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**PERTH CASINO ROYAL COMMISSION**

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**PUBLIC HEARING - DAY 21**

**10.01 AM WEDNESDAY, 04 AUGUST 2021**

**COMMISSIONER N J OWEN**

**COMMISSIONER C F JENKINS**

**COMMISSIONER C MURPHY**

**HEARING ROOM 3**

**MS PATRICIA CAHILL SC and MR LIAM O'SHEA as Counsel Assisting the Perth Casino Royal Commission**

**MR KANAGA DHARMANANDA SC and MR TIM RUSSELL and MR RICHARD LILLY and MS MEL JASPER 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**

**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 and MR JOSHUA BERSON as Counsel for the Department of Local Government, Sport and Cultural Industries**

**MR PETER WARD as Counsel for Mr John Poynton**

**MR LONNIE BOSSI as Counsel for Mr Lonnie Bossi**

COMMISSIONER OWEN: Please be seated. Before we call the next witness, a query has been raised about the treatment of material that is subject to a non-publication order. The query that has been raised is whether, when there is an exchange in an open hearing about a document which is subject to a non-publication order, that exchange itself can be freely the subject of comment outside of the hearing room.

My attitude to that is that the answer to that is yes, it can. The document itself is not available to the public, it can't be referred to; but the exchange is not --- comment on the exchange is not in any way impinged. If anyone takes a different view on that, I would like to hear it. And in any event, where there are exchanges of that nature, if counsel felt that there was a need to deal with the public nature of the exchange then you would have to let us know at the time.

Does anyone take a different view?

MR DHARMANANDA: No, Commissioners, thank you.

COMMISSIONER OWEN: Then I think our next witness is Mr Bossi.

COMMISSIONER JENKINS: Mr Bossi, please take a seat and I will speak to you before you take the oath or affirmation.

Mr Bossi, you appear today in answer to a summons?

MR BOSSI: Yes.

COMMISSIONER JENKINS: You have taken legal advice in respect of your position?

MR BOSSI: Yes.

COMMISSIONER JENKINS: But you are not represented today?

MR BOSSI: No.

COMMISSIONER JENKINS: What I want to do is to explain to you the process of you giving evidence before the Royal Commission. First, you will be asked to take the oath or the affirmation. After that has occurred, I will ask you some questions in relation to a witness statement that you have prepared for the Commission. At the conclusion of that process, Ms Cahill, who is Senior Counsel Assisting the Royal Commission, will ask you some questions. At the conclusion of that process, counsel representing other parties before the Commission will have the opportunity to ask you questions. Once they have done so, the Commissioners may have some questions to ask of you.

We have a morning tea adjournment and we have a luncheon adjournment. If at any

time you need another break, please do not hesitate to ask for it. This is not an endurance test. So if you need a break for whatever reason, please feel free to ask and we will accommodate you in that regard.

5

If you can't hear questions, if you don't understand questions, if you need questions clarified, again, it's important that you in fact raise that. We don't want you guessing at what counsel means when they ask you a question. So, again, absolutely no problem with you asking for any assistance in that regard.

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During questioning, counsel or Commissioners may refer to documents or show you documents. If you wish to see a document before you answer a question, just say so and we will do our best to find it for you. Again, the process is for you to be in the best position possible for you to give your evidence. So if you need to see a document, don't hesitate to ask for it.

15

Now, is there any question that you have before we proceed to administer the oath or the affirmation?

20

MR BOSSI: No.

COMMISSIONER JENKINS: What would you prefer to take, the oath or the affirmation?

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MR BOSSI: The affirmation.

COMMISSIONER JENKINS: The oath is where you swear on the Bible and the affirmation is where you make a solemn promise.

30

MR BOSSI: Affirmation.

COMMISSIONER JENKINS: Please stand, Mr Bossi. Mr Bossi, can you tell us your full name?

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MR BOSSI: Lonnie Dean Bossi.

COMMISSIONER JENKINS: And can you read out loud the affirmation?

40

**MR LONNIE DEAN BOSSI, AFFIRMED**

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

45

COMMISSIONER OWEN: Ms Cahill?

COMMISSIONER JENKINS: I still have to put his witness statement to him.

10:05AM

Mr Bossi, as I said earlier, you made a witness statement. That was in response to the Commission sending a letter with your summons with a list of questions and requesting you to answer those questions in a witness statement; is that correct?

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MR BOSSI: Correct.

COMMISSIONER JENKINS: Could the witness statement be put on to the screen, please.

10

I don't have a hard copy of it, so can we scroll through to the last page of it, page 10.

MR DHARMANANDA: Commissioner, I believe the witness might have one.

15

COMMISSIONER JENKINS: The document that appears on the screen, does that also appear to be the statement that you made?

MR BOSSI: Yes, it does, yes.

20

COMMISSIONER JENKINS: And is the information contained in that statement true and correct to the best of your knowledge and belief?

MR BOSSI: To the best of my knowledge and belief.

25

COMMISSIONER JENKINS: Is there any change or addition or correction that you would like to make to the statement before we commence?

MR BOSSI: I think in line 182 I transposed some of the letters, DGP instead of DPG or something.

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COMMISSIONER JENKINS: Would that be paragraph 182?

MR BOSSI: Correct.

35

COMMISSIONER JENKINS: If we go to paragraph 182, how should it read?

MR BOSSI: DGP should be DPG.

40

COMMISSIONER JENKINS: That amendment is made in the second line of paragraph 182. And otherwise the witness statement will become an exhibit in the Commission. Thank you.

**CROSS-EXAMINATION BY MS CAHILL**

45

MS CAHILL: Can we part at page 0080, paragraph 15. Your direct involvement in Perth Casino commenced in September 2011, didn't it, when you relocated to Perth

10:08AM

as chief operator gaming?

MR BOSSI: Correct.

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MS CAHILL: You explain at 16 that that involved overseeing the gaming operations at Perth Casino; yes?

MR BOSSI: Yes.

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MS CAHILL: Which I will come back to in a minute. When you refer at 17 to becoming COO without the gaming suffix after it, that was in the latter part of 2013, was it?

15

MR BOSSI: It may have been '14. I don't have the exact date. But it's in that period.

MS CAHILL: Around that time?

20

MR BOSSI: Around that time.

MS CAHILL: And that was an expanded role that gave you not just gaming but also other aspects of the Crown Resorts operations, including such things as the hotels; is that right?

25

MR BOSSI: Particularly it involved the strategy and planning.

MS CAHILL: To clarify, within the Perth Casino operations specifically, did you assume any additional responsibilities apart from gaming?

30

MR BOSSI: Within the casino? Well, there's food and beverage operations within the casino itself. But in terms of the gaming operations, no.

35

MS CAHILL: Were there any other responsibilities, outside from within the casino, that you assumed apart from food and beverage?

MR BOSSI: Not that I can recall at that time.

40

MS CAHILL: To clarify, you kept all of your pre-existing responsibilities in relation to gaming operations from 2013/14 until December 2020 when you were made CEO?

MR BOSSI: Yes, because that occurred after the VIP team was taken away, yes.

45

MS CAHILL: You have given a bit of an explanation about the roles that I'm about to ask you about in the paragraphs around where you just took Commissioner Jenkins. But if I can just ask you about when you were COO, not CEO as you are now, in relation to your gaming responsibilities, you had a number of direct and indirect reports, didn't you?

10:10AM

MR BOSSI: Correct.

5 MS CAHILL: And two to three of those were managers responsible for table games?

MR BOSSI: Yes.

10 MS CAHILL: Then you had a direct report who was the general manager of gaming machines; is that right?

MR BOSSI: At the time, yes.

15 MS CAHILL: And that's pre-2020?

MR BOSSI: Yes.

20 MS CAHILL: And what was essentially the nature of that person's role in relation to gaming machines?

MR BOSSI: Had carriage of the operation of that business; included working with other areas of the business to ensure that it operated effectively; whether that be marketing team, security teams, they worked together as a unit to provide an experience for the customer.

25 MS CAHILL: And presumably to drive revenue and profits in that business area?

MR BOSSI: Yes.

30 MS CAHILL: Then there was a director of casino operations gaming machines who reported to that general manager?

MR BOSSI: I'm not sure that was the title at the time. But a similar role, yes.

35 MS CAHILL: What was that role and how was it different to the general manager's role?

40 MR BOSSI: The general manager had responsibility over a number of different areas, but the director's role was limited to elements of the operations, such as the staff that were working. But there was also a series of other teams that didn't report into the director operations that went to the general manager.

MS CAHILL: Which ones?

45 MR BOSSI: The --- I believe the bus program team went through the general manager.

MS CAHILL: What was the bus program team?

10:12AM

MR BOSSI: We had a program where customers were --- there was an offer in the marketplace that customers could get on to a line run, organise the bus to visit Crown, so they were within that scope.

5

MS CAHILL: In order to play on electronic gaming machines?

MR BOSSI: That was an option for them. They had lunch provided, they had time to visit the facility, however they wanted to spend their time.

10

MS CAHILL: But this was within the gaming machine management team?

MR BOSSI: The team was, yes.

15

MS CAHILL: So the expectation was that the people who got on that bus would be likely to play gaming machines?

MR BOSSI: That was one of the options. They could also play table games, they could also go and enjoy the rest of the property.

20

MS CAHILL: The reason it was within the gaming machine management team is because there was an expectation that those people would play gaming machines?

MR BOSSI: Yes, a disproportionate share, yes.

25

MS CAHILL: And then there was a director of premium gaming?

MR BOSSI: Yes.

30

MS CAHILL: Gaming machines, that reported back to that general manager? What was that role about?

MR BOSSI: At the time, that person was reporting to me, at that time. Not any more.

35

MS CAHILL: When you say "at that time", that's pre-2020?

MR BOSSI: Yes, it is, yes.

40

MS CAHILL: So --

MR BOSSI: That's the period you're talking about, is it?

MS CAHILL: Yes.

45

MR BOSSI: Just to clarify the period.

MS CAHILL: Yes, premium gaming --- director of premium gaming machines.

10:13AM

MR BOSSI: Just clarify the time period, because there were a number of structural changes that have occurred over the period of 2014 to 2020. So can we confirm the time period?

5

MS CAHILL: Before 2020 was there a director of premium gaming machines?

MR BOSSI: Yes, there was. But that structural change occurred a number of years ago, post-2014 when I became COO but prior to 2020. Again, I can't recall the dates, I'm guessing 2017 or '18. The general manager that operated originally when I became COO is not the general manager that occurred when --- it was a different person when this restructure occurred.

10

MS CAHILL: I was just asking you about the roles.

15

MR BOSSI: Yes. Okay.

MS CAHILL: The director of premium gaming machines, what did that role entail?

MR BOSSI: Okay. That role --- that role did not report to me, that role reported to the general manager of gaming machines, that particular role, and it was responsible for the experience of patrons in the Pearl Room.

20

MS CAHILL: What do you mean by that?

25

MR BOSSI: That's our VIP room and our --- by extension, our premium room that is --

MS CAHILL: Sorry, could you speak up a little.

30

MR BOSSI: Sorry. The Pearl Room is our premium gaming room and it also was responsible, that role was also responsible for the Riverside room, which is on the main gaming floor.

MS CAHILL: When you say responsible for the experience, what are you referring to?

35

MR BOSSI: The hosted experience in the room, so looking after customers. Access --- that role was responsible for access to the room. There was some --- they had --- responsibility was literally for the experience that occurred in the room, in that sense, a service role.

40

MS CAHILL: Now, you had to be a member of the Pearl Room in order to be able to get in there; is that right?

45

MR BOSSI: Yes, and guests of members, yes.



MS CAHILL: What did membership --- what were the prerequisites for membership of the Pearl Room?

5 MR BOSSI: The prerequisites were a tier of membership. There was a process. A customer had to apply to become a member. It's not --- once you get to a particular tier, you don't automatically get in. A customer has to make an application to get in. That application then goes through a number of areas of our business, including our security teams. We do a secure review, RG review, AML review, prior to the  
10 customer gaining access. There is also a threshold prior to getting into that room that's been applied by the Department.

MS CAHILL: Which is what?

15 MR BOSSI: A minimum of \$100,000 turnover.

MS CAHILL: Could you say that again?

MR BOSSI: A minimum of --- the Department has placed a threshold, prior to  
20 entering that room, of a minimum of \$100,000 in turnover.

MS CAHILL: When you say the Department has placed that threshold, do you mean that Crown Perth would like it to be less to get people in there, but the Department's insisting that a patron has to have turnover of \$100,000?  
25

MR BOSSI: No, the threshold was in relation to --- the Pearl Room has an exemption where smoking is allowed in the room, which is issued by the Health Department. That exemption comes via --- as I understand, it comes via the Health Department. Part of the prerequisite related to being what's termed, I believe, a  
30 genuine high roller. The department then made a determination of what constituted a genuine high roller, which is a minimum level of turnover, which is then applied prior to a customer entering the facility as a member. Then we go through our checks and information about that.

35 MS CAHILL: To be clear, in order to qualify for membership of the Pearl Room, a patron has to spend on gambling a minimum of \$100,000 per year at the Perth Casino?

MR BOSSI: No, that's not correct. Turnover is different to spend. If you think  
40 about turnover, probably a topic we'll go to later on is return to player on machines at 10 per cent. Turnover is the high level number, you multiply that by 10 per cent to get what the customer, on theory, spent.

MS CAHILL: So turnover, if we just think of gambling ---  
45

MR BOSSI: Yes.

MS CAHILL: --- if I spend \$100 and I win \$50 back, instead of taking that \$50

home I spend it again, then that is added to the turnover?

5 MR BOSSI: Yes. It's how many bets you've taken, how much money you transact, regardless of win or loss. So the customer could turn over \$100,000 and could win \$10,000, could lose \$5,000, could lose some other amount. So it's a threshold based on the activity levels.

10 MS CAHILL: To come back to my example, if I have \$100, I gamble it all and I get \$50 back and I then spend that \$50 on gambling again, rather than taking it home, is that, do you say, \$150 worth of turnover ---

MR BOSSI: Correct.

15 MS CAHILL: --- or \$100 of turnover?

MR BOSSI: \$150 of turnover, correct.

20 MS CAHILL: But you say that's only \$100 of spend? I've only spent \$100?

MR BOSSI: To the extent that the customer --- yes, to the extent the customer lost \$100, they've lost \$100. They may have lost nothing and gone home with the \$100 they began with. They still have \$150 in turnover.

25 MS CAHILL: Well, instead of taking the \$50 home, I've just spent it, so isn't that \$150 of spend?

MR BOSSI: That's \$150 in turnover, yes.

30 MS CAHILL: But, you say, not \$150 of spend?

MR BOSSI: The customer spent \$100 but they got \$150 in turnover.

MS CAHILL: I understand.

35

MR BOSSI: Does that ---

MS CAHILL: The net loss is the spend?

40 MR BOSSI: The net loss, correct. The net loss would be.

COMMISSIONER JENKINS: Can I just clarify that? In respect of an application to become a Pearl Room member, is that customer's actual turnover determined? Or you mentioned something about just looking at the spend, plus 10 per cent?

45

MR BOSSI: No, the spend plus --- turnover plus --- times 10 per cent gives you a theoretical assessment of that \$100,000 limit. If you were playing a machine and you play to the normal theoretical of 90 per cent return to player, you would have spent

10:21AM

\$10,000 to get to the \$100,000. That's what that was applying to specifically.

5 COMMISSIONER JENKINS: But it's their actual --- you know what their actual turnover is, don't you; that is, the casino knows?

10 MR BOSSI: I'll answer that in two parts. As long as you use your card, so for us the key is the loyalty scheme and rating activity. So if you play a machine and the card goes into a machine, we will have an accurate reflection of that turnover. On a table game, it's a theoretical model that's applied. We don't know the actual amount because of the manner in which transactions occur. It's not as accurate.

COMMISSIONER JENKINS: Thank you, Ms Cahill.

15 MS CAHILL: Commissioner.

A person who has made it into the Pearl Room, they have to maintain that \$100,000 turnover each year to retain their membership?

20 MR BOSSI: Yes.

MS CAHILL: Once they've made it into the Pearl Room, what is the experience they get that they don't have if they're not a member?

25 MR BOSSI: Our density of staff, number of staff we have in the room is higher. The experience is the floor's got more space and comfort built as part of the floor. There are different events and promotions they have access to by having a higher membership tier by getting into the Pearl Room.

30 MS CAHILL: Just give me an example of those events and promotions?

MR BOSSI: You might get access to a corporate box at the football, might be an example --

35 MS CAHILL: For free?

MR BOSSI: --- as a benefit of membership.

40 MS CAHILL: For free? Do they have to pay any money for that corporate box?

MR BOSSI: Their level of activity is how they get offered that. It's not --- they're not paying cash to buy the seat.

45 MS CAHILL: So the higher their turnover in the Pearl Room, the more likely they are to qualify for a benefit such as free tickets to the corporate box?

MR BOSSI: Yes, that would be consistent with the loyalty scheme.

MS CAHILL: What else?

5 MR BOSSI: We may have a Christmas dinner we put on in December that they will get access to, they will be invited to. Those that are invited normally get two tickets, one for themselves and one for their partner to come along, which will be food and entertainment as per a --- if you ever went to a ballroom event, it's something along those lines.

10 MS CAHILL: And hotel accommodation is another benefit that can be earned through higher turnover?

15 MR BOSSI: It can be. It can also be because of the level of membership they get better discount rates. So they can get access to discount rates across the property, which includes hotel and restaurants.

MS CAHILL: Prize giveaways?

20 MR BOSSI: They have dedicated prize giveaways but there are also those in the (unclear), they are part of the promotions.

MS CAHILL: Those prizes can be things such as cars, can't they?

25 MR BOSSI: Have been.

MS CAHILL: Is there free food and drink offered in the Pearl Room?

MR BOSSI: There is. Access to what you get benefits for relates to tiers.

30 MS CAHILL: And the tiers are ---

MR BOSSI: The higher the tier, the more the benefit.

35 MS CAHILL: The tiers are linked to turnover again, aren't they?

MR BOSSI: Yes.

MS CAHILL: So the more you gamble, the more free food and drink you get?

40 MR BOSSI: There's a number of ways to earn points. There are non-gaming ways to earn points. Many of our customers will also use hotel rooms, will use F&B facilities. They will earn points within non-gaming as well, which will also contribute to the process of what they get access to and ultimately the tier they receive. We have some customers that will be in our upper tiers that don't gamble at  
45 all; they will be high end users of our non-gaming facilities.

MS CAHILL: Just to come back to casino gaming, the more you game, the higher your turnover and, therefore, the higher tier you can qualify for?

10:26AM

MR BOSSI: Yes.

MS CAHILL: Which has more benefits?

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MR BOSSI: Yes.

MS CAHILL: The idea of it, like all loyalty schemes, is to encourage people to use the services more?

10

MR BOSSI: Yes. That's not the only reason we have the loyalty scheme, but yes.

MS CAHILL: One of those services is gambling services?

15

MR BOSSI: Yes.

MS CAHILL: The final role I was going to ask you about was the gaming product manager.

20

MR BOSSI: Yes.

MS CAHILL: That's a Mr Sullivan, Mr James Sullivan, isn't it?

MR BOSSI: Yes.

25

MS CAHILL: He's a direct report to you or was prior to 2020?

MR BOSSI: Was. Was prior to about 2018, I think.

30

MS CAHILL: Then what happened after 2018?

MR BOSSI: He reports through to the Executive General Manager of Product and Strategy, which is sitting in Melbourne, a person by the name of Peter Herring.

35

MS CAHILL: That was a role that was, if you will, centralised from 2018?

MR BOSSI: It was about 2018. I can't exactly remember the year. What we found was we weren't ---

40

MS CAHILL: Before you get there, can I just ask a preliminary question, which is: what is that role? What are the responsibilities of the role of gaming product manager?

45

MR BOSSI: To manage --- to effectively lay out the floor; look at the product we order; some analysis in terms of how to optimise that gaming floor; manage the technical team that ensures all the product works well; all the machine works are conducted in compliance with what's required. There's a number of aspects to it.

There's also a role that's reliant --- that is responsible for managing our capex investment. So when we purchase machines or machine-related equipment, he manages that part of the process from his departmental perspective and also engages with manufacturers and suppliers from the other side of the country, with Mr Herring, to organise those machines. We have a group purchasing scenario that gets involved.

MS CAHILL: So this centralising of the position from 2018 --

MR BOSSI: Yes.

MS CAHILL: --- what was the rationale for that?

MR BOSSI: The rationale was a lot to do with a lot of the technology we use foundationally, the suppliers we use are consistent, in the sense of there aren't many suppliers in essence in our industry and we found that collective --- working collectively, it was possible to get better purchasing discount arrangements in terms of volume purchasing, which is common in business, I suppose.

MS CAHILL: You're aware, obviously, of the poker machine prohibition in Western Australia and the fact that there's an appendix to the National Machine Standards that specifically relates to the characteristics of gaming machines in Western Australia?

MR BOSSI: Yes.

MS CAHILL: So the requirements are different from the other States for gaming machines here?

MR BOSSI: Yes.

MS CAHILL: Against that background, what reason is there for having a centralised role as opposed to a separate role for gaming machine purchasing decisions outside of Western Australia?

MR BOSSI: The role that Mr Sullivan has is specifically related to Western Australia. The suppliers we use in Western Australia and Victoria and, for that matter, all over the country and all over the world, are the same suppliers, exactly the same suppliers. They have the same hardware, in essence, across every jurisdiction. The software is where it's different. And these suppliers develop the software on the basis of National Standards compliance and Western Australia (unclear) compliance. So the software is created separately.

The hardware, from a cost perspective, is significantly more expensive than the software is and that's where some alignment comes. As I said earlier, there's some commonality in terms of when you think of a device, what that is.

MS CAHILL: When it comes to the software and how it's configured, who does Mr Sullivan report to now?

5 MR BOSSI: Mr Sullivan still reports in to Mr Herring.

MS CAHILL: In Melbourne?

10 MR BOSSI: Yes. But he will deal directly with the operational --- with the manufacturers that make the product. We will still deal with --- Mr Sullivan and Mr Herring will still deal with the manufacturers and I will talk to them at rare intervals about presenting our product and developing the product for us that applies to our regulations.

15 MS CAHILL: Just coming back then to your role, we talked about those that were underneath you and I'm talking here now about your role as COO before you became CEO. I just want to understand a little better about that COO role you had in relation particularly, to the gaming operations at Perth Casino. Just to clarify, by gaming, that covers --- you had responsibility for, essentially, table games, electronic gaming  
20 machines and fully automated table games; is that right?

MR BOSSI: Yes.

25 MS CAHILL: You mentioned in your witness statement that you were focused on strategic planning in relation to those areas. Does that fairly identify the focus and emphasis of your gaming operations role?

30 MR BOSSI: Yes. I had visibility of the operation but strategic planning is a key element of what we have to do as an organisation looking forward. We have very strong technical expertise within the team and I have confidence in my leaders in that space.

35 MS CAHILL: Strategic planning is focused upon developing and growing the gaming business; is that right?

MR BOSSI: As COO, I was developing the entire business. My objective, primarily, is the collective growth of the business, part of which is gaming.

40 MS CAHILL: But I'm asking you to focus on the gaming business in particular in relation to these questions.

MR BOSSI: Yes.

45 MS CAHILL: The strategic planning that was your role, one important aspect of it was increasing the profitability of that gaming business; is that right?

MR BOSSI: That was one element, yes.

10:33AM

MS CAHILL: You say also maintaining the integrity of gaming, in your witness statement?

5 MR BOSSI: Yes.

MS CAHILL: You mean ensuring that the rules of the game were followed and games were played fairly; is that right?

10 MR BOSSI: Yes, that's the objective, yes.

MS CAHILL: That included ensuring wins and losses were all acknowledged and paid in a consistent and transparent way?

15 MR BOSSI: Yes.

MS CAHILL: By 2011, when you joined Perth Casino, you'd been working in the casino industry for more than a decade, hadn't you?

20 MR BOSSI: Yes.

MS CAHILL: You therefore were aware of the risks commonly associated with casino operations?

25 MR BOSSI: Yes.

MS CAHILL: You understood that casino operations were particularly vulnerable to the risk of being infiltrated by criminals and organised crime syndicates?

30 MR BOSSI: Yes.

MS CAHILL: You understood that casino operations were particularly vulnerable to the risk of being used to facilitate money laundering?

35 MR BOSSI: That was a possibility, yes.

MS CAHILL: You understood it as a risk?

MR BOSSI: A risk, yes.

40

MS CAHILL: You understood that junket tours posed particular risks to the casinos hosting such tours in terms of being used to facilitate money laundering or being infiltrated by criminals?

45 MR BOSSI: My awareness of junkets was not as high as the risks associated with what I'd say is more local gaming. My experience was more in the local gaming space. In the international space, I'd not had much exposure to it at all prior to arriving here. And junkets are international.



MS CAHILL: Were you aware in 2011 of risks of the type I've described being associated with junket tours?

5 MR BOSSI: I was aware there were risks to the extent of which --- there were risks, yes.

MS CAHILL: In terms of the tours being used to facilitate money laundering or tours being infiltrated by criminals?

10

MR BOSSI: There's a possibility of both, yes.

MS CAHILL: I suggest that as you spent more time at the Perth Casino after 2011, you certainly became aware of those risks?

15

MR BOSSI: I understood that they existed, yes.

MS CAHILL: In terms of your responsibility for gaming staff, which you identify in your witness statement at paragraph 16, between 2011 and 2020, you mean the actual dealers on the floor that you were ultimately responsible for; is that right?

20

MR BOSSI: And the management teams within that, so supervisors and pit bosses at the time.

25 MS CAHILL: Yes. And part of that responsibility was ensuring that they did not facilitate or turn a blind eye to evidence of possible money laundering at Perth Casino?

MR BOSSI: That was --- that would have been part of their function, yes.

30

MS CAHILL: But part of your responsibility to ensure that those staff did not turn a blind eye to money laundering?

MR BOSSI: Best I could.

35

MS CAHILL: Or facilitate money laundering?

MR BOSSI: Best I could yes.

40 MS CAHILL: Or any other form of criminal activity?

MR BOSSI: Within the frameworks that we had, the framework we had involved multiple people in multiple departments. It wasn't just that group. We had surveillance, we had security, we had a number of areas. My responsibility was to make sure that the team was trained and could see if it was occurring and raise those matters.

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10:37AM

MS CAHILL: But did you have a responsibility for the gaming staff to act lawfully?

MR BOSSI: Yes.

5

MS CAHILL: And to not turn a blind eye to money laundering?

MR BOSSI: Yes.

10

MS CAHILL: Now, you mention at the end of paragraph 16 that you had responsibility for the staff that were hosting teams for VIP international. Do you see that there?

MR BOSSI: Yes.

15

MS CAHILL: Up until September 2013. Now, just to understand that, these were primarily the hosting teams for junket tours, weren't they?

MR BOSSI: There was a mix of junket tours and individual players that would visit.

20

MS CAHILL: They were called international premium players, weren't they, or high rollers?

MR BOSSI: Premium and preferred players. They also --- that team also looked after interstate visitors at the premium level.

25

MS CAHILL: But was the bulk of their work hosting junket tours?

MR BOSSI: I don't know if it was the bulk of their work because we did get a number of individual players coming as well. But certainly junket tours were some of the people they looked after.

30

MS CAHILL: Now, the international premium players and the junket tours were all put under a label, a business label, at Perth Casino of international commission business, or ICB, weren't they?

35

MR BOSSI: Broadly, yes.

MS CAHILL: And that was a business label that was shared with Crown Melbourne?

