

Division 37: Local Government, Sport and Cultural Industries — Service 4, Racing and Gaming, \$23 922 000 —

Mr S.J. Price, Chair.

Mr R.R. Whitby, Minister for Racing and Gaming.

Ms L. Chopping, Director General.

Ms S. Sherdiwala, Executive Director, Finance and Procurement.

Ms G. Larcombe, Executive Director; Racing, Gaming and Liquor.

Mr C. Dykstra, Deputy Director General, Portfolio Capability and Performance.

Ms E. Gauntlett, Deputy Director General, Portfolio Management and Coordination.

Mr T.J. Robinson, Senior Policy Adviser.

[Witnesses introduced.]

The CHAIR: This estimates committee will be reported by Hansard. The daily proof *Hansard* will be available the following day. It is the intention of the chair to ensure that as many questions as possible are asked and answered and that both questions and answers are short and to the point. The estimates committee's consideration of the estimates will be restricted to discussion of those items for which a vote of money is proposed in the consolidated account. Questions must be clearly related to a page number, item, program or amount in the current division. Members should give these details in preface to their question. If a division or service is the responsibility of more than one minister, a minister shall be examined only in relation to their portfolio responsibilities.

The minister may agree to provide supplementary information to the committee, rather than asking that the question be put on notice for the next sitting week. I ask the minister to clearly indicate what supplementary information he agrees to provide and I will then allocate a reference number. If supplementary information is to be provided, I seek the minister's cooperation in ensuring that it is delivered to the principal clerk by close of business Friday, 1 October 2021. I caution members that if a minister asks that a matter be put on notice, it is up to the member to lodge the question on notice through the online questions system.

I give the call to the member for Roe.

[5.20 pm]

Mr P.J. RUNDLE: I refer to the table at the top of page 542. Under the section "Other" is "Perth Casino Royal Commission Expenditure". It has \$568 000 and then \$933 000. Can the minister provide some context around that expenditure?

Mr R.R. WHITBY: The member would know that the Perth Casino Royal Commission was established in March this year and is due to report on 4 March next year. This is about funding the royal commission. Estimated costs over the 2020–21 financial year are \$568 000 and for the 2021–22 financial year, \$933 000.

Mr P.J. RUNDLE: What is it actually for?

Mr R.R. WHITBY: I guess the member can understand that royal commissions require expenditure and that includes the staffing of two FTEs for eight months. Additional funding is for Gaming and Wagering Commission board members who need additional preparation time for their appearance before the commission, but most of it is legal costs and the cost of the digitisation of records.

Mr P.J. RUNDLE: Is the minister telling me that GWC board members are being paid more because of the fact that they have to meet more often for the royal commission?

Mr R.R. WHITBY: I have been informed that there was an allocation, but that money has not been paid. If there is a requirement for them to spend a lot of time on it, there is the ability for them to be recompensed for that time. At the moment, it is only an allocation and no money has been paid.

Mr V.A. CATANIA: I refer to page 543 and paragraph 9, which states —

The Perth Casino Royal Commission (the Royal Commission) was established in March 2021 to inquire into the suitability of Crown Perth to continue holding a casino gaming licence and to examine the State's regulatory framework ... The outcomes and recommendations of the Royal Commission are likely to have a significant impact on the Department and the Gaming and Wagering Commission in relation to governance arrangements and legislative framework.

The minister is responsible for the Gaming and Wagering Commission. Is that correct?

Mr R.R. WHITBY: I have responsibility for the agency, yes.

Mr V.A. CATANIA: The minister is always a minister for that agency unless he takes leave; is that correct?

Mr R.R. WHITBY: Yes.

Mr V.A. CATANIA: When the minister takes leave, does he sign over a piece of paper? How does he take leave to say that he is not a minister at that point in time?

Mr R.R. WHITBY: To be honest, I am not full bottle on the process because I have not taken leave yet, but I know that when I fill in for another minister who is on leave, there is certainly some documentation to be signed.

The CHAIR: Member, I am sure this is relevant somehow.

Mr V.A. CATANIA: Yes, it is. I will get there, chair. I want to confirm that unless the minister takes leave, he is a member of Parliament and he is still a minister. Is that correct?

Mr R.R. WHITBY: I am trying to work out what this has to do with this part of the budget.

Mr V.A. CATANIA: It is important to know that the minister is the minister responsible for the inquiry into the Perth Casino Royal Commission that is occurring in the minister's department and the casino. I want to make sure that the minister's role, as a member of Parliament, is always there as a member of Parliament —

The CHAIR: Member for North West Central, the question is not relevant to the budget. The minister has discretion whether he would like to respond to that and the member can move on to the next question.

Mr V.A. CATANIA: In the minister's role as minister, being party to the Perth Casino Royal Commission, would he take a chopper flight with someone who is being inquired upon in regard to the Perth Casino Royal Commission?

