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**PERTH CASINO ROYAL COMMISSION**

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**PUBLIC HEARING - DAY 22**

**10.01 AM THURSDAY, 05 AUGUST 2021**

**COMMISSIONER N J OWEN**

**COMMISSIONER C F JENKINS**

**COMMISSIONER C MURPHY**

**HEARING ROOM 3**

**MS PATRICIA CAHILL SC and MS KARESS DIAS as Counsel Assisting the Perth Casino Royal Commission**

**MR JOSEPH GARAS SC and MR JESSE WINTON 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 as Counsel for the Department of Local Government, Sport and Cultural Industries**

**MR NICHOLAS MALONE as Counsel for Mr Michael Connolly**

COMMISSIONER JENKINS: Now, Mr Marais, would you like to come forward, please. Please take a seat.

5 Mr Marais, the purpose of this discussion is to inform you how proceedings are going to proceed today. I understand that you are unrepresented.

WITNESS: Yes.

10 COMMISSIONER JENKINS: But you have had the opportunity to take legal advice about today's proceedings?

WITNESS: Yes, I have.

15 COMMISSIONER JENKINS: I will inform you of the process today. First you will be asked to take an oath or an affirmation. Once you have done that, I will then ask you to identify the statement which I believe you have made at our request.

WITNESS: Yes, Commissioner.

20

COMMISSIONER JENKINS: And I will ask you to confirm that its contents are true and correct. Once that has been done and you have made any changes you want to make, it will be tendered and become part of the evidence in the Commission.

25 Once that has occurred, Ms Cahill will ask you some questions. Once she has concluded, other parties in the Commission will be asked to ask you questions. When they rise, they will identify the party for whom they act. After that has occurred, the Commissioners may ask you questions. At the conclusion of that process I believe Ms Cahill will be asked if she has any questions arising and that will be the process  
30 today.

During questioning, I just want to make it clear to you that if you don't understand a question, you need clarification about it, you can't hear counsel, any of those matters, you just let us know and we will accommodate your desire in that respect. It is  
35 important that you give your evidence clearly and in response to questions. So if you don't understand the question, please let us know.

Similarly, in respect of documents, if you need to see a document in order to answer a question, then please ask to be able to see that document. We don't want you to  
40 guess or speculate about matters so if you need further information, let us know. In respect of the timing today, we have a morning tea break, we have a lunch break, but if at any time you need a break, again let us know and we will arrange that.

Is there anything else you would like to know before we commence?

45

WITNESS: No, thank you, Commissioner.

COMMISSIONER JENKINS: Thank you. Please stand and state your full name.

**MR CLAUDE MARAIS, SWORN**

5

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

Could Mr Marais be shown his statement, CRW.998.002.0024.

10

Mr Marais, does that appear to be the statement you've made at the request of the Commission?

MR MARAIS: Yes, it does, thank you, Commissioner.

15

COMMISSIONER JENKINS: And is there anything in that statement which you would like to alter, change or add at this time?

MR MARAIS: Yes, thank you, Commissioner. I would like to correct at paragraph 146b(ii), there is a date there, Commissioner, "24 November 2020". The correct date is "27 October 2020". My apologies, Commissioner.

20

COMMISSIONER JENKINS: That amendment will be made. And is there anything else, Mr Marais?

25

MR MARAIS: Commissioner, I understand that in respect of two annexures there has been communications to the Commission in regards to a non-production order. I believe those annexures are CM-4 and CM-5. Thank you, Commissioner. Nothing further.

30

COMMISSIONER JENKINS: So was the request that there be a non-publication order in respect of those two?

MR MARAIS: Yes, my apologies, non-publication order.

35

COMMISSIONER JENKINS: Then we will at least until further order make a non-publication order in respect of those two annexures.

MR MARAIS: Thank you, Commissioner.

40

COMMISSIONER JENKINS: Other than that, is the contents of your statement true and correct to the best of your knowledge and belief?

MR MARAIS: Yes.

45

COMMISSIONER JENKINS: Then the statement becomes an exhibit in these proceedings.

10:07AM

Thank you, Ms Cahill.

5 **CROSS-EXAMINATION BY MS CAHILL**

MS CAHILL: Thank you, Commissioner Jenkins.

10 Mr Marais, you've been with Crown Perth since 2007, haven't you?

MR MARAIS: Yes.

15 MS CAHILL: And you've been in the role of general manager of legal and compliance for Crown Perth since 2010?

MR MARAIS: Yes.

20 MS CAHILL: I understand from paragraph 17 of your witness statement that although you remain in that role currently, it is in effect going to be split into two roles, legal on the one hand and compliance on the other, and you will retain the legal services function but not the compliance function; is that right?

MR MARAIS: Yes.

25 MS CAHILL: In terms of your reporting line, do I correctly understand from your witness statement that until his departure from the Crown Group in 2020 you reported to Mr Preston?

30 MR MARAIS: Yes.

MS CAHILL: And had mainly done so up to that point?

MR MARAIS: Yes.

35 MS CAHILL: And you now, after his departure, report to Group General Counsel Ms Ivanoff?

MR MARAIS: Yes.

40 MS CAHILL: That's a Crown Group position located interstate, is it?

MR MARAIS: Yes.

45 MS CAHILL: But you also report to Mr Bossi?

MR MARAIS: Yes, there is a dotted line to Mr Bossi.

10:08AM

MS CAHILL: When you are relieved of the compliance function, will you still report to Mr Bossi?

5 MR MARAIS: Yes.

MS CAHILL: When you reported to Mr Preston, he was obviously located in Perth?

MR MARAIS: Yes.

10

MS CAHILL: How much time on average did he spend in the Perth office?

MR MARAIS: Up to his departure?

15 MS CAHILL: Yes.

MR MARAIS: He was in the 12 months prior to his departure he would travel to Melbourne weekly and occasionally spend up to a day in the Perth office.

20 MS CAHILL: So he was mainly working out of Melbourne.

MR MARAIS: Yes.

25 MS CAHILL: And you say that happened in the last 12 months. Did it go back further than that?

MR MARAIS: I would say, yes, it did. At least 18 months.

MS CAHILL: How much time does Ms Ivanoff presently spend in Perth?

30

MR MARAIS: Not any time at the moment due to COVID restrictions.

MS CAHILL: Right.

35 MR MARAIS: She resides in Sydney. My apologies.

MS CAHILL: So absent COVID restriction ---

MR MARAIS: That's right.

40

MS CAHILL: --- how often does she come to Perth?

45 MR MARAIS: She was employed from June 2021, so there hasn't been an opportunity at this stage for her to travel to Perth. My understanding is it is her intention to travel to Perth as soon as the opportunity is available.

MS CAHILL: What level of contact do you have with her remotely?

10:09AM

MR MARAIS: Weekly meetings one-to-one. We also have a Perth, Melbourne and Sydney legal head meeting, and then there is a wider weekly meeting, my apologies, and then there is a wider all of legal teams meeting, and other than that I'm in  
5 communication with Ms Ivanoff, I would estimate, over the last --- her engagement, every second or third day.

MS CAHILL: The all legal teams meeting, how frequent is that?

10 MR MARAIS: I believe it is monthly.

MS CAHILL: How much contact do you have with Mr Bossi?

15 MR MARAIS: Regular contact.

MS CAHILL: How much?

MR MARAIS: Almost daily.

20 MS CAHILL: Is that casual and incidental contact or do you have formal meetings every day?

MR MARAIS: Formal meetings.

25 MS CAHILL: Now, at paragraph 27 of your witness statement, page 0028, you refer to sitting on a number of Crown Perth committees. Do you sit on any Crown Group committees?

30 MR MARAIS: No.

MS CAHILL: Do all of these Crown Perth committees you identified at 27 presently have members on those committees who are not Crown Perth people, they are part of the wider Crown Group people?

35 MR MARAIS: The Executive Risk and Compliance Committee has members from the Melbourne property. Legal and Compliance Committee also has members from the Melbourne property. The RG Management Committee also has members from the Melbourne property. The Revocation Third-Party Subcommittee does not. The Patron Care Committee does not.

40 MS CAHILL: Yes, Environmental Committee?

45 MR MARAIS: Sorry, I'm just trying to be efficient here for you. The only --- at h) and i) they have members from the Melbourne property. So that is the Check and Credit Review Committee, and the Internal Sources Management Committee.

MS CAHILL: Thank you. If we go to the Legal Compliance Committee you mentioned at 27b), you explain at the back of your witness statement at page 64

where you put in table form the committees and provide some information about them. So if we go to 0064, but you have been a member of this committee since 2008. So that's basically the entire time you've been at Crown Perth; is that right?

5

MR MARAIS: Yes.

MS CAHILL: And you are currently the chairperson of this committee?

10

MR MARAIS: Yes.

MS CAHILL: How long have you held that position?

15

MR MARAIS: I understand that on or around 2010 through to around 2016, there is a period between around 2016 to December 2019 where I was not the chair. From January 2020. Currently I am the chair.

MS CAHILL: Who was the chair in the interim period where you were not?

20

MR MARAIS: Mr Paul Hulme, H-U-L-M-E.

25

MS CAHILL: Now, you explain in substance, in this table at the back of your witness statement that this Legal Compliance Committee, amongst other things, assists senior management to report actual or a potential breach of compliance obligations, yes?

MR MARAIS: Yes.

30

MS CAHILL: Determined steps to be taken with respect to potential action or breaches of obligations?

MR MARAIS: Yes.

35

MS CAHILL: And confirms compliance with Crown Group obligations?

MR MARAIS: Yes.

40

MS CAHILL: Now, when you are talking about compliance obligations in this context, that includes compliance with the law, does it?

45

MR MARAIS: It includes compliance obligations which comprises compliance commitments and requirements.

MS CAHILL: Does it include compliance with the law?

45

MR MARAIS: Yes, so compliance commitments are legislative, requirements are more internal policy.

MS CAHILL: I go back. Compliance with the law, State or Federal?

MR MARAIS: Yes.

5

MS CAHILL: Compliance with the regulator's directions and requirements?

MR MARAIS: Yes.

10 MS CAHILL: And compliance with the internal policies and procedures of Crown Perth and the Crown Group more generally?

MR MARAIS: Yes.

15 MS CAHILL: Thank you. So when you are talking about assisting senior management to do those things, does the primary responsibility for compliance rest with the committee or with senior management?

MR MARAIS: The primary responsibility --- the ownership of each compliance  
20 obligation rests with the operational teams. They are responsible for complying with the law. The role of compliance is an oversight function and it ensures that those operational teams are aware of their responsibilities. And as a second line of defence, the compliance function is, if you like, to be a watchdog in terms of ensuring those operational teams at ground level are meeting their obligations.

25

MS CAHILL: When you talk about operational teams, are these the business units you describe in your table at page 64?

MR MARAIS: Yes, and more broadly every person, every employee, in terms of  
30 their performance of their duties are ensuring they comply with the law.

MS CAHILL: Well, every person isn't senior management, though.

MR MARAIS: In terms of senior management, it is reporting to senior management  
35 as to whether employees are meeting their obligations.

MS CAHILL: Now looking here at page 64 under the composition of the Legal  
Compliance Committee, do I understand here that the compliance officers from each  
40 business unit sit on the Legal Compliance Committee?

40

MR MARAIS: Yes.

MS CAHILL: And you set out the different business units in that composition  
column on this page?

45

MR MARAIS: Yes.

MS CAHILL: And are all of these business units located in Perth?



10:16AM

MR MARAIS: Yes, they are.

5 MS CAHILL: So does each of these business units have a compliance officer with responsibility for managing and overseeing the compliance obligations within that business unit?

10 MR MARAIS: Yes. So every business unit has an annual compliance plan and has a designated compliance officer responsible for being the interface with the departments, the business unit and the compliance committee.

MS CAHILL: So is there a compliance officer for the cage operations?

15 MR MARAIS: Yes, there is.

MS CAHILL: Who holds that position presently?

MR MARAIS: That is currently held by Jarrod, I believe.

20 MS CAHILL: Surname?

MR MARAIS: It escapes me now, sorry.

25 MS CAHILL: Who has held the position as compliance officer for the cage operations in the past?

MR MARAIS: In the past, Anne has also held the position.

30 MS CAHILL: Surname?

MR MARAIS: I can't recall. It's quite a long name. My apologies. I can certainly make it available. Who else has held that position. It's largely been a combination of Jarrod in that position.

35 MS CAHILL: Now, at the top of that column where you start listing the business units, you identify AML/CTF. There is no AML/CTF business unit in Crown Perth currently is there?

40 MR MARAIS: There is a team within Perth. The team, financial crime team now and they sit opposite my offices. They've got a representative, Danielle Slattery is the current representative from the AML/CTF or Financial Crimes Team, and has been for some time part of the committee, I think at least going back to 2008.

45 MS CAHILL: So that Financial Crimes Team, how many people are presently ---

MR MARAIS: Currently in that team?

10:18AM

MS CAHILL: In that team.

MR MARAIS: There are currently, in terms of Perth-based, four.

