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**PERTH CASINO ROYAL COMMISSION**

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**PUBLIC HEARING - DAY 18**

**10.00 AM FRIDAY, 30 JULY 2021**

**COMMISSIONER N J OWEN**

**COMMISSIONER C F JENKINS**

**COMMISSIONER C MURPHY**

**HEARING ROOM 3**

**MR MICHAEL FEUTRILL SC and MS APARNA JAYASEKERA as Counsel  
Assisting the Perth Casino Royal Commission**

**MR JOSEPH GARAS SC and MS LAUREE COCI as Counsel for Crown Resorts Ltd;  
Burswood Limited; Burswood Nominees Limited; Burswood Resort (Management)  
Limited; Crown Sydney Gaming Pty Ltd; Southbank Investments Pty Ltd; Riverbank  
Investments Pty Ltd and Crown Melbourne Limited**

**MR ANTHONY POWER as Counsel for Ms Maryna Fewster**

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

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

**MR DEAN GRONDAL as Counsel for Mr Joshua Preston**

**DR ELIZABETH BOROS as Counsel for Mr Ken Barton**

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

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

**MR STEVEN PENGLIS SC and MS VICTORIA BUTLER as Counsel for Tim  
Roberts**

10:00AM

COMMISSIONER OWEN: Please be seated. I think we have Mr Roberts? Would you please come forward. Would you mind stating your full name for the record, please.

5

**MR TIMOTHY ANDREW ROBERTS, AFFIRMED**

10 COMMISSIONER OWEN: Thank you, Mr Roberts.

MR PENGLIS: May it please the court. My name is Penglis. I appear on behalf of Mr Roberts today. I say that because I represent other interests in the Commission. I will make it clear on each day who I appear for.

15

COMMISSIONER OWEN: Sorry, please sit down, please, Mr Roberts.

**EXAMINATION-IN-CHIEF BY MR PENGLIS**

20

MR PENGLIS: Mr Roberts, you prepared two witness statements for the purpose of these proceedings?

25 MR ROBERTS: I have.

MR PENGLIS: Can I show you these two originals. Look at the larger document first of all. It comprises 18 pages. Do you identify that as your first witness statement in these proceedings?

30

MR ROBERTS: I do.

MR PENGLIS: On the last page, is that your signature and it is dated 26 July 2021; correct?

35

MR ROBERTS: Correct.

MR PENGLIS: Would you look at the second statement, which is one page. Is that the second or supplementary witness statement that you made for the purpose of this hearing?

40

MR ROBERTS: It is.

MR PENGLIS: Is that your signature?

45

MR ROBERTS: It is.

MR PENGLIS: And it is dated 29 July 2021, correct?

10:02AM

MR ROBERTS: Yes.

5 MR PENGLIS: With those two statements read together, do you confirm their contents to be true and correct?

MR ROBERTS: I do.

10 MR PENGLIS: If it pleases the Commission, I tender those two statements.

COMMISSIONER OWEN: The two statements with the identifying numbers and dates, TAR.0001.0001.0001 dated 26 July 2021 and TAR.0001.00001.0019 dated 29 July 2021 will be admitted as exhibits.

15 **EXHIBIT #TAR.0001.0001.0001 - STATEMENT OF MR TIMOTHY ANDREW ROBERTS DATED 26 JULY 2021**

20 **EXHIBIT #TAR.0001.0001.0019 - SUPPLEMENTARY STATEMENT OF MR TIMOTHY ANDREW ROBERTS DATED 29 JULY 2021**

25 COMMISSIONER OWEN: Thank you, Mr Penglis.

Mr Feutrill.

30 **CROSS-EXAMINATION BY MR FEUTRILL**

MR FEUTRILL: May it please the Commission.

35 Mr Roberts, my name is Michael Feutrill. I'm one of the Counsel Assisting the Commission. I'm saying it because the room has several hundred people in it. I am going to ask you a number of questions today.

40 Just before I start, you received with your summons a letter from the Solicitors Assisting the Commission that contained a number of topics and a schedule, do you recall that? And the statement you've given is in response essentially to a series of questions set out in that schedule; correct?

MR ROBERTS: Correct.

45 MR FEUTRILL: Is it the case that your statements, where they deal with those topics effectively are the evidence you wish to give to this Commission on those topics?

MR ROBERTS: It is.

MR FEUTRILL: Now, what I intend to do largely today is to take you through the  
5 same topics and your answers to those questions and ask you in some instances  
where possible to expand on the evidence you've given and also to clarify matters to  
which you have given a response. There may be some cases where we depart a little  
bit from that material, but the gist of it is for you to provide this Commission with as  
10 much information as you are able to recall to assist it in its inquiry.

MR ROBERTS: Yes.

MR FEUTRILL: Now, can I start at the beginning, as it were, with your  
15 appointment as a director of Burswood Ltd. You were appointed a director in 2005  
on your evidence after your brother, Andrew Roberts, resigned; correct? And can  
you remember or can you tell the Commission, please, who approached you to  
become a director of Burswood Ltd in 2005?

MR ROBERTS: I can't recall who approached me, other than that my brother had  
20 spoken to me about would I be interested in replacing him as a director and I ---  
sorry, that's all I can remember.

MR FEUTRILL: Okay. Mr Roberts, you are speaking relatively quietly, which is no  
25 doubt your normal mode of speaking, but for the transcribers you need to make sure  
you speak up a little bit.

MR ROBERTS: Yes.

COMMISSIONER JENKINS: Mr Feutrill, I noticed that your microphone is also  
30 quiet.

MR FEUTRILL: I see. Thank you, Commissioner Jenkins.

Now, at the time that you joined the board of Burswood Ltd, Mr James Packer was  
35 the chair; is that right?

MR ROBERTS: Correct.

MR FEUTRILL: Can you recall whether you had any discussions with him as the  
40 chair of the board of Burswood Ltd prior to you becoming a director?

MR ROBERTS: In respect of Burswood Ltd?

MR FEUTRILL: Yes.

45 MR ROBERTS: No.

10:06AM

MR FEUTRILL: Was Mr Packer known to you as a person or acquaintance at the time you became a director?

5 MR ROBERTS: Yes.

MR FEUTRILL: Would you describe yourself as one of his friends or a mere acquaintance?

10 MR ROBERTS: A friend.

MR FEUTRILL: And, it's the case, isn't it, that you in fact attended his wedding in 2006; is that right?

15 MR ROBERTS: Correct.

MR FEUTRILL: Is that one of the reasons you agreed to become a director of Burswood Ltd, that you had a personal relationship with Mr Packer?

20 MR ROBERTS: No.

MR FEUTRILL: What was the reason that you agreed to become a director of Burswood Ltd?

25 MR ROBERTS: There were several reasons, one being that I was interested in the vision of what I understood from the shareholder in respect of the expansion of the facilities and my sphere of expertise was around property development and construction. And, second, it was a very iconic facility and I was interested in the business.

30 MR FEUTRILL: I see. So there are two aspects to that: one is you referred to the vision, I think, of the shareholder ---

MR ROBERTS: (Nods head).

35 MR FEUTRILL: --- by that do you mean at that time, PBL, Publishing and Broadcasting Ltd, as the ultimate owner of Burswood Ltd or someone else?

MR ROBERTS: I recall PBL.

40 MR FEUTRILL: So when you are talking of the vision of the shareholder, you equate it with PBL; correct?

MR ROBERTS: Correct.

45 MR FEUTRILL: And at that time you were also a director or on the board of one of the flagships, the Multiplex Group at that time?

10:08AM

MR ROBERTS: I was a director of Multiplex Group.

MR FEUTRILL: And it was part of the vision of PBL to expand the footprint of  
5 Perth Casino at the time?

MR ROBERTS: Correct.

MR FEUTRILL: And you could see a synergy, if you like, between your expertise in  
10 construction and the further development of the Perth Casino?

MR ROBERTS: Could you repeat your question, please.

MR FEUTRILL: You could see a synergy or a connection between your expertise in  
15 construction by your association with Multiplex and the possible expansion of the  
Burswood casino?

MR ROBERTS: I'm unsure what you mean by a synergy in respect of those two  
20 matters.

MR FEUTRILL: Did you see an opportunity for Multiplex to become involved in  
the construction of any expansion of the Perth Casino footprint?

MR ROBERTS: If it did so, it would be done, as I understood, under normal process  
25 which would require tendering and otherwise.

MR FEUTRILL: And your view of your own expertise was that you could assist, is  
it, Burswood Ltd by providing it with your understanding and expertise of  
30 construction?

MR ROBERTS: Yes.

MR FEUTRILL: Can I ask you --- just to draw your attention to some of the  
35 responses in your statement. If you have your statement there I will take you to them  
and ask you some questions about your response. Question 6, and I don't know if Mr  
Penglis has provided you with a copy of your statement with a long number in the  
top right-hand corner that starts "TAR" ---

MR PENGLIS: I provided an original.  
40

MR FEUTRILL: In the top right-hand corner there should be a number in the corner  
ending with a 1.

MR ROBERTS: Yes.  
45

MR FEUTRILL: I will refer to the page numbers as the last digit of that long  
number so that I don't have to keep on saying the whole thing. If you go to page 3  
and your response to question 6, I will take you also over the page to your response  
to

5 questions 7 and 8 as well. I will summarise what I think the effect of your evidence is and you feel free to disagree with me. But the nub of it is, in your statement you've said that at the time of your appointment as a director of Burswood Ltd, you had no qualifications, expertise or experience specifically relating to casino operations.

MR ROBERTS: Correct.

10 MR FEUTRILL: And in the balance of, in particular, if I draw your attention to question 6, you describe there the means by which information was provided to you whilst you were a director of Burswood Ltd. And could I ask you, are you intending by that to provide some information to this Commission suggesting that you gained -  
15 -- this is the means by which you gained, if you like, on the job expertise and experience in casino operations?

MR ROBERTS: Yes.

20 MR FEUTRILL: In other words, the source of your information was by attending directors' meetings and being provided with information by the executives of the company?

MR ROBERTS: Correct.

25 MR FEUTRILL: And then over the page in your answer to question 7 you have indicated that you familiarised yourself at the time of the appointment with the regulatory --- my words, framework. And you considered the State Agreement, and you attended a meeting with an employee's name who you can't recall and spent approximately half a day familiarising yourself with the operations of the business.  
30

Were there any other times when you had sessions with one-on-one, as it were, or with other directors, where you were taken through, in detail, aspects of the operations as they changed over time?

35 MR ROBERTS: Yes.

MR FEUTRILL: You haven't mentioned that here, but was that part of the way in which you were informed of the operations of the business?

40 MR ROBERTS: Yes. There was many discussions outside the board meetings.

MR FEUTRILL: There were discussions outside board meetings?

MR ROBERTS: Yes.

45 MR FEUTRILL: And generally who were those discussions with?

MR ROBERTS: The executive management.

10:13AM

MR FEUTRILL: Okay. I will come back to who those people were. Were they prearranged sessions or were they informal?

5 MR ROBERTS: I cannot recall.

MR FEUTRILL: Were they with respect to specific activities to the best of your recollection, or were they of a more general nature?

10 MR ROBERTS: My recollection was that we had discussions about the operations of the business in respect of compliance and other general matters of the company.

MR FEUTRILL: Sorry, I will ask you to speak up again.

15 MR ROBERTS: Sorry, I will repeat. Could you repeat the question again.

MR FEUTRILL: Were the sessions you had with the executives, were they, for instance, if there was a specific initiative taking place at the Burswood casino, were you given a briefing on that or were they of a more general nature from time to time?

20

MR ROBERTS: They were the general nature of the business, and I will qualify that by saying we discussed matters that were made up or subsequently discussed at board meetings.

25 MR FEUTRILL: So to be clear, you are referring here to meetings that took place outside the framework of the directors' meetings?

MR ROBERTS: Correct.

30 MR FEUTRILL: Okay. I will just take you back to one other matter. It relates to your experience at the time. Now, until 2007 you were one of the executive directors of Multiplex?

MR ROBERTS: Correct.

35

MR FEUTRILL: I take it from 2007 on you parted company and began --- or founded and were the chair of the Warburton Group?

MR ROBERTS: Correct.

40

MR FEUTRILL: You mentioned in your statement that you have been or have ceased to be a director of over 300 companies?

MR ROBERTS: Correct.

45

MR FEUTRILL: Are there additional companies of which you have been a director outside of Australia as well?



10:16AM

MR ROBERTS: Correct.

5 MR FEUTRILL: Approximately how many of those companies have you been a director of?

MR ROBERTS: I can't recall.

10 MR FEUTRILL: Focusing on the period from 2007 onwards, I'm making an assumption that many of those companies may have been connected with your role in Multiplex, approximately how many of those 300 did you sit on in the period 2007 and 2019 when you ceased to be a director of Burswood Ltd?

MR ROBERTS: I can't recall.

15

MR FEUTRILL: Were you sitting on many companies concurrently with your position on Burswood Ltd?

20 MR ROBERTS: I --- I --- I --- I can't recall how many companies I sat on concurrently with Burswood Ltd at the time between 2007 onwards.

MR FEUTRILL: Well, can you give the Commissioners some indication? Presumably it's not 300.

25 MR ROBERTS: No.

MR FEUTRILL: Is it tens, twenties or less?

30 MR ROBERTS: I would be speculating and I would be saying it would be over ten but less than 20.

MR FEUTRILL: Okay. And of those, were any of them ASX-listed companies?

MR ROBERTS: Yes.

35

MR FEUTRILL: And you sat on the boards of how many of those?

MR ROBERTS: One extra company.

40 MR FEUTRILL: Which company is that?

MR ROBERTS: Mineral Resources Ltd.

45 MR FEUTRILL: And the others, were they private companies of your own or third parties?

MR ROBERTS: One was Burswood Ltd and the others were private companies.

MR FEUTRILL: And approximately how much of your time was taken up from month to month attending to various companies of which you were then a director?

5 MR ROBERTS: Substantial amount of time.

MR FEUTRILL: Would you regard it as being a full-time occupation?

MR ROBERTS: Near full-time, yes.

10

MR FEUTRILL: And leaving aside Burswood Ltd, how much of your time, if you like, was left after dealing with these other matters for you to attend to the affairs of Burswood Ltd?

15 MR ROBERTS: I still had ample time to attend to the needs of Burswood.

MR FEUTRILL: Now returning to your answer to question 6 if I may, you describe there, if I can summarise the answers to question 6, 7 and 8, as to the best of your recollection the means by which you were educated about those topics, and I'm principally talking here about the operations, risk management and various aspects of the operations, was through the vehicle of the directors' meetings you attended, and I think you said in addition you had some outside of the directors' meetings discussions with executives.

20  
25 MR ROBERTS: Correct.

MR FEUTRILL: Can I just ask you to clarify in respect of question 8, you said that you do not recall receiving training. Is that a positive recollection that you did not receive training or are you saying that you may have, you may not have, you just don't remember?

30 MR PENGLIS: The answer, really, with respect, is clear from --- the answer is there, with respect. There can be no misapprehension as to what is being said.

35 COMMISSIONER OWEN: I think you can seek the clarification, Mr Feutrill.

MR FEUTRILL: May it please.

40 If I can ask you again, are you suggesting there that you have no recollection one way or the other, or, a positive recollection that you did not receive training?

MR ROBERTS: I cannot recall having --- sorry, I cannot recall if I did or I didn't have any training in respect of those matters.

45 MR FEUTRILL: Okay. I will ask you some questions of a general nature based on your understanding today.

MR ROBERTS: Yes.

MR FEUTRILL: And then I will ask you about the time at which you became --- or when you may have acquired the understanding. You may or may not agree with what I'm about to put.

5

MR ROBERTS: Sure.

MR FEUTRILL: Is it your understanding, or do you appreciate, that as part of their operations, I'm now talking generally about casinos, that offer gambling for entertainment, and they also undertake various financial activities that are similar to those of a financial institution. For example, they accept funds, they conduct money exchange, they conduct money transfers and things of that nature.

