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PERTH CASINO ROYAL COMMISSION

PUBLIC HEARING - DAY 29

10.01 AM THURSDAY, 19 AUGUST 2021

COMMISSIONER N J OWEN

COMMISSIONER C F JENKINS

COMMISSIONER C MURPHY

HEARING ROOM 3

MS PATRICIA CAHILL SC and MR NICK WERNER as Counsel Assisting the Perth Casino Royal Commission

MR NOEL HUTLEY SC and MS RACHAEL YOUNG as Counsel for Consolidated Press Holdings Pty Ltd and CPH Crown Holdings Pty Ltd

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 KANAGA DHARMANANDA SC and MS MEL JASPER and MR RICHARD LILLY 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 LONG PHAM and MR DANIEL FARIHNA as Counsel for Mr John Alexander

MR PETER WARD as Counsel for Mr John Poynton

MR ANTHONY POWER as Counsel for Ms Maryna Fewster

10:01AM

COMMISSIONER OWEN: Please be seated.

We have Mr Alexander. Can you see and hear us all, Mr Alexander?

5

WITNESS: Yes, I can, thank you.

COMMISSIONER OWEN: All right. Would you state your full name for the record?

10

WITNESS: John Henry Alexander.

COMMISSIONER OWEN: Do you wish to affirm or take an oath?

15

WITNESS: I would like to take an oath, if I may.

COMMISSIONER OWEN: Perhaps if you repeat the words after me.

20 **MR JOHN HENRY ALEXANDER, SWORN**

COMMISSIONER OWEN: Thank you, Mr Alexander.

25

MR PHAM: May it please the Commission. With Mr Farihna who is on the line from Sydney, I appear for Mr Alexander.

COMMISSIONER OWEN: Thank you.

30

EXAMINATION-IN-CHIEF BY MR PHAM

35

MR PHAM: Mr Alexander, you received a letter from the Commission dated 3 August 2021, is that correct.

MR ALEXANDER: Yes, that's correct.

40

MR PHAM: That letter enclosed a summons and a list of topics; is that correct?

MR ALEXANDER: Correct.

45

MR PHAM: And you prepared a witness statement dated 16 August 2021 in response to that list of topics?

MR ALEXANDER: Correct.

MR PHAM: Do you have a copy of that statement with you?

10:03AM

MR ALEXANDER: Yes.

MR PHAM: I will just ask you to identify it. Can you turn to the last page.

5

MR ALEXANDER: Yes.

MR PHAM: Is that page numbered 20?

10 MR ALEXANDER: Yes, it is.

MR PHAM: Is that your signature at the bottom of the page?

MR ALEXANDER: Yes, it is.

15

MR PHAM: Are there any corrections that you would like to make to the statement?

MR ALEXANDER: No.

20 MR PHAM: And is the statement true and correct to the best of your knowledge and belief?

MR ALEXANDER: Correct.

25 MR PHAM: Commissioners, I tender that statement which bears the document ID WIT.0013.0001.0001.

COMMISSIONER OWEN: Thank you. The witness statement of John Henry Alexander, which bears the identifier number that has just been read out and which is dated 16 August 2021, will be admitted into evidence as an exhibit.

30

EXHIBIT #WIT.0013.0001.0001 - STATEMENT OF MR JOHN HENRY ALEXANDER

35

MR PHAM: Thank you.

COMMISSIONER OWEN: Thank you very much.

40

Ms Cahill.

CROSS-EXAMINATION BY MS CAHILL

45

MS CAHILL: Thank you, Commissioners.

10:04AM

Mr Alexander, your direct involvement with the Perth casino commenced as a director of Burswood Ltd in May 2016?

5 MR ALEXANDER: Correct.

MS CAHILL: As you explain in your witness statement, that came about because of your role as Managing Director and CEO of Publishing and Broadcasting Ltd, PBL?

10 MR ALEXANDER: I'm not sure if it followed directly from that, but it followed post my appointment as the CEO of PBL.

MS CAHILL: From 1998 until then, that's 2006, you had been employed in one capacity or another by the PBL Group?

15 MR ALEXANDER: Correct.

MS CAHILL: And then in 2004 you were appointed Managing Director and CEO of the group; is that right?

20 MR ALEXANDER: Correct.

MS CAHILL: Which, at the time, the group had both media and gaming assets; do I understand that correctly?

25 MR ALEXANDER: Yes, you do.

MS CAHILL: And the gaming assets were a relatively new acquisition, were they, for the group?

30 MR ALEXANDER: They were, yes.

MS CAHILL: Were you appointed a director of Crown Melbourne more or less contemporaneously with the appointment as Managing Director and CEO of PBL?

35 MR ALEXANDER: I believe so.

MS CAHILL: Did you understand from your role as Managing Director and CEO of PBL that the Group acquired all of the shares in Burswood Ltd in September 2004?

40 MR ALEXANDER: Yes.

MS CAHILL: By way of a takeover?

45 MR ALEXANDER: Yes.

MS CAHILL: I gather from the explanation in your witness statement that your

professional experience prior to 2004 was in media rather than in gaming?

MR ALEXANDER: Correct.

5

MS CAHILL: And you didn't and don't have any formal qualifications relevant to operating or overseeing the operations of a casino specifically?

MR ALEXANDER: Correct.

10

MS CAHILL: And I gather from what you say in your witness statement, particularly at paragraph 33, that your understanding of such things as risk identification and management in relation to casino operations and in relation to various aspects of those operations was effectively learnt on the job once those gaming assets were acquired by PBL; is that right?

15

MR ALEXANDER: Yes, that's right.

MS CAHILL: So really commencing from 2004 in relation to Melbourne Casino, and then 2006 in relation to Burswood?

20

MR ALEXANDER: That's right.

MS CAHILL: Accepting those limitations on your background in casino operations, when you were appointed a director of Burswood Ltd in 2006, did you have a general understanding at that time that casino operations were particularly vulnerable to the risk of being used to facilitate money laundering?

25

MR ALEXANDER: No.

30

MS CAHILL: Did you gain that understanding any time thereafter?

MR ALEXANDER: Over time, yes.

35

MS CAHILL: Are you able to recall about when you gathered that there was such a risk?

MR ALEXANDER: No, I can't recall.

40

MS CAHILL: At the time of your appointment in 2006 to the Burswood board, did you have a general understanding then that casino operations were particularly vulnerable to the risk of being infiltrated by criminals and organised crime syndicates?

45

MR ALEXANDER: No.

MS CAHILL: Did you gain such an understanding at some time thereafter?

MR ALEXANDER: Sometime thereafter, yes.

MS CAHILL: Can you recall when?

5

MR ALEXANDER: Not specifically, no.

MS CAHILL: Did you have a general understanding, at the time of your appointment to the Burswood Ltd Board, that junket tours posed particular risks to the operations of casinos hosting those tours, in terms of them being used to facilitate money laundering or being infiltrated by criminals?

10

MR ALEXANDER: No.

MS CAHILL: But you learnt about the risks of junket tours at some time thereafter?

15

MR ALEXANDER: A long time thereafter, yes.

MS CAHILL: When you say a "long time", longer than the time in which you learnt about the other risks I've just asked you about?

20

MR ALEXANDER: I would say the full understanding of junkets has become, in a general sense, more understood in recent times.

MS CAHILL: And what do you describe as "recent times"?

25

MR ALEXANDER: Well, I think the lead-up to and the course of the ILGA Inquiry uncovered a lot of things that weren't generally understood.

MS CAHILL: Generally understood to you, or do you mean more generally understood to CRL or Burswood Ltd?

30

MR ALEXANDER: I think generally.

MS CAHILL: Do you mean wider than just your own understanding?

35

MR ALEXANDER: Yes.

MS CAHILL: Did you have a general understanding in 2006 that gambling can cause harm to some gamblers and their families?

40

MR ALEXANDER: In a broad sense, yes.

MS CAHILL: And did understand at the time of your appointment that people who play electronic gaming machines or EGMs regularly are at particular risk of developing a gambling addiction?

45

MR ALEXANDER: Yes.