5

MS CAHILL: And who heads it?

MR MARAIS: I believe different members of that team report to different persons within the broader financial crimes central team.

10

MS CAHILL: In Melbourne?

MR MARAIS: That's correct.

15 MS CAHILL: So there is no actual leader here?

MR MARAIS: I believe that there is a person who takes the lead role, and that is Danielle Slattery.

20 MS CAHILL: You explain at paragraph 63c) at your witness statement at page 0034 that the AML/CTF compliance function for the Crown Group, including Crown Perth, is the responsibility of the Financial Crime and Regulatory Team. That's a team that is primarily located in Melbourne, is it?

25 MR MARAIS: Yes.

MS CAHILL: Is that actually a management team or is it an oversight committee?

MR MARAIS: It's a management team.

30

MS CAHILL: Who has oversight of that team?

MR MARAIS: Ultimately it reports through to the group Chief Financial Crime & Compliance, Mr Steven Blackburn. And then within that, there is a Group AML Compliance Officer that reports to Mr Blackburn, and then various Melbourne and Perth teams report into different people within that structure.

35

MS CAHILL: All right. So does that team, the Financial Crime and Regulatory Team, before reporting to Mr Blackburn, is there a committee that it reports into, an oversight committee?

40

MR MARAIS: I believe there is an AML/CTF committee. I'm not involved or have much knowledge of that committee, if any, to be honest. I don't involve myself in its functions. The AML/CTF or financial crimes team, from a compliance perspective, do act as a specialist compliance function, not dissimilar to health and safety, food safety, and a few other teams.

45

MS CAHILL: All right. We'll come to that in a moment.

10:20AM

MR MARAIS: Sure.

MS CAHILL: The oversight committee for AML/CTF is located in Melbourne is it?

5

MR MARAIS: I can't answer that, sorry.

MS CAHILL: Or who is on it? Whether there are any Crown Perth ---

10 MR MARAIS: I believe there are Crown Perth ---

MS CAHILL: I will just finish the question. Whether there are any Crown Perth people sitting on that committee?

15 MR MARAIS: Yes, I believe there are Crown Perth people sitting on the committee.

MS CAHILL: Do you know who?

20 MR MARAIS: I believe the Chief Executive Officer, I believe members from the Perth Financial Crimes Team.

MS CAHILL: You say also at 63c) that before there was the Financial Crime and Regulatory Team, there was the Crown Perth AML/CTF team.

25 MR MARAIS: Yes.

MS CAHILL: And was that a standalone management team?

30 MR MARAIS: It comprised Mr Joshua Preston in the role of AML compliance, statutory compliance officer, and then originally he had one person reporting through to him directly ---

MS CAHILL: Who was that?

35 MR MARAIS: It has changed over time. There has been multiple persons.

MS CAHILL: Can you think of a few names?

40 MR MARAIS: I can. Carolyn Galati, Christo Theodoropoulos, Julie Anderson and Denise Vanderklau. And then over time, I think at some stage, possibly 2016/2017, there were two persons as part of that team through to Mr Preston.

MS CAHILL: And was there any involvement by executives or management staff from Melbourne in that AML/CTF team in Crown Perth?

45

MR MARAIS: I don't believe so.

MS CAHILL: I just want to understand now the relationship between the Legal Compliance Committee and the Financial Crime and Regulatory Team. You say at 64c) on page 0035 that the Financial Crime and Regulatory Team reports directly to the ERCC.

MR MARAIS: Yes.

MS CAHILL: And that's the ERCC in Perth?

MR MARAIS: Yes.

MS CAHILL: And it reports through to the ERCC independently of the Legal Compliance Committee?

MR MARAIS: Yes. So there are a number of teams that report directly to the Executive Risk and Compliance Committee. That includes the Legal Compliance Committee, the AML, or Financial Crimes Team as a separate paper, that is it has always been generated, I think, from around 2008 as a separate paper to the Compliance Committee. There is also health and safety update, which is provided through the health and safety function. There is a fraud update. There is a risk update. There is an internal audit report. There is also a Responsible Service update which comprises Responsible Service of Gaming and Responsible Service of Alcohol update that separately reports in to the Executive Risk and Compliance Committee.

MS CAHILL: All right. Now, you've identified at 64 that a person from the AML/CTF team sits on the Legal Compliance Committee. Is that Danielle Slattery I think you refer to?

MR MARAIS: Yes.

MS CAHILL: So that is a Perth person.

MR MARAIS: Yes.

MS CAHILL: And what is the purpose of Danielle Slattery sitting on the Legal Compliance Committee?

MR MARAIS: The purpose is --- the committee itself is an incredible forum for reporting incidents, first and foremost. So it allows departments to speak up around what incidents have occurred, and there is a requirement to complete a monthly survey which they are obligated to report incidents. That's reviewed by me on a monthly basis. It is then discussed in that committee, so it is an excellent opportunity for all departments to hear what issues have risen in terms of compliance incidents. Whether they are major or minor. The role of the AML person is to keep informed as to what incidents may be occurring in other departments and other teams that may have relevance to the AML or compliance, financial crimes team's functioning.

There are --- as part of their updates on policies and procedures, there is also business arising, so we go through actions, close out actions, make sure that if to the extent that additional training might be required from a financial crimes perspective through to another department's compliance team, then that is actioned. We also provide a monthly COVID update. So that has been occurring for the last 12 months monthly. So it allows that AML officer to buy-in from other parts and understand what is operating in the business. We don't operate in silos or a vacuum, and it is particularly important that they are at the table and understanding what is happening. They can then go back to their team and disseminate what is the new policy, procedure, "Guys, there is this happening", so that is mainly their function. But, as we spoke about, outside of that they have the direct line to the Executive Risk and Compliance Committee.

MS CAHILL: Does the Legal Compliance Committee have an oversight function at all in relation to the Financial Crime and Regulatory Team?

MR MARAIS: No. No, it has an annual compliance plan. So every business unit has an annual compliance plan which sets out the business unit's legal obligations and that is derived from a legal requirements register. So, over a decade ago, we formulated a legal requirements register which articulates literally hundreds of laws, compliance requirements and commitments applicable to Crown Perth's operations, and then went through a process of assuring that accountability or each department was assigned to each compliance obligation.

So that forms part of the compliance plan for each of those business units, and then from that compliance activities, result from self-assessment questions, licenses, reporting, audits, KPOs. That is within their annual compliance plan and all business units are required to have that annual compliance plan. But the more specific oversight, that comes through Mr Blackburn's role and his function specifically. So it is having a high-level awareness that they have the systems and processes in place, and it is not dissimilar to health and safety. Health and safety is a specialist area.

So it's not for the, if I can call it, the compliance general function, to be responsible for that specific oversight of that specialist area, they are a subject matter expert, same with food safety. We are HACCP approved and that is a specialist area where we have an independent food safety auditor who is required to give the compliance committee, Legal Compliance Committee, some confidence and comfort that their procedures, plans, certifications are all in place.

MS CAHILL: Now, in relation to what you've described as a specialist oversight function for AML/CTF, when did that first begin? When did the Crown Group or Crown Perth first have a specialist oversight of AML/CTF rather than it being overseen by the general compliance?

MR MARAIS: Understood. From my recollection, as early as 2008. The Executive Risk and Compliance Committee is dynamic and continuously looking at are there

10:29AM

particular areas of the business that need ---

MS CAHILL: Early 2008?

5

MR MARAIS: Yes.

MS CAHILL: Now, Cheque & Credit Review Committee at 0068 you refer to. You've been a member of that from around 2010 until today?

10

MR MARAIS: Yes.

MS CAHILL: You say the purpose of this committee is to assess outstanding debtors to Crown Perth including provisioning, recovery of debt and related debts.

15

In the time that you've been on this committee, has part of its responsibilities included considering the extension of credit to international players?

MR MARAIS: No.

20

MS CAHILL: Or the recovery of debts from international players arising from the extension of credit to them by the casino?

MR MARAIS: Yes.

25

MS CAHILL: Have you come across, in the course of being on that committee, an instance where credit has been extended to a domestic patron?

MR MARAIS: No.

30

MS CAHILL: Never been involved in or come across a situation where a debt is being recovered from a domestic patron arising from credit extended to them by the casino?

35

MR MARAIS: No.

MS CAHILL: Moving to the ERCC, which you refer to at paragraph 27a) of your witness statement at page 0028, you describe yourself as the Executive Officer of that committee? You see that there?

40

MR MARAIS: Yes.

MS CAHILL: And we see from 0063 that you've been on the ERCC since 2008. Always in the capacity of Executive Officer; is that right?

45

MR MARAIS: No. Through the preclusion of Crown, Mr Preston's departure, I think there may have been one or two meetings where I was required to chair the committee.

10:30AM

MS CAHILL: Are you also a member of that committee in the sense of having a decision-making responsibility?

5 MR MARAIS: Not a decision-making responsibility. And mostly through my role as executive officer, you sit there and you watch and you don't feel that you can participate in it.

MS CAHILL: Do you contribute to the discussion?

10

MR MARAIS: No.

MS CAHILL: So what is your role?

15 MR MARAIS: The role and purpose mostly has been to put together papers. So when, specifically in terms of the legal compliance paper, I produce that and that goes into the pack. I then coordinate the other papers from the other departments. So the AML financial crimes team, Health and Safety, Responsible Gaming, they all produce a paper which is then put in a pack, goes to the Chair to settle the pack, and  
20 then through the committee assisting with the running of the meeting and also taking minutes as part of the meeting.

MS CAHILL: So is your role purely administrative or do you provide any comment or analysis on the materials that are provided to the ERCC from the business units?

25

MR MARAIS: With the legal compliance update I provide the draft paper through to the chair of the committee.

MS CAHILL: Apart from that?

30

MR MARAIS: Apart from that, I think that's it, yes.

MS CAHILL: Now, paragraph 14 of your witness statement, page 0026, you refer to Mr Hulme who held the position of Manager of Gaming and Regulatory Compliance  
35 between September 2007 and December 2019. You see that coming up on the screen.

You describe him as having the primary interface between Crown Perth and the department. Did he also have the primary interface between Crown Perth and the  
40 Chief Casino Officer?

MR MARAIS: Yes.

MS CAHILL: There were also operations meetings held monthly between the  
45 department and Crown Perth, wasn't there?

MR MARAIS: Yes.

10:33AM

MS CAHILL: And from 2010 when you became general manager legal and compliance you started to attend these meetings, not regularly, but occasionally?

5 MR MARAIS: No. It was from November 2007.

MS CAHILL: I see. So from the time you joined Crown Perth, effectively from time to time you would ---

10 MR MARAIS: I ---

MS CAHILL: --- you would attend those meetings?

MR MARAIS: I would attend all meetings where I was available.

15

MS CAHILL: Did your attendance become more regular in 2014?

MR MARAIS: No.

20 MS CAHILL: So you basically say you attended all of them from 2007?

MR MARAIS: Where available, yes.

25 MS CAHILL: All right. Now, the purpose of these meetings was for the department to update Crown Perth, wasn't it?

MR MARAIS: It was a forum to engage with the regulator, give it an opportunity to discuss matters arising, issues, policy, any incidents potentially that were occurring, so --- and more recently in the last 12 to 18 months we also included an agenda item there to ensure the department updated us on any change of policies as a standing agenda item to make sure we were keeping abreast of what the policy changes might be occurring at department level.

30

MS CAHILL: So operations issues were discussed?

35

MR MARAIS: Yes.

MS CAHILL: These meetings are a forum in which to raise and discuss operational issues?

40

MR MARAIS: Yes.

MS CAHILL: And the meetings coincide with the GWC meetings, don't they? They take place shortly after the monthly GWC meeting?

45

MR MARAIS: Yes, part of it is to provide feedback from the GWC.



10:34AM

MS CAHILL: And the Chief Casino Officer typically attends these meetings?

MR MARAIS: Yes.

5

MS CAHILL: And other departmental officers involved in casino regulation?

MR MARAIS: Yes.

10 MS CAHILL: Usually at director level?

MR MARAIS: Yes.

MS CAHILL: And on the Crown Perth side it is usual for Mr Bossi to attend?

15

MR MARAIS: Yes.

MS CAHILL: Mr Preston?

20 MR MARAIS: Yes.

MS CAHILL: When he was there?

MR MARAIS: Yes, he was.

25

MS CAHILL: You?

MR MARAIS: Yes.

30 MS CAHILL: Mr Sullivan?

MR MARAIS: Yes.

MS CAHILL: And Mr Hulme?

35

MR MARAIS: Yes.

MS CAHILL: Was it your job in these meetings to provide regular updates about matters of a legal and compliance nature?

40

MR MARAIS: Not really. It was random in terms of my involvement. I think in my statement over the 14-year period I maybe contributed to 100 agenda items, discussing items. Mr Hulme and Mr Preston were around 2,000 items. So I had limited involvement in terms of the operations meetings. I would say that it was usually in respect of liquor licensing, so if we were doing an alteration redefinition of the site or any development that may require ministerial approval or incidental matters, that may be like a patron dispute or those sorts of matters.