10

MR ROBERTS: Yes.

15

MR FEUTRILL: And they also have --- they cash cheques and safe deposit boxes and those financial institution-like activities.

MR ROBERTS: Yes.

20

MR FEUTRILL: And do you accept that the business of a casino is fairly cash-intensive?

MR ROBERTS: Yes.

25

MR FEUTRILL: And that feature of a casino makes it an attractive venue for criminal elements?

MR ROBERTS: That's speculation, but I would concur.

30

MR FEUTRILL: Well, do you accept that broadly speaking, casinos are an attractive venue for criminals to attempt infiltration?

MR ROBERTS: Yes.

35

MR FEUTRILL: And there are many ways in which they may attempt that. The common theft, attempting to defraud the casino itself in the playing of the games; do you accept that?

MR ROBERTS: Yes.

40

MR FEUTRILL: Money laundering?

MR ROBERTS: Yes.

45

MR FEUTRILL: And there may be other potential crimes that they would attempt to commit in the venue?

MR ROBERTS: Yes.

MR FEUTRILL: Would you accept that the Perth Casino is vulnerable to criminal  
5 infiltration in those ways in the same way that any other casino is vulnerable?

MR ROBERTS: Yes.

MR FEUTRILL: And do you accept that if criminals were permitted to successfully  
10 infiltrate the Perth Casino, it may undermine the public confidence in the trust, in the  
credibility and integrity of the casino gaming operations in Perth?

MR ROBERTS: Could you repeat your question?

15 MR FEUTRILL: If criminals were permitted to successfully infiltrate the Perth  
Casino, it has the potential to undermine public confidence in the credibility and  
integrity of the casino gaming operations in Perth?

MR ROBERTS: Yes, with a qualification I would need to have a better  
20 understanding of "to the extent of". So if it was \$1, I don't think it would be to the  
public detriment.

MR FEUTRILL: No, but if, for instance, the casino was involved facilitating, not  
25 necessarily knowingly, but facilitating money laundering via its operations, that has  
the potential to undermine public confidence?

MR ROBERTS: Yes.

MR FEUTRILL: At the time you became a director of Burswood casino, did you  
30 have an appreciation of the vulnerability of the Perth Casino to the kind of criminal  
infiltration I've just described?

MR ROBERTS: Yes.

35 MR FEUTRILL: And in the course of your tenure as a director, did that appreciation  
become greater?

MR ROBERTS: Yes.

40 MR FEUTRILL: In the sense you became more familiar of the ways in which  
criminals may attempt to infiltrate the casino operations?

MR ROBERTS: Yes.

45 MR FEUTRILL: As part of you gaining an understanding, is one of the things you  
became aware of is that a vehicle some criminals may attempt to infiltrate a casino  
are junket operations?

MR ROBERTS: Yes.

5 MR FEUTRILL: Now, leaving to one side the potential for criminal infiltration, again I will ask you some general propositions about the features of a business of casino operations. In a general sense casinos offer gaming as a form of entertainment; correct?

10 MR ROBERTS: Yes.

MR FEUTRILL: But that form of entertainment is one which can result in harm to some patrons?

15 MR ROBERTS: Correct.

MR FEUTRILL: For instance, some patrons can develop an addiction to gambling?

MR ROBERTS: Yes.

20 MR FEUTRILL: And in some instances, some patrons can result in significant financial hardship as a result of losing money gambling?

MR ROBERTS: Yes.

25 MR FEUTRILL: Would you accept this proposition, that if there is a significant number of people in the community who are suffering financial hardship or problem gambling, as a consequence of the operation of the casino, that may undermine public confidence again in the credibility and integrity of the casino operations?

30 MR ROBERTS: Just to confirm the question, that is generally?

MR FEUTRILL: Yes, generally.

MR ROBERTS: Yes.

35 MR FEUTRILL: Again with respect to taking it to the Perth Casino, the Perth Casino has the potential to cause harm in that way via offering casino gaming; correct?

40 MR ROBERTS: Yes.

MR FEUTRILL: At the time of your appointment as a director of Burswood Ltd, did you have the appreciation then of the potential for harm to be caused to patrons of the Perth Casino?

45 MR ROBERTS: Yes.

MR FEUTRILL: And, again, during the course of your tenure as a director, did your appreciation of that potentiality become greater?

5 MR ROBERTS: Yes.

MR FEUTRILL: Or more refined, if you like?

MR ROBERTS: In terms of my knowledge?

10

MR FEUTRILL: Yes.

MR ROBERTS: Yes.

15 MR FEUTRILL: I will put these propositions and you may not agree with me. The Perth Casino offers gaming in what I will call in two broad categories: there are table games and there are electronic gaming machines or EGMs; correct?

MR ROBERTS: Correct.

20

MR FEUTRILL: Is it your understanding, or did you gain the appreciation, whilst you were a director of Burswood Ltd, that patrons who regularly play the EGM games carry a higher risk of developing an addiction to gambling?

25 MR ROBERTS: Yes.

MR FEUTRILL: Is that because the EGMs themselves are designed to encourage people to play them?

30 MR ROBERTS: Can you repeat your question?

MR FEUTRILL: Part of the design of EGMs is to encourage people to continue to play on the machines. Is that your understanding?

35 MR ROBERTS: My understanding is EGMs form a part of an experience at the casino in terms of a gambling experience.

MR FEUTRILL: Okay. Let's work at a level of generality again.

40 MR ROBERTS: Sure.

MR FEUTRILL: It is common knowledge that the odds are in favour of the house; correct?

45 MR ROBERTS: In respect of EGMs?

MR FEUTRILL: Yes.

10:30AM

MR ROBERTS: Yes.

MR FEUTRILL: And so, if you like, the more you play, on average, the more a  
5 person will lose?

MR ROBERTS: In respect of any gambling, the same.

MR FEUTRILL: Yes. So there is an incentive on the part of a casino to encourage  
10 people to play any game, but EGMs in particular in this instance because the more  
they play the more they will lose.

MR ROBERTS: Correct.

MR FEUTRILL: So there is an incentive on the part of the casino operator to  
15 encourage them to play on a game for that reason, it will add to the bottom line?

MR ROBERTS: It will.

MR FEUTRILL: The reason I'm asking you this is whilst you were a director of  
20 Burswood Ltd, appreciating potentiality for harm via casino operations, there is a  
tension between that and the desire to obtain revenue from offering gaming; correct?

MR ROBERTS: Correct.

MR FEUTRILL: So when, in the course of your tenure as a director, were you  
25 turning your mind at any time to that whether or not games that were offered for play  
at the Perth Casino struck an appropriate balance between those aspects?

MR ROBERTS: Yes.

MR FEUTRILL: I want to come back to the questions specifically you were asked  
about harm minimisation later, but before I do, could I ask you, I want to get a bit of  
35 a sense of the operations of and the structure around the operations of the Perth  
Casino. You were asked a series of questions and you may recall they were divided  
effectively into three companies of which there was a particular focus; there was  
Burswood Ltd of which you were a director; another company, Burswood Nominees  
Ltd --- you are nodding, you will need to say "yes".

MR ROBERTS: Yes.

MR FEUTRILL: --- and Burswood Resorts (Management) Ltd.

MR ROBERTS: Yes.

MR FEUTRILL: I want to direct your attention to your answer at question 28. It's  
45 an answer to, if you like, the broad roles of those three companies in the Perth Casino

context.

5 So Burswood Ltd is the parent, Burswood Nominees is the casino licence holder and Burswood Resort (Management) was the employer; correct?

MR ROBERTS: Correct.

10 MR FEUTRILL: Now, I will ask you a series of questions intending to expand on those roles for those various companies. I would like you to reference the time you were a director and if there are any differences between different periods that you can remember in any time please feel free to make that explanation, or qualification.

15 So, starting with Burswood Ltd, during the period that you were a director of that company, what was the business or commercial activity of that company itself?

MR ROBERTS: The business was the unit holder for the --- sorry, the Burswood Property Trust.

20 MR FEUTRILL: So your understanding of its business was essentially as a holding company for the units in the Burswood Property Trust?

MR ROBERTS: That's what it was, yes.

25 MR FEUTRILL: Okay. Now, you have said in answer to another question that, I think I've taken you to this earlier, that you familiarised yourself upon your appointment with the regulatory framework and you mention specifically the Burswood Island Casino Act, the State Agreement, if I could use that for shorthand, and you will know what I'm speaking of?

30 MR ROBERTS: Yes.

MR FEUTRILL: Did you also have regard to the Casino Control Act at that time?

35 MR ROBERTS: I can't recall.

MR FEUTRILL: Did you familiarise yourself with the Casino Control Act over the course of your tenure as a director?

40 MR ROBERTS: I can't recall.

MR FEUTRILL: You understood though, and I think we've established that, that Burswood Nominees was the casino licence holder in that period?

45 MR ROBERTS: Correct.

MR FEUTRILL: It was trustee of the Burswood Property Trust?



MR ROBERTS: Correct.

5 MR FEUTRILL: As a consequence of that, you understood it was the owner of the land upon which the casino is built, the legal owner?

MR ROBERTS: Which entity?

10 MR FEUTRILL: Burswood Nominees.

MR ROBERTS: Yes.

MR FEUTRILL: Burswood Nominees is also a subsidiary of Burswood Ltd; isn't it?

15 MR ROBERTS: Correct.

MR FEUTRILL: You are not a director of Burswood Nominees?

20 MR ROBERTS: Correct.

MR FEUTRILL: And, in that context, Burswood Ltd nonetheless had an interest, did it not, in the activities of Burswood Nominees, given it had a direct pecuniary connection?

25 MR ROBERTS: The oversight of, yes.

MR FEUTRILL: So, in that context, did you take it upon yourself to inform yourself about the nature of Burswood Nominees' operations as well?

30 MR ROBERTS: Yes.

MR FEUTRILL: And how did you do that?

35 MR ROBERTS: The Perth Casino and its respective entities was all dealt with in board meetings of Burswood Ltd. There was no demarcation in respect of each entity, and representatives from management and Nominees were like directors, and we would discuss those matters holistically.

40 MR FEUTRILL: Just taking Burswood Nominees to start with, Burswood Nominees' directors were common with the directors of Burswood Ltd; correct?

MR ROBERTS: I understand there were common directors.

45 MR FEUTRILL: With the exception of yourself who obviously was not on Burswood Nominees?

MR ROBERTS: Correct.

MR FEUTRILL: Those people who are directors of both Burswood Ltd and Burswood Nominees held executive positions after the de-merger or Crown Resorts or the Burswood, one of the Burswood, we'll call it Perth Casino. So executives of  
5 either the Perth Casino group or Crown Resorts?

MR ROBERTS: Crown Resorts and Perth Nominees and Perth management, is that what you are asking?

10 MR FEUTRILL: Sorry, I've confused you with the question. I'll go back.

COMMISSIONER JENKINS: Before you do, Mr Roberts, I'm really having trouble. Can you understand this is not a private conversation between you and Mr Feutrill?

15 MR ROBERTS: Understood.

COMMISSIONER JENKINS: Everybody in the room needs to be able to hear you, so could you just bear that in mind.

20 MR ROBERTS: My apologies, Commissioner.

COMMISSIONER JENKINS: Thank you.

MR FEUTRILL: Those directors of Burswood, speaking now of Burswood  
25 Nominees ---

MR ROBERTS: Yes.

MR FEUTRILL: --- that were both directors of Burswood Nominees and Burswood  
30 Ltd were also executives, they had executive management positions with either Crown Resorts or more broadly what we'll call the Perth Casino group.

MR ROBERTS: That is what I recall.

35 MR FEUTRILL: They were employees within the group, they were not external appointments like yourself?

MR ROBERTS: Yes.

40 MR FEUTRILL: Now, during your tenure as a director of Burswood Ltd, did you turn your mind to or consider the responsibilities of the licensee of the Perth Casino licence? That is, Burswood Nominees to the regulator and to the Minister and effectively to the State of WA?

45 MR ROBERTS: Yes.

MR FEUTRILL: And did you consider one of its responsibilities was, as licensee, was to maintain public confidence in the credibility, integrity and stability of its

operations of the casino?

MR ROBERTS: Yes.

5

MR FEUTRILL: And did you consider that one of its responsibilities as the licensee was to take appropriate steps to mitigate the risks of infiltration by criminal elements that were discussed earlier?

10 MR ROBERTS: Yes.

MR FEUTRILL: And did you also consider one of its responsibilities, when I say "it", I mean Burswood Nominees as the licensee, was to take appropriate steps to mitigate the risks of harm being caused by offering gaming services?

15

MR ROBERTS: Yes.

MR FEUTRILL: And, in particular, did you consider it one of its responsibilities to take appropriate steps to mitigate against harm caused by EGMs?

20

MR ROBERTS: Yes.

MR FEUTRILL: Okay. You may have already clarified this for me, but if I could ask you to look at your answer to question 3, which is --- 13, sorry, which is on page 5, starting page 5. I won't take you to all the references, but there is a reference there at the bottom of the page, so page 5 at the top and in fact at the bottom as well. It says:

30 *My recollection of the structure of the Burswood Group of companies is that Burswood Resort (Management) Limited was the employer.*

You are using a term there, "Burswood Group of companies". I just want to understand, in your mind, what companies fall within that description.

35 MR ROBERTS: Burswood Resort (Management), Burswood Nominees and Burswood Ltd.

MR FEUTRILL: Were there any other operating companies or other companies that you consider fell within that description?

40

MR ROBERTS: Not that I can recall.

MR FEUTRILL: What about the trust structures? Did you consider that part of the group, the unit trust?

45

MR ROBERTS: Yes.

MR FEUTRILL: You've said here and elsewhere in your statement that your

understanding was that Burswood Resort (Management) was the employer.

MR ROBERTS: Yes.

5

MR FEUTRILL: To your knowledge, did Burswood Ltd have any employees of its own?

MR ROBERTS: No.

10

MR FEUTRILL: And what about Burswood Nominees?

MR ROBERTS: I can't recall.

15

MR FEUTRILL: And did you familiarise yourself also with the terms of the Burswood Property Trust deed?

MR ROBERTS: I can't recall.

20

MR FEUTRILL: Did you have an understanding of the manner in which, if any, there was a division of responsibility between the trustee of the trust, Burswood Nominees, and the manager of that trust?

MR ROBERTS: Could you repeat the question, please, sorry.

25

MR FEUTRILL: Did you have an understanding, broadly speaking, of the structure of the trust deed, trustee and manager?

MR ROBERTS: Yes.

30

MR FEUTRILL: What was your understanding of who was the manager under the trust deed?

MR ROBERTS: Burswood Nominees.

35

MR FEUTRILL: The manager or trustee?

MR ROBERTS: Sorry, the trustee.

40

MR FEUTRILL: And the manager?

MR ROBERTS: I can't recall.

45

MR FEUTRILL: Would it be fair to say that during your tenure as a director of Burswood Ltd, I think Mr Poynton was also a director for that entire period?

MR ROBERTS: That's my recollection.

MR FEUTRILL: And in that period Mr Poynton and yourself were the only two directors of Burswood Ltd that were not also executives of either Crown Resorts or what you've described as the Burswood Group of companies?

5

MR ROBERTS: Correct.

MR FEUTRILL: I've dealt with Burswood Nominees. With respect to Burswood Resort (Management), is it your recollection the situation was the same, that is to say you were executives of the group who were the directors of that company?

10

MR ROBERTS: I can't recall. Sorry, repeat your question.

MR FEUTRILL: So in the case of Burswood Resort (Management) ---

15

MR ROBERTS: Yes.

MR FEUTRILL: --- it had some common directors with Burswood Ltd?

20

MR ROBERTS: That is my understanding, yes.

MR FEUTRILL: You were not a director of Burswood Resort (Management)?

MR ROBERTS: Correct.

25

MR FEUTRILL: Mr Poynton was not a director of Burswood Resort (Management)?