The CHAIR: Member for North West Central, once again —

Mr V.A. CATANIA: It is in relation to the Perth Casino Royal Commission line.

The CHAIR: No, it is not relevant to the budget papers. Once again, minister, it is not a relevant question and it does not have to be responded to.

Mr P.J. RUNDLE: I will have a further question, if I can.

The CHAIR: A new question?

Mr P.J. RUNDLE: I can call it a new question. It will be under the same line item.

The CHAIR: The previous one was not a question, member for Roe, so if the member has a question, that would be helpful.

Mr P.J. RUNDLE: I refer to page 543, paragraph 9 about the Perth Casino Royal Commission. The paragraph states —

The Royal Commission delivered an interim report which was tabled in Parliament ...

I have it here. It further states —

The outcomes and recommendations of the Royal Commission are likely to have a significant impact on the Department and the Gaming and Wagering Commission ...

The operational relationship between the Gaming and Wagering Commission and the department was highlighted. Has any work been done to improve or clarify the communication channels between the two agencies?

Mr R.R. WHITBY: As the member rightly pointed out, there is an interim report that made some observations, but no recommendations, about the regulatory structure in relation to the royal commission. Perhaps I will mention for clarity for people present today that I do not have carriage or responsibility for the royal commission. The royal commission is an independent legal process, appointed by the government and another minister. To say that I have some control or carriage of, or responsibility for, the royal commission is incorrect. It is an independent process. It will deliver findings or possible recommendations to the government, and at that stage, the government will consider those recommendations.

The member asked about the interim report and the mechanism and the structure around the regulatory process of the casino. Certainly, the agency has already acted. It has done a number of things to improve governance and regulatory delivery. It has looked at and taken note of some of those early interim report comment lines, if you like. The result is that the agency is already looking to move in the direction that it believes it should, of its own volition, and that would involve structures to improve portfolio management, capabilities, strength of governance arrangements, enhancing the leadership team and making sure that the regulatory structure is enhanced and more efficient, in line with what the commissioners have observed in their interim report.

[5.30 pm]

Mr P.J. RUNDLE: I understand that the minister is not responsible for the royal commission; but he is responsible for his department, which is part of that. I note that on page 121 of the interim report there is a suggestion of regular

meetings between the department and the operations division of the Crown Perth casino for which the minutes are recorded by a Crown employee on Crown letterhead and at the time of the report these records were not being passed on to the commission. Minister, can I ask whether has this changed? Are these meetings still occurring? How frequently are they occurring and who attends them?

The CHAIR: Member, once again, even though the *Perth casino royal commission: Interim report on the regulatory framework* is mentioned in the budget, the question is not related to a budgetary item. The member is asking a general question —

Mr P.J. RUNDLE: It is in the budget papers.

The CHAIR: No. The member is asking a question out of a matter contained in the interim report. The interim report is not part of the budget; there is just a reference to it. Once again, the question is not relevant and the minister does not have to answer it.

Mr V.A. CATANIA: I have a point of order, Mr Chair. The interim report is referenced in the budget papers and it is our understanding, and has been the understanding in all my time in this place, that any reference to the budget can be questioned by the opposition.

The CHAIR: There is no point of order, member for North West Central.

Mr P.J. RUNDLE: I have a further question, Mr Chair. Page 543 of the *Budget Statements* state —

The outcomes and recommendations of the Royal Commission are likely to have a significant impact on the Department and the Gaming and Wagering Commission in relation to governance arrangements and legislative framework.

That was mentioned here in the budget. I am just asking the minister —

The CHAIR: The member is asking about a specific item contained within the interim report, which is not part of the budget.

Mr P.J. RUNDLE: Further to that, if I can, Mr Chair, as we pointed out earlier, the commission and the department have been allocated money in the line item of \$568 000 and \$933 000. What steps, if any, have been taken to improve the training and education of all departmental staff involved in the administration, regulation and review of any and all gaming and wagering matters in WA?

Mr R.R. WHITBY: Thank you, member. I think I already answered that in my previous response.

Mr P.J. RUNDLE: If I can, I want to go back to the line item of \$568 000 and \$933 000.

The CHAIR: That was on page 542—is that correct?

Mr P.J. RUNDLE: That was on page 542. Is the minister expecting a significant impact following the final royal commission report? Is any preparatory work being done ahead of the final report being handed down as part of that funding that has been allocated for the government support to the royal commission?

Mr R.R. WHITBY: The money that the member has pointed to funds the costs of the agency's involvement in the royal commission. As I said, there are a lot of legal and other administrative costs. As I said earlier, there has been action around how the agency is repositioning and restructuring in a regulatory sense. That is not using that money; that money will come out of the general finances of the agency. Let us be clear: the appropriation is in terms of basically responding to, and dealing with, the royal commission. The demand on documentation, evidence and legal advice is quite extensive, so that is what the funding relates to. But the agency is certainly very proactive in responding to and adjusting its regulatory structure to be much more pointed, efficient, relevant and improved, and funding for that is coming out of the general finances of the agency.