45

10:36AM

MS CAHILL: So things with a legal orientation?

MR MARAIS: Yes.

5

MS CAHILL: Liquor licensing issues?

MR MARAIS: Yes, usually --- not so much issues with liquor licensing, it was mostly around if we were changing the property boundary then we would need to seek approval of the Department and the Director of Liquor Licensing, and also the Gaming and Wagering Commission. That was the lion's share of liquor discussion in the operations meetings.

10

MS CAHILL: At paragraph 114 of your witness statement, page 0047, you refer to fishing trips that you took with Mr Connolly in 2012.

15

MR MARAIS: Yes.

MS CAHILL: You met Mr Connolly in the course of your work at the Perth Casino?

20

MR MARAIS: Yes.

MS CAHILL: And that was at the operations meeting I presume that we've just been discussing?

25

MR MARAIS: When preparing the statement I recall Mr Hulme introducing myself and I commenced work to a number of department officers. I couldn't recall if it was specifically that introduction or the operations meeting when I first met Mr Connolly.

MS CAHILL: You were aware that Mr Connolly started back at the department in the earlier part of 2012 as Chief Casino Officer, having previously been at the Department of Fisheries?

30

MR MARAIS: I'm not sure if I appreciated his specific role.

35

MS CAHILL: Was it in the course of work discussions that you learned that you and he had a shared interest in fishing?

MR MARAIS: Not necessarily work discussions, it may have just been casual conversations ---

40

MS CAHILL: But at work?

MR MARAIS: Yes, sorry.

45

MS CAHILL: And presumably at the time there were operations meetings being held?

10:38AM

MR MARAIS: I can't recall specifically when and how it came up, sorry.

MS CAHILL: Mr Connolly invited you to go fishing on his private boat?

5

MR MARAIS: Yes.

MS CAHILL: And how soon did this invitation come after you first met Mr Connolly?

10

MR MARAIS: I first met Mr Connolly back in 2007, the records indicate. My understanding, and I've had an opportunity to review my emails, correspondence, around late 2012 was when I could identify the first invite from Mr Connolly to go fishing with him.

15

MS CAHILL: So would you agree then perhaps several months after he was appointed Chief Casino Officer in 2012?

MR MARAIS: Yes.

20

MS CAHILL: This email, CRW.705.002.2258, from Mr Connolly to Mr Hulme, Mr Preston and you, is this the invitation to --- this first invitation to a fishing trip that you identify at paragraph 114 of your witness statement?

25

MR MARAIS: Yes.

MS CAHILL: You were aware back then in 2012, weren't you, that Mr Hulme was friendly with Mr Connolly from his days working at the Department of Racing, Gaming and Liquor?

30

MR MARAIS: Yes.

MS CAHILL: Noting that Mr Preston was also invited, did you understand that he and Mr Connolly were already personal friends?

35

MR MARAIS: I don't know if I turned my mind to whether or not they were friends or not. I knew that they had work dealings, and I don't know at that point what the nature of their relationship was.

40

MS CAHILL: And before receiving this email, had you discussed with Mr Connolly verbally the possibility of going fishing on his boat?

MR MARAIS: I can't recall, sorry.

45

MS CAHILL: Or whether you had any such discussion during a work meeting?

MR MARAIS: I can't recall, sorry. It is 10, 12 years ago.

10:40AM

MS CAHILL: Did you give any consideration at the time of this invitation whether it was appropriate to accept it?

5 MR MARAIS: I can't recall if I gave consideration to it. Sorry.

MS CAHILL: You knew Mr Connolly to be the Chief Casino Officer? Didn't you?

10 MR MARAIS: I'm not sure if I did recall specifically what his role or function was.

MS CAHILL: In September 2012 --

MR MARAIS: Yes.

15 MS CAHILL: --- you wouldn't have appreciated ---

MR MARAIS: I didn't have any great involvement with Mr Connolly in terms of daily operational function. I think I appreciated that he was a senior member of the Department. I just did not take notice of it, but more than likely, yes.

20 MS CAHILL: More than likely, yes, Mr Marais ---

MR MARAIS: Yes.

25 MS CAHILL: --- you were going to monthly operations meetings, weren't you?

MR MARAIS: Yes.

30 MS CAHILL: And you were receiving the minutes of the meetings?

MR MARAIS: I don't know if they mentioned his name as the Chief Casino Officer.

MS CAHILL: They certainly mentioned the roles of each person?

35 MR MARAIS: Yes.

MS CAHILL: And he was designated as the Deputy Director-General?

40 MR MARAIS: Yes.

MS CAHILL: And you understand that he was the Chief Casino Officer, didn't you?

MR MARAIS: Most likely.

45 MS CAHILL: You understood him at the very least to have a central role in regulating the casino operations at Perth Casino?

MR MARAIS: Again, I had little involvement. Mr Hulme dealt with him almost

10:41AM

exclusively.

5 MS CAHILL: Mr Marais, you did not have little involvement, did you? You went every month to an operations meeting at which Mr Connolly was specifically present.

MR MARAIS: Yes.

10 MS CAHILL: And you understood him to have a central role in regulating the licensee.

MR MARAIS: Yes, yes, you are right.

15 MS CAHILL: Which is why he was at the operations meeting.

MR MARAIS: Yes, you're right.

MS CAHILL: That much you understood?

20

MR MARAIS: Yes, correct.

MS CAHILL: You understood that he had a central role in recommending to the GWC whether permissions and approvals should be given to the licensee in respect of its operations?

25

MR MARAIS: Yes.

MS CAHILL: Do you agree it is important in the public interest for the Chief Casino Officer or a senior officer of the regulator to act in his role objectively and without fear or favour?

30

MR MARAIS: Yes.

MS CAHILL: Do you agree if an officer of the licensee socialises privately with the Chief Casino Officer, there is a risk that private relationships might affect the Casino Officer's ability to act in his role objectively and without fear or favour?

35

MR MARAIS: Yes, there is a risk.

40

MS CAHILL: And do you agree that there is at least a perception, in the mind of the public, that he might not act without fear or favour if there is such a social relationship?

45 MR MARAIS: On --- yes.

MS CAHILL: Coming back to this email, did you have any concerns about Mr Connolly referring in the email to his boat that he was to take you out on as the good ship compliance?

10:42AM

MR MARAIS: I'm not sure. I can't recall if it crossed my mind at the time.

5 MS CAHILL: Did it occur to you that he might be blurring the lines between a work relationship and his social invitation?

10 MR MARAIS: I can't recall at the time, however, my understanding was that the relationship previously in terms of Hulme's relationship, in terms of it being very open that there was that respect and Mr Connolly's direct reports having knowledge of it, all I can say in respect of that email is I don't think it crossed my mind at all.

MS CAHILL: In any event, you accepted the invitation, did you?

15 MR MARAIS: Yes, I did.

MS CAHILL: Did Mr Preston accept the invitation?

MR MARAIS: Yes, he did.

20 MS CAHILL: Did Mr Hulme accept the invitation?

25 MR MARAIS: I can't confirm that only because I did have opportunity, when I was investigated by Crown Resorts in terms of my relationship, I did have an opportunity to review my emails and I think this specific email, I think there were subsequent emails that showed or confirmed that Mr Hulme didn't attend that trip.

MS CAHILL: Did not?

30 MR MARAIS: Did not.

35 MS CAHILL: Now, at 114a) of your witness statement at page 0047 you refer to seven weekend fishing trips that you had with Mr Connolly and Mr Hulme and Mr Jon Nichols between 2013 and 2019. Were these trips to either Jurien Bay or Mandurah?

40 MR MARAIS: I believe three were Jurien Bay, one to Mandurah. There was a separate trip which was just Mr Connolly and didn't include Mr Hulme or Mr Nichols which was to Mackerel Islands. There was also a trip to --- possibly two trips to Rottnest Island. The details are in the Macpherson Kelley report where it articulates the trips in detail. So I'm happy to go to that if that assists the Commission.

MS CAHILL: What was the longest time that a fishing trip occupied?

45 MR MARAIS: Two to three days. Nights, sorry.

MS CAHILL: Two to three nights.

MR MARAIS: Yes.

MS CAHILL: Page 47, I think we are still on at paragraph 119. You say there that  
5 during the fishing trips and also the lobster fishing in the metro area that you also  
speak of, in addition to the fishing trips, that you didn't engage in any work-related  
conversations to ensure a separation between work and our relationship. Then you  
go on to explain that a little further at page 0048 at paragraph 121. You say:

10 *For my part, we consciously decided not to discuss work-related matters while  
fishing.*

Who is the "we" that you are referring to there?

15 MR MARAIS: While not express, there was an understanding that consciously I  
think that was between Mr Hulme and myself.

MS CAHILL: So you discussed it with Mr Hulme?

20 MR MARAIS: Yes, absolutely.

MS CAHILL: That you weren't going to discuss work-related matters on fishing  
trips?

25 MR MARAIS: Absolutely.

MS CAHILL: Is your evidence that it wasn't expressly discussed with Mr Connolly  
but there was, in your view, a tacit understanding that you weren't going to discuss  
work-related matters on fishing trips?

30 MR MARAIS: It was never discussed with Mr Connolly. Right from the beginning  
we did not discuss work-related matters.

MS CAHILL: You explain that conscious decision not to discuss work-related  
35 matters. You say at a) "it would not be appropriate". Why do you say it wouldn't be  
appropriate?

MR MARAIS: From my perspective, and we are talking about conflicts, it's about  
40 identifying conflict and managing the conflict. What was important to us and why  
was it appropriate was blurring lines. So it was particularly obvious that you weren't  
to mix the two, and ensuring that work is a separate thing, and through work you  
respect the role and the function. When you are fishing, you needed to ensure that  
there was a clear line.

45 MS CAHILL: What was the clear line in your mind?

MR MARAIS: The clear line in my mind was on one hand having enjoyment  
through fishing and then talking about work, it would just be wrong. And we just

never did that.

MS CAHILL: Why would it be wrong?

5

MR MARAIS: Well, you are blurring the lines, in my view.

MS CAHILL: And what is the problem with blurring the lines?

10 MR MARAIS: Well, I just don't think that it is acceptable because you are mixing the pleasure with the work. And when you are discussing work you need to be in an office, you need to be meeting a person with a suit on. Just common sense that you just don't do that sort of thing.

15 MS CAHILL: So, you are careful to keep the work relationship out of the social occasions, that's the effect of your evidence?

MR MARAIS: Yes.

20 MS CAHILL: But it didn't work the other way around, did it, because you brought the social relationship into the work realm?

MR MARAIS: I think in respect to bringing into the work realm, emails or if there was discussion, there was clear separation. There wasn't a mixture in that I would  
25 email Mr Connolly, "can you review a document or a submission and by the way, how is the fishing going to go on the weekend?" I'm highly confident, and I've been through every email, there is no email in which the two are mixed. It is very deliberate in terms of if you are discussing work matters, there is --- there should be no mention of what is happening on the weekend and can go fishing and that sorts of  
30 thing.

So, notwithstanding, yes, there was communication and there was informal banter, it was light-hearted, it was centred around fishing and that is consistent. It was always separated. There was no mixing in terms of ---

35

MS CAHILL: There were social interactions at work, weren't there?

MR MARAIS: Yes, there was.

40 MS CAHILL: By 2014 you were changing emails through your work email addresses about boats and fishing trips?

MR MARAIS: Yes.

45 MS CAHILL: You accept that the tone of these emails was very familiar?

MR MARAIS: Yes.



10:50AM

MS CAHILL: Mr Preston, Mr Hulme and Mr Jon Nichols were typically involved in these email exchanges as well?

5 MR MARAIS: Yes.

MS CAHILL: And Mr Connolly in particular, but also Mr Hulme would engage in a lot of what you would describe as banter?

10 MR MARAIS: Mostly emails were initiated by Mr Connolly. There was, I would say, guessing one in ten were responded to by Mr Nichols, Mr Hulme, Mr Preston or myself ---

MS CAHILL: So that's --- come back to my question, please. What I'm asking you  
15 about is the nature of the emails ---

MR MARAIS: Yes.

MS CAHILL: --- and Mr Connolly in particular, but also Mr Hulme would also  
20 engage in a lot of banter, wouldn't they?

MR MARAIS: Yes.

MS CAHILL: Which would fairly be described as "blokey".  
25

MR MARAIS: I don't know what is described as blokey ---

MS CAHILL: I will help you.

30 MR MARAIS: Yes, sure.

MS CAHILL: The typical theme of these emails was to accuse one or more of the group of being unmanly and henpecked by their wives, wasn't it?

35 MR MARAIS: I think there may have been one of those emails, but there were a lot of emails in there that were not of that nature at all. I think there were emails just describing boats from Mr Connolly. I don't think there was anything offensive in those emails. I don't think there was anything inappropriate. There was no mentioning of issues with work colleagues or anything like that. Again, it was very  
40 much centred around fishing.

