

AMENDED STATEMENT OF DUNCAN ST JOHN BERESFORD ORD OAM

I, MR DUNCAN ST JOHN BERESFORD ORD, Contains sensitive information Contains sensitive information
Contains sensitive information Director General of
the Department of Local Government, Sports and Cultural Industries,
do say as follows:

1. This statement is provided in response to the witness summons to give evidence, dated 23 April 2021 and issued pursuant to section 9 of the *Royal Commissions Act 1968* (WA), which is directed to me by the Perth Casino Royal Commission (**Royal Commission**).
2. This statement addresses the matters set out in Schedule 1 to the summons. Unless otherwise stated, the information in this statement comes from my knowledge, examination of the records held by the Department of Local Government, Sport and Cultural Industries (**DLGSC**) or the advice of officers employed by DLGSC.

1 Qualifications and experience (topics 1-3)

3. As to my qualifications and experience generally, my CV will be provided to the Royal Commission alongside my statement.¹
4. Since 1 July 2017 I have been the Director General of the DLGSC and the Chairperson of the Gaming and Wagering Commission (**GW Commission**).²
5. From July 2014 to 30 June 2017, I was the Director General of the Department of Culture and the Arts.
6. As a result of the 2017 Machinery of Government changes, the Department of Culture and the Arts was amalgamated into the DLGSC. My role as Director General of the DLGSC is more extensive than my former role as Director General of the Department of Culture

¹ See document DLG.0001.0002.0007.

² The latter appointment is *ex officio* by virtue of my appointment as the chief executive officer of the Department: *Gaming and Wagering Commission Act 1997* (WA), section 12(1)(a).

and the Arts, because numerous additional responsibilities were transferred to me. The DLGSC currently is primarily or substantially concerned in administering 44 Acts of Parliament.

7. To manage my expanded responsibilities I appointed Deputy Director Generals with appropriate delegations to run various divisions of the DLGSC. I manage the Department at a strategic level to ensure Government priorities and key performance indicators are met and strategic risks are identified and addressed.
8. I have over 37 years of experience as a senior public servant, Director General and CEO (both in the public and private sector). This experience allows me to manage a diverse agency and take on new management and regulatory roles, such as casino regulator and GW Commission Chairperson.

2 The GW Commission (topics 19-20, 27-28, 30, 34-35)

GW Commission Structure (topic 30)

9. The GW Commission is responsible for controlling and regulating gambling in Western Australia. Its practices and policies aim to maintain public confidence in the integrity of gambling. The Commission regulates and oversees a broad range of gaming and wagering activities which are set out, among other places, in sections 3 and 7-8 of the *Gaming and Wagering Commission Act 1987* (WA) (**Gaming and Wagering Commission Act**). A few examples of these activities, defined in section 3(1) of the Act, include TAB, standard and continuing lottery, wagering on racing and two-up.
10. In addition to the Gaming and Wagering Commission Act there are substantive references to, and responsibilities imposed on, the GW Commission in the following Acts:
 - a. *Betting Control Act 1954* (WA);
 - b. *Betting Tax Assessment Act 2018* (WA)
 - c. *Casino (Burswood Island) Agreement Act 1985* (WA);

- d. *Casino Control Act 1984 (WA) (Casino Control Act);*
 - e. *Gaming and Betting (Contracts and Securities) Act 1985 (WA);*
 - f. *Gaming and Wagering Commission (Continuing Lotteries Levy) Act 2000 (WA);*
 - g. *Liquor Control Act 1988 (WA);*
 - h. *Racing and Wagering Western Australia Act 2003 (WA).*
 - i. *TAB (Disposal) Act 2019 (WA); and*
 - j. *Western Australian Greyhound Racing Association Act 1981 (WA).*
11. The GW Commission has distinct administrative and policy functions it carries out with the assistance and support of the DLGSC and its resources. These include, but are not limited to:
- a. overseeing inspections and audits of, and less frequently prosecutions with respect to, gaming and wagering activity;
 - b. assessing and collecting taxation revenue and fees from gaming and wagering activity;
 - c. determining applications for gaming and wagering licenses and community gaming permits;
 - d. reviewing the conduct and character of gambling operations and the provision, use and location of associated facilities;
 - e. overseeing the licensing of Perth Casino employees and key employees;
 - f. assisting the administration of the Gaming Community Trust;
 - g. administering State and national problem gaming support services and associated research, education and awareness initiatives; and

- h. providing advice to the DLGSC, Minister, Cabinet and Parliament on gaming and wagering matters.
12. Many of the functions above apply to gaming and wagering occurring both independently of, and as part of, the operation of Perth Casino.
 13. Members of the GW Commission have diverse experience and skills. Individual members will assume significant areas of individual responsibility on particular areas of policy or activity which align with their expertise where they are willing and able to.³
 14. GW Commission members do, and I encourage them to:
 - a. actively research gaming and wagering issues;
 - b. request inquiries, investigations and briefing papers from the DLGSC staff; and
 - c. communicate with State or gaming and wagering entities when issues or concerns come to their attention.
 15. Structurally, the GW Commission is essentially a unitary body. It has no sub-committees or administrative divisions. However, it participates in the DLGSC audit sub-committee: a member of the GW Commission will attend that sub-committee when it is convened to review GW Commission audit outcomes. The DLGSC audit sub-committee has an independent chair, Alan Piper, and independent members from other State agencies including the Office of Auditor General. The committee, among other things, audits GW Commission funds, activities and performance.
 16. The GW Commission largely acts by consensus or majority decision but there are certain matters that are my responsibility by virtue of my

³ See document DLG.0001.0002.0012 for a summary of the terms of appointment for current members of the GW Commission. See documents DLG.0001.0002.0006, DLG.0001.0002.0009, DLG.0001.0002.0013, DLG.0001.0002.0015, DLG.0001.0002.0016 and DLG.0001.0002.0017 for CVs of the current members.

role as Chairperson and Director General of the DLGSC⁴ and certain matters are delegated to the Chief Casino Officer (CCO).⁵

Appointment and Training of GW Commission Members (topics 19-20)

17. Members of the GW Commission are appointed by the Minister in accordance with section 12(1)(b) of the Gaming and Wagering Commission Act.
18. With respect to how members are identified and appointed in practice, I will inform the Minister's office if the term of appointment for a GW Commission member is due to expire, outline the member's relevant skill sets and advise whether they are eligible for re-appointment and wish to be re-appointed. If the end result is that there will be a vacancy, the Minister, acting independently, will identify suitable candidates to fill it.
19. There is no formal training program for GW Commission members but newly appointed members are inducted by DLGSC staff working for the CCO. In addition, the GW Commission maintains a training budget. Members can seek permission to access funds within that budget to undertake training or development programs. Due to the specialisation involved in numerous technical matters and the overall complexity of casino regulations, DLGSC staff are available and do brief members as required.

⁴ See paragraphs [21.a], [37], [43]-[46] of this Statement.

⁵ See paragraph [39] of this Statement.