MR ROBERTS: I can't speak on behalf of Mr Poynton.

30

MR FEUTRILL: To your knowledge was he a director of Burswood Resort (Management)?

MR ROBERTS: I can't recall.

35

MR FEUTRILL: I think you're going to need to speak up a bit.

MR ROBERTS: Sorry, I can't recall.

40

MR FEUTRILL: To best of your recollection, who were the directors of Burswood Resort (Management) in, let's start with the time of your departure in 2019?

MR ROBERTS: I wasn't on the board of Burswood Resort (Management) and I'm not sure who the directors were of Burswood Resort (Management).

45

MR FEUTRILL: Okay. Was it your understanding that Burswood Resort (Management), or the ultimate holding company --- or a parent company of that company, Burswood Resort (Management) was Burswood Ltd?

10:47AM

MR ROBERTS: Correct.

5 MR FEUTRILL: So, as a director of Burswood Ltd were you not interested to know who the directors of a subsidiary of that company were?

MR ROBERTS: Yes, but I can't recall who they are.

10 MR FEUTRILL: The specific names of the people.

MR ROBERTS: Yes.

15 MR FEUTRILL: Can you recall now whether they were external appointments, like yourself, or they were executives of the group?

MR ROBERTS: My recollection is they were executives of the group.

20 MR FEUTRILL: Now, Burswood, can I ask you this question: during your tenure as a director of Burswood Ltd, were there any committees of the Burswood Ltd board addressing either audit or risk management?

MR ROBERTS: My recollection is there was. There was an audit committee and a Risk Committee.

25 MR FEUTRILL: And is this what you refer to in your statement as the ERCC?

MR ROBERTS: Correct.

30 MR FEUTRILL: And is that an acronym for "Executive Risk Compliance Committee"?

MR ROBERTS: Committee, correct.

35 MR FEUTRILL: Was it your understanding that the members of that committee were executives of the group?

MR ROBERTS: Correct.

40 MR FEUTRILL: Neither yourself nor Mr Poynton sat as a member of that committee?

MR ROBERTS: Correct.

45 MR FEUTRILL: So you describe it as a committee of Burswood Ltd; do you?

MR ROBERTS: It was --- my recollection it was Burswood Ltd.

10:49AM

MR FEUTRILL: To best of your recollection, was there an occasion when a resolution was passed by the board of Burswood Ltd to establish that committee?

5 MR ROBERTS: I can't recall.

MR FEUTRILL: To best of your recollection, was there a charter that established the remit of the ERCC?

10 MR ROBERTS: I can't recall.

MR FEUTRILL: So in what manner do you consider it to have been a committee of the Burswood Ltd board?

15 MR ROBERTS: I recall that there was a risk and audit committee and, as you know, through my tenure there were as part of the wider Crown group, other services provided by Crown as a whole. And whether they sat within the Burswood entity subsequently through assistance of Crown or through Burswood management, I can't recall.

20

MR FEUTRILL: Just to return to the question ---

MR ROBERTS: Sorry.

25 MR FEUTRILL: --- I'm interested to understand, and would be grateful if you could let the Commission know your understanding ---

MR ROBERTS: Yes.

30 MR FEUTRILL: --- you have described the ERCC as a committee of Burswood Ltd. What I'm interested to understand is why you say it was a committee of Burswood Ltd itself as opposed to a committee of executives of Crown Resorts, for instance, or Burswood Nominees or Burswood Resort (Management)?

35 MR ROBERTS: As I said before, that the Perth Casino operations was not pigeon-holed into Nominees, Management and as Burswood Ltd we considered all those matters and there was an executive committee that was responsible for the risk and audit and, therefore, I can't recall where it sat. Therefore, ultimately it provided that services for the board.

40

MR FEUTRILL: Okay. Burswood Ltd, its activity was to be a unit holder; correct?

MR ROBERTS: Correct.

45 MR FEUTRILL: So the ERCC, its function is risk management function, was with respect to what operations of Burswood Ltd?

MR ROBERTS: Burswood Nominees and Burswood Management were

subsidiaries. And Burswood Ltd would provide some oversight in that regard.

5 MR FEUTRILL: So it is your understanding that the ERCC reported to Burswood Ltd effectively on all operations of the Burswood Group?

MR ROBERTS: That is my understanding.

10 MR FEUTRILL: Just to assist with clarity, there are a number of places in your statement where you have referred to the executive team.

MR ROBERTS: Yes.

15 MR FEUTRILL: I will give you an example. Your answer to question 15 on page 6. I will come back to the body of your answer but you will see in the fourth line:

*Moreover, my recollection is that the executive team reported .....*

20 And you used it there and in other places. Then if I could direct your attention to question 19, the answer is on page 7, and you make a reference there to repeating your answer to question 12:

*Further, the next layer of management was the CEO, legal and compliance officer, CFO/secretary .....*

25 And you go on and say "each had their own management team".

MR ROBERTS: Yes.

30 MR FEUTRILL: When you refer to the executive management team, are you referring to the same group of people you referred to in question 19 or some other group of people?

MR ROBERTS: Yes, the executive team.

35

MR FEUTRILL: So when you say "executive team" in your statement, we can read it as meaning the CEO, legal and compliance officer, CFO/secretary and COO?

MR ROBERTS: Yes.

40

MR FEUTRILL: Okay, now when you say CEO, chief executive officer, of which companies or which company is that person a CEO?

45 MR ROBERTS: As I said, Burswood Ltd, there is no distinction at the board level between Burswood Ltd, Burswood Nominees and Burswood Management and the CEO was the CEO across the Perth operations.

MR FEUTRILL: Okay, so, again, if I'm wrong --- I will summarise it, so it was the



CEO of what you have described elsewhere as the Burswood Group of company?

A. Yes.

5

MR FEUTRILL: And the Burswood Group of companies is a subset of the Crown Resorts group.

MR ROBERTS: Subsidiary.

10

MR FEUTRILL: It is a subset of companies that fall under there are subsidiaries of Crown Resorts that you are describing as the Burswood Group?

MR ROBERTS: Could you repeat your question?

15

MR FEUTRILL: Is the subset of companies you describe as the Burswood Group, that are also subsidiaries ultimately of Crown Resorts?

MR ROBERTS: Yes, they are the ultimate shareholder.

20

MR FEUTRILL: And you would put at the head of the Burswood Group, Burswood Ltd; correct?

MR ROBERTS: Yes.

25

MR FEUTRILL: So, again, the CEO is of the Burswood Group, the legal and compliance officer is of the Burswood Group ---

MR ROBERTS: Yes.

30

MR FEUTRILL: --- CFO of the Burswood Group?

MR ROBERTS: Yes.

35

MR FEUTRILL: --- secretary of the Burswood Group?

MR ROBERTS: Yes.

MR FEUTRILL: Meaning referring the companies in each of that group?

40

MR ROBERTS: Well, in that circumstance it would be in regard to Burswood Ltd.

MR FEUTRILL: And COO is Chief Operating Officer; is that correct?

45

MR ROBERTS: Correct.

MR FEUTRILL: Of again the Burswood Group?

MR ROBERTS: Correct.

MR FEUTRILL: So whenever we see executive team, that is who you mean?

5

MR ROBERTS: Correct.

MR FEUTRILL: Just again for clarity, in response to question 12, I can take you that on page 5, I know you've effectively confirmed this already, so I'm not so  
10 concerned about the substance of the answer, but how it fits with your answer to question 19. You will see there question 12 is directed to the activities and structure of Burswood Nominees and your answer has been given, which is there were common directors but you can't recall the specific structure. Then question 19 over  
15 the page, a couple of pages forward at the top of 7, you are asked a question about the structure applicable to Burswood Ltd and you repeat your answer to question 12. I'm just trying to understand why you are repeating the answer to Burswood Nominees in answer to a question about Burswood Ltd. Is there a reason for that or is it a matter of expediency?

20 MR ROBERTS: In question 12 I'm saying I can't recall. I know there was some directors. I can't recall the exact management structure.

MR FEUTRILL: Of Burswood Nominees?

25 MR ROBERTS: Of Burswood Nominees ---

MR FEUTRILL: Yes.

MR ROBERTS: --- and again because Burswood Ltd had no employees, the  
30 management structure was the CEO, legal and compliance officer, CFO and COO within the Burswood Group of companies.

MR FEUTRILL: All right. Now, you've probably already answered this. I just want to make sure I'm clear about this. I will refer to them as the executive team now.  
35 Those who had the day-to-day responsibility for the operations of the Perth Casino via its owner, Burswood Nominees?

MR ROBERTS: Correct.

40 MR FEUTRILL: So in terms of the structure then, again so I understand it correctly, you have the same executive team applying --- working for all companies within the Burswood Group.

MR ROBERTS: Yes.

45

MR FEUTRILL: You have, at the top, Burswood Ltd with yourself and Mr Poynton as the external appointments?

MR ROBERTS: Yes.

MR FEUTRILL: And then the companies that are undertaking the day-to-day  
5 activities and responsibilities of employment and ownership of the property and the  
casino licence, the directors of those companies are executives of the group?

MR ROBERTS: Yes.

10 MR FEUTRILL: And the executives of the group are undertaking the day-to-day  
management tasks?

MR ROBERTS: Yes.

15 MR FEUTRILL: The executives of the group also comprise the ERCC?

MR ROBERTS: Yes.

MR FEUTRILL: Now, with respect to that executive --- the executive appointments,  
20 that is to say each of the people who were part of the executive team, who appointed  
them?

MR ROBERTS: I can't recall.

25 MR FEUTRILL: Do you recall if there was any meetings of Burswood Ltd at which  
the appointment of, for instance, the CEO of the group, was discussed?

MR ROBERTS: I can't recall.

30 MR FEUTRILL: When you say you can't recall, is that you simply don't remember  
at all or you have a positive recollection there was no such meeting?

MR ROBERTS: I can't recall.

35 MR FEUTRILL: As in no recollection ---

MR ROBERTS: I have no recollection.

MR FEUTRILL: Do you recall if there was a contract of employment between  
40 again, in this case the CEO of the Burswood Group and Burswood Ltd?

MR ROBERTS: As Burswood Ltd didn't employ anyone, I would say no.

MR FEUTRILL: Was there, to the best of your recollection any document that  
45 described the role of the CEO of the Burswood Group?

MR ROBERTS: Not that I can recall.

MR FEUTRILL: Was there any document to your recollection or any meetings at which there was any discussion of delegation of powers to the CEO of the Burswood Group?

5

MR ROBERTS: Yes.

MR FEUTRILL: And what was the nature of the delegations of powers discussed?

10 MR ROBERTS: My recollection was that there was a delegation provided to the CEO in respect of AML/CTF framework.

MR FEUTRILL: All right. In respect of that, what was your understanding of the company within the group that had responsibility for implementation of the AML/CTF framework?

15

MR ROBERTS: It was Burswood Ltd had an oversight of the Perth operations and, therefore, as I said --- could you repeat the question, sorry.

20 MR FEUTRILL: What was your understanding --- which company within the group, the Burswood Group I'm referring to ---

MR ROBERTS: Yes.

25 MR FEUTRILL: --- did you understand to have the responsibility for implementation of the AML/CTF framework?

MR ROBERTS: It would be the Burswood Nominees.

30 MR FEUTRILL: Burswood Nominees. So you were not a director of Burswood Nominees?

MR ROBERTS: No.

35 MR FEUTRILL: So in what way was Burswood Ltd delegating power to the CEO to implement a program for Burswood Nominees?

MR ROBERTS: Burswood Ltd was required to provide oversight in regards to those subsidiaries. And, as I said, at board level there was no distinction between Burswood Nominees, Burswood Management, when we were having a Burswood Ltd board meeting.

40

MR FEUTRILL: I see. So from --- we're talking in commercial practicality rather than legal specifics?

45

MR ROBERTS: Yes.

MR FEUTRILL: So it was an endorsement, if you like, of the AML/CTF program by

11:05AM

the Burswood Ltd board?

5 MR ROBERTS: As I said, there was no distinction in regard to Burswood Ltd's board meetings between the respective entities. We inherited that structure.

10 MR FEUTRILL: I see. Leaving aside AML/CTF, were there any other occasions you can recall where there was a delegation of a power from the board of Burswood Ltd to the CEO of the group?

MR ROBERTS: Other than the one I've just described, I can't recall.

15 MR FEUTRILL: To the best of your recollection was the board of Burswood Ltd responsible or did it undertake to establish key performance indicators for the CEO of the Burswood Group?

MR ROBERTS: I can't recall.

20 MR FEUTRILL: Is it your understanding that the CEO of the Burswood Group reported directly to the board of Crown Resorts?

MR ROBERTS: Yes.

25 MR FEUTRILL: And is that also the case for the legal and compliance officer of the group?

MR ROBERTS: Yes.

30 MR FEUTRILL: And the CFO of the group?

MR ROBERTS: Yes.

MR FEUTRILL: And the Chief Operations Officer of the group?

35 MR ROBERTS: I can't recall.

MR FEUTRILL: So for those that you have identified, your understanding is they made a direct report to the Crown Resorts Board?

40 MR ROBERTS: Through Burswood Ltd.

MR FEUTRILL: Through Burswood Ltd. So is it your evidence that Burswood Ltd itself reported on its activities to the Crown Resorts Board?

45 MR ROBERTS: That's my understanding, yes.

MR FEUTRILL: And in what manner was that reporting undertaken?

11:08AM

MR ROBERTS: There were obviously common executives.

MR FEUTRILL: Common executives meaning?

5

MR ROBERTS: From Crown.

MR FEUTRILL: To your knowledge, was there a formal process? I mean, for instance, a report prepared for and on behalf of Burswood Ltd, approved by the Burswood Ltd board, that was then transmitted to the board of Crown Resorts?

10

MR ROBERTS: I can't recall.

MR FEUTRILL: When you say then that there was a commonality of executives, are you really saying that there was --- because there was such commonality, there was an assumption that information would be passed on to the Crown Resorts Board?

15

MR ROBERTS: I would think that Crown Resorts Board would have available the minutes of the meetings held at Burswood Ltd.

20

MR FEUTRILL: All right. Is it your understanding that the Burswood Ltd minutes were passed on to Crown Resorts?

MR ROBERTS: I --- I --- I can't comment on Crown.

25

MR FEUTRILL: You are making that assumption though because that is what you would regard as good corporate practice; correct?

MR ROBERTS: Not necessarily.

30

MR FEUTRILL: Not necessarily. So as a director of a company for which there are subsidiaries, you would not expect that the board of the parent to receive minutes of the --- of at least the most important subsidiary companies?

MR ROBERTS: Not on the basis, for example, Burswood Ltd, you had, as I said, there was no delineation, there was no pigeon-holing of those entities and we discussed the entire Perth operations at board level so, therefore, for me to become knowledgeable and understand in regard to what was going on at Nominees or Management, all those matters would be discussed at Burswood Ltd's meetings, so minutes wouldn't be required.

40

MR FEUTRILL: We might be slightly at cross purposes. Are you suggesting you did not receive minutes of meetings of Burswood Nominees or any other company in the Burswood Group, other than Burswood Ltd itself?

45

MR ROBERTS: That is my recollection.

MR FEUTRILL: And is it your evidence that that didn't concern you at that time you

11:11AM

were a director because you were receiving information directly from the executives of those companies at Burswood Ltd meetings?

5 MR ROBERTS: It didn't concern me because, one, I was getting the information; secondly, I was being provided a very detailed board pack that I thought provided an in-depth analysis in regards to the operations, compliance and otherwise, that was --- also had a very detailed internal audit and subsequent there were other external audit packs made available.

10 MR FEUTRILL: All right. That's the Burswood Group. We have digressed somewhat. I was asking you actually about how you were aware, if the you were aware, that the activities of the Burswood Ltd and Burswood Group reported to Crown Resorts?