MS CAHILL: CRW.709.132.1836 is an email dated 13 March 2014. You start at the beginning at 1837. Mr Connolly at 12.35 pm in the second paragraph explaining how he gets to wear pants in his house and has requested and received permission for  
45 a sleepover in Jurien Bay.

What is the story with the rest of you? I can send a note home in your school *bag if you like*.

Then he has the Deputy Director-General at the bottom of the email. And that is a fairly typical flavour of the email communications from Mr Connolly?

5 MR MARAIS: Yes.

MS CAHILL: Then if you go on to 1836, we see Mr Hulme's response, he doesn't need to seek permission, I think he means like other "soft or hen pecked males", he says ---

10

MR MARAIS: Sorry, can I go down. Sorry, I was looking up. Yes.

MS CAHILL: So I think he means to say "unlike other soft or hen pecked males in the group", and goes on to say:

15

I have not heard from the other girls --- have you built up the courage to *request time away*.

You understood that to be a request to other members of the group?

20

MR MARAIS: Yes.

MS CAHILL: And your response comes above that. Sorry, if we can just go back to page 1837, and we can see his gaming and regulatory compliance manager footer comes ---

25

MR MARAIS: Yes.

MS CAHILL: --- at the end of that email.

30

And you played along with this style of communication, didn't you?

MR MARAIS: Yes, I did.

35 MS CAHILL: And if we go to 1836, is this your normal style of communication with your male friends, Mr Marais?

MR MARAIS: Not really, no.

40 MS CAHILL: So you were conforming to the tone of the emails set by Mr Connolly ---

MR MARAIS: I think so.

45 MS CAHILL: --- and Mr Hulme, is that right?

MR MARAIS: I think that's right.

10:54AM

MS CAHILL: And so you respond in the middle of page 1836.

5           ..... *been out fishing all week while [your] wife looks after the kids and mows the lawn.*

That was your way of fitting into the theme and tone of the emails, was it?

10       MR MARAIS: Yes.

MS CAHILL: And you go on to explain that you don't need permission but you ask if Mr Hulme's mummy knows he's going.

15       MR MARAIS: Yes.

MS CAHILL: Again trying to fit in?

MR MARAIS: Yes.

20       MS CAHILL: And you sign off as "Cheers, Gilly"; you see that there?

MR MARAIS: Yes.

25       MS CAHILL: Because it was a joke, if you will, between you and Mr Connolly that you had each adopted the persona of one of the characters from the old TV series Gilligan's Island, is that right?

MR MARAIS: Possibly, I can't recall.

30       MS CAHILL: You called him The Skipper ---

MR MARAIS: Yes, I accept what you are saying.

35       MS CAHILL: --- and he called you Gilligan?

MR MARAIS: Yes.

40       MS CAHILL: At this time you were still going to your monthly operations meetings?

MR MARAIS: Yes.

45       MS CAHILL: And the familiarity and banter in these work email changes continued on through the years after this, didn't it?

MR MARAIS: Yes.

10:55AM

MS CAHILL: Go to CRW.709.132.6194 which is an email from Mr Connolly to you and Mr Hulme of 21 March 2017. Mr Connolly is there planning another trip for 24 March, or some fishing expedition:

5

*Has everyone got their permission slips in order ..... or are we postponing until gender reassignment is complete?*

This is the blokey banter, would you agree?

10

MR MARAIS: Yes.

MS CAHILL: And you respond in kind:

15

Paul's was completed sometime ago Mick ..!!

You see that?

MR MARAIS: Yes.

20

MS CAHILL: What you are conveying is it is only males, real men who can go out on this trip. Jokingly.

MR MARAIS: Yes, jokingly.

25

MS CAHILL: That's the point you were trying to make.

MR MARAIS: Yes.

30

MS CAHILL: Do you agree that it is important for officers of the licensee and officers of the regulator to conduct their relationship with an appropriate degree of formality and professionalism?

MR MARAIS: In work-related matters, yes.

35

MS CAHILL: It is important, isn't it, for that to occur in order for the regulator to maintain objectivity and impartiality when dealing with the licensee?

MR MARAIS: Yes.

40

MS CAHILL: And to maintain for the public a perception of objectivity and impartiality?

MR MARAIS: Yes.

45

MS CAHILL: And you would agree that these emails fall well short of that standard of formality and professionalism appropriate to a licensee regulator relationship?

MR MARAIS: I think the emails in context, which was a friendship, which was open and declared, is not uncommon. I accept, looking back, and particularly given the personal nightmare that I've now gone through and am still suffering, that the  
5 behaviour may have been somewhat --- unfitting. I believe that if you viewed every one of my emails to Mr Connolly in respect of work-related matters, and there are a few, only a few, rather, the conduct and the respect for the position and even as recently as six months ago speaking to another person within our business, I had made a point, make sure you email that to Mr Connolly, not just to Mick.

10 So I was very mindful that with work-related matters, that respect that the role commands, and the need for professionalism, was maintained when dealing with him on work-related matters. That's all I can say on it.

15 MS CAHILL: You and Mr Connolly and Mr Preston and Mr Hulme also exchanged emails, didn't you, during work hours about boats that were advertised for sale?

MR MARAIS: Yes.

20 MS CAHILL: And you have an example here, CRW.709.132.3456. An email from Mr Connolly to the three of you in 16 January 2015. That was not necessarily a frequent, but certainly from time to time these links to boats being advertised for sale would be circulated amongst the group?

25 MR MARAIS: Yes, I would agree with that. Mostly, if not exclusively, initiated by Mr Connolly. And, yes, there was a period, possibly 2014 to 2016 where there was a spate, if you like, where Mr Connolly would randomly send boats for sale. I would respond I think, as I said, to maybe one in ten of them.

30 MS CAHILL: CRW.709.132.2391 is an email exchange in March 2014. And if we have a look at page 2391, there had been some talk about pulling lobster pots and Mr Connolly says in the middle of this page:

35 *Taking a leaf out of the Crown book, I will catch, measure and clip the crays and put them back in the pot so you guys think you caught them!! !*

What did you understand him to be saying to you there?

40 MR MARAIS: That was in reference to an understanding that I had gleaned from one of the teams that would take patrons out on a boat. They would pre-purchase crayfish and they would put it in pots, in the crayfish lobster pot, and then take the patron out, pull it up and say to the patron they caught a crayfish.

45 MS CAHILL: That is something you had told Mr Connolly?

MR MARAIS: Yes, I was actually more interested from a --- yes, I was interested from a legality perspective because of what was actually going, he had worked at Fisheries. So I was actually interested in, because there is quite a regime around

11:01AM

what you can and cannot do in catching crayfish ---

MS CAHILL: Did you ask him inside work or outside work?

5

MR MARAIS: I can't recall when I asked him, sorry.

MS CAHILL: Above this Mr Connolly is offering vouchers for skydiving to the group; you see that?

10

MR MARAIS: Yes.

MS CAHILL: You say above that you can't go but you suggest that Mr Preston and Mr Hulme take the vouchers. Do you know if they did?

15

MR MARAIS: I don't know, sorry.

MS CAHILL: And ---

20 MR MARAIS: Except I do understand that Mr Hulme has skydived once. I've never skydived and I'm not aware of Mr Preston ever, but I do know that Mr Hulme has skydived.

25 MS CAHILL: And in the response you give you mention in the first two lines that you owe Mr Connolly a bottle of wine; you see that?

MR MARAIS: Yes.

MS CAHILL: What for?

30

MR MARAIS: I can't recall. It's seven years ago. I suspect he may have purchased a bottle of wine and it was just simply to owe him the purchase of that wine. But I'm guessing.

35 MS CAHILL: And even when you are exchanging emails such as this, did it not occur to you that it was not appropriate to have this relationship with a reporting person in the regulator alongside the business relationship between Crown and the GWC?

40 MR MARAIS: In terms of my role in my capacity, no, I didn't. I had a friendship and it was centred around fishing. I kept, I think in terms of managing it, appropriate in ensuring that emails and conversations were separate from work-related matters, and I always had some comfort that it was very open in the Gaming and Wagering Commission, and that the Chairman of the Gaming and Wagering Commission was  
45 aware of this relationship.

MS CAHILL: So Mr Hulme was an integral member of this group as well?

MR MARAIS: Yes.

5 MS CAHILL: You are a lawyer. Did you have any concerns about Mr Hulme's involvement?

10 MR MARAIS: Absolutely not. I can't stress it enough in terms of perception, I understand that. In terms of actual, whether --- I believe Mr Hulme one of the highest in terms of integrity and professionalism and I had no concerns in any discussions that we had together at all times. I did not see --- a person can have a friendship --- a friendship is how it is managed and how people conduct themselves and, yes, looking back, again given this experience and it's been horrible, I've had media chasing me, definitely not do it again. But it's been --- I didn't appreciate it at the time.

15

MS CAHILL: Now, you mentioned just then, and you've mentioned a couple of times during the course of your evidence that this relationship was disclosed within Crown Group and you understood it to have been disclosed to Mr Sergeant?

20 MR MARAIS: Yes.

MS CAHILL: Why did that make the difference to you?

25 MR MARAIS: Particularly in terms of the disclosure to Mr Sergeant, an awareness of it would allow him to take what steps he may have needed to, including appreciating Mr Connolly's involvement, including Mr Connolly's professionalism, including the work that Mr Connolly is delivering to Mr Sergeant and the Commission. I think that's where I had comfort that Mr Sergeant was aware of it, and it was very open. This was not concealed or people trying to hide things, but just  
30 having that awareness certainly gave me confidence that Mr Sergeant was in a position to manage it as he saw fit.

35 MS CAHILL: You mention, in relation to the purchase of Mr Connolly's boat in October 2015, this is at paragraph 137d) of 0051, that you were proactive of getting written approval for the purchase of the boat, and you considered that approval should be obtained from the Head of the Department and GWC as well; you recall that evidence?

40 MR MARAIS: Yes.

MS CAHILL: Why did you consider it important to get a written approval there in relation to the purchase of the boat but not in relation to the continuation of the personal relationship?

45 MR MARAIS: From my perspective it was a commercial transaction involving cash, sale of an asset. My instinct told me that I should raise it with my line manager and I think I'm happy to take the Commission to that email. My email to Mr Preston recommended that we obtain approval from Barry Sergeant in terms of the proposed purchase of the boat. Mr Preston agreed and subsequently that was communicated to

Mr Connolly that approval be obtained.

5 MS CAHILL: Now, I think you agreed with me a moment ago that Mr Preston was typically included in all of these bantering email exchanges, or almost all of them, that occurred over the years; yes?

10 MR MARAIS: I think particularly the earlier years, I can't be accurate in terms of from 2017 I think it largely died down in terms of the boat sale type emails. I know in 2012 when Mr Preston went on, which I understand to be the only half-day trip, subsequently he consciously said he won't be attending any other trips because of his seniority.

15 MS CAHILL: So he actually had a conversation with you about that?

MR MARAIS: Yes.

MS CAHILL: And what was that conversation?

20 MR MARAIS: The nature of the conversation was we were letting him know that we were going to go fishing again and his view was that we shouldn't go fishing because of spending a weekend as a senior executive would not be right.

25 MS CAHILL: Did you ---

MR MARAIS: (Inaudible).

30 MS CAHILL: Do you think Mr Connolly was aware of Mr Preston having made that conscious decision?

MR MARAIS: I'm not sure. I don't think so, no. There was nothing that I could recall.

35 MS CAHILL: Did he not continue to invite Mr Preston out on fishing trips?

MR MARAIS: He may have done, but that was more than likely Mr Preston being polite and ultimately not going fishing.

40 MS CAHILL: And Mr Preston continued to engage in the email changes, not as much as you, but to an extent?

MR MARAIS: He did in being friendly and polite and engaging I can only assume.

45 MS CAHILL: Let's look at the "friendly and polite" at CRW.709.132.3200. Talking about a --- I'm not sure if this goes over to the next page. Yes. So this is an example of situations in which Mr Connolly, he did this from time to time, didn't he, you would go out on a trip, a fishing trip, and he would make a YouTube video. He would make a video of the trip and upload it to YouTube; is that right?



11:09AM

MR MARAIS: Yes, of the actual fishing on the boat, yes.

5 MS CAHILL: And so he does that and then Mr Preston responds, 7 January 2015, describing the video as "brilliant" and goes on to speculate, you see there, about Mr Hulme's role.

MR MARAIS: Yes.

10 MS CAHILL: That was the kind of banter that Mr Preston engaged in after he decided it wasn't appropriate for him to go on the fishing trips; is that right?

MR MARAIS: Yes, that's right.

15 MS CAHILL: And I take it, therefore, that Mr Preston never once suggested to you that your form of communication that you were having with Mr Connolly or your socialising with him outside of work was inappropriate or should cease?

MR MARAIS: That was never communicated to me.

20

MS CAHILL: You are not aware of Mr Preston ever suggesting to Mr Hulme that his communications with or socialising with Mr Connolly outside of work was inappropriate or should cease?