The Minister for Racing and Gaming and the GW Commission (topic 28)

20. The formal relationship between the Minister for Racing and Gaming and the GW Commission consists primarily of:
 - a. regular meetings between the Minister and the Chairperson; and
 - b. the provision of briefing notes and reports, including annual reports, which must be approved by the Minister and submitted to Parliament.

21. The current Minister for Emergency Services; Racing and Gaming; Small Business; Volunteering, the Hon Reece Whitby MLA, has asked to meet with the GW Commission during one of its scheduled monthly meetings.

22. The Gaming and Wagering Commission Act defines several aspects of the formal relationship:
 - a. section 6(2) provides that the Minister may give to the GW Commission directions of a general character as to the exercise of its functions. The Minister has not exercised this power during my tenure but has conferred with me on issues such as strengthening problem gambling responses and the suspension of junket operations at the Perth Casino during the Bergin Inquiry; and
 - b. section 48 empowers the Minister, in essence, to determine that, if the occasion or circumstances justify it, a permit should be issued to a specified person to authorise a specified kind of gaming on specified premises. This power has been exercised in the past and its exercise is disclosed in the GW Commission's annual report.⁶

23. The Covid-19 pandemic has raised a number of matters with respect to Perth Casino for the Minister's approval or noting that have required

⁶ See, for example, Gaming and Wagering Commission of Western Australia, *Annual Report 2015-2016*, p 67.

more immediacy and flexibility in the formal relationship. Two examples are the application of public health directions to the Casino and the opening and closing of the casino due to the pandemic.

Meetings and Budget Submissions (topics 27, 34-35)

24. The GW Commission meets monthly or no less than 11 times per year with no meeting in January. The length of a meeting is determined by the agenda at hand. In my time as Chair of the Commission, ordinarily a meeting runs for 2.5 hours, with a normal range of 2-4 hours.
25. In my estimation on average Perth Casino matters make up 70% of the meeting agenda. Much of this consists of ongoing approval processes for games and regular compliance reporting.
26. GW Commission meeting agendas and member packs for meetings are prepared as follows:
 - a. meetings are generally scheduled for the fourth Tuesday of each month;
 - b. the agenda items to be considered by the Commission (e.g. the approval of new casino game) must be submitted to the Executive Officer of the Commission no later than the second Friday of the month;
 - c. agenda items are vetted by the CCO for formatting, content and, where needed, clarification, before the Executive Officer releases the agenda and respective agenda papers to all members on the Wednesday prior to the scheduled meeting date;
 - d. members are able to read and consider each item before the meeting date;
 - e. on the day of the meeting members consider each item and vote to approve or decline matters or to adopt specific resolutions. On occasions, parties that are subject to agenda items, such as casino licensee representatives (e.g., for a new casino

product/game or an alleged breach) or casino employee licence holders who may be subject to a show cause notice (e.g. for breach of a licence condition), may be requested to attend the meeting to provide oral submissions; and

- f. following the meeting, minutes are drafted by the Executive Officer and sent to all members for consideration and presented to the subsequent meeting for adoption and sign-off by the Chairperson.

- 27. In addition to meetings, the GW Commission has undertaken tours of Perth Casino to observe work practices, gaming control procedures and demonstrations of gaming equipment.
- 28. As to State Budget submissions made by the GW Commission, these are outlined in a document that will be provided to the Royal Commission contemporaneously with this statement.⁷
- 29. It is useful to note that the GW Commission works with two sources of funds. First, funds appropriated and provided through the State Budget process. Secondly, the GW Commission also holds a modest cash reserve as equity and has drawn down on that reserve from time to time to meet unexpected costs or shortfalls. This financial model is set by section 9(1) of the Gaming and Wagering Commission Act.

3 The DLGSC (topics 21-22, 29, 31)

The DLGSC and the GW Commission (topic 29)

- 30. The DLGSC works with government, private and community sector partners in the diverse sectors within its remit to enliven the Western Australian community and economy. In particular it provides financial and logistical support, and policy, facilitating sporting, recreational, cultural and artistic programs and activities for Western Australian residents and visitors. It also provides regulation and support to local governments and the racing, gaming and liquor industries to maintain

⁷ See document DLG.0001.0002.0011.

quality and compliance with relevant legislation, for the benefit of all Western Australians.

31. The DLGSC undertakes all of the GW Commission's administrative tasks including audits and inspections, compliance reporting, contracting and procurement, technical and IT services, policy development, financial controls, communication with the Crown, Minister and external agencies and reporting to the Minister and Parliament. DLGSC staff prepare GW Commission meeting agenda papers and action meeting decisions. GW Commission members can and do access general DLGSC resources such as in the areas of finance, human resources, ICT and legal.
32. I cannot speak to the views or experience of former Chairpersons or members of the GW Commission, but during my tenure members have been expressly allowed access to DLGSC officers during or between meetings for technical advice or for other assistance in fulfilling their obligations.

Chief Casino Officer (topics 21-22, 31)

33. The CCO must be an officer appointed under the *Public Sector Management Act 1994* (WA). The CCO role does not comprise a standalone position of employment within the Department; rather, its functions are incorporated into the duties of the officer appointed to that statutory position.
34. The CCO's appointment has been typically linked to the division of the Department dealing with casino regulation. When the Perth Casino licence was first granted in 1985, the appointment was made to the person occupying the position of Director, Casino Control Division. Up to 2007, Departmental restructures resulted in the appointment being made to the occupant of equivalent positions including Director, Gaming Operations and the Director, Operations. From 2007 to recently, a Deputy Director General of the Department has been appointed CCO. That practice changed in February 2021 when the

former CCO Michael Connolly, and I, agreed that he should step aside from the role.⁸

35. Michael Connolly was a Deputy Director General of the former Department of Racing and Gaming appointed to the position of CCO on 3 July 2012.⁹ Following the 2017 Machinery of Government changes, he moved into the position of Deputy Director General of the DLGSC whilst retaining his position as CCO.
36. The current CCO, Mark Beecroft, appointed on 12 February 2021, is a longstanding, experienced senior regulatory officer from the Racing, Gaming and Liquor division in DLGSC. In my capacity as Director General I recommended to the GW Commission that Mr Beecroft be appointed CCO, following Michael Connolly's departure.
37. Government inspectors and officers who may be appointed as the CCO or CCO delegate are recruited through the public sector recruitment process in accordance with the *Public Sector Management Act 1994* (WA). The DLGSC has only identified one instance, in 2007, where section 11 of the Casino Control Act was used, with the approval of the GW Commission, to delegate functions of the CCO to the Deputy Director, Licensing.¹⁰
38. The CCO is not, upon appointment or periodically, required to undertake a formal training process, nor is such a process provided. Historically the person appointed CCO is a highly experienced officer of the Department.
39. Government inspectors are no longer dedicated casino inspectors; now they have responsibility for racing, gaming and liquor matters. Training is primarily 'on the job' by accompanying an experienced inspector. The trainee initially observes audits and inspections, then

⁸ Historical Job Description Forms for the Deputy Director General position that was tied to the office of CCO are at documents GWC.0002.0002.0021, GWC.0002.0002.0049, DLG.0001.0002.0005 and DLG.0001.0002.0008.

⁹ See documents GWC.0001.0001.0001 and GWC.0001.0007.0182.