40

MR BOSSI: It's probably a common label within the industry, I would suggest.

MS CAHILL: Now if we go to page 0092 of your witness statement, you explain at paragraph 86 that up until September 2013 when you had this responsibility it was largely limited to hosting and managing the Perth experience, not the preliminary steps of marketing, due diligence, approval, et cetera.

45

MR BOSSI: Correct.

5 MS CAHILL: Now, what I want to understand therefore is a little bit more about this. So the position between 2011 and 2013 in terms of the staff you had responsibility for, if we take an individual hosting team that was allocated to a junket tour that was coming to Perth, about how many people were usually in the hosting team?

10 MR BOSSI: Didn't you ask that question?

MS CAHILL: We're in the period 2011 to 2013 you're responsible for ....

MR BOSSI: Yes.

15

MS CAHILL: A typical team hosting a junket tour to Perth, how many people in the hosting team?

20 MR BOSSI: For a particular junket tour, primarily you'd have two or three. However, during the course of the event, they are here 24/7 over multiple days. There might have been more staff involved. The leaders - there would be a lead, a couple of hosts that would be provided in that space.

25 MS CAHILL: And what were their individual roles?

MR BOSSI: To engage with the junket operator in terms of what was required. It may have been a golf trip during the course of the trip, shopping across Perth, a tour, maybe. The gaming side of the equation was still operated by the gaming teams.

30 MS CAHILL: Right. Were they responsible for organising flights, visa processing and the like?

MR BOSSI: Partially yes. Part of that may also have come out of Melbourne support, too.

35

MS CAHILL: Now, after 2013, Mr Felstead became responsible for ICB, you say at 89, I think?

MR BOSSI: Yes.

40

MS CAHILL: And that ICB team was then responsible to host patrons while they visited the property, by which you mean Perth Casino?

MR BOSSI: Yes.

45

MS CAHILL: There was still a service team for junket tours and international premium players based in the Perth Casino?

10:41AM

MR BOSSI: Yes, it was literally a transfer of the team across between a Melbourne operating structure so it was a similar team that was on the ground.

5 MS CAHILL: Located -

MR BOSSI: Located physically in Perth.

MS CAHILL: And resident in Perth?

10

MR BOSSI: Yes.

MS CAHILL: Did you have any responsibility in relation to that team?

15 MR BOSSI: No direct responsibility. The operational teams still had to work together. So the gaming teams still worked with the host to understand whatever requirements there may have been.

MS CAHILL: So did you have any responsibility for that team after 2013?

20

MR BOSSI: No, not that I recall.

MS CAHILL: Even when a tour was in process?

25 MR BOSSI: Through the operating teams I did. I would be informed about what was going on. But the direction for the team was disproportionately coming out of Melbourne and through Mr Felstead.

MS CAHILL: You say disproportionately. What portion was coming out of Perth?

30

MR BOSSI: Not in responsibility to the team but to the extent of the experience, the experience delivery still required a whole series of parts to occur, whether that was a security experience, a staffing experience. So the teams worked together. My responsibility over what they did was limited to - in fact that team had very little  
35 responsibility, other than I know that to the extent something occurred they may well raise it with me where it impacted the teams that we had on the ground.

MS CAHILL: Did you know anything about the background checks and credit checks that were being conducted at Crown Melbourne in relation to junket tours coming to Crown Perth?

40

MR BOSSI: I was - not in the credit checks, I wasn't clear on how credit checks had occurred in establishing what credit limits would be set. When it came to signing paperwork, I was a signatory, consistent with what was in our Casino Manual, I  
45 believe, at the time. So I was aware of what the credit limits were. But the checks that sat behind it I wasn't as clear, not clear at all, to be honest. The due diligence process, I was copied on occasion on the (unclear) checks that were conducted on players, which is a third party service that reviews player histories, (unclear) persons

and that kind of like.

MS CAHILL: You were responsible for approving the release of credit to pre-  
5 approved players, were you?

MR BOSSI: Pre-approved players within pre-approved credit limits.

MS CAHILL: So what did you need to be satisfied of in order to give your  
10 approval?

MR BOSSI: From my perspective it was the credit limit that had been set and that  
we weren't exceeding any of those limits was the requirement view that I had.

MS CAHILL: A junket participant comes to Perth, they've got a preapproval for  
15 credit of \$500,000.

MR BOSSI: Yes.

MS CAHILL: What approval do you give and on what basis?  
20

MR BOSSI: On the basis that if they ask to access that credit, just because they've  
got credit doesn't mean - the extent they ask for that credit. I would understand what  
the limit is. I would typically get a phone call from the cage asking me that because  
25 they manage the process. They came at all hours of the day. And they would advise  
me of what the limit is and I'd request it as well if they didn't advise me. We'd also  
understand what is the - how much of the credit have they previously had access to.  
They would then - I would then ask them to make a call on occasion into Melbourne,  
30 to the extent that a junket operator could concurrently operate on two sides of the  
country, to confirm that that limit wasn't exceeded on both sides of the country. And  
once I was satisfied that it was within the pre-approved limits and I'd made those  
requests for information, I would then approve it.

MS CAHILL: Now, I'm going to come back to junket tours and ask you some more  
35 questions about that later. But I want to come back to your role more broadly as  
COO in Perth. You were located in Perth in 2011 and 2020?

MR BOSSI: Yes.

MS CAHILL: And approximately how much of your time did you spend physically  
40 in Perth in performing your role as COO?

MR BOSSI: Completely, other than holidays that I took and a couple of business  
trips to Melbourne.

MS CAHILL: Now, between 2011 and 2013 you reported to Mr Felstead in his  
45 capacity as CEO of Crown Perth?

10:46AM

MR BOSSI: Yes.

5 MS CAHILL: And then - and he is - Mr Felstead was located in Perth between 2011 and 2013?

MR BOSSI: Yes.

10 MS CAHILL: About how much time did he spend in Perth during that time performing his role?

MR BOSSI: I can't answer the question in detail, but a vast majority.

15 MS CAHILL: What was the nature of Mr Felstead's oversight of your work between 2011 and 2013?

20 MR BOSSI: We spoke regularly, we had regular meetings. I was very open with him to start with about needing more of his support internationally, he had far more experience than I did in particular. I think the oversight was - there was substantial discussion, openness.

MS CAHILL: Now from August 2013 to December 2020 Mr Felstead had the role of CEO Australian Resorts?

25 MR BOSSI: Yes.

MS CAHILL: He continued to be located in Perth, did he?

30 MR BOSSI: I think his residential address was Perth, yes.

MS CAHILL: How much time did he spend in Perth performing his new role between 2013 and 2020?

35 MR BOSSI: He's better placed to answer that question. I would say over half his time. Half his time was interstate or overseas with the ICB program. He may say different. I couldn't --

40 MS CAHILL: And did the way in which you reported to Mr Felstead change when his role changed in 2013?

45 MR BOSSI: It changed to the degree that we didn't have as much dialogue. When he was physically in the office, he was across the corridor from me so we spoke very, very regularly. We still spoke multiple times a day during the week in any case. But the management style had to change because he wasn't physically on the ground as much.

MS CAHILL: After 2013, how did he typically oversee your work?

MR BOSSI: He asked questions where he was interested in certain matters. I'd provide him with updates in terms of where I thought we had issues and the strategies we were looking to employ. I gave him regular updates of the business.  
5 So it was --- there was a lot more phone calls and emails, rather than just walk into his office and having discussions. We had many more of those when he was in the office.

MS CAHILL: In your role as COO did you consider yourself to be ultimately  
10 accountable to the directors of the Burswood Ltd board, the directors of the CRL Ltd board or both?

MR BOSSI: As COO I was - I felt directly responsible to Mr Felstead as my direct report. With that, both CRL and Burswood Ltd boards, I was an attendee at a large  
15 number of Burswood Ltd boards where I would provide support to Mr Felstead on where our business was performing. So I certainly had visibility of that board.

MS CAHILL: Did you consider yourself accountable to the Burswood Ltd board?

20 MR BOSSI: Yes.

MS CAHILL: And to the CRL board?

25 MR BOSSI: Yes.

MS CAHILL: Were you more accountable in your mind to one than the other?

MR BOSSI: I felt more accountable to the CRL board.

30 MS CAHILL: Did you consider the board of Burswood Ltd had the power to terminate your employment or to dictate or change the nature of your responsibilities?

35 MR BOSSI: Based on the composition of that board, yes.

MS CAHILL: Did you consider the CRL board had that power?

MR BOSSI: Yes.

40 MS CAHILL: Thinking about the elements of your job as COO, as you've described it in paragraph 16 of your witness statement, in the period between 2011 and 2013, how much of the strategic direction, oversight or content of the job was controlled at CRL group level rather than at local Perth level?

45 MR BOSSI: Can you repeat that question?

MS CAHILL: Thinking about the elements of your job as COO between 2011 and 2013, how much of the oversight of that role was controlled, in your mind, at group level rather than at local Perth level?

MR BOSSI: That oversight --- in a business like ours, with the scale of operation, chain of command is important. So from my perspective, oversight was Mr Felstead, and I believe Mr Felstead was on the Burswood Ltd board at the time. So that was my - that's where I saw oversight, was to my direct reporting manager.

MS CAHILL: And do I understand from that that you didn't really think beyond Mr Felstead in terms of where the oversight was coming from in a corporate sense?

10 MR BOSSI: I wasn't thinking about oversight in that sense. My function was to manage the business on the ground operationally and from a strategy perspective. The strategy was ultimately when we did our planning, presented up through the organisation. I didn't get to present that strategy at board level. So it proceeded with Mr Felstead and beyond. From my perspective, because that's where my strategic  
15 planning ended, the oversight component was a little tougher to extend past that because then I'd get feedback accordingly.

MS CAHILL: That remained the position through to 2020 in your mind?

20 MR BOSSI: Over time - the business planning process, if I could actually take it back a further year pre-COVID, COVID was quite disruptive for our business. I felt that over the course of time I'd developed better relationships in having the conversation around strategic planning more at the Burswood Ltd level than I did at the CRL level.

25 MS CAHILL: How is your authority to perform your role as COO delegated to you?

MR BOSSI: I don't understand what your question is.

30 MS CAHILL: Where did you get your delegated authority from to perform the role of COO?

MR BOSSI: When I look at my job description, my expectations, my discussions with Mr Felstead. Through that, it's likely to be at the board level. But at that point,  
35 prior to 2020 it would have been about - the authority I had was through my reporting line.

MS CAHILL: Were you ever made aware of or inquire into whether there was an instrument of delegation down from the board of either Burswood Ltd or CRL, to enable - to clothe you with the authority to do the job that you did?  
40

MR BOSSI: I didn't think about it in that sense, no.

MS CAHILL: Referring to your new role as CEO of Crown Perth, you refer at paragraph 23 on 0082 to sitting on a number of internal committees. And it's part of your role as CEO to sit on those internal committees, I assume?  
45



MR BOSSI: Well, I was on a few of these committees prior to being CEO.

MS CAHILL: Yes.

5

MR BOSSI: Executive risk and compliance committee, I was on that as COO, Responsible Gaming Management Committee as well.

10 MS CAHILL: You have to be on these committees and you have to remain on them because you're CEO, is that right?

MR BOSSI: Yes.

15 MS CAHILL: If we look at the subparagraphs, the committees you refer to at a, b, e and f are all Crown committees?

MR BOSSI: Where are we looking at?

20 MS CAHILL: We're at paragraph 23 on the screen. You nominate the committees a through g?

MR BOSSI: Yes, they are.

25 MS CAHILL: You draw attention to committees a, b, e and f as being expressly Crown Perth committees?

MR BOSSI: The e was broader than that but we focused on Crown Perth.

30 MS CAHILL: Is that a CRL committee?

MR BOSSI: It was - I recall the discussions we had in that committee being focused on Crown Perth.

35 MS CAHILL: Is it a CRL committee or a Crown Perth committee?

MR BOSSI: I believe it was Crown Perth focused, with a number of CRL representatives.

40 MS CAHILL: So this is now. You say:

I currently sit on the following internal committees ....

Is e a Crown Perth committee or a CRL committee?

45 MR BOSSI: I believe it was - if I recall correctly, because I haven't participated in that committee - I haven't participated recently in that committee because we don't have an international business -

10:58AM

MS CAHILL: You can't recall?

MR BOSSI: I'm struggling to recall.

5

MS CAHILL: For a, b and e then - sorry, I beg your pardon, a, b and f, I meant to say, they are all purely Crown Perth internal committees?

MR BOSSI: Yes.

10

MS CAHILL: Is there any oversight of those committees at CRL or group level?

MR BOSSI: Yes. Participation in each of those committees includes a series of CRL members and the - in the case of the executive risk and compliance committee, currently the chair is based in Melbourne.

15

MS CAHILL: So on each of those committees there's people within the CRL organisation who are not located in Perth or working in the Crown Perth business?

MR BOSSI: Absolutely require them because they are our leaders - executive risk compliance committee is finding our leaders in the respective areas. Our chief risk officer is there, our executive team is there, our head of - national head of RG is there. We need the best skilled people we can to ensure that the framework we have in place is as strong as it can be. So I - absolutely they are also involved.

25

MS CAHILL: And also consistent with the framework across Crown Resorts' other casino businesses in Australia, is that the other rationale?

MR BOSSI: There are consistent - if I think about a, executive risk and compliance committee is a committee that started in Perth before my arrival. It was ultimately introduced in Melbourne some three years ago. So it was already in operation. Consistency is the bit about national awareness of issues. They aren't consistent in what they necessarily cover. But understanding what's happening around the country is an element of what we are required to do. The Perth business operations team is directly looking at Perth issues. The CRL people that are involved in that have - are senior people that would have team members on the ground in Perth but the topics of discussion of that team is almost exclusively Perth focused.

30

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COMMISSIONER OWEN: Sorry, could you just - you used the phrase "the Perth business operations team". What did you mean by that?

40

MR BOSSI: We have a team of approximately 40 to 45 people that lead all of our key areas and functions and in some instances 2ICs as well. So that will include machines, tables, security, hotels, food and beverage, property services, AML risk representation, every business unit we have, there's about 45 people. The vast majority - I can't give you an exact number - but the vast majority are domiciled in Perth with responsibility in Perth. There's a series of marketing people in there, a series of IT people in there. All the bits and pieces you need to run an organisation

45

as extensive as ours, they are our leadership team.

5 Currently we meet weekly. Typically we'll meet less than that but because of all the items that Crown's facing, such as Royal Commissions, we meet much more frequently so the team's being informed of what's going on. They have responsibility of operating their own areas but it's a key way for us to be aligned as a team across the organisation so everyone understands what our key issues are.

10 COMMISSIONER OWEN: Thank you.

MS CAHILL: Little b, the Responsible Gambling Management Committee, which I might call RGM Committee going forward, if that works for you, Mr Bossi -

15 MR BOSSI: Yes.

MS CAHILL: - that also has members comprising CRL executives from Melbourne, does it?

20 MR BOSSI: Yes, it does.

MS CAHILL: Why?

25 MR BOSSI: The Responsible Gaming is a framework in terms of how we respond to the community, how we respond to our customers. The framework we've put in place has similarities across the country and also developments we're looking at. A number of examples, I'm sure we'll go into more detail later, where it talks to research, you look at analytics, we are looking at relativities across the country as well, so Melbourne and Perth commonalities. So having the executives across both  
30 sides of the country involved, certainly some key members, helps us understand where or how we can improve the process. This is an area that's important but needs to continuously evolve and improve.

35 MS CAHILL: When an executive is on the committee, they don't just have an information sharing role, do they? They have a decision making role; is that right?

40 MR BOSSI: Everyone gets involved in the decision. I would expect them to speak up. I'd expect that of my business operations. We have a speak up mentality in our team, that's our culture. And to get to the best outcome, people need to speak up and advise of what their thoughts are.

MS CAHILL: What's the rationale for having CRL Melbourne-based executives involved in the decision making of the RGM Committee for Crown Perth?

45 MR BOSSI: It's as much a - decision making is the secondary element. The primary element is to get the information on the table from which to make a decision. So the broader - my approach is always the broader the contribution, no one person has the answers to everything, the broader we make the contribution, the more likely we are

to make better decisions. Now, in terms of ultimate decision making responsibility, that's after robust dialogue at a collective level and so participation of experts is important to understand what you're facing.

5

MS CAHILL: Do I understand what you're really saying is that the main point of those outside Western Australia who are members being involved in the RGM Committee is not to make decisions but rather to provide advice and share information?

10

MR BOSSI: We all participate in decisions. I participate in providing advice in that space. The ultimate decision that gets made is not the decision of one person, it's on the back of appropriate discussions. Now, then when we get to determining decisions, the context that we would like to consider is what are the unintended consequences of the decision, the possible impacts a decision has, not only on the customer but our RG framework and our business more broadly. So we try and have considerations that are balanced.

15

MS CAHILL: Why have Crown Melbourne executives making decisions about responsible gambling management at the Perth Casino?

20

MR BOSSI: Some of the executives involved have got group functions. They operate within Melbourne and Perth. So they need to get involved in the decision making process.

25

MS CAHILL: Why? Why?

MR BOSSI: Why? To make better decisions.

MS CAHILL: Right. Now, let me take you to f. This is the Crown Perth business operations team. Does that also have Crown Melbourne or CRL members embedded within it? Sorry, CRL executives I meant to say.

30

MR BOSSI: It's a fairly recent change but yes.

35

MS CAHILL: And what's the rationale for that?

MR BOSSI: Again, we have a series of functions that we rely upon a national framework. So, for instance, a lot of our suppliers are national-based suppliers. So our head of purchasing, who is in Melbourne, sits on this team so he's aware of what our strategies are and how we can get the best outcomes organisationally in terms of the business. We have our chief risk officer, who has staff on the ground, but the chief risk officer appears in that committee as well, for the purpose of the specific skill set she brings to the table, to help us, again, in that national framework that we're looking at, whether it's our risk tolerance, matrices and how we balance that.

40

45

The decision making, again, has - we operate in a framework that is not only limited to Western Australia. We operate in a national framework. So not to have

consideration or the best skill sets you can in that decision making process, I think could expose us.

5 MS CAHILL: Well, when you talk about suppliers, as an example of one area of responsibility of this committee or team, you're basically saying, are you, that the structure is at a group level to have suppliers sourced from around Australia rather than for Perth Casino focused particularly on local suppliers or the local economy?

10 MR BOSSI: We will use suppliers more broadly, yes. Our supply chain is quite large. We have thousands of suppliers across the country and the world. Our demands are quite large. In many instances, a single supplier is not large enough to supply us. In a world - if you take the recent experience with COVID, the capacity of supply was constrained and we had to get supplies from wherever we could. So a  
15 broader approach helps minimise risks of supply chain as well.

MS CAHILL: Does Perth Casino have a focus of endeavouring wherever possible to support the local economy here in Perth in relation to the Perth Casino operations?

20 MR BOSSI: We try to.

MS CAHILL: How?

MR BOSSI: We've used a number of local suppliers. We've got something like 800  
25 local suppliers but I might be wrong on the number but we use local suppliers to supply with us goods. We've done some work with a series of local companies and even charities, in that instance, to try and support local communities that also operate in this State. So our focus is quite heavily in the local community as well in that sense. So the economy is a broad piece when you define it as an economy.

30 MS CAHILL: Now, coming back to the other committees that are sitting here that you've mentioned at paragraph 23, so c and d, the AML/CTF committee and the Persons of Interest Committee, they're national committees, are they, with no coordinate or equivalent in Perth?

35 MR BOSSI: Yes.

MS CAHILL: And that's comprised, is it, of primarily CRL executives?

40 MR BOSSI: There's a number of participants. It skews CRL purely because of skills. When I think about - AML/CTF is probably a primary example. Obtaining skills in the AML/CTF area is extremely difficult for us as an organisation. It's a high demand area and we're fortunate to have Mr Blackburn leading the team as our group chief compliance and financial crimes officer. And the skills we require from  
45 an analytics perspective, a support perspective, are hard to replicate in independent markets and certainly hard to recruit in this market. So a lot of those skills, we need the support of wherever those skills are. If he happened to be sitting in, you know, Queensland doing that function, we would still have him on this team because of his

skill set.

5 So those two committees require a series of skills to get to the outcome we require to provide the best framework we can.

MS CAHILL: And who do those teams report to at c and d?

10 MR BOSSI: Teams, committee, team members?

MS CAHILL: Sorry, I was just adopting your language. We'll use committees, at c and d.

15 MR BOSSI: Look, they are operational committees because of the participants that we have in those meetings and there's an element of - there's a series of reporting lines. The findings of these committees will appear in Burswood Ltd and CRL board packs.

20 MS CAHILL: Who do they report to?

MR BOSSI: That's a good question.

MS CAHILL: You don't know?

25 MR BOSSI: Don't know how - I'm just thinking who chairs them. But the reporting lines, yes I'm not sure in that sense.

MS CAHILL: How long have you been a member of each of those teams?

30 MR BOSL is quite new for us. In fact, its's -

MS CAHILL: How long have you been a member?

35 MR BOSSI: Months. A matter of months.

MS CAHILL: And the POI committee?

40 MR BOSSI: Started earlier - I think it started at the beginning of this year or late last year.

MS CAHILL: Coming back to your new role of CEO of Crown Perth and considering the whole of that job, not just sitting on these internal committees that you identify at 23, do you consider yourself to be ultimately accountable to the directors of the Burswood Ltd board, the CRL board or both in that role?

45 MR BOSSI: I am accountable to both boards. If I could just take a step back, if you don't mind. The AML and POI committees are reporting through Mr Steven Blackburn and he reports into the CRL board and he reports into the Crown Resorts

11:15AM

CEO.

5 MS CAHILL: Do you consider the board of Burswood Ltd has the power to terminate your employment as CEO of Crown Perth or to dictate or change the nature of your responsibilities?

MR BOSSI: Yes, I do, through the chair and -

10 MS CAHILL: The chair is on the board of CRL?

MR BOSSI: As well.

15 MS CAHILL: Is that why you answered in that way?

MR BOSSI: I don't know how else - I'm not sure what you're asking.

20 MS CAHILL: Thinking about the elements of your job as CEO, how much of the strategic direction, oversight or content of your job is controlled at group level rather than at Burswood Ltd level?

MR BOSSI: My role is more controlled at group level.

25 MS CAHILL: Do you know how authority is delegated to you and from whom to perform your role as CEO?

MR BOSSI: Currently through Mr Steve McCann, who is CEO of Crown Resorts, pending regulatory approval of jurisdictions, and through him the board of CRL.

30 MS CAHILL: Thank you. I'm about to start another topic, Commissioner.

COMMISSIONER OWEN: Thank you. We'll break. Mr Bossi, we'll take a break for 15 minutes and we'll come back.

35

**ADJOURNED**

**[11.17AM]**

40

**RESUMED**

**[11:32a.m.]**

COMMISSIONER OWEN: Thank you, Mr Bossi.

45 MS CAHILL: Thank you, Commissioner Owen.

Mr Bossi, from the time you began at Perth Casino in 2011, you were a member of the Executive Risk and Compliance Committee, weren't you?

11:32AM

MR BOSSI: Yes.

MS CAHILL: That was because of your role as Chief Operating Officer Gaming?

5

MR BOSSI: Yes.

MS CAHILL: You describe the ERCC at paragraph 65 of your statement as being responsible for providing risk and compliance oversight for Crown Perth. Do you recall that?

10

MR BOSSI: Yes.

MS CAHILL: I understand from what you say at paragraph 62, a bit above that, that there is also an involvement in and responsibility for risk management oversight at Crown Group level?

15

MR BOSSI: Yes.

MS CAHILL: Do you mean just at the present time or has there always been that oversight?

20

MR BOSSI: The reference in 62, three lines of defence, is more recent. The ERCC has been in place since I was here.

25

MS CAHILL: But in terms of Crown Group level oversight of risk management, how long has that been in place?

MR BOSSI: Personally, I've felt like the ERCC and the oversight we had in Perth was quite a robust process. It's unclear to me from a CRL perspective because at that point I didn't report in to the board and have visibility of that.

30

MS CAHILL: Let's talk to the current time, then.

MR BOSSI: Okay.

35

MS CAHILL: As we stand here today, both risk management oversight at CRL level and at ERCC level, locally, what is the demarcation of responsibilities between the two?

40

MR BOSSI: The last six months with this organisation has seen rapid change of personnel skills and the oversight framework. It's still in transition, as part of our remediation plan coming out of the Bergin Inquiry. We have recruited very strong resources centrally that have put frameworks together in a number of areas that apply within the scope of what the ERCC does. The Perth-based ERCC has a distinct focus local, but centrally there's a lot of frameworks that are coming in place, particularly in the area of AML and financial crimes that are --- that have materially changed where our business is at. At the moment, I would say we are transitioning from what was

45



disproportionately a Perth-based process to a more robust national framework, to respond to national risks as much as local risks.

5 MS CAHILL: The ERCC at Perth level, that committee has had and continues to have quarterly meetings, does it?

MR BOSSI: Yes.

10 MS CAHILL: And those coincide more or less with the Perth Burswood Ltd quarterly meetings?

MR BOSSI: Yes. They normally precede by a couple of weeks, two or three weeks.

15 MS CAHILL: The idea is the ERCC can then update the Burswood Ltd board at its meeting?

MR BOSSI: Correct.

20 MS CAHILL: But in your role as COO, you were never involved in reporting to Burswood Ltd board?

MR BOSSI: I attended the meetings and originally for parts of the meetings related to the longer elements to the meeting. And I know the ERCC, or I understand the ERCC's summary of key issues were raised through the legal and compliance agenda item. But I was a step removed from the structure, from the board, being COO, (unclear) Mr Barry Felstead.

MS CAHILL: The ERCC also reports to the Crown Resorts Risk Committee?

30 MR BOSSI: I believe so.

MS CAHILL: Which you understand to be a committee of the board of CRL?

35 MR BOSSI: Yes.

MS CAHILL: Have you had any involvement in that reporting?

MR BOSSI: Not directly to the committees, no.

40 MS CAHILL: To the CRL Risk Committee.

MR BOSSI: CRL committee.

45 MS CAHILL: In your role as CEO, do you have any responsibility for risk management in relation to Perth Casino operations, independently of your involvement in the ERCC?

MR BOSSI: Yes.

MS CAHILL: What is that?

5

MR BOSSI: Well, the ERCC is a primary committee. We then have a monthly compliance committee meeting which sits within the operational --- we have compliance officers in all our major operational units that meet on a monthly basis and report risks at that level, which feeds into the ERCC. Overall, we have an annual compliance plan that each Department puts together and through my direct reporting team members and my lead of the executive team and the business operations team, I support what ERCC does. A quarterly meeting is not sufficient on its own. We need to continuously support the team and make sure everyone's focused on risk 365 days of the year. My responsibility is to make sure that they're continuously focused on that in our regular meetings, catchups and otherwise.

10  
15

MS CAHILL: As far as you were aware and to the extent that you know, did you understand that to be essentially how Mr Felstead's role as CEO in relation to risk management was?

20

MR BOSSI: I don't know how --- I'm not going to talk on his behalf on how he operated. From my perspective, risk forms the major part of what we do. It is part of the day-to-day requirement that our teams have to have. We're trained accordingly. So I see it as an important role that I reinforce that message.

25

MS CAHILL: At page 0090, paragraph 69, you refer to monthly compliance meetings to report the ERCC. I think you were just referring to the legal and compliance committee a moment ago in the answer you gave me to that series of questions.

30

MR BOSSI: Yes.

MS CAHILL: There were a number of committees that supported and reported into the ERCC and still do; is that right?