25 MR MARAIS: No.

MS CAHILL: Did you deliberately cultivate your relationship with Mr Connolly because you thought it would be helpful to Crown Perth in its management of the Crown Perth licence?

30

MR MARAIS: Absolutely not.

MS CAHILL: Did you have any discussions with hardware Hulme or Mr Preston about possible benefits to Crown Perth in the management of the licence if you and Mr Hulme and Mr Preston developed a good relationship with Mr Connolly?

35

MR MARAIS: 100 per cent not.

MS CAHILL: Just returning to paragraph 16, page 26 of your witness statement, having identified that Mr Hulme was the primary interface with the department until December 2019, you say after he departed, a Ms Grist replaced him?

40

MR MARAIS: Yes.

45 MS CAHILL: However, from that time the role, do you mean Mr Hulme's former role, was mostly shared between you, Denise Vanderklau and Ms Grist?

11:11AM

MR MARAIS: Yes.

5 MS CAHILL: Did you become involved in aspects of Mr Hulme's former role because of your personal relationship with Mr Connolly?

MR MARAIS: No.

10 MS CAHILL: You've referenced, I think at paragraph 138, pages 0051 to 0052 of your witness statement, various codes of conduct that Crown Perth had, presumably were modified over the time that you have been with Crown Perth; yes?

MR MARAIS: Yes.

15 MS CAHILL: Over the time of your friendship with Mr Connolly, have you ever given any thought to whether the relationship that you have with him and the communications and conduct between you in that regard falls foul of any of the directions and guidance in those codes?

20 MR MARAIS: I did not and I subsequently understand through the investigation by Crown Resorts, which was the external investigation, three-month investigation that considered each of these policies except for the anti-bribery and anti-corruption policy, possibly, that they did not consider there to be a breach of those policies.

25 MS CAHILL: Would this be a convenient time, Commissioner?

COMMISSIONER OWEN: Thank you.

30 Mr Marais, we break usually for about 15 minutes, so we'll come back at 11.30.

**ADJOURNED** [11.13AM]

35 **RESUMED** [11.30 AM]

COMMISSIONER OWEN: Thank you. Carry on.

40 MS CAHILL: Thank you, Commissioner.

Mr Marais, in March 2014 there was a meeting of the department operations team that we discussed before the break. We will turn up the minutes at DLG.0004.0001.0236. You were actually an apology for this meeting on 27 March but you would have read the minutes afterwards?

45 MR MARAIS: I can't recall ---

11:30AM

MS CAHILL: Is it your practice to do that?

5 MR MARAIS: If I was confirming the minutes, if I was an attendee, of course, I can't recall if I did review these minutes. I apologise.

MS CAHILL: Let me take you to item 4.1 at 0002. See down the bottom there, there is item 4.1 and it's reference to a new EGM that approval is being sought for. If you look at the text in the second paragraph:

10 DDG further advised that the GWC required the DRGL to examine the current 5 second 'Speed of Play' provisions detailed in the ..... WA Appendix and provide a report on whether this speed of splay [that's the minimum speed of play] should be increased to 6 seconds.

15 Do you remember that issue being before ---

MR MARAIS: Not at all, no.

20 MS CAHILL: You remember nothing?

MR MARAIS: Zero.

MS CAHILL: And you weren't involved in it?

25 MR MARAIS: No.

MS CAHILL: Let's go to a different topic. CRW.705.001.0380. This is an email from James Sullivan who is the chap at Crown who is responsible for EGMs; is that right?

30

MR MARAIS: Yes.

MS CAHILL: To you and Mr Hulme of 24 May 2018. And you've reviewed this email overnight, have you?

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MR MARAIS: I received emails around 9 o'clock last night, I ---

MS CAHILL: Did you review it overnight?

40

MR MARAIS: Briefly. There was a tranche I didn't receive and I woke up at 2 o'clock and reviewed it at that stage. I can't recall which tranche this is, I'm sorry.

MS CAHILL: In any event, Mr Sullivan is looking at seeking changes to the regulatory parameters for EGMs that impact on revenue generation; do you see there?

45

MR MARAIS: Yes.

11:33AM

MS CAHILL: And there is a meeting that is called to discuss it, that's at CRW.513.002.5371, to be held a few months later on 7 December 2018 in which you were included. Do you remember being involved in this issue of seeking changes ---

5

MR MARAIS: Yes.

MS CAHILL: --- to the appendix to the National Standards?

10 MR MARAIS: Yes, I do. Apologies, yes.

MS CAHILL: And it is quite clear you understood that the purpose of these regulatory changes that were being sought was with a view to improve Crown Perth's revenue?

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MR MARAIS: Yes, to save jobs.

MS CAHILL: To improve revenue?

20 MR MARAIS: Yes.

MS CAHILL: It doesn't say anything about saving jobs there?

MR MARAIS: No, I'm giving context to the email.

25

MS CAHILL: You are trying to soften, aren't you ---

MR MARAIS: Not ---

30 MS CAHILL: --- the import of what is said in the first two lines, aren't you?

MR MARAIS: Not at all. The direction from senior management was that Crown was --- there had been a new director, I understood Mr Alexander, and there was the razor gang, and there was a clear direction to the whole business that mass job losses were coming if Crown could not improve its performance because performance was going down rapidly for a number of reasons, economy being one, and I'm just trying to provide context to what was driving this. It wasn't just to get more profits, it was to save jobs. Even within my legal team we were needing to pick which teammate would be getting the chop. There was --- it was a pretty tough time.

40

MS CAHILL: In any event, you understood what needed to be considered was any and all potential regulatory changes associated with the EGMs to improve revenue?

MR MARAIS: Yes.

45

MS CAHILL: And as a consequence of this meeting in December 2018, you then produced a document, a discussion paper, didn't you, in the following January, 2019?

MR MARAIS: Yes.

MS CAHILL: You provided it to Mr Preston?

5

MR MARAIS: Yes.

MS CAHILL: And that is CRW.709.093.3950, and especially you identified three options to improve revenue, set out at about point 7 on the page at 3950?

10

MR MARAIS: Yes.

MS CAHILL: Getting full approval for poker machines in the casino was one option?

15

MR MARAIS: Yes.

MS CAHILL: another option was an approval for poker machines so that they could be played by international or interstate patrons?

20

MR MARAIS: Yes.

MS CAHILL: And the third option was amendments to be made to the criteria in the Gaming Machine National Standard?

25

MR MARAIS: Yes.

MS CAHILL: And it was that third option that was the one that was pursued, not the first two internally by Crown; is that right?

30

MR MARAIS: Yes.

MS CAHILL: The purpose of pursuing that option, the amendments to the WA Appendix, was to improve revenue?

35

MR MARAIS: Yes, noting the context I've provided previously.

MS CAHILL: And, therefore, the inherent premise on which you were proceeding was that these amendments that were being proposed would improve revenue because they would encourage people to play longer on the machines or spend more on the machines; is that right? Or both?

40

MR MARAIS: I think that was the advice being received from the gaming team, and, again, it was around declining revenue, it was around job losses, so absolutely, Crown wanted to ensure the business continued to be viable, competing against online casinos, wagering, Airbnb, these were all challenges at that particular time together with a soft market. So, yes, that was absolutely the intention.

45

MS CAHILL: So CRW.705.001.0255. This is a placeholder for a meeting to be held on 14 February 2019 in relation to this subject matter; do you see that?

5 MR MARAIS: Yes.

MS CAHILL: At Crown Perth.

MR MARAIS: Yes.

10

MS CAHILL: Between you and Mr Hulme and Mr Connolly?

MR MARAIS: Yes.

15 MS CAHILL: The three fishing friends. Did it occur to you at the time that it was inappropriate for you and Mr Hulme to participate in this meeting given your relationship with Mr Connolly?

MR MARAIS: No, not at all. We were entirely professional and conducted  
20 ourselves professionally throughout the entire meeting. The discussion was to talk about relevant considerations to a proposal which was not uncommon for Crown to do in terms of its engagement with the department.

MS CAHILL: Now, after this meeting with Mr Connolly, there was a submission  
25 sent to GWC by Crown Perth, wasn't there?

MR MARAIS: Yes.

MS CAHILL: And if we pull up the letter from Mr Felstead to Mr Ord, dated 7  
30 March 2019, CRW.709.132.6302, were you involved in the preparation of this letter?

MR MARAIS: Yes, I was.

MS CAHILL: Did you think that was appropriate given your relationship with Mr  
35 Connolly?

MR MARAIS: I did give the letter itself talks to all relevant considerations, professional and transparency, so, yes, entirely.

40 MS CAHILL: But you understood that Mr Connolly would be likely to review this letter and make a recommendation to the GWC in respect of its contents?

MR MARAIS: I understood Mr Connolly would receive the letter, consider relevant  
45 consideration and the Gaming and Wagering Commission would make its decision on the merits of the application, yes.

MS CAHILL: CRW.709.075.3660. There is your email to Mr Felstead, Mr Preston

and Mr Bossi dated 17 April 2019, referencing that you and Mr Hulme and Mr Sullivan had met with Mr Connolly to discuss amendments to the WA Appendix. You see that?

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MR MARAIS: Yes.

MS CAHILL: This was ahead of the GWC monthly meeting that was to occur on 30 April 2019, at which the submission of March would be considered?

10

MR MARAIS: Yes.

MS CAHILL: Again, did it occur to you that it was inappropriate for you and Mr Hulme to be approaching Mr Connolly yourselves in relation to that submission given your personal relationship?

15

MR MARAIS: No. The email confirms the matters discussed were all relevant considerations that related to the proposal. There was no information that has passed that was considered to be inappropriate or not relating to the submission.

20

MS CAHILL: Now, in this email you set out the current position, and if I can take you to the second dot point, Mr Connolly is separately preparing a paper for the Commission outlining the department's position including its recommendation; do you see that?

25

MR MARAIS: Yes.

MS CAHILL: Did you consider that your personal relationship with Mr Connolly might assist him in performing --- in informing a favourable recommendation?

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MR MARAIS: Not at all. Mr Connolly is entirely professional. Those submissions are all relevant considerations. The Gaming and Wagering Commission ultimately determines the application. So at no stage did that ever enter my mind.

35

MS CAHILL: If you look past that third dot point in the paragraph that begins "At this stage, Mick has requested the following information", that's the Mick you referred to a moment ago that when you are at work, you refer to him as Mr Connolly with the utmost respect?

40

MR MARAIS: Yes.

MS CAHILL: You are referring to him as "Mick" here.

MR MARAIS: Yes.

45

MS CAHILL: That is how you address him in your social relationship.

MR MARAIS: I think everyone addressed him as Mick. I was probably the only one

who addressed him as Mr Connolly in most of my correspondence. I can confirm only six months ago I spoke to someone on my team and said make sure you make it "Mr Connolly".

5

MS CAHILL: If we come back to this paragraph, so, "Mick has requested the following information", and would you agree that the three dot points that follow, identifying the information that he has requested, involves matters that would all support a favourable recommendation, or a recommendation in favour of Crown's submission?

10

MR MARAIS: If the information is provided and can be provided, I think also all those points cover public interest. The Gaming and Wagering Commission is assessing not just submissions in isolation, it needs to take into consideration all these matters about growth tourism, employment, what Crown contributes, Mr Connolly makes the specific point that he doesn't feel that the Commission is aware of those matters. So I believe it is entirely appropriate and it happens in a lot of context, whether it is planning or environment, that there is this level of engagement to understand applications to ensure that it is a fulsome submission and it contains relevant considerations. Otherwise, the GWC is not being informed of the whole picture. And, in do so, if it only gets half the picture, and there are consequences for that, for example, Crown has to sack 500, 1,000 people, I'm pretty sure they will be asking "Why wasn't this information told to us?"

15

20

So I see it as relevant. I see it as balanced and fair.

MS CAHILL: So let's have a look at that balance and fairness.

MR MARAIS: Yes.

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MS CAHILL: On the screen if you look at the second last paragraph commencing:

Overall, based on his commentary, Mick appears to remain receptive to the *Proposal* .....

30

MR MARAIS: Yes.

MS CAHILL: You go on to say:

35

..... and is likely to recommend the Commission approve the Proposal. He is requiring the above information to better inform the Commission from the Minister that the benefits from the Proposal far outweigh any political, RSG or other concerns.

40

You see that?

MR MARAIS: Yes.



MS CAHILL: Surely it must have occurred to you, when you were writing this email, that because of your personal relationship, there was an available perception, if not a possibility, that Mr Connolly was favouring the recommendation and supporting it because of his personal relationship with you and Mr Hulme.

MR MARAIS: No, not at all. Never once entered my mind. I think the information that Mr Connolly was seeking was entirely appropriate and related to relevant considerations to the application. Again, to realise that suppliers might be at risk, I recall as part of the cost-cutting, we were looking at winding back donations to charities, we were looking at winding back community partnerships. These are all relevant when taking into account submissions. That never once crossed my mind that Mr Connolly, because of the relationship, in fact, it is quite the opposite, it is putting all relevant information in front of the Gaming and Wagering Commission.