¹⁰ See document GWC.0001.0002.0001.

completes them under the supervision of an experienced inspector. When the newly appointed inspector is able to demonstrate competency, they are asked to independently complete audit/inspections and investigations. The quality of an inspector's work is monitored by their manager who will address any performance deficiencies in the first instance.

40. Not all training is 'on the job': inspectors are required to participate in group training sessions on authorised casino games, rules and procedures. Furthermore, Government Inspectors are provided with supplemental procedure documentation in relation to:
 - a. investigations and prosecutions, including:
 - i. elements of relevant offences;
 - ii. investigations management;
 - iii. search and seizure;
 - iv. preparing witness statements
 - v. conducting and recording voluntary interviews; and
 - vi. preparing prosecution briefs;
 - b. administration;
 - c. casino matters, including:
 - i. the Casino Manuals [in particular (Games Procedures) and (Operations)];
 - ii. casino revenue procedures, including:
 1. chip bank operations
 2. WAT & ticket in ticket out (TITO) functionality (relevant to electronic revenue)
 3. CPV cheque credit audit information;

4. hard and soft collection, count, reports, and buys
 5. The Approved Casino Management System; and
 6. system reports;
- iii. casino tax calculation and verification;
- iv. games training;
- v. gaming operations;
- vi. pit operations, including:
 1. drop box and drop bucket exchange;
 2. blackjack and pontoon comparison;
- vii. approved equipment deliveries/storage (e.g. chips and cards);
- viii. juveniles;
- ix. CCTV, surveillance and security operations;
- x. identification badges;
- xi. general daily procedures;
- xii. Electronic Gaming Machines (**EGM**), embracing:
 1. jackpot controllers;
 2. new game reconfiguration and maintenance;
 3. seal registers;
 4. the escrow account; and
 5. EGM trays (relevant to EGM certification);
- xiii. the Burswood Park Board tax;
- xiv. unclaimed money procedures;

- xv. inspectorate computer software and password log procedures; and
 - xvi. patron disputes;
 - d. community gaming;
 - e. general matters;
 - f. liquor;
 - g. premises; and
 - h. racing.
41. In my capacity as Director General and Chairperson, I have responsibility for and oversight of the CCO's workplace performance. In practice, I discharge this responsibility by scheduling a twice-yearly review of their performance agreement, and by providing feedback and advice on an *ad hoc* basis.
42. The CCO is expected to, and does, attend every meeting of the GW Commission that they can practicably attend. At each meeting, they provide a compliance report for their activities of the previous month.
43. The GW Commission delegates certain powers to the CCO. In order to achieve oversight and effective delegation the outcomes of the CCO's exercise of delegated power are reported in meeting minutes.¹¹
44. The GW Commission also exercises oversight over the CCO by regularly amending, re-working or suggesting improvements to relevant policies, papers and decisions. Throughout my tenure I have considered the relationship between the GW Commission and the CCO (whether Mr Connolly or Mr Beecroft) to be collaborative and responsive.

¹¹ See document GWC.0001.0007.0176 for an example instrument of delegation and document DLG.0001.0002.0002 for an example of a record in the meeting minutes of the CCO's exercise of delegated decision-making power.

Functions and Responsibilities (topics 3-4, 7-8)

45. I have been instructed and guided in the performance of my functions as Chairperson of the GW Commission by way of:
 - a. in-depth briefings from the former CCO, Michael Connolly;
 - b. access to incoming Government briefing notes;
 - c. access to GW Commission meeting minutes; and
 - d. access to, and discussions with, Barry Sargeant, the previous Chairperson, who was retiring as the Director General of the Department of Racing, Gaming and Liquor. Mr Sargeant was appointed as a member of the GW Commission upon my appointment as Chairperson, so I had ongoing access to his expertise and knowledge.

46. As to my understanding of the powers, responsibilities and obligations of, respectively, the GW Commission, and my role within it, I rely on the sources of information set out above as well as:
 - a. advice from legal counsel within my Department and from the State Solicitor's Office;
 - b. information obtained by reading the relevant legislation and GW Commission policy documents;
 - c. agenda papers, many of which refer to powers under relevant legislation or relevant policies of the GW Commission. These papers may include a 'responsibilities' outline delineating responsibilities under relevant legislation and policies; and
 - d. access and discussions with DLGSC staff and fellow members of the GW Commission.

47. The Gaming and Wagering Commission Act does not set out extensive specific responsibilities for the Chairperson. It is my view that the Act contemplates the GW Commission performing its functions and exercising its powers largely by consensus or majority agreement, with

the Chairperson leading the GW Commission but the Commission itself having power. Subject to the Act, the proceedings (meetings) of the GW Commission may be regulated in such manner as the members think fit.¹²

48. Sections 17(2) and 109D(3)-(4) of the Gaming and Wagering Commission Act set out some specific responsibilities for the Chairperson.
49. My overall management philosophy, during my tenure as Chairperson, has been to ensure the continuity of established regulatory practice in light of the 2017 Machinery of Government Changes and financial efficiency measures implemented around that time. I am fortunate to have had the former Chairperson appointed as a member of the GW Commission and have drawn on his experience in particular in assessing the quality of the papers coming before the Commission. In light of this and other factors during my tenure my roles on the GW Commission have in practice been:
 - a. encouraging members to question and suggest improvements to policies, papers and recommendations;
 - b. requesting the attendance at GW Commission meetings of DLGSC officers and gaming industry participants, to promote significant face to face engagement and discussion on risk mitigation;
 - c. facilitating debate between members and the minuting of clear and actionable outcomes;
 - d. ensuring clarity in our purpose, specifically, of protecting the public interest and being a model regulator that uses powers with a presumption in favour of education and improvement over punishment;

¹² Gaming and Wagering Commission Act, s 17(1).

- e. reiterating the need to understand the significant changes technology has brought to gaming and wagering and focusing the Commission's attention accordingly on risk mitigation and other relevant matters.
50. I acknowledge that as Director General and Chairperson I am the primary facilitator of the relationship between the DLGSC and the GW Commission. My obligations as an accountable authority of the DLGSC¹³ are of critical importance in this context. They require me to ensure that the provision of resources to the GW Commission by the DLGSC is efficient, economic and consistent with the various legislation governing the GW Commission, including in particular the Gaming and Wagering Commission Act and the Casino Control Act. However, it is my view from experience, and having regard to the broader responsibilities of the Director General of the DLGSC role, that the GW Commission would benefit from amendments to the Gaming and Wagering Commission Act providing for an independent Chairperson. The Director General could still attend GW Commission meetings on request or as an *ex officio* member. I have raised these views with the Public Sector Commissioner on or around 18 February 2021.

Remuneration and Time Commitment (topics 5-6)

51. The Chairperson of the GW Commission is not separately remunerated from their role as the Director General of DGSCI. The time I spend performing the role is as follows:
- a. I attend monthly GW Commission meetings and ordinarily spend four hours preparing for each meeting;
 - b. I have twice-weekly meetings with the Minister for Racing and Gaming;

¹³ See *Financial Management Act 2006* (WA), ss 3, 52-54.