15 MR ROBERTS: I can't. I have no knowledge of that.

MR FEUTRILL: I think in answer to my earlier questions you said you couldn't recall any formal papers being transmitted and I think you mentioned there was a commonality of executives?

20

MR ROBERTS: Correct.

MR FEUTRILL: So is it the case that you assumed that the Burswood Group activities would be reported to Crown Resorts because there was a commonality in the executive team?

25

MR ROBERTS: No.

30 MR FEUTRILL: Would that be a convenient time?

COMMISSIONER OWEN: Yes, we will come back at 11.30. Thank you.

35 **ADJOURNED** [11.13AM]

**RESUMED** [11.29AM]

40

COMMISSIONER OWEN: Thank you.

MR FEUTRILL: May it please the Commission.

45 Mr Roberts, I've been handed yet another note to remind you to speak up, so if you don't mind, you might have to in your mind think you are shouting, but for the rest of us to hear, if you don't mind.

11:30AM

MR ROBERTS: My apologies.

5 MR FEUTRILL: All right. Can I take you back to your statement again and another matter I want to get some clarification. At question 15 on page 6, you were asked some questions about the influence of Burswood Ltd over Burswood Nominees.

10 I understand from some of the things you said earlier today around the way in which the board of Burswood viewed the group as a whole, they were referring to as a whole, essentially as one entity, or one structure.

15 What I'm interested in is you have made reference here in the last sentence to the executive team reporting to Burswood Ltd with respect to the group aspects. And you then said the Burswood Ltd board --- it was the Burswood Ltd board that made the primary decisions. What do you mean there by "primary decisions"?

20 MR ROBERTS: Ultimately as we as a board would give consideration to matters arising and make a decision, and the executives would then carry out those respective duties.

MR FEUTRILL: Okay. So just so I understand by "primary decisions" do you mean a resolution of the board that would be minuted and recorded?

25 MR ROBERTS: I do.

MR FEUTRILL: So if it is not a decision of that character, you would not describe it as a primary decision?

30 MR ROBERTS: I would say that is correct.

MR FEUTRILL: Okay. And I think in another answer you said day-to-day operations were dealt with by the executive team?

35 MR ROBERTS: Correct.

MR FEUTRILL: So would it be fair to say that all decision-making taking place in respect to the operations of the Burswood Group that is not recorded in a minute of a resolution of the Burswood Ltd board was not a primary decision in your view?

40 MR ROBERTS: Oh, you would have to give me an example for me to opine on that.

MR FEUTRILL: I'm just trying to understand what you mean by "primary decision", really. There were minutes kept of Burswood Ltd meetings?

45 MR ROBERTS: Correct.

MR FEUTRILL: And one of the first items of the agenda and each meeting following would be to review the minutes?



MR ROBERTS: Correct.

MR FEUTRILL: Again I'm talking in generalities, they were typically approved  
5 after amendments were made to them?

MR ROBERTS: Correct.

MR FEUTRILL: And if you had voiced any concerns about the accuracy of the  
10 timing, you would have done so?

MR ROBERTS: Correct.

MR FEUTRILL: Would it be fair to say that this commission can rely on the  
15 minutes of the Burswood Ltd meetings as an accurate record of what took place at those meetings?

MR ROBERTS: Correct.

MR FEUTRILL: If I could direct your attention to question 21 and your answer is  
20 on page 7. I'm now talking about --- this is dealing with the extent to which there was influence from the company structures above Burswood Ltd in the broader --- sorry, Crown Resorts group. And you have said in part of your answer that Burswood Ltd had careful regard to and where appropriate adopted various matters,  
25 such as branding, vision, policies and procedures by way of shared learning across the group. The "group" there, I take it you are referring to Crown Resorts more widely than the Burswood Group?

MR ROBERTS: Correct.

MR FEUTRILL: Are you suggesting in that paragraph that if a decision was made at  
30 the Crown Resorts Board level to implement a change in branding or a particular strategy of some kind, a policy or procedure, it was being considered at the Burswood Ltd board and a decision made whether it would be accepted or not?

MR ROBERTS: That's what I can recall.

MR FEUTRILL: Are you indicating by that statement that if Burswood Ltd's board  
40 disagreed with the implementation of a decision of Crown Resorts it would not have been implemented?

MR ROBERTS: If that had been the case.

MR FEUTRILL: Now given at that time the majority of the directors of Burswood  
45 Ltd were executives of the Crown Group, were they not?

MR ROBERTS: That's my recollection.

MR FEUTRILL: Would you accept that each of those individuals ultimately was accountable to Crown Resorts Ltd?

5 MR ROBERTS: As a shareholder, yes.

MR FEUTRILL: No, I'm talking about the executives who were also directors of Burswood Ltd.

10 MR ROBERTS: In respect of subsidiaries through to Crown, yes.

MR FEUTRILL: So they ultimately were responsible to Crown Resorts?

MR ROBERTS: Yes.

15

MR FEUTRILL: Can you recall any instance of any decision made by Crown Resorts that was brought to the Burswood Ltd board for consideration that was not accepted?

20 MR ROBERTS: No, except for the qualification of those matters sometimes robustly discussed.

MR FEUTRILL: Can you give the Commission an example of an issue that arose at the Burswood Ltd level that was the subject of robust discussion?

25

MR ROBERTS: I can't recall if it was actually at the board meeting or prior to a board meeting we talked about whether the best way forward in respect of the development of the hotel would be undertaken by --- on-selling the rooms under a strata arrangement and with a management lease in place or alternatively own the hotel outright. And I remember that having quite some debate.

30

MR FEUTRILL: Okay, can you remember any instances where a policy, such as a risk management policy, that was implemented by Crown Resorts was the subject of robust discussion?

35

MR ROBERTS: I can't recall.

MR FEUTRILL: I want to turn now to the question of risk management in question 30. Your response to that is at pages 8 and 9. You have said in response to that question, about a third of the way down page 9, that you do not recall there being a set approach or attitude of Burswood Ltd to risk appetite and risk tolerance at any time during your tenure as a director. Now, earlier in your statement, I will take you to question 11 on page 5. That is not the correct reference. There is a reference to there having been a compliance report and a risk register. I've got the wrong reference, I'm sorry.

45

Question 18, and it appears on page 6 and 7. You are describing there the risk

management system applicable to Burswood Ltd. Can I clarify my understanding is accurate. A little earlier today we dealt with the ERCC, the committee, and part of its activities was to consider risk and manage risk.

5

MR ROBERTS: Yes.

MR FEUTRILL: And you said it reported to the Burswood Ltd board.

10 MR ROBERTS: Correct.

MR FEUTRILL: And you have said, in answer to that, question 18, that there was a risk matrix and associated risk register that was used to assess the risks in Burswood Ltd's activities.

15

MR ROBERTS: Yes.

MR FEUTRILL: Now, in light of the evidence you have given earlier today, do you mean by "Burswood Ltd" should we really understand that to mean the Burswood Group?

20

MR ROBERTS: Perth Casino specifically.

MR FEUTRILL: Perth Casino. Were you aware of the risk management matrix, had you been provided with that as a copy at the board level?

25

MR ROBERTS: Yes, it was a very detailed document.

MR FEUTRILL: And the risk --- did you have access to the risk register as well?

30

MR ROBERTS: My recollection within the ERCC reporting was a very detailed risk register, specific issues in respect of risk, how it was addressed, and then followed through to have a risk matrix behind it.

MR FEUTRILL: Okay. And the responsibility for developing the risk matrix and the risk register lay with the ERCC; is that correct?

35

MR ROBERTS: That is my recollection.

MR FEUTRILL: Do you have a recollection of whether, having developed that risk matrix and risk register, it was brought to the Burswood Ltd board for consideration and approval?

40

MR ROBERTS: I can't recall.

45

MR FEUTRILL: But you recall knowing of the existence of those aspects of the risk management?

MR ROBERTS: I'm aware of those aspects of the risk management, yes.

5 MR FEUTRILL: Now, if I could take you back to your answer to question 29 where you indicate that you don't recall there being a set approach or attitude to risk appetite or risk tolerance. Sorry, question 30. Are you there speaking of the board of Burswood Ltd?

10 MR ROBERTS: Yes.

MR FEUTRILL: So is it your evidence that the board of Burswood Ltd did not establish or set the approach to risk appetite for the purposes of the ERCC's risk matrix?

15 MR ROBERTS: As I said, I can't recall.

MR FEUTRILL: So when you say that you can't recall there being a set approach or attitude, do you mean you have no recollection of the approach or attitude, or that ---

20 MR ROBERTS: Yes, I have a very clear understanding of the attitude.

MR FEUTRILL: What was the attitude?

25 MR ROBERTS: In terms of compliance and risk management, Burswood had a strong and front of mind approach in regard to those matters.

MR FEUTRILL: How would you describe them the risk appetite of Burswood Ltd, the board of Burswood Ltd, to the risks facing the Burswood casino?

30 MR ROBERTS: I would say it would have a low risk.

MR FEUTRILL: A low risk. And how was that communicated, if at all, to the executive team?

35 MR ROBERTS: It was communicated by way of an assurance of compliance, and seeking clarification in regard to risk items that required attention, and a desire to provide continuous improvement in regard to all items of policy and framework around the business operations.

40 MR FEUTRILL: Was the way in which Burswood Ltd approached risk management consistent or similar to the approach that you had adopted in other companies in which you were a director?

45 MR ROBERTS: I saw the ERCC, or certainly the function of the risk management to be well reported, in-depth, and provide ample information to the board. And, therefore, be consistent with other companies, yes.

MR FEUTRILL: What I mean to say is the adoption of a risk matrix, a risk register,

and reporting against those risks to the board, was that consistent with your experience as a director of other companies?

5 MR ROBERTS: Yes.

MR FEUTRILL: In your experience as a director of other companies, had there been occasions where there are sessions between the management team and the directors, that take place outside of a normal directors' meeting, where strategy and risk is the subject of a day or a half-day workshop?

10

MR ROBERTS: There has been at times, yes.

MR FEUTRILL: Were there any sessions of that character whilst you were a director of Burswood Ltd?

15

MR ROBERTS: No, but to the qualification that I was comforted that this was part of a broader group, which, as I was advised, did undertake that role.

MR FEUTRILL: Okay. So you were advised that who, the directors of the board of Crown Resorts undertook the kind of session I've described?

20

MR ROBERTS: Yes.

MR FEUTRILL: Were you given any indication of who the participants were in such a session?

25

MR ROBERTS: I can't recall.

MR FEUTRILL: Would it be your expectation that the key managers of the Burswood Ltd would have participated in such a session?

30

MR ROBERTS: Yes.

MR FEUTRILL: Is it your expectation that the directors of Burswood Resorts would have conveyed to the executives the risk tolerance of Crown Resorts?

35

MR PENGLIS: Burswood Resorts?

MR FEUTRILL: No, Crown Resorts.

40

MR PENGLIS: You said Burswood in your question.

MR FEUTRILL: Oh, Crown Resorts.

45

MR ROBERTS: Would you mind repeating the question.

MR FEUTRILL: Yes. Would it be your expectation that in any session involving

the Crown Resorts Board and executive, that the Crown Resorts expectation of risk tolerance would be communicated to them?

5 MR ROBERTS: To the board of ---

MR FEUTRILL: To the executives involved in the session?

MR ROBERTS: Sorry, I'm lost.

10

MR FEUTRILL: Let's take it one step at a time. You said it was your understanding there were sessions involving directors of the Crown Resorts Board and executives of Crown Resorts, including some who participate in the management of Burswood casino?

15

MR ROBERTS: The group as a whole, correct.

MR FEUTRILL: Is it your expectation that the risk tolerance of Crown Resorts group would have been communicated to the executives of the Crown group, including the Burswood group executives at such a session?

20

MR ROBERTS: I can only speculate.

MR FEUTRILL: I'm happy for you to speculate. Is it your expectation that that is what would have occurred?

25

MR ROBERTS: That is what I assume would have occurred.

MR FEUTRILL: Yes, because if you were not satisfied that that had taken place, how would you know that the ERCC, for example, understood what the risk tolerance of the group was?

30

MR ROBERTS: The ERCC was --- became a good --- an overall group committee and but it specifically --- also dealt with those matters in respect of audit matters that were applicable to compliance at the Perth Casino level.

35

MR FEUTRILL: So is it your understanding that the ERCC had a dual function, it considered risks of the Crown group broadly, and it considered risks associated with Perth Casino operations specifically?

40

MR ROBERTS: Yes.

MR FEUTRILL: And it reported to Crown Resorts?

45 MR ROBERTS: It reported to Crown Resorts on one hand and to Burswood Ltd on the other.

MR FEUTRILL: Yes, I was coming to that. So in your understanding is it reported

11:51AM

to both boards?

MR ROBERTS: I can't speculate on behalf of Crown.

5

MR FEUTRILL: Is it your understanding it was reporting to both Crown Resorts and to Burswood Ltd?

MR ROBERTS: My knowledge was it reported to --- well, I know it reported to  
10 Burswood Ltd.

MR FEUTRILL: Can I ask you to regard your answer at question 9 and your  
response to the question regarding your responsibility to the (inaudible) Burswood  
Ltd.

15

MR ROBERTS: Yes.

MR FEUTRILL: On page 4 and page 5. There is no, reference, I believe, in the  
answers there to an understanding of the responsibilities of directors of Burswood  
20 Ltd for the oversight of risk management. Do you accept ---

MR PENGLIS: Your Honour, the question is posed as his understanding of his  
responsibilities as a director, not the responsibilities of the board.

25 COMMISSIONER OWEN: (Inaudible).

MR FEUTRILL: Insofar as the response to the question goes, it is directed to your  
understanding of the responsibilities of directors of Burswood Ltd, you have not  
mentioned, in your response, your responsibility for oversight of risk management;  
30 correct?

MR ROBERTS: Correct.

MR FEUTRILL: Now, do you accept though that as a director of Burswood Ltd,  
35 you did have responsibility to oversee the identification and management of risks  
associated with the Perth Casino?

MR ROBERTS: Yes.

40 MR FEUTRILL: You can disagree with this, I just want to understand what your  
view is.

During your tenure as a director of Burswood Ltd, is it the case that the directors of  
Burswood Ltd were not taking the lead in the setting the strategy and management of  
45 risk?

MR ROBERTS: Would you mind repeating your question.

MR FEUTRILL: The board of Burswood Ltd was not taking the lead, as in the lead role, in setting the strategy and management of risk for the Burswood Group?

5 MR ROBERTS: The Burswood board took, and as I said, front of mind, the importance of managing risk within the company, and had the ability to draw on resources of the greater Crown group in regards to risk management.

10 MR FEUTRILL: Yes, I'm dealing with --- I'm not suggesting there was no role in participating in risk management. My question is just whether it took the lead role in identification and management of risk for the Perth casino.

15 MR ROBERTS: I can't tell you whether it took the lead role or not the lead role. What I can tell you is that as a director, risk was front and centre, and that we undertook assurance that risk was well managed within Burswood Ltd.

MR FEUTRILL: There were occasions, were there not, where in the course of your review of Burswood Ltd papers there were internal audits that had taken place?

20 MR ROBERTS: Correct.

MR FEUTRILL: And in some instances the internal audit reports identified failings of different kinds in the implementation of the policies of the group?

25 MR ROBERTS: There were minor risk outcomes that were identified, and my recollection was there was remedial action against that if there was a breach away from company policy in that regard. That was contained, as I said, in a very in-depth way in the risk management papers, and that was then identified by what level of risk was assessed by the ERCC. And my recollection was that there was never anything  
30 identified that was a red flag and caused me, as a director, a great concern, or any concern.

MR FEUTRILL: Is it your evidence that you, I haven't done the maths, but quite a number of years you were a director as Burswood Ltd ---

35 MR ROBERTS: Yes.

MR FEUTRILL: --- there was not a single instance of any breach of policy on compliance matter that raised a red flag in your mind?

40 MR ROBERTS: There was no occasion when I was a director, that on the detail provided in regard to the ERCC reports that provided any red flags to me in regards to the risk audits being undertaken by the ERCC.