MS CAHILL: You recall, don't you, that the GWC didn't end up considering this submission and deciding upon it --- sorry, I withdraw that, that's not quite right --- it considered the submission from time to time in subsequent meetings but did not actually make a decision on the submission until July 2019; do you recall that?

MR MARAIS: Not specifically, but, yes.

MS CAHILL: Shortly prior to that July meeting, you emailed Mr Connolly on 18 July 2019. That's DLG.8001.0003.3735. We need to go to the attachments, I'm just informing the operator. So you sent Mr Connolly on 16 July 2019 just before the GWC meeting, a little while before it, a series of documents attached to this email for his consideration, didn't you?

MR MARAIS: Yes.

MS CAHILL: And the first was a draft paper, the first attachment, "WA Appendix" is the title. You prepared a draft paper for Mr Connolly to put before the GWC as his own document?

MR MARAIS: I'm not ---

MS CAHILL: Let's open that up if we can.

Commissioner, we may need to pause for a moment, I think, there is an issue with the operator pulling up the attachments for me to take the witness to.

COMMISSIONER OWEN: You are not suggesting we adjourn, just take a pause?

MS CAHILL: I will just check to see how long they think it will take them to pull it up.

I might start another topic if the Commissioners are happy for me to do so.

COMMISSIONER OWEN: Yes, thank you.

5 MS CAHILL: I want to ask you about Riverbank, Mr Marais. From paragraph 68, page 0036 of your witness statement, you begin to give some evidence about the Riverbank accounts. In very broad terms the effect of your evidence, as I understand, is that you knew nothing about the accounts and had no involvement with them (inaudible). Is that right?

10 MR MARAIS: Yes.

MS CAHILL: But you commenced an internal review at your own instigation after hearing Mr Preston's evidence in respect of Riverbank during the Bergin Inquiry in around September 2020?

15 MR MARAIS: Yes.

MS CAHILL: Did you seek or obtain any authority from anyone to commence the internal review?

20 MR MARAIS: No, not at all. I was watching the Bergin Inquiry and I saw Mr Preston being questioned, and it was painful watching and came as an absolute shock, and I just knew I had to do something, so I decided to speak to Denise Vanderklau who was in the compliance team and said, "Can you please help me?"

25 MS CAHILL: The Crown Group was confronting allegations on several other fronts at this stage, though, wasn't it, criminal associations with junkets brought to Crown Melbourne and Crown Perth, the China arrests?

30 MR MARAIS: Yes.

MS CAHILL: What was it about the Riverbank accounts specifically that caused you to take it upon yourself to conduct an internal review?

35 MR MARAIS: I was so shocked and surprised that this could be happening within our bank accounts. And I recall the Bergin Inquiry going to each transaction one by one, and I just --- that was something that just particularly seeing Mr Preston in the witness box was difficult, and just turned my attention to that.

40 MS CAHILL: If we go to CRW.547.002.1347, this is the memo that you wrote to Mr Barton the Chief Executive Officer dated 29 September 2020, which is basically the effect of your investigation to that date, you and others across Melbourne and Perth had undertaken, but at your instigation.

45 MR MARAIS: Yes. I had commenced almost immediately upon seeing Mr Preston's evidence. A short time thereafter, I think it was once Mr Preston was out of giving evidence and he was arranging meetings, I informed him I had already started a review and was looking at the aggregated practices, and as a result of that there was

a request to broaden to include Crown Melbourne.

5 So there was a team in Crown Melbourne that then facilitated that review and we continued in terms of the team looking at the Perth Riverbank statements.

MS CAHILL: I want to clarify something at paragraph 69a) of your witness statement at page 0036. Pop that out, please. The second sentence:

10 *The purpose of the internal review was not to identify potential money laundering ..... but related specifically to the practice of 'aggregation'.*

15 However, the reason you were interested in the practice of aggregation was because it was an indicator of possible structuring to avoid detection of transactions that could be money laundering; isn't that right?

MR MARAIS: Absolutely, that formed the basis to it, but as to whether or not ultimately those transactions, one, were to be identified, and then what they actually meant, required --- and I think the memo said it needs to be externally reviewed because I have no expertise in money laundering and since then there was the report 20 by Initialism which went into great lengths to explaining all sorts of terms that I had no understanding of whatsoever. So it certainly was centred around aggregated practices and what is actually going on there.

25 MS CAHILL: I will come back to your memo dated 29 September 2020, look at numbered paragraph 3. CRW.547.002.1347. And you and others involved in this investigation had identified a total of 102 instances where there were aggregation concerns; is that right?

30 MR MARAIS: Yes.

MS CAHILL: And that meant that in your mind they were suspicious transactions?

35 MR MARAIS: Not necessarily, that's why it needed to, one, be forensically critiqued. We were doing this on the run with someone in the office literally going through the bank statements. We didn't understand what half the narrations meant in terms of the bank's language. We didn't ---

40 MS CAHILL: They were suspicious weren't they in the sense that they required further investigation?

MR MARAIS: They were ---

45 COMMISSIONER OWEN: In fairness, Ms Cahill, "suspicious" has a particular meaning ---

MR MARAIS: I --- in --- possibly, but I think that further investigation needed to be done because part of what needed to be actually determined was were the patrons

gambling, were there justifications for it. It was just to confirm what was happening in those accounts.

5 MS CAHILL: The short point, Mr Marais, out of the 102 instances that you had identified were transactions which might be structuring or might not be structuring, or might be completely normal transactions or they might be structuring and there needed to be an investigation to ascertain which was which?

10 MR MARAIS: My level of AML knowledge was not sufficient to know what structuring was at the time. Yes, it had been discussed in the Bergin Inquiry but the purpose of the exercise was to pinpoint what was happening within the cage and how and why these --- was it happening for starters, and if it was, what is the extent of it, to then hand it to an external forensic expert, and also to Initialism in terms of  
15 actually providing, but, yes.

MS CAHILL: So you were identifying the transactions that needed to be sent off to somebody else to investigate further to see whether there was some issue about them from an AML perspective?

20

MR MARAIS: Whether or not the suspicion could be formed, yes.

MS CAHILL: At page 1349, numbered paragraph 8, you say:

25 *In other words, this issue of aggregation affected a small proportion of the value of funds credited to the Riverbank and Southbank accounts --- approximately 0.3%.*

30 Were you trying to reassure Mr Barton at that point that this issue about aggregation wasn't really a cause for too much concern?

MR MARAIS: My recollection was that there are a number of iterations of this memo. It was sent through MinterEllison at the time. It came back with amendments. Those amendments, one of them I believe was this amendment and I  
35 didn't appreciate the reason for the memo, but I was being asked to provide confirmation around that information and in terms of the review. So, on receiving those iterations, I confirmed that statement was correct and the memo remains correct.

40 MS CAHILL: If we go back to numbered paragraph 7 on the previous page, you split out the Riverbank and Southbank accounts. The Riverbank account is at subparagraph (a), and the instances of aggregated deposits there are 15.74 per cent of the total number of credits and 1.6 per cent of the total value of credits for the full period. And if we go over the page for the corresponding percentages for the  
45 Southbank account, they are much smaller. You see that?

MR MARAIS: Yes.

MS CAHILL: What you've done is basically averaged them in numbered paragraph 8, haven't you?

5 MR MARAIS: I think that was what occurred, yes.

MS CAHILL: But what numbered paragraph 7 actually showed was that there was a ---

10 MR MARAIS: 15 ---

MS CAHILL: --- much greater cause for concern in relation to the Riverbank account from your investigations than the Southbank accounts?

15 MR MARAIS: Yes, and that's identified in the memo.

MS CAHILL: Now if we go to CRW.709.136.4782. This is an email from you to Mr Connolly dated 26 October 2020. You forwarded a presentation to Mr Connolly ahead of a meeting with the GWC the following day. You recall this?

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MR MARAIS: Yes.

MS CAHILL: And you had prepared the presentation?

25 MR MARAIS: With input from others within the group. Yes.

MS CAHILL: You had prepared the presentation?

MR MARAIS: Yes.

30

MS CAHILL: Thank you. What was the reason for providing Mr Connolly with an advance copy?

MR MARAIS: I think so it could be provided to the Gaming and Wagering Commission.

35

MS CAHILL: If we go to CRW.709.136.4783, did you review this document overnight, Mr Marais?

40 MR MARAIS: Yes.

MS CAHILL: It doesn't make any mention of your internal review or the results of it to that date, does it?

45 MR MARAIS: No. The review was made public at the Bergin Inquiry and at the same time there was then subsequently being forensically assessed, reviewed by Grant Thornton and Initialism, so it was preliminary. It was an internal review. When I commenced the internal review it was almost as just trying to get a very

scratched sense of what is going on, and it morphed into something much bigger once the Initialism took over. So that's the reason why it wasn't included, it was still a work in progress.

5

MS CAHILL: Well, you could have included that work in progress in the presentation and say that it was subject to external review?

MR MARAIS: Absolutely.

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MS CAHILL: So the reason why you didn't provide the preliminary results?

MR MARAIS: Well, because they were preliminary. It doesn't cross my mind at the time. We were taking advices from Initialism, MinterEllison, discussing with ILGA, AUSTRAC, there are a number of things happening at that time, and if it was an omission, it certainly wasn't a deliberate one.

15

MS CAHILL: Well, you then participated in the verbal presentation to GWC the following day, didn't you?

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MR MARAIS: Yes, I did.

MS CAHILL: And Mr Barton and Mr Bossi were there?

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MR MARAIS: Yes. Mr Barton was by phone, I believe, by videoconference.

MS CAHILL: And none of you made mention of this internal review and the results of it to that date?

30

MR MARAIS: I don't believe so, no.

MS CAHILL: If we go back to the presentation at page 4795, at the conclusion, second dot point, Crown tells GWC:

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*As the Commission is aware, Crown has a longstanding open and transparent engagement with the Commission.*

It wasn't being an open and transparent as it could have been on this occasion by not referring to the internal review and what it had uncovered to that date?

40

MR MARAIS: I'm --- in part, the understanding of the purpose of the meeting and I think from memory it was about the reform agenda and it was about the immediate controls that we were putting in place to proactively, through --- and notwithstanding the Bergin Inquiry had not completed and we were being still at the same time respectful to any findings of the Bergin Inquiry --- we committed to proactively taking steps to amend the casino operations manual. So there were a lot of things going on. I don't think that it can necessarily be characterised as us not being transparent. There was just so much going on. And was it the purpose of the meeting to discuss a

45

preliminary review? I don't know if that was the main purpose.

5 MS CAHILL: So it is terribly important for the regulator to know that you had concerns about the operation of the Riverbank account; would you agree?

10 MR MARAIS: Absolutely. And I think if you go through the presentation, we address that specifically in the presentation. At the same time, these matters were being aired through publicly in the Bergin Inquiry. They were through media in terms of the review. My name got mentioned time and time again in terms of that memo and the work that was being done in terms of that memo, so ---

MS CAHILL: Mr Marais ---

15 MR MARAIS: Yes.

MS CAHILL: --- the GWC could not be expected to follow the Bergin Inquiry as a primary source of information about how its licensee is conducting itself; you would agree with that?

20 MR MARAIS: Yes.

MS CAHILL: It ought to get that information from its licensee first and foremost, ought it?

25 MR MARAIS: Yes, that's important.

MS CAHILL: And that's why Crown Perth had a responsibility to provide all information of relevance to the regulator as soon as it became available?

30 MR MARAIS: Yes, and complete.

MS CAHILL: And the results of your investigation to that date should have been disclosed to the GWC on 27 October, shouldn't it?

35 MR MARAIS: I think the Commission would have been aided by it, yes.

MS CAHILL: You should have disclosed it ---

40 MR MARAIS: Yes.

MS CAHILL: Now you explain at 69m) of your witness statement at page 38 and the following paragraphs that after your internal review, as I think you have alluded to in some of your answers to my questions, this then led to an internal review in which you were involved, the internal review being undertaken by Grant Thornton and Initialism.

MR MARAIS: Yes.

12:05PM

MS CAHILL: It is 16 November 2020, Crown and you specifically received the final Grant Thornton and Initialism reports in respect of Riverbank and Southbank?

5 MR MARAIS: No, I think Southbank came on 17 November.

MS CAHILL: All right. And you were aware by looking through the Initialism report when you received it that the report identified indicators of money laundering at Perth Casino through the Riverbank account?

10

MR MARAIS: Yes.

MS CAHILL: And Mr Barton, the CEO, sent a letter to GWC on 14 December 2020, that's GWC.0004.0015.0001. And you tell us at paragraph 69s) at page 39 of your witness statement that you assisted in the preparation of this letter?

15

MR MARAIS: Yes.

MS CAHILL: Did you draft it?

20

MR MARAIS: Yes.

MS CAHILL: Why did it take almost a month to inform GWC of the external reports and their important contents?