- c. I have regular (2-3 a week) meetings with the CCO;¹⁴
 - d. I have occasional meetings with executives of Crown Resorts Limited;¹⁵
 - e. I respond to correspondence from the Crown Group; and
 - f. I receive additional briefings from my staff on an as-needs basis.
52. I estimate I spend about half of this time on casino regulation. I note that the areas of responsibility for the GW Commission outside of casino regulation (for example, racing and community gaming) require significant attention in their own right.

5 GW Commission Regulation of Perth Casino and RISKS¹⁶ (topics 11-14, 23-26, 32, 36-44)

The Regulatory System for Perth Casino and RISKS (topics 11, 36-37)

53. My understanding of the system, past and present, created and enforced by the GW Commission for the regulation and oversight of Perth Casino is as follows.
54. The main duties of the GW Commission are to:
- a. administer the laws relating to gaming and betting including with respect to the Perth Casino having regard to its duties including those under sections 7(1)(c)-(e) of the Gaming and Wagering Commission Act;

¹⁴ During both Michael Connolly and Mark Beecroft's tenure, these meetings ordinarily would cover their responsibilities across both the DLGSC and the GW Commission. However, I often met with both prior to GW Commission meetings to discuss matters of specific interest to the Commission.

¹⁵ I estimate once or twice a year at most; the focus being on infrastructure developments, gaming floor areas and overall trends in the gaming and wagering industry generally and Crown's business specifically.

¹⁶ Defined in Schedule 1 to the witness summons of 23 April 2021 that is directed to me as '[r]isks associated with junket operations, money laundering, cash and electronic transactions at the Perth Casino and criminals infiltrating casino operations'.

- b. review the conduct, extent and character of gambling operations and the provision, use and location of gaming and wagering facilities;
 - c. formulate and implement policies for the scrutiny, control and regulation of gaming and betting, taking into consideration the requirements and interests of the community as a whole and the need to minimise harm caused by gambling;
 - d. issue permits, certificates and employee licenses, and
 - e. provide advice to the Minister on any matter relating to gaming and betting.
55. A number of the functions of the GW Commission are inherited from the former Casino Control Committee constituted at the inception of the casino. The genesis of the Perth Casino, and the functions formerly performed by the Casino Control Committee and now by the Commission, are covered in the Report of the Royal Commission into Commercial Activities of Government and Other Matters, Volume II, Terms of Reference 1.11 in Chapter 8.
56. The proposal for the development of a casino was advanced and ultimately accepted to achieve four broad objectives:
- a. public control of the facility;
 - b. the highest standard of casino facilities and operation;
 - c. the maximum enhancement of the tourism industry and contribution to the locality of the casino including —
 - i. the best site for outlook and accessibility;
 - ii. possible additional international class tourist facilities including facilities such as accommodation, convention centres, sporting amenities, restaurants, indoor/outdoor entertainment complexes;
 - d. related community benefits.

57. The regulatory framework which was co-developed with the casino proposal was designed to achieve each of those objectives.
58. The attainment of those objectives was, and still is, supported by a State Agreement, the *Casino (Burswood Island) Agreement Act 1985* (WA). Many aspects of the present day regulatory regime are intimately connected to, and determined by, that State Agreement, such as the funding of oversight activities through the casino licence fee.
59. In assessing the adequacy of the current regulatory framework, it is important to understand that the State Agreement was developed in 1985. Perth Casino's operations necessarily were confined to Western Australia because the internet and online gaming services had not yet developed substantially. Nor did the State Agreement contemplate the exponential growth of Perth Casino as a core asset in the national enterprise that is the Crown Group.
60. Consistent with the original intention of the legislative framework, the powers conferred on the GW Commission with respect to the Perth Casino generally do not have extra-territorial reach. Accordingly, the GW Commission has focused upon operational supervision of gaming activities (the rules and conduct of games), the integrity of gambling and the taxation of revenue generated by gambling activities and the operation of the Perth Casino. With the exception of criminal activity that is intimately connected to integrity issues (e.g. cheating or juvenile gambling), the enforcement of criminal law is not a matter which is obviously within the remit of the GW Commission.
61. Section 24 of the Casino Control Act empowers the GW Commission to issue directions to the Perth Casino licensee. This power gives effect to the Casino Manuals, a set of living documents which set out procedures for the operation of the casino, including notably the Casino Manual (Operations). Because the Casino Manuals are so prescriptive there is a reduced need for the GW Commission to issue additional comprehensive policy documents. Casino Manuals are amended from time to time, in accordance with an established protocol

and with the approval of the GW Commission or its delegate, as is necessary or desirable.

62. The Casino Manuals codify defined procedures for the Perth Casino licensee's compliance with legislative requirements and policy requirements of the Commission. If the Commission makes a resolution that is not reflected in a Casino Manual, the approved rules of a game, legislation, or a direction, the licensee will be informed of the resolution via letter or at a monthly operational meeting held directly after the GW Commission's monthly meeting. These operational meetings are facilitated by the licensee who also retains minutes of the meeting.
63. Notwithstanding the prescriptiveness of the Casino Manual there are a number of GW Commission policies addressing casino operations, including policies on:
 - a. Automatic Teller Machines (ATMs) at Crown Perth;
 - b. EGM - Return to Player;
 - c. EGM's generally;
 - d. Gambling Advertising and Inducements - Guidelines;
 - e. Licensing of Security Officers at Crown Perth (Casino Operator); and
 - f. Probity Assessments.
64. Like the Casino Manuals, these policies are amended from time to time as required and periodically reviewed.
65. In short, Perth Casino has always operated under numerous and extensive Government approved policies and procedures. Compliance is monitored by the DLGSC through:
 - a. regular and ongoing reporting required from the Perth Casino operator;

- b. Departmental audits;
 - c. Perth Casino internal audits shared with the Department; and
 - d. inspections by Department and Perth Casino employees.
- 66. The GW Commission receives audit reports as well as a summary of all inspection and reporting activities. It can request particular information underlying those summaries if necessary or desirable.
- 67. Also, the GW Commission contracts third-party accredited gaming auditors to assess Perth Casino's policy compliance and the efficacy of its gaming machines.
- 68. My understanding of the system the GW Commission has created and enforced for the regulation and oversight of RISKS is as follows.
- 69. The Commission ceased regulating Perth Casino junket operators in 2010. By 'ceased regulating', I mean the *Casino Regulations 1999* were amended so as to remove any reference, and so as not to impose regulations or obligations on the Perth Casino operator with respect to, junket operations or operators.¹⁷
- 70. Those amendments were considered by the Commission at its meeting in February 2010 and supported on the bases that:
 - a. there was an unnecessary and unhelpful duplication of checks between the Commission and Federal Government agencies responsible for border control; and
 - b. the Western Australian jurisdiction was, in comparison to other States where junket activity was not required to be licensed by the equivalent regulator to the Commission, creating economic inefficiency in the form of costs for the Commission and the casino licensee.

¹⁷ A copy of the amendments effecting this change is at document DLG.0001.0002.0004.