45 MR FEUTRILL: In your experience in the 300 other companies in which you have been a director, is that unusual, that there is no any examples of breaches of company policy that raise red flags?



MR ROBERTS: On my recollection that in well-managed businesses that I can't recall seeing red flags in regards to matters.

5 MR FEUTRILL: Well, the reaction to red flags could mean two things, everything is run perfectly well and there is compliance with internal policies or it could mean there is not adequate audit being undertaken of the internal policies, isn't it?

MR ROBERTS: That is speculation, yes.

10

MR FEUTRILL: Did it occur to you when you were a director of Burswood Ltd that the absence of any red flags, as you call them, sparked in your mind the possibility there was not adequate audit being undertaken?

15 MR ROBERTS: No, because front and centre, that the board was very, from what I saw, astute to risk management, and going to the audit reports themselves, my recollection was that they were incredibly thorough. They provided a very deep analysis across the entire Perth casino operations of risk review, and was also supported by other legal and compliance reports which were consistent with the  
20 ERCC's timings.

MR FEUTRILL: Are you familiar with the findings made by the Bergin Inquiry regarding --

25 MR ROBERTS: No, I'm not.

MR FEUTRILL: Have you read about any of that in the news?

MR ROBERTS: No.

30

MR FEUTRILL: So you are unaware of the conclusions drawn in the Bergin Report regarding the facilitation of money laundering at Burswood casino?

MR ROBERTS: I am not familiar, no.

35

MR FEUTRILL: During your tenure as a director of Burswood Ltd, you were provided with board packs before each meeting?

MR ROBERTS: Of course.

40

MR FEUTRILL: In your view were they provided to you in sufficient time before meetings to consider them in detail?

MR ROBERTS: My recollection was that they were.

45

MR FEUTRILL: All right. For the sake of identifying a typical example of what was on the agenda ---

MR ROBERTS: Yes.

5 MR FEUTRILL: --- can I ask you to call up CRW.702.001.1322, which I think is just an example from a time when you were a director. Having considered that, if you take a little time to read it, does it generally accord with your recollection of the topics discussed or the subject matter of a typical meeting in the period of your directorship?

10 MR ROBERTS: Yes.

15 MR FEUTRILL: Okay. You have mentioned a number of times, there was reference to internal audit and legal and risk compliance and you can see they are items on the typical agenda and there were papers included in the board packs in relation to those matters. I am going to put to you a series of propositions. Again you can feel free to disagree with them because you may take a different view, but I can tell you these are based on having read a number of minutes and having some knowledge of them.

20 Would it be fair to say the board met about four times a year, quarterly?

MR ROBERTS: Correct.

25 MR FEUTRILL: Do you consider that is a sufficiently frequent number of meetings for a company with responsibility for the Perth Casino to meet?

MR ROBERTS: I saw as my tenure on the board that it was an ample amount of meetings for the period.

30 MR FEUTRILL: So once a quarter in your view was a sufficient number of meetings per annum for the directors to remain informed and undertake oversight of the operations?

MR ROBERTS: Yes.

35

MR FEUTRILL: Can I ask that document PCRC.0007.0001.0001 be brought up. This is an aide memoire, Mr Roberts, which is dealing with summarising the meetings held each year and the duration. Without going into them in great detail, would it be fair to say that most meetings of the board of Burswood Ltd, the duration was approximately an hour?

40

MR ROBERTS: Yes.

45 MR FEUTRILL: In your case would it be fair to say that in the year before your resignation you attended every meeting by telephone?

MR ROBERTS: Correct.

MR FEUTRILL: And that's in 2018? And then you attended the majority of

meetings between 2013 and 2018 also by telephone?

MR ROBERTS: Yes.

5

MR FEUTRILL: Now, part of the explanation probably is that I think you moved to New Zealand in 2017?

MR ROBERTS: Yes.

10

MR FEUTRILL: For the earlier period were you living overseas?

MR ROBERTS: I was. Sorry, I will correct that, I wasn't living overseas, I would spend a considerable amount of time overseas.

15

MR FEUTRILL: So you were absent from WA quite a bit?

MR ROBERTS: Yes.

20

MR FEUTRILL: In your experience, is attendance by telephone the most effective means of participating in a board meeting?

MR ROBERTS: My view is that I saw it posed no issue with me attending and attending to my director duties ---

25

COMMISSIONER OWEN: Sorry, Mr Roberts, your voice ---

MR ROBERTS: Sorry. I didn't see that attending by telephone in any way affected by director's duties and my duties to the board.

30

MR FEUTRILL: Okay. Again you are free to disagree with this proposition if you wish, but given that the directors of Burswood Ltd met four times a year and the durations of the meetings were around an hour, is the consideration of the affairs in a quorum of the directors of around four hours a year, do you consider that to have been adequate for you and the other members of that board to discharge their duties to the company?

35

MR ROBERTS: That --- may I explain that whilst the minutes --- sorry, while the board minutes only reflected that the meeting went for an hour, there was substantive discussions prior to all board meetings that I can recall with other executives --- with other directors in regards to matters of concern or of query. That would be undertaken prior to any board meeting. And also, post those board meetings, further, that the CEO, Mr Barry Felstead, provided regular updates to me in between board meetings.

45

MR FEUTRILL: Okay. So you considered yourself to have been sufficiently informed because you were receiving regular updates from Mr Felstead between board meetings; correct?

MR ROBERTS: One part.

MR FEUTRILL: One part.

5

MR ROBERTS: Yes.

MR FEUTRILL: And you had other discussions, unminuted discussions with members of the board of Burswood Ltd?

10

MR ROBERTS: Correct.

MR FEUTRILL: And were those, just to get a sense of what we are dealing with, were those discussions you had having received a board pack?

15

MR ROBERTS: Yes.

MR FEUTRILL: Questions about what was in it?

20

MR ROBERTS: Yes.

MR FEUTRILL: And would it be fair to say in that context you directed your inquiries to one of the executives of the Burswood Group? Mr Felstead, for example?

25

MR ROBERTS: In most regard, yes.

MR FEUTRILL: And were there any occasions where you had discussions with the other, if you like, non-executive director, Mr Poynton about the subject matter of the meetings?

30

MR ROBERTS: Yes.

MR FEUTRILL: In the course of your tenure as a director of Burswood Ltd, were there any occasions when you considered it necessary or did you consider the possibility of seeking advice from an external advisor or source about the way in which the Burswood Group operations should be managed?

35

MR ROBERTS: No, because there was no concern for me to do so.

40

MR FEUTRILL: A little earlier when I asked you some questions about the way in which you informed yourself about the operations of the Burswood or Perth Casino, I think you mentioned you had made some attendances at the casino with at least one executive.

45

MR ROBERTS: Yes.

MR FEUTRILL: Were you ever interested to or did you ever conduct an unofficial inspection of the casino to familiarise yourself in a less structured way with the operations?

5

MR ROBERTS: Yes.

MR FEUTRILL: How frequently would you say you undertook those kind of inspections?

10

MR ROBERTS: They were normally accompanied with a walk around the property with the CEO and they would --- we would --- I would walk around with Mr Felstead and others whereby we reviewed the property, talked about the development. As you can appreciate, there was a long period of development. Over 1.1 billion was expended on the property. And part of those property inspections we then went and visited the gaming floors and F&B facilities, entertainment, conventions, theatres, VIP gambling.

15

MR FEUTRILL: Did you take opportunity to observe one of VIP gambling in one of the salons taking place?

20

MR ROBERTS: I don't believe I visited the salons while it was taking place, but I saw a salon and I was explained how it operated.

25

MR FEUTRILL: Were you taken and shown the way in which the cage operates?

MR ROBERTS: Yes, I was.

MR FEUTRILL: Was that in the context of one of these visits with the CEO?

30

MR ROBERTS: With the CEO and others.

MR FEUTRILL: Others. And did you ever take the opportunity to just turn up unannounced and have a look?

35

MR ROBERTS: Not as my primary objective but I attended Burswood occasionally for functions and, therefore, I took an interest in the operations.

MR FEUTRILL: Okay. I want to move to a slightly different topic. You were asked some questions about the AML/CTF program. You mentioned your answer to a number of questions the existence of that program. And I will just refer you to question 35 on page 11, 36, also on page 11, and 37 on the same page. If you maybe hold that page open and flick back to question 6 on page 3. It also contains a reference there to the introduction of a program around 2007. To help you, it's on page 3.

40

45

MR ROBERTS: My apologies.

12:13PM

MR FEUTRILL: Towards the end of the page, in the last major paragraph, about halfway through you said "In regard to AML/CTF".

5 MR ROBERTS: Thank you.

MR FEUTRILL: You obviously recall the introduction of that program in 2007?

MR ROBERTS: Yes.

10

MR FEUTRILL: At that time did you take the opportunity to familiarise yourself with the legislative framework?

MR ROBERTS: I can't recall.

15

MR FEUTRILL: Did you receive a briefing on it from Mr Preston?

MR ROBERTS: I can recall that we were briefed by the chief compliance officer, yes.

20

MR FEUTRILL: Now, this is not timed specifically, this is today, and I will ask you when you may have developed some understanding, if you have. Did you have an appreciation or understanding of the entity within the Burswood Group that had responsibility to discharge the regulatory obligations under the AML/CTF legislation?

25

MR ROBERTS: I think so.

MR FEUTRILL: Which entity was that?

30

MR ROBERTS: Well, strictly Nominees, yet Burswood Ltd would require oversight.

MR FEUTRILL: Okay. So it was your understanding that Burswood Nominees had the statutory obligation?

35

MR ROBERTS: Yes.

MR FEUTRILL: And those responsible, directly responsible for fulfilling that function, would have been the directors of Burswood Nominees; would they not?

40

MR ROBERTS: Yes.

MR FEUTRILL: So the oversight that you were describing is as Burswood Ltd as the head of the Burswood Group?

45

MR ROBERTS: Yes.

MR FEUTRILL: Do you recall the structure of the AML/CTF program?

MR ROBERTS: No.

5

MR FEUTRILL: Do you recall whether during the course of your tenure there were any reviews of the program?

MR ROBERTS: Yes.

10

MR FEUTRILL: Approximately how many reviews do you remember?

MR ROBERTS: Only one in 2010 I believe.

15

MR FEUTRILL: All right. Now the review in 2010, was that initiated by the board of Burswood Ltd or by the management?

MR ROBERTS: I can't recall.

20

MR FEUTRILL: A little earlier you gave a description of the information received on risk management. To the best of your recollection does that include specifically reporting on AML/CTF risks?

MR ROBERTS: Yes.

25

MR FEUTRILL: And in the course of your tenure on the Burswood Ltd board was there occasions when there was, if you like, what you describe as robust discussion with the executive about compliance with AML/CTF?

30

MR ROBERTS: Yes. All compliance was front of mind in regard to Burswood Ltd, and we were briefed. Firstly we were briefed by the compliance officer Joshua Preston, and again there was very sufficient information in regard to AML in regard of the risk papers, and there was further --- I recall further sign-off by legal in that regard.

35

MR FEUTRILL: Okay. Now, clearly the introduction of that legislation by the Commonwealth Government was a significant event?

MR ROBERTS: Yes.

40

MR FEUTRILL: And it was directed obviously to not only money laundering but counterterrorism as well?

MR ROBERTS: Yes.

45

MR FEUTRILL: In that context, did you consider it part of your responsibility as a director of Burswood Ltd to receive some more detailed training or understanding of the casino's vulnerability for money laundering and/or counter-terrorism

financing?

MR ROBERTS: Could you repeat your question?

5

MR FEUTRILL: Did you consider it part of your responsibility as a director of Burswood Ltd, on the introduction of that legislation, to educate yourself more fulsomely about money laundering and terrorism financing in the context of casino operations?

10

MR ROBERTS: No, because I believed the presentations to the board in respect of the legislation and our respective framework around that was sufficient.

MR FEUTRILL: In order to form a view or an assessment of the adequacy of, for example, the program, did you consider it necessary to have at least some more in-depth understanding of the ways in which money laundering or terrorism financing may take place in the casino operations?

15

MR ROBERTS: As I said before, I believe that --- well, I was given a very sound overview.

20

MR FEUTRILL: Okay. So you were satisfied, were you, by the information provided to you by the executive team, that the responsibilities of Burswood Nominees and in effect yourself as a director, were being discharged by the steps that the executives were undertaking?

25

MR ROBERTS: As I said before, we were providing the oversight and I was satisfied that they were undertaking their obligations they required.

MR FEUTRILL: Do you now have an understanding of what money laundering involves to a casino?

30

MR ROBERTS: Yes.

MR FEUTRILL: Could you describe for the Commissioners, please, your understanding of what forms money laundering may take in casino operations?

35

MR ROBERTS: Yes, there is a number, patron-to-patron, there is, I'm not sure of the exact wording, but collation of monies put into bank accounts where on one hand they look like individual transactions but on others they are linked. Simply cash going to the exchange for within the cage, et cetera.

40

MR FEUTRILL: Do you now have any understanding in the ways in which the casino addressed the risks you've just described?

45

MR ROBERTS: My only recollection is in regard to how we addressed AML/CTF whilst I was a director.



MR FEUTRILL: I don't expect you to have understood the detail; you didn't have an understanding of the detail of the program, only that a program existed, and it was intended to deal with those vulnerabilities?

5

MR ROBERTS: I understood there to be a program that was sufficient, appropriate and dealt with those matters and being compliant by law.

MR FEUTRILL: I will just ask you to deal with this by proposition.

10

On the one hand you have compliance by effectively the regulator imposed on an organisation, a minimum set of standards it must achieve in order to comply with the legislative framework. If you take AML/CTF, for example, there is an example where the relevant reporting entity must comply with certain standards and you have receiving reports against the compliance for those standards?

15

MR ROBERTS: Correct.

MR FEUTRILL: Did you consider at all whether there was a responsibility on the part of the casino licensee to go above and beyond the minimum standard in the legislation and guard against vulnerabilities to criminal infiltration that were not necessarily covered by the AML program?

20

MR ROBERTS: As I said previously, my understanding was that they were compliant by law. I could only take into account the board pack that would provide me with the relevant reports in that regard. I saw those reports were sufficient and provided me with advice. I further had comfort that they again were part of the broader Crown group, and that as we had done at Burswood Ltd, we had always endeavoured to have a continuous improvement philosophy behind the way the business was run. Or if that was followed by the executives then the AML program would be seeking best practice.

25

30

MR FEUTRILL: I see. I want to understand the answer to that question properly. The question was directed to whether or not you had turned your mind to whether the licensee should be taking --- doing more than what was strictly required under the legislation to address vulnerabilities. In the course of your answer you made reference to continuous improvement and best practice. Was the point of making reference to those topics to suggest that in your mind, at least, the program that was implemented went above and beyond what was strictly required by legislation and addressed additional vulnerabilities?

35

40

MR ROBERTS: I apologise, I've now understood your question more and the answer is I can't recall.

45

MR FEUTRILL: I see. So you do not recall whether you turned your mind to considering if the licensee should do more than what was strictly required on the legislation?

MR ROBERTS: I can't, no.

5 MR FEUTRILL: Do you consider that the licensee of the Perth Casino should have, through its corporate governance structure, considered going beyond what was required in the legislative framework?

MR ROBERTS: I didn't have an understanding of --- sorry ---

10 MR FEUTRILL: As a general proposition, do you think the licensee of the Perth Casino has an obligation or responsibility to guard against vulnerabilities of criminal infiltration that go beyond compliance with the AML/CTF structure?

15 MR ROBERTS: That is speculating because I can't tell you whether on --- sorry, it is probably best to say it is speculating.

20 MR FEUTRILL: I'm actually asking you to speculate. This is about your view as an individual and a person who has sat for many years as a director of Burswood Ltd, whether your view is that the licensee of the Perth Casino should --- not whether it did or does, but should --- consider vulnerabilities to criminal infiltration that is more than merely whether it ticks the boxes and complies with legislation?