35

MR BOSSI: (Inaudible).

MS CAHILL: Those committees over the period of time that you've been working at Perth Casino have changed, haven't they? They haven't always been exactly the same committees for the entire 10 or 11-year period you have been there?

40

MR BOSSI: They do, by necessity, change. We have 5,000 staff. In the time period I've been there, the property has increased materially in scale. We've opened up Crown Towers. We have an integrated framework. These committees must be constantly monitored, making sure they're effective. So if they didn't change in a world where change is a certainty to occur, then I'd have a problem if they were always the same in the way our teams manage risk.

45

11:40AM

MS CAHILL: The Responsible Gambling Management Committee has always been a committee that sits underneath the ERCC as long as you've been at Perth Casino; is that right?

5

MR BOSSI: Yes.

MS CAHILL: Have you always been a member of that committee?

10

MR BOSSI: I believe so.

MS CAHILL: Since 2011?

15

MR BOSSI: I believe so.

MS CAHILL: The chair of that committee now is the General Manager Responsible Gambling Perth; is that right?

20

MR BOSSI: Correct.

MS CAHILL: Who is that?

MR BOSSI: Melanie Strelein Faulks.

25

MS CAHILL: Pardon?

MR BOSSI: Melanie Strelein Faulks.

30

MS CAHILL: Before the chair was General Manager Responsible Gambling Perth, Mr Preston was the chair of the RGM Committee, wasn't he?

MR BOSSI: I believe so.

35

MS CAHILL: Over what period?

MR BOSSI: I don't know the exact dates. From very early on in the piece until more recently, but I couldn't give you the dates. I don't know.

40

MS CAHILL: Responsible gambling, as an operational area for the Perth Casino, now reports through a Crown Perth position, that's General Manager Responsible Gaming, up through to CRL level, doesn't it?

45

MR BOSSI: Yes, yes, through to the Group General Manager who resides in Melbourne.

MS CAHILL: That general manager doesn't report to you?

MR BOSSI: No. He reports in ultimately to Mr Blackburn.

MS CAHILL: The general manager is located here in Perth; is that right?

MR BOSSI: The general manager is, yes.

5

MS CAHILL: Reporting to a person located in Melbourne?

MR BOSSI: Yes. Group functions can be domiciled in either side of the country.

10 MS CAHILL: In terms of the Responsible Gambling Management Committee, if we can look at it in the broad over the entire time you've been a member, in terms of what it does, it approves the Responsible Service of Gaming framework for Perth Casino, doesn't it?

15 MR BOSSI: Yes.

MS CAHILL: That framework includes the Responsible Service of Gaming or RSG strategic plan?

20 MR BOSSI: Yes.

MS CAHILL: That plan is, like, a two to three-year plan that ---

MR BOSSI: Evolves.

25

MS CAHILL: --- evolves and is approved on a two to three-year basis, every two to three years?

30 MR BOSSI: But it can be modified in the interim, to the extent we have new requirements, new technologies, new analytics.

MS CAHILL: An important element of the framework is the Responsible Gambling Code of Conduct for Crown Perth; is that right?

35 MR BOSSI: Yes.

MS CAHILL: Is that embedded within the Crown Perth Operations Manual?

MR BOSSI: Can you rephrase that?

40

MS CAHILL: Is it embedded within an operations manual?

45 MR BOSSI: There's a large number of operations manuals. The framework, from a perspective of what's required, all the respective business units are aware of what they have to do, all the team members, majority of team members go through the training, if not all. So we have a vast number of people and businesses and business units that are embedded within the framework. If that's what you're asking? There's

11:44AM

a lot of operation manuals that we do have.

5 MS CAHILL: There's an RSG Code of Conduct, anyway, isn't there?

MR BOSSI: Yes, and that's our commitment to the framework.

10 MS CAHILL: There are policies and procedures relevant to RSG that flow from that Code of Conduct and the framework; is that right?

MR BOSSI: Yes.

15 MS CAHILL: The RGM Committee keeps those, the Code of Conduct and the policies and procedures, under review?

MR BOSSI: I believe so.

MS CAHILL: And makes sure they are fit for purpose on an ongoing basis?

20 MR BOSSI: They are reviewed and, by definition, they are fit for purpose.

MS CAHILL: In terms of now it's the General Manager Responsible Gaming, Crown Perth; before it was Mr Preston, I think, who had the responsibility at executive level ---

25 MR BOSSI: Yes.

MS CAHILL: --- for Responsible Gambling management.

30 MR BOSSI: Yes.

MS CAHILL: What's the demarcation of roles between that executive and the RGM Committee?

35 MR BOSSI: Explain to me what you mean by executive?

MS CAHILL: Well, you have your General Manager Responsible Gambling, Crown Perth?

40 MR BOSSI: Yes.

MS CAHILL: That's an executive function, isn't it, or management function?

45 MR BOSSI: Management function, yes.

MS CAHILL: Then you have your RGM Committee?

MR BOSSI: Yes.

MS CAHILL: What is the distinction between the two roles and how do they interrelate?

5 MR BOSSI: The committee reports and discusses matters within Perth. The vast majority of the committee are domiciled in Perth, dealing with Perth-related matters. There are some centralised functions that go to the robustness of the framework, there are some changes in that place --- in that sense. I know the team on the ground works closely with the GM of Crown Perth RG, not the Group General Manager. I  
10 know I speak to Mel numerous times. So I think they work reasonably closely together, in terms of the same person holding them together as well. If that's what you're asking?

MS CAHILL: The RGM Committee in Perth is comprised of a number of  
15 executives who are responsible across all major areas of the Perth Casino operations; is that right?

MR BOSSI: Yes.

20 MS CAHILL: That's always been the case?

MR BOSSI: Yes.

MS CAHILL: You were, in your former role as COO , a member of that committee  
25 because of your management responsibilities in relation to gaming?

MR BOSSI: Yes.

MS CAHILL: Have you ever given any consideration to the question of whether it's  
30 appropriate for the person in charge of the management of gaming operations to, at the same time, be involved in overseeing the Responsible Gaming operations?

MR BOSSI: Overseeing or participating?

35 MS CAHILL: As a member of that committee.

MR BOSSI: As a member of that committee, there's valuable insight that can occur, given the skill set that, in my instance, I could bring to the table. There is a coordination of operational functions that are supported by a broader framework that  
40 needs to be discussed to ensure we have a better policy and an outcome.

MS CAHILL: Do you accept there is a tension, or a potential tension, between developing the gaming business to make it more profitable to Crown Perth and CRL, and the Responsible Service of Gaming, so as to minimise the risk of harm to patrons  
45 of the Perth Casino?

MR BOSSI: There is a tension but part of that is also understanding what that

11:48AM

tension is, so the framework that we create is a more effective framework.

5 MS CAHILL: The RSG strategic plan in Perth was already in place when you joined Crown Perth in 2011, wasn't it?

MR BOSSI: I believe so.

10 MS CAHILL: When was it last reviewed?

MR BOSSI: I can't recall.

15 MS CAHILL: I want to show you this document, CRW.704.001.2457. Can we go down to the strategic plan at item 5. Just turn up the attachment, please.

COMMISSIONER OWEN: We need a page number.

20 MS CAHILL: I might take it this way: if you go to CRW.510.030.1382. Do you recognise this strategic plan for Crown Melbourne, dated 2018-2020?

MR BOSSI: I recognise the front page.

MS CAHILL: Do you need to have a quick look at what lies behind it?

25 MR BOSSI: Yes, please.

MS CAHILL: If you just flip over, please. Does that ring a bell at all?

30 MR BOSSI: No, not this part of it, no.

MS CAHILL: Just flick through to the next page. Did you review this document overnight?

35 MR BOSSI: I had a look at some of it, yes.

MS CAHILL: It doesn't ring a bell?

40 MR BOSSI: Oh, I saw it last night but in terms of --- I was taking it in the context of the agenda items that you raised to begin with.

MS CAHILL: I'm sorry if I've confused you.

MR BOSSI: Sorry.

45 MS CAHILL: This is a Crown Melbourne strategic plan for 2018-2020. Has it been adopted by Crown Perth; do you know?

MR BOSSI: Elements of it would have. We're in the process of making some

changes to RG currently, in terms of recruitment of staff members and various aspects.

5 MS CAHILL: If you come back to CRW.704.001.2457 and go to page 2523. Have you looked at this document overnight?

MR BOSSI: Not in complete detail but I have it in front of me, yes.

10 MS CAHILL: Here, we have a strategic plan for 2014-2016 for Crown Perth. Did you review that document last night?

MR BOSSI: Again, I went through it quickly. It came in late, and there were a lot of document that came in last night.

15 MS CAHILL: Is it the most recent and current strategic plan for Responsible Service of Gambling applicable to Crown Perth?

MR BOSSI: I'm not sure.

20 MS CAHILL: Could be?

MR BOSSI: Could be.

25 MS CAHILL: At page 2524, just over the page, is the three-year strategic plan. If you go to the second full paragraph, it has some statistics there about the percentage of adult Australians suffering significant problems from their gambling, and experiencing moderate risks that may make them vulnerable to problem gambling. Do you see that?

30 MR BOSSI: Yes.

35 MS CAHILL: You have at all times understood in your role as COO Gaming, haven't you, that electronic gaming machines pose a much greater risk, when compared to other forms of casino gaming, of causing harm to patrons using those machines?

MR BOSSI: Yes.

40 MS CAHILL: If you go to the third full paragraph, it notes difficulties in calculating gambling expenditure but estimates that problem gamblers, as it calls them, account for 22 per cent to 60 per cent of the total EGM spending? Do you see that?

MR BOSSI: I do.

45 MS CAHILL: Would you accept as a very general proposition, as this paragraph reflects, that a significant amount of EGM revenue comes from gamblers who have a problematic relationship with gambling or are at moderate risk of developing a



problematic relationship?

MR BOSSI: Based on that statement, yes.

5

MS CAHILL: Well, you've always understood that, haven't you?

MR BOSSI: Yes.

10 MS CAHILL: If we go to the Responsible Gambling Code of Conduct for Crown Perth, CRW.700.044.0564. My question earlier, Mr Bossi, about the Responsible Gambling Code of Conduct being embedded within an operations manual; do you see that?

15 MR BOSSI: Yes.

MS CAHILL: This is the current operations manual, comprising the Responsible Gambling Code of Conduct, is it?

20 MR BOSSI: Looks that way, yes.

MS CAHILL: Well, is it?

MR BOSSI: I believe so.

25

MS CAHILL: That's been approved by the RGM Committee, has it?

MR BOSSI: I believe so.

30 MS CAHILL: You believe so?

MR BOSSI: Mm-hm.

MS CAHILL: Yes?

35

MR BOSSI: I don't recall --- I don't actually recall approving it but ---

MS CAHILL: But you think so?

40 MR BOSSI: Look, it may well be. I'd have to look at the content to have a look at it.

MS CAHILL: Let's go to page 584 because I want to ask you something about that page under the heading "Harm Minimisation". This section here is talking generally, as part of the code of conduct, about the harm minimisation approach to be adopted  
45 in the Responsible Service of Gambling. The last paragraph under this section that commences "a harm minimisation approach", includes supporting abstinence as a valid choice of treatment. However, it doesn't insist on abstinence, as the objective of treatment or community prevention initiatives. In other words, where possible,

people are empowered to make their own choices about their own behaviour.

MR BOSSI: Yes.

5

MS CAHILL: Is that a fundamental philosophy that informs Crown Perth's Responsible Service of Gaming framework?

MR BOSSI: I'm not sure that would necessarily be a fundamental of the framework. Our framework provides a number of options to our customers, a number of processes that we have operationally, to support a much broader framework than what is defined there. From our perspective, the way we communicate, the way our staff are trained, the ability for them to raise concerning behaviour reports, the way they can use various forms of technology for advice, RGA officers to get involved, we have automated systems that will alert the RGA officers.

To the extent people choose to keep away, there's a number of systems we have in place, including reports through iTrack with our security system, to ensure that we have --- or to record interactions relating to RG. So the framework in place, we have access to potential player activity statements, we have play safe limits. There's a number of factors within the RG process that we have. So I'm not convinced that's necessarily truly reflective of the framework we have in place.

MS CAHILL: Is autonomy of, and self-determination by, the gambling patron an important principle underpinning Crown Perth's RSG framework?

MR BOSSI: It is an option the customer has. They can make proactive choices. The framework we have goes beyond that. So I would say it is underpinning, along with multiple others. That's why we've got a framework.

MS CAHILL: There's an emphasis, isn't there, in the framework upon such things as self-exclusion and third party exclusion procedures?

MR BOSSI: Those procedures exist, yes.

MS CAHILL: But that's a particular emphasis of the framework, isn't it? It comprises a large component of the RSG framework, doesn't it?

MR BOSSI: That's the end of the process, not the start of the process. So the end of the process leads to what potentially could be a form of exclusion. At the start of the process, there's whole different means and ways we identify customers, whether the customer identifies themselves or we do through some of the processes I mentioned earlier. And to the point a customer wants --- to the point a customer, or we determine a customer, stays away, you go through an exclusion process to do that.

MS CAHILL: Primarily, though, although Crown Perth offers counselling services and intervenes, the bulk of the RSG framework is focused upon, ultimately, the patron deciding/determining whether to seek to have themselves excluded or less

often third party, ie family members, or themselves setting player safe limits or availing themselves of counselling services; is that right?

5 MR BOSSI: And that occurs in a number of instances, yes.

MS CAHILL: That's the focus, the primary focus? Not exhaustively so, but the primary focus of the RSG framework?

10 MR BOSSI: It is a major focus, yes.

MS CAHILL: If we go to page 0572 under this heading of "Objectives and values in the code of conduct". It's identifying the broad objectives of the RSG team. Can I just take the four dot points in turn. There's a dot point over the page I'll take you to in a moment, but this first dot point, promoting and --- go down, please.

MR BOSSI: Go back to it, please.

MS CAHILL: Down to the bottom, please, point 9. The first dot point at point 9 is:  
20 Promote and support best practice in the Responsible Service of Gambling with regard to current research and effective practices in other jurisdictions.

Do you say that is something the RSG team has done at Crown Perth effectively since 2011?

MR BOSSI: Best practice in other jurisdictions is an interesting set of words. Jurisdictions is quite broad. Are we talking national? Global? And an awareness of those jurisdictions?

30 MS CAHILL: This is, effectively, your document, Mr Bossi, so you tell me.

MS CAHILL: From my perspective at a national level, I think they certainly are trying to deliver that process, so if the commitment is to promote and support that practice. There are examples of jurisdictions that are structured very, very differently, but I think they're determined to achieve that.

MS CAHILL: What research has been done relevant to RSG issues at Crown Perth in relation to the position in Western Australia, specifically, and the Perth Casino, specifically, since 2011?

MR BOSSI: There's not a significant amount of research in Western Australia in any sense.

45 MS CAHILL: I've not asked you about what research exists, I've asked you about what research has been undertaken by Perth Casino in relation to the West Australian situation, specifically, and Perth Casino, specifically?

MR BOSSI: I don't believe we have conducted that research.

5 MS CAHILL: As someone who has been responsible for the EGM business at Crown Perth over many years, you're aware there's a great deal of statistical information available from the machines themselves?

MR BOSSI: Yes.

10 MS CAHILL: From patrons who are carded players of EGMs?

MR BOSSI: Yes.

15 MS CAHILL: You understand I mean by that they have loyalty cards or memberships which they insert into the machine when they play?

MR BOSSI: Yes.

20 MS CAHILL: To record their turnover, so they can earn benefits? You understand that?

MR BOSSI: Yes.

25 MS CAHILL: The information obtained from the EGMs includes the identity of the patron playing the machine, doesn't it?

MR BOSSI: Yes.

30 MS CAHILL: The number of sessions they play in a day or week?

MR BOSSI: Yes.

MS CAHILL: The length of those sessions?

35 MR BOSSI: Yes.

MS CAHILL: The machine they play on?

MR BOSSI: Yes.

40

MS CAHILL: The amount they bet?

MR BOSSI: Yes.

45 MS CAHILL: The amount they lose or win?

MR BOSSI: Yes.

MS CAHILL: How fast they play? Stroke rate?

MR BOSSI: Yes.

5

MS CAHILL: Do you agree it would be possible to use this data to identify the length, frequency and type of play on EGMs that is indicative of a problematic relationship with EGM gaming or of harm being caused to the patron?

10 MR BOSSI: A large number of that would be, yes.

MS CAHILL: That hasn't been done by Crown Perth, has it?

15 MR BOSSI: We have looked at it in more recent times in a number of areas. The team in Melbourne developed a model, a predictive model for identifying potential players who --- in assessing players who have shown harm in the past, they've developed a predictive model. I asked the team to run that model --- they had to test the model. Once they got it tested and they thought it worked, I asked the team to run the model over the Perth data because I was concerned it may not be a reflective  
20 model for the Perth data. We ran that over the top of the Perth data and the statistical accuracy of it was pretty low. So we're currently redeveloping that model at the moment so we can apply it to the Perth customer and data specifically. I've also had a look at the length of play of customers and how that gets broken up, in terms of understanding player behaviour. We've done a bit of analysis. It's more recent. The  
25 model we are aware of, the determination of the Melbourne model, the thing that slowed getting that model here, was COVID and Melbourne going into closure. They hadn't fully completed the trial, otherwise we would have been up and running with that model maybe six to eight months ago.

30 MS CAHILL: Do I understand that this analysis in Melbourne and then in Perth commenced first in the early part of 2020?

MR BOSSI: The analysis started in about 2018, I think. I stand to be corrected. It started a while back to try to build the model. The model has multiple data points.  
35 Not only what's coming from the machine, it's also behavioural, based on customers we are aware of having historical concerns regarding problem gambling. That model was then iterated through the data to try to get a higher degree of accuracy, in terms of predictiveness. It was completed, as best I understand, in about middle 2019. It was rolled out as a trial and then we rolled into COVID, so we had to stop the trial.  
40 Then we reactivated it --- Melbourne had to complete the trial. Once they did and they thought the model was working at a high enough level of accuracy --- nothing is 100 per cent by the way. Predictive modelling is not a common thing. We then ran the trial in Perth earlier this year and I was personally surprised at the statistical variation between the two models.

45

MS CAHILL: Apart from predictive modelling, you could actually just look at historical information, couldn't you, to see where, for example, most of the turnover is being spent, relative to length of sessions?

MR BOSSI: You could. However, one of the things to consider that we don't have complete data on is what is the customer's capacity. We don't have banking data, so we can't measure disposable income and relativity, relative to where the customer is.  
5 Problem gambling can occur in multiple levels. It can be a small customer that doesn't trigger any traditional behavioural impacts but their disposable income and expenditure capacity is low, so they can't afford it and it becomes a more material issue. Some of our highest and most valuable customers are extremely wealthy people, so that it doesn't look that way. The point I'm getting to is just correlating  
10 some of those indicators are not necessarily the most accurate way to identify problem gamblers.

MS CAHILL: But there are trends, aren't there, that are well understood?

15 MR BOSSI: There are trends but we're dealing with a very personal and social issue. So the framework becomes important within doing that analytics and is part of the reason why I've started to step up the pressure in terms of some of those predictive models, because the indicators that we are seeing here and the weighting of those indicators are going to be different because the jurisdiction is different.

20 If you go to the east coast, you've got a lot of local providers of gaming and so the behaviours are somewhat different. They are local visitors, they are gamblers of convenience. You only get a --- within Melbourne, you may only get a subset of their actual behaviour, whereas here we are likely to get a complete set, based on  
25 where we're at.

So I think there's a lot of work that needs to be done in the space of analytics and I'm actually encouraged by the start we've taken at the moment and I think it could prove to be quite beneficial for the market.

30 MS CAHILL: If the Perth experience is different, materially different, why are you waiting for Crown Melbourne to run their models first?

MR BOSSI: It comes back to the skill set. The team that's built it and the data  
35 scientists that we have working on this to develop the model, it's not as simple as an Excel spreadsheet. Using multidimensional analysis, that's extremely difficult to do and very few skilled who can do it. The fact that they've built a working model, the benefit for Perth is we have a team who knows how to build the model. In Perth, our analysts have never built a model. So it's going to take a lot longer if we do it here,  
40 rather than leveraging the skill set that we have centrally.

MS CAHILL: Let's be clear: what you're talking about that's happening in Melbourne at the moment is a process by which to predict problematic behaviour ---

45 MR BOSSI: It's ---

MS CAHILL: --- before it occurs?

MR BOSSI: It's happening in Melbourne but it's the Perth model that's getting built, which we anticipate to get in trial mode, I think I was told at the end of this month and then we can start to roll that out and see how it goes, hoping it's got a high  
5 incidence of success.

MS CAHILL: Before we get to that, let's look at some things that have long been known and well understood. You are well aware, aren't you, that there has been a long and well-understood general association between the amount of time spent  
10 gambling and the harm being caused?

MR BOSSI: Yes.

MS CAHILL: You've long and well understood there to be a stronger association  
15 between the amount of time spent gambling and harm being caused in relation to EGMs than other forms of gambling?

MR BOSSI: I think statistically the answer would be yes, particularly in casinos, because the number of players in the machine side of the business is three to four  
20 times the volume than in, say, table games, Certainly in this jurisdiction. So your incidence, by definition, is going to be higher.

MS CAHILL: Can we go to some minutes of the RGM Committee of 22 August  
25 2018, CRW.008.0011.2361, at page 2403. This is looking at the play period reporting process. Do you see it there?

MR BOSSI: Yes.

MS CAHILL: If we look at the last paragraph in that section:  
30

*In accordance with existing processes, members and customers are required to leave if their play extends over 24 hours with no reasonable breaks in play.*

You see that?

35

MR BOSSI: Yes.

MS CAHILL: This is a policy that was in place in Crown Perth in 2018?

40 MR BOSSI: Yes.

MS CAHILL: It's an example of where there is no self-determination or autonomy by the patron. It's a policy that if you've been playing for 24 hours without a break, the casino will insist that you leave; is that right?

45

MR BOSSI: Yes.

MS CAHILL: In April this year, that 24-hour period was reduced to 18 hours by Crown Perth, wasn't it?

5 MR BOSSI: Yes.

MS CAHILL: Then in May, reduced again to 12 hours?

MR BOSSI: We're in the process of making a 12-hour change, I think.

10

MS CAHILL: These periods of 24 hours, 18 hours and 12 hours, are they based on any research about the risk of harm being caused if a patron plays longer than those periods?

15 MR BOSSI: Can I provide some context on this, a little bit of context? Staff have been trained to identify problem gambling or concerns, using concerning behaviour reports and process. I discussed earlier. 24 hours is a complete outlier. We will intercede through our RGAs and through our processes in advance of that.

20 In terms of research, I'm not familiar with specifically what research will tell you about what is a particular level of hours played. Because we are a resort, though, we do have --- when we talk about 24 hours of play or 16 hours of play or 18 hours of play, put the number aside for the moment, it does allow for some breaks in play because customers will leave to go for dinner and then they will come back. They  
25 will leave to go to a show and then come back. So those breaks in play can extend to up to three or four hours. In the meantime, they may be staying in the hotel, they'll go upstairs to sleep.

This is not 24 hours of continuous play, this is 24 hours --- it can occur with some  
30 breaks in play. So the analysis I spoke about earlier that we did on time, we had players who triggered a number like 20 hours but their actual play data, when we had a look at the actual play data, was down at 10-12, which is still a reasonable period of time but there was a significant amount of breaks during the course of the day. So it's a long period, yes, but it can, it can, occur with breaks in the middle.

35

MS CAHILL: To go back to something you said right at the beginning of that answer, when you say there are interventions before the 12, 18 or 24 hours elapses, as the case may be, depending on what the policy is at the time, that's, though, nothing that the --- it has no particular consequences up until the expiry of the  
40 maximum number of hours, unless the patron themselves decides to leave. It's up to the patron to decide whether to leave or not?

MR BOSSI: If a customer has been alerted that we'd like a conversation to be had with the customer, the Responsible Gaming adviser who is on shift will be alerted.  
45 They would identify in iTrack or put a log in iTrack, which is one of our security systems. They will go then and have a conversation with the customer. If they believe the customer should be removed or take a break, they will activate. But 24 hours is the final figure which we remove customers. But prior to that, if the



Responsible Gaming adviser believes they should be moved, they certainly have the authority to get security and remove the customer, if need be.

5 MS CAHILL: Does that happen?

MR BOSSI: May not happen, I don't know. I don't know whether it does. It has occurred but in terms of the frequency of it, I don't think it's something I would call frequent, considering how many people we get to this property.

10

MS CAHILL: Would you call it rare?

MR BOSSI: When you get 130,000 visitors a week, yes, rare.

15 MS CAHILL: Coming back to the 12 hours, which is the maximum number of hours in a session before somebody will be excluded, that's the process or the number of hours you're trying to put in place now?

MR BOSSI: Mm-hm.

20

MS CAHILL: In the absence of any research, how do you know whether or not the number of hours should actually be much less than that to mitigate the risk of causing harm to a patron?

25 MR BOSSI: Without research --- without research, I agree with you, it's a challenge. However, the research should be made specific to Perth and Western Australia, and there's a number of reasons I will say that. Firstly, our customer visitation within Australian casinos is a younger demographic of customer. They have a lower frequency of visitation. We are what I'd term a broader based market. Hence why,  
30 when I spoke previously about fiscal analysis, it doesn't hold true relative to (unclear). So customers come here for fun and entertainment on a broader scale. They'll go and watch sports, they might go for a bite to eat, they might be in the casino. There's multiple facets about the way this casino is designed as a destinational resort that means more research would be helpful, but specific to here.  
35 As I said, the model proved to us just how divergent that could be and I do think this market is very different.

MS CAHILL: But the research isn't dependent on the model, is it?

40 MR BOSSI: No, no, it's not. But where I'm saying is --- the model proved to us that the research needs to be specific as well, for us to understand the market better.

MS CAHILL: In the time you've been on the RGM Committee, since 2011, why hasn't that research been done?

45

MR BOSSI: I don't know.

MS CAHILL: There is data available from the EGM machines that could be used to

inform what the maximum number of hours before compulsory exclusion should be; would you agree?

5 MR BOSSI: That's a challenging question on the basis that a lot of different types of people are wanting different experiences. On an individual basis, it would be helpful, yes. Would it be a complete piece of information? No. It would require more information.

10 MS CAHILL: There's nothing to stop you from delving into the EGM data to help you inform these decisions that are being made right now about the maximum number of hours for full compulsory exclusion?

MR BOSSI: Correct.

15

MS CAHILL: But that hasn't been done yet?

MR BOSSI: Not that I am aware of, no.

20 MS CAHILL: I want to take you to some minutes of the RGM Committee of 13 August 2015, CRW.704.001.2457 at page 2501. I want to mention something on the way through here. Before we go there, go to page 2464. This is the beginning of the report and at page --- the RGM Committee report for the quarter March to June 2015. If we go to page 2470, there's what's called an environmental scan as part of this  
25 report. You understand what an environmental scan is?

MR BOSSI: Yes.

30 MS CAHILL: It's a review of current research and reports into harm minimisation and problems associated with gambling, yes?

MR BOSSI: Yes.

35 MS CAHILL: The RGM Committee received environmental scans at its meetings from time to time?

MR BOSSI: Yes.

40 MS CAHILL: How often?

MR BOSSI: I don't recall the committee. Environmental scans didn't only come via the committee. We would ourselves be alerted to this through daily media advices and otherwise, so I couldn't answer the question related to the committee.

45 MS CAHILL: Go back to 2501, agenda item 6. This is the appendix to agenda item 6, which is dealing with terms and conditions, code of conduct and criteria for Pearl Room membership, which you described before the morning break, the Pearl Room membership.