71. The issue of economic inefficiency was recognised in the National Competition Policy Legislative Review of the Casino Control Act 1984 prepared for Government in 1998 as part of the Federal Government's National Competition Policy program. The review considered that the junket approval process represented a restriction to competition and provided an analysis of section 25A of the Casino Control Act:¹⁸

"The requirement to licence junkets imposes economic costs on the casino that do not occur in other jurisdictions where this is not a requirement (the only other Australian jurisdiction that licences junket operators is NSW). Section 25A enables the [GW] Commission to frame regulations which determine the manner in which junkets are conducted and the type of information concerning junkets that is required to be lodged by junket operators or their authorised representatives. The provisions of section 25A may serve to restrict competition if other jurisdictions have less demanding requirements concerning junkets. Junket operators are likely to favour casinos in jurisdictions with the least demanding requirements."

72. The review concluded that the junket approval process under the Casino Control Act could be removed without affecting the overall integrity of the process, as rigorous checks were already conducted of persons involved in junket activity by other regulatory authorities.
73. During my tenure, prior to the release of Bergin Report, the GW Commission sought assurances by Crown Resorts Limited that its junket activities were consistent with anti-money laundering policy obligations and were lawful and approved under the laws of the relevant departure country.
74. In my opinion prior to the release of the Bergin Report the GW Commission acted on an incorrect view as to the performance of its

¹⁸ National Competition Policy Legislative Review of: *The Casino Control Act 1984, The Casino (Burswood Island) Agreement Act 1985, The Gaming Commission Act 1987, The Casino Control (Burswood Island) (Licensing of Employees) Regulations 1985, The Gaming Commission Regulations 1988*, p 90. Accessible at: <http://ncp.ncc.gov.au/docs/WA%20review%20of%20gambling%20legislation%20%28several%20acts%29.pdf>.

duties and the responsibility of relevant agencies, and this delayed further investigation by it into allegations of money laundering within the Crown Group.

75. The GW Commission's view throughout my tenure, until the release of the Bergin Report, had been that:

- a. the Commonwealth agencies determining the issue of an entry visa are solely responsible for assessing the background, character and propriety of junket players;
- b. AUSTRAC is responsible for assessing risks of money laundering, primarily through a system of declarations for foreign currency transactions; and
- c. AUSTRAC would contact the GW Commission if it had concerns or identified suspicion transactions within the Crown Group of relevance to the Commission.

76. Though the understanding just mentioned predated this advice, I note that, after the airing on Sunday 28 July 2019 of a 60 Minutes report which raised allegations against the Crown Group of money laundering, the GW Commission sought and received advice from the former CCO, Michael Connolly.

77. Mr Connolly's advice was that:

- a. Federal border protection agencies process and approve the issuing of visas to overseas players;
- b. AUSTRAC is the Federal agency responsible for administering anti-money laundering legislation;
- c. a number of inquiries are being conducted in relation to the Crown Group and broader junket activity that may inform future GW Commission determinations;
- d. the Department should, as is appropriate pending the resolution of those inquiries and further information coming to light, explore

the idea of a national framework for the approval and management of junket activities.

78. The Commission resolved to approve that advice.¹⁹
79. Following the Bergin Report, the GW Commission's understanding is that it, with other agencies and entities, has a responsibility to exercise relevant statutory powers to regulate junket operations and enforce anti-money laundering measures. Accordingly, with respect to junket operations, the GW Commission on 23 February 2021 resolved to give effect to a direction that junket operations are prohibited at Perth Casino.²⁰
80. With respect to money laundering the GW Commission is working on a direction requiring Crown Resorts Limited to provide audited statements for gaming accounts.²¹ However, it is my view, elaborated at paragraph [106] of this Statement, that the Commission requires further funding and forensic auditing capacity before it can, without jeopardising the efficacy of existing audits for State taxation purposes, itself audit Perth Casino accounts for suspicious transactions.
81. Excepting the deregulation of junket activities in 2010, and the change in thinking following the release of the Bergin Report, the GW Commission's objectives and philosophy in respect the regulation and oversight of the Perth Casino have not materially changed since the Commission was created shortly after the Perth Casino first commenced operation.

Risk Assessments and Use of External Consultants and Experts
(topics 23, 38)

82. The GW Commission has used external consultants knowledgeable in Accredited Testing Facilities to provide:

¹⁹ Copies of meeting minutes recording a resolution of the GW Commission reflecting this advice are at document DLG.0001.0002.0018 and a record of the advice is at document DLG.0001.0002.0014.

²⁰ See document GWC.0002.0016.0369.

²¹ Ibid.

- a. certification regarding the operation of electronic gaming machines (EGMs);
 - b. table games and related systems;
 - c. certification around the casino processes relating to gross revenue calculations; and
 - d. table game revenue reporting and TITO functionality which aided the development of audit and inspection programs.
83. ATFs are accredited through the national working party that maintains and reviews the Australian/New Zealand Gaming Machine National Standard (**Standard**). The Standard's fundamental goal is to ensure EGMs, games and related equipment are fair, secure, auditable so as to minimise any potential for harm to players. The Standard provides guidance to manufacturers for the design of gaming machines, game software and related equipment. It sets the standard testing protocols for ensuring that common regulatory requirements are met.
84. The regulatory system for Perth Casino has been informed by risk analysis and assessment. My understanding is that on August 2015 the GW Commission accepted a proposal put forward by the CCO in his role as Deputy Director General that Government inspectors cease to have a permanent presence on-site at the Perth casino. The proposal came about after considerable documentation of key business processes within the casino gaming operation, risks, key controls and the development and maintaining of audit programs.
85. In 2017 risk assessment work was undertaken during the course of a review of all gambling and liquor activities undertaken by the DLGSC. The first part of the review targeted casino regulatory activity and examined the application of risk methodologies, key controls, management of compliance function and reporting of outcomes. Reports were provided to the GW Commission in September, October, November and December 2017 outlining progress made and action taken.

86. I am aware that an initial planning/scoping session was held with RiskWest, being an external risk management consultancy, in mid-2020 for the Regulatory Services Division. This proposed risk assessment analysis would have been directed to that Division's liquor, gambling functions and local government functions. With respect to casino operations my understanding is that the risk assessment would have centred on revenue and tax verification, integrity of gaming operations, casino ownership and harm minimisation. I understand that no further progress has occurred since an initial draft risk assessment document was prepared by RiskWest, due to disruptions and shifting priorities emerging from the Covid-19 pandemic.

