had said "Should we be relying on 1999 figures"?

MR HARRISON: Yes.

MS SPENCER: But if there was that extrapolation, did that satisfy members that you were relying on ---

40

MR HARRISON: More current, yes.

MS SPENCER: More current statistics?

45

MR HARRISON: Yes.

MS SPENCER: Are you aware whether the GWC, in your time as a member,

initiated any of its own research into the prevalence of gambling harm?

MR HARRISON: No.

5

MS SPENCER: You don't recall or you don't think it happened?

MR HARRISON: I can't remember doing it, not in my time.

10

MS SPENCER: The expansion was talked about at a number of GWC meetings in 2010. Do you recall in the July 2010 meeting, Mr Sargeant tabled a letter from someone from the Public Health Advocacy Institute of WA, a Professor Daube? Do you recall that?

15

MR HARRISON: Yes.

20

MS SPENCER: I will bring that document up for you to refresh your memory. Just on the private screen, please. That's GWC.0002.0016.0012 at page 5, please. In the top right-hand corner it says "Tabled". Could we bring up pages 5 and 6 side-by-side, please. I will give you a moment to refamiliarise yourself with that letter. Is that the letter --- when you said you recalled the letter, that is the one you were thinking of?

25

MR HARRISON: Mike Daube, yes. Yes.

30

MS SPENCER: I will bring up the minutes of the July 2010 meeting, where this letter was tabled. It's GWC.0002.0016.0014, and could we bring up the first page to confirm the attendees, please. You see you are third from the bottom there, Mr Harrison?

35

MR HARRISON: Yes.

MS SPENCER: Go we can down to pages 11 and 12, please, and perhaps have those side-by-side. Under "General Business" at the bottom of page 11, Mr Harrison ---

MR HARRISON: Yes.

MS SPENCER: --- you will see that the chairman tabled the correspondence?

40

MR HARRISON: Yes.

MS SPENCER: Do you recall what discussion was had about that letter?

45

MR HARRISON: Professor Daube was well known for his advocacy on cigarette smoking and I think there was a general feeling that he was just almost making a motherhood statement in respect to gambling.

MS SPENCER: Was his letter taken seriously?

10:40AM

MR HARRISON: I don't think so, no.

MS SPENCER: Is that because of what you said then, that it was considered a
5 motherhood statement rather than a genuine concern?

MR HARRISON: Yes. It was thought perhaps he was developing a concept of
gambling, but that's all I can remember about it now.

10 MS SPENCER: You say "developing a concept of gambling"?

MR HARRISON: Concept of the danger of gambling, yes.

MS SPENCER: Did that concern the GWC, that he might be developing that
15 concept?

MR HARRISON: I don't recollect any comment about it.

MS SPENCER: Do you know if a reply was sent to this letter, whether the GWC
20 agreed that a letter should be sent in reply?

MR HARRISON: No, I don't know.

MS SPENCER: Looking back now, do you think the GWC should have taken that
25 letter more seriously?

MR HARRISON: Yes.

MS SPENCER: Why do you say that?
30

MR HARRISON: Well, the only other thing I could assume, perhaps it was passed
on to the gambling support unit people because we didn't generally have a lot of
detailed information on the danger of gambling.

35 MS SPENCER: Did the GWC ever take steps to inform itself of those dangers?

MR HARRISON: Well, in my case, I attended the Burswood gambling support unit
and followed up with what they did.

40 MS SPENCER: When was that?

MR HARRISON: I don't know what year it would have been but it was during that -
-- I think it was in the period of my first term.

45 MS SPENCER: Early on in your tenure?

MR HARRISON: Yes, yes.

MS SPENCER: What brought on you going to the casino to look at that unit? Did that request to see the facilities come from the GWC, or ---

5 MR HARRISON: No, it came from the GWC. We went over to the Responsible Service of Gambling unit as a group and met the key people involved and listened to their problems.

10 MS SPENCER: Who were the key people you are talking about? Psychologists or management people?

MR HARRISON: The management. I think there was a manager and up to ten assistants, or something like that.

15 MS SPENCER: What did you learn from that tour, if you like, if you can call it "a tour"?

20 MR HARRISON: They went through and explained some of the actions they took to follow up on responsible gambling, signage and things of that nature.

MS SPENCER: What was the GWC's feeling, once that tour was over? Did they think the casino was doing a good job or there were areas of improvement? What was the general consensus between the GWC members?

25 MR HARRISON: There was an acceptance that it was a developing unit that was doing a good job at that stage.

30 MS SPENCER: Were you provided with any statistics at that stage as to how many people were attending that unit?

MR HARRISON: No.

35 MS SPENCER: In terms of the length of that tour, do you recall was it an hour, half a day; do you recall how long you were there?

MR HARRISON: It may have been an hour to two hours.

MS SPENCER: Was it an interactive tour? The members could ask questions?

40 MR HARRISON: Yes.

MS SPENCER: Did they?

45 MR HARRISON: Yes.

MS SPENCER: Do you recall, and I know it's going back quite some time, but were there any particular areas of particular interest that stick out in your mind?

10:45AM

MR HARRISON: No, not that I recall.

5 MS SPENCER: Turning now to 2012, do you recall that in 2012, Crown applied to increase the number of EGMs at the casino again?

MR HARRISON: Yes.

10 MS SPENCER: I will bring up the minutes first, GWC.0002.0016.0081, from November 2012. You see in the fourth line down that you were present at that meeting, Mr Harrison?

MR HARRISON: Yes.

15 MS SPENCER: Could we scroll to item 4.2, which should be on pages 2 and 3. Could we have those side-by-side please. Perhaps you could read item 4.2 and the resolution to yourself.

MR HARRISON: Yes.

20 MS SPENCER: You see there from the resolution that there was an approval by the GWC to increase the gaming machines to 2,500, so an increase of 500 at a phased rate?

25 MR HARRISON: Yes.

MS SPENCER: Then also to table games as well?

MR HARRISON: Yes.

30 MS SPENCER: I will go back to the agenda item when it was first tabled back in August 2012. Could we please bring up GWC.0002.0016.0069. While that document is coming up, Mr Harrison, I want to ask you one question going back to the topic of the tour of the RSG unit at Crown or Burswood. That occurred in the
35 beginning of your tenure, as best you recall. Did you ever go back and tour those facilities at a later stage?

MR HARRISON: No.

40 MS SPENCER: Was there ever any offer to?

MR HARRISON: No.

MS SPENCER: Or did the GWC ever ask to?

45 MR HARRISON: Not that I can recall.

MS SPENCER: Thank you. We will look at item 5.2, please, on page 26. If we just scroll down to page 27, please, I want to draw your attention to the first paragraph there. You will see the reference there again to the Productivity Commission in
5 1999, and then a 1994 survey.

MR HARRISON: Yes.

MS SPENCER: You will also see the sentence where it says:
10

These are the only surveys conducted in Western Australia.

MR HARRISON: Yes.

15 MS SPENCER: You see that in the last sentence in the first paragraph?

MR HARRISON: Yes.