10:09AM

MS CAHILL: Can I ask you a couple of questions about the Perth Casino licence, Mr Alexander. In your witness statement at paragraph 38, I think it is, you express your understanding that Burswood Nominees Ltd holds the casino licence. You held
5 that understanding at the time of your appointment to Burswood Ltd Board in 2006, did you?

MR ALEXANDER: I believe so, yes.

10 MS CAHILL: Did you also have the understanding at the time in 2006 that Burswood Ltd held all of the shares in Burswood Nominees?

MR ALEXANDER: Yes.

15 MS CAHILL: At the time of your appointment in 2006, did you seek to inform yourself of the nature and content of the obligations that Burswood Nominees Ltd had as a licensee of the Perth Casino?

MR ALEXANDER: I can't recall.

20

MS CAHILL: Did you consider at the time in 2006 that in its capacity as licensee of the Perth Casino, Burswood Nominees had responsibilities to the State of Western Australia?

25 MR ALEXANDER: Yes.

MS CAHILL: Including a responsibility to mitigate the risk of casino operations being used to facilitate money laundering? Did you have that awareness of a specific responsibility?

30

MR ALEXANDER: I can't recall.

MS CAHILL: Do you remember gaining such an understanding of that specific responsibility at any time thereafter?

35

MR ALEXANDER: In a general sense, yes.

MS CAHILL: What about a responsibility to the State of Western Australia to mitigate the risk of the Perth Casino operations being infiltrated by criminals or organised crime syndicates; did you have an understanding of that responsibility at the time that you were appointed to the Burswood Ltd Board?

40

MR ALEXANDER: I can't recall.

45 MS CAHILL: Did you gain such an understanding to your recollection at any time thereafter?

10:11AM

MR ALEXANDER: I can't recall.

MS CAHILL: Do you have that understanding now?

5

MR ALEXANDER: Yes, I do.

MS CAHILL: At the time of your appointment, did you consider that Burswood Nominees Ltd, as licensee of the Perth Casino, had a responsibility to the State of Western Australia to responsibly mitigate the risk of Perth Casino patrons developing gambling addictions?

10

MR ALEXANDER: Not specifically, no, but I was aware that we were developing policies across the group, Responsible Gaming policies across the group to deal with this unfortunate problem, yes.

15

MS CAHILL: But you didn't understand that in the context of Burswood Nominees having a responsibility to the State of Western Australia to mitigate the harms from gambling addictions?

20

MR ALEXANDER: No, I don't recall.

MS CAHILL: Do you have that understanding now?

MR ALEXANDER: Yes.

25

MS NELSON: So that understanding you gained through being as being a director of Burswood Ltd?

MR ALEXANDER: And Crown Melbourne, yes.

30

MS CAHILL: At the time of your appointment, did you consider that Burswood Nominees, as licensee, had responsibility to the State of WA to reasonably mitigate the risk of harm to casino patrons caused by playing games on EGMs?

35

MR ALEXANDER: Not specifically, no.

MS CAHILL: Did you gain that understanding at any time thereafter?

MR ALEXANDER: Yes.

40

MS CAHILL: When?

MR ALEXANDER: Through the development of our Responsible Gaming policies.

45

MS CAHILL: At the time of your appointment in 2006, did you understand that in Western Australia gambling via the use of poker machines was prohibited?

10:13AM

MR ALEXANDER: Yes.

5 MS CAHILL: In 2006 did you consider that it was important for the Perth Casino operations to be conducted in a way that maintained the confidence of the Western Australian public in the integrity of those operations?

MR ALEXANDER: Yes.

10 MS CAHILL: In 2006 did you consider that it was important for the Western Australian public to have confidence that the licensee of the Perth Casino was (inaudible)?

15 MR ALEXANDER: Sorry, you dropped out there, the audio dropped out. My apologies.

MS CAHILL: It's not your fault, Mr Alexander.

20 At the time of your appointment in 2006, did you consider it was important for the Western Australian public to have confidence that the licensee of the Perth Casino was of good character and integrity?

MR ALEXANDER: Yes.

25 MS CAHILL: Moving away from the casino licence held by Burswood Nominees and considering the corporate structure more generally, you give some evidence about that as paragraphs 36 to 39 of your witness statement. Again, just to clarify your evidence in that regard, in respect of paragraph 37 you understood, did you, when you were appointed in 2006 that Burswood Ltd was the sole unit holder in the
30 Burswood Property Trust?

MR ALEXANDER: Yes.

35 MS CAHILL: You understood that Burswood Nominees Ltd was the trustee of trust?

MR ALEXANDER: Yes.

40 MS CAHILL: And that Burswood Nominees legally held all of the assets of the trust, which included the casino licence?

MR ALEXANDER: Yes.

45 MS NELSON: And that Burswood Nominees was a wholly-owned subsidiary of Burswood Ltd?

MR ALEXANDER: Yes.

MS CAHILL: You understood that Burswood Resort (Management) Ltd was the

10:14AM

manager of the trust?

MR ALEXANDER: Yes.

5

MS CAHILL: And a wholly owned subsidiary of Burswood Nominees?

MR ALEXANDER: Yes.

10 MS CAHILL: So, in summary, you understood that the casino licence, among other assets, was owned and operated through a trust structure?

MR ALEXANDER: Yes.

15 MS CAHILL: When you were appointed a director of Burswood Ltd, the chairman of that company was Mr James Packer, wasn't it?

MR ALEXANDER: Yes.

20 MS CAHILL: And he at the time was also the Chairman of PBL?

MR ALEXANDER: Yes.

25 MS CAHILL: Were you aware that Burswood Ltd had a couple of non-executive directors locally based?

MR ALEXANDER: Yes.

30 MS CAHILL: That was Mr Roberts and Mr Poynton?

MR ALEXANDER: Yes.

MS CAHILL: And otherwise a couple of PBL executives, is that right?

35 MR ALEXANDER: Yes.

MS CAHILL: While some of the faces changed over time, the composition of the board in that sense remained the same, didn't it?

40 MR ALEXANDER: In essence, apart from the changes to the PBL or later the Crown executive comings and goings, yes.

MS CAHILL: Well, the Chair of Burswood Ltd was typically a director of the ultimate parent company?

45

MR ALEXANDER: Yes. The Chair of Burswood Ltd was typically the Chair of firstly PBL and then Crown.

10:16AM

MS CAHILL: The only exception was when Mr Poynton was made Chair of Burswood Ltd?

5 MR ALEXANDER: More recently, yes.

MS CAHILL: But at that point he was made a director, or was a director of CRL?

MR ALEXANDER: Correct.

10

MS CAHILL: And there were typically senior executives of Crown Group who were directors of Burswood Ltd in addition to the couple of independent non-executive directors?

15 MR ALEXANDER: Yes, that's right.

MS CAHILL: Who were locally based, those independent directors?

MR ALEXANDER: Yes.

20

MS CAHILL: Separately, when you joined in 2006 the Burswood Ltd board, you understood that each of the Burswood Nominees and Burswood Resort (Management) had their own board of directors?

25 MR ALEXANDER: Yes.

MS CAHILL: Comprised of directors who also held executive positions within PBL?

30 MR ALEXANDER: Yes.

MS CAHILL: And then CRL?

MR ALEXANDER: Yes.

35

MS CAHILL: What was the rationale for having executive management sitting on those boards exclusively?

MR ALEXANDER: I can't recall. I wasn't involved in creating those structures.

40

MS CAHILL: Well, you remained a director of Burswood Ltd for a long period of time thereafter?

MR ALEXANDER: Yes.

45

MS CAHILL: Were you on the board of CRL for a long period of time thereafter?

MR ALEXANDER: Yes ---

10:17AM

MS CAHILL: You were in the Executive Chair role or CEO of Crown Group for a long period of time?

5 MR ALEXANDER: Yes, that's correct.

MS CAHILL: So on your watch, what was the rationale for having executives exclusively sit on the board of Burswood Ltd and Burswood Nominees?