DLGSC Reporting to GW Commission (topics 12, 32)

87. The DLGSC and the GW Commission do not have formal policies or procedures in place for reporting to members on Perth Casino (or other) matters, outside of the vehicle of scheduled monthly meetings. However, as I am both the Director General and the Chairperson it would be a straightforward affair to respond or engage members instantly for matters ~~of~~ of urgency.
88. As to scheduled meetings, the GW Commission requires that the agenda for each monthly meeting contain standing items for the following topics:
- a. summary of casino gaming action;
 - i. casino gaming revenue;
 - ii. Funds Advance Facility and Cheque Cashing Facility;
 - iii. EGM – Escrow Account;
 - iv. VIP international and Interstate Gaming;
 - v. the number of approved Gaming Tables and EGMs on the gaming floor;
 - vi. regulatory activity;

- vii. EGM revenue; and
 - viii. EGM audits;
 - b. responsible service of gambling;
 - i. summary of incident reports;
 - ii. security report;
 - iii. surveillance report;
 - iv. RSG reports;
 - c. approvals under delegation exercised by the;
 - i. Chairman;
 - ii. CCO; and
 - iii. DDG.
- 89. The GW Commission can inform the DLGSC if it requires the content of the standing items to be amended for future meetings.
- 90. Other matters are reported to the GW Commission on an *ad hoc* basis as the DLGSC becomes aware of them. Examples include:
 - a. submissions from the casino licensee on proposed new games or amendments to existing games;
 - b. amendments to casino manual procedures;
 - c. amendments to the gaming licensed area;
 - d. notifications from the casino licensee of ASX announcements relevant to regulatory requirements;
 - e. outcomes of audits or investigations in relation to matters of non-compliance; and
 - f. probity approval notices.

Resourcing of Regulatory System (topics 24-26)

91. A table summarising the past 20 years of expenditure by the GW Commission on regulation generally is included with this statement.²²
92. There is no specific philosophy underlying the resourcing of the regulatory system for Perth Casino distinct from any other statutory function or responsibility of the Commission. All functions and responsibilities of the GW Commission are, in principle, treated equally, with resourcing dictated by, among other things, work priorities, the nature and scale of the regulatory task at that time, the economic value of the activity, the nature of the regulatory tools and interventions needed to address the area and the importance of properly regulating the area in order to ensure public confidence and trust in the gaming and wagering market.
93. GW Commission budgeted expenditure is based on previous year's performance with allowance for projected movement in regulatory activity and known future expenditure items. The finance section of DLGSC reports to the Commission on the previous financial year's income and expenditure and proposes a new budget with any significant changes explained in detail. The budget must be formally endorsed by the GW Commission.

GW Commission's Interaction with Regulators (topics 40-41)

94. The Department participates in the following inter-jurisdiction working groups:
 - a. Australasian Casino & Gaming Regulators CEO Forum;
 - b. National Standards Working Party;
 - c. Australian Gambling Surveys Working Group;
 - d. Inter-jurisdictional Working Group – Responsible Gambling Training and Communication Materials;

²² See document DLG.0001.0002.0003.

- e. Inter-jurisdictional Liaison - Casino Regulation;
 - f. Crown Casino Oversight Working Group;
 - g. Exclusion from Racing and Casino Venues;
 - h. National Consumer Protection Implementation Governance Committee;
 - i. Australian Gambling Statistics;
 - j. Wagering Data Working Group; and
 - k. National Assessment Panel – Accredited Testing Facilities.
95. Through these working groups a network of contacts has been developed which enables each jurisdiction to seek information from its counterparts on a case by case basis.
96. As an example of technical cooperation, the GW Commission endorsed the development and adherence to the Electronic Gaming Machine National Standard (NS2016) and the WA Appendix to NS2016.²³ The NS2016 is maintained by the National Standards Working Party (**NSWP**), listed earlier above. The NSWP a sub-committee endorsed by the Australasian Casino and Gaming Regulators CEO Forum. The NSWP is an inter-jurisdictional working group comprising of representatives from all Australian states who regulate casino gaming. The WA Appendix to NS2016 is maintained by the Commission.
97. The GW Commission fully cooperated with the Bergin Inquiry and the Independent Liquor and Gaming Authority. The Commission was mindful that it needed to respect and support that inquiry and that its ultimate findings would inform legislative and/or policy changes in Western Australia.

²³ See document GWC.0001.0013.0066.

98. A memorandum of understanding does not exist between the GW Commission and its equivalent regulators from each Australian jurisdiction. Nor has the GW Commission entered into a memorandum of understanding with AUSTRAC. However, a Crown Casino Oversight inter-jurisdictional working group has been established between WA, NSW and Victoria to, amongst other matters, investigate alignment in the regulatory framework and approach for the three jurisdictions with respect to casino operations. An item scheduled to be discussed at the inaugural meeting of 18 May 2021 will be AUSTRAC's proposal to permit state based regulators access to its database. It is possible that these discussions will result in the development of a memorandum of understanding.

Additional Conditions on Perth Casino License to manage RISKS (topic 42)

99. The GW Commission has never sought the imposition of additional conditions on the Perth Casino licence directed to the management of RISKS.
100. The GW Commission's view has, until very recently, been that the management of RISKS is the responsibility of other agencies including AUSTRAC, Australian Border Force and WA and Federal Police. Junket licensing by the GW Commission was discontinued in 2010 by way of amendments to the *Casino Regulations 1999*.

Auditing of Riverbank Account (topic 43)

101. The GW Commission has not to my knowledge ever undertaken, or caused to be undertaken, an audit of the Riverbank account with a specific focus on money laundering or suspicion transaction concerns. However, I understand that the Riverbank account information was provided to the Department but it was only viewed at a more general level, as part of the system of periodic audits of Perth Casino accounts designed to assess State taxation revenue and preventing tax fraud/evasion.

Commission Consideration of Clause 22.1(r) of the Victorian Casino Agreement) (topic 44)

102. The GW Commission has not to my knowledge ever considered this matter.

Evaluating the Regulatory System for Perth Casino and RISKS (topic 39)

103. The GW Commission requires Crown Resorts Limited to undertake significant compliance monitoring and inspection to ensure that Perth Casino operates in compliance with relevant policies and obligations. On top of this, the GW Commission arranges for employees of the DLGSC and third-party contractors to audit compliance at regular intervals.
104. In my opinion, with the exception of the matter of RISKS addressed further below, the regulatory system enforced by the GW Commission and the DLGSC performs well in ensuring that Perth Casino operations comply with licensing requirements. In broad terms, my reasons for this conclusion include the following:
- a. The GW Commission has implemented a rigorous oversight system with respect to casino tax revenue and the results of numerous audits indicate that that system is effective;²⁴ and
 - b. the GW Commission undertakes numerous audits and inspections of Perth Casino's compliance with approved protocols for gaming machines, the conduct of gaming and general operating procedures. The feedback and reporting generated by this regime indicates a high level of compliance by Perth Casino.
105. However, the regulatory system can be improved. There is a risk that regular fixed auditing and inspections can become predictable or lose vigour, particularly where (as here) they have been carried out in

²⁴ See, e.g., documents GWC.0001.0003.0004, GWC.0002.0008.0001 and GWC.0002.0008.0002.

similar form for several decades. It is the GW Commission's intention to require the DLGSC to increase the randomisation of the audit and inspections program and to reintroduce on-site inspections of casino cage operations.