MS SPENCER: I will bring up the November 2012 agenda, please,
20 GWC.0002.0016.0017 at page 25, please. This is another one of those impact assessments, Mr Harrison, and this is the page on harm minimisation. There is again a reference to the 1999 Productivity Commission findings ---

MR HARRISON: Yes.
25

MS SPENCER: --- and their prevalence. Do you see that?

MR HARRISON: Yes.

30 MS SPENCER: There is also a reference to some comments of Senator Xenophon in relation to EGMs?

MR HARRISON: Yes.

35 MS SPENCER: You see that in the third paragraph?

MR HARRISON: Yes. Yes.

MS SPENCER: I will give you a moment to familiarise. Were these matters taken
40 into account by the GWC when it was deciding whether to approve the increase in the EGMs and table games?

MR HARRISON: Yes.

45 MS SPENCER: Do you think it was appropriate that a decision was made without updated research on the prevalence of problem gambling within Western Australia?

MR HARRISON: Well, there was that extrapolation of the figures, but one of the

main points of the Productivity Commission's report was that the destination marketing and focusing all of the EGMs at Burswood was keeping the problem gambling down, as an option to what was happening on the East Coast.

5

MS SPENCER: In that case, in your view, it was appropriate to take that 1991 report into account?

MR HARRISON: Yes.

10

MS SPENCER: How about Senator Xenophon's comments? Do you think those comments should have been taken into account?

15

MR HARRISON: Well, they may have been, but I think the general feeling was offset by the potential expansion of the whole Burswood Resort. The benefits economically, socially, employment and everything else, far outweighed the increase in the number of machines.

20

MS SPENCER: Weighing those factors, was greater emphasis placed on those things as opposed to harm minimisation?

MR HARRISON: Yes.

25

MS SPENCER: Do you recall why that was?

MR HARRISON: No.

30

MS SPENCER: Could I turn to paragraph 23 of your witness statement. I have one follow-up question, sorry, back on the topic of the expansion. Do you think the GWC had the balance right in putting the economic factors above harm minimisation?

35

MR HARRISON: Yes, because I think we never saw the problem gambling as a major problem within Western Australia compared with on the East Coast or in other States.

MS SPENCER: But is that perhaps because you didn't have up-to-date research on that issue?

40

MR HARRISON: No. It was generally known from meetings with the regulatory authorities that it wasn't the same problem. And in my case, I had a fair bit of experience operating properties on the East Coast and I was familiar with the gambling problems over on the East Coast from the poker machines.

45

MS SPENCER: Turning back to paragraph 23 of your witness statement, if I may, you make reference to available information and that it indicated that problem gambling was less prevalent in WA due to the lack of EGMs in the State. By "available information", do you mean the information that was made available to you

as a member of the GWC, or is it a combination of what you were just talking about, your own personal knowledge, personal experience?

5 MR HARRISON: Personal experience and, I think, the Productivity Commission statements.

MS SPENCER: The Productivity Commission reports, were they the only things made available to the GWC members?

10

MR HARRISON: Yes. To the best of my knowledge, yes.

MS SPENCER: In the first part of paragraph 23 you refer to the Australian Medical Association's Health Effects of Problem Gambling position statement, issued in
15 either 2012 or 2013. Could we bring up, please, PUB.0007.0007.0013. Could we scroll through that document slowly. I want to ascertain, Mr Harrison, is this the document you are referring to in your witness statement?

MR HARRISON: Yes.

20

MS SPENCER: When did you first come across this document?

MR HARRISON: I can't recall.

25 MS SPENCER: Did you find the article yourself or was it provided?

MR HARRISON: No, it was provided by the department.

MS SPENCER: While you were a member of the GWC?

30

MR HARRISON: Yes.

MS SPENCER: Mr Harrison, I think you referred to this committee by a slightly different name, but you were aware of the Problem Gambling Support Services
35 Committee during your time on the GWC?

MR HARRISON: Yes.

MS SPENCER: Do you recall when you found out about it?

40

MR HARRISON: Well, it was included in the financial reports, so there would have been an inquiry when you first received that.

MS SPENCER: How did it appear in the financial reports?

45

MR HARRISON: Well, as an allocation of funds from the Commission and there was a trust fund which was administered --

10:57AM

MS SPENCER: Is that how you found out about the PGSSC, because you saw a line item in the financial reports, or did someone brief you from the department, GWC or otherwise?

5

MR HARRISON: No, I can't recall how I found out.

MS SPENCER: In terms of your tenure of nine years I think it was, do you recall if you found out about it early on, later on?

10

MR HARRISON: No, reasonably --- fairly early on, yes, yes.

MS SPENCER: Could you explain to the Commissioner your understanding of the PGSSC, what it did and what it was effectively?

15

MR HARRISON: Well, it was made up from the key government departments in Health involved in gambling, such as the casino, Lotterywest based in WA, and they provided funding to assist in problem gambling.

20 MS SPENCER: How did it assist in problem gambling?

MR HARRISON: There was a 24-hour hotline, face-to-face counselling, there was an online counselling service.

25 MS SPENCER: What do you mean by an "online counselling service"?

MR HARRISON: That was a number that could be contacted to seek advice if you had a gambling problem.

30 MS SPENCER: So, different to the hotline?

MR HARRISON: I don't know.

MS SPENCER: Were you aware that the PGSSC was formed in 1995?

35

MR HARRISON: No.

MS SPENCER: Do you know how often the PGSSC met?

40 MR HARRISON: No.

MS SPENCER: In terms of the funding, you might have touched on this already but if you could clarify what you understood, how that committee was funded?

45 MR HARRISON: Well, it was funded by all of those members except, I think from memory, the Department of Health.

MS SPENCER: Is there a set contribution by each of those ---

11:00AM

MR HARRISON: No. From memory, it varied. I think Burswood was the major funder. I think it varied from different members.

5 MS SPENCER: Do you know if those contributions were voluntary?

MR HARRISON: Yes.

MS SPENCER: They were voluntary?

10

MR HARRISON: Yes.

MS SPENCER: As far as you understood?

15 MR HARRISON: Yes.

MS SPENCER: You say in paragraph 24 of your witness statement that in your last year on the GWC, the department provided an annual contribution of \$56,000?

20 MR HARRISON: Yes.

MS SPENCER: Was the \$56,000 of GWC funds administered by the department?

25 MR HARRISON: No, it went into the trust fund which was the problem gambling support unit.

MS SPENCER: Sorry, I think I phrased it terribly. The department looked after the funds for the GWC, so its financial people made that transfer to the PGSSC ---

30 MR HARRISON: Yes.

MS SPENCER: --- is that your understanding of how practically it happened?

MR HARRISON: Yes.

35

MS SPENCER: Was the GWC contribution an annual contribution?

MR HARRISON: Yes.

40 MS SPENCER: Was it ever discussed at the GWC meetings?

MR HARRISON: No, not to my recollection. I was --- one of the problems I found with the accounts, there wasn't enough time spent on those trust accounts, in effect, as to where the money went.