10 MR ALEXANDER: I can't help you there. Those structures were set up in 2005 and I wasn't party to that decision.

MS CAHILL: So you never gave subsequent thought to the rationale behind that and whether or not that structure should remain?

15

MR ALEXANDER: No, I didn't.

MS CAHILL: You explain at paragraph 45 of your witness statement about the role of the Burswood Ltd Board, explaining that it had oversight of (inaudible) decisions about the operations of Crown Perth. Just reminding you that Burswood Nominees held the casino licence, what else did Burswood Nominees do while you were a director of Burswood Ltd between 2006 and 2020?

20
25 MR ALEXANDER: I can't speak to all things the Nominees did from memory before I became a director of Nominees in 2017. What it did from 2017 onwards, it was typically make decisions or recommendations to the Burswood Ltd Board about things like supply contracts to the property and the like. Most of the meetings were held by circular resolution.

30 MS CAHILL: And why can you not say what Burswood Nominees did before 2017?

MR ALEXANDER: I can't recall seeing any minutes of their meetings.

35 MS CAHILL: But it was a wholly owned subsidiary of Burswood Ltd (inaudible).

MR ALEXANDER: I can't recall seeing minutes of the meeting of Burswood Nominees.

40 MS CAHILL: But surely you interested yourself, in your capacity as a director of Burswood Ltd, interested yourself in the question of what a wholly-owned subsidiary was actually doing?

45 MR ALEXANDER: I saw Burswood Ltd as the driving force of the property, the overseer of the property, making all the primary decisions on part of the property.

MS CAHILL: So Burswood Nominees, did it operate the casino licence in any way?

10:20AM

MR ALEXANDER: It held the casino licence.

MS CAHILL: Did it operate the casino licence in any way?

5

MR ALEXANDER: Not that I know of.

MS CAHILL: Did the board of Burswood Nominees have any role in overseeing the operation of the casino licensee by another entity?

10

MR ALEXANDER: Not that I'm aware of.

MS CAHILL: On your understanding, did the board of Burswood Nominees Ltd, in addition to the Burswood Ltd Board, have oversight and make strategic decisions about the operations of the Perth Casino?

15

MR ALEXANDER: To the best of my knowledge, no.

MS CAHILL: Did it actually perform the role of trustee of the Burswood Property Trust?

20

MR ALEXANDER: I'm not sure what its obligations were.

MS CAHILL: Well, I'm just asking whether in your capacity as a director of Burswood Ltd over an extended period of time, you can tell us whether Burswood Nominees in fact performed its role and its obligations as trustee of the Burswood Property Trust.

25

MR ALEXANDER: My understanding was that it did.

30

MS CAHILL: In what way did it?

MR ALEXANDER: By the meetings it held with the three directors involved, and making decisions in terms of approving decisions on behalf of the property.

35

MS CAHILL: So just to explain to me --- describe the nature of the decisions ---

MR ALEXANDER: Typically there would be supply contracts, they would be everything from electricity to accommodation arrangements for air crews visiting Perth to purchase of such --- micro matters, as frying oil for the property, et cetera.

40

MS CAHILL: Sorry, can you repeat the last one?

MR ALEXANDER: Frying oil. Frying oil.

45

MS CAHILL: Oh, I see. How was it that Burswood Nominees had these responsibilities?

MR ALEXANDER: I'm not aware of the historical structure of the place, but please bear in mind that when PBL acquired Burswood, these were the structures that were actually in place.

5

MS CAHILL: And you never reviewed them?

MR ALEXANDER: To the best of my knowledge, no.

10 MS CAHILL: And the board of Burswood Ltd never reviewed those structures?

MR ALEXANDER: To the best of my knowledge, no.

MS CAHILL: And the board of CRL never reviewed those structures?

15

MR ALEXANDER: No.

MS CAHILL: Can you just explain to me how you say that entering into supply contracts equates to Burswood Nominees discharging its role as trustee of the Burswood Property Trust?

20

MR ALEXANDER: No, I can't.

MS CAHILL: Can I ask you about Burswood Resort (Management) Ltd. At paragraph 39 of your witness statement you say that it employed most, if not all of the staff at Perth Casino?

25

MR ALEXANDER: Yes, that's right.

30 MS CAHILL: What was the rationale for that?

MR ALEXANDER: Again, that was a structure we inherited via the takeover. The structure in my understanding had been in place for almost 20 years at the time of the takeover.

35

MS CAHILL: Right, and you would give the same answers in response if I ask you again whether there had been any review of those structures at the CRL or Burswood Ltd Board level?

40 MR ALEXANDER: Correct.

MS CAHILL: Did the board of Burswood Resort (Management) Ltd oversee the employment of staff at the Perth Casino?

45 MR ALEXANDER: Certainly --- yes, certainly the senior staff. The senior staff made decisions on who worked there, and obviously there was a chain of command through the organisation.

MS CAHILL: But let me just understand that: did the board of Burswood Resort (Management) Ltd oversee the hiring and firing of Perth Casino employees?

5 MR ALEXANDER: Well, the CEO of the property, who reported to the Burswood Board made those decisions. It depended on the seniority of the people. And he always informed the Board about potential changes and any changes --- my understanding is any changes involving staff who are paid more than \$500,000 a year had to be endorsed by the Remuneration Committee of Crown Resorts. But there were very few people paid over that amount. So essentially the Crown --- sorry, the Burswood Ltd CEO, who oddly had a different title, Australian Resorts CEO, Barry Felstead, made those decisions.

15 MS CAHILL: Right, two questions emerging from your answer just then, Mr Alexander. When you say that the CEO referred those matters to the board are you referring to the Burswood Ltd Board?

MR ALEXANDER: Yes. The Burswood Ltd Board.

20 MS CAHILL: And who was the CEO employed by, which entity?

MR ALEXANDER: Originally Mr --- well, in my time on the Burswood Ltd Board, the first CEO was a Crown appointment, David Courtney. He was replaced by Mr Felstead. My understanding is he was employed originally by Burswood Ltd, but when his role changed in 2013, he remained CEO of the property but he was employed by Crown Resorts. Because he also took on the additional responsibilities for overseeing Melbourne, and there was a subsequent change to support that role and he appointed a COO in both properties, Mr Bossi in Perth and another gentleman in Melbourne.

30 MS CAHILL: Coming back to Burswood Resort (Management), what else did it do while you were a director of Burswood Ltd in CRL besides employing staff?

35 MR ALEXANDER: My understanding, that was what its primary function was, employ staff.

MS CAHILL: Did it do anything else at all, to your knowledge?

40 MR ALEXANDER: Not to the best of my knowledge. I can't recall.

MS CAHILL: Did it perform the role as manager of the Burswood Property Trust?

MR ALEXANDER: I can't recall.

45 MS CAHILL: Did it oversee any person or entity who acted in the role of manager of the Burswood Property Trust?

MR ALEXANDER: I can't recall.

10:27AM

MS CAHILL: Did it operate the casino licence?

MR ALEXANDER: No.

5

MS CAHILL: On your understanding, did the board of Burswood Resort (Management) also, in addition to Burswood Ltd Board, have oversight and make strategic decisions about the operations of Perth Casino?

10 MR ALEXANDER: No.

MS CAHILL: Coming back to paragraph 45 where I think we were just a little while ago, I drew your attention to your evidence that the board of Burswood Ltd had oversight of and made strategic decisions about the operations of Crown Perth, was it responsible for the development and growth of the business of the Perth Casino?

15

MR ALEXANDER: Can you repeat the question?

MS CAHILL: Was it responsibility for the development and growth of the business of the Perth Casino?

20

MR ALEXANDER: Oh, was it responsible for it? Yes, it was.

MS CAHILL: Was it responsible for sourcing and instigating funding for capital works at the Perth Casino?

25

MR ALEXANDER: Yes, it was, in conjunction with Crown Resorts.

MS CAHILL: How did that work out?

30

MR ALEXANDER: Basically it depended on the size of the expenditure ticket. I mean, Crown Perth had its own capital expenditure budget of each year, which was generally around \$30 to \$40 million as a maintenance budget but when there were projects that were obviously beyond the funding of Burswood, like, for example, the Crown Towers project, the renovations regarding the Metropol hotel and the gaming floor and the like, Burswood didn't have the financial capacity to do those in its own right.