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MR MARAIS: Simultaneous to preparing this letter, and the original intention was to provide it more promptly to the GWC. At the time there were competing demands with AUSTRAC, notifications, there was the ILGA Inquiry, there was also what took over initially was the drafting of a similar letter to the Victorian Gaming Commission, there were multiple persons providing input into drafting of each and every letter. By the time it got to the end of November, I still had queries from Neil Jeans from Initialism and I have an email saying that I needed to confirm with Mr Jeans issues and matters relating to money remitters and junkets that are referred to in his report because the controls that we were putting in place needed to adequately address what he had identified, and I wanted to confirm that first with Mr Jeans.

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So a combination of all those matters. There was only myself driving these correspondence and engaging with multiple people from the Crown Group, from Mr Barton, Mary Manos the General Counsel, there was the executive group manager compliance, there was the investor relations so there was a lot of people. And it just was conflicting. So it was not a question of deliberately being tardy or wanting to delay this to the Gaming and Wagering Commission, it's just that's how it ended up taking the time.

40

MS CAHILL: There was nothing to stop you providing those reports earlier to GWC, was there?

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MR MARAIS: There was in terms of seeking clarification from Mr Jeans as to matters relating to money remitters and making sure that the controls we were proposing in the casino operations manual adequately addressed what he was  
5 identifying.

MS CAHILL: There was nothing to stop you providing the reports and explaining to GWC that you were seeking clarification about certain matters?

10 MR MARAIS: Looking back, you are right, but the purpose of the letter was to talk to the controls that we had put in place. So it seemed as though that was more important to me, at least, making sure we were addressing those issues proactively. I think it was prior to, in November, it might have been part of this letter, sorry, it has  
15 been such a blur, we updated and proposed changes to the casino manual which we provided to the Gaming and Wagering Commission to proactively show that we were addressing the issues. Yes, we could have done it.

MS CAHILL: Well, Mr Marais, what the Initialism report indicated was the possibility of historical money laundering through the Riverbank accounts. You  
20 would accept that?

MR MARAIS: Yes.

MS CAHILL: And what you are talking about as the reason why you couldn't  
25 provide those reports to GWC, Initialism and Grant Thornton, was because you were formulating responses to that finding, how Crown would react; would you agree with that?

MR MARAIS: Yes.

30 MS CAHILL: So there was nothing to stop you informing GWC before 14 December of the important fact it should know of historical --- indications of historical money laundering through the Riverbank accounts; you would agree with that?

35 MR MARAIS: Yes, I would agree with that, but I even recall the email saying that we can either send it separately or put it as part of the letter, the broader letter which wrapped it all together rather than piecemeal, and I can produce that email to the Commission if it assists. The email went to the General Manager of Regulatory and  
40 Corporate Projects, where I indicated that we can either send it as a separate letter or send it together as part of this letter, I want to clarify things with Neil Jeans first, before. So the decision was made then, we don't have luxury to go back in time, and maybe I should have taken that path but I didn't at the time, and if that's an error then I accept that criticism.

45 MS CAHILL: The Initialism report and the Grant Thornton reports weren't in fact provided to the GWC on 14 December until late afternoon. You recall that?

12:12PM

MR MARAIS: Yes.

MS CAHILL: 5.15pm. With a GWC meeting to be held the next day.

5

MR MARAIS: Yes.

MS CAHILL: And you assume the next morning?

10

MR MARAIS: Yes.

MS CAHILL: You didn't attend Crown's presentation at that meeting, did you?

MR MARAIS: No.

15

MS CAHILL: But you were aware Crown was attending the meeting to present to GWC about these matters?

20

MR MARAIS: About the reform program. I think it was an opportunity to introduce the Chair of Crown Resorts to the Gaming and Wagering Commission. I distinctly recall either the next day or following day, it may have been at the operations meeting, criticism from Mr Connolly, why was this board pack of 200 pages provided the day before. And I said to Mr Connolly, that was not the intention. There is no way we would have expected the Commission to have reviewed any of those materials. It was again this issue of joining the two letters together, and it was definitely not intended that that subject was even to be covered, given the length of the document itself. It was intended to be provided for further discussion and a subsequent meeting was always what I had intended and expected would happen. I would even expect the GWC to have possibly got its own experts to have reviewed it and provided opinion on it. It wasn't intended for that meeting at all.

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30

MS CAHILL: Mr Marais, did Crown want to avoid GWC having too much time before Crown's presentation on 15 December to consider the contents of the Initialism report and its response to that report without Crown having first presented?

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MR MARAIS: No. Not at all. In fact, my expectation was that it may have taken months, if not longer, for the GWC to have appreciated what was conveyed in that report. There were a lot of foreign concepts, at least from my mind, and what was actually going on and I would have thought, as I said, the GWC may have engaged its own consultant to provide advices but it was definitely not to catch them out or shock them or anything of that nature at all.

40

MS CAHILL: Thank you, Mr Marais.

45

Commissioner, may I please have a short adjournment just to get those emails uploaded for that last series of short questions.

COMMISSIONER OWEN: All right. We will adjourn for a short time. Let us

12:15PM

know when you are ready to resume.

MS CAHILL: Thank you.

5

**ADJOURNED**

**[12.15 PM]**

10 **RESUMED**

**[12.28PM]**

COMMISSIONER OWEN: Thank you, Mr Marais.

15 MS CAHILL: Apologies for that delay, Mr Marais. We had a technical glitch.

MR MARAIS: Thank you.

20 MS CAHILL: Coming back now to where I was in relation to the amendments to the Appendix to the National Standard in 2019, and this is an email that you sent to Mr Connolly, cc'd to Mr Hulme on 16 July 2019, which you understood this to be a date very shortly before the meeting of the GWC to consider Crown's submission in relation to the amendments to that appendix?

25 MR MARAIS: If I recall, the GWC had considered the submission and provided its in-principle approval, and this was a subsequent meeting to, I believe, progress.

MS CAHILL: For them to make the formal decision?

30 MR MARAIS: To progress, yeah, what would be required, but the in-principle decision had been made prior to that.

MS CAHILL: You understood they were going to make their formal decision this day?

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MR MARAIS: Yes.

MS CAHILL: At this meeting?

40 MR MARAIS: Yes.

MS CAHILL: And you had a number of attachments to this email? We look at the first one called WA Appendix, CRW.708.002.0515. You prepared this document?

45 MR MARAIS: Yes.

MS CAHILL: You prepared it as a written recommendation or paper for Mr Connolly to put before the GWC as if it was his own document; is that right?

MR MARAIS: My recollection was that we had prepared internal documents including the proposed amendments, not only to the WA Appendix, but to policies of the GWC. Mr Hulme had spoken to Mr Connolly and advised him that we had prepared internal documents that were, in our view, the changes should be made in terms of drafting, and Mr Connolly requested the documents be provided. So we provided it to him. The intention was to support and assist the department in our views on how the changes should be made.

10 MS CAHILL: See this document on the screen, and the text that is there ---

MR MARAIS: Yes.

MS CAHILL: --- you drafted it with the expectation and intention that Mr Connolly would adopt those words as his own and present them to the GWC, didn't you?

MR MARAIS: My understanding is that was ---

MS CAHILL: Sorry, that is a "yes"?

MR MARAIS: No. No, it was an internal note that provided background for our own business in terms of what the status was and what we intended to see as an outcome from the GWC meeting.

25 MS CAHILL: What did you expect Mr Connolly to do with this document?

MR MARAIS: I expected Mr Connolly to do nothing with this document specifically. It was the other attachments which go to the proposed changes, which are on tracked changes from memory, which showed what we expected --- not expected but how we saw the drafting should occur. And it's not uncommon for us to provide materials to the department. That's been the normal course with the, for example, game rules that we amend, the casino operations manual, that is what we amend and provide in tracked change to the department in terms of how we believe it should be interpreted and this was not dissimilar. We were seeking to assist the department in terms of our thinking, in terms of how we believed it could work. It was a complicated change. It required assistance from Mr Sullivan in terms of the drafting of the policies, in terms of the WA Appendix. So the sole purpose, and Mr Hulme had that conversation with Mr Connolly, was to assist the department.

40 MS CAHILL: Can we go to CRW.708.002.0543, this is attachment 4 to the email. This is in your lengthy answer you just gave then ---

MR MARAIS: Yes.

45 MS CAHILL: --- the document to which you refer?

MR MARAIS: Yes.

MS CAHILL: You intended that this document be presented to GWC by Mr Connolly as if it were his own, didn't you?

5 MR MARAIS: No. The email says "for your consideration", and the intention was for him to consider the proposed amendments that we were looking to do. It's not uncommon for, in my dealings with other stakeholders, to provide what we consider to be the necessary changes, and the email quite clearly says "for your consideration"

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MS CAHILL: All right, thank you.

MR MARAIS: Again, it's not uncommon for us to present these for discussion and consideration.

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MS CAHILL: Attachment 5, CRW.708.002.0545. This is a GWC document. It is a policy.

MR MARAIS: Yes.

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MS CAHILL: Which, if we go to the next page, please, you've made tracked amendments to it.

MR MARAIS: Yes.

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MS CAHILL: And your intention was that Mr Connolly would present this as if it were his own to the GWC, didn't you?

30 MR MARAIS: No, not at all. The email clearly says "for your consideration". The intention is to put forward, again, it is complicated and I didn't understand it, Mr Sullivan drafted the changes, and the whole purpose of it, in fact, I recall even there was a meeting with, I believe it was another department officer and a director, not Mr Connolly, where we were looking at, we were invited to make comments to a Responsible Service of Alcohol policy. We met with the Department officers, we  
35 subsequently sent through what we considered were the changes to the policy that were necessary. We constantly engage with the Department. We assist, we collaborate. And the email says it is "for your consideration". It's open dialogue that we have.

40 MS CAHILL: Nothing further.

COMMISSIONER OWEN: Mr Marais, as Commissioner Jenkins indicated to you at the outset, now counsel for the other parties have opportunities to ask you questions. I will invite applications for leave to ask questions. Anyone seeking  
45 leave?

### **CROSS-EXAMINATION BY MR GARAS**

MR GARAS: I do, Commissioner.

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Mr Marais, Garas is my surname. I act for Crown.

Operator, please bring up CRW.709.136.4783.

10 Mr Marais, the presentation that Ms Cahill took you to in the context of discussing the Riverbank accounts, can we please go through to page 4793. I just want to get some clarification from you, Mr Marais, as to what the reference is there where it says --- do you see the reference to "Initialism engaged to undertake" under the word "update" in the right-hand column?

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MR MARAIS: Yes. Thank you.

MR GARAS: And underneath it, it says "transaction monitoring source information review"?

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MR MARAIS: Yes.

MR GARAS: Is that part of the Initialism report that you sought to have prepared in relation to the Riverbank accounts?

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MR MARAIS: No, I don't believe it is.

MR GARAS: What is that in relation to?

30 MR MARAIS: I think that is a broader review of the AML framework more broadly and Crown's transactions around transaction monitoring. I think Mr Jeans had previously undertaken a review of Crown's transaction monitoring program, possibly 2019, maybe earlier, where he confirmed that the transaction monitoring program was adequate. Subsequently, in light of the aggregation practice, I understand that  
35 Initialism didn't go to the source data behind the transaction monitoring program and I think this was the purpose of that, to actually go just beyond the desktop, if you like, and to actually further go behind the scene as to the processes internally around Crown's activities and provision of designated services.

40 MR GARAS: I understand. No further questions.

COMMISSIONER OWEN: Any other applications? Any from anyone who is not physically present in the room? No. Thank you.

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**QUESTIONS BY THE COMMISSIONERS**

COMMISSIONER MURPHY: Mr Marais, your investigations into the aggregation practices, what was the outcome of that investigation? Did you understand why or how amounts were aggregated as a result of that investigation?

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MR MARAIS: Thank you, Commissioner. Once Mr Preston had finished giving evidence and we were doing the work just to identify the number of aggregated incidents, he did call a meeting with relevant people who were involved, including the cage team. I recall through that meeting the question was asked why are we aggregating. There was no response. And subsequently it may have been even be me that the question was put to them, did you do it just because of convenience because it is easier to lump it into one document and then process that one document instead of having to do individual documents.

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15 And the response was, yes, believe that is more than likely the reason for it.

Other than that, it became more an eclipse, if you like, with --- my work had been done, I had some initial work in terms of --- not initial work, I had substantive work with Grant Thornton in terms of providing them with all of the materials that we had used. They ultimately extracted and had sophisticated systems that could run an analyse and work with banks. Once Initialism report came through, there were initial letters that I assisted preparing to AUSTRAC. Subsequent to that I've disappeared, I guess, and AML or Financial Crimes team have subsequently since that point taken over it all.

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COMMISSIONER MURPHY: OK. That's fine. Thank you very much.

COMMISSIONER OWEN: Mr Marais, I only have one question for you, and it is actually much the same question as you have just been asked by Commissioner Murphy, but I just want to make sure that I understand.

In relation to the review that you commenced in September, I think, after you heard Mr Preston's evidence, what work did you personally --- because in your statement you say you coordinated that review --

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MR MARAIS: Yes.