45

MS SPENCER: Did the GWC, in effect, find out what the contribution to the PGSSC was after the fact?

11:02AM

MR HARRISON: No, I think --- I'm assuming it was approved. When the budgets were presented, we had the right to query it, adjust it, decrease it, whatever we felt.

5 MS SPENCER: So there was discussion about what that amount, that contribution of the GWC would be?

MR HARRISON: Yes.

10 MS SPENCER: Do you know whether the PGSSC always had a GWC member sitting on it?

MR HARRISON: Well, no, the only person that I knew sat on it was the chairman.

15 MS SPENCER: Mr Sargeant?

MR HARRISON: Yes, and he chaired that committee.

MS SPENCER: Did that committee ever report to the GWC?

20

MR HARRISON: No. Only through Mr Sargeant.

MS SPENCER: How often would he --- was the reporting just providing an update on what it was doing?

25

MR HARRISON: Yes.

MS SPENCER: Were they frequent updates?

30 MR HARRISON: No.

MS SPENCER: Was it, say, once a year, once every six months, once every two years? Do you recall?

35 MR HARRISON: It was two or three times a year.

MS SPENCER: Yes. What would Mr Sargeant --- was there a general update that he would --- I'm just trying to work out what was ---

40 MR HARRISON: Well, he may have reported on how there was an increase in the hotline, revised, things of that nature.

MS SPENCER: But were you ever, as a GWC member, provided any papers ---

45 MR HARRISON: No.

MS SPENCER: --- like a paper update or anything like that?

11:04AM

MR HARRISON: No.

MS SPENCER: It was just always verbal?

5

MR HARRISON: Yes.

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

10

MR HARRISON: Yes.

MS SPENCER: I will bring up that section of the Act, section 15. PUB.0004.0005.0107. Could we please have pages 30 and 31 side-by-side. Perhaps you could read section 15 to yourself, Mr Harrison.

15

MR HARRISON: You're just talking 15?

MS SPENCER: Yes, thanks. You have read that?

20

MR HARRISON: Yes.

MS SPENCER: Did you understand the PGSSC --- when you were a member of the GWC, did you understand that committee to be a subcommittee of the GWC?

25

MR HARRISON: No.

MS SPENCER: Did anyone ever tell you, one way or the other?

30

MR HARRISON: No.

MS SPENCER: Do you know if any of the powers of the GWC were delegated to the PGSSC?

35

MR HARRISON: No.

MS SPENCER: You don't know or you ---

MR HARRISON: No, I don't know.

40

MS SPENCER: At paragraph 26 of your witness statement you refer to a \$2 million one-off payment by Crown and then an annual appropriation by Crown Perth of \$500,000.

45

MR HARRISON: Yes.

MS SPENCER: Was it your understanding that the appropriation was from Crown

11:06AM

Perth and not the government?

MR HARRISON: Yes.

5

MS SPENCER: How did you reach that understanding?

MR HARRISON: That was tabled in one of the submissions from Crown to the Commission, as a part of their expansion plans and what they were doing in respect of problem gambling.

10

MS SPENCER: You also mention in your witness statement the management of those funds being undertaken collaboratively between the Department and the Department of Communities. What do you know about that collaboration?

15

MR HARRISON: Well, the funds were collected by the Department on behalf of the Commission, the Department of Racing, Gaming and Liquor, but then they were forwarded on to the Department of Communities to administer the programs.

20

MS SPENCER: Do you know how they were administered?

MR HARRISON: No.

MS SPENCER: Who informed you about the collaboration; do you recall?

25

MR HARRISON: No.

MS SPENCER: You also reference in your witness statement the Beyond Gambling Grants program. How did you understand that worked? Was that part of the funds we have been talking about or was it a separate thing or was the PGSSC involved or --

30

MR HARRISON: No, that was the --- I'm sorry, can you repeat that question?

35

MS SPENCER: I want to get your understanding of how the Beyond Gambling Grants program worked.

MR HARRISON: Well, that was administered by Burswood ---

40

MS SPENCER: So that ---

MR HARRISON: Sorry, no, no, no. Let me get that correct. That money from Burswood was forwarded to the Commission and on to the Department of Communities for amendment when they found different.

45

MS SPENCER: It was the annual \$500,000, as far as how that money was allocated?

MR HARRISON: Yes.

11:09AM

MS SPENCER: Did you have any understanding of how the decision on particular grants was made, who would receive those funds?

5 MR HARRISON: Yes, Department of Communities.

MS SPENCER: Was that ever reported back to the GWC?

MR HARRISON: No.

10

MS SPENCER: You refer in paragraph 29 of your witness statement to Crown's Responsible Service of Gambling unit, which you say was established in 2006. You spoke earlier about the tour or the visit to Crown, or Burswood as it might have been then, that the GWC members took part in. At paragraph 30 you say:

15

The GWC had an advisory capacity in respect of the activities conducted by the RSG unit.

What do you mean by "advisory capacity"?

20

MR HARRISON: I think, from memory, they passed on information that they received.

MS SPENCER: Who are "they"?

25

MR HARRISON: No, no, the officers from the commission or from the department in respect to the --- I'll get those names right now --- to the Responsible Service of Gambling unit from the gambling support unit, which they administered.

30 MS SPENCER: Sorry, could I just clarify?

MR HARRISON: So, the information they got from the PGSSC ---

MS SPENCER: You are talking about the department?

35

MR HARRISON: Yes.

MS SPENCER: Information the department got?

40 MR HARRISON: Yes. That information helped and they forwarded that on to Burswood to support their Responsible Service of Gambling unit.

MS SPENCER: I see. Do you know when that process commenced?

45 MR HARRISON: I think it was more of an ongoing situation between the officers of the department and the head of the Responsible Service of Gambling unit at Burswood.

11:12AM

MS SPENCER: But going back to the GWC's advisory capacity that you referred to, are you able to give the Commission some clarity about what that advisory role entailed or how the GWC oversaw the RSG unit?

5

MR HARRISON: No.

MS SPENCER: Is it the case that it was more the department passing on information, rather than the GWC having an active role in that space?

10

MR HARRISON: Yes.

MS SPENCER: Did the GWC ever require Crown or Burswood to report to it in respect of its RSG activities?

15

MR HARRISON: No, not that I can --- not that I've been advised. We get --- we got the statistics on, you know, self-exclusion and third party exclusions, stuff like that.

MS SPENCER: Did the GWC ever do anything with that information? By that I mean, if there were concerning numbers, did you ever go back to the RSG unit and ask about that and what was being done?

20

MR HARRISON: Yes, yes.

25 MS SPENCER: You recall that happening?

MR HARRISON: Yes.

MS SPENCER: Do you recall any processes changing at the RSG unit as a result of what the GWC had interrogated?

30

MR HARRISON: No.

MS SPENCER: Did any third party ever assess or audit Crown's RSG unit when you were on the GWC?

35

MR HARRISON: Not that I'm aware.

MS SPENCER: Were you satisfied during your tenure that Crown was doing all it could on the RSG front, or did you feel there was room for improvement?