12:21PM

If we go over the page to 2502 and look halfway down the page, do you see where that heading --- sorry, I mean the beginning of the paragraph just before the middle dot points:

5

To date the RSG Team has been applying some general business rules such as *those outlined below*.

MR BOSSI: It's just adjusting. Hang on a minute. Yes.

10

MS CAHILL: Then it goes on underneath those dot points:

However, the business needs to define and adopt predetermined rules or *criteria*.

15 MR BOSSI: Yes.

MS CAHILL: If you just scan your eyes down towards the end of the paragraph:

20 It was recently announced the Auckland Casino would be using predictive *modelling technology which analyses player data to help identify customers at risk from gambling harm*.

MR BOSSI: Yes.

25 MS CAHILL: This is what you were just referring to a moment ago as what's now being undertaken in Melbourne?

MR BOSSI: Yes.

30 MS CAHILL: To be applied to the Perth situation when that modelling has finished?

MR BOSSI: Yes.

MS CAHILL: Or been completed. This is 2015 here.

35

MR BOSSI: Yes.

MS CAHILL: August 2015?

40 MR BOSSI: Yes.

MS CAHILL: We're now six years down the track, exactly.

MR BOSSI: Yes.

45

MS CAHILL: If that was first raised at an RGM Committee meeting in 2015, why is

the predictive modelling technology only just being actioned now?

5 MR BOSSI: I can't answer that other than we are moving on it now as quick as we can.

MS CAHILL: I beg your pardon?

10 MR BOSSI: I can't answer that. We are moving on it as quick as we can right now.

MS CAHILL: After the report discusses the predictive modelling technology, it goes on to talk in the next paragraph about gaming data should also be used to highlight patrons at risk. That hasn't happened at Crown Perth either, has it? Separately from predictive modelling technology, you haven't used the data in any other way to predict harm?

15 MR BOSSI: I'm not sure what work the RG team has done with the analytics team. I wouldn't say it would be extensive. If they did --- I'm just looking with the business rules up above. In applying certain rules, there's some work being done, but I don't think it's been done to the degree it could have.

MS CAHILL: You see the last sentence here:

25 Certainly, significant increases in visitation (and length of visit), turnover, and *theoretical loss are cause for concern.*

That's not telling you something you don't know already, does it?

30 MR BOSSI: No.

MS CAHILL: The more people come to the casino, the longer they stay and the higher the turnover, as you explained ---

35 MR BOSSI: Yes.

MS CAHILL: --- this morning, the more likely they are to be at risk of harm?

MR BOSSI: As that happens, yes.

40 MS CAHILL: What the RSG team was looking for from the committee was for the committee to set criteria so that when those behaviours were evident, there could be an intervention by the team, yes?

45 MR BOSSI: Yes.

MS CAHILL: Those criteria haven't yet been set; is that right?

MR BOSSI: No, they haven't been set, that I'm aware of.

MS CAHILL: What's the explanation for that?

MR BOSSI: We should have set them.

5

MS CAHILL: I beg your pardon?

MR BOSSI: We should have set them. I have no explanation. I have no excuse for that.

10

MS CAHILL: Is it a case that Crown Perth was more interested in profiting from gamblers who were at risk, particular risk, of developing problematic relationships with gambling or suffering harm than addressing the risk of harm?

15

MR BOSSI: No, I wouldn't necessarily agree with that. Over the course of the following two to three years, the strategic direction taken by Perth diverged quite the opposite direction to that, in fact. We went for a much broader customer base. We're not focused in the premium sector of the market. The economy around us was collapsing. This was not an approach that we took, focusing on the VIP market. It was a much broader market that we were looking at. That was a strategic divergence we took, which is quite different to casino strategy of just about anywhere else I've seen. So, no, I wouldn't say --- because we didn't set those criteria, it's not about --- it doesn't make a determination of where our strategic direction was.

20

25

MS CAHILL: This is August 2015?

MR BOSSI: Yes.

30

MS CAHILL: RSG team is raising predictive modelling technology and asking for a set of criteria ---

MR BOSSI: Yes.

35

MS CAHILL: --- for behaviours in respect of which they want to intervene. Those aren't implemented. But a few months later, at the end of the year, in December 2015, in respect of the same Pearl Room members, the committee decided to reduce the period of exclusion after revocation of a self-exclusion from 7 years to 12 months, didn't it?

40

MR BOSSI: I believe so.

MS CAHILL: To explain what that was, if a Pearl Room member had asked to be excluded from the casino, or the Pearl Room --- is that right?

45

MR BOSSI: The casino, yes.

MS CAHILL: --- then an order would be put in effect to not permit them into the

Pearl Room?

MR BOSSI: Yes.

5

MS CAHILL: They could ask for that to be revoked?

MR BOSSI: Yes.

10 MS CAHILL: If it was revoked by the casino, then prior to December 2015 they would, nevertheless, have to wait for a period of seven years before they were allowed back into the Pearl Room; is that how it worked?

15 MR BOSSI: I can't recall. It's changed a couple of times. I don't recall how long it was to be let back into the Pearl Room but certainly overall it was seven to 12 months to come back to the casino.

MS CAHILL: I can't understand what you're saying.

20 MR BOSSI: I can't recall whether it remained seven years to the Pearl Room but I --  
-

MS CAHILL: But seven years is something you remember?

25 MR BOSSI: Yes.

MS CAHILL: If we go to CRW.700.004.0493, which is the RGM Committee meeting minutes of 19 November 2015 and we go to page 495, we see the business --  
- at the very top, the committee agreed to this proposal. If we drop back to the  
30 previous page, Pearl Room guest access and membership, self-exclusion followup. The committee agreed to this proposal where self-exclusion followup is conducted at three months after the date of self-exclusion rather than two weeks, which aligns with Crown Melbourne's program. That's less onerous than it previously was.

35 Then the committee agreed to this proposal where after 12 months the G code be removed from the patron's SYCO account which then allows the patron to enter the Pearl Room as a guest. Do you see that?

MR BOSSI: I see that, yes.

40

MS CAHILL: Did the committee agree to that based on any research?

MR BOSSI: I'm not sure I actually attended that meeting but I doubt it.

45 MS CAHILL: You were an apology but you could have read the minutes?

MR BOSSI: I doubt that there was research involved. But the revocation process, in order to come back in, has a few stages to it. Even if a customer went through counselling and went through the process, there was no guarantee they were going to

get back in within 12 months. But I'm not sure there would have been research in that but that --- I'd have to understand from the RG team. They would be better placed to say if there was research here than I would.

5

MS CAHILL: You were on the committee, though?

MR BOSSI: I understand I was on the committee but the research that we referenced, having not been there, I don't know what was discussed.

10

MS CAHILL: This was something that was put in place after this?

MR BOSSI: Yes.

15

MS CAHILL: It's still in place, isn't it?

MR BOSSI: I believe so, yes. So I don't think it was research but I can't be 100 per cent sure.

20

MS CAHILL: The idea was just to align the position with the position at Crown Melbourne, wasn't it?

MR BOSSI: That was part of the conversation, yes.

25

MS CAHILL: Irrespective of considerations of whether this adequately mitigated the risk of harm to patrons or not; is that right?

MR BOSSI: With the Melbourne program, there may have been some research involved in that program. I can't be sure of that.

30

MS CAHILL: Let's go back to the code of conduct, CRW.700.044.0564 at page 0622. It addresses the topic of advertising and promotions. Do you see the second dot point? These are the prefatory words:

35

Crown Perth is committed to the following advertising and promotions Code of Practice .....

The second dot point:

40

Gambling advertising will not give an unrealistic expectation of the prospects of winning or encourage irresponsible gambling behaviour.

MR BOSSI: Yes.

45

MS CAHILL: That's discussed in a little more detail at page 0623. Go over the page, please. Do you see at about point 6 the heading:

Gambling advertising will not give an unrealistic expectation of the prospects

*of winning or encourage irresponsible gambling behaviour.*

MR BOSSI: Where am I?

5

MS CAHILL: On this right-hand page.

MR BOSSI: Yes.

10 MS CAHILL: At about point 6, the heading underlined:

Gambling advertising will not give an unrealistic expectation of the prospects *of winning or encourage irresponsible gambling behaviour.*

15 MR BOSSI: Yes.

MS CAHILL: Focus on the second aspect, gambling advertising will not encourage irresponsible gambling behaviour. Go back to the document. That second point is discussed in the second bullet point, where it says "The second commitment is more subjective". Do you see that? Can we pull that out, please, the second dot point, commencing "The second commitment is more subjective". Do you see that?

20

MR BOSSI: Now I do, yes.

25 MS CAHILL: Me, too. This essentially covers any statement or image that would be reasonably expected to induce a customer to visit the casino or play a game and gamble in a way that's irresponsible, such as the first sub dot point, in a way that the customer would not do otherwise, for example, by increasing his or her stake, gambling activity or intensity of play, stay in the casino longer than the customer otherwise would to, for example, win a prize and, lastly, by gambling more than the

30

Would you agree, however, that Crown Perth, at least during your time at the Perth Casino, has aggressively advertised to Crown Perth members in order to encourage them to spend longer and increase the amount they spend and the frequency with which they play?

35

MR BOSSI: Frequency of their visitation, yes. The advertising is about customer visitation but it's broader than just specific customers on gaming. Most of our advertising, certainly what we call above the line advertising, is focused on our restaurants, our bars and our hotels more than gambling activity.

40

MS CAHILL: There is aggressive --- there is a deliberate strategy of aggressively advertising to Perth Casino members so they come more frequently, they stay longer and they spend more on gambling; isn't that right?

45

MR BOSSI: We communicate with our customers frequently, yes.



MS CAHILL: To put the question to you again, there's a deliberate strategy of aggressively advertising to Perth Casino members so they come more frequently to the casino, they stay longer and spend more money gambling; isn't that right?

5

MR BOSSI: I don't know if I'd agree with deliberately and aggressively. We do communicate with our customers frequently. We do offer multiple forms of entertainment, we communicate, and I do believe that in recent times, particularly if I think about again, as touched on a bit earlier, the last three years, that has certainly --

10 - that position has certainly been more about the broader experience. Initially, I would say we had --- we were more focused on gaming advertising, gambling advertising, but I think in recent times, far less.

MS CAHILL: Since 2018?

15

MR BOSSI: 2017/2018, yes.

MS CAHILL: This example is more representative of the position before then, is it? CRW.702.001.0287, which is Burswood Ltd board minutes of 8 August 2014, page

20 2088, the last full paragraph on that page commences:

Gaming machines are down 11.8 million or 8 per cent on budget.

Do you see that?

25

MR BOSSI: Yes.

MS CAHILL: This is your area of responsibility, obviously, isn't it?

30

MR BOSSI: Yes. I'm aware of this.

MS CAHILL: Reporting to the Burswood Ltd board?

MR BOSSI: Yes.

35

MS CAHILL: Do you see the second last sentence?

MR BOSSI: Yes.

40

MS CAHILL: Just before that:

Marketing initiatives underway include bus promotion, gaming promotions and *value food offers in the casual restaurants. We are also running an aggressive direct mail campaign. We have completed TITO rollout by early March with TITO enabled machines now standing at 1,759.*

45

MR BOSSI: Yes.

MS CAHILL: So there was a drive to get people in and spending on gambling?

5 MR BOSSI: In 2014, yes. We identified a softening of the economy in late 2013 and we raised it at the Burswood Ltd board meeting that that's when the market was coming off, in contrast to where everyone else in the city thought it was. So we increased our direct mail campaign. As, you know, I'd have to have a look at what the campaign looked like but we increased to respond to all those changes.

10 MS CAHILL: Now let's go back to the RGM minutes of 19 November 2015. CRW.704.001.2568. Again, I note that you're an apology at this meeting but you would no doubt have read the minutes afterwards. And if we look at page 2644. Now, remembering this comes just a few months after the RSG report that was talking about the Advertising Code of Conduct and how it shouldn't promote  
15 irresponsible gambling, or encourage irresponsible gambling. And here, agenda item 7, it records in the second last paragraph in relation to the business risk register review, that:

20 ..... irresponsible promotion or advertisements being removed from the RSG *risk register as the responsibility sits with the Marketing Department.*

Do you see that?

25 MR BOSSI: Yes.

MS CAHILL: Does that mean that the RGM Committee had moved advertising responsibility purely to marketing such that the RSG team no longer had any involvement or input into the advertising?

30 MR BOSSI: I don't recall but in terms of advertising and promotional activity is advertising and communication to customers is the responsibility of the marketing department because you've got to create the piece that you're going to send to customers. They do engage with RG as part of that process. Having said that, we were talking back in 2015 so to that extent it may have been removed from the risk  
35 register but whether RG was removed from the approval process of the advertising, that's hard to tell from that line. But they certainly are involved today. That's '15, that's six years back.

40 MS CAHILL: RSG considerations should govern what advertising is published in relation to Perth Casino, gambling; you'd agree?

MR BOSSI: It is one of the measures. We've got RSA, we've got RSG, we've got COVID and health, there's a lot of areas before we send the piece out before we need  
45 to consider.

MS CAHILL: RSG considerations should override any considerations about how much business for gambling activities you're going to attract?

MR BOSSI: RSG, yes, has a significant role.

MS CAHILL: It should override purely business considerations, shouldn't it?

5

MR BOSSI: Absolute consideration, yes.

MS CAHILL: It should override business considerations, shouldn't it?

10 MR BOSSI: In a responsible framework, yes.

MS CAHILL: And what's the position in Crown Perth today regarding advertising of gambling activities?

15 MR BOSSI: We create the --- in terms of gambling effort, so we create the communication piece, and I say communication piece because there's multiple channels, and RG will have oversight in terms of what that looks like. They've certainly raised some considerations about some promotions that were proposed and I know promotions have changed accordingly.

20

MS CAHILL: Does it get a power of veto?

MR BOSSI: A promotion will be created. They have a power of veto but what we see, what we see today is they will say "We don't like an element of a promotion" and that promotion would be changed because they have a problem with particular parts of the promotion. Probably not veto as much as being satisfied with the structure of the promotion.

25

MS CAHILL: Is the power and control that the RSG team has over advertising written down anywhere?

30

MR BOSSI: I don't know. That would be within the context of the business unit as they work together.

MS CAHILL: The casino runs the Crown Rewards loyalty program and has done so for many years, doesn't it --- hasn't it?

35

MR BOSSI: Yes.

MS CAHILL: And this is benefits conferred on patrons for their patronage of the casino?

40

MR BOSSI: Yes.

MS CAHILL: Primary purpose of loyalty cards is to increase the amount of time and money spent at the casino by members of the loyalty program?

45

MR BOSSI: I disagree. The first purpose of having a loyalty scheme and a primary

purpose of a loyalty scheme for me is actually to collect data. The second --- so you understand your business a lot better, on multiple levels. Data is the core of any business, we deal with it. And then you have a loyalty scheme over and above that to  
5 grow the business and provide benefits to your customers accordingly.

MS CAHILL: One aspect of the loyalty program is to encourage people to come more often to the casino and to spend more while they're there?

10 MR BOSSI: The fact that you have tiers, yes.

MS CAHILL: You have ultimate responsibility for the loyalty program now as CEO, don't you?

15 MR BOSSI: Yes, I do. It is a national loyalty scheme but there are differences between the two sides of the country. So, yes.

MS CAHILL: And you had more direct responsibility for the Crown Perth loyalty scheme when you were COO?

20 MR BOSSI: Yes.

MS CAHILL: And you're well aware, aren't you, of the likely association between loyalty programs and increased EGM gambling?

25 MR BOSSI: Yes, there's an association.

MS CAHILL: And that's been made known to the committee, too, hasn't it?

30 MR BOSSI: It has.

MS CAHILL: So if we look at the RGM Committee minutes of 18 August 2016, CRW.704.001.2818, you were present this time, and if we go to page 2965 there's a research update from the Australasian Gaming Council which contains some  
35 conclusions about the role of loyalty programs in gambling from audit of gaming machine gambling venues. At page 2966 you see the conclusions there.

MR BOSSI: Mm-hm.

40 MS CAHILL: And do you see the bold type on the right-hand column "Do loyalty programs result in increased EGM gambling, money and/or time and/or number of visits" and the overall finding is likely, there appears to be an association.

45 MR BOSSI: Yes.

MS CAHILL: So do you recognise the risk of harm in that?

MR BOSSI: Yes.

MS CAHILL: Then if we go to the Burswood Ltd board minutes of 15 February 2019, CRW.703.001.2156, the meeting to which you were invited at page 2236. Now, do you see under the heading "Reactivation of Crown Rewards members"?

5

MR BOSSI: Yes.

MS CAHILL: The reference to:

10 Crown Rewards members who have not visited for more than 6 months having *been targeted with 80 test activities year to date.*

MR BOSSI: I do see that.

15 MS CAHILL: You were responsible for that program at the time?

MR BOSSI: I think that was an automatic process we had within the marketing team, but that 80 test activities is not individual --- I don't believe that's individual members. That's got to do with database segmentation and there will be a whole series of subgroups that we have test profiles and marketing that gets sent out. That would be my understanding of what that is. That is not one customer gets 80 test activities.

20 We may have hundreds of groups we separate for various reasons and then you do a benchmark mail out where you take 10 per cent or 15 per cent and 90 per cent and understand how much it deviates from the respondents. So I couldn't tell you the detail of that right now but I will anticipate that that --- I can't say with certainty but 80 test activities did not go to each member, would be my expectation.

25 MS CAHILL: And the mainstream activities of premium activities there described are what comprised the 80 test activities. Is that how we read this?

MR BOSSI: Give me a moment and I'll just read that. They would be part of it. I don't know if that's a complete set.

35

MS CAHILL: You see underneath that "Personalised automated trigger-based offers" this is to active Crown members; see that?

MR BOSSI: Yes.

40

MS CAHILL: So those active members are already visiting the casino a lot; you would agree?

45 MR BOSSI: Not necessarily a lot. To be active would be a visit in the prior --- one visit or more in the prior short period. So it doesn't have to be a lot. It could be one visit in the last three months.

MS CAHILL: Anyway, the point of these personalised automated, trigger-based offers --- what is a trigger-based offer?

5 MR BOSSI: Typically it would be --- there's lots of things that it could be. Typically it may be a period of time that that creates a personalised offer, then you use the database and then the customer's previous known behaviours, whether it was restaurants, bars, to compile a communication. Typically this would be a digital  
10 piece of communication that would go out, not dissimilar to what you'd receive on Facebook, to be honest, or membership of Bunnings. They would send out periodic offers understanding what you've participated in previously. And I can't talk to triggers because that's the marketing team, that's in the detail. I don't know what the trigger would be but it would be a multistaged offer. Like I said, where we sit today, that's how marketing is done in every aspect of our lives.

15 MS CAHILL: So the point of this personalised automated trigger-based offer to an active Crown member, rewards member is to give them a compelling reason to visit the Perth Casino?

20 MR BOSSI: There's two parts. One, because it's automated and it's digital, it enables us to save the costs and the problems with Australia Post, it takes a long time to deliver anything. And it is a compelling reason to visit but it may be event driven, it may be grand final, lots of reasons to make a visit. I couldn't go to the detail unless we break it up.

25 MS CAHILL: What input does the RSG team have into the formulation of these promotion programs?

30 MR BOSSI: I couldn't answer that. That sits within the marketing team. They will have some input but I couldn't answer that question in detail.

MS CAHILL: What you're describing here, Mr Bossi, is --- sounds like quite a sophisticated collection of data and analysis of it in order to formulate programs and to advertise to patrons or members, in order to entice them back to the casino. Is that  
35 a fair way to put it?

MR BOSSI: It depends on your context in terms of how sophisticated it is. In the world of modern marketing that retail uses, and other industries, I wouldn't call it sophisticated at all. Not even close. In terms of where it used to be three or four  
40 years ago, it is more sophisticated than we used to do it, yes.

MS CAHILL: Would you accept that Perth Casino is far more focused on getting the advertising and promotion right by use of the data available to it, and research, than it is to trying to minimise harm to patrons who gamble at the casino?

45 MR BOSSI: I think --- communication is what we do. We are a communication business so we put a lot of resources to that and that is communication. We have 8-10 million visitors a year. That's a lot of communication out there. Harm

minimisation is becoming --- I wish it was earlier but it's becoming an increased focus through those mechanisms I touched on.

5 COMMISSIONER OWEN: Could I just ask, that figure, 8-10 million, are you talking about there the complex or the gaming facility?

MR BOSSI: That's the complex we get about 8 million visitors a year.

10 COMMISSIONER OWEN: And the figure you mentioned earlier of 170,000 per month ---

MR BOSSI: Per week.

15 COMMISSIONER OWEN: Per week?

MR BOSSI: Yes, that's roughly how we get to the 8 million. You get about 120-130,000 visits coming backwards and forwards through the complex --- through the casino area. Having said that, they're not all casino visitors. Because of the way the casino is designed they are going to the football and the walk through, they park in  
20 the multideck car park and come through. That doesn't reflect how many people we specifically have but go for a walk, sailing through.

COMMISSIONER OWEN: Just to summarise, the 8-10 million is visitors to the  
25 complex?

MR BOSSI: The complex.

COMMISSIONER OWEN: The complex. The 130,000 per week is people who at  
30 some point have gone into the gaming facility?

MR BOSSI: Yes, but you can go in multiple times. So it won't be unique heads, if that makes sense. It's not unique heads for that.

35 COMMISSIONER JENKINS: Turnover is how you'd describe it.

MR BOSSI: I needed a laugh. Yes.

MS CAHILL: CRW.008.042.8653 is a letter from Mr Preston to Mr Ord of the  
40 GWC on 14 November 2018 referencing the RSG framework, sort of setting out the details of that. Are you familiar with this letter?

MR BOSSI: It probably past by me at some point, yes.

45 MS CAHILL: If we go to page 8654, the fourth arrow point, I guess you would call it, refers to:

..... significant financial commitment and investment into RSG over the past

*decade by Crown Perth.*

Do you see that?

5

MR BOSSI: Yes.

MS CAHILL: With a reference to annual RSG expenditure now exceeding \$1 million. This is as at 2018. See that?

10

MR BOSSI: Yes, I do.

MS CAHILL: Against revenue of over \$265 million from EGMs in that year. Is that about right?

15

MR BOSSI: It sounds about right.

MS CAHILL: And over \$180 million profit. Would you agree? From EGMs?

20

MR BOSSI: Sounds about right in '18, yes.

MS CAHILL: And so do you consider that to be an adequate expenditure on RSG relative to the revenue on profits earned from electronic gaming machines?

25

MR BOSSI: No. We're currently running at approximately --- nearly 2 million was the last number I received not long ago before I attended the last PGSSC meeting.

MS CAHILL: So 2 million against ---

30

MR BOSSI: It's about 2 million --- more could be spent, yes.

MS CAHILL: How much more?

35

MR BOSSI: I don't know. It's a function of the framework we put in place and the technology that supports it. I think technology is something that we're only starting now to really avail ourselves of. Technology is not something that we'll probably utilise as much as we could have in the past but the information that we're getting, with that technology, will enable us to get further down that path.

40

MS CAHILL: Is your position that the 2 million that's currently being spent annually on RSG strategies, framework, et cetera, is inadequate?

MR BOSSI: Yes.

45

MS CAHILL: Now the next dot point here, under the one that I just took you to, references the prohibition on traditional poker machines at Perth Casino; do you see that?



MR BOSSI: Which one? Underneath it, yes, okay.

5 MS CAHILL: "Crown Perth is only permitted to operate electronic gaming machines and is prohibited" --- I think that might mean to read "from" --- "using traditional poker machines." Do you see that?

MR BOSSI: Yes.

10 MS CAHILL: In your view, is there a difference between the electronic gaming machines used in Perth and traditional poker machines that materially reduces the risk of harm to users in Perth?

MR BOSSI: There is currently.

15

MS CAHILL: So the features of the ---

MR BOSSI: This is 2018?

20 MS CAHILL: Yes.

MR BOSSI: Yes.

25 MS CAHILL: The electronic gaming machines that are used at Perth Casino, do you regard them as materially less harmful to users than traditional poker machines?

MR BOSSI: I don't know how material they are. But I'm not sure the materiality of it.

30 MS CAHILL: So they might be only a little bit less harmful or they might be a lot less harmful, you just don't know?

35 MR BOSSI: I can expand a little further, if you want. One of the elements of the --- obviously there's been changes in the machines itself. But the historical design of machines in Perth, with the requirements that were in the WA appendix, made the games not less but more likely, more volatile and, therefore, it meant that they were more unpredictable and very different distribution of player experience, which, in my mind, but that's my mind, I'm not a research expert, risked being more harmful, however, counterbalancing that, you had a speed of game and that was the system in  
40 being more towards harm minimisation and, however, in that combination, you also had a series of machines that were higher priced in denomination. So there were multiple factors working, both positively and negatively, against harm minimisation that makes it very difficult to ascertain the extent of materiality of impact of harm.

45 MS CAHILL: Has Crown Perth ever itself undertaken or commissioned any research into whether the electronic gaming machines at Crown Perth are more or less harmful than traditional poker machines and to what degree?

01:00PM

MR BOSSI: I don't believe so.

MS CAHILL: It's 1.00, Commissioner.

5

COMMISSIONER OWEN: Thank you. Mr Bossi, we take an hour for lunch so if you wouldn't mind being back.

MR BOSSI: Thank you.

10

**ADJOURNED**

**[1:01P.M.]**

15

**RESUMED**

**[2:01P.M.]**

COMMISSIONER OWEN: Thank you, Mr Bossi. Ms Cahill.

20

MS CAHILL: Thank you, Commissioner.

I had you at CRW.008.042.8653, Mr Bossi, which is a letter from Mr Preston to Duncan Ord of 14 November 2018, which sets out the essential elements of the RSG framework. At 8669 at about point 4 is that heading:

25

*Australian New Zealand Gaming Machine National Standard 2016 Do you have that?*

MR BOSSI: Yes.

30

MS CAHILL: Mr Preston there sets out how, under the standards, the machines used at the Perth Casino impose further restrictions, relative to the standards required in other States. There's a reference to the bank note acceptor there, how much --- the maximum amount of money that would be accepted into the EGM. The point being made here in Crown Perth's RSG favour is that the amount is \$100 at Crown Perth is the maximum amount and it's much higher in other States. Do you see that?

35

MR BOSSI: Yes.

40

MS CAHILL: How does that note acceptor limit operate in respect of cashless EGM gaming, such as the ticket-in, ticket-out technology?

MR BOSSI: The ticket-in, ticket-out allows what's on the credit meter to be put to the ticket. So if the credit meter has potentially in excess of \$100, it would be transferred to the ticket.

45

MS CAHILL: So there is no limit on ticket-in, ticket-out gaming?

MR BOSSI: I don't know that there's no limit, but it's certainly --- it could be above \$100, yes.

5 MS CAHILL: You don't know?

MR BOSSI: If there's --- once a machine gets a certain amount, you will lock up a machine. It depends on how the win occurs. If the machine --- if there's a jackpot win that goes on there, there's a large credit meter amount, a machine will lock up  
10 and we will do a hand, as distinct from applying the tickets. But it is above \$100.

MS CAHILL: At the bottom of the page there's a reference to the return to player and the point being that's 90 per cent in WA, whereas in other States it's lower, somewhere between, I think, 85 per cent and 87.5 per cent?

15

MR BOSSI: Sounds right. I assume it's on the next page.

MS CAHILL: If you look over the page.