COMMISSIONER OWEN: --- so I want to understand what work you personally did that enabled that memorandum that we've seen to be prepared before it then went on to the next stage, which was people like Grant Thornton and Initialism?

MR MARAIS: Commissioner, it was largely coordinating, instructing the person within the legal compliance team. That person did the lion's share of obtaining the statements from the finance team and also engaging with the cage team to obtain transactional documents relating to those specific identified issues within the bank statements. So while I was being copied in in some of --- most of those --- that work that that person was undertaking, my hands-on involvement, if you like, was limited, but certainly facilitating and driving the process and coordinating it across

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Melbourne as well. And Melbourne had different systems in terms of their cage practices and also in terms of who within the team was performing that work. Once the information was compiled, it was sitting down and going through it with that person. There was some additional information I think around some of the financial amounts that were being put through those accounts. On receipt of that information then put the memo together initially.

COMMISSIONER OWEN: And I think again in answer to Commissioner Murphy, you said that at some stage Mr Preston convened a meeting of various parties. Before that, there is two --- from what I understand you to be saying, that the primary function of that review was to look at the documents, bank statements and other documents. But apart from the meeting that Mr Preston convened, did you have discussions with any people to ascertain why things were happening?

MR MARAIS: I don't think I did, Commissioner. For me it was just unbelievable seeing what was happening.

COMMISSIONER OWEN: And in answer to a question from Ms Cahill, you said that you wanted to pinpoint what was happening in the cage, I think that was the word you used, to pinpoint what was happening in the cage.

MR MARAIS: Yes.

COMMISSIONER OWEN: Was that being done mainly by a review of the documents?

MR MARAIS: So what happened was once Initialism had been engaged and they were providing primary assessments as to what was happening and money laundering specifically, as part of that engagement and also Allens, lawyers in Melbourne, there was an insistence that a root cause be undertaken. And part of that was, I recall, through Allens and through Neil Jeans asking that the relevant staff be interviewed. And there was being arrangements made to get staff available to meet, to understand what went on. Very soon thereafter my involvement ceased --

COMMISSIONER OWEN: Right.

MR MARAIS: --- and the AML Financial Crimes team carried on with the process and I'm not sure, I think that it did not occur, Commissioner, in terms of root cause and I've got no explanation for that in terms of what happened with the team and the decisions around that.

COMMISSIONER OWEN: All right, thank you, very much, Mr Marais.

MR MARAIS: Thank you.

COMMISSIONER OWEN: Commissioner Jenkins?



COMMISSIONER JENKINS: Thank you. Can I follow-up on that.

5 Your present understanding is the root cause analysis of why the aggregation occurred in the Perth Casino cage has not occurred?

10 MR MARAIS: I don't believe so, Commissioner. It wasn't only why the aggregation practice occurred from my perspective, it was, was the level of training of the staff sufficient, was the ---

COMMISSIONER JENKINS: I understand that.

15 MR MARAIS: --- all the other issues around the identification, was there a cultural issue, was there --- there is a range of issues that needed to be explored through the root cause.

20 COMMISSIONER JENKINS: Because the aggregation was not the only issue identified in the Initialism report, was it, insofar as there were other issues about allowing third parties to attend the Perth Casino and withdraw the funds that have been deposited in the Riverbank account?

MR MARAIS: Yes.

25 COMMISSIONER JENKINS: That is a third party other than the patron?

MR MARAIS: Yes, I believe so, Commissioner.

30 COMMISSIONER JENKINS: So that there were a number of issues really that should have been worked through to ensure that the conduct did not occur again, isn't there?

MR MARAIS: Yes, absolutely. And I think that is part of looking back and making sure that --- particularly if it is something like a cultural issue, it is critical.

35 COMMISSIONER JENKINS: And in respect of the root cause, it might be cultural, might be lack of training, or it might be criminal?

40 MR MARAIS: Absolutely, Commissioner, and that's what needed to be identified, which for my mind was originally proposed to be undertaken initially by Initialism. Once I departed, I can't say why or why not that may have occurred.

45 COMMISSIONER JENKINS: And similarly with respect to the existence and usage of the Riverbank account, as I understand, your evidence is that you certainly did not know that it was in existence and was being used before that was revealed in the Bergin Inquiry?

MR MARAIS: Yes, Commissioner.

COMMISSIONER JENKINS: Would you, in your role, have expected to know that that account was being used for gaming purposes at the Perth Casino?

5 MR MARAIS: I don't believe so, Commissioner. There is a bank account, it is opened by treasury, it is run through the finance team, it is operated by the cage team. I, apart from the AML/CTF specific compliance obligations, which was being managed by that AML team in terms of program, outside of that there was no touch point, if you like, between me and that accountant.

10 Of course naturally, when these things arise, you go through, did I know, should I have known, and I went through that exercise and there was just nothing there. And through the Bergin Inquiry, the emails that I've since become aware of, there was just no involvement. So, no to that answer.

15 COMMISSIONER JENKINS: You've given evidence in your statement and the attachment about your AML/CTF training --

MR MARAIS: Yes.

20 MS CAHILL: And it appears there is some standard online training?

MR MARAIS: Yes, Commissioner.

25 COMMISSIONER JENKINS: Can you just explain to us, was that an internal training program or an external program?

MR MARAIS: Yes, an internal training program and there was also a face-to-face targeted training, which is a more hands-on training that was provided by the AML team.

30 COMMISSIONER JENKINS: How long did the online training take, each year?

MR MARAIS: Between 25 to 30 minutes, I would say.

35 COMMISSIONER JENKINS: Did the face-to-face occur every year as well?

MR MARAIS: I don't think it did. The face-to-face was --- I understand for other teams that are providing designated services, there is annual face-to-face. But with this particular training which I think from memory was in March 2021 was ---

COMMISSIONER JENKINS: I want to make it clear. I'm not interested post-Bergin. I'm talking about pre-Bergin.

45 MR MARAIS: Apologies, pre-Bergin was online only. Sorry.

COMMISSIONER JENKINS: And so did anybody in any way test your knowledge about AML/CTF pre-Bergin?

MR MARAIS: No, Commissioner.

5 COMMISSIONER JENKINS: Did they --- so no one ensured that you had an appropriate level of understanding?

10 MR MARAIS: No, Commissioner. Within the team itself we don't --- obviously not operational, we don't provide designated services so I can't talk to those teams, but I don't understand that it occurred within those teams either.

COMMISSIONER JENKINS: So you said the Initialism and Grant Thornton report referred to terms you hadn't heard of up until that time.

15 MR MARAIS: Yes.

COMMISSIONER JENKINS: I'm wondering what those terms were. For example, was it part of your AML/CTF training at that time to be taught about what words like "smurfing" and "cuckoo smurfing" meant?

20 MR MARAIS: No, Commissioner. And I think the more recent training module certainly goes into much greater detail around those terms, and how it works, and how crooks are going about their business.

25 COMMISSIONER JENKINS: There are two other areas I want to ask you about. The first is in respect of the relationship with Mr Connolly and its possible effect. At paragraph 124 of your statement you say :

30 *At no stage did I consider that my relationship influenced or could in a real sense possibly influence any decision-making of Mick to achieve outcomes for me personally and/or the Crown Group .....*

And you then give some reasons.

35 MR MARAIS: Yes.

COMMISSIONER JENKINS: I just wanted to ask you about that. Do you agree by your conduct and words, Mr Connolly would have formed the view that you liked him and were happy to be friends with him?

40 MR MARAIS: I think certainly the fact that I continued to go fishing and, yes, I would have thought so, but whether that's because he needed someone on his boat or whether he enjoyed my company --- I hope he enjoyed my company, Commissioner, but I would have thought so, yes.

45 COMMISSIONER JENKINS: And these discussions about fishing and other matters took place at times when the Perth Casino had a submission before the GWC pending?

MR MARAIS: I can't recall specific dates, Commissioner. I haven't done that level of lookback.

5 COMMISSIONER JENKINS: But you are of the view as expressed in paragraph 124?

MR MARAIS: Yes, absolutely.

10 COMMISSIONER JENKINS: So can I ask you to consider the reverse scenario. If you, Mr Hulme and Mr Preston had, by your words and conduct, indicated to Mr Connolly that you didn't like him and didn't want to be friends with him, do you think that might have influenced adversely Mr Connolly's approach to submissions made by the Perth Casino?

15 MR MARAIS: No, I don't think so, Commissioner. Mr Connolly is just straight down the line professional, he wouldn't care less what anyone thought of him or otherwise.

20 COMMISSIONER JENKINS: You mentioned that most of the non-work contact between you and Mr Connolly was initiated by Mr Connolly. Why didn't you initiate the conduct, the contact?

MR MARAIS: Busy, Commissioner. I wasn't surfing the internet, Commissioner.

25 COMMISSIONER JENKINS: If Mr Connolly hadn't initiated it, do you think you would have?

MR MARAIS: I don't know, Commissioner. I don't --- possibly. I like going  
30 crayfishing. I like Christmastime having crayfish. So possibly, yes.

COMMISSIONER JENKINS: Was there any part of your motivation that you responded because he was a senior member of the regulator and it was good to keep good relationships with him for that reason?

35 MR MARAIS: Not for my mind. Not where I was sitting at least. For me I just enjoyed going fishing and getting crayfish. That was my primary interest.

COMMISSIONER JENKINS: Can I now move to the last area. The decision to  
40 decrease the speed of play was to improve revenue for the Perth Casino and you were keen to make the point that it was to save jobs. Did you consider in that context that by this proposal you may save some jobs at Crown Perth but may also cause increased harm in the Perth community because of the increase in revenue was to come from EGM users?

45 MR MARAIS: I think it is a balancing act. And certainly in terms of our approach to the WA Appendix the --- I think it was around November so the changes were

made September 2019 from memory. Around November the Commission approved three seconds, in terms of the language of the WA Appendix, three seconds with features. We took the view, and I believe that there is an internal email, we took the view that the drafting should actually reflect five seconds. And we engaged with the Commission and the Department. There was a meeting with Mr Connolly and another officer from the department where we were insistent that it should reflect five seconds, no less than five seconds, not just three seconds with bonus because an unscrupulous operator might just have one little bonus in there and be operating at just over three seconds. So the email that was sent, and I think there was a discussion between Mr Hulme, Mr Sullivan and myself, the email I sent was to senior management saying that despite the Commission not willing to change this, our view or recommendation was that we should be obtaining two ATFs, one to satisfy the WA Appendix, a second ATF that established that it was over five seconds. And the premise of that was we had committed to the Commission that the sole purpose of the WA --- sorry, a purpose of the WA Appendix was due to changing technology and the spin rate effectively sitting at around 8.5 seconds. The purpose was to essentially get us back to the 1980s-based game but ensure that we had the safeguards there that it operated at least at five seconds to be distinguished from other jurisdictions where it's just three seconds whether you get a bonus feature or not.

COMMISSIONER JENKINS: Can I stop you there.

MR MARAIS: Yes.

COMMISSIONER JENKINS: We established the bottom line was this was going to increase Crown Perth's revenue.

MR MARAIS: Yes.

COMMISSIONER JENKINS: The other consideration is that that increase in revenue is going to come from local West Australians, primarily?

MR MARAIS: Yes, Commissioner.

COMMISSIONER JENKINS: And the next point is that what --- question is what investigations, analysis, inquiries did the Perth Casino carry out, prior to the submission going to the GWC, to ascertain the extent of any potential harm which would be caused by the change from five seconds to three seconds?

MR MARAIS: There was none, Commissioner. But if I can add something to that. The collective view was that we were effectively getting it back to how it was originally in terms of operating at five seconds. Post the implementation, as part of a Responsible Gaming Management Committee meeting, I raised with the committee that this change had been made and that the committee should be ensuring that trends are examined as to any impact around, for example, concerning behaviours. I believe that by March 2021 the RG team was monitoring. It then advised the committee that

there had been no increased trends or observable signs that caused the RG team any concern. They --- the committee resolved to close the item but continue to monitor.

5 In light of this forum, Crown absolutely should be utilising its Gaming Advisory Panel, which consists of three professors, Sydney, Adelaide, and New Jersey, to do further work on it. I don't disagree with that.

10 COMMISSIONER OWEN: Anything arising?

MS CAHILL: Nothing, thank you, Commissioner.

15 COMMISSIONER OWEN: Mr Marais, if you were represented, your counsel would now have an opportunity to re-examine you to clarify matters. So, in view of the fact that that won't occur, I give you the opportunity if you wish to add anything. Is there anything you want to clarify or is there anything you want to add to what you have said this morning or is in your statement?

20 MR MARAIS: No, thank you, Commissioner.

25 COMMISSIONER OWEN: All right. Mr Marais, thank you very much. Your evidence has been of great assistance to us. Thank you. There may be tidying up to be done so I will leave the summons in place, but you are certainly free to go. We will now adjourn and resume at 10.00 am tomorrow.

**THE WITNESS STOOD DOWN**

30 **ADJOURNED AT 1.03 PM UNTIL FRIDAY, 6 AUGUST 2021 AT 10.00 AM**

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