40

MR HARRISON: No. They gave reasonable explanations as to what they were doing.

45 MS SPENCER: You were satisfied?

MR HARRISON: Yes.

11:15AM

MS SPENCER: How about the GWC's regulation of the RSG procedures that Crown had in place? In your view, could the GWC have done more?

5 MR HARRISON: Yes, yes.

MS SPENCER: What do you think it could have or should have done?

10 MR HARRISON: Well, it could have taken a more active involvement, perhaps. It wouldn't have needed somebody on the committee, but more liaison as to what they were doing and explanations.

15 MS SPENCER: When you say it wouldn't have wanted someone on the committee, what do you mean by that?

MR HARRISON: On their own committee, Burswood's committee.

MS SPENCER: Someone from the GWC?

20 MR HARRISON: Yes.

MS SPENCER: You are saying that is not a great idea, is that what you are saying?

25 MR HARRISON: Well, it would have been by invitation. As far as I know, there wasn't an invitation.

MS SPENCER: But you were aware that Crown had a committee dealing with these issues, had their own committee?

30 MR HARRISON: They had a more senior committee but I think, from memory, that wasn't established until maybe after I left. I know there was a committee established for gambling at a higher level, in addition to the Responsible Service of Gambling unit.

35 MS SPENCER: So like a Responsible Service of Gambling Committee?

MR HARRISON: Yes.

40 MS SPENCER: Do you ever recall anyone from Crown or Burswood coming to the GWC to present --- and I know we spoke about the tour. Was there any other presentation to the GWC about how they were tackling that issue?

MR HARRISON: Not that I can recall.

45 MS SPENCER: This might be a good time.

COMMISSIONER MURPHY: Mr Harrison, we will take a break for about 15

11:17AM

minutes.

MR HARRISON: Okay, thank you.

5

COMMISSIONER MURPHY: We will adjourn until 11.35. Thank you.

ADJOURNED

[11.17 AM]

10

RESUMED

[11:33A.M.]

15 COMMISSIONER MURPHY: Thank you, Ms Spencer.

MS SPENCER: Thank you, Commissioner.

20 Mr Harrison, you refer in your witness statement to the GWC's policy governing ATM placement at the casino and, at paragraph 34, the prohibition from the gaming floor being located within 40 metres walking distance and having a maximum withdrawal limit of \$400. Are you on paragraph 34?

MR HARRISON: Yes.

25

MS SPENCER: Can you explain to the Commission how it is the GWC landed on those three points?

30 MR HARRISON: The \$400 limit and the distance, I believe, is part of the Australian Standards. Arriving at it, there was a lot of debate at the time because where the machines were located, as the crow flies, were less than 40 metres, so we spent a ---

MS SPENCER: Why "as the crow flies"?

35 MR HARRISON: From the entrance to the gaming room, and we realised there was a need to make sure there was that break away from the gambling facilities to the cashing facilities, to allow people to get away. So it was accepted that to get to the gaming machines, you had to walk more than 40 metres.

40 MS SPENCER: Did the GWC consult any external parties or get any expert advice when deciding on this ATM policy?

MR HARRISON: Not that I'm aware of, no.

45 MS SPENCER: You referred a moment ago to the Australian Standards. What Australian Standards are you referring to?

MR HARRISON: I can't remember. They were general gaming facility standards

11:35AM

that were accepted by the regulators.

5 MS SPENCER: Did the GWC consult any other regulators in relation to the ATM issue?

MR HARRISON: Not that I'm aware of.

10 MS SPENCER: Or do any kind of comparison itself with what other States were doing in that space?

MR HARRISON: Not that I'm aware of. I made an assumption they had, but I can't verify that.

15 MS SPENCER: You can't recall?

MR HARRISON: No.

20 MS SPENCER: I will turn now, Mr Harrison, to financial matters. You say in paragraph 9 of your witness statement that Mr Terry Ng briefed you on finances when you joined the GWC; is that correct?

MR HARRISON: Yes.

25 MS SPENCER: It is the case that the department took care of the finances for the GWC because the GWC had no staff; is that right?

MR HARRISON: Yes.

30 MS SPENCER: The financial matters, including financial reports, were reported to the GWC through the agendas; is that what you recall?

MR HARRISON: Yes.

35 MS SPENCER: On the whole, when these financial reports were included in the GWC agenda papers, how did you find them? I think you touched on this earlier, but did you find them easy to understand?

MR HARRISON: Relatively, yes, yes.

40

MS SPENCER: Did they contain enough detail?

45 MR HARRISON: Well, there was two areas. I thought the KPIs were more transactional, they were more of an audit, where they could have been more of a strategic direction, but then there was no real strategic plan for them to follow.

MS SPENCER: You are talking about for the financial side?

11:37AM

MR HARRISON: Yes.

MS SPENCER: Okay.

5

MR HARRISON: The other one was the service fee, which was a lump sum and needed investigating.

10

MS SPENCER: In your view, there wasn't enough detail about the service fee?

MR HARRISON: Yes.

15

MS SPENCER: Did you try and do anything about that during your time on the GWC?

20

MR HARRISON: Yes. I, at times, queried the Chief Financial Officer or the chairman as to any increases or decreases. I can remember at one stage there was quite a substantial increase and the query was why it was far beyond the CPI, and it was explained to me because there was a substantial increase then in the salary and wages paid by the public service.

MS SPENCER: I see.

25

MR HARRISON: But, generally, the increases were just a flow-on effect each year.

MS SPENCER: When you made those inquiries of the chairman or the financial officer, did you find the information that came back to you was adequate, that it resolved your queries, or were there times when it really didn't satisfy you?

30

MR HARRISON: No, I guess the danger was that you didn't want to be seen to be micromanaging the accounts either. The rest of the accounts were fairly straightforward to follow and it was only those two areas. But, on reflection, I think they should have been probed more in-depth.

35

MS SPENCER: Sure. The fear of micromanaging, how was that grounded? Why was there that concern about micromanaging?

40

MR HARRISON: That's just a --- that was a self-fear that had developed, I guess, from sitting on boards and seeing at stages where people were getting in and probing essentially minor matters which could have --- you know, bogging things down.

MS SPENCER: You didn't want to be seen to be a disrupter or something like that, is that ---

45

MR HARRISON: Oh, not that I wanted to, I just felt that, you know, you can only spend so much time on different cases.

MS SPENCER: In paragraph 12 of your witness statement, you say:

The service fee charged by the Department was reviewed on presentation of each annual budget.

5 Is that correct?

MR HARRISON: Yes.

MS SPENCER: In the next sentence, you say:

10

Once accepted the fee generally remained static

Was there an ability to not accept the service fee?

15 MR HARRISON: Yes, but it was just charged out on the monthly basis. Basically, divided by --- the annual fee divided by 12.

MS SPENCER: But did the GWC --- I am trying to understand what you mean by "accepted" and the ability that you ---

20

MR HARRISON: What I meant by --- that was "once approved", it should have been.