35

MS CAHILL: Did the Burswood Ltd Board oversee or direct Burswood Nominees Ltd or its board?

40

MR ALEXANDER: Oversight was probably the best word, yes.

MS CAHILL: How did it oversee Burswood Nominees Ltd or its board?

45

MR ALEXANDER: By being aware the decisions Nominees was making or recommending on behalf of Burswood Ltd.

10:29AM

MS CAHILL: So, you just answered that Nominees was making decisions or recommendations I understood you to say on behalf of Burswood Ltd? What do you mean by that?

5

MR ALEXANDER: Well, I refer to what I said earlier about the purchasing decisions.

MS CAHILL: Yes.

10

MR ALEXANDER: That was the great majority of what it did.

MS CAHILL: And is your position it was doing that, it was making those purchasing decisions on Burswood Ltd's behalf?

15

MR ALEXANDER: Yes.

MS CAHILL: Because on your understanding Burswood Ltd was responsible for the operation of the Perth Casino?

20

MR ALEXANDER: Yes.

MS CAHILL: And the operation of the licence?

25

MR ALEXANDER: And the operation, sorry?

MS CAHILL: Of the licence.

MR ALEXANDER: Oh, yes.

30

MS CAHILL: Did the Burswood Ltd board oversee or direct Burswood Resort (Management) Ltd or its board?

MR ALEXANDER: Not to the best of my knowledge.

35

MS CAHILL: What was the reason that Burswood Ltd had the responsibility for the Perth Casino rather than either Nominees or Resort Management? Was that because of the inherited structure you described a little earlier?

40

MR ALEXANDER: I believe so.

MS CAHILL: Can I talk to you a little bit about management, Mr Alexander, at the Perth Casino, which you begin to talk about at paragraph 41 of your witness statement. You identify there a senior management team who were, in your words at 42, "employed by Crown and/or Burswood Resort (Management) Ltd". When you are referring to "Crown" there, do you mean CRL?

45

MR ALEXANDER: Yes.

5 MS CAHILL: In terms of reporting lines, if we take the CEO of Crown Perth you mention at 41(a), consider the role, really, rather than the name of the person who occupied it at the time, did the CEO of Crown Perth report to a Group CEO?

MR ALEXANDER: Yes, he did.

10 MS CAHILL: Did you consider that the CEO of Crown Perth was answerable primarily to the Burswood Ltd Board or to the Group CEO?

MR ALEXANDER: Both.

15 MS CAHILL: Both equally?

MR ALEXANDER: Yes. Actually, primarily --- in my view, primarily to the Burswood Ltd Board.

20 MS CAHILL: So you considered that the Burswood Ltd Board had power to direct the CEO of Perth Casino in terms of how she or he was to discharge their role?

MR ALEXANDER: In a broad sense, yes.

25 MS CAHILL: What do you mean by "in a broad sense"?

MR ALEXANDER: Well, he obviously was the person in charge of the actual property, running the property, amongst other things. Burswood --- the Burswood Ltd Board was the overseer of that. And while he reported to the Group CEO in
30 Melbourne, basically his primary time and focus was spent on the Perth property.

MS CAHILL: On your understanding did the Group CEO have the power to direct the CEO of Crown Perth in terms of how they were to discharge their role?

35 MR ALEXANDER: He had a role, yes, he had a share in a decision. But, I mean, he had a dual reporting role.

MS CAHILL: So how did it work between Burswood Ltd and the Group CEO to determine who directed the CEO when and about what?

40

MR ALEXANDER: Well, the Group CEO, from memory, was always on the Burswood Ltd Board.

45 MS CAHILL: So just to answer the question, how was it worked out whether the Burswood Ltd Board would direct the CEO on any given occasion or whether the Group CEO in that capacity would?

MR ALEXANDER: I --- would you mind asking the question again, I'm sorry.

MS CAHILL: So you've described, if I understand your evidence correctly, Mr Alexander, a shared responsibility and power, if you will, between the Burswood Ltd Board and the Group CEO in the capacity of Group CEO to direct the Perth Casino
5 CEO.

MR ALEXANDER: Yes.

MS CAHILL: So the question is how was it worked out between the two parties,
10 Burswood Ltd Board on the one hand, Group CEO on the other, as to who was going to direct the CEO, when and about what.

MR ALEXANDER: Well, the Burswood CEO obviously was responsible for framing and forging the budgets which went to the Burswood board at first pass.
15 They then went in turn to the Group CEO. It was a situation where, if the Burswood Ltd Board was unhappy with the CEO, they were in a position to suggest a change or redirection. In a reporting line sense, he reported to the Burswood Ltd Board but he also had to report to the Group CEO in Melbourne.

MS CAHILL: Was there any formal piece of paper or articulation of how the shared responsibility between the Burswood Ltd Board and the Group CEO was to be divided?
20

MR ALEXANDER: No, not to the best of my knowledge.
25

MS CAHILL: Do you have it clear in your mind what the division was?

MR ALEXANDER: I think it became confused, if that's the right word, once the CEO of Burswood took on an additional role doing both properties.
30

MS CAHILL: How did that create confusion?

MR ALEXANDER: He still reported to the Burswood board, but he then had to report to the Melbourne board as well, as well as the Group CEO.
35

MS CAHILL: So how did that create confusion?

MR ALEXANDER: I don't think it actually led to any confusion. It was based on he had a job to do and I don't think the issue of confusion, if that is the right word,
40 ever arose.

MS CAHILL: So just to come back to my question, is it clear in your mind how the shared responsibility between Burswood Ltd Board and Group CEO to direct the Perth Casino CEO was divided?
45

MR ALEXANDER: I don't think there is a clear division in a document sense about how that was to work, it just had to work in a practical sense.

MS CAHILL: So, absent a document, did you have a clear understanding and do you have a clear understanding of that division or not?

5 MR ALEXANDER: I think I have a clear understanding that the CEO of the property, of Burswood, had an obligation and duty to the board of Burswood Ltd to act in the best interests of the board and of the property. He obviously was subject to reporting back to Resorts in his new role, and I think he fulfilled that.

10 MS CAHILL: So what about the CRL Board distinct from the CEO; did that board have the power to direct the CEO of Crown Perth in terms of how they discharged their role?

MR ALEXANDER: Not directly. I mean, obviously if the Crown Resorts Board was unhappy with the management of any part of the company, they had the opportunity to via the CEO, the Group CEO, to reflect that unhappiness if it occurred, and they suggested change via the Nomination and Rem Committee. But that situation didn't arise.

20 MS CAHILL: So the Burswood Ltd Board did not have the power of hire or fire over the CEO of Perth Casino, to your understanding?

MR ALEXANDER: Not to my understanding. I think it did have that power if it chose to exercise that power.

25 MS CAHILL: Did anybody else have the power or hire or fire over the Perth Casino CEO?

MR ALEXANDER: It's a hypothetical question, really, because if the individual was actually satisfying the demands of the Burswood Ltd Board, that situation wouldn't have arisen.

MS CAHILL: So I'm asking you about power, who had the right to hire and fire the Perth Casino CEO? You've mentioned the Burswood board. Who else, if anyone?

35 MR ALEXANDER: Ultimately the Group CEO with the support, if that was the right word, of the Crown Resorts Board.

MS CAHILL: Coming back to 41(b), you will see the reference to Mr Alan McGregor, who was the CFO of Crown Perth for a period of six years. These questions that I've asked you about reporting lines and responsibilities in respect of the CEO of Perth Casino, are those answers equally applicable to the role of Perth Casino CFO?

45 MR ALEXANDER: Yes, because Mr McGregor's role changed over time as well.

MS CAHILL: Mr Bossi is identified in (c) as the COO of Perth Casino. He reported

during your tenure on the Burswood Ltd Board through the CEO of Perth Casino up to the Group CEO; is that right?