25 MR ROBERTS: Well, I can only comment on that with the audit reports that I was provided that the AML/CTF program was appropriate.

MR FEUTRILL: Yes, and that's compliance with the legislative framework. But do you think, I'm talking about you, the individual, do you think it should do more?

30 MR ROBERTS: I did not have an in-depth understanding --- I did not .....

MR FEUTRILL: Sorry, I will try and make it easy for you. I'm not asking you to make any comment about what took place in the past. I'm simply asking you about the current position. We'll make it hypothetical. Let's not talk about Perth Casino --

35 MR ROBERTS: Sure.

40 MR FEUTRILL: --- but a licensee of a casino. Knowing what you know about the vulnerability of casinos to risk of criminal infiltration, do you remember that a responsible licensee should do more than merely comply with the legislative framework for AML/CTF and see what else it can do to guard against risks of criminal infiltration?

45 MR ROBERTS: Only on the basis that there has been infiltration --- if it is doing its job, it is doing its job and, therefore, if it is doing its job therefore there would be no need to.

MR FEUTRILL: So is the answer then no? If it is complying with AML/CTF in your mind, it is doing its job?

MR ROBERTS: It's qualified in that regard.

5 MR FEUTRILL: Can I ask you now to turn to question 32 on page 10. I think you may need to look at the previous page as well on question 31. If you can assist the Commission to gain a better understanding of the way in which the international commission business was operated from your perspective as a director at Perth Casino.

10 In the financial reporting you received as a director, there was a --- you would recall one of the items of consideration was international --- revenue from international business?

MR ROBERTS: Yes.

15

MR FEUTRILL: So you must have had an understanding there was a business unit of that kind?

MR ROBERTS: Yes.

20

MR FEUTRILL: That operated at the Perth Casino?

MR ROBERTS: Yes.

25 MR FEUTRILL: To what extent as a director of Burswood Ltd did you have oversight of that business operation?

MR ROBERTS: I can't recall.

30 MR FEUTRILL: Do you recall having any oversight of it?

MR ROBERTS: No, I don't.

35 MR FEUTRILL: Were there reports that you can recall that came to the board of Burswood Ltd in connection with how the international commission business would be operated?

MR ROBERTS: I can't recall.

40 MR FEUTRILL: Is the reason you can't recall because it was actually undertaken as an activity in Melbourne?

45 MR ROBERTS: I recall Melbourne provided services to Burswood and those services included an international business --- sorry, marketing along with IT and hotel reservation, et cetera.

MR FEUTRILL: Do you recall whether there was ever any consideration at the level

of the Burswood Ltd board of the risks associated with the international Commission business? Here I'm in particular thinking of junket operations.

5 MR ROBERTS: Yes, there would have been.

MR FEUTRILL: Sorry ---

10 MR ROBERTS: I don't have a specific recollection, no.

MR FEUTRILL: But do you recall that having been a topic of consideration at the board level?

15 MR ROBERTS: Yes.

MR FEUTRILL: And was it considered at the board level because junket operations come with a risk of criminal infiltration?

20 MR ROBERTS: I can't recall.

MR FEUTRILL: To the best your recollection, did the directors of Burswood Ltd have any say in who would be approved to be a junket operator at the Perth Casino?

25 MR ROBERTS: I can't recall.

MR FEUTRILL: Do you remember that as a director of Burswood Ltd it was important for the Burswood Ltd board to have oversight of who was approved for junket operators at the Perth Casino?

30 MR ROBERTS: Yes, in terms of compliance in regards to those matters, yes.

35 MR FEUTRILL: And in terms of compliance, would you agree with this proposition, that there should have been probity checks undertaken by the executives or someone responsible in Perth before a person was approved to undertake junket operations in Perth?

MR ROBERTS: I can't comment on that.

40 MR FEUTRILL: On the topic of junkets, do you recall there being a change to the legislative framework in around 2010?

MR ROBERTS: I can't recall.

45 MR FEUTRILL: Do you remember becoming aware that the regulations concerning junkets in 2010 were amended so there was no longer a requirement by the GWC to approve junket operators?

MR ROBERTS: I don't recall that, no.

MR FEUTRILL: You don't recall whether or not a proposal on the part of the Burswood Group to make that change came for consideration before the Burswood Ltd board?

5

MR ROBERTS: No, I can't.

MR FEUTRILL: You were asked some questions regarding events that gained quite a degree of publicity that were --- that concerned Crown Resorts and in part the Perth Casino. You recall there was a question around the publication in 2014 of a Four Corners article?

10

MR ROBERTS: Yes, "High Rollers, High Risk".

15

MR ROBERTS: Yes.

MR FEUTRILL: You said in your answer you don't recall seeing that program at the time. Would you agree with this proposition, that as a director of Burswood Ltd, it would be surprising if you were not aware of it at that time?

20

MR ROBERTS: No, because I was in Europe at the time.

MR FEUTRILL: It would be surprising if it wasn't raised at a board meeting?

25

MR ROBERTS: I can't recall that specific issue being raised. It was a long time ago, as you may appreciate.

30

MR FEUTRILL: I do appreciate that. I think you said earlier that Mr Packer is a friend of yours and obviously he came under some consideration in that article. Did you have discussions with him about it?

MR ROBERTS: No.

35

MR FEUTRILL: Do you recall whether in or during 2014 or following at a meeting of --- any meeting of directors of Burswood Ltd, there was discussion regarding consideration or review of junket operations in Perth?

MR ROBERTS: Yes.

40

MR FEUTRILL: What was the catalyst for the review or consideration of junket operations in Perth?

MR ROBERTS: Was in respect of the arrests of Crown employees in China.

45

MR FEUTRILL: And what was your understanding of the reason for undertaking the review or consideration of junkets as a consequence of the arrest in China?

MR ROBERTS: Based upon the briefings I was given in that regard, as to why they were detained, that it was considered appropriate to stop junket operations post the arrest.

5

MR FEUTRILL: All junket operations or only those in connection with the republic of China?

MR ROBERTS: I can't recall.

10

MR FEUTRILL: Just so I understand it, the catalyst for it was --- is it your understanding that the catalyst for the review was the fact that people within the Crown group who were undertaking that part of the operation in China were arrested, and it was too high a risk to continue that part of the business in China?

15

MR ROBERTS: No. The reason that --- firstly can I qualify this by saying can I assume you mean "by that part of the business" being ---

MR FEUTRILL: International?

20

MR ROBERTS: --- overseas operations. That it was seen to be --- my recollection was that the welfare of the Crown employees was absolutely paramount and it was -- - would not want to do anything that prejudice the welfare of those employees.

25

MR FEUTRILL: That wouldn't affect people coming on junkets from Indonesia or Malaysia or any other part of the world, would it?

MR ROBERTS: I can't recall, as I said, if it was a carte blanche or simply it dealt with China.

30

MR FEUTRILL: So, in any event, to the best of your recollection, any review of the junket operations was in connection with the China arrests, it wasn't for reasons in connection with the probity of those operations?

35

MR ROBERTS: My recollection.

MR FEUTRILL: You were asked, initially you answered it one way and you obviously remembered something afterwards. This is about the Wilkie allegations.

40

MR ROBERTS: Yes.

MR FEUTRILL: Do you recall there being a, obviously Mr Wilkie made allegations of tampering of machines in Melbourne, and you received a briefing from Mr Felstead and you were assured there was no tampering in respect of operations in Perth. What was it that Mr Felstead said to you at that time that satisfied you there was nothing more to investigate in Perth?

45

MR ROBERTS: I can't recall the exact conversation but I must have satisfied that he

gave me an appropriate briefing and assurances for me to be comfortable.

5 MR FEUTRILL: Given you recall the issue of China arrests, Mr Wilkie was making allegations in Federal Parliament, investigations were taking place, did it cross your mind at all in that period that it may have been necessary for the Burswood operations to take a closer look at the way in which the executive team was managing its operations?

10 MR ROBERTS: Firstly, in regards to the Wilkie allegations, as I said, Mr Felstead gave me comfort and, as I said, I don't recall the exact conversation and how I formed the view he gave me appropriate comfort in that regard. However, this as you appreciate is a highly regulated business, and certainly in regard to the EGMs that the regulator, to me, it would be completely incomprehensible that the casino  
15 would tamper with their EGMs. So, therefore, I saw no regard to further investigate that.

And in respect of the China arrests, that the explanations that were given to me around the China arrested, I was very satisfied with in regards to why. And,  
20 therefore, again, as seen as two quite separate incidents, I felt comforted that appropriate explanation of both of those circumstances were given to me.

MR FEUTRILL: Can I move to a different topic, Mr Roberts. I want to ask you some questions about harm minimisation, which you were asked in more direct terms  
25 in the questions you received with your summons. I want to direct you now to page 14 and questions 45 and 46.

Earlier in the day I asked you some questions about your views on responsibility for considering harm minimisation. In answer to this question dealing with problem  
30 gambling, you have said that based on advice of management in respect of reports your understanding was problem gambling was relatively benign at Burswood casino, Perth Casino.

MR ROBERTS: Yes.  
35

MR FEUTRILL: What is it specifically that led you to believe it was benign? What do you mean by "benign"?

MR PENGLIS: "Relatively benign".  
40

MR ROBERTS: What I meant is on an overall percentage basis of people gambling at the facility, that there was only a few that were affected or had any issues with problem gambling.

45 MR FEUTRILL: So are you basing that on your knowledge of the number of people who passed through the casino in that period of time?

MR ROBERTS: As I said, I took that from what was given to me in terms of the

reports from the compliance officer in that regard.

5 MR FEUTRILL: What did you understand the gathering of statistics to involve by the Burswood Group? How did they collect their information?

MR ROBERTS: I don't know.

10 MR FEUTRILL: So do you have any understanding of when one identifies a small number of people, say, with problem gambling, how they were identified?

MR ROBERTS: No, I don't.

15 MR FEUTRILL: Or --- I see. The specifics are not something you can assist us with?

MR ROBERTS: No.

20 MR FEUTRILL: So is it fair to say then that your view on this is based entirely on the information provided to you by the executive team of the Burswood Group?

MR ROBERTS: That was my only source of information. Correct.

25 MR FEUTRILL: Did you take any steps at all, or consider taking any steps at all to test the veracity of the information they were providing?

30 MR ROBERTS: Again, front of mind at Burswood was the frameworks behind preventing problem gambling, such as the Responsible Gambling framework, and because this was front of mind again with the support of knowledge of the support of Crown who had a much larger facility in Melbourne and the relevant initiatives that we implemented in that regard, and there was a lot of discussion about Responsible Gambling initiatives and continuous improvement, that the problem of --- I was satisfied that problem gambling was being appropriately addressed.

35 MR FEUTRILL: All right. I want to ask you some questions about this concept of problem gambling just to see, and again I'm not asking you to answer this as a director of Burswood Ltd as you were then ---

40 MR ROBERTS: Yes.

MR FEUTRILL: --- I'm talking about your position now and what you know now.

45 There is a cause and effect aspect to problem gambling. I will explain what I mean by that, in that if you don't offer the service, you won't cause problem gambling as an absolute. And if you design games, for example, that lead to an addiction, or can lead to an addiction, then you are courting the danger of problem gambling; would you accept that?



MR ROBERTS: Not necessary, no.

5 MR FEUTRILL: Would you accept then that when one puts in place a Responsible Gambling or problem gambling program, what you are addressing are those that have got a problem. In other words, they already have had a problem associated with gambling. It's not preventative, in other words.

10 MR ROBERTS: Yes.

MR FEUTRILL: So would you consider that a responsible casino licensee would consider not only how to deal with those that have been harmed but to prevent some people from being harmed.

15 MR ROBERTS: I would like you to repeat the question so that I'm very clear.

MR FEUTRILL: Would you accept that a responsible licensee of the casino would not only have in place a program to deal with the people who have been harmed by the services they offer, but to consider whether the way in which they provide those services should be done to prevent harm occurring in the first place?

20 MR ROBERTS: Well, that would depend if there was an appropriate framework in place and would also --- I would need to understand what the effects were. Its very generalised. I'm trying to answer your question, but it is ---

25 MR FEUTRILL: I understand it is general, I'm asking it in a general way, because I want to understand your view, as a person who was a director of Burswood Ltd for many years, on what you consider to be the way in which a responsible licensee should behave. And the question is directed to whether a program involving Responsible Gambling should not only consider those who have been harmed but consider how you offer services in a way that do not cause harm.

30 MR ROBERTS: I can go back and say that if the framework behind providing initiatives or a framework behind stopping people from having an addiction into gambling is adequate, and it is being effective, then the answer would be no.

35 MR FEUTRILL: And it may be you were answering the question by saying if your program is properly tailored, it deals with the preventative as part of the program. Is that ---

40 MR ROBERTS: No, I'm clear --- I'm sorry if I haven't come across that way. I'm saying that if the framework is successful in dealing with problem gambling, then I would see it as being appropriate.

45 MR FEUTRILL: Okay. Can I put it to you in a slightly different way to give you a more concrete example. Let's say you can design an EGM, and the speed of play is 5 seconds.

MR ROBERTS: Yes.

MR FEUTRILL: And the speed of play of 5 seconds, people have to pause before  
5 they hit the button again to play another game. And there is a statistic that says if the  
speed of play is 5 seconds or greater, this is a hypothetical ---

MR ROBERTS: Yes.

10 MR FEUTRILL: --- the chances of developing an addiction to gambling are one in  
100,000, just hypothetically. And then you design a game that has a speed of play of  
3 seconds, and the statistics says that the probability of producing addiction to  
gambling is 1 in 10. What I'm suggesting to you is that the responsible casino  
operator would consider whether it should reduce the speed of play from 5 second to  
15 3 seconds because it will reduce the number of people it sees as problem gamblers.  
Would you accept that as something a reasonable casino operator should do?

MR ROBERTS: Consideration?

20 MR FEUTRILL: Consideration.

MR ROBERTS: To not allowing --- sorry, to give consideration to ensuring that the  
spin rate is not less than 5 seconds?

25 MR FEUTRILL: The design of the game, full stop. Consider whether the design  
should be modified so as not to lead to problem gambling.

MR ROBERTS: Hypothetically, in terms of the example that you have given, it  
would appear if those were the facts, that consideration would need to be given to  
30 that.

MR FEUTRILL: So in the context of a concrete example, you are agreeing with me  
that prevention is something that a responsible licensee should consider?

35 MR ROBERTS: As I said before, if the framework behind Responsible Gambling is  
in place, and it is sufficient, then it is adequate.

MR FEUTRILL: Okay. So just so I understand your answer, are you suggesting, are  
you, that provided you have an adequate response to people who have been caused  
40 harm, that is sufficient as far as you're concerned?

MR ROBERTS: I do not know the exact details of the framework, but on the basis  
that if the number of people are affected and we're --- the framework is developed  
that produces --- that provides a very safe net of, as you say, a consequence of  
45 gambling is some addiction, and if that addiction can be minimised as much as  
possible and the framework behind that minimisation is appropriate, then it would be  
seen as appropriate.

12:56PM

MR FEUTRILL: Okay. Is it a convenient time?

COMMISSIONER OWEN: Yes. Mr Roberts, we will come back at 2 pm.

5

MR ROBERTS: Thank you.

**ADJOURNED**

**[12.57PM]**

10

**RESUMED**

**[2.00PM]**

15 COMMISSIONER OWEN: Thank you. Mr Feutrill?

MR FEUTRILL: May it please the Commission.

Commissioner, I do not have any further questions for Mr Roberts.

20

COMMISSIONER OWEN: Thank you, Mr Feutrill.

Mr Garas?

25

**CROSS-EXAMINATION BY MR GARAS**

MR GARAS: Thank you, Commissioner.

30

Mr Roberts, I've got a --- just explain. My surname is Garas and I appear for Crown.

MR ROBERTS: Thank you.