MS SPENCER: Was there ever an occasion where the service fee was not accepted, that you recall, or not approved?

25

MR HARRISON: No. It was queried but approved, finally approved.

MS SPENCER: Queried, but none of those queries ever led to the service fee being changed?

30

MR HARRISON: Yes.

MS SPENCER: It never changed. Do you recall a GWC meeting in March 2009 which considered a significant increase in the service charge?

35

MR HARRISON: Would that have been at the time that the increase in the public service fees --- I can't recall it , no.

MS SPENCER: That's all right. I will take you to the agenda item to refresh your memory. Can we go to GWC.0007.0011.0043 at page 497, please. I draw your attention to the second-last dot point in relation to operating expenses, where it says:

40

45

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

11:43AM

Do you see that there?

MR HARRISON: Yes.

5

MS SPENCER: Can we scroll down to page 500, please. That point there was flagging the increase. I want to show you the statement that goes with that. On this page under "Operating Expenses", the fourth item is "Recoupment for services received from the DRGL"?

10

MR HARRISON: Yes.

MS SPENCER: In the last column is \$3.958 million for 2009/2010?

15

MR HARRISON: Yes.

MS SPENCER: Then the estimated actual for 2008/2009 is \$3.187 million?

MR HARRISON: Yes.

20

MS SPENCER: That accounts for that \$771,000 increase?

MR HARRISON: Yes.

25

MS SPENCER: I will take you to the minutes where that was considered. DLG.0008.0015.50549 at page 4, to confirm the attendees. These are draft minutes, Mr Harrison, but we see you there, the last name under the "Present" list?

MR HARRISON: Yes, yes.

30

MS SPENCER: Could we go to page 12, please, item 9.2. Firstly, do you agree that the increase of \$771,000 is a large increase in service fees?

MR HARRISON: Yes.

35

MS SPENCER: Is this perhaps the scenario you were recalling earlier where there was a huge jump?

MR HARRISON: No. I think when that was queried, it was explained that the department had gone through a major review of all of its operating expenses and that was the result of when they reanalysed everything.

40

MS SPENCER: You are referring now to this agenda item ---

45

MR HARRISON: Yes.

MS SPENCER: --- the \$771,000?

11:45AM

MR HARRISON: Yes.

MS SPENCER: When you gave evidence earlier about a large increase in the
5 service fee, are you thinking of another occasion where there was a big jump?

MR HARRISON: Yes. I just remember it happening, yes. I don't know ---

MS SPENCER: You don't know the date?
10

MR HARRISON: No.

MS SPENCER: But it might have been ---

MR HARRISON: It could have been this one, but this one I remember was largely
15 due to them having a reorganising, a refocus within the department, and they found
they were perhaps undercharging in the past.

MS SPENCER: You will see at 9.2, when the budget was considered, there is no
20 debate recorded there in terms of that \$771,000 increase. Do you recall whether that
was interrogated by the members who were present at that meeting?

MR HARRISON: The \$771,000?

MS SPENCER: Yes.
25

MR HARRISON: Well, only that I can remember asking that question.

MS SPENCER: Of the chairman?
30

MR HARRISON: It would have been the chairman, yes.

MS SPENCER: There was no one there from the department, the finance --- dealing
with financial matters? There was no one?
35

MR HARRISON: I'm unsure. Could have been.

MS SPENCER: Well, in fact, we can have a look at the ---

MR HARRISON: No, I don't think there was, yes.
40

MS SPENCER: Page 4. I think you're right, I don't think anyone was, but let's just
confirm. It was on page 4, please.

MR HARRISON: I'm almost certain it wasn't there.
45

MS SPENCER: Yes. I don't think the left hand is speaking to the right hand. We
have a frozen screen issue. We'll come back to that.

You asked questions of Mr Sargeant, the chairman at the time, about that \$771,000, that's your recollection?

5 MR HARRISON: About the increase, yes.

MS SPENCER: Were you satisfied with his response or did you want further information?

10 MR HARRISON: No, and I think, from memory, he also referred some of the answers to other members who were in attendance, members of the department, who verified that there were cost increases in their department, in their sections of the department.

15 MS SPENCER: Were you ever given a detailed breakdown or explanation of the methodology?

MR HARRISON: No.

20 MS SPENCER: Just "this is the lump sum" and perhaps a vague explanation that prices have gone up?

MR HARRISON: Yes, and some verification from other departmental officers who were in attendance at the time.

25 MS SPENCER: But no breakdown? In this case, it was \$3.985 million but \$1 million relates to this, \$2 million relates to this?

MR HARRISON: No.

30 MS SPENCER: Is that something you think would have assisted?

MR HARRISON: Yes, yes.

35 MS SPENCER: Keeping with the 2009 financial year, do you recall at the time whether the GWC had a website?

MR HARRISON: No.

40 MS SPENCER: You don't recall?

MR HARRISON: No.

45 MS SPENCER: I will see if we can bring up a document. We will go back to page 4. Looking at the attendees of that meeting, were any of those attendees on that list, Mr Harrison, from finance?

11:50AM

MR HARRISON: No.

MS SPENCER: Back to the website issue, could we bring up
5 GWC.0002.0016.0002_R at page 56, please. This is an agenda item dealing with the
finances of the GWC. If we scroll through this document please, I don't need you to
read the entirety, Mr Harrison, I just want to ask a question about a particular point.
You recall receiving these types of documents?

10 MR HARRISON: Yes, yes.

MS SPENCER: Could we stop at page 163, please. There is a line item there under
"Operating Expenses", "Capital Expenses - Web Design", the fifth item down. Do
you see that?

15 MR HARRISON: Yes, yes.

MS SPENCER: There is an annual budget and actual money spent in 2008/2009
financial year of \$260,000. Do you see that?

20 MR HARRISON: Yes.

MS SPENCER: Do you recall what this was for?

25 MR HARRISON: I'm trying to refresh my memory. It will come back in a minute.
I can't recall at the moment.

MS SPENCER: You can't recall whether there was a website planned or otherwise?

30 MR HARRISON: I don't think it was actually a website. It was to do with electronic
recording of information, but I'm uncertain that it was a web design. Something ---

MS SPENCER: So not necessarily for a website?

35 MR HARRISON: No.

MS SPENCER: But you can't recall what it ---

MR HARRISON: No.

40 MS SPENCER: --- was for exactly. Thank you. Moving on to ---

MR HARRISON: Well, I'm almost certain it wasn't for a website.

45 MS SPENCER: Okay. If it comes back to you ---

MR HARRISON: Yes.

11:53AM

MS SPENCER: --- through the course of today, let me know.

MR HARRISON: Yes.

5

MS SPENCER: Moving on to another topic, the Four Corners program "High Rollers, High Risk". At paragraph 18 of your statement you say it:

10 *came to my attention through board papers for the GWC meeting on 23 September*

Is that correct?

MR HARRISON: Yes.

15

MS SPENCER: Did you receive any earlier notification of this program airing? Was there any email from any other GWC members or was it just when you received your agenda pack, as a matter of course?