5 MR ALEXANDER: In broad sense, yes. He reported directly to the CEO of Burswood.

MS CAHILL: And the Chief Legal Counsel at subparagraph (d), Chief Legal Counsel of Perth Casino, who did they report to?

10

MR ALEXANDER: If you are talking about Mr Preston, his role changed to incorporate both properties at the time. Initially he reported to the CEO of Crown Perth. That remained his primary reporting focus, but he assumed different responsibilities when he became Group Legal Counsel some time I think in 2017.

15

MS CAHILL: You've given some evidence just in this most recent passage of questions about the power of Burswood Ltd Board in respect of the employment of senior management positions, particularly CEO of Perth Casino. When we look at that senior management team as a group, and thinking about the concept of ultimate accountability of that management team, were they ultimately accountable to the Burswood Ltd Board or the CRL Board?

20

MR ALEXANDER: Obviously it would depend on their performance, but in an ultimate sense the Crown Resorts Board, because Burswood was a 100 per cent owned subsidiary.

25

MS CAHILL: Did you regard it as the responsibility of the Board of Burswood Ltd to challenge the senior management of Perth Casino and hold it to account?

30 MR ALEXANDER: Where relevant, yes.

MS CAHILL: When you say "where relevant", do you mean should the occasion arise?

35 MR ALEXANDER: Should the occasion arise.

MS CAHILL: Did you regard it as the responsibility of Burswood Ltd to instill in Perth Casino's senior management a culture of acting lawfully, ethically and responsibly in respect of the Perth Casino operations?

40

MR ALEXANDER: Yes.

MS CAHILL: And when you say at 43(b) of your witness statement that the management of Crown Perth reported to the Board of Burswood Ltd in respect of certain matters that was for the purpose of overseeing senior management's performance in respect of these sorts of matters, isn't it, instilling, making sure that culturally what they were doing was appropriate, they were acting lawfully, ethically and responsibly; you would agree?

45

MR ALEXANDER: Yes.

5 MS CAHILL: And that oversight that the Burswood Ltd Board executed over senior management, was that a shared responsibility with the CRL Board?

10 MR ALEXANDER: Partially. Only by issues like risk management and the like where we have common policies across all parts of the company. Later on AML of course, which came in in late 2019, but policies of that nature, there were shared responsibilities across the group. There were other policies which Burswood chose to go its own path on, like HR.

15 MS CAHILL: Was it ever documented as to when and how Burswood Ltd was permitted to go its own way or whether --- and when it was obliged to share responsibility with CRL?

20 MR ALEXANDER: I can think of a number of times where Burswood Ltd went its own way against the wishes of Crown Resorts. I mean, a prime example was post-2017 when, having had some consultants in the company, they recommended a variety of things, including changing the way we approached table games. Now, that was an important decision for us because we were about to open a third property in Sydney, and Melbourne was using one system and Perth another. Melbourne strongly recommended we use a system called Pangame(?), and recommended to Perth that it adopt the same system. Perth chose not to.

25 Equally, when superior facial technology was installed across the companies as part of our Responsible Gaming initiatives, the Melbourne arm chose to go one way and the Perth arm chose to go another. The same applies to surveillance systems. But for the big ticket policies like whistleblower or AML or CTR and the like, they were commonly applied, and risk management were commonly applied across the entire group for obvious reasons, obvious governance reasons.

30 MS CAHILL: We'll come back to AML and a couple of other what you might call big ticket items in a moment just to pursue that thought or evidence that you've just given, Mr Alexander, but do I understand from what you've said just now that you had clear in your mind, as a director of Burswood Ltd, when the Board could depart from the Group position in relation to Perth Casino operations and when it couldn't?

40 MR ALEXANDER: In a broad sense, yes. On those pig --- what we used to describe on big ticket items, yes, but the Burswood Ltd Board had enormous flexibility, I think, to actually make decisions, and Burswood Resort (Management) had enormous flexibility to go their own way on a variety of things, which they did.

45 MS CAHILL: Would that be fair to describe it as in relation to matters that concerned the day-to-day practical operations, physical operations of the casino and casino gaming?

MR ALEXANDER: The property, broadly, yes.

5 MS CAHILL: We'll come back to that in a moment, Mr Alexander. Can I just ask you this on the way through. Are you able to say, in relation to the senior management team that you've identified at paragraph 41, from which entity or board of an entity authority was delegated to those management positions to enable them to carry out their management functions in respect of the Perth Casino operations?

10 MR ALEXANDER: No. I can't recall.

MS CAHILL: Did you ever turn your mind to where the authority reposed to delegate to them their management functions?

15 MR ALEXANDER: I can't recall.

MS CAHILL: Do you think it is something that you should have turned your mind to during your tenure as a director of Burswood Ltd?

20 MR ALEXANDER: Not particularly.

MS CAHILL: That wasn't something of importance, to know where their authority came from to carry out their functions?

25 MR ALEXANDER: Well, they knew their responsibilities and duties, and I think that was far more important than knowing where that authority actually came from. They knew who they were employed by, whether they were ultimately employed by a shared role at Crown Resorts or by Burswood Ltd.

30 MS CAHILL: At paragraph 44 of your witness statement you give evidence of your expectation that Perth Casino management would report and escalate matters of importance to you and other members of the Burswood Ltd Board. What was the basis for your expectation in that regard, Mr Alexander?

35 MR ALEXANDER: It will, against a framework of X number of formal board meetings a year there are obviously issues that fell well outside those board meetings. And if anything was --- needed to be brought to our attention, there was an expectation that should happen immediately.

40 MS CAHILL: Was that expectation articulated to senior management?

MR ALEXANDER: Yes.

45 MS CAHILL: In writing or verbally?

MR ALEXANDER: Either. I can't recall. Either. It might have been email form or verbal conversation.

10:50AM

MS CAHILL: What sort of important matters are you referring to there that you would consider needed to be reported or escalated?

5 MR ALEXANDER: Anything from a sudden change in trading conditions to incidents that we should be aware of on the property. A very broad brush.

MS CAHILL: And what did you understand to be the purpose of the reporting and escalation to the Board of such matters?

10

MR ALEXANDER: The purpose purely was to keep the directors informed.

MS CAHILL: So that they could do what?

15 MR ALEXANDER: So they knew what was actually happening, so they were protected.

MS CAHILL: So that who was protected?

20 MR ALEXANDER: The directors, in terms of understanding what was happening on the property.

MS CAHILL: I'm just trying to understand that evidence about "protected". What do you mean?

25

MR ALEXANDER: Well, obviously if a serious incident of any sort occurs and you're a director of the company and you're not informed about it, then basically you face potential consequences.

30 MS CAHILL: Can I just ask you about CRL. At paragraph 47, you've got that in front of you on the screen, you are describing the ultimate parent company of Crown Perth. You are referring there to CRL, aren't you?

MR ALEXANDER: Yes.

35

MS CAHILL: Which you say influenced the strategic direction of the Perth Casino?

MR ALEXANDER: In some areas, yes.

40 MS CAHILL: Can you just explain what you mean by that?

MR ALEXANDER: Well, if you go back to the original Burswood, it was a very different property to the property it became. Crown had ambitions to create a global string of similar properties. The Burswood property needed to be upgraded across a number of fronts. So the strategic direction obviously came from head office on that. Inside Perth, the Burswood Ltd Board had oversight of strategic decisions they believe were more local decisions, and that included everything from marketing, they marketed the property in an entirely different way, for example, from the way Crown

45

Melbourne was marketed. Different marketing people, different marketing approach.

5 MS CAHILL: So you use the language in paragraph 47 of CRL influencing the strategic direction of Perth Casino. Presumably you mean thereby making recommendations to the Burswood Ltd Board?

10 MR ALEXANDER: Not necessarily the Burswood Ltd Board. It might have been in a conversation sense with the CEO of Burswood.

MS CAHILL: But in any respect did you understand that CRL could actually dictate the strategic direction of Perth Casino?

15 MR ALEXANDER: It could help influence it. The idea of dictating really never arose, apart from what I mentioned earlier about the upgrading of the property.