20 MS BOSSI: That sounds about right.

COMMISSIONER OWEN: Before we leave that page, in that bottom table, that reference to South Australia, note acceptors prohibited, does that mean you can only use chips?

25

MR BOSSI: Historically, it's coins only. I think since 2018, I do understand that South Australia has introduced note acceptors, but prior to that it was coins only.

COMMISSIONER OWEN: Prior to that, coins?

30

MR BOSSI: Coins and notes, you get both.

MS CAHILL: Coins and ---

35 MR BOSSI: Sorry, just coins, sorry, in South Australia. It's only coins, dollar coins. It would be --- I assume it's dollar coins.

MS CAHILL: But it might be notes now, is your point?

40 MR BOSSI: I believe it's changed and notes are now allowed.

MS CAHILL: If we go back up to the top of the next page where return to player is considered, there you have other RTP percentages ranging between 85 per cent and 87.5 per cent, with WA on 90 per cent.

45

MR BOSSI: Yes.

MS CAHILL: You understood that these features were being included in here because they are RSG features? They are the higher return to player, the bank note acceptor limit and then the speed of play which is mentioned here, do you see, being  
5 five seconds rather than the lower maximum amounts in the other States, are all features that mitigate harm caused by gaming machines?

MR BOSSI: They can mitigate harm, yes.

10 MS CAHILL: You're aware of the amendments in 2019 to the WA appendix to the Gaming Machine National Standards?

MR BOSSI: Yes.

15 MS CAHILL: You accept that these amendments were instigated by Crown?

MR BOSSI: Yes.

MS CAHILL: The GWC was approached to approve those amendments after  
20 internal discussions within Crown in which you were involved?

MR BOSSI: Yes.

MS CAHILL: The letter submitting that the changes should be made from Crown to  
25 Perth is at CRW.709.132.6302, a letter from Mr Felstead to Duncan Ord of 7 March 2019. That's just a few months after this letter setting out the RSG framework. If we go to the last paragraph on page 6302, which is at the front here, you see the rationale for asking for some of the factors in the appendix to be changed because of the commercial disadvantage that Crown Perth has against interstate and international  
30 operators. Would you agree that was the rationale and the motivation for Crown seeking a change to the appendix to the National Standard?

MR BOSSI: It was part of the rationale, yes.

35 MS CAHILL: What was the other part?

MR BOSSI: In considering the options that were put up in this letter, a number of factors were taken into account. If you've got a moment, I can go through those. We considered it on behalf of multiple stakeholders. The way the games were designed,  
40 I touched on just prior to the break. We had --- in WA, the game design made the game much more volatile than you'd normally get. One of the statistical analyses we did was we looked at our more popular 32 games, I think it was, and after between 30 and 45 minutes of play, they would average a return to player on a modal distribution of something akin to 80 per cent, which is lower than other jurisdictions.  
45 So the volatility of game design that came out of the appendix and out of the requirements of Western Australia made the game more volatile and we were getting customer feedback related to that. I met customers, I spoke to them.

5 So then to mitigate that volatility and experience, which --- again, not enough research has been done whether that is a mitigating factor with respect to harm. I believe it is, but that's my opinion. You then look at alternate ways to do that, so you can get to game design. Unfortunately, none of the manufacturers wanted to get involved in game design. We actually went to one of the major manufacturers in the country and wanted to pay for modified game designs. They wouldn't even allow us to get a game design that was less volatile for our customers.

10 So the way to mitigate that is you can look at lowering average bet and you can do that multiple ways, one of which is when we asked for speed of game. Speed of game will allow you to reduce the denomination of the game which ultimately leads to a smaller bet for the customer. Statistically, if I go back to 2017, just over 40 per cent of our games were at a 5 cent denomination and we had less than 10 per cent  
15 that were in 1 and 2 cent denomination. As a result of game speed, which enables to reduce the denomination of the game, we are now running about 35 per cent of our games at 1 and 2 cent capability. So we've brought the average bet down, material, as an option for the customer. So what we've recommended here, we looked at it and said that will have a --- that will help with harm minimisation.

20 The other part from a financial perspective --- we're in a tough economy, so my focus was how do we save jobs. To save jobs --- as we mentioned earlier, the machine business is a big business for us, so how can we save jobs? We've got to look at continue to try to grow our business, so there was an element of that to our decision  
25 making process.

To the extent we would succeed in that space, and there was no guarantee, we would then end up paying more tax to the Government, we would save jobs and  
30 shareholders as well. So you've got multiple stakeholders we considered in putting this paper to the Government as a recommendation. It wasn't simply --- it wasn't as simple as what was put in the letter.

35 MS CAHILL: Your point is to say there were other reasons for seeking these changes which are unexpressed in the submission?

MR BOSSI: There's multiple reasons why ---

MS CAHILL: Just listen to the question, please.

40 MR BOSSI: Mm-hm.

MS CAHILL: Is your evidence that there were other reasons for seeking the changes to the appendix that are not expressed in the letter of submission?

45 MR BOSSI: I don't know --- this is a substantial letter. I don't know how much more was expressed in that letter. What I see here, it's not --- that element of it is not in this.

MS CAHILL: Did you review this letter last night?

5 MR BOSSI: Yes, it's not --- can we scroll down the page a little bit? So cost of  
EGM development is absolutely a reason for that. Our manufacturers ---  
manufacturers weren't making the game and they were charging us a lot more money  
for the games that they did make. Customer choice was in there, within those games.  
So there are multiple factors that led to this process. That is a part. You'd have to  
look at the entire document to see further elements of it.

10 MS CAHILL: We're being shown it now.

MR BOSSI: Delays in access to new product was absolutely an issue for us. An  
example would be one called Lightning Link, five years old.

15 MS CAHILL: Isn't the rub here on page 6304 after the second dot point, the first full  
paragraph:

20 *When collectively assessed, these three factors materially disadvantage Crown Perth  
and to address this unfavourable and uncompetitive environment .....*

MR BOSSI: These three factors do materially disadvantage, and there's more.  
There's lots of factors in this sense and how we get there, to a decision.

25 MS CAHILL: What was motivating Crown Perth, quite plainly, was its commercial  
disadvantage in the casino marketplace, wasn't it?

MR BOSSI: There was a commercial disadvantage and it reads that way, yes.

30 MS CAHILL: To answer my question, you agree it was the material and primary  
motivation for seeking the change to the appendix?

MR BOSSI: Would it be a material change? Yes.

35 MS CAHILL: It was the primary reason why Crown Perth sought to change the  
appendix, wasn't it?

MR BOSSI: Yes.

40 MS CAHILL: Can I take you back to something a moment ago. Were you  
suggesting that the maximum bet on a gaming machine and the speed of play have a  
fixed interrelationship?

45 MR BOSSI: No.

MS CAHILL: So you can have a slower maximum speed of play and have a higher  
bet, can't you, a higher maximum bet?

MR BOSSI: There's going to be a lot of options, yes.

MS CAHILL: You can set it wherever you want?

5

MR BOSSI: Yes.

MS CAHILL: If you decrease the maximum speed of play ---

10 MR BOSSI: Yes.

MS CAHILL: --- from five seconds to three seconds, but you make no changes to the --- you don't lower the maximum bet, people are just going to spend more per hour, aren't they, on the machine?

15

MR BOSSI: It's not --- it's the minimum bet ---

MS CAHILL: I beg your pardon, the minimum bet.

20 MR BOSSI: --- is what you want to change. If that was the case, that would be correct, but that's not the strategy we took. We took to lower the minimum bet materially as a result of these games.

MS CAHILL: From what to what?

25

MR BOSSI: It went from a 5-cent game, which on a typical pattern, a 40 pattern game, is a \$2 bet if they play all patterns, to a 1 to 2-cent game, which is an 80-cent limit. So you've dropped it by the scale of the denomination.

30 MS CAHILL: Who was commercially ahead, Crown or the patron?

MR BOSSI: In that scenario ?

MS CAHILL: Lowering the maximum speed and decreasing the minimum bet?

35

MR BOSSI: That's a very difficult question to answer because it depends on how the patron behaved and the patron's expectation. Theoretically, let's start with the theoretical model, the patron is ahead because you've dropped the speed from five to three but your average bet has dropped from five to, say, two. So you're multiplying the average bet coming down way fast and the speed. But it depends on the customer and the behaviours and what they choose to do ---

40

MS CAHILL: All right.

45 MR BOSSI: If applied in that formula ---

COMMISSIONER JENKINS: But, in practice, what happened after it dropped from five seconds to three seconds, this is the question, is that Crown Perth's revenue from

EGMs went up significantly.

5 MR BOSSI: Yes, it did. The growth in revenue was related to the fact that the  
change was made pre-COVID versus post-COVID. So what happened in that time  
period was a very different customer demographic that visited. Just in general terms  
in what we saw in the marketplace, if you looked at --- and I looked at this statistic  
not long ago. If you looked at States like NSW, Queensland, South Australia and I  
believe Tasmania as well, they all grew between 10 per cent and 20 per cent on pre-  
10 COVID levels. We were at a similar level. So, economically, we have moved at a  
similar level. What we had pre-COVID versus post-COVID is we had a younger  
demographic, we had a stronger economy, we had customers with more to spend  
because they weren't able to travel. There were a number of factors that changed the  
demographic and the performance of the business well beyond the game itself. If the  
15 game was materially better for us, we should have grown substantially more than the  
other markets because they didn't have, apparently, this change.

COMMISSIONER JENKINS: Are you saying the increase in EGM revenue after  
this change was not in any way due to the reduction in speed from five to three  
20 seconds?

MR BOSSI: I'm not saying it's not, I'm saying there's a lot of determining factors  
that has changed the market.

25 COMMISSIONER JENKINS: Was it one factor which added to Crown's revenue  
from EGMs?

MR BOSSI: I believe it was because we got a lot of new games that otherwise we  
wouldn't have had as well. So it was a factor.  
30

COMMISSIONER JENKINS: I'm not talking about adding new games, I'm talking  
about reducing speed.

MR BOSSI: Yes, it was a factor.  
35

COMMISSIONER JENKINS: It was a factor. Thank you.

MS CAHILL: If we come back to page 6303, there's three amendments that are  
proposed. One is the reduction in the speed of play. Do you have that there on the  
40 screen, Mr Bossi?

MR BOSSI: Yes, I do.

MS CAHILL: From five seconds to three seconds.  
45

MR BOSSI: Yes.

MS CAHILL: It doesn't say anything about the minimum bet, does it?



MR BOSSI: No.

5 MS CAHILL: Then the return to player, you wanted that reduced from 90 per cent to 87.5 per cent, yes?

MR BOSSI: Yes.

10 MS CAHILL: Then you wanted changes to the design characteristics so that the symbol to generate an outcome didn't need to be independently generated, they could come off a virtual fixed reel strip; is that right?

MR BOSSI: Yes.

15 MS CAHILL: All of this was designed, wasn't it, to bring the features of EGMs in Western Australia at the Casino closer to the features of machines used in the eastern States?

MR BOSSI: Yes.

20

MS CAHILL: To save on the costs of game development?

MR BOSSI: To save on the costs, yes, and also to provide more new games for the customers who were asking for more choice.

25

MS CAHILL: So that they could gain more?

MR BOSSI: Choice. May well gain more.

30 MS CAHILL: If we go over the page, here in the table are the amendments that have been proposed to be made to the appendix. Do you see that?

MR BOSSI: Yes.

35 MS CAHILL: There's nothing on that page that talks about changing the minimum bet amount, is there?

MR BOSSI: I don't know if minimum bet's part of the appendix but, no, there wasn't.

40

MS CAHILL: Okay. Let's go over the page. The table there, nothing about the minimum bet amount there?

MR BOSSI: No.

45

MS CAHILL: When you were giving evidence a moment ago about how the minimum bet amount was tied to this change, were you saying it was part of the submission that you promised to do that, or what?

MR BOSSI: It wasn't part of the submission, it was how the strategy evolved within the business.

5 MS CAHILL: Why wasn't it part of the submission if the desire was not just to financially advantage Crown Perth but was, in fact, as I understood part of your evidence to be, also to advantage the patron?

10 MR BOSSI: The minimum denomination at 1 and 2 cents was always an availability in the design. So if we --- we could put it in there but it's already in the base of the design of the game.

15 MS CAHILL: In any event, you accept that reducing the speed of play, reducing return to player and removing the requirement for the generation of symbols to be independently generated for the outcome, these were all RSG features that you were diluting by these proposals?

20 MR BOSSI: We were diluting, put in combination and the outcome is not as clearcut but, yes, we were diluting those factors.

MS CAHILL: You must have concluded that changing these design features in the appendix could increase the risk of harm to patrons using machines with the new features?

25 MR BOSSI: That was the consideration, that was the description I had at the beginning, which was the denomination with the speed allows the customer to play at a much lower level than they do today --- than they did at the time.

30 MS CAHILL: But you didn't embed that in the proposal, did you?

MR BOSSI: No, it doesn't look that way.

35 MS CAHILL: Did Crown Perth, before it put forward this submission, do any research to consider the RSG implications of what it was proposing?

MR BOSSI: I don't believe we did research.

40 MS CAHILL: Did you do any analysis of the RSG implications of what it was proposing?

45 MR BOSSI: We did analysis on an expectation of where we thought --- what we anticipated the average bet would move down to. To that extent, the average bet is a combination of denomination, game speed and patterns. So we did an assessment on where that could move to. But in terms of direct relationship to RSG, thinking about it, I'm not exactly sure how we'd do that, but I'm happy to contemplate it.

MS CAHILL: But did you do it as a part of considering whether or not to put this

submission or did Crown Perth do an assessment of the RSG implications of this proposal?

5 MR BOSSI: Not that I'm aware of, doing an analysis of the RSG implications. The expectation of average bet coming down was something you would consider in RSG but, no, I don't think we did an analysis on it.

10 MS CAHILL: If we go to page 6308, please, under the heading "Responsible Service of Gaming". It refers in the first paragraph to that overview of the framework I took you to before, that was delivered to the GWC in December 2018. Then do you see in the second paragraph it says:

15 *While Crown Perth has a sound and robust RSG framework, highly committed to ensuring more gaming products and services are offered in a responsible way ..... we are of the respectful view that the proposed amendments to the appendix will not have any impact on gambling related harm.*

20 There's no basis for that assertion, was there?

MR BOSSI: Not research based, no.

MS CAHILL: Not any based, was there?

25 MR BOSSI: No, other than a viewpoint, but no.

MS CAHILL: If it were a viewpoint, it was a view based on nothing?

30 MR BOSSI: No statistical evidence, no.

MS CAHILL: Can you give any explanation to the Commission about why Crown Perth would have said that to the GWC in those circumstances?

35 MR BOSSI: No.

MS CAHILL: Pardon?

MR BOSSI: No, I can't.

40 MS CAHILL: Would you agree, in relation to its EGM business, Crown Perth places greater importance upon maintaining or increasing revenue than on minimising the risk of harm to patrons from playing those machines?

45 MR BOSSI: Revenue is a consideration but this was a proposal that had a framework that could have led to a lower level of harm, but we do have a focus on revenue. We certainly have had.

MS CAHILL: I'm asking you this question generally, Mr Bossi. In terms of the

EGM business generally, would you agree that Crown Perth places greater importance upon maintaining or increasing revenue than on minimising the risk of harm to patrons from playing those machines?

5

MR BOSSI: We do have a harm framework but, yes, we have a --- we have had a higher focus on revenue growth. However, we've spent more money in the last period on harm minimisation processes within that. We're working at resource increases as well. So I think it's a --- we're at a point in time that we're evolving.

10

MS CAHILL: You told me before lunch that the amount you're spending now is still not enough.

MR BOSSI: Yes, but it has doubled since the letter in 2018.

15

MS CAHILL: Do you agree that Crown Perth's approach to advertising to Perth Casino members and Crown Perth's loyalty program likely increases the risk of harm being caused to patrons playing EGMs?

20

MR BOSSI: Can you repeat the question?

MS CAHILL: Do you agree that Crown Perth's approach to advertising to Perth Casino members and Crown Perth's loyalty program likely increases the risk of harm being caused to patrons playing EGMs?

25

MR BOSSI: Yes, it's a likelihood, yes.

MS CAHILL: Do you agree that the changes made to the Gaming Machine National Standard in 2019, as instigated by Crown, also likely increased the risk of harm being caused to patrons playing EGMs that conform to that Standard?

30

MR BOSSI: I'm going to go back to where I was. The way the product has been rolled out and the way the multiple variables have come into play, come into play, the betting patterns have a chance of lowering. In fact, the framework is set to do that. Has it got a chance? Change always has the chance.

35

MS CAHILL: Would you agree that instead of an RSG framework that is primarily focused on empowering patrons to make their own choices about their behaviour, it would be more appropriate for Crown Perth to focus its RSG framework on its own conduct by not making machines available to patrons that are likely to cause them harm?

40

MR BOSSI: Can you ask that question again, please?

45

MS CAHILL: Would you agree that instead of an RSG framework that is primarily focused on empowering patrons to make their own choices about their gambling behaviour, it would be more appropriate for Crown Perth to focus its RSG framework on its own conduct by not making machines available to patrons that are

likely to cause them harm?

5 MR BOSSI: There's multiple parts to that question. Firstly, we have to identify what kind of machines cause which kinds of patrons harms. We can spend even more time in that space, but one of the --- there's been --- when we looked at volatility, we tried to get a national volatility --- we tried to get a volatility index across our manufacturers, not dissimilar to what you'd have if you go to a movie and they give you gradings on what that movie is or where you get alcohol and they give you percentages. We were looking to have a volatility index across manufacturers and we couldn't get it up. That would have been helpful for the customer because they all use different matrixes in how they're calculated. From our perspective, I think there's an element of what we can assist with, but I think there's also a broader requirement for the industry to try to get some standards up on that as well.

15

MS CAHILL: Crown Perth can simply do its research into the addictive characteristics of different games and simply not have the most addictive types at its casino; would you agree?

20 MR BOSSI: We can do that. We don't understand that until the game arrives and we get enough data to do that assessment. When a game first arrives, we don't know whether it's within the addictive set or not, if that's how we describe games. Only once you've got a certain amount of play behaviour on a game can you assess the volatility of it, how it gets played and what customers are doing. But the manufacturers themselves don't give us a real indication of that.

25

MS CAHILL: They might, if you refuse to buy a machine until they did. Would you agree?

30 MR BOSSI: We could, but we'd have to agree what those conditions are, so they can measure it against, to suit the market.

COMMISSIONER OWEN: Ms Cahill, while we have that document on the screen, and I'm sorry to interrupt, can we go back to page 0604. Can you pull out that passage in the middle, "When collectively assessed". I want to understand your evidence, Mr Bossi. At the start of that exchange you said, well, there may be other factors that are not expressed in this letter.

35

MR BOSSI: Yes.

40

COMMISSIONER OWEN: And it's a complex thing. Correct me if I am wrong, but I think you agree that the pointing out of material disadvantage was a significant factor in this letter and that those three factors, speed of play, RTP and independence of outcomes, were certainly part of the pitch, if I can put it that way. But am I correct in understanding your evidence that these are the factors the context impacts on, or at least it's expressed in the impact of material disadvantage and that's things like the retention of employment, the increasing in customer experience, those things? Is that what you were getting at?

45

MR BOSSI: That's where the material disadvantage (unclear) certainly sits. These three factors, if you put them together in the way a game is presented to a customer, have a material shift in what that experience is. Speed of play allows you to reduce the price point of entry. The way games get made, there's a lot more analytical work, statistical work that's done on machines that are sold globally than this market. Manufacturers don't even supply to this market because of our uniqueness of our machines. So there's multiple factors that go to setting the experience for the customer.

10 So material disadvantages we were talking about at the time, it was an economy that was not performing well, so there was a financial attribute to that. We'd gone through a series of redundancies with staff and job cuts and potentially more to come. So, yeah, there was multiple factors that we considered.

15 COMMISSIONER OWEN: Thank you.

MS CAHILL: Mr Bossi, do you accept that Crown Perth could do more than it presently does to bring a proper RSG focus to its promotional and advertising of electronic gaming machines?

MR BOSSI: Yes.

MS CAHILL: You're aware, aren't you, that Crown Perth is presently moving towards cashless gaming at Perth Casino?

MR BOSSI: Yes.

MS CAHILL: Would you agree this obviously presents as a potential further risk of harm to patrons because of the ease with which money will be made available to them for gaming?

MR BOSSI: Possibly. There are other factors. We do have EFTPOS. We are running an EFTPOS trial on the tables and there are limitations on transactions. You have better trackability of transactions. So if we could have a scenario where there's some combination of data sharing and analytics that go beyond Crown specifically and involve banks and combine that, you could have actually an improved, I think, RG framework because of the amount of data that's involved.

MS CAHILL: Mr Bossi, there are clearly RSG risks associated with cashless gaming, aren't there?

MR BOSSI: Yes, there are.

MS CAHILL: One of them is the ease with which money is made available for gaming?

MR BOSSI: Yes.

5 MS CAHILL: Another one is the patron may have a lack of appreciation as to how much money they are actually spending if they're simply waving a card in front of a reader. Would you agree?

10 MR BOSSI: Yes. That's not how it operates at Crown, but we insert a card. You have to have pin pad control. The transaction is limited in terms of lower than the bank limits on your card. We implemented that proactively. The regulator approved a larger limit, we reduced it. So there are elements of controls you can put on cashless more so than cash.

15 MS CAHILL: Would you agree, in the context of moving to a cashless system, it becomes all the more important for Crown Perth to look at its own conduct in terms of the sorts of machines it makes available and how it promotes them to Perth Casino patrons?

20 MR BOSSI: I think that's an element of it, in terms of how we promote, but the framework you approve on cashless capability and technology, which has evolved dramatically, is important as well.

25 MS CAHILL: Can I take you to the Problem Gambling Services Committee that you are now a member of. You've recently joined that in your capacity as CEO of Crown Perth; is that right?

MR BOSSI: Yes.

30 MS CAHILL: At paragraph 159 of your witness statement which is at page 0105, you make a comment about the funding model for that committee. You say there appeared to be an immediate need to increase the financial contribution from Perth Casino and you did raise it by 25 per cent?

35 MR BOSSI: Yes.

MS CAHILL: As I understand your evidence going on from this, you saw that immediate need without having any insight into what the committee did or what its funding requirements were; is that right?

40 MR BOSSI: Yes.

MS CAHILL: You could just look at it objectively and say, well, the amount we're spending is not enough?

45 MR BOSSI: Yes, on the basis of we're looking at a State position that's providing services and is providing advertising and awareness to the consumer, and to provide that to the State is at 60 per cent of the level of what we were paying, we were spending internally, so that needed --- that needs a shift. In that committee, I'd like to

see a plan and a structure and a framework going forward to determine how much that committee --- what the funding of that committee. But it was at \$1.2 million for the year. We alone were spending 2 and that's an entire State.

5

MS CAHILL: However, Mr Bossi, you were always aware, historically, of the contributions Crown Perth made to that committee, weren't you, because you were sitting on the RGM Committee?

10 MR BOSSI: I don't know if we discussed the financing model, but I was aware but I don't --- can't recall it ever being highlighted in discussions.

MS CAHILL: Do you mean you were aware of the amounts but you had never turned your mind to the adequacy of the amounts contributed?

15

MR BOSSI: Yes, that's a better way of putting it.

MS CAHILL: Why not?

20 MR BOSSI: I don't know. No excuse. I never turned my mind to it.

MS CAHILL: I want to change topics and come back to junkets, Mr Bossi. If we can come back to the ICB and, specifically, junket tours to Perth Casino. You saw or heard about the Four Corners program in 2014, didn't you?

25

MR BOSSI: Yes.

MS CAHILL: You had been at Perth Casino about three years by then?

30 MR BOSSI: Yes.

MS CAHILL: You understood that program raised serious questions about the legality and propriety of junket operations to casinos like the Perth Casino?

35 MR BOSSI: Yes.

MS CAHILL: You have made clear in your witness statement that it was not part of your responsibilities to approve junket operators or junket participants who came to Perth Casino; is that right?

40

MR BOSSI: Yes, it was a centralised function.

MS CAHILL: It wasn't your responsibility to conduct any due diligence on them?

45 MR BOSSI: Due diligence was conducted centrally, primarily.

MS CAHILL: It wasn't your responsibility?



MR BOSSI: No.

5 MS CAHILL: But you were responsible for the integrity of gaming at Perth Casino, weren't you?

MR BOSSI: In delivery of the service, yes.

10 MS CAHILL: I suggest you would at least have wanted to seek reassurance from others whose direct responsibility it was to vet the junket tour operators and participants, that they had been cleared through their processes as appropriate people to be gaming at Perth Casino?

MR BOSSI: Yes.

15

MS CAHILL: Did you do that on each and every occasion a junket tour came to Perth Casino?

20 MR BOSSI: Not on each and every occasion, but we certainly asked questions about certain customers that would arrive.

MS CAHILL: Why didn't you do it on each and every occasion?

25 MR BOSSI: I can't recall. Certain times there was large volumes which made it a challenge to get to everybody.

MS CAHILL: What was the trigger or reason for you to make an inquiry?

30 MR BOSSI: To the extent there was a requirement, it often came through in the --- it would have come through some of the checks that we ran, a world check or a customer that was raised as a potential person of interest.

35 MS CAHILL: You were aware that potential persons of interest were coming to Perth Casino to game?

MR BOSSI: Yes.

MS CAHILL: That raised a concern in your mind?

40 MR BOSSI: On occasion, yes.

MS CAHILL: What was the concern it raised?

45 MR BOSSI: Whether they should be visiting.

MS CAHILL: What was the risk that you saw associated with their visit?

MR BOSSI: Something in their profile. Could have been an associate or something

along those lines.

5 MS CAHILL: You mean an association to criminal conduct or criminal activity?

MR BOSSI: In one occasion, it appeared to be, yes.

10 MS CAHILL: The risk of money laundering occurring through the operation of the tour or gaming by a particular participant?

MR BOSSI: I couldn't tell that from what I observed.

15 MS CAHILL: I'm asking about what your concerns were that made you make an inquiry?

MR BOSSI: Typically, it was related to persons of interest, whether it was news articles or their associates.

20 MS CAHILL: Yes, but was it criminal record, criminal association, what was it you were concerned about?

MR BOSSI: Association.

25 MS CAHILL: Criminal associations?

MR BOSSI: Potentially, yes.

30 MS CAHILL: What did you do about it when you thought somebody had a criminal association that had been approved by the ICB business to come to Perth Casino?

MR BOSSI: I raised it with either the international team or the legal team.

MS CAHILL: What would happen then?

35 MR BOSSI: On one occasion the individual did not turn up to Perth.

MS CAHILL: On other occasions?

40 MR BOSSI: There's one specific case I'm thinking of. There were --- I can't recall what happened in the other cases.

MS CAHILL: Were there occasions when you had concerns, you raised them, the concerns were not alleviated, but a tour operator or participant nevertheless attended Perth Casino?

45 MR BOSSI: I don't recall. There's one occasion, the one that I do recall, but I don't recall others.

MS CAHILL: Where that person didn't come?

MR BOSSI: Didn't come, yes.

5

MS CAHILL: When junket tours came to Perth Casino, the ICB team hosted them, as you've already mentioned?

MR BOSSI: Yes.

10

MS CAHILL: The junket tour participants were often transported using private jets belonging to the Crown Group, to your knowledge?

MR BOSSI: On occasion, yes.

15

MS CAHILL: Was that a typical way they were transported?

MR BOSSI: I wouldn't have said typical.

20

MS CAHILL: When the junket tour arrived, whether it was by a Crown private plane or elsewhere, was it the local ICB team responsible for the logistics of getting the junket tour participants off the plane, unloading their luggage and transporting them to the Crown Resort complex?