35 MR GARAS: I have a few questions for you in relation to the infrastructure  
investment that was made by Crown during the (inaudible) tenure. Now in your  
statement, you refer to there being significant investments by Crown in property  
infrastructure to increase the company's business. Am I correct in assuming that one  
of those significant investments that you were referring to was the Crown Towers  
40 development?

MR ROBERTS: Correct.

45 MR GARAS: And were there any other major projects you had in mind when  
referring to those major property investments?

MR ROBERTS: Yes, there is the --- during my tenure as a director, there was the  
refurbishment of the Intercontinental, which subsequently became the Metropol.

There was the smaller hotel, which I can't recall the name of. There was the expansion --- the ---

5 MR GARAS: Promenade?

MR ROBERTS: Promenade, thank you. There was the side room and the pool room. There was the expansion or reconfiguration of the convention centre areas, and there was expansion in regard to the gaming floors, upgrade of the F&B ---  
10 substantial upgrade in regard to the F&B facilities, expansion of a car park on the southern end of the building, there was the demolition of the dome and the acquisition of the land associated with the dome, and in respect of car parking in that regard, there was the upgrading of the administrative offices at the facility.

15 MR GARAS: Thank you. Now your statement outlines what appears to be very considerable experience that you have in construction and property development. Can I just ask you to give examples of some of the major property developments that you've been involved in and particularly any that you consider comparable to the Crown Towers project?

20 MR ROBERTS: Yes. I've been involved in a significant amount of, for example, convention centres. We developed the convention centre here in Perth, associated car parking. F&B, we did the entire retail development at --- in Walsh Bay, in Sydney, Bennelong, along the Bennelong area, numerous hotels, probably too many,  
25 from the Hyatt Hotel in Perth to --- I mean there have been numerous hotels throughout Australia. In regard to other facilities, I mean I could go --- if you would like me to specifically answer ---

MR GARAS: That's enough, thank you. Now I want to get back to the Crown  
30 projects and I will take you through a few documents just to assist your own recollection and to also give some assistance to the Commissioners.

Can the operator please bring up document CRW.702.001.8246? This should be a document provided by Allens, so Crown's solicitors. That's CRW.702.001.8246.

35 Mr Roberts, I will just take you through some of the key aspects of the information in the document. What I'm looking at is a development update to the Burswood board and it is dated 9 August 2012. What this document shows you, and I will just pause there, do you recall receiving the development updates while you were ---

40 MR ROBERTS: Yes, I do.

MR GARAS: This particular update identifies various aspects of development to the Crown complex. For example, there is an expansion to the main gaming floor which  
45 is identified as a \$110 million expansion. Do you recall those works?

MR ROBERTS: Yes.

MR GARAS: Then, and I think you have already mentioned this, there is reference to a rebranding of the Crown Metropolitan and the Crown Promenade and that's identified as a \$7 million expenditure for the rebranding and then the actual  
5 refurbishment itself is \$58.7 million. Does that accord with your recollection?

MR ROBERTS: It does.

MR GARAS: Then one of the other major aspects of this particular development is a  
10 reference to what is described as the Third Hotel? Should I take that to be a reference to the Crown Towers development?

MR ROBERTS: Correct.

MR GARAS: It is identified in this update that the expected expenditure, or the  
15 budget --- target budget, is \$550 million. Does that accord with your recollection?

MR ROBERTS: It does.

MR GARAS: And it also explains that the WA government had approved  
20 Burswood's request to purchase 5.8 hectares of land to support the development of that Third Hotel. Does that accord with your recollection?

MR ROBERTS: It does.

MR GARAS: And that the budget that I mentioned of \$550 million was part of a  
25 five-year plan with respect to that development. Does that accord with your recollection?

MR ROBERTS: It does.

MR GARAS: Thank you.

Now, I have another document. See if that one is on the system. It's  
35 CRW.702.002.4705.

I do apologise, Commissioners. I will just take Mr Roberts through the key aspects of the documents.

Mr Roberts, this is a similar development update. This one is in a PowerPoint form  
40 and it is dated 13 August 2013. I just want to take you through some of the key elements or what is described as the development principles in relation to the Crown Towers development. First of all, it was proposed as a six-star hotel in Perth. Does that accord with your recollection?

MR ROBERTS: Yes, it does.

MR GARAS: Certain features are described as, in relation to the development, to

"position Crown Perth as an international quality resort" and for "strategic long term investment in WA tourism". Now, do you recall discussions at the time in relation to those principles and can you explain to the Commissioners what the thinking was behind those particular aspects of the development?

MR ROBERTS: Yes. I recall that the vision of the shareholders of Crown was that they wanted to provide an integrated resort to Perth, that it wasn't all about gambling, it was very much to provide something that Perth didn't have in regard to an experience.

MR GARAS: And there was also discussion of a strategic long-term investment in WA tourism?

MR ROBERTS: That's correct.

MR GARAS: Can you recall what the discussions and specific thinking was in relation to the development of tourism?

MR ROBERTS: Not the specific --- specific discussions, but along the lines of that they wanted to provide three tiers of tourism experience in terms of, you know, a higher hotel experience and then obviously, the facilities such as entertainment, F&B, et cetera.

MR GARAS: Thank you. One of the other features listed here is to develop a portal to the stadium precinct development. Now, can I take it that's a reference to Perth stadium?

MR ROBERTS: Yes.

MR GARAS: And can you just explain a little in relation to what the intention was behind that particular principle?

MR ROBERTS: That was --- my recollection at that point in time was to expand a retail link and other facilities between the two, the Optus Stadium as it is today and the Crown facility or Crown Perth.

MR GARAS: Thank you, Mr Roberts.

Can I bring up a document --- and this should be in the hearing bundle --- CRW.703.001.1277? Thank you.

You will see on the screen, Mr Roberts, this is the board pack for Burswood Ltd for a meeting that was to be held on 16 February 2017. We see that you are listed as one of the attendees.

MR ROBERTS: Yes.

MR GARAS: You would have received this board pack, I assume?

MR ROBERTS: You assume correct.

5

MR GARAS: And you see that item 4 of the agenda is development update.

MR ROBERTS: You may have to scroll down, I can't see it. Thank you. Yes, I do.

10 MR GARAS: And that was a running agenda item, wasn't it?

MR ROBERTS: That was my recollection.

15 MR GARAS: Now, can we go through, scroll through to page 1358, please. So this is the cover page to the development agenda. If we move over to the next page and if we could just slowly scroll through, please, to page 1363. As those pages are scrolling through, these are many of the different developments, some of which you had mentioned earlier, aren't they, Mr Roberts?

20 MR ROBERTS: They are.

MR GARAS: Thank you. At page 1363, you will see in fact the discussion in relation to Crown Towers, bearing in mind you will see the date up there, this is 16 February 2017, so some five years on after the first update that I took you to.  
25 According to this document, the construction had completed and the hotel was open to the public as scheduled on 1 December 2016 and that the total final budget cost was \$645 million. Does that accord with your recollection?

30 MR ROBERTS: It does.

MR GARAS: Thank you. And, now, going back to the time that this development was undertaken, essentially the five years to December 2016, and having regard to your experience and expertise in relation to property development, how do you rate the standard of the Crown Towers development compared to other hotels and resorts  
35 in WA?

MR ROBERTS: In my opinion, it would be one of the, if not, the best hotel facility. Certainly it was at that point in time. I would say now there are others that are of equal standard.

40

MR GARAS: Thank you. Again, having regard to, as I said, the time the development was undertaken, how would you rate Crown Towers compared to other hotels and resorts in Australia?

45 MR ROBERTS: Again I would say that it would be at the very top echelon of hotel -- hotels available.

MR GARAS: Thank you. And if you are able to say so, what impact, in your view,

did the Crown Towers development have on the Perth Casino complex and the surrounding areas?

5 MR ROBERTS: I think it had a profound impact in regard to --- positive impact in regard to what was a quite a dilapidated property prior to the development, and on completion of the development, it was really quite a world-class facility.

10 MR GARAS: And did you make any observations about the effect, if any, on the local economy and tourism?

15 MR ROBERTS: Yes, of course. During the times that the development was undertaken, Perth was --- it wasn't in the same financial position it was today, and it was certainly, in my recollection, one of the largest capital, certainly in the CBD, certainly I believe it was the largest capital development undertaking at that point in time.

MR GARAS: Thank you.

20 Now, I've just got some questions in relation to corporate social responsibility. Can I please have document exhibit PUB.0013.0001.1401 brought up, please?

25 You will see, Mr Roberts, it's the annual report for 2018, which is likely the last report issued before you left the company. Can we scroll through please, to page 1421?

30 You will see the heading there, Mr Roberts, "Corporate Social Responsibility". And if we just slowly please scroll through to page 1424, we see --- just slowly please --- we see various references to initiatives by Crown --- I will describe them, which concerns supporting employees and the broader community, including diversity and inclusion programs and the support of charities, including the \$200 million Crown Resorts Foundation.

35 Now, are you familiar with those various programs and Crown's --- (inaudible)?

MR ROBERTS: From what I see here, I am.

40 MR GARAS: Thank you. Going back to your time as a director, in your capacity as a member of a board, did you have a genuine desire to see Crown support its employees and the communities in those ways?

MR ROBERTS: Yes.

45 MR GARAS: Thank you.

I have no further questions, Commissioner.

COMMISSIONER OWEN: Thank you, Mr Garas.



Is there any other application for leave? And from anyone who may not --- who may be outside this room?

5 COMMISSIONER OWEN: No. Commissioner Jenkins?

### **QUESTIONS BY THE COMMISSIONERS**

10

COMMISSIONER JENKINS: I have a few questions, thank you.

In relation to harm minimisation and Responsible Gaming, can I ask you, indeed, in relation to 2018, did you review the Sixth Review of the Casino Operator and  
15 Licence prepared by the Victorian Commission for Gambling and Liquor Regulation and published in June 2018?

MR ROBERTS: No.

20 COMMISSIONER JENKINS: That's a document that's prepared in relation to Crown Melbourne. Do you recall being aware, whilst you were on the board, that those reviews were done at regular intervals in relation to Crown Melbourne?

MR ROBERTS: I can't recall, sorry.

25

COMMISSIONER JENKINS: So you're saying you didn't know they were done?

MR ROBERTS: I simply can't recall if I was told or not.

30 COMMISSIONER JENKINS: So you don't recall the contents of that review being brought to your attention?

MR ROBERTS: No, I don't.

35 COMMISSIONER JENKINS: And you don't recall being told in relation to that review, done by the Victorian casino regulator, that one of the significant matters shown by the investigations included failures of governance and risk management contributing to compliance slippages?

40 MR ROBERTS: No, I don't.

COMMISSIONER JENKINS: You don't remember executive --- sorry, management bringing this to your attention and indicating what relevance that might have to Perth Casino operations?

45

MR ROBERTS: No, I don't.

COMMISSIONER JENKINS: So you don't recall also that it was found that there was a lack of innovation and progress regarding Crown's approach to Responsible Gambling?

5

MR ROBERTS: No, I don't.

COMMISSIONER JENKINS: You don't think it might have been relevant for these matters to have been brought to your attention on the basis that if there were issues at Crown Melbourne there might also be issues in the Perth Casino?

10

MR ROBERTS: In hindsight, with, again I'm not sure of the relevant content, I would say it was probably appropriate that the executives bring that to our attention.

COMMISSIONER JENKINS: And where the regulator then goes on to require Crown Melbourne to, for example, implement significant changes in relation to their social --- socially responsible gaming program, you are saying you were unaware in 2018 of those recommendations being made in respect of Crown Melbourne?

15

MR ROBERTS: Correct, I was unaware.

20

COMMISSIONER JENKINS: Do you think it would have been relevant for you to be told about that because if they were recommendations made in respect of Crown Melbourne, they might also be relevant for Burswood Ltd's board to know?

25

MR ROBERTS: In hindsight, if --- I would have liked them brought to my attention, although I can't recall if they were or they weren't.

COMMISSIONER JENKINS: In relation to the China arrests, do you recall that prior to the China arrests, the arrests of Crown employees in 2016 for at least a year before that, there were issues in relation to the promotion of overseas gambling tours in China?

30

MR ROBERTS: I can't recall.

35

COMMISSIONER JENKINS: So you don't recall, again, the management of Perth Casino bringing to your attention, for example, that promoters of Korean casinos who were promoting Korean casinos in China, had been arrested about a year before Crown employees were arrested?

40

MR ROBERTS: I can't recall.

COMMISSIONER JENKINS: You don't recall management informing the board that China was, over a 12-month period at least, if not longer, before the China arrests, cracking down on the promotion of overseas casino gaming tours in China?

45

MR ROBERTS: I cannot recall.

COMMISSIONER JENKINS: If that was the case and the board wasn't told about it, that that is a failure in management reporting to the board?

5 MR ROBERTS: I would like to --- I would have liked to understand the content of those issues, yes.

10 COMMISSIONER JENKINS: Then, in respect to the issues which this Commission has to consider, as I understand your position is, you say that whilst you were a member of the Burswood Ltd board, you considered that you were conducting yourself appropriately according to your obligations as a director?

MR ROBERTS: Correct.

15 COMMISSIONER JENKINS: And you believe that at the time that you were a director, you were receiving appropriate reports from management ---

MR ROBERTS: Correct.

20 COMMISSIONER JENKINS: --- about risks at the Perth Casino?

MR ROBERTS: Correct.

25 COMMISSIONER JENKINS: And that what you were being told, both by management and by external consultants, was that there were no red flags in relation to risks at the Perth Casino?

MR ROBERTS: That is correct.

30 COMMISSIONER JENKINS: Now, you received a summons in order to give evidence before this Commission, did you not?

MR ROBERTS: I did.

35 COMMISSIONER JENKINS: And part of that summons included a copy of our Commission?

MR ROBERTS: Yes.

40 COMMISSIONER JENKINS: And did you read that document?

MR ROBERTS: I have to refresh myself, sorry.

45 COMMISSIONER JENKINS: I'm referring in particular to paragraph 4 of it where it actually refers to the Bergin Inquiry findings.

MR ROBERTS: Do you mind if I have ---

COMMISSIONER JENKINS: They can probably be brought up but I can read them to you. It says:

5           *The Bergin Inquiry also found, amongst other things, that Crown Resorts Limited (a) facilitated money laundering through the accounts of Southbank Investments Pty Ltd and Riverbank Investments Pty Ltd, unchecked and unchanged in the face of warnings from its bankers, (b) disregarded the*  
10           *welfare of its China-based staff, putting them at risk of detention by pursuing an aggressive sales policy and failing to escalate risks through the appropriate corporate risk management structures and (c), entered into and/or continued commercial relationships with junket operators who had links to triads and other organised crime groups.*

15 MR ROBERTS: Yes.

COMMISSIONER JENKINS: Do you recall reading that?

MR ROBERTS: I recall being familiar with it, yes.  
20

COMMISSIONER JENKINS: And given that you didn't read the Bergin Report, and it doesn't seem as if you took a lot of notice of what was in the media about these things, by the time you got this summons and read that, did that alarm you, Mr Roberts, that those things had happened on your watch, certainly that an inquiry had  
25 found that those things had happened on your watch, at Perth Casino?

MR ROBERTS: Just a qualification. Can I qualify that in terms of when I read about them --- the answer is yes, in short. However, when I read this, I was, and I still to this day, other than what I've heard through the press and the like about  
30 Riverbank Investments, so I am very surprised, yes.

COMMISSIONER JENKINS: Well, so, were you not only surprised, but did it concern you that someone who you thought was complying as your duties as director and receiving appropriate information from management, that these things occurred  
35 on your watch, so to speak?

MR ROBERTS: The answer is yes.

COMMISSIONER JENKINS: And so did you make any inquiries and then decide,  
40 "Well, I better read the Bergin Report"?

MR ROBERTS: No.

COMMISSIONER JENKINS: Did you speak to any of the management of Perth  
45 Casino, like Mr Felstead, ring him up and say, "Why didn't you tell me about this?"