20 MS CAHILL: Does this mean, therefore, that only the Burswood Ltd Board could make strategic decisions in respect of Perth Casino irrespective of the nature of the strategic decision?

MR ALEXANDER: Yes. Largely, yes --- sorry to interrupt, but on issues like I mentioned earlier, risk management and the like, I think everybody agreed, and there was no division of opinion here between either Burswood Ltd Board or the Crown Resorts Board about the policies we should both have on our platforms.

25 MS CAHILL: Let's just understand that. We can go to that now. You've given some evidence about risk management between paragraphs 53 and 57, and at paragraph 55 of your witness statement you talk about the risk management systems of the Group being adopted, is the language that you use, by the Burswood Ltd Board. My question is this: was there any scope for the Burswood Ltd Board to not adopt the Crown Group risk management system and instead develop and adopt a separate system?

35 MR ALEXANDER: I don't believe so.

MS CAHILL: So is that a circumstance where --- the circumstance being the risk management structure for the Crown Group and to the extent it involved Perth Casino, being dictated by CRL?

40 MR ALEXANDER: I wouldn't use the word "dictated", I would use the word "advised" on the basis of the systems, risk management systems that had been developed over previous several years from bottom-up to improve the risk management culture of the company.

45 MS CAHILL: But I just understood you to say that Burswood Ltd Board would not be able to say, "Thank you very much, that looks great but we actually would like to implement our own system that we have here that is different".

MR ALEXANDER: I would imagine if they came up with a superior system, it would have been considered.

5 MS CAHILL: Considered by whom?

MR ALEXANDER: By the people you think perhaps were dictating Crown, by CRL.

10 MS CAHILL: But your evidence that you've just given, Mr Alexander, suggests that you understood that in relation to the risk management system, this was controlled and determined at group level and Burswood Ltd did not have the capacity to depart from that.

15 MR ALEXANDER: It was constructed at group level, and offered to each board, and those boards decided to accept it.

MS CAHILL: So Burswood Ltd Board could have decided to not accept it?

20 MR ALEXANDER: Hypothetically, hypothetically.

MS CAHILL: Is that the same in relation to the AML/CTF joint program that was ultimately introduced I think in about 2019, wasn't it?

25 MR ALEXANDER: Late 2019.

MS CAHILL: Yes.

30 MR ALEXANDER: Those policies were constructed over --- with a lot of work and over a lot of time and they went to each board for approval. And the Burswood Ltd Board approved it without any objections because they saw that ---

MS CAHILL: Sorry, I interrupted you.

35 MR ALEXANDER: That's okay. And for all the right reasons.

MS CAHILL: Yes, but the question is this: did Burswood Ltd Board have the capacity to not approve it? Could it have said, "Well, we actually want to have our own different AML/CTF program at Perth Casino"?

40

MR ALEXANDER: Hypothetically, yes. But the Board did approve it. They studied it and they approved it.

45 MS CAHILL: Just come back to the CRL Board more generally, please, and I will ask you to what extent, if you can describe it in these terms, if at all, did the Board of CRL have oversight and direction of the Perth Casino?

MR ALEXANDER: Direction --- to the best of my knowledge, not direction. The

direction of the actual casino in Perth was driven by local management in conjunction with the board. Around that involved a range of micro decisions around the property, including some macro decisions over time. I mean, the Burswood Ltd Board was actually responsible for imposing on Crown Resorts a lot of unexpected capex decisions. I mean, it was a Burswood Ltd Board that decided to build Crown Towers. It wasn't Crown's idea to build Crown Towers in Perth. The original plan was to upgrade the existing Promenade Hotel into a VIP facility, and I recall the independent directors, but particularly Mr Roberts, arguing that Crown should build a new free-standing property at a cost of \$650 million, which was certainly not budgeted at the time and well outside the financial capability of Burswood.

And there were other examples. It was the Burswood Board that decided to construct two villas. It was a Burswood Ltd Board decision to purchase a luxury yacht. It was a Burswood Ltd Board decision to create the sky towers, the area at the top of the Metropol building, and so on. The Burswood Ltd Board made decisions actually, from time to time, but particularly in the long development phase from 2005 to 2014, which was certainly not imposed by Crown, they were actually suggested and approved by Crown.

MS CAHILL: So against the background of what you have just said, Mr Alexander, did the CRL Board have any responsibilities at all, in relation to the Perth Casino, that were exclusively its, that the Burswood Ltd did not have?

MR ALEXANDER: I'm not sure.

MS CAHILL: What about financial budgets?

MR ALEXANDER: Well, financial budgets were, in the case of --- each of the properties were constructed from the bottom up. So in the case of the Crown Perth or Burswood budget, each business division did its own budget, including its own proposed capex budget, which built its way up to the CEO level of Crown Perth, and the CFO level, and they made the decision to either accept or reject or improve, and then those budgets ultimately went to Crown Resorts for approval. The same process applied in Melbourne to the Crown Melbourne property as well.

MS CAHILL: But is your evidence that the Burswood Ltd Board could have the power to reject a budget that was presented to it for approval?

MR ALEXANDER: Yes.

MS CAHILL: And if that had already been approved by CRL ---

MR ALEXANDER: It wouldn't have gone to CRL without the Burswood Ltd's Board approval. Or rejection.

MS CAHILL: All right.

If we go back to paragraph 45 of your witness statement, I've asked you about the first sentence, and then you talk about an additional responsibility of the board that devolved particularly upon the Perth-based directors to advise Crown on the political and economic climate in WA, and how the Perth Casino was running on the ground.

Now, the Perth-based directors for most, if not all of your time as a director of Burswood Ltd, were Mr Poynton and Mr Roberts, is that right?

10 MR ALEXANDER: Correct.

MS CAHILL: Am I understanding you are identifying their responsibilities that they particularly had in addition to their other responsibilities as directors of Burswood Ltd?

15

MR ALEXANDER: Yes. I mean, the rationale for their employment was two fairly experienced business figures on the ground to give the Board, which was otherwise staffed by Crown people, advice on political, economic and financial trends in Western Australia in Perth, and how that might affect the property either positively or negatively. They had also played a role --- they also were a sounding board for a range of other decisions, for example, could Burswood --- the property Burswood, support a Nobu brand. There was a desire to build a Japanese restaurant, was the Nobu brand, for example, too much of a stretch for the property. So there was a lot of practical advice provided at board meetings and outside board meetings by those individuals.

20
25

MS CAHILL: Where you say at the end of that paragraph, where you say that in particular the Perth-based directors also advised on how the casino was running on the ground, how did you expect them in a practical sense to fulfil that role, in advising on how the Perth Casino was running on the ground?

30

MR ALEXANDER: It was an informal obligation. It wasn't an obligation. I mean, well, Mr Poynton in particular --- Mr Roberts spent a lot of time overseas, but Mr Poynton in particular was a regular visitor to the property and often would give feedback about the property, positive or negative.

35

MS CAHILL: Did you expect the Perth-based directors to meet with management outside of board meetings?

40 MR ALEXANDER: Well, it wasn't an expectation but it was an occurrence.

MS CAHILL: Was it an expectation or occurrence for the Perth-based directors to inspect the casino and resort premises on a regular basis?

45 MR ALEXANDER: Was it a formal obligation, no, was it a reality, yes, because I often received phone calls about small details, about we should be fixing this or that needs attention.

11:04AM

MS CAHILL: Right.

MR ALEXANDER: And they would also include the Burswood CEO in that
5 conversation.

MS CAHILL: Right, so this second sentence in paragraph 45 is not so much an
expectation or responsibility but rather something that happened, something the
Perth-based directors did?
10

MR ALEXANDER: Exactly.

MS CAHILL: Are you aware of evidence that Mr Poynton has given to this Royal
Commission as to his understanding of his role as a director of Burswood Ltd and the
15 role of the board as a whole?

MR ALEXANDER: In a broad sense, yes.

MS CAHILL: The effective part of his evidence was that the Burswood Ltd Board
20 did not have the power to direct the licensee or its management in any way, and only
had the power to monitor the licensee's casino operations and to, as he described it,
escalate any issues of concern. Would you agree or disagree with that evidence?