25

MR BOSSI: Yes.

MS CAHILL: Did you ever physically oversee that process?

MR BOSSI: With what ---

30

MS CAHILL: Go and meet the tour?

MR BOSSI: No, I did not meet the tour. I tried not to engage directly with the tour because part of my function was, if something went wrong, I'd be the person who would confront and have potentially adverse discussions with those groups. So to greet them would set the wrong --- in my mind, would set the wrong tone if I was asked to do that.

35

MS CAHILL: What's the sort of things that you had in mind that might go wrong, to use your words?

40

MR BOSSI: My perspective? We had an example of a customer that wasn't behaving appropriately, he was a large customer, and staff were uncomfortable, so I came in.

45

MS CAHILL: You mean physically harassing staff?

MR BOSSI: No, not physically harassing, he was just very vocal and just trying to

intimidate. So I came in, it would have been quarter past 12 in the morning, met with the customer. He specifically addressed me somewhat aggressively and I said to him, "If you don't calm down, not only will I remove you from the property, I will  
5 escort you to the airport." He went back to his room, he ordered his plane and he flew out six hours later. He was meant to be there for an additional three days.

MS CAHILL: Apart from that incident you've just told me about, is there anything that you have yourself witnessed or have heard about that someone else at Crown  
10 Perth has witnessed, about the process of meeting the plane or transporting the passengers and their accompanying baggage that has caused you any concerns about the legality or appropriateness of the activities or conduct of tour operators or participants?

15 MR BOSSI: I can't recall. I can't recall.

MS CAHILL: Does that mean you don't remember any instance?

MR BOSSI: Well, a customer would arrive, our team would go and greet them, get  
20 them to a car, the car would drive them to the hotel, they'd then take them to the hotel room, and that was the typical process.

MS CAHILL: You never heard anyone raise concerns about anything that had occurred during that process?

25 MR BOSSI: Any particular concerns you're referencing?

MS CAHILL: I just put it to you, the legality or propriety of the activities or conduct of tour operators and participants?

30 MR BOSSI: I don't recall but --- I don't recall.

MS CAHILL: Typically, once arrived, these participants in a junket tour spent large amounts of time gambling continuously in one of the VIP rooms, didn't they?

35 MR BOSSI: Sometimes, as a junket group, they would have but they'd move around the place, but they could have spent extended periods, yes.

MS CAHILL: But it wasn't unusual for junket participants to gamble through the day and night?

40 MR BOSSI: I wouldn't say it was done --- I wouldn't say that was the usual practice at all.

45 MS CAHILL: What was the usual practice?

MR BOSSI: They'd play late at night, yes. They might play golf during the day. Typically, the more popular time to play was between 6.00pm and 4.00am, I'd say, is

probably the most popular time. They typically were later gamblers.

5 MS CAHILL: In those other activities, such as golf and so forth, the junket tour participants were hosted by the ICB team, were they?

MR BOSSI: They were involved in the process, yes.

10 MS CAHILL: Were you involved in overseeing the ICB team hosting those other activities?

15 MR BOSSI: There would typically be a senior manager who had access to give me a call if any issues raised, but that would typically come via Melbourne direction to that group.

MS CAHILL: Were you involved in organising the dealers for the table games for junket tours?

20 MR BOSSI: The gaming team did that. The gaming team reporting to me did that, the operational team.

MS CAHILL: You had to approve, give final approval to the dealers who were dealing the table games for junket tours?

25 MR BOSSI: I didn't deal with the roster and who the actual people were involved. We've got rostering teams, we have certain staff that are trained to deal and have access to the areas they deal with. It's not every dealer that can deal in the salons. And our operational teams would manage that process.

30 MS CAHILL: You didn't have involvement in selecting the dealers?

MR BOSSI: No.

35 MS CAHILL: Did you check in on the gaming activity in the VIP salons?

MR BOSSI: Periodically, yes.

MS CAHILL: At different times of day and night?

40 MR BOSSI: Periodically, yes.

MS CAHILL: Did you ever see anything when you did check in that indicated to you possible money laundering occurring in the room?

45 MR BOSSI: Not in the salons, no.

MS CAHILL: Or anywhere else?

MR BOSSI: No.

5 MS CAHILL: Did you see players using mobile phones in a way that suggested the possibility of gambling at the direction of someone who was not present at the casino?

MR BOSSI: I don't recall ever seeing that.

10 MS CAHILL: Did you see or hear about any conduct by junket tour operators or participants during their gaming at Perth Casino that caused you any concern as to the legality or propriety of the conduct?

15 MR BOSSI: Can you ask the question again, please?

MS CAHILL: Did you see, yourself, or hear from anyone else at Crown Perth about any conduct by junket tour operators or their participants whilst gaming at the Perth Casino that caused you any concern as to the legality or propriety of that conduct?

20 MR BOSSI: I don't recall that. I don't recall that.

25 MS CAHILL: You gave a detailed example or an instance that you remember a moment ago about a player participant behaving inappropriately towards the staff in a salon. Was that a frequent problem?

30 MR BOSSI: I wouldn't call it a frequent problem. Customers, VIP customers on a regular basis asked dealers to be changed. That was not uncommon. It gave a sense of change of luck. They selected preferred dealers of who they'd like to deal cards to them. They may have periodically spoken and engaged with dealers a little aggressively, but our operational team would be dealing with that on a day-to-day basis. And if it was of interest, such as this particular customer, that was escalated to me.

35 MS CAHILL: You mentioned golf a moment ago as, if I can put it this way, an extracurricular activity?

MR BOSSI: Yes.

40 MS CAHILL: An activity different from gambling?

MR BOSSI: Yes.

45 MS CAHILL: What were all of the activities, to your knowledge, that were engaged in by junket tours?

MR BOSSI: We had a boat, the Infinity, that people toured on. They went on helicopter flights down to Margaret River. They went to Rottnest Island. They went indoor sky diving. They went shopping, quite commonly. We created events,

fireworks events for them, concerts, lots of different variations of events.

MS CAHILL: Performances, you mean?

5

MR BOSSI: Concert performances, yes.

MS CAHILL: Anything else?

10 MR BOSSI: Bars, bars they went to. They went out to Northbridge, and what have you.

MS CAHILL: Any other activity?

15 MR BOSSI: Not that I'm aware of.

MS CAHILL: Were you aware of any activities offered or, in fact, organised by Perth Casino that caused you any concern as to the legality or the appropriateness of the activity?

20

MR BOSSI: They went to some bars in Northbridge that they --- I'm not sure what the bars were but it was karaoke bars, and I'm not exactly sure what occurred in those locations.

25 MS CAHILL: You had concerns about what occurred in those locations?

MR BOSSI: I had a couple of conversations with my team.

MS CAHILL: What were those concerns?

30

MR BOSSI: About those? Clarifying what was occurring at the bars, and they were ---

MS CAHILL: What was occurring at the bars? Were you told?

35

MR BOSSI: They would have drinks and they'd have entertainment and girls would be there. But anything more than that I'm not aware of.

MS CAHILL: No-one's told you anything about what went on at those bars that caused you any concerns?

40

MR BOSSI: Not that I'm aware of at those bars that I was told.

MS CAHILL: When a junket tour ended, the ICB team was responsible, was it, for putting the participants back on the plane at the end of the tour?

45

MR BOSSI: Yes.

MS CAHILL: Transporting their baggage and them?

MR BOSSI: Yes.

5

MS CAHILL: Did you physically oversee that process at any time?

MR BOSSI: Very, very few occasions. Very few occasions.

10

MS CAHILL: Is there anything you've witnessed yourself or heard about from anyone else at Crown Perth about the process of putting the passengers, the participants back on the plane, transporting their luggage to the plane, and so forth, that's caused you any concerns about the legality or propriety of the activities or conduct of junket tour operators or their participants?

15

MR BOSSI: Not that I recall. Junkets typically left in the same manner they arrived. Not that I can recall, anything.

20

MS CAHILL: Have you ever been made aware of Crown Group private planes being used to transport junket participants to places other than Perth or their home jurisdiction?

MR BOSSI: From Perth or anywhere? Yes, yes, they would be transported to Sydney and other locations, if they chose to.

25

MS CAHILL: And places outside of Australia?

MR BOSSI: Possibly, yes.

30

MS CAHILL: I want to take you to the minutes or the ERCC of 19 May 2015, CRL.639,001.0334\_R, page 0344. This heading "AML/CTF Update", do you see that there?

MR BOSSI: Yes.

35

MS CAHILL: You were an apology for this ERCC meeting but you would have read the minutes afterwards, presumably. You see there's a reference there to Crown Perth's decision to allow junket operators to be in a company name?

40

MR BOSSI: Yes.

MS CAHILL: Do you recall that decision?

45

MR BOSSI: No, I don't actually. I don't recall the decision but it's in the minutes, so I accept it.

MS CAHILL: You agree that allowing junket operators to operate in a company name would increase the risk of money laundering occurring through the Perth



Casino operations?

5 MR BOSSI: It May well, yes.

MS CAHILL: You are aware, aren't you, of the steps taken by Burswood management in 2017 to have residual regulatory requirements for names and passport numbers of participants provided to the GWC?

10 MR BOSSI: Yes.

MS CAHILL: To have them removed?

15 MR BOSSI: To have that removed.

MS CAHILL: Yes.

MR BOSSI: What date did you say?

20 MS CAHILL: 2017?

MR BOSSI: Sounds about right.

25 MS CAHILL: What did you understand to be the rationale for the request for the removal of that requirement?

MR BOSSI: Have you got a copy of that letter there?

30 MS CAHILL: To Mr Connolly?

MR BOSSI: Yes.

35 MS CAHILL: From Mr Preston. CRW.513.005.3696. I think it's not for publication, so we will just put it on your screen. Do you recall that?

MR BOSSI: Yes, I do.

40 MS CAHILL: Do you want to have a look at this letter which might remind you better. It's also not for publication, CRW.513.005.3701. That's the letter from Mr Hulme to Mr Connolly of 16 March 2017, the removal of the procedure to provide the names and passport numbers of junket participants to GWC. Do you recall that?

MR BOSSI: I think I saw it yesterday, yes.

45 MS CAHILL: What did you understand to be the reason behind requesting that relaxation?

MR BOSSI: I would have to speculate as to the why. This would reduce the visibility on the customer arriving.

5 MS CAHILL: To the GWC it would, wouldn't it. But what was the rationale for Crown Perth pressing for the relaxation?

MR BOSSI: I don't think there was a requirement at that time to --- well, to minimise visibility on a customer.

10

MS CAHILL: Would you just give me that answer again, please?

MR BOSSI: Potentially minimise the visibility of the customer.

15 MS CAHILL: That was the motivation to ask for the relaxation?

MR BOSSI: Well, I don't know if it was the motivation. I didn't write the letter, I don't believe I was involved in the preparation of the letter, so it's a bit of a speculative position that I take on this.

20

MS CAHILL: Were you aware, in 2017, of AUSTRAC's casino junkets investigation?

MR BOSSI: No.

25

MS CAHILL: You weren't aware of AUSTRAC's concern that casinos in Australia were not sufficiently focused on the identity of junket participants?

MR BOSSI: I don't recall the AUSTRAC report.

30

MS CAHILL: Do you remember writing to Mr Connolly in August 2018, seeking approval from GWC to have a junket operator, Mr See, set up a business desk and facilities similar to hotel business centre facilities at Perth Casino?

35 MR BOSSI: I do recall.

MS CAHILL: This document is not for publication. It's GWC.0002.0016.0241. Remember writing this letter?

40 MR BOSSI: I recall this letter.

MS CAHILL: Why did you write this letter, in the sense of how did this fit within your area of responsibility?

45 MR BOSSI: I signed the letter because of the senior people in town, I was the one on the ground. This is a junket operator who was proposing to have frequent visitors to Crown.

MS CAHILL: Had you done any due diligence investigations into Mr See, as to his background, before writing this letter?

5 MR BOSSI: Not sufficient.

MS CAHILL: Not sufficient?

MR BOSSI: No.

10

MS CAHILL: Why not?

MR BOSSI: I've got no excuse. I should have done more.

15 MS CAHILL: Did you consider, before writing this letter, whether permitting an operator to establish business centre facilities at the casino might increase the risk of the Perth Casino operations being used to facilitate money laundering?

20 MR BOSSI: In writing this letter, I relied on the work done by the due diligence team in Melbourne and the work they would typically do in this area of our business. They had the skill set and the teams to do this.

MS CAHILL: You're aware that Simon Pan was a junket participant who was banned from Crown Melbourne on 16 August 2019?

25

MR BOSSI: Yes.

MS CAHILL: Yet he was permitted to enter Perth Casino 29 times after that?

30 MR BOSSI: Yes.

MS CAHILL: There was no system in place until very recently to share information between the Perth and Melbourne Casinos about persons who had been banned?

35 MR BOSSI: There was --- we've made a number of changes, yes.

MS CAHILL: But it was an issue that the ERCC, of which you were part, were well aware of?

40 MR BOSSI: Which are we talking about?

MS CAHILL: That there was no system in place until very recently to ---

45 MR BOSSI: There wasn't a cross-property system of barring in place. There was a couple of --- there was a number of reasons that was discussed within the --- particularly with the relevant security teams on both sides of the country. One of the restrictive measures that occurred was that the information in Victoria wasn't able to be shared with Western Australia, based on their regulatory requirements. Whilst

that changed in 2018, WA could share information equally, but Victoria couldn't share --- wasn't to share with us on barred persons. In 2018, that changed.

5 However, as of today, we're still not in a position to share Police Commissioner barring lists across the borders. So there were a couple of mitigating factors that limited the creation of a shared barring policy. So recently we implemented some changes to try to align as much as we can. But we still have a little gap there. We've got an MOU with WAPOL and I think Victoria's working on something similar.

10 MS CAHILL: Can I understand the evidence you've just given. A barring order at, for example, Crown Melbourne or it could be Crown Perth is presumably often based on evidence about a person's criminal record or criminal associations or similar?

15 MR BOSSI: Not necessarily. A barring order could be issued because a customer was in a fight or a barring order --- there's lots of reasons a customer would have barring. So to automatically bar across the country, it depends on the nature of the barring.

20 MS CAHILL: But let's say you have somebody who ought to be barred across the country for reasons that can't be disclosed because the information comes from WAPOL or similar.

MR BOSSI: Yes.

25 MS CAHILL: I'm not quite sure I understand, what's stopping Crown Melbourne picking up the phone or sending an email that says Mr John Smith ought to be barred from Crown Perth, full stop?

30 MR BOSSI: Putting aside the Police Commissioner list, let's park that one, there's nothing stopping it in the sense of should it occur, which it does today. A barring policy across the organisation wasn't equal and there wasn't a requirement necessarily to do that at the time.

35 MS CAHILL: Why not?

MR BOSSI: I'm not exactly sure why not, other than the security departments managed the barring process on both sides of the country. They use the respective systems to bar players. Upon understanding what happened with Mr Pan earlier this

40 year, we implemented a process where we were barring people across the country. It's a weekly update list that is supplied from Melbourne to Perth and Perth to Melbourne, so we're updating the list today. Previously there was a decision taken not to have a mutual barring across the country and that sat within the Legal and Compliance Team.

45 MS CAHILL: When was that? When was that decision taken to not have a mutual barring?

MR BOSSI: There was never a mutual barring order in place previously, so I can't say that it was a proactive decision or it was just a reactive decision. I can't tell that because that's what's existed for years.

5

MS CAHILL: But you accept that the ERCC, at least from 2017, was aware of this issue about people being barred in Crown Melbourne not being --- Crown Perth not being notified?

10 MR BOSSI: No, I get that, but in 2017 it wasn't able to be shared, the information based on the restrictive requirements in Victoria. That didn't get approved until 2018.

15 MS CAHILL: I'm just trying to understand what was preventing, before 2018, Crown Melbourne ringing the relevant person up at Crown Perth and saying, "Mr Smith should be barred from Crown Perth."

20 MR BOSSI: I can't remember the reference point but I think, I think, it was --- I don't want to (unclear) and then it's wrong, but the head of Compliance contacted me earlier this year and in 2018 they got approval to share barring lists with Western Australia. Prior to that, there was a regulatory form of restriction. I don't know whether it was in the Casino Control Act or another form, but there was a restriction sharing barred player information, as I understand it.

25 MS CAHILL: I'll change topics now and turn to AML, anti-money laundering, and Riverbank. At page 0101 of your witness statement, paragraph 135, you accept that you were one of the signatories to the Riverbank account with the Commonwealth Bank of Australia in 2014?

30 MR BOSSI: Yes. What was the location? Here it is. Thank you.

MS CAHILL: It should be there in front of you.

MR BOSSI: Yes, yes.

35

MS CAHILL: Was it usual for you to be made a signatory to Perth Casino bank accounts?

40 MR BOSSI: I don't know how usual it was. This occurred quite rapidly and with a less than adequate form of communication.

MS CAHILL: So it was something unusual?

45 MR BOSSI: Yes, me being a signatory, the process of me becoming a signatory on an account is unusual.

MS CAHILL: Did you pay attention to what you were being asked to be a signatory of, which account and why?

MR BOSSI: The account, yes. It was fairly vague, the description as to why.

MS CAHILL: Who asked you to be an authorised signatory to this account?

5

MR BOSSI: I think the communication came through our Treasury team, if I recall correctly, but I can't remember exactly.

MS CAHILL: Treasury team in Perth or Treasury team in Melbourne?

10

MR BOSSI: Melbourne.

MS CAHILL: Who within the Treasury team?

15

MR BOSSI: I can't recall. I think the --- I can't recall. I think --- I don't want to even say I think because if I get it wrong --- this was an account that was opened up and I was placed to be a signatory on it.

20

MS CAHILL: What were you told about the whys and wherefores of you becoming a signatory when you were asked to do that?

25

MR BOSSI: At the time, it was just opening up a bank account for international players. I was not a --- as much as I was a signatory, I was not a primary signatory and I was not ever asked thereafter, that I can recall, to ever do anything with the account, even understand the account, and it was in the event of we don't get any other signatories, we're going to have you on the list. So it wasn't --- I wasn't ever advised any further than when I signed on, that I can recall.

30

MS CAHILL: Your evidence is that you, as far as you are aware and as far as you remember, did not authorise or effect any transactions on any Riverbank bank account?

MR BOSSI: Not that I'm aware of at all.

35

MS CAHILL: I think the next document is not for publication. Before I go there, when you became a signatory to the Commonwealth Bank Riverbank account, did you know ANZ had recently decided to close the Riverbank account that was held with it?

40

MR BOSSI: It may have been discussed. There was a lot of discussion at the time on different elements of the VIP market.

MS CAHILL: It may have been discussed?

45

MR BOSSI: It may have ---- I may have had that piece of communication come to me.

MS CAHILL: You signed the signatory authorisation form in March 2014 and then a few months later in June --- if you go to not-for-publication document CRW.529.011.1738. Let's have a look at this document. We can see in the second  
5 half of the page the 23 June 2014 email from Mr Theiler?

MR BOSSI: Mr Theiler, yes.

10 MS CAHILL: You're cc'd into this.

MR BOSSI: He was with Treasury.

MS CAHILL:

15 Travis has set up new Riverbank accounts with CBA. I understand that this *was communicated to the sales team some time ago.*

MR BOSSI: Yes.

20 MS CAHILL: If we go to page 1739, there's reference there to the closure of the Riverbank accounts at ANZ. If we drop down, please, you see at the bottom half of the page from a Mr Geoffrey Lee:

25 Please kindly take note of the email below in regards to Riverbank Investments .....

MR BOSSI: Yes, I see that, yes.

30 MS CAHILL: You were aware at least a few months after you became a signatory on the CBA account that the earlier ANZ bank account for Riverbank had been closed?

MR BOSSI: Is that what Carolyn's email says.

35 MS CAHILL: Shall we go over the page?

MR BOSSI: Yes, it is, okay. Yes.

MS CAHILL: So you were aware within a short ---

40 MR BOSSI: Now I am, yes.

MS CAHILL: You were aware at the time ---

45 MR BOSSI: Yes. I received emails.

MS CAHILL: --- is what I'm asking you?

MR BOSSI: I received emails, yes.

5 MS CAHILL: Do you remember being aware of the closure of the ANZ Bank account at around the time you became an authorised signatory of the CBA account?

10 MR BOSSI: Yes, the ANZ accounts, I would have been aware of it. Whether I would have tied the two together, despite having the same name, but yes, by the look of this, yes.

MS CAHILL: Did it cause you any concern that ANZ had closed Riverbank accounts in 2014?

15 MR BOSSI: I recall some discussion about moving banks to continue transactions, yes.

MS CAHILL: With whom?

20 MR BOSSI: Rolland and the team.

MS CAHILL: Which team?

MR BOSSI: The international team.

25 MS CAHILL: What did they tell you?

MR BOSSI: That this is a transactional account that we will run with International.

30 MS CAHILL: What about the reasons for the closure of the ANZ account?

MR BOSSI: I don't recall the reasons. In fact, I'm not even sure they explained to me the reasons for the closure.

35 MS CAHILL: Did you ask?

MR BOSSI: I can't recall.

40 MS CAHILL: Did you ever wonder why the bank account had been named Riverbank rather than something that was more obviously associated with the Perth Casino?

MR BOSSI: I didn't particularly think about it, no.

45 MS CAHILL: Did it occur to you that the Riverbank account might be an attempt to hide --- the name of Riverbank might be an attempt to hide its association with the operations of Perth Casino?

MR BOSSI: It didn't occur to me at the time.



MS CAHILL: In 2019, you were notified that the CBA Riverbank account was closed or was closing; do you recall that?

5 MR BOSSI: In 2019?

MS CAHILL: 2019.

10 MR BOSSI: I recall that it was closed, yes.

MS CAHILL: You recall being told about that?

15 MR BOSSI: The email was brought to my attention. I don't recall being told, but there was an email that was sent my way.

MS CAHILL: You're referring to an email which is not for publication, CRL.605.016.6602, dated 4 October 2019. Here at the top is --- at the bottom, actually. It's from Mr Costin ---

20 MR BOSSI: Yes.

MS CAHILL: --- to you and others. You've been informed about the closure of the Commonwealth Bank accounts, both Southbank and Riverbank?

25 MR BOSSI: Yes.

MS CAHILL: Did you make any inquiries at that time about why the CBA bank account had been closed?

30 MR BOSSI: It was five years after the original transaction. I actually didn't recall even being a signatory on the account.

35 MS CAHILL: Did you make any inquiries about why the CBA account had been closed?

MR BOSSI: Not at that time, no. As I said, I didn't realise I was a signatory at that time. I've only recently been made aware of that.

40 MS CAHILL: You were at least sufficiently involved to be included in this email, weren't you?

MR BOSSI: Yes.

45 MS CAHILL: The bank account had now been closed by two banks, the Riverbank account, and you're still not alive to any concerns about the reason, to find out the reason why?

MR BOSSI: A number of years had passed and I wasn't involved in the banking work that was going on. I should have --- in hindsight, a wonderful thing, I should have inquired further than I did.

5

MS CAHILL: Did you see on the live stream Ms Fewster give evidence before this Commission?

MR BOSSI: No, I did not.

10

MS CAHILL: Are you aware she gave some evidence about a conversation she had with you earlier this year in February about Riverbank?

MR BOSSI: I don't --- I didn't see the evidence. What did she say?

15

MS CAHILL: First of all, before we go to what she said, do you recall having a conversation with her about Riverbank in February this year?

MR BOSSI: I had a number of conversations with her. I recall one in March. In terms of February, possibly.

20

MS CAHILL: About Riverbank?

MR BOSSI: Not specifically. Riverbank was --- I did discuss with her Riverbank in March, that I can recall. February, I don't know. We had a number of discussions about a lot of different things.

25

MS CAHILL: Do you recall a discussion about Riverbank?

30

MR BOSSI: In March, yes.

MS CAHILL: What was the discussion?

MR BOSSI: She asked me about Riverbank at the time. I said that I'd had a look --- I had visibility of the transactions as a result of the detailed letter sent to Mr Duncan Ord on 14 December. That was the report from Grant Thornton and Initialism that laid out transactional data from the accounts, which was the first time I'd seen the transactional data in those accounts. And I was surprised about that, the transactions in there and the report.

35

40

MS CAHILL: Can we have a look at Ms Fewster's transcript of evidence at page 1575 of the transcript, line 45. Down the bottom of this page at line 45, Mr Feutrill SC says to Ms Fewster:

45

I would like you to be as specific as you can about that conversation and what *you said to him* .....

This is to Mr Bossi, you.

MR BOSSI: Mmm.

5 MS CAHILL: ..... when the conversation took place and precisely what words he said in *response*.

MR BOSSI: Okay.

10 MS CAHILL: Then her evidence starts over the page and she says a range of things between lines 5 to 40. Then if we get down to line 41 on page 1576, on the right-hand side is "Mr Bossi". Are you with me?

MR BOSSI: Okay, down there.

15 MS CAHILL: Yes. Mr Feutrill says:

Again, I just want to be as clear as you can be about what Mr Bossi said to you *about his knowledge of the Riverbank account*.

20 She said:

I remember him having a shock on his face, going, "I didn't know about the *Riverbank account either*."

25 I'll let you read on.

MR BOSSI: Yes.

30 MS CAHILL:

No, I didn't feel I got resistance from Mr Bossi on it or he was trying to talk. *He seemed to have been as surprised as I was*.

35 MR BOSSI: Yes, okay.

MS CAHILL: Is that an accurate reflection of your memory of your conversation with her?

40 MR BOSSI: Every TWR, I don't recall a conversation. The conversation --- I think there's something about the context here. At that time, I was already aware of the transactions. So the conversation I would have had with her may well have been shocked, I may well have said I didn't know about the Riverbank account either, in the sense of, as I said earlier, it's been quite a period of time. But the context I would have had that with was the context of the transactions, and understanding the detail  
45 of the account is where the biggest surprise for me was.

MS CAHILL: Let me ask you about the CUP process. This is a new topic, Mr Bossi. Can we go to your evidence at paragraphs 130-134 of your witness statements, pages 0100 to 0101. This concerns the CUP process, the China UnionPay process, that had been implemented in Melbourne. Do you know what I'm talking about?

MR BOSSI: Yes, I do.

MS CAHILL: The process by which international players could draw credit from a Crown Hotel using a China UnionPay credit card to draw funds to gamble at Crown Melbourne?

MR BOSSI: Yes.

MS CAHILL: At paragraph 132 of your witness statement, you give evidence to the effect that in around 2012, when it was first raised with you, you discussed it with Mr Preston and you and he both agreed it should be resisted as a proposal to be introduced at Crown Perth?

MR BOSSI: Correct.

MS CAHILL: Was that resistance because you thought there was a risk of that process being used to facilitate money laundering?

MR BOSSI: It's not --- I don't know --- I don't think money laundering is the decision here. It was once I --- I understood at the time that the capacity of withdrawal was up to \$500,000 using that facility. It's the scale of that withdrawal that sparked some concern with me, and it did not appear --- from my perspective, it was not something that I was comfortable with, having a credit card functionality that can be that large. Hence, I do recall being quite vocal in my resistance within the organisation thereafter.

MS CAHILL: You didn't want that procedure or the facility to use that procedure introduced at Crown Perth?

MR BOSSI: No.

MS CAHILL: If we go to CRW.709.103.0500, this is an email from Neil de Lima to you on 8 May 2013. Neil de Lima was a chap in the ICB business in Melbourne, wasn't he?

MR BOSSI: No, he was in Perth.