MR ROBERTS: No.

COMMISSIONER JENKINS: Is there any reason why not?

5 MR ROBERTS: Because I was --- my --- I sought legal advice on this and I was told not to, suggested --- I took the advice of my legal advisors.

COMMISSIONER JENKINS: Do you accept that these things occurred at Perth Casino whilst you were a director of Burswood Ltd?

10 MR PENGLIS: I object to that question and the reference to these things. He hasn't read the Bergin Report, and we know, those who have read it, it included matters which extend beyond his term. So there is a bit of an ambiguity about the question. I don't have any objection to the area but he hasn't read it so "these things", that is a reference to those matters, if that could be brought to his attention, in other words,  
15 the matters on the screen.

COMMISSIONER JENKINS: I just want to understand, Mr Roberts, what your position is about these matters --

20 MR ROBERTS: Understood.

COMMISSIONER JENKINS: --- in respect of a. Do you --- is your position that you accept it did occur, or that you can't help the Commission in determining whether it did or didn't occur?

25 MR ROBERTS: Firstly, if the inquiry has found that it did occur then I accept it did occur. Secondly, I can't --- I don't believe I can help the Commission in regard to in respect of a.

30 COMMISSIONER JENKINS: Can you tell me when you first heard about Riverbank Investments Pty Ltd?

MR ROBERTS: Yes. In the media. I can't tell you specifically the date, but it was within the last six months or so.

35 COMMISSIONER JENKINS: Do you recall Burswood Ltd, a board pack from Burswood Ltd about you being told, and I don't assume that it was actually whilst you were at --- on the board because it might have been afterwards. I'm not putting to you that it was whilst you were on the board, but do you recall it being in a board pack that the Riverbank account was being closed?  
40

MR ROBERTS: No.

45 COMMISSIONER JENKINS: So then going on to b, to you accept that that occurred whilst you were on the board of Burswood Ltd?

MR ROBERTS: Again, if the Bergin Inquiry found so, then I would have to accept those findings.

COMMISSIONER JENKINS: But on the basis that I understand, and you tell me if I'm wrong, on the basis of your evidence today and in your statement, you had no knowledge of that whilst you were on the board of Burswood Ltd?

5

MR ROBERTS: No knowledge in respect of the disregard of the welfare of --- no.

COMMISSIONER JENKINS: According to you, Mr Felstead assured you that there was no basis to that?

10

MR ROBERTS: Correct.

COMMISSIONER JENKINS: For their arrest?

15

MR ROBERTS: Correct.

COMMISSIONER JENKINS: And in relation to c, do you accept that occurred whilst you were on the --- that conduct occurred whilst you were on the board of Burswood Ltd?

20

MR ROBERTS: Again if the Bergin Inquiry has found so, then I accept that.

COMMISSIONER JENKINS: But your position would be that you had no knowledge of that whilst you were on the board of Burswood Ltd?

25

MR ROBERTS: That is correct.

COMMISSIONER JENKINS: So if also this Commission was to conclude that those things occurred, your position is that you cannot help us really to determine how they occurred because you didn't know they were occurring?

30

MR ROBERTS: Correct.

COMMISSIONER JENKINS: Management didn't tell you or give you any hint or idea they were occurring?

35

MR ROBERTS: Correct.

COMMISSIONER JENKINS: The reports that you were receiving from management didn't raise any red flags about these issues?

40

MR ROBERTS: Correct.

COMMISSIONER JENKINS: And you regarded the Burswood entities as basically being well-run by management?

45

MR ROBERTS: Correct.

COMMISSIONER JENKINS: And appropriately governed by the Burswood Ltd board?

5 MR ROBERTS: Correct.

COMMISSIONER JENKINS: Now, if these things were occurring, and it would have been to be in relation to a, money laundering through the Riverbank investment accounts specifically because that relates to Perth Casino, and c, junket operations  
10 with links to triads or other organised crime groups, if those things were occurring in relation to Perth Casino operations, would you agree with me that someone in management should have known about it?

MR ROBERTS: Yes.

15

COMMISSIONER JENKINS: And if they had known about it, they should have told the board about it?

MR ROBERTS: Yes.

20

COMMISSIONER JENKINS: And, in your view, so say looking at a, we're talking about conduct that might have been occurring from around 2007 from when you were approximately on the board to, say, 2015.

25 MR ROBERTS: Yes.

COMMISSIONER JENKINS: In that period, who in management do you think should have advised the board about these things if they had known about them?

30 MR ROBERTS: The CEO Mr Barry Felstead, the compliance officer Mr Joshua Preston, and really anyone who knew about it.

COMMISSIONER JENKINS: That's all I wanted to ask you about that document.

35 I want to ask you about your time as a director. Did you regard yourself an independent director or nominated by ---

MR ROBERTS: No, independent.

40 COMMISSIONER JENKINS: Did you disclose to the board of Burswood Ltd in any formal manner your friendship with Mr Packer?

MR ROBERTS: I can't recall me disclosing per se, but I can say that the other independent director was aware of my friendship with Mr Packer and so was the  
45 other members of the board.

COMMISSIONER JENKINS: Mr Roberts, you know more about running boards

than I do. So, tell me, in the situation you were in as an independent director, with a  
friendship with the --- I will say main shareholder of the parent, well, of the  
company, should an independent director in that situation make a formal disclosure  
5 about potential conflict of interest or not?

MR ROBERTS: Well, firstly, it is the shareholder that appoints the director. So,  
therefore, I'm not sure that I understand your question.

10 COMMISSIONER JENKINS: I suppose the point is if you have that friendship, are  
you capable of --- there might be an issue as to whether you are capable of acting  
independently?

MR ROBERTS: No, absolutely not. No, I don't see that as an issue.

15

COMMISSIONER JENKINS: Thank you, Mr Roberts.

MR ROBERTS: Thank you.

20 COMMISSIONER OWEN: Mr Roberts, I want to ask you about the structure of  
what you termed the Burswood Group. But can I preface it by saying that I  
understand from your witness statement that one of the things you looked at when  
you were first appointed was the State Agreement.

25 MR ROBERTS: Correct.

COMMISSIONER OWEN: Did you also look at the property trust deed?

MR ROBERTS: I can't recall, Commissioner.

30

COMMISSIONER OWEN: Did you appreciate from the terms of your reading the  
State Agreement did you appreciate that there were separate roles and responsibilities  
of the trustee, which we know to be Burswood Nominees Ltd, and the manager,  
which appears to be casino resort management, within the State Agreement  
35 contemplated different roles and responsibilities for those companies?

MR ROBERTS: That's my recollection.

40 COMMISSIONER OWEN: So against that background, coming to this question of  
governance of the three companies within the group, Burswood Ltd, Burswood  
Nominees Ltd and Burswood Resort (Management) Ltd, and I think you said that  
there was no demarcation between them or pigeon-holing between those three  
companies, and perhaps the most succinct way of expressing what I understand to be  
your approach is to go back to what you said in the answer to question 15 in your  
45 statement, which, to paraphrase, says that the executive team reported to Burswood  
Ltd with respect to all aspects of the Burswood Group and that it was Burswood Ltd  
that made primary decisions for the group. Is that a fair summation?



MR ROBERTS: Yes.

5 COMMISSIONER OWEN: Okay. Can I ask you this: for an outsider who is wanting to understand the governance structure and the operational aspects of governance within a group of companies, would you agree that a primary source of information to gain an understanding would be the board packs and the board minutes?

10 MR ROBERTS: Of those subsidiaries?

COMMISSIONER OWEN: Yes, of those companies. It would be a primacy source of information?

15 MR ROBERTS: Not, in my eyes, necessarily so, and in the circumstance of Burswood Ltd, as you rightly pointed out that the executives sat --- of both Management and Nominees sat on the Burswood Ltd board. So I had a very, very thorough briefing from the CEO who sat across those boards, I had very detailed board packs in respect of --- voluminous board packs in regards to operations. They  
20 were further supported by audited --- sorry, by internal audited reports, further by legal and compliance report and, thirdly, an audited report. So my view is that I was provided substantial amount of information on the operations of the casino.

25 COMMISSIONER OWEN: I'm sorry, I think you may have misunderstood my question.

MR ROBERTS: Sorry.

30 COMMISSIONER OWEN: My question is --- well, it's me.

MR ROBERTS: Yes.

35 COMMISSIONER OWEN: An outsider, trying to gain an understanding of the governance structure and the practical implementation of the governance structure of this group of companies, would you accept that a primary source of information to which you would go to gain an understanding of the governance structure would be the board packs and the board minutes?

40 MR ROBERTS: Yes, to the qualification of that --- those fellow directors being the executive directors sat next to me and may I also say this structure was inherited, as you know. And, therefore, I felt that there was ample information provided to me.

45 COMMISSIONER OWEN: My question is not as to whether it was good, bad or indifferent --

MR ROBERTS: Sorry.

COMMISSIONER OWEN: --- I'm trying to get an understanding of it. So what I'm

going to ask you, if in a situation where you have three companies and you look at the board packs and the board minutes, and you see that in one company the board met reasonably regularly, the board packs were reasonably extensive, and there were  
5 minutes, and then you look at the other two companies and you see the board met infrequently, the board packs are thin, and the minutes are formulaic, if you take that situation, what I'm putting to you is that assume that that is an accurate or a reasonable summation of the board packs and minutes of Burswood Nominees and Burswood Resort (Management) on the one hand and Burswood Ltd on the other  
10 hand, Burswood Ltd being more extensive and the other two being less --

MR ROBERTS: Yes.

COMMISSIONER OWEN: --- that that in a way supports your approach that really,  
15 in terms of this group, governance was done at the Burswood Ltd level.

MR ROBERTS: Correct.

COMMISSIONER OWEN: All right. You used several times the word "oversight"  
20 in relation to what Burswood Ltd was doing in relation to the Crown Perth, the Burswood entities. Can you explain to me what your understanding of that term "oversight", and in particular I'm wondering where that fits with another word that you could use, which is responsibility, and whether you see the two terms as interchangeable or as different.

25 MR ROBERTS: Firstly, the oversight was that we were ensuring that the company, certainly I as a director of Burswood Ltd, that compliance and the general affairs of the business was being undertaken appropriately. So obviously that goes hand-in-glove with responsibility.

30 COMMISSIONER OWEN: All right. Thank you.

Now I want to come to the Burswood Group, Western Australian companies.

35 MR ROBERTS: Yes.

COMMISSIONER OWEN: And I want to put this proposition to you. You can either agree with it or not. That the holding of this casino licence creates special obligations of the licensee and its associated entities, special obligations to the State  
40 and the people of WA; would you agree with that?

MR ROBERTS: I do.

45 COMMISSIONER OWEN: And from your board experience of commerce and business, would you agree with the proposition that that makes the operations of this group of companies slightly different to other commercial operations with which you might be familiar or with which we are all familiar? Would you agree with that?

MR ROBERTS: Yes.

5 COMMISSIONER OWEN: Then can I ask you this: sitting there now as you are, and reflecting back on your experience over a long period as a director of this inherited structure, do you have a view as to whether it is, this structure is fit for purpose, the purpose being to ensure that this group of companies is able to carry out the special obligations that it has to the state and the people of WA?

10 MR ROBERTS: I would say that the structure doesn't necessarily mean that it can't undertake its function and duties. Could it be --- could there be a better structure? Yes, there could be. But is the structure a failure, I would say not.

15 COMMISSIONER OWEN: And an associated question, one particular aspect of this structure is that there has always been --- excuse me --- a majority of management or executive directors over independent directors. Do you have a view as to whether that is appropriate given the special nature of the casino licensee and its associated entities?

20 MR ROBERTS: I think in hindsight, having more independent directors would be more prudent.

25 COMMISSIONER OWEN: And a similar question, you would be I think similar with a situation in commercial entities where, where you have an audit committee, the audit committee is generally populated by directors who are independent of management; are you familiar with that structure?

MR ROBERTS: Yes.

30 COMMISSIONER OWEN: And so far as Burswood Ltd and the three-member Burswood Group is concerned, would you agree that is not the case with an audit committee, whatever it might have been, and of whichever company it was, in this structure?

35 MR ROBERTS: That it didn't have an independent people undertaking the analysis of that risk review?

40 COMMISSIONER OWEN: Perhaps I should go back and just clarify something. This group called the ERCC, was there a separate Perth audit committee?

MR ROBERTS: I can't recall. As my understanding, the ERCC undertook the review of Perth and its function as the greater group of companies of Crown.

45 COMMISSIONER OWEN: So do I take it then that on your understanding, the ERCC was acting both as an audit and Risk Committee and as a legal compliance committee?

MR ROBERTS: No.

COMMISSIONER OWEN: Is that the same group?

5 MR ROBERTS: I remember the ERCC undertaking their function as a risk and compliance committee and legal was separate.

COMMISSIONER OWEN: Sorry?

10 MR ROBERTS: There was a separate legal review.

COMMISSIONER OWEN: Separate to the ERCC?

MR ROBERTS: Yes, that was my recollection.

15 COMMISSIONER OWEN: But did the ERCC, so far as you understood it, carry out functions you would expect of an audit and risk committee in another commercial enterprise?

20 MR ROBERTS: Yes.

COMMISSIONER OWEN: So it would be accurate to say, in that respect, there were no independent directors, sorry --- there were no independent directors on the committee which was carrying out functions which were similar to an audit and risk committee?

25 MR ROBERTS: Correct.

COMMISSIONER OWEN: All right. I think that's all.

30 Is there anything arising, Mr Feutrill?

MR FEUTRILL: Yes, Commissioner. This is a very minor point. I just want to clarify something for the purposes of the transcript.

35 Mr Roberts, you have mentioned a number of times, used the expression "F&B", is that food and beverage?

MR ROBERTS: It is.

40 COMMISSIONER OWEN: Mr Penglis.

**RE-EXAMINATION BY MR PENGLIS**

45 MR PENGLIS: May it please the Commission. Just one area, if I may.

02:51PM

Mr Roberts, Mr Feutrill brought to your attention in the year before your resignation you didn't attend board meetings in person and you agreed with that?

5 MR ROBERTS: Correct.

MR PENGLIS: In your witness statement, you resigned on, you indicate, 5 June 2019?

10 MR ROBERTS: Correct.

MR PENGLIS: Can you tell the Commission why you resigned?

15 MR ROBERTS: Yes, I reside in New Zealand, and with other obligations, that I had --- I felt that my time tenure on the board was up. I had discussed this with the CEO and Mr Barry Felstead and Mr John Poynton quite some time before that. I expressed that I was looking to resign at a given point in time but I wanted to give the board ample notice of that. And it was really that I was living overseas and had less of a direct connection with WA.

20 MR PENGLIS: Thank you.

COMMISSIONER OWEN: Thank you.

25 Now, the practice that we've been adopting about the preparation of a tender list, I think will carry on here, will it not, Mr Feutrill?

MR FEUTRILL: Yes, it will.

30 **HOUSEKEEPING**

35 COMMISSIONER OWEN: Thank you.

Just before we rise, I would like to make a statement that some media outlets have made inquiries about the declaration that I made on Monday of a personal association with the Chairman of Seven West Media Ltd. That statement was made in a particular context, namely the calling of a witness who was responsible to the board of that company. I think that is enough for that purpose. However, I will add that as part of that personal association, I am a director of a company associated with the family interests of the Chairman. I am satisfied that neither that nor any other aspect of my personal association with the Chairman conflicts with my obligations to or in this Royal Commission.

45 Thank you.

Mr Roberts, there may be some tidying up to do so it's probably more convenient to

02:53PM

leave the summons in place, but you are free to go.

MR ROBERTS: Thank you.

5

COMMISSIONER OWEN: I will now adjourn until 10 am on Monday.

**THE WITNESS STOOD DOWN**

10

**ADJOURNED AT 2.53 PM UNTIL MONDAY, 2 AUGUST 2021 AT 10.00 AM.**

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