MR ALEXANDER: Well, he had director's responsibilities, that is obvious. Do you
25 mind just repeating the question, please, the detail of the question?

MS CAHILL: Yes, so the effect of his evidence was that his understanding of his
role as a director, and the role of the Burswood Ltd Board as a whole, was that the
board did not have the power to direct the licensee or its management in any way; do
30 you agree or disagree with that evidence?

MR ALEXANDER: I disagree.

MS CAHILL: His evidence was to the effect that the board only had the power to
35 monitor the licensee's casino operations; do you agree or disagree with that?

MR ALEXANDER: I think monitoring obviously was part of the responsibility.

MS CAHILL: But not ---
40

MR ALEXANDER: Not singular.

MS CAHILL: I see. And his evidence was to the effect, which is why I didn't break
the question up before, because he would say, well, it was just the power to monitor
45 and then escalate any issues of concern, that was what the Board's role was in effect,
was his evidence. Do you agree or disagree with that?

MR ALEXANDER: No, I think the Burswood Board had more power than that.

MS CAHILL: And more responsibility?

MR ALEXANDER: Yes. As directors, yes.

5

MS CAHILL: Mr Poynton also gave evidence to the effect that the governance of the Perth Casino operations occurred first at Burswood Nominees Ltd Board level, and secondly at CRL Board level, such that the Burswood Ltd Board did not have governance or oversight of the Perth Casino operations. Do you agree or disagree with that evidence?

10

MR ALEXANDER: It would be very difficult to agree because I'm not sure what his insights were to the boards of Burswood Nominees and their meetings, or of their conversations and discussions. As I said earlier, Burswood Nominees met largely on a circular resolution basis.

15

MS CAHILL: Your evidence is, isn't it, that Burswood Ltd certainly had oversight or governance responsibilities in respect of the Perth Casino operations?

MR ALEXANDER: Yes. For example, the AML policy that was actually introduced in late 2019 went to the Burswood Ltd Board.

20

MS CAHILL: Indeed, isn't the effect of your evidence, Mr Alexander, that Burswood Ltd Board actually was the one primarily responsible for overseeing the Perth Casino operations?

25

MR ALEXANDER: That's my view, yes.

MS CAHILL: Mr Poynton also gave evidence to the effect that the non-executive directors of Burswood Ltd were appointed to be, to use his words, ambassadors of their Perth Casino operations and their director role was limited to an ambassadorial one; do you agree or disagree with that evidence?

30

MR ALEXANDER: I think anybody who was a director or senior executor is by definition an ambassador. But in my opinion that was absolutely a minor role of the decision.

35

MS CAHILL: If you were an ambassador of Burswood Ltd, independent or non-executive or otherwise, you certainly had other responsibilities in addition to that?

40

MR ALEXANDER: Of course.

MS CAHILL: Do you accept this proposition, Mr Alexander, that given the evidence Mr Poynton has given, it is apparent that his view of his responsibilities as a director of Burswood Ltd and yours are very different?

45

11:09AM

MR ALEXANDER: It would appear so, yes.

5 MS CAHILL: And the Burswood Ltd Board did not have a board charter at any time during your tenure as a director of that company or as a director of CRL?

MR ALEXANDER: That's correct.

10 MS CAHILL: Why was that?

MR ALEXANDER: Both Crown Melbourne and Crown Perth, Burswood, had constitutions. In the VCGLR review of the Melbourne licence in 2018, one of the recommendations of the regulator was that a charter should be introduced within six months, which it was. That property had been in existence for 25 years or so without one. The internal view was, leading up to that, that the constitution covered most of the matters contained in the charter. The regulator asked for it so it was introduced.

20 Burswood Ltd also had a delegations policy which covered many of the things covered in the charter. And the regulator in Perth, GWC, did not actually seek one, but on hindsight we probably should have introduced a charter, if no other reason than commonality, post the decision to do one in Perth --- in Melbourne, I beg your pardon.

25 MS CAHILL: You would agree, wouldn't you, though, that a constitution, and "the" constitution of the Burswood Ltd Board, would not comprehensively articulate the specific responsibilities of the directors of Burswood Ltd?

30 MR ALEXANDER: My belief was that it was largely covered, but I would agree that a charter would more specifically delineate those responsibilities.

MS CAHILL: Well, would you agree that a board charter is fundamental to good governance by a board of directors?

35 MR ALEXANDER: No, I wouldn't. As I said, I think it depends on the contents of the constitution.

40 MS CAHILL: Would you agree that in the case of Burswood Ltd, which sits in a corporate hierarchy with a parent above it, that it is particularly important in order to understand what its responsibilities are relative to the group as a whole and the parent company to have a board charter?

MR ALEXANDER: That could be one view, yes.

45 MS CAHILL: Is it your view?

MR ALEXANDER: It is probably my view now, yes.

MS CAHILL: But wasn't at the time?

MR ALEXANDER: It wasn't a front of mind issue for me at the time.

5

MS CAHILL: When the Victorian regulator encouraged the introduction of a board charter for Crown Melbourne, you say that was then introduced for Crown Melbourne but not for --- it didn't occur to you to introduce a charter for Burswood Ltd?

10

MR ALEXANDER: No.

MS CAHILL: Well, why not?

15

MR ALEXANDER: As I said, I thought most of the issues contained in a charter were covered by either the constitution or delegations policy, but I have probably changed my mind about that now.

20

MS CAHILL: Can I just come back to something that I asked you about a little while ago when we were talking about risk management, Mr Alexander. And you were describing, if you like, the overarching group management system that had been implemented through the Burswood Ltd Board in respect of the Perth Casino. In terms of the implementation and management of that system, you understand that that occurs primarily through the ERCC for Perth Casino; is that right?

25

MR ALEXANDER: Yes.

MS CAHILL: And did the Burswood Ltd Board to your knowledge approve the establishment of the ERCC?

30

MR ALEXANDER: Yes. It was about 2010, from memory.

MS CAHILL: And the ERCC reported to the Risk Management Committee of the CRL Board, to your knowledge?

35

MR ALEXANDER: Not directly. It reported to the Burswood Ltd Board.

MS CAHILL: You didn't understand ---

40

MR ALEXANDER: I don't think it reported directly to the Risk Management Committee in Melbourne. I think the contents of all the ERCC meetings and decisions were reported to the Risk --- as part of a general presentation.

45

MS CAHILL: All right. Do I understand from your evidence that you didn't understand it to report primarily to the Risk Management Committee of the CRL Board in the way in which it reported to the BL Board?

MR ALEXANDER: Correct.

11:14AM

MS CAHILL: So just in relation to risk management specifically here, did you understand that it was the Burswood Ltd Board's responsibility to challenge management if appropriate in respect of the contents of the reports it was given from
5 the ERCC?

MR ALEXANDER: Yes.

MS CAHILL: And identify any concerns that the Board had about ERCC risk
10 management and compliance?

MR ALEXANDER: Yes.

MS CAHILL: Was it the Burswood Ltd Board's responsibility to give direction to
15 the ERCC if it had any such concerns?

MR ALEXANDER: Yes.

MS CAHILL: Thank you.
20

Now, a slightly different topic. Can I ask you about the Burswood Property Trust Deed. During your tenure as a director of Burswood Ltd, did the Board have regard at all to the terms of the Burswood Property Trustee?

25 MR ALEXANDER: I can't recall.

MS CAHILL: Do you recall the Board considering the terms of the deed and making sure they were complied with?

30 MR ALEXANDER: I can't recall.

MS CAHILL: Did you personally give any consideration to the terms of the trust deed during your tenure as a Burswood Ltd director?

35 MR ALEXANDER: I honestly can't recall.

MS CAHILL: Well, is it likely that you would have?

MR ALEXANDER: I'm not sure.
40

MS CAHILL: You've already given evidence to the effect that the Burswood Resort (Management) Ltd, which you understood to be the manager of the trust, didn't actually manage the trust assets, it certainly didn't manage the casino licence I think we've established; is that right?
45

MR ALEXANDER: That's right, yes.