MS CAHILL: In Perth?

MR BOSSI: Yes.

MS CAHILL: He was part of that ICB hosting team, was he, in Perth?

MR BOSSI: Yes, he was the leader.

5

MS CAHILL: He's asking you where are you at with the CUP process?

MR BOSSI: Yes.

10 MS CAHILL: And using it at --- this is at Crown Perth?

MR BOSSI: Yes.

15 MS CAHILL: It didn't happen immediately, did it? It wasn't rolled out at Perth immediately?

MR BOSSI: No, it wasn't. Neil de Lima asked me, then I got a number of requests from the international team and my response to them was "We are not going to do it here". I contacted the team in the hotel and advised them that if it does come here, I want them to call me before it went.

20

MS CAHILL: But the reason it wasn't rolled out in Perth in 2013 was because in Melbourne they said, look, stop, we're putting some refinements to the process?

25 MR BOSSI: I'm not aware why that occurred. What I can answer is my position on it consistently through the period. Now, I don't know what the Melbourne position was on this at the time.

MS CAHILL: You're aware that Mr Preston wrote to Mr Connolly in April 2016?

30

MR BOSSI: I have ---

MS CAHILL: About this process?

35 MR BOSSI: I have been made aware of it.

MS CAHILL: Are you saying you weren't aware at the time?

MR BOSSI: At the time, not aware.

40

MS CAHILL: At all?

MR BOSSI: I don't believe so.

45 MS CAHILL: He didn't discuss with you the amendments to the Casino Manual to allow the CUP process to be rolled out ---

MR BOSSI: I don't recall ---

MS CAHILL: --- in Perth?

MR BOSSI: I don't recall the conversation.

5

MS CAHILL: So, completely ignorant of GWC being approached to amend the Casino Manual in 2016 to allow the CUP process to be deployed in Perth?

10 MR BOSSI: The structure of the operation was Mr Felstead led the international business. The hotel business structure was reporting in to the Melbourne team through Mr Preston, and Mr Preston was reporting in through Mr Felstead. So there was an opportunity that that could get implemented without my visibility on it.

15 MS CAHILL: To be clear, I think this document is not for publication. CRW.701.004.3544 is a letter from Mr Preston to Mr Connolly. That's not for publication. You looked at this document last night, did you?

MR BOSSI: I believe so, yes.

20 MS CAHILL: If we just flip through the pages so Mr Bossi can see. That's it. You had no knowledge of that letter or its attachments at the time that it was prepared and sent to GWC?

MR BOSSI: I don't believe so.

25

MS CAHILL: Nor were you aware that those amendments to the Casino Manual were then approved by GWC in May 2016?

MR BOSSI: I was unaware of.

30

MS CAHILL: Can I take you to this document that's not for publication, CWN.514.006.9412. Here we are after the approval in May. In September 2016, Mr De Lima here in Perth emails to you, asking about the availability of the CUP facility at Perth from October.

35

MR BOSSI: At that point I would have spoken specifically to Neil and probably Mr O'Connor about not having the facility here. I didn't change my mind on the facility.

40 MS CAHILL: You must have thought, getting this email, well, how did that happen without a GWC approval. Did you go back and look to see how that happened and find out about the letter Mr Preston sent to Mr Connolly?

MR BOSSI: I don't recall seeing the letter from Mr Preston to Mr Connolly.

45 MS CAHILL: See, this email is expressed as if it's your responsibility and ---

MR BOSSI: I understand that.

MS CAHILL: --- approval required to actually practically implement this process.

MR BOSSI: I understand that.

5

MS CAHILL: Do you see that?

MR BOSSI: But it didn't get implemented.

10 MS CAHILL: But you must have been aware of the building blocks that had been put in place to implement it; would you agree?

MR BOSSI: I should have been, yes.

15 MS CAHILL: Were you?

MR BOSSI: Not that I recall. I took this as the usual Neil type of email, which was indicating something would occur but not necessarily having the approval process.

20 MS CAHILL: Did you go and see Mr Preston and say, well, look, this isn't going to happen?

MR BOSSI: I can't recall whether I did or didn't, but I may not have.

25 MS CAHILL: Isn't it the case that the actual reason why this CUP process was not rolled out at Crown Perth was because shortly after this, the China arrests issue erupted and it meant there were no junket tour participants or junket tours coming from China?

30 MR BOSSI: That may well be the case.

MS CAHILL: Then if we go to this document, which is not for publication, CRW.709.098.6940, which is an email chain of July 2018. At page 6941, because it's in reverse order as usual, Mr Bossi, to basically summarise, if you're happy for me to do this, you and Mr Preston are given the explanation by Mr Hulme that he and Mr Marais have met with what I assume are some ICB people; is that right?  
Jacinta McGuire ---

35

MR BOSSI: Yes, they're all ICB.

40

MS CAHILL: ---- Ishan Ratnam and Andrew Davey.

MR BOSSI: Yes.

45 MS CAHILL: They're wanting the CUP process to be recommenced or commenced. Do you see that?

MR BOSSI: Yes.

MS CAHILL: Mr Preston says at the top to Mr Hulme:

5

Happy to progress with the use of this facility. However ..... And then he emphasises:

..... we will not be using CUP.

10

MR BOSSI: Yes.

MS CAHILL: Then if we go over to page 6940 and drop down, you say to him "Calm down", et cetera. You've delivered the same message to Mr Marais, Paul and Michelle. So you didn't want it rolled out either?

15

MR BOSSI: No.

MS CAHILL: What was the reason as at 2018 for that?

20

MR BOSSI: Same reason as 2012. CUP was not something I was interested in having at the property.

MS CAHILL: But did you know by now about the 2016 amendments to the Casino Manual?

25

MR BOSSI: At this point, yes.

MS CAHILL: And you must have therefore been aware of the contents of the letter to Mr Preston.

30

MR BOSSI: No, it was a discussion with Mr Preston.

MS CAHILL: If we go to this letter, CRW.706.006.0039, which is a letter of 6 July this year.

35

MR BOSSI: Can we just go back for a minute before we get to this?

MS CAHILL: Where do you want to go?

40

MR BOSSI: Just the previous comment I make.

MS CAHILL: Do you need to look at a document to make the comment?

45

MR BOSSI: No, no. My awareness was not that --- again, I didn't think about it in terms of the Connolly letter. It was a conversation about not having CUP anymore. My previous comment was not about being aware of the changes that the



Mr Connolly letter made, it was about not having CUP.

5 MS CAHILL: But you were aware of the contents of the 2016 letter to Mr Connolly?

MR BOSSI: Not at that --- no, I still didn't ask for the contents of the letter. It was a discussion around CUP that we were having.

10 MS CAHILL: You remember this letter from the Chief Casino Officer last month, asking you to confirm that CUP practices did not occur at Crown Perth?

MR BOSSI: Yes.

15 MS CAHILL: Then you responded on 26 July, so that's just a couple of weeks ago.

MR BOSSI: Yes.

20 MS CAHILL: CRW.701.0044.3552. This is your response. If we go to page 3553 at numbered paragraph 7, you say:

*In relation to amendments to the Casino Manual in 2016, Crown has identified documents which suggest that the purpose for requesting the 2016 amendments was in fact to implement the hotel transactions practice at Crown Perth.*

25 Do you see that?

MR BOSSI: Yes.

30 MS CAHILL: So you've done a bit of investigation now ---

MR BOSSI: Now.

MS CAHILL: --- into this?

35 MR BOSSI: Now I have. That's where I identified it.

MS CAHILL: What are the documents there that you have identified?

40 MR BOSSI: That letter to Mr Connolly that you referred to previously that outlined the changes was the primary one.

MS CAHILL: What else did you see?

45 MR BOSSI: Changes to the casino.

MS CAHILL: What else?

MR BOSSI: That was the primary one I looked at, I've got to say, and I've looked at

--- there was the letter of the submission and I believe there was a letter of approval as well that came with it from the ---

5 MS CAHILL: If we look at numbered paragraph 8:

Crown has not yet addressed this matter with any current or former Crown *personnel who were involved in the submission of the request.*

10 You say you certainly were not involved in the submission of the request?

MR BOSSI: No. I don't believe so.

MS CAHILL: You go on to say:

15

It's a matter of concern to Crown that there may have been a lack of candour *and transparency in its dealings with the GWC in making the request.*

See that?

20

MR BOSSI: Yes.

MS CAHILL: Are you making inquiries about that now?

25 MR BOSSI: We were in the process of, but in the last week I've been preparing for this, so I haven't had the time to pursue the followup.

MS CAHILL: But you're clear that you are not one of the people who exhibited a lack of candour or transparency, potentially, in dealings with the GWC in relation to that matter?

30

MR BOSSI: I don't recall that matter.

MS CAHILL: Your position is this, isn't it: there were never any such CUP transactions pursuant to the procedure by way of the amendment to the Casino Manual?

35

MR BOSSI: Yes, I believe that to be the case.

40 MS CAHILL: What investigations have you undertaken in that regard to substantiate that conclusion?

MR BOSSI: I've spoken to the cage team and the hotel team. The standard process for CUP was to have the transaction commenced at the hotel and then consummated at the cage. Neither of which said there were any transactions in that space. I asked the Departmental heads and they've investigated and gave me that answer, so I'm not --- I have some faith that they will tell me the right answers, but that's who I've asked.

45

MS CAHILL: Different topic here, Mr ---

5 COMMISSIONER JENKINS: Before we move on, so I understand it, can we actually go back to the email, Mr Preston's email and then your response to it, which is July 2018.

MS CAHILL: CRW.709.098.6940. Is that the one, Commissioner?

10 COMMISSIONER JENKINS: Yes. First of all --- Mr Preston, which is the page before, as I understand it. Reading that, Mr Bossi, Mr Preston says:

Happy to progress with the use of this facility. However, we will not be using *China UnionPay*.

15 When you read that, do you understand that what Mr Preston is saying is he is happy to have overseas patrons use credit card facilities at the Burswood Hotel or hotels to obtain funds on credit, which they then use for gambling on the casino floor, but as long as they're not --- the organisation providing the credit isn't China UnionPay?

20 MR BOSSI: Reading that now, that's how I'd interpret it.

COMMISSIONER JENKINS: Then we go to your response.

25 MR BOSSI: Yes. Mine was a particular reference to China --- yes, my response was a particular reference to China UnionPay, was the message.

COMMISSIONER JENKINS: You say "this is the same message I delivered".

30 MR BOSSI: I understand that but ---

COMMISSIONER JENKINS: There are two parts to Mr Preston's message.

35 MR BOSSI: I agree, and that's why I said reading it now, I see the two parts of the message. My message to the team was no China UnionPay. So I poorly worded the email.

40 COMMISSIONER JENKINS: Indeed, when you look at Mr Preston's response to you, he says he thinks they will be looking to use other cards, not CUP. I'm not quite sure how the tenor of this exchange is consistent with what your evidence is, that you didn't want the process to occur at all.

45 MR BOSSI: China UnionPay, specifically, was the card and the process that I was particularly focused on. At the time in 2018, there were discussions around restrictions or other transactions relating to movement of money in and out of China, and this looked to be a vehicle to facilitate that. I was specifically concerned with CUP in terms of how that looks.

COMMISSIONER JENKINS: Not just how it looks ---

MR BOSSI: No, but the process.

5

COMMISSIONER JENKINS: But if other credit providers are being used, the effect is the same, isn't it? It's just not China Union?

MR BOSSI: I don't know if it was the same, it was just --- China UnionPay was the particular card I was focused on.

10

COMMISSIONER OWEN: That's because of the very high monetary limit, is that what you said?

MR BOSSI: It was the high monetary limit and the fact that it was related to Chinese transactions with money (unclear) specifically.

15

COMMISSIONER JENKINS: No matter who the credit provider is, it would still --- if Chinese patrons were allowed to do it, or any patron, it would disguise the fact they were using that money for gaming?

20

MR BOSSI: Reading it, yes, it could.

COMMISSIONER JENKINS: That was the purpose of it, wasn't it?

25

MR BOSSI: Yes, it looks that way. Yes.

COMMISSIONER JENKINS: Thank you, Ms Cahill.

COMMISSIONER OWEN: Ms Cahill, I am a bit concerned about the time.

30

MS CAHILL: Yes, certainly. I am too. I have three more questions.

Mr Bossi, have you ever extended or approved the extension of credit to a domestic player to gamble at the Perth Casino?

35

MR BOSSI: Domestic being Perth or interstate?

MS CAHILL: Either.

40

MR BOSSI: I don't recall doing that. International, yes.

MS CAHILL: Have you ever allowed or approved permission for a patron to exceed the limits --- a domestic patron to exceed the limits of a cheque cashing facility whilst gambling at the Perth Casino?

45

MR BOSSI: Yes.

MS CAHILL: Which is, in effect, granting them credit, you'd agree?

5 MR BOSSI: My understanding of a cheque cashing facility was that it was --- when I was given advice, it was not deemed --- it wasn't discussed as credit, from my perspective. When I first arrived here and cheque cashing facilities were advised to me, it was an appropriate form of accessing cash at the time.

10 MS CAHILL: Whose cash?

MR BOSSI: The customer would give us a cheque and we'd allow them to ---

MS CAHILL: Up to a limit?

15 MR BOSSI: Up to a limit, yes, an agreed limit.

MS CAHILL: Have you ever allowed them to exceed the limit whilst they're gaming in the casino?

20 MR BOSSI: On their request, yes.

MS CAHILL: So you've granted them credit?

25 MR BOSSI: I didn't think about it in those terms, given the cheque cashing facility is an approved form of transaction.

MS CAHILL: Nothing further, Commissioner.

30 COMMISSIONER OWEN: Mr Bossi, we will finish your evidence today but I think it appropriate that we take a short break to give you a rest, so we'll take 10 minutes.

**ADJOURNED** **[3:45p.m.]**

35 **RESUMED** **[3:55p.m.]**

40 COMMISSIONER OWEN: Thank you, Mr Bossi. As Commissioner Jenkins said earlier this morning, counsel for other parties now have an opportunity to ask ---

MR BOSSI: Can I just return to a response that I made on cheque cashing facilities? Can I correct a comment?

45 COMMISSIONER OWEN: You certainly can.

MR BOSSI: The process is a customer requests an extension of credit onsite through a number, I think it's line 14 of our cheque cashing facility documentation. That then comes to me. I approve that request for an extension from the customer. Then the

customer goes to the cage to get a CPV which they then take to the table. So the customer signs two or three documents and also asks or requests for the extension in the first instance. So it's to that extent I approve a request for an extension first.

5

MS CAHILL: But what are they approving? The delivery of money from their bank account or the extension of credit from Perth Casino?

10 MR BOSSI: A cheque is a document that is a commitment and we hold the cheque similar to cash.

MS CAHILL: When it's exceeded, where does the money come from for the immediate availability of those funds to the patron?

15 MR BOSSI: Tied to the cheque that the customer signs, which we then account.

COMMISSIONER JENKINS: They then sign a fresh cheque?

20 MR BOSSI: Typically, it will be that and a CPV request.

COMMISSIONER JENKINS: What is a CPV?

MR BOSSI: It's a chip purchase voucher that allows them chips to play.

25 COMMISSIONER MURPHY: But they've signed a cheque for the amount?

MR BOSSI: Yes, they have.

30 COMMISSIONER MURPHY: There's no additional amount beyond the cheque value?

MR BOSSI: No, there is an amount that they --- they can only go to the limit of the amount that's been approved.

35 MS CAHILL: I will get a real life example. Somebody has got a \$50,000 cheque cashing facility limit with Perth Casino and they're in the middle of gambling at a table and they reached their \$50,000 limit. They've lost \$50,000 and they have no more chips left to play with and they want an increase in the facility limit while they're playing, so they want to immediately continue.

40

MR BOSSI: The same facility, yes.

MS CAHILL: What happens?

45 MR BOSSI: They will request more, they will sign a document to get that, sign a document that outlines what they were --- the amount they are looking to extend to and then I'll approve that extension.

MS CAHILL: Where does the money come from to buy them more chips to the value of the extension?

5 MR BOSSI: Either the cheque they signed, is what typically occurs, or the casino will provide them the money.

MS CAHILL: If the casino provides them with the money, that's an extension of credit, isn't it?

10

MR BOSSI: Within that program, it could be deemed that, yes.

MS CAHILL: Well, it is, isn't it?

15 MR BOSSI: Yes.

MS CAHILL: I beg your pardon?

MR BOSSI: Yes.

20

MS CAHILL: Thank you.

COMMISSIONER OWEN: Does anyone seek leave to cross-examine? Mr Power.

25 MR POWER: Commissioner, thank you, yes. I have been allocated the first day, so I will take it, if you don't mind.

**CROSS-EXAMINATION BY MR POWER**

30

MR POWER: Mr Bossi, I want to clarify some aspects of what you say ---

COMMISSIONER OWEN: Could you just remind us who you represent?

35

MR POWER: I'm sorry, yes. I did introduce myself to Mr Bossi earlier. I am for Maryna Fewster.

MR BOSSI: Yes.

40

MR POWER: Thank you. Mr Bossi, I want to clarify something which you say in paragraphs 57 and 70 of your witness statement. I'll bring up paragraph 57 on the screen now so you can see that. We know from paragraph 8 of your statement that you were appointed to the position of Chief Executive Officer of Crown Perth on 9  
45 December 2020. Following that, there were two board meetings, one on 16 April 2021 and then 17 June 2021. That's correct, isn't it?

MR BOSSI: That sounds correct, yes.

04:00PM

MR POWER: You had not held the position of Chief Executive Officer prior to your appointment on 9 December 2020 in any organisation had you?

5 MR BOSSI: No.

MR POWER: The last six months of your role as Chief Executive Officer you have described as a transition. Did you find it challenging?

10 MR BOSSI: The last six months has been extremely challenging.

MR POWER: Is part of the reason for that the number of senior executives and other key personnel who have resigned?

15 MR BOSSI: Yes.

MR POWER: And, as a result of those resignations, a loss of support for you in your role?

20 MR BOSSI: There was a material amount of support lost, yes. They were key roles.

MR POWER: Would you accept that in the last six months since your appointment as the Chief Executive Officer, you have been doing some learning on the job?

25 MR BOSSI: Required to do the learning as a result of the lack of some elements of support, but also as a result of some of the new people who have arrived and the skills they've supplied has also been helpful.

MR POWER: In paragraph 57 you refer to some regular contact with Ms Fewster.  
30 Do you recall an occasion when Ms Fewster spoke to you about the need to get board packs out to the Burswood Ltd board about a week before the meetings of that board?

MR BOSSI: I do recall those conversations.  
35

MR POWER: Do you recall initially resisting that but then going back to her after speaking to a Ms Bronwyn Weir and agreeing that the board packs needed to go out at least a week before the board meeting, so the board would have time to digest the contents?  
40

MR BOSSI: I don't know if I'd term it resisting because of the --- at the time that you --- I'm not sure the specific date you're talking about, but that is a period of time where we lost --- well, we lost --- Ken Barton resigned, John Poynton had stood down as chair of the board, we've had a series of inquiries called, two called in particular. So my discussion with Ms Fewster would have been, "We will try our best to get them out early." If that's deemed resistance, then that's resistance. The intention was to get them out earlier than we could. But because the source of the board papers was a number of staff members, or a number of people both here and in  
45



Melbourne, because of the skill set we're talking about in the agenda items, that was the challenge we had with an inquiry on foot in Melbourne as well.

5 MR POWER: Whether you call it resistance or not, is it the case that you went to Ms Bronwyn Weir, spoke to her and then went back to Ms Fewster and agreed they should go out a week before?

10 MR BOSSI: Ms Bronwyn Weir was a very new recruit and I hadn't met her before and she was recruited to be the secretary of the organisation, so I needed to have a conversation with her. I agreed --- I certainly returned to Ms Fewster and said we will agree and we're working our best to get them out earlier.

15 MR POWER: Was one of the matters about which Ms Fewster spoke to you the need to have a 'matters arising' section in the board pack, so ongoing matters could be tracked as they progressed?

MR BOSSI: That was one of her comments.

20 MR POWER: Those two pieces of advice Ms Fewster gave you, would you regard them as helpful in you doing your job as the CEO, not having done that role before?

MR BOSSI: Yes, Ms Fewster was helpful in that sense.

25 MR POWER: Are they the sorts of improvements to the board packs you speak about in paragraph 70 of your witness statement?

MR BOSSI: Can I go to paragraph 70, please?

30 MR POWER: Yes. Bring up paragraph 70, please.

MR BOSSI: Yes, Ms Fewster's feedback, particularly at the April meeting, was very valuable in assisting in improvement for the June meeting, and we'll continue to develop that.

35

MR POWER: In the other discussions you had with Ms Fewster, did she from time to time call you to get confirmation from you about information she had read in media publications and ASX announcements concerning the Crown Group and what was happening in the Crown Group?

40

MR BOSSI: She did call me, as I would call her as well, about the updates. I wasn't aware she wasn't on the ASX releases at the time as well, but I don't believe --- she may have missed a few of them. We certainly got her on and, where possible, I tried to discuss with her in advance.

45

MR POWER: Do you recall her pressing you between February and April of 2021 for a board meeting?

04:05PM

MR BOSSI: Yes. We both agreed we had to get that board meeting happening as quick as we could.

5 MR POWER: Do you recall her pressing you in around the same period for some meetings with Allens, the solicitors, so she could get an update on what was happening with this Royal Commission?

MR BOSSI: Yes.

10

MR POWER: Are these examples of the sort of information a nonexecutive director might expect to receive, in your opinion, to do her job properly?

15 MR BOSSI: At the time the volume of information passing through the organisation across multiple fronts, whether it was inquiry related, whether it was remediation related, whether it was various aspects of what we were confronting, it was changing dramatically and, yes, absolutely, it would have been helpful for her in her function.

20 MR POWER: It's the sort of information which might be received by such a director in the course of a board meeting if and when they occurred, isn't it?

25 MR BOSSI: It would be. I was working to try and keep her updated as much as possible. To the extent I may have fallen short, I fell short. But I did give a lot --- I tried to call her on a regular basis to try to keep her informed.

MR POWER: If the Commission pleases.

COMMISSIONER OWEN: Thank you, Mr Power. Any other applications?

30 MR EVANS: Can I just clarify one matter in relation to the questions Ms Cahill put in relation to electronic gaming machines?

COMMISSIONER OWEN: Yes, Mr Evans.

35

**CROSS-EXAMINATION BY MR EVANS**

40 MR EVANS: Mr Bossi, I act for the Gaming and Wagering Commission. Can I just ask you a couple of questions, so the Commission can be in no doubt as to what the evidence is in relation to the application which Ms Cahill took you to to change the rules in relation to electronic gaming machines which were made in March 2019.

MR BOSSI: Yes.

45

MR EVANS: Do you recall those questions?

MR BOSSI: Some of those questions.

MR EVANS: That application was approved in part in the middle of 2019, was it not?

5 MR BOSSI: Was it in July?

MR EVANS: Yes. For the Commission's reference, the relevant board meeting is a meeting of the Gaming and Wagering Commission held on 23 July 2019. The document is GWC.0002.0016.0285, page 2 at item 5.3. That lead to an amendment to the Western Australian Appendix to the Gaming Standards, did it not? You may be familiar that in order to effect the change, a change to the Gaming Standard is actually required?

15 MR BOSSI: Yes.

MR EVANS: For some reason, Commissioners, I haven't been able to find it on the database. There is a September 2019 amendment to the appendix. If it doesn't exist, we will ask for copy to be tendered separately.

20 COMMISSIONER OWEN: Thank you, Mr Evans.

MR EVANS: The effect of the amendments which were approved were these, weren't they: first, the reduction in the return to player was not supported? You're nodding. Perhaps you could ---

25 MR BOSSI: Sorry. Correct.

MR EVANS: Correct?

30 MR BOSSI: Yes.

MR EVANS: So the return to player remained at 90 per cent?

35 MR BOSSI: Yes.

MR EVANS: The standard game play time remains five seconds, as a minimum? Again, without any enhancements ---

40 MR BOSSI: Without any enhancements, yes. Without any of the features, yes.

MR EVANS: A reduction to three seconds was supported only if they were additional features in the game?

45 MR BOSSI: What do you mean by additional features?

MR EVANS: That is, there's a free game or there's something else, the effect of

which is to extend the effective play time beyond three seconds?

MR BOSSI: Yes, that's my understanding.

5

MR EVANS: The reason there's an extension of the effective game time is because those additional features require additional player interaction in order to initiate them?

10 MR BOSSI: I don't know if that's the specific reason but the features do start and they play and it takes a lot of additional time when the customer gets to that element of the game.

MR EVANS: There are two elements of certification which you provide to the  
15 Gaming and Wagering Commission. Crown Casino certifies on a periodic basis the return to player?

MR BOSSI: Yes. The speed of play.

20 MR EVANS: Across each game and across all the games?

MR BOSSI: Each six months, yes.

MR EVANS: The type of reports you provide, I haven't found the latest one, but  
25 they're provided to the Commission and appear in the Commission's agenda packs. For the year ended 31 December 2018, the relevant agenda pack is GWC.0002.0016 .0268. Can I take you to page 90 in that agenda pack. This is signed by you, Mr Bossi. Do you recognise this letter or this type of letter?

30 MR BOSSI: Yes.

MR EVANS: I should indicate that there are indications of confidentiality in the  
information which follows, so perhaps we could make this desktop only. I don't  
35 know whether my friend Mr Dharmananda, wants to make a not for publication request.

So you use a third party certifying organisation to run game tests, game time analysis?

40 MR BOSSI: Yes.

MR EVANS: If you can page down to the next page, one can see on that page, can  
one not, the analysis of the games actually recorded against each machine, the  
turnover of that machine, the revenue derived and the return to player as a  
45 percentage?

MR BOSSI: Yes.

MR EVANS: If one runs down to the end, there is a sum or figure which appears on page 93 across the totality of all the games for the relevant period. Can I just take you --- you talked to Ms Cahill about the question of volatility and that's what --- so  
5 the Commission can understand what that is, can we take you to page 98. Could the chart perhaps be blown up. You obviously have a very good grasp of the statistics in relation to this, Mr Bossi.

10 MR BOSSI: Some grasp.

MR EVANS: As I understand what that chart demonstrates, it illustrates the return to player, depending upon the number of games played; that is, as a matter of statistics, the more times you play, the closer to the mean you should arrive?

15 MR BOSSI: Correct.

MR EVANS: When you responded to some questions from Ms Cahill about individual player volatility, you were talking in terms of a number of games an individual player would play ---

20 MR BOSSI: Correct.

MR EVANS: --- in a relatively short period?

25 MR BOSSI: Correct.

MR EVANS: What this chart shows is the number of games that could be played overall, in fact 10 million games against a particular machine, and a convergence around the target payout rate of 90 per cent ---

30 MR BOSSI: Yes.

MR EVANS: --- as a result?

35 MR BOSSI: Yes.

MR EVANS: So if you played very few games, it could vary between 85 and 95 per cent. But the more games you play, the more you converge upon the target; is that correct?

40 MR BOSSI: Yes.

MR EVANS: I understand there's a second certification and I'm not sure whether it has been provided yet. I've only seen reference to it. But you retained external testing laboratories to actually validate the play time? You recall that?

45

MR BOSSI: The speed ---

MR EVANS: The speed of play?

MR BOSSI: I did, yes.

5

MR EVANS: You wrote to the Commission in relation to that on 7 December 2020 for the approval of testing methodology?

MR BOSSI: Yes.