20 MR HARRISON: On receipt of the agenda pack.

MS SPENCER: After it was brought to your attention, did you watch the show at the time?

25 MR HARRISON: No.

MS SPENCER: Any particular reason why not?

30 MR HARRISON: It would have been because, look, I would have only just had receipt of the agenda papers in the day or so before. A matter of time. I just wouldn't have had time to review it. I made a point of doing it when I got --- after the meeting. But before, I don't remember doing it.

35 MS SPENCER: Did anyone at the department or the GWC advise you to watch it, or you just took it upon yourself after the meeting to do so?

MR HARRISON: I took it upon myself.

40 MS SPENCER: Were you alarmed when you first read about it in the board pack?

MR HARRISON: No, not substantially. I was just prepared to listen to the comments of the department as to --- because I felt all along --- yes, I just had to wait and see, really.

45 MS SPENCER: Do you recall a report coming from Mr Connolly at a meeting of the GWC about this program?

MR HARRISON: Yes, yes.

11:56AM

MS SPENCER: Before I ask you about that report, what was your understanding prior to the report on the International Commission Business at Crown?

5 MR HARRISON: In what sense?

MS SPENCER: Had you heard of the International Commission Business?

MR HARRISON: Yes, yes.

10

MS SPENCER: What did you understand that was about?

MR HARRISON: Well, it was about the junket operations or specialised overseas business.

15

MS SPENCER: What sort of overseas business to do with Crown?

MR HARRISON: To do with gambling, yes.

20

MS SPENCER: Attracting people to come to Crown?

MR HARRISON: Yes, but they didn't necessarily have to be junket operations.

MS SPENCER: So, individuals too?

25

MR HARRISON: Yes.

MS SPENCER: Your understanding was, all that fell under this umbrella of the International Commission Business of Crown?

30

MR HARRISON: Yes.

MS SPENCER: Turning to the agenda items for the December 2014 meeting, could we bring up GWC.0002.0016.0121 at page 53, please. Could we scroll through pages 53, 54 and 55, please. Does this agenda item look familiar to you, Mr Harrison?

35

MR HARRISON: Yes.

40

MS SPENCER: Could we go back to page 53, please. There is a recommendation made by Mr Connolly that the report be noted. In terms of pulling together the information in this paper, do you know what the source of the information was? So, Mr Connolly is the author of that paper. Do you know if he made inquiries with Crown or was it information from his own knowledge?

45

MR HARRISON: That would have been from his own knowledge.

MS SPENCER: Was it said either way, when Mr Connolly presented that paper, whether he had spoken to Crown or not?

5 MR HARRISON: No, it wasn't mentioned but I think --- can I just go back?

MS SPENCER: Yes, of course. The first page?

10 MR HARRISON: Yes. I think that was all accepted as being general knowledge of what was happening at Crown and at other casinos.

15 MS SPENCER: Page 54, could we bring that up, please. I might just leave that point and come back to it later. Could we bring up the minutes of this meeting, GWC.0002.0016.0123, please. You are listed as an attendee at that meeting on 16 December 2014?

MR HARRISON: Yes.

20 MS SPENCER: Turn to item 5.4 on the next page, I think. At the bottom of the page, "International Commission Business", it says the Deputy Director-General, Mr Connolly, presented a paper explaining the current role of the Commission. What can you recall from the presentation of this paper? Can you recall anything?

25 MR HARRISON: He went through all the checks and balances that the commission carried out, but specifically left out the roles of tracking the high rollers and the junket operators, as to money laundering and roles taken on by AUSTRAC and other federal agencies.

30 MS SPENCER: When you say "left out roles", he was explaining that that was the role of AUSTRAC and ---

MR HARRISON: Yes. He presented the roles --- the papers. He presented what the commission did separately and said "This is not a part of our responsibilities".

35 MS SPENCER: What was your sense of Mr Connolly's attitude to the Four Corners program during that meeting? Was it nothing to worry about or was there genuine concern or ---

40 MR HARRISON: It was more of a wait and see and let's see what develops, you know?

MS SPENCER: Did you feel that Mr Connolly was giving an impartial view?

45 MR HARRISON: Yes.

MS SPENCER: Do you recall any of the other members' reactions to the presentation? Was there any concern raised by any other members?

12:03PM

MR HARRISON: Not after the explanation by Mr Connolly, I don't think there was.

MS SPENCER: Were you concerned?

5

MR HARRISON: No. I accepted what he was saying.

MS SPENCER: Do you recall if much time was spent during that meeting on this issue?

10

MR HARRISON: No, I can't recall.

MS SPENCER: Do you recall whether Crown presented anything to the GWC to address this Four Corners program?

15

MR HARRISON: Not at that stage. I mean, we were aware that any investigations by Crown into money laundering and things of that nature couldn't be passed on to us, so no, I don't think they did.

20

MS SPENCER: Do you recall if the GWC ever asked Crown to come and present on those media allegations in that Four Corners program?

MR HARRISON: Not that I'm aware.

25

MS SPENCER: Moving on to the Casino Compliance Strategy, which you refer to from paragraph 43 of your statement. You say at paragraph 44 that the strategy, as in the Casino Compliance Strategy, has a proactive and risk-based approach, with a strong focus in areas considered high risk and the likelihood of unwanted or unlawful activity. What were some of the risks the GWC identified?

30

MR HARRISON: Well , it was in the conduct and playing of the game, the money accounting, accounting for the money.

MS SPENCER: How do you mean "accounting for the money"?

35

MR HARRISON: Well, the receipt of money for gambling, as to where it went, where it went into storage, how it tallied with the records.

MS SPENCER: Are you talking about the cash coming in ---

40

MR HARRISON: Yes.

MS SPENCER: --- to the casino and where that ---

45

MR HARRISON: Yes.

MS SPENCER: The safe storage of that?

12:06PM

MR HARRISON: Yes. All of the internal controls, the administration and the accounting for all of the procedures that were in the Casino Manual.

5 MS SPENCER: You mentioned another risk was the conduct of games. What risk are you referring to there?

MR HARRISON: Well, that the casino staff were operating incorrectly.

10 MS SPENCER: By correctly, you mean following the rules?

MR HARRISON: Yes.

15 MS SPENCER: So you have the conduct of games risk and the accounting of funds risk. Can you think of any others, sitting here today, that were identified by the GWC?

MR HARRISON: Well, the whole surveillance of the games, to make sure that surveillance was properly there, that nobody was --- that the conduct of the games
20 was correct.

MS SPENCER: Whose responsibility was it to identify the risks at the casino? Was it anyone's?

25 MR HARRISON: Well, the casino management obviously had an interest in identifying the risks as a self-protection as to their own revenue and security. But the senior --- the Commission's inspectors oversaw that role.

MS SPENCER: Would the GWC get feedback from those inspectors from time to time, alerting it to risks that needed to be managed?
30

MR HARRISON: All the time, yes.

35 MS SPENCER: Can you think of one of the risks the inspectors identified that hadn't been dealt with previously? Not "dealt with", hadn't been addressed? So a new risk? Can you think of a new risk that was identified during your tenure on the GWC?