106. The existing responsibility of the GW Commission and the DLGSC to assess, collect and remit State taxation from casino operation is onerous and consumes the resources allocated to that function. It is onerous because it requires significant oversight and review of Crown Resorts Limited's operating income and trading intake from gaming activity. In my opinion, the GW Commission requires additional funding and auditing/forensic auditing capacity before it can, without risking prejudice to the efficacy of the existing taxation audit function, properly analyse suspect gambling and gambling-related transactions.
107. With respect to RISKS, as referred to above at paragraph [100], in the past the GW Commission believed that it was AUSTRAC and other law enforcement agencies, and not the GW Commission's, responsibility to monitor Crown Resort Limited's operations for RISKS. From the middle of 2019 the GW Commission believed that it should not and must not report to AUSTRAC particulars of suspicious banking or currency transactions which Crown Resorts Limited is obliged to report to AUSTRAC pursuant to the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (Cth). Following receipt of the Bergin Report findings it is clear that this understanding was erroneous and the GW Commission needs to do more to properly discharge its statutory functions, including in particular its functions:
 - a. to formulate and implement policies for the administration and control of the conduct of gaming and wagering in the State; and
 - b. take steps to minimise harm to the community, or any part of the community, caused by gambling.²⁵

²⁵ See Gaming and Wagering Commission Act, s 9(2)(a), (da).

108. The GW Commission in its meeting of 28 April 2021 further discussed how it could audit Crown revenues so that it analyses suspect patterns of transactions in gaming accounts. If the Commission developed this capacity it could report any identified irregularities to law enforcement agencies and better assist those agencies or State entities in investigating or addressing any irregularities.
109. I think it remains a real question is to how efficient the GW Commission can be in performing this role without more clarity about its interactions with AUSTRAC and law enforcement agencies in Western Australia, the Commonwealth and elsewhere.
110. Whilst I have made some observations about the performance of the GW Commission and DLGSC in ensuring Crown complies with its licensing requirements, there is another layer and that is the examination of whether the licence holder is a fit and proper person to hold a licence. I address that further below at paragraphs [124]-[127].
111. Lastly, I support legislative, administrative and policy amendments which would increase the independence of the GW Commission and/or position it or a successor statutory body as a single independent gaming and wagering regulator. Importantly, in my view, the nature and comparatively small size of the Western Australian gaming and wagering market is such that it is not clear to me, at this stage, that there is merit in, or a need to, create an additional independent casino (only) regulator, as was recommended in the Bergin Report.
112. In Western Australia, gaming machines and Keno are only permitted and accessible at Perth Casino. With the exception of the ACT, those forms of gambling are (subject to usual regulatory limits) permissible and accessible at clubs, hotels and casinos.²⁶

²⁶ Queensland Government Statistician's Office, *Australian Gambling Statistics* (36th edition), Explanatory Notes, p 7 (Table 1.4). Accessed at <https://www.qgso.qld.gov.au/issues/2646/australian-gambling-statistics-36th-edn-1993-94-2018-19.pdf>.

113. As 30 June 2019, there were 68676, 22612 and 1500 gaming machines in NSW across, respectively, 1102 clubs, 1390 hotels and 1 casino. Of the hotels just mentioned, 47.3% made over \$5,000,001 annual revenue for the 2018-19 financial year from their gaming machines.²⁷
114. By contrast, as at 30 June 2019, Perth Casino had approval to operate a maximum of 2,500 electronic gaming machines.²⁸
115. For these and other reasons, it is unsurprising that for the 2018-19 financial year, total gambling turnover in NSW was approximately \$96.568 billion whereas in WA it was \$6.350 billion.²⁹
116. Over the same period:
- a. Victoria's casino gambling turnover was approximately \$13.633 billion whereas WA's was \$3.276 billion;³⁰ and
 - b. total gambling turnover was approximately \$15,404 *per capita* for NSW residents and \$3165.25 *per capita* for WA residents.
117. In my respectful view, these and numerous other market indicators show that the size and scale of the Western Australian market is such that it is appropriate to have a single independent gaming and wagering regulator for the entire Western Australian jurisdiction.

Briefing Papers and Support from the DLGSC (topics 13-14)

118. In my view the briefing papers received by the GW Commission regarding the regulation of Perth Casino have been adequate with respect to the regulatory issues before the GW Commission, but with the benefit of hindsight, there was limited briefings provided in respect to RISKS because the GW Commission (and indeed the Department)

²⁷ Ibid, Part 1: Explanatory Notes, p 8-9.

²⁸ Ibid, Part 1: Explanatory Notes, p 17-18.

²⁹ Ibid, Part 2: State Tables, 1.

³⁰ Ibid.

understood that much of the responsibility for those RISKS sat outside their purview.

119. During my tenure the GW Commission has often reviewed the content of agenda papers and requested further reporting detail where desired and/or in response to emerging issues.
120. During my tenure primary matters of concern before the Commission have at different times included:
 - a. problem gambling behaviours;
 - b. gaming machine manipulation;
 - c. potential changes to Crown Group ownership;
 - d. the emergence of synthetic lotteries (e.g., Lottoland); and
 - e. the regulation of online gambling.
121. In my view, as I have referred to earlier in this Statement, to ensure the briefing papers and materials received by the GW Commission and CCO are adequate with respect to RISKS, the Commission needs a capacity to forensically audit gambling payments received by (at least) Crown Resorts Limited. Should the operator of the Casino overtly or passively condone money laundering it would constitute an unacceptable risk to the community and hence the operator could not be considered suitable to hold the Casino license. Self-regulation by the operator is critical, but equally independent assessment by the regulator would seem prudent to discourage complacency and human error. Furthermore, a capacity of the Commission to receive dual reporting alongside AUSTRAC of suspect transactions would enable the Commission to work with WAPOL and the CCC to establish a better regulatory framework, and to intervene where appropriate, to prevent money laundering within Western Australia.
122. Similar to my comments immediately above, in my view the support provided to the GW Commission by the DLGSC has been adequate to address the regulatory issues relevant to Perth Casino with the

exception that it has been inadequate with respect to RISKS and Crown Resort Limited's propriety as an operator.

123. The Racing, Gaming and Liquor regulation unit within the DLGSC was structured with the intention of ensuring confidence in the efficacy and integrity of Perth Casino operations within the GW Commission, the Minister for Racing and Gaming, government generally and the community. This philosophy is centrally concerned with consumer protection, protection from unfair practices, the security and efficacy of gaming activities on the Casino floor and Perth Casino's compliance with operating policies and procedures. On reflection, this structure and approach has not been and is not sufficiently focused on The Crown Group's corporate governance and Crown Resorts Limited's propriety as a casino operator.
124. The DLGSC and the former Department of Racing and Gaming did not undertake periodic or *ad hoc* strategic governance audits of Crown Resorts Limited and its subsidiaries or related entities, with the exception of the initial assessment of Publishing and Broadcasting Limited's suitability to acquire the shareholding of Burswood Limited in 2004. Unlike the *Casino Control Act 1991* (Vic), the Casino Control Act does not mandate periodic reviews of such matters. In my opinion, such review ideally would occur in future in Western Australia on a periodic basis pursuant to a requirement imposed by an amended Casino Control Act or other legislation or otherwise at the discretion of the GW Commission. Such a review could consider, among other things, the structure of the company, the degree of oversight by relevant directors and key employees and the adequacy of centralised audit and risk processes.
125. With respect to whether the GW Commission in its discretion should have, prior to the Bergin Report, undertaken such a review at its own volition, my view is as follows. Having regard to all of the material before it at all relevant times, and the assumption adopted by it as to the leading role of AUSTRAC and law enforcement agencies with respect to RISKS, the GW Commission did not in my opinion have proper cause to undertake such a review. The review would have been

resource intensive. As the Commission would have had no capability to recover the costs of the review from the Crown Group, the review would have detrimentally affected the Commission's ongoing inspection and audit regime. In addition, Western Australian economic conditions from 2015 to 2019 were somewhat weak due to modest international commodity prices. The review could have had adverse ASX implications for Crown Group given it would not be a periodic review under legislation. Whilst adverse economic and business implications are far from decisive, they are relevant and important in light of the matters just mentioned. In particular, in the absence of any obvious or pressing factual basis for a propriety review, the need to have regard to the stability of Crown Resort Limited's business, as a significant driver of employment and economic activity in the Western Australian economy, assumes high significance to my mind.