10

MR EVANS: The reference is in the Commission's board pack GWC.0002.0016.0236 at pinpoint 116. I won't take you through that but that's a letter which explains the methodology to be adopted and the two testing laboratories, one of which is the testing laboratory, I understand, used by Crown Casino, that is BMM Testlabs?

15

MR BOSSI: Yes.

20

MR EVANS: And one which is retained by the Gaming and Wagering Commission as its independent tester, which is Gaming Laboratories Australia?

MR BOSSI: Yes.

25

MR EVANS: Has that validation actually been undertaken at this stage?

30

MR BOSSI: Can I answer --- what we call the jet stream chart that you'd show, it actually shows with up to 8 million spins. There are games out there that do not normalise that sort of (inaudible). But 8 million, it sounds like a lot but some games don't stabilise until that level. The higher the volatility of a game, the longer it takes to normalise. So, just to get to that jet stream, like I said, 8 million looks a lot, but it is quite surprising how long it takes to normalise.

35

In terms of this process with --- I'm not sure we've received a response and whether this is an approved process, but we have asked our manufacturers to start to produce the games not with a 3-second minimum but with a 3.5-second minimum, so that we would --- in the event that it might get close to not hitting the mark, then we cover that.

40

What we did also find out in this process when we did talk to both accredited testing facilities is their underlying methodology is different. One used --- I think it was BMM used an auto playing methodology, whereas GLI used what they call a more human behaviour methodology. Based on what each of them did, the same game could be approved at, say, 5.2 seconds under BMM but under GLI it would be 6.5 seconds. So they've applied --- they're applying different testing methodology which actually, until we went through this process, no-one even understood. So as we're going through this process, we're trying to put a framework together that allows a regular testing regime both pre and post installation of the game. That's the background.

45

04:17PM

MR EVANS: At this stage, you don't know --- you haven't at this stage validated that the games are compliant with the pre-'19 approved standards?

5 MR BOSSI: I'm not sure of the background. I can't answer that question. I'm not sure.

MR EVANS: If you can't assist the Commission, there's no need to answer further, thank you. Thank you, Commissioners. I have no further questions.

10

COMMISSIONER OWEN: Thank you, Mr Evans.

MS SEAWARD: Commissioners, I seek leave to ask questions on two topics.

15 COMMISSIONER OWEN: Yes, Ms Seaward.

### **CROSS-EXAMINATION BY MS SEAWARD**

20

MS SEAWARD: Mr Bossi, I act for the Department of Local Government, Sport and Cultural Industries. Can I take you to paragraph 157 in your statement. While that comes up, this portion of your statement deals with your recent involvement in the Problem Gambling Support Services Committee?

25

MR BOSSI: Yes.

MS SEAWARD: I understand you have recently joined the committee?

30 MR BOSSI: Yes, I have.

MS SEAWARD: You have only attended two meetings this year; is that correct?

MR BOSSI: Correct.

35

MS SEAWARD: Prior to attending the first meeting, which was on 27 May this year, were you aware of the different programs that were funded through the committee?

40 MR BOSSI: Aware of them but until I got into the committee, I probably didn't understand them as well as I should have understood them.

MS SEAWARD: Going into that first meeting, was it still at the stage where you were still learning exactly what programs had been funded and the processes the committee followed?

45

MR BOSSI: I learnt to understand what the committee was endeavouring to achieve,

because I'd never been part of the committee before. We had a number of conversations on what is that role, what is the plan and tried to see where each of the respective members were. I hadn't met anybody in --- I hadn't met most of the people in the room, not everybody, but most of the people in the room.

MS SEAWARD: You comment in your witness statement that the committee hadn't met for a period of time, and that's two years beforehand?

10 MR BOSSI: It surprised me when I found out, yes.

MS SEAWARD: During the course of the first meeting, was part of that reason revealed to be COVID-related reasons?

15 MR BOSSI: That is --- there was --- I don't recall the reasons for it, but it would be fair to assume that COVID would have disrupted whatever the meeting schedule was.

MS SEAWARD: Did you understand that even though the committee had not met for that period of time, the funding of the programs had, nonetheless, continued over that 2-year period of time.

MR BOSSI: Yes, yes.

25 MS SEAWARD: So the programs were still occurring?

MR BOSSI: They were still occurring, yes, but the committee hadn't met and I wasn't sure what the committee, when I got there, was planning to do.

30 MS SEAWARD: Part of the consideration at that first meeting was the previous strategic plan for the committee?

MR BOSSI: Yes, that was provided.

35 MS SEAWARD: Yes, and that strategic plan was 2017 to 2020, originally, but it had been extended by a notary resolution in the previous year to go to June 2021 until the committee ---

MR BOSSI: I understand that to be the case, yes.

40

MS SEAWARD: One of the tasks of the committee is to now consider a new strategic plan, going forward?

MR BOSSI: Yes.

45

MS SEAWARD: By the time you went to the second meeting, in your statement you say that greater detail was provided to you about the various programs?

MR BOSSI: Yes.



MS SEAWARD: In that meeting, which was on 1 July; is that correct?

MR BOSSI: Sounds about right.

5

MS SEAWARD: So recently?

MR BOSSI: Yes, yes.

10 MS SEAWARD: So the different programs that have been funded were discussed and there were some annual reports for those various programs provided?

MR BOSSI: Yes, put statistical analysis as well and a few other bits and pieces, yes.

15 MS SEAWARD: So we've got the Problem Gambling Helpline?

MR BOSSI: Yes?

20 MS SEAWARD: Which is the telephone counselling service provided by Medibank?

MR BOSSI: Yes.

25 MS SEAWARD: The Gambling Help Online, which is the national online counselling service, correct?

MR BOSSI: Yes.

30 MS SEAWARD: Then there's the Gambling Help WA, the face-to-face counselling done here by Centacare?

MR BOSSI: Yes.

35 MS SEAWARD: During the course of that meeting, there was a discussion about the number of tasks the committee is going to work on going forward?

MR BOSSI: Yes?

40 MS SEAWARD: One of those is the development of a terms of reference?

MR BOSSI: Yes?

45 MS SEAWARD: That's something you stated in your statement that you were keen to see?

MR BOSSI: Yes, myself and Lotterywest were as well.

MS SEAWARD: The second meeting also talked about looking at any communication and advertising plan for the problem gambling awareness campaign?

5 MR BOSSI: Yes. Well, awareness is critical in achieving, I think what we're try to go achieve here.

MS SEAWARD: Thank you for that. If I could get you to look at paragraph 217 of your statement. In this paragraph, if you go midway down the paragraph, it  
10 commences:

I'm aware the Department on at least one occasion has held an event at Crown.

15 You state there that the transaction is being undertaken by the relevant conventions sales team. By an event held at Crown, are we talking about an event where the Department has hired out, through the standard sales team, one of the rooms at the centre to hold an event?

MR BOSSI: That's what I've been recently advised. We have held Commission  
20 meetings at Crown on occasion, but I didn't deem that to be the same.

MS SEAWARD: Were you given any information about what that event was?

MR BOSSI: No, I wasn't.  
25

MS SEAWARD: You're not suggesting in there that it's anything other than the Department acting as another entity who can come and hire the centre for ---

MR BOSSI: Absolutely. The point of the exercise was convention sales team is at  
30 arm's length and it was an appropriate transaction that we'd expect them to have as a hiring entity.

MS SEAWARD: Thank you very much. No further questions.

35 COMMISSIONER OWEN: Are there any other applications?

MR DHARMANANDA: Yes.

COMMISSIONER OWEN: Mr Dharmananda.  
40

**CROSS-EXAMINATION BY MR DHARMANANDA**

45 MR DHARMANANDA: Mr Bossi, it's been a long day. I hope not to be too long with you. You mentioned in your witness statement about a change in the business strategy of Crown Perth at paragraphs 52 and 53. You speak about the four pillars of change in respect of that strategy. Can you explain how that strategy came about and

what led to its development?

MR BOSSI: 2016 was a tough year economically. All the statistics were poor.  
5 There was very clear directions that we were going to or we were asked to reduce costs, which meant staff members' jobs. I think it was early '17 I was asked by a senior member of our executive team whether we needed my job, which is a shock, but my response was that's a matter for a senior member to decide, rather than myself. So the world changed from that point from the organisational perspective.  
10 What we decided was - where we were going to change our direction was we wanted better strategic alignment. As a business, to save as many jobs as we could, and reposition the business, we've had to succeed as a team.

Two key areas we focused on was strategic alignment and leadership development.  
15 Leadership development became a core priority for us. We established an executive subcommittee, which was information we garnered from CEO Women, off what one of the banks was doing, and we established --- we put together our leadership team, two-thirds female one-third male, to develop leaders of the future and let them take on some of the decision-making responsibility the executive team had, so they would  
20 understand what that meant. It helped us break down business silos, so now businesses and the team would work together to understand each other's business, so as to maximise the overall benefit for all. Collective responsibility became our mantra. From that, we had three runs of that, using our business operations team to develop all those leaders. So that became a real core for us.

25 The other core was we developed a meeting --- sorry, a project framework where we again chose leaders which extended to the business operations team that we discussed earlier, non-subject matter experts to lead those projects because they needed to understand --- to be open in questions, open up communications across the  
30 business and get initiatives growing across the business again.

We then aligned our business into initially fall within five key pillar themes and every business unit created their independent strategies in line with those leaning up to where the corporate strategies were. It enabled us to simplify the business, it  
35 enabled us to simplify communication and it enabled us to start to develop a tied-up more consolidated plan.

With that, we also started working on cultural development within the team. We introduced a training program that was the Mary Guber International, coming out of  
40 Qantas, to get a better service model in play. We introduced mindset training, we were undergoing a stressful time for staff; and resilience training to get the team in the right mindset to address what was going forwards and coming towards us. Recently we introduced psychological safety workshops for our leadership team. So it was all about let's get them in the right mindset to deal with the changes and  
45 challenges that we had, have the leadership team lined up accordingly, in terms of leading those terms and communicating better.

Communications is key for our business. We have 5,500 staff and over half --- about

half of them are born overseas and a vast majority of them don't have English as a first language, so communication becomes a key when you are building a service model for a customer that has very different views on service expectation and quality. They are inconsistent, our customers. We have 10 million individuals communicating or interacting with 10 of our staff, that's 100 million interactions a year. I've got 5,500 staff, about 30 per cent of which don't have English as a first language and we are asked to deliver a service that is seamless and five star in essence.

So there was a lot of work done over the last three to four years to reposition the entire organisation. Our marketing campaign shifted to a value proposition for all base staff, so we didn't focus on the high end customers, we focused on the masses. So the business strategy was completely divergent to probably where most casino thinking is. And I think it's a piece of work that has transformed the organisation and how we work together. That was --- and that's taken us three to four years to get there.

Culture shift doesn't happen easily but you need leadership, you need a clear plan, you need that cultural support to get to the outcome. I think the teams are very well aligned at the moment. So a significant shift in where the business has gone.

MR DHARMANANDA: Was that an initiative taken in Crown independently of Crown Resorts Ltd or Crown Melbourne?

MR BOSSI: Absolutely. This is not a framework that exists in Melbourne at all. It is about how we run the business, it's about how we develop our people. It is a team that works together, that is happy to speak up in all environments and I'm proud of where they are at.

MR DHARMANANDA: Mr Bossi, you were asked some questions in relation to your interactions with Ms Fewster. What feedback has Ms Fewster given to you as an independent director in relation to your performance?

MR BOSSI: The feedback I have got from Ms Fewster has been positive. The communication and dialogue we've had, particularly over the last couple of months, has been open and easy to have in and clear in terms of what we were discussing. She has advised me that I'm doing a good job in the circumstances that are quite a challenge for us.

MR DHARMANANDA: You were asked by Counsel Assisting in relation to what Crown does in terms of giving work locally to Western Australian businesses and you gave a response. You are aware that there was also more formal material provided to the GWC or the Department?

MR BOSSI: Yes.

MR DHARMANANDA: If I can ask you to go to CRW.513.017.2951, this is a

letter written to Mr Connolly. It is written by Mr Felstead. At page 2953, at about the second arrow, you see there is a reference to benefits to the broader Western Australian economy, and the bullet below that indicates the amount of goods and services procured from the Western Australia businesses. Do you see that?

MR BOSSI: Yes.

MR DHARMANANDA: I think the figure that you mentioned in answer to questioning this morning was 800.

MR BOSSI: Yes.

MR DHARMANANDA: Is it between 800 and 1,000 businesses that Crown contracts with?

MR BOSSI: Yes, I understand that's where it is today.

MR DHARMANANDA: And then in the next arrow you will see a reference to the amount of the procurement that takes place within the state of Western Australia. Do those figures there, once you look at them, accord with your understanding?

MR BOSSI: Yes, they do. Certainly food and beverage supplies have been consistently in the 80 per cent range over a number of years.

MR DHARMANANDA: And the procurement otherwise at 66 per cent, that's about two-thirds?

MR BOSSI: Yes. There are certain items that we can't source in Western Australia but certainly that's the scale of it.

MR DHARMANANDA: Thank you, Mr Bossi. Thank you, Commissioners.

COMMISSIONER OWEN: Thank you, Mr Dharmananda.

Are there counsel not physically present in the room who wish to ask Mr Bossi any questions?

MS SEAWARD: No, Commissioner, thank you.

COMMISSIONER OWEN: Commissioner Jenkins.

COMMISSIONER JENKINS: Can I ask you in relation to AML training, did you receive any AML training either before or when you became COO of the casino?

MR BOSSI: When I first arrived? COO? No. AML, back in - COO. Back in 2013, AML was not anywhere as progressed as it is today. A lot more training recently and far more familiar with it. Part of it has got to do with Mr Blackburn coming on

board, he is expert in his field. I've had online training, I've had what we call targeted training. So our key teams that deal with the customers in those area, whether that's gaming teams, security, cage, have specific targeted training from one  
5 of Mr Blackburn's team and then also as a board member we have further training around AML at that point. So I feel far more comfortable not only in the training but also in the fact that we have increased our resourcing significantly, both in terms of skills are outstanding I think, but also the number of people and we are still recruiting. So it is --- I think the crime and compliance team is significant now.

10

COMMISSIONER JENKINS: When did you first receive what I will describe as formal training, so either online training or actually instruction in AML/CTF programs and their implementation?

15

MR BOSSI: I can't recall but it wasn't that many years ago. 2017 maybe.

COMMISSIONER JENKINS: What would have been your first training?

20

MR BOSSI: First training in terms of?

COMMISSIONER JENKIL.

25

MR BOSSI: Probably at the beginning. At that time, online training, online. And I actually, from my perspective, through discussions with the legal team who had some AML responsibility, I actually probably got more out of the conversations, to be fair. I've found, even when I first arrived at Crown, you can have traditional induction but actually talking to team members probably gives you a lot more information and depth and allows you to ask questions one-on-one, so I found that was more effective than the training.

30

COMMISSIONER JENKINS: In respect of the Riverbank account, did it occur to you that the GWC should have been told that this was a bank account which the Perth Casino was using?

35

MR BOSSI: I wasn't aware whether they weren't or were aware. I think it's certainly something they had been told, yes.

40

COMMISSIONER JENKINS: But as COO, when you became the signatory of the account, it didn't occur to you that you had better tell the GWC about this operation account?

45

MR BOSSI: The bank accounts were traditionally run out of our cage and finance team, which went through to the CFO. And so I, to a degree, relied on the expertise of that team and the processes. They are still in line with the same process we are, in terms of GWC and compliance.

COMMISSIONER JENKINS: When you are talking about the CFO there, is that the CFO of the Burswood entities or of Crown Resorts entities or what level?

MR BOSSI: In '14 it would have --- I think it was the Perth entities at that time. In fact, it was the Perth entities at that time. And the CFO was on the executive team, was --- had as much engagement as I had with the legal team and would have had the compliance --- would have understood the compliance requirements. So I didn't  
5 proactively go there knowing that --- in hindsight, I should have, given what's occurred, but at the time I was relying on the CFO to ask those questions.

COMMISSIONER JENKINS: And the general manager of the cage reported to  
10 who?

MR BOSSI: At the time --- at the moment it's the CFO. But --

COMMISSIONER JENKINS: At that time?  
15

MR BOSSI: At that time I can't recall, but I think it was the CFO. But it could have been our EGM legal at the time.

COMMISSIONER JENKINS: Do I understand in answer to questions asked by Ms Cahill that no manager or employee in the cage at Perth Casino ever raised with you that they had suspicions of money laundering occurring at the Perth Casino?  
20

MR BOSSI: The cage would have gone through their CFO or CLO, as normal chain of command. So I don't recall.  
25

COMMISSIONER JENKINS: No, not what they would have done but -

MR BOSSI: I don't recall.

COMMISSIONER JENKINS: Never?  
30

MR BOSSI: I don't recall them raising that.

COMMISSIONER JENKINS: In the letter that was written to --- I think this was a letter you signed, to the GWC in respect of the change to the WA appendix to the EGM standards, there is a reference there to the "clear distinction" between EGM and poker machines. What's your understanding of the clear distinction?  
35

MR BOSSI: I think that was written by Mr Felstead, the letter, with the EGM submission.  
40

COMMISSIONER JENKINS: Just generally, what do you understand?

MR BOSSI: The distinction is what we call the delivery mechanism and how it spins in the plane of the screen itself.  
45

COMMISSIONER JENKINS: Sorry, say that again?

MR BOSSI: It's a delivery mechanism. So when you look at the game, they look very, very different to what a spinning reel does. A spinning reel spins fast. The appearance is materially different. You don't have truncation of credits. The pattern of singles, I believe, are different as well in terms of the way the game --- a lot of the games have worked. But certainly the appearance of the game is the most distinctive feature.

COMMISSIONER JENKINS: Now, do I understand your evidence to be ICB business at Perth Casino was primarily organised, managed and controlled outside of your chain of command, so to speak?

MR BOSSI: Yes.

COMMISSIONER JENKINS: And so in respect of our terms of reference, where we are directed to the findings of the Bergin Inquiry in respect to the facilitation of money laundering through the Riverbank and Southbank accounts, you say you knew nothing about that?

MR BOSSI: Until I saw the reports from --

COMMISSIONER JENKINS: And then in respect of ICB business, you would say you had nothing to do with the China-based staff and what they were doing?

MR BOSSI: I had no visibility of the China-based staff.

COMMISSIONER JENKINS: Because they were organising ICB business, if they were doing anything; would that be right?

MR BOSSI: Yes.

COMMISSIONER JENKINS: In terms of entering into and continuing commercial relationships with junket operators who had links to triads and other organised crime groups, you would say that was also ICB business that you had nothing to do with?

MR BOSSI: Those arrangements would have been signed centrally.

COMMISSIONER JENKINS: So what I want your opinion on, Mr Bossi, is this: is it in your view desirable that you, as COO of the Perth Casino, had no control over that part of the business which related to, nonetheless, Perth Casino?

MR BOSSI: It wasn't desirable. The way internally it was structured and managed is what I'm describing. But the process was a challenge.

COMMISSIONER JENKINS: And why was that?

MR BOSSI: Because it was --- it was managing --- from an operational perspective,



the communication flow needed to be probably better for us to actually operationalise some of those visits. It worked but it was patchy for us.

5 We would have --- we had a tournament or we had a large group of customers that came in, oftentimes it would be something like, say, a Chinese New Year, trying to manage those customers coming in, we were used to reasonable volumes but we didn't necessarily have a facility that was built to cater to that supply. So it became a challenge for us. And the information flow would often be late, not early. So I'm  
10 just --- if it was totally in the control of the environment, planning would have started a lot earlier and what have you. So it was a bit disruptive operationally.

COMMISSIONER JENKINS: You describe current changes in process to break down silos, business silos, as you have described it.

15

MR BOSSI: Yes.

COMMISSIONER JENKINS: Would you describe the ICB business when it was operating as a business silo that you did not have sufficient knowledge of?

20

MR BOSSI: Yes.

COMMISSIONER OWEN: Mr Bossi, I have only two questions for you. If you bring up the witness statement, paragraph 20, I appreciate that you say there you are  
25 a director on an interim basis. I appreciate that.

25

MR BOSSI: Yes.

COMMISSIONER OWEN: I'm interested in the last sentence of that paragraph -  
30 and this is something we will come to with other people later on, so I'm only asking you about your knowledge and discussions in which you might have been involved. Have you been involved in any discussions about the type of board of Burswood Ltd that would be most appropriate for the circumstances of Crown Perth?

30

35 MR BOSSI: There are a couple of ways I can answer this. Firstly, Ms Fewster and I in particular have had a number of conversations on what that board should look like in terms of composition, skills and domicile. The skill set that we have discussed has been - obviously we need some legal and risk capability, finance capability, business acumen, you want some integrated resort experience.

40

The independent board members that get applied, we would like some more Western Australian representation. The discussions I've had at a resorts level with Ms Coonan was - presented some names of potential people. I can't recall them at the moment, it was a few months ago, potential people who could sit on a resorts board  
45 as well that were from Western Australia to try to get better representation.

45

COMMISSIONER OWEN: This is Crown Resorts Ltd that you are talking about?

MR BOSSI: Yes. So that may well become --- in a world where you have got a two-board structure like we have with Perth and Crown Resorts, that person could sit on both those boards as well. So there has been some dialogue about that --- not a lot, I've got to agree. But part of the challenge on the interim process, it's a small board, I would like to have a few more on the board from Perth.

COMMISSIONER OWEN: Even in this interim period?

MR BOSSI: Yes. Well, the interim period is more about my position on the board. I feel as though - not feel as though - when I think about the boards that I am on, they - I have been placed on those boards due to the departure of people. The resort management board was - I was put on there because Mr Felstead resigned on 31 December and I was on on 1 January, so I got a rushed position in that space. There was discussion about we needed someone on. When you look at some of the other boards, a lot of them were 15 February, which coincided with Mr Barton leaving on 14 February.

So the interim position is I think there's a - the concept of interim is let's decide on what is the right framework of the board and then from there we can determine whether it's interim or permanent.

COMMISSIONER OWEN: You have had discussions with Ms Fewster about those issues?

MR BOSSI: Yes.

COMMISSIONER OWEN: Is it fair to summarise what you have said by saying that you have passed at least the tenor of those discussions on to Ms Coonan?

MR BOSSI: I have had some discussions, similar or more detailed to be honest with Ms Fewster because we do communicate fairly regularly. But I have forwarded names and had a - some cursory discussions more so with Ms Coonan.

COMMISSIONER OWEN: Thank you. My other question, I hope what I'm about to say is an accurate reflection, a reasonably accurate reflection of what you said in answer to some questions from Ms Cahill, so please correct me if I'm wrong. You remember at one stage, Ms Cahill asked you some questions about in your period as COO, how you saw your accountability as to the boards of the various companies. I think you said you felt more accountable to the CRL board than you did the Burswood limited board?

MR BOSSI: As COO?

COMMISSIONER OWEN: As COO.

MR BOSSI: As COO, I had more visibility of the Burswood Ltd board. I was attending those meetings, I knew the participants of those meetings, whereas a lot of

resorts board, I had never met before. But as part of our business process and our business planning process, we did go through a scenario where we made presentations to members of the CRL board. So there were certain members in that area that I felt some obligation to because of the business planning process and the financial side of the business. But most of those were common members.

Mr Alexander was on both the Burswood board and the resorts board, Mr Johnson at the time was also in those meetings, he was on both boards. And also I present to Mr Felstead and Mr Barton, so there was some --

COMMISSIONER OWEN: Do I take it from that that when you used the word "accountable", you weren't using that in the strict sense but rather an obligation to correspond with the --- to discuss with people with whom you were not as familiar?

15

MR BOSSI: Yes.

COMMISSIONER OWEN: Then as part of that same exchange, you said that, and the note I took was that over time in relation to strategic planning, the nature of your interactions changed and you became - there were better discussions with the Burswood Ltd board. Do you recall saying that?

20

MR BOSSI: Over time? Can you --

COMMISSIONER OWEN: Over time, in relation to strategic planning, the nature of the interactions changed and you had better discussions - that's the note I took - with the Burswood Ltd board. I'm just wondering, if that's an accurate reflection of what you said, what you meant by the change over time?

25

MR BOSSI: The interaction I had with the two boards was very limited, certainly, in that COO role. Certainly the CRL board, there were only certain members that I interacted with. As time passed, I formed a better relationship with the members of the Burswood board and so the communications we would have certainly, whether it was CEO reports or what we were doing, I felt like I was contributing more to the discussion of where we were going. I didn't present to the CRL board at all until earlier this year, if that makes sense.

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COMMISSIONER OWEN: Thank you very much, Mr Bossi. Do you have anything, Ms Cahill?

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MS CAHILL: No.

COMMISSIONER OWEN: Mr Bossi, I know it's late and this is a very tiring process but, as you sit there now, is there anything else you would like to say to us? It is an invitation to you. I'm not suggesting there is anything.

45

MR BOSSI: No. Thank you for your time. It's - it's been a tough time for all of us.

And really for me it's the team on the ground that's the one that's bearing a lot of burden as well, that a lot of people don't see. They work hard, they - 5,500 staff who live in many instances from pay cheque to pay cheque, they love what they do, they  
5 love their family, they go and eat barbecues with friends. And it's about them as well, the decisions we take. And they - they mean a hell of a lot to me as their leader. They are what we are about. We are a human business that lives by our values to deliver an experience to our - not only our customers but also our employees. There are a lot of back of house people that work together to provide  
10 support and the frameworks that we put in place.

One of the things about the way we work here, one of the challenges we have is the framework we are asked to operate under. We are talking about our relation to the Gaming Commission and the Department. But for us to operate, we deal with  
15 WAPOL and about six different arms of WAPOL, to be honest. We deal with AFP, we deal with AUSTRAC, we deal with Department of Health, we deal with the town of Vic Park. The framework that exists that we hold together across the state, with multiple departments - there is something like, if I recall it correctly, I'll probably get it wrong - there are 50 or 60 different authorities that we are required to deal with to  
20 not only be compliant but to provide the service and the offering that we provide to the community and to our staff. And that - that's the framework I think that also needs to get into context. How do we get to the right framework? We somehow are the linchpin for a lot of that. I don't know if that's the right way the framework gets set up, I think it's a real challenge for us to look at. And our teams work  
25 independently with each of those groups to try and get to an outcome to deliver a result.

And I'll give you an example, something as simple as what we decided with the Pearl Room to go non-smoking, I ended up meeting with WorkSafe, Department of Health,  
30 the Department, the Gaming and Wagering Commission and the ministerial approval we are going to have to get, that's just to do something that is positive for the customer. And it's a tough time for us.

COMMISSIONER OWEN: All right. Mr Bossi, thank you very much, your  
35 evidence has been of assistance to us. There may be some tidying up to do, so we will leave the summons in place. But you are free to go with our thanks.

MR DHARMANANDA: Commissioner, in light of the fact Mr Bossi has not been  
40 released, we may need to speak with him on other things. And I assume that --

COMMISSIONER OWEN: That's appropriate, yes.

MR DHARMANANDA: Thank you.

45 COMMISSIONER OWEN: Alright, we will adjourn and resume at 10.00 am tomorrow.

**HEARING ADJOURNED AT 4.57 PM UNTIL 10.00 AM, THURSDAY,  
5 AUGUST 2021**

## **Index of Witness Events**

MR LONNIE DEAN BOSSI, AFFIRMED	P-1902
CROSS-EXAMINATION BY MS CAHILL	P-1903
CROSS-EXAMINATION BY MR POWER	P-2010
CROSS-EXAMINATION BY MR EVANS	P-2013
CROSS-EXAMINATION BY MS SEAWARD	P-2018
CROSS-EXAMINATION BY MR DHARMANANDA	P-2021

## **Index of Exhibits and MFIs**