MR HARRISON: Not that I can recall. They were more individual.
40

MS SPENCER: The identification of risk from these inspectors, did it decrease when the inspectors were removed from the floor?

MR HARRISON: Well, it changed with the change of --- yes, I think it changed
45 when the surveillance changed.

MS SPENCER: When it became more surveillance ---

MR HARRISON: Electronic surveillance rather than physically.

12:09PM

MS SPENCER: Did you find that more or less risks were identified?

MR HARRISON: There was more identified.

5

MS SPENCER: Can you think of what any of those were?

MR HARRISON: No.

10 MS SPENCER: In your view, were the risks at the casino something the GWC frequently turned its mind to?

MR HARRISON: Yes, all the time.

15 MS SPENCER: Did the GWC ever seek advice from an independent third party as to what the risks might be?

MR HARRISON: Well, the members of the commission, or more the members of the department on behalf of the commission, were constantly in communication with other casinos as to what risks they were experiencing and ---

20

MS SPENCER: Do you mean other regulators?

MR HARRISON: Other regulators.

25

MS SPENCER: Other regulators within Australia?

MR HARRISON: Yes.

30 MS SPENCER: Did they report back to the GWC?

MR HARRISON: They did advise of risks that had arisen from time to time.

MS SPENCER: Can you think of any examples of any risks which were identified through that process?

35

MR HARRISON: No.

MS SPENCER: In paragraph 44 of your statement, you refer to:

40

Detailed activities have been adopted for the Casinos table games , EGMs, revenue and tax collection, surveillance, security, the control of contracts and approved suppliers

45 MR HARRISON: Yes.

MS SPENCER: What are the "detailed activities" you are referring to there?

MR HARRISON: What was detailed in the Casino Manual and the games manual.

MS SPENCER: Can you think of an example of the activities you are thinking of?

5

MR HARRISON: Going back again to the internal controls, admin accounting procedures, the conduct of the playing of the game.

MS SPENCER: Was audits one of those activities?

10

MR HARRISON: Yes.

MS SPENCER: Who is it that undertook those activities?

15 MR HARRISON: The inspectors.

MS SPENCER: The GWC were regularly updated by the inspectors as to their activities?

20 MR HARRISON: Through the Chief Casino Officer, yes.

MS SPENCER: Every meeting was there an update on that front or was it less frequently?

25 MR HARRISON: No, there was an update, particularly on any risks that had come up, they were updated at each meeting.

MS SPENCER: What were they updates? Were they written updates or did you just get verbal updates from the Chief Casino Officer?

30

MR HARRISON: There was a mixture.

MS SPENCER: At paragraph 45 of your statement you say:

35 *The audit and inspection programs were implemented by the development of operational plans in accordance with the Casino Compliance Strategy.*

What do you mean by that statement?

40 MR HARRISON: Well, included in the Casino Compliance Strategy there was a requirement for an inspector to conduct an audit on at least one game every month. Is that what you're asking?

MS SPENCER: I am trying to understand what the sentence means. Would it assist
45 if I brought up the Casino Compliance Strategy in front of you?

MR HARRISON: Well, yes, I basically know that's audit and inspections and things

of that nature, isn't it? Yes. ATF certification.

5 MS SPENCER: I will move on to paragraph 48. You say that the Casino Compliance Strategy was adopted:

..... with the objective of ensuring the ongoing suitability of the Casino licensee and employees

10 Is the suitability of the licensee something which the GWC turned its mind to frequently?

15 MR HARRISON: No, because it was restricted by --- there was nothing in the Act that allowed the Commission to act in that area, so that always had to have been a recommendation. It would have to have come from the --- right, yes. The minister would have to have acted in that area.

20 MS SPENCER: So in your view, the GWC couldn't have any say as to whether or not the licensee was suitable? Was that your understanding at the time?

MR HARRISON: Oh, it could have a say in that, but it couldn't have --- it didn't have the ability to, and this is from memory, review or query whether he was suitable. It had to come from the minister to give that direction.

25 MS SPENCER: In terms of what, in your view, suitability was, are you able to describe that concept?

MR HARRISON: No.

30 MS SPENCER: I have no further questions, Commissioner.

COMMISSIONER MURPHY: Thank you very much, Ms Spencer. I will invite counsel representing other parties to ask any questions, if there are any. Yes?

35 **CROSS-EXAMINATION BY MS WREN**

MS WREN: My name is Ms Wren and I appear for the Crown Group Entities.

40 MR HARRISON: Yes.

MS WREN: You were asked some questions about Crown Perth's Responsible Service of Gambling unit and programs.

MR HARRISON: Yes.

MS WREN: I want to ask you a couple more questions about them. There was no legislation or formal GWC policy requiring Crown Perth to have an RSG unit or programs in place?

5

MR HARRISON: To the best of my knowledge, yes.

MS WREN: The GWC itself did not provide any directions or recommendations as to particular steps or things that Crown Perth should include in its RSG programs?

10

MR HARRISON: Not that I know.

MS WREN: The RSG programs that Crown Perth had in place were essentially a voluntary initiative of Crown Perth?

15

MR HARRISON: Yes.

MS WREN: And, essentially, self-directed?

20

MR HARRISON: Yes.

MS WREN: You said this morning that the GWC never initiated its own research into problem gambling in your time on the GWC. During that time, did the GWC ever ask Crown Perth or suggest to Crown Perth that Crown Perth should undertake any analysis as to the nature and extent of problem gambling in the casino?

25

MR HARRISON: Not that I'm aware of.

MS WREN: You also said that Crown Perth never gave a further presentation on its RSG programs during your time on the Commission, other than the initial presentation when you went to the unit. Did the GWC ever ask Crown Perth to give a further presentation or to give further information about its programs?

30

MR HARRISON: Not that I'm aware of, no.

35

MS WREN: I want to ask you a few questions about the National Standards that apply for gaming machines.

MR HARRISON: Yes.

40

MS WREN: You are aware there is an Australian/New Zealand Gaming Machine National Standard?

MR HARRISON: Yes.

45

MS WREN: It sets out technical standards that govern the design of gaming machines and gaming machine software?

12:20PM

MR HARRISON: Yes.

MS WREN: There is a WA Appendix to the National Standard?

5

MR HARRISON: Yes.

MS WREN: That sets out WA-specific requirements that are in addition to or different to the National Standard?

10

MR HARRISON: That's right, yes.

MS WREN: The GWC is responsible for setting the content of the WA Appendix?

15

MR HARRISON: Yes.

MS WREN: Developers of EGM games have to have games tested and certified by an independent accredited testing authority as complying with the National Standard and the WA Appendix?

20

MR HARRISON: Yes.

MS WREN: Before the game is approved by the GWC?

25

MR HARRISON: Yes, that's correct.

MS WREN: Do you agree it was the GWC's responsibility to put in place those appropriate standards for the design of EGM games to be used in WA?

30

MR HARRISON: Yes.