Mr P.J. RUNDLE: The current director general said that she will be cracking down on regulation and training and the like, unlike the previous director general who noted in his evidence that he did not have the experience or training for that. Has the minister implemented some training and regulatory experience into the department, or has the director general implemented some of those measures in conjunction with the royal commission?

The CHAIR: Minister, before you respond to that, I will speak. Member, once again, you are referring to a document that is not part of the budget. It is a close link and —

Mr P.J. RUNDLE: No; that was evidence given at the royal commission —

The CHAIR: Correct. And the member is referring to the interim report again, so I will give the minister the discretion —

Mr V.A. CATANIA: I have a point of order. Can I get some clarification here, Mr Chair?

The CHAIR: Yes, member for North West Central.

Mr V.A. CATANIA: My understanding is that the minister's department is funding the royal commission. Is that correct?

The CHAIR: I do not know.

Mr V.A. CATANIA: Well, can I ask the question?

The CHAIR: No, member. This is not a place for a general conversation. The previous question from the member for Roe addressed the issue that I am raising quite well, so the member for Roe just needs to be careful with the way he phrases it.

Mr P.J. RUNDLE: I will start afresh.

The CHAIR: Thank you, member.

Mr P.J. RUNDLE: I refer back to page 542 and the line item "Perth Casino Royal Commission Expenditure". The minister pointed out earlier that this allocation funds two FTEs. Do either of these FTEs regularly attend meetings with Crown Perth operational division staff; and, if so, how often?

Mr R.R. WHITBY: Those FTEs are involved in responding to the royal commission. We are talking about the response of the agency to the royal commission.

Mr V.A. CATANIA: I refer to page 543, paragraph 9, which states —

The Perth Casino Royal Commission (the Royal Commission) was established in March 2021 to inquire into the suitability of Crown Perth to continue holding a casino gaming licence and to examine the State's regulatory framework.

Has the minister's department or commission put any money into the royal commission—yes or no?

Mr R.R. WHITBY: In terms of the royal commission, the only funding from this agency would involve the agency's response and involvement in the royal commission. I do not believe that it is the responsibility of the agency to actually fund the royal commission.

Mr V.A. CATANIA: So the royal commission is not being funded in any way through the budgets of Racing and Wagering WA or the Department of Local Government, Sport and Cultural Industries?

Mr R.R. WHITBY: Member, that might be a question for another minister, but the expenditure is in relation to this agency's involvement with, preparation in assisting, or having people respond to, the royal commission. Again, there is no funding from this agency to run the actual royal commission itself.

[5.40 pm]

Mr P.J. RUNDLE: I return to the line item on page 542, "Perth Casino Royal Commission Expenditure". Can the minister tell me what the two FTEs are being paid for?

Mr R.R. WHITBY: Basically, they are dealing with the administrative processes around responding to the royal commission. The royal commission will produce what are known as notices to produce—NTPs. It might be documentation or information. That involves searching for information, collating it and preparing it for submission to the royal commission. It can be quite an onerous process, given that the royal commission can ask a lot of information, often going back 30 years, which involves digging through the archives and accessing information, making sure it is information that has been requested. There have been 51 of those NTPs to date. There is a significant workload. That is what those two FTEs are required to do.

Mr P.J. RUNDLE: How often do those two FTEs report back to the director general? Have they minuted any meetings they have been involved in? Have they been asked to declare any interests?

Mr R.R. WHITBY: Those staff have no involvement with Burswood. They are administrative staff sitting in the agency responding to requests for information from the agency.

Mr P.J. RUNDLE: Is the minister saying that they do not have any interaction whatsoever in relation to the royal commission; they are responding in an administrative sense?

Mr R.R. WHITBY: Their interaction is receiving requests and delivering information. That is their involvement.

Mr P.J. RUNDLE: I refer to paragraph 9 on page 543. It has been flagged that some departmental staff have perceived conflicts with Crown, including one marriage. I would like the minister to comment on that if he would not mind.

The CHAIR: Member, I am not sure where you are reading that.

Mr P.J. RUNDLE: It was pointed out in the interim report, which has been tabled as part of the budget documents.

The CHAIR: It is mentioned as part of the particular item that you are talking about; it is not part of the budget. I have already made it clear on a number of occasions that it is just referred to here; it does not form part of the budget. If you want to incorporate it into your questions, you need to think about how you phrase that.

Mr P.J. RUNDLE: I think it is fair to ask whether the two FTEs have a declared interest on that basis.

The CHAIR: I am not sure whether that was the same as your previous question.

Mr P.J. RUNDLE: Does the minister consider that to be a fair question?

Mr R.R. WHITBY: I am happy to answer that question. The member is asking a different question. Every single member of staff has an approved conflict of interest management plan in place.

Mr P.J. RUNDLE: I am pleased to hear it.

The appropriation was recommended.