126. Importantly, I add to the above that the DLGSC and GW Commission, via primarily the CCO, maintains contact with casino and gambling regulators in the other States and Territories. It is my understanding that the outcomes and findings of all the Victorian periodic reviews into the corporate governance and propriety of Crown Resorts Limited were known to regulatory officers within the DLGSC. I am not aware of the Victorian Commission for Gambling and Liquor Regulation advising the DLGSC, the GW Commission and/or myself of or any issues it identified with respect to Crown Resorts Limited's corporate governance or operations.
127. In saying the above, I acknowledge that if the information and circumstances before the GW Commission had been better known to, and understood by, it, my view would necessarily be different as to whether there would have been proper cause for a propriety review commenced of the Commission's volition.
128. Finally, in line with overall Government budget saving measures there has been a reduction in the number of DLGSC employed casino

inspectors.³¹ Notwithstanding that, in my view the GW Commission has received sufficient administrative support from the DLGSC at all relevant times to address relevant regulatory issues, with the exception of RISKS and the assessment of Crown Resorts Limited's propriety as discussed above.

6 Conflicts of Interest (topics 15-18, 33)

Instructions and Policies (topics 15-16, 18)

129. The information I have been given as to actual and potential conflicts of interests and the way I am to deal with them in my current roles is:

- a. I am forbidden to gamble at Perth Casino and Crown Group resorts/premises generally;³²
- b. I maintain a register of Gifts and Hospitality which is regularly reported to Ministers and Parliament;
- c. the declaration of any conflicts of interest is a standing item on the GW Commission meeting agenda and all declared conflicts are included in the minutes. The Commission determines through discussion whether the declared conflict is such that the relevant member should be excluded from voting or from discussion of the relevant meeting item;
- d. the DLGSC maintains a conflict of interest policy and all staff, including myself, receive induction training on that and other integrity policies;
- e. the GW Commission maintains a conflict of interest policy to which all members, including myself, are bound and which I have been aware of throughout my tenure;

³¹ My understanding is that the number of FTEs was reduced from 18 to 14 around 2012. Currently 12 positions are filled with permanent occupants and 2 positions are vacant.

³² Beyond relevant codes of conduct, s 23(2) of the Casino Control Act makes it an offence for me to participate as a player in any game at Perth Casino.

- f. as Director General I am bound to Departmental policies as well as other obligations under the *Public Sector Management Act 1994* (WA);
 - g. more broadly with respect to Crown Group I actively attempt to abstain, and consider that I have abstained, from any activity which, in my opinion, could give rise to an actual or perceived conflict of interest with my role as Chairperson and a gaming and wagering regulator.³³
130. My understanding of the position with respect to my immediate and close family is that it would, at least, be an indirect conflict of interest for my wife or children to work for the Crown Group. If I had any friends who might have an association with the Crown Group (and I am unaware of any), that is a matter I would need to disclose.
131. In my experience, discussions on conflict of interest regularly occur during meetings of the GW Commission. During my tenure I have found all members to be well experienced in corporate governance issues and procedures at a general level. I have supported members attending governance and casino regulation forums when available. GW Commission members who have attended those forums have shared outcomes and learnings with other members.³⁴

Integrity Policies for Casino Industry Interactions (topic 33)

132. Both the GW Commission and the Department have Codes of Conduct addressing conflicts of interest in place and have been covered by

³³ Noting that for my responsibilities in non-gaming and wagering areas such as community arts and sports this heightened approach of abstaining from matters and events that might be permissible under relevant codes of conduct if properly disclosed may be unworkable, so that instead in that context I ordinarily engage in permissible matters in accordance with relevant policies.

³⁴ For example, the GW Commission by Resolution 39/2019 in its meeting of 26 February 2019 agreed to pay up to 50% of a maximum of \$2000 of the expenses for Ms Carmelina Fiorentino's professional development attendance at the Australian Institute of Company Director's Annual Governance Summit.

Codes of Conduct (which address conflicts of interest) since prior to 1 January 2018.³⁵

133. On 1 January 2015, the GW Commission implemented a Code of Conduct. In light of the 2017 Machinery of Government changes this Code was amended on 31 January 2018 to reflect my appointment as Chairperson and references to the new Department name and associated aspects.
134. The Code was further amended on 23 March 2021 to improve controls relating to recording and addressing conflicts of interest.
135. The DLGSC's Code of Conduct was implemented on 27 November 2017 and amendments to the Code occurred in May and September 2020.³⁶ The DLGSC is attempting to locate the November 2017 and May 2020 versions of the Code.
136. By way of background, the May 2020 amendments concerned editing changes, secondary employment policy alignment, inclusion of coverage of volunteers, Equal Employment Opportunities and employee screening, update of values and branding. The September changes included a document history page and corrected hyperlinks.
137. A table of declared conflicts and how the GW Commission has managed those conflicts was provided in the Commission's response to the Royal Commission on 15 April 2021.³⁷

Declared or Known Conflicts of Interest (topic 17)

138. With one exception referred to below, I have not declared, and I am not aware of, any conflict of interest with my roles as Chairperson or Director General, that I, or my close associates, hold.

³⁵ For the GW Commission's Codes of Conduct, issued January 2018 and March 2021, see, respectively, documents GWC.0001.0011.0003 and GWC.0001.0011.0002.

³⁶ The current version of the DLGSC Code as amended in September 2020 is at document GWC.0001.0011.0001.

³⁷ See document GWC.0001.0012.0001.

139. On 23 February 2021 during a GW Commission meeting I declared to members that I have concurrent responsibilities by virtue of my dual appointments and the breadth of the DLGSC's areas of responsibility.³⁸ I disclosed that as Director General I have had direct contact with executives and officers of Crown Resorts Limited. However, as I disclosed, that contact did not concern casino operations or gaming and wagering. It concerned my portfolio responsibilities of community arts and sports in the context of Crown Perth's status as an events and hospitality venue and provider.

7 Obstruction (topics 10-11)

140. The GW Commission and I have not, to my knowledge, been obstructed in the performance of duties or exercise of powers.

³⁸ See document GWC.0002.0016.0369.

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

Contains sensitive information

Signed _____

Contains sensitive information

Witnessed at _____

On 6 May 2021 at 3.50pm

By _____

Contains sensitive information