MS WREN: Those standards could address any concerns about game features that might have an impact on problem gambling issues?

35

MR HARRISON: Yes.

MS WREN: During your time on the GWC, Crown Perth regularly presented to the GWC, seeking approval for particular EGM games?

40

MR HARRISON: Yes.

MS WREN: Those games are put forward on the understanding that the new games would be designed by the manufacturers in accordance with the National Standard and the WA Appendix?

45

MR HARRISON: Yes.

MS WREN: And would be tested and accredited by the ATF?

MR HARRISON: Yes.

5 MS WREN: Did the GWC itself, in approving those individual EGM games, ever conduct any assessment of whether that particular game might have any features that encouraged problem gambling?

MR HARRISON: No.

10 MS WREN: Did the GWC, in your time, ever direct Crown Perth to conduct any assessment of EGMs after their introduction at the Perth Casino to assess whether those games might have had features that encouraged problem gambling?

MR HARRISON: Not that I'm aware.

15

MS WREN: And the GWC itself didn't conduct any investigation of that nature?

MR HARRISON: Not that I'm aware.

20 MS WREN: During the presentations that Crown Perth gave to the GWC on EGM games, Crown Perth would normally play a video showing the game being played?

MR HARRISON: Yes.

25 MS WREN: The games typically included a number of symbols that were revealed through some sort of mechanism like the ball dropping?

MR HARRISON: Yes.

30 MS WREN: Did you, as a GWC member, have a concern about the types of symbols that appeared?

MR HARRISON: Yes, there were some queries from time to time about different symbols, yes.

35

MS WREN: What were those queries?

MR HARRISON: I can't remember.

40 MS WREN: No further questions.

COMMISSIONER MURPHY: Thank you very much. I don't have any further questions.

45 MS SPENCER: Nothing arising.

COMMISSIONER MURPHY: Mr Evans?

MR EVANS: Thank you.

5 **CROSS-EXAMINATION BY MR EVANS**

MR EVANS: Mr Harrison, I want to clarify a couple of things, because Counsel
Assisting asked you quite a number of questions about events that happened now
10 nearly ten years ago, in relation to the approval of the expansion of the Burswood
Casino in 2012. There were questions, in particular, around the evidence upon which
the GWC acted in relation to making decisions which had harm minimisation
implications. Do you recall you were taken to some agenda papers, prepared by way
of a risk assessment, which were included in the papers for the meeting that approved
15 that expansion. Do you recall that?

MR HARRISON: Yes.

MR EVANS: Can I have that document up, GWC.0002.0016.0069 at page 27. You
20 recognise this. This is the paper which was put up by Mr Sargeant in relation to this
date of 6 August 2012. If you scroll up to the previous page, it might make it easier
for Mr Harrison to orientate himself. It is a paper to the members for agenda item
5.2 in relation to the redevelopment. Do you recognise that?

25 MR HARRISON: Yes.

MR EVANS: On page 27, that is on page 2 of 2, there is a reference to attachment 7,
being a copy of a memorandum regarding Western Australia's prevalence of problem
gambling from the Productivity Commission in 1999. Some questions were put to
30 you along the lines of did the GWC consider it should have had more recent
information.

MR HARRISON: Yes.

35 MR EVANS: Do you recall that question or those questions? I take you to the
bottom paragraph on that page. There is a reference to table 5.4, which summarises
Australian prevalence studies from 1995 to 2009.

MR HARRISON: Yes.

40

MR EVANS: I take it you would have read these papers?

MR HARRISON: Yes.

45 MR EVANS: You would have read all of the papers? Can I then take you a little
deeper into this, to page 62. This is a page from the papers headed "Problem
Gambling". It's, in fact, part of a larger paper of quite considerable length from the

Productivity Commission inquiry in March 2009. Can I take you to the bottom of the first main paragraph. Could you read that last sentence?

5 MR HARRISON: The percentage reduction?

MR EVANS: Yes.

MR HARRISON: Yes.

10

MR EVANS: Was that a factor you'd have taken into account when considering any expansion proposal?

MR HARRISON: Yes.

15

MR EVANS: Can I take you to page 103. This is the attachment A, which was referred to in the first page I took you to. This is a table, again extracted from the Productivity Commission paper ---

20 MR HARRISON: Yes.

MR EVANS: --- which summarises or purports to summarise, I should say, all of the surveys then available to the Productivity Commission as at the date of its 2010 report. We make some assumptions here. There are a variety of jurisdictional surveys listed on a State by State basis.

25

MR HARRISON: Yes.

MR EVANS: You see a figure there, the gambling share of the population for each State?

30

MR HARRISON: Yes.

MR EVANS: That is a factor you'd have taken into account wouldn't you, and looked for any trends in relation to ---

35

MR HARRISON: That's what I said when I said figures had been promulgated by the Productivity Commission.

40 MR EVANS: Yes. These are more recent figures from across Australia?

MR HARRISON: Yes.

MR EVANS: And you'd have taken those into account?

45

MR HARRISON: Yes.

MR EVANS: You were also asked some questions as to whether you would have

taken into account some comments from Senator Nick Xenophon; do you recall that?

MR HARRISON: Yes.

5

MR EVANS: Senator Xenophon was a well-known opponent of gambling and gaming machines, in general? You understand that?

MR HARRISON: Yes.

10

MR EVANS: He was interviewed twice, as I understand it, in relation to this proposal. Those are also part of these papers. You may not recall that, but I will take you to it. I will start at page 104. This is a transcript of a radio interview with Senator Xenophon on a Perth radio station, at the ABC by John McGlue. If we scroll down to page 105, there is a quote there attributed to Senator Xenophon. Can I take you to the end of the first line, "One great thing about Western Australia". There are many but this is in the casino context. And the next paragraph.

MR HARRISON: Yes.

20

MR EVANS: Does that reflect your experience? You indicated you had operated hotels and other licensed premises in the East Coast?

MR HARRISON: Yes.

25

MR EVANS: Does that reflect your experience of the views of the GWC at that relevant time?

MR HARRISON: Yes.

30

MR EVANS: Thank you. Can I scroll down to page 107 and can you read the paragraph attributed to Senator Xenophon there?

MR HARRISON: Yes.

35

MR EVANS: Does that reflect the views and considerations of the GWC at the time, to your observation?

MR HARRISON: Yes. And, again, the Productivity Commission confirmed that same argument.

40

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

COMMISSIONER MURPHY: Thank you, Mr Evans.

45

MS SPENCER: Nothing further from us.

COMMISSIONER MURPHY: Thank you.

12:31PM

Mr Harrison, thanks for your evidence today; it has been of great assistance to the Commission. As I mentioned earlier, other Commissioners may have questions, so the summons will remain in place for now, but you are certainly free to go, with our
5 thanks.

MR HARRISON: Thank you.

10 **THE WITNESS WITHDREW**

COMMISSIONER MURPHY: We will adjourn until 2 pm.

15

HEARING ADJOURNED AT 12.31 PM UNTIL A DATE TO BE FIXED.

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