MS CAHILL: That's because of the inherited structure that you described a little earlier; is that right?

5 MR ALEXANDER: Yes.

MS CAHILL: That's the same explanation for why Burswood Nominees didn't perform the duties of the trustee?

10 MR ALEXANDER: I believe so, yes.

MS CAHILL: Can I just test that by way of an example just to make sure I've got your evidence clear. If we go to the trust deed which is CRW.700.0007.0205. Just before you look at this, Mr Alexander, this is the best version of a consolidated trust deed that we have, understanding that it will have been amended many times over the years since 1985 I think it is. This particular version has the most recent amendments in handwriting so it has a somewhat, if I might say, unpolished look about it when you go into it. If we go to 0293, this is clause 42 of the deed dealing with income of the fund. If we just enlarge that for Mr Alexander, in particular clause 42.1, where it provides that the trustee, Burswood Nominees, will receive all monies, rights and property which are paid or receivable in respect of the trust fund, did that actually happen? Did Burswood Nominees receive all monies, rights and property receivable in respect of the trust fund?

25 MR ALEXANDER: I can't recall.

MS CAHILL: If we just drop down to 42.3, there is the trustee empowered to distribute the annual net income of the fund. You see that? And I will just show you 42.7. Without having to read laboriously through the detail of that legal clause, one can get the sense of it, just from the first three lines.

Now, the payments to the unit holders, you understood to be Burswood Ltd as the only unit holder of the trust; you see that?

35 MR ALEXANDER: Yes.

MS CAHILL: Did that happen? Were there distributions on your watch to Burswood Ltd?

40 MR ALEXANDER: I can't recall.

MS CAHILL: Well, do you recall at all whether the financial management of the Perth Casino operations was deducted in the context of the trust deed or whether it was just put to one side as if it didn't exist?

45

MR ALEXANDER: I wouldn't have thought that to be the case but I'm not aware of this detail.

MS CAHILL: Can I ask why you are not aware of that detail? It is a fairly fundamental point as a director of Burswood Ltd as to how the high level structure of the financial management was conducted?

5

MR ALEXANDER: It's not something that, to the best of my recollection, ever came to the board for discussion or consideration. But I assumed that under the Act, under the terms of the licence, we followed it to the letter.

10 MS CAHILL: It's not something you took initiative to consider and research yourself?

MR ALEXANDER: No, it's not.

15 MS CAHILL: During your tenure as a director of Burswood Ltd, did you acquaint yourself with the State Agreement?

MR ALEXANDER: From memory, yes.

20 MS CAHILL: Did you understand it was predicated on the Burswood Property Trust was an essential premise on which the agreement was based?

MR ALEXANDER: Yes.

25 MS NELSON: And did you understand that the role of the trustee of the Burswood Property Trust was also a central premise for the State Agreement, in the sense of being the primary promissor on the part of being the casino developer and operator?

MR ALEXANDER: On a broad basis, yes.

30

MS CAHILL: Against that background, did it occur to you as a director of Burswood Ltd that it was important, in overseeing the operations of the Perth Casino, to have regard to the trust structure of the Burswood Property Trust, and to adhere to the terms of the trust deed?

35

MR ALEXANDER: I assume it was being adhered to. I had no cause to think it wasn't.

MS CAHILL: By whom did you think it was being adhered to?

40

MR ALEXANDER: By the managers of the trust.

MS CAHILL: Well, that's Burswood Resort (Management)

45 MR ALEXANDER: Yes.

MS CAHILL: Which was a subsidiary, ultimate subsidiary of ---

MR ALEXANDER: Of Burswood Ltd, yes.

MS CAHILL: So you didn't look into that?

5

MR ALEXANDER: No, I didn't.

MS CAHILL: You acquainted yourself with the contents of the constitution of Burswood Ltd, didn't you?

10

MR ALEXANDER: Yes.

MS CAHILL: At the outset of your directorship?

15

MR ALEXANDER: I can't recall when.

MS CAHILL: If we go to the constitution which is PUB.0026.0002.0001, at page 0010, clause 3.12, you were aware of this clause of the constitution, weren't you?

20

MR ALEXANDER: 3.12?

MS CAHILL: Yes.

MR ALEXANDER: Yeah, of course.

25

MS CAHILL: When you say "of course" ---

MR ALEXANDER: Sorry, I was aware of it, yes.

30

MS CAHILL: But it was something that was in front of mind in your role as a director of Burswood Ltd?

MR ALEXANDER: It was something I was aware of and sensitive too, yes.

35

MS CAHILL: So the evidence that you've given today about Burswood Ltd having the primary responsibility for the operation of the Perth Casino, you understood that this clause was, in your mind, therefore amply complied with?

MR ALEXANDER: It was, yes.

40

MS CAHILL: I want to ask you some aspects about the practical Board procedures of Burswood Ltd, Mr Alexander. You mention at paragraph 19 of your witness statement that you replaced Mr Packer as Chair of Burswood Ltd on 11 August 2016. What was the process by which you were appointed?

45

MR ALEXANDER: Well, I was the Deputy Chairman at the time and Mr Packer ---

sorry, I'm just reminding myself about the dates. There was no formal process. I think it was just recommended to the Burswood Ltd Board that I would be the Chairman. Outside that process there was nothing more formal than that. But as I
5 was the long-time --- relatively long time Deputy Chairman, I don't think that was a particular surprise.

MS CAHILL: So there was a resolution passed was there?

10 MR ALEXANDER: I imagine so, yes.

MS CAHILL: And the recommendation was made by Mr Packer, was it?

MR ALEXANDER: I can't recall. His recommendation to me, but I can't recall if he
15 made a recommendation to the Board.

MS CAHILL: Now, over your time as a director of Burswood Ltd, the board meetings took place on a quarterly basis, didn't they?

20 MR ALEXANDER: Broadly, yes.

MS CAHILL: Once you became Chair, did you consider that the Board should meet more regularly?

MR ALEXANDER: Not particularly. The Crown members of the Board received a lot of information about Burswood in and around meetings through direct contact with a number of executives who were shared executives. The independent directors, or particularly Mr Poynton, used to be a regular contact, even before he
25 joined the board of Crown Resorts, he used to talk openly about issues about the property. He would visit the property regularly. He was in regular contact with the
30 senior members of management of the property. So there was never a request for more meetings or a different format of meetings.

MS CAHILL: You would accept, wouldn't you, that a casino operation, such as it is
35 and has been at Perth Casino since 2006, is a reasonably large and complex operation?

MR ALEXANDER: Yes, I agree with that.

MS CAHILL: And of course the Burswood Ltd Board was concerned not just with
40 the casino operation but the management and operation of the resort as a whole?

MR ALEXANDER: It was. And I think the board packs reflected that.

MS CAHILL: You've explained that it was Burswood Ltd who had the primary
45 responsibility for the oversight and management --- for the oversight of the management of these operations?

MR ALEXANDER: Yes.

5 MS NELSON: And yet you say that --- to me that just four times a year was sufficient. Do you adhere to that evidence?

10 MR ALEXANDER: I do. I think if you look at the history of the Burswood Ltd meetings, for the first --- post the acquisition by PBL, the agendas were very complex and meetings were mainly because of all the variety of development issues. And I think as that development component fell away, I think --- I actually thought that the four meetings were sufficient. I understand that was changed to six meetings. I'm not sure that necessarily improves the quality of the oversight or not.

15 MS CAHILL: If we could just look at this document, PCRC.0007.0001.0001. This is a compilation. It goes on for a few pages. This is the summary at the front, Mr Alexander. It is measuring the length of the meetings in each year from 2009 to 2020 of the Burswood Ltd Board. And even on this front page you can see in the far right-hand column that the average length of time for --- of meetings in the years in which that information is available, we're sitting under 1.5 hours. You see that?

20 MR ALEXANDER: Yes. I do.

25 MS CAHILL: Then if we go into detail over the page for 2009 and skip through to 2013, if you stop here, you will see the meetings can be as short as 26 minutes.

30 MR ALEXANDER: I've never equated --- I accept that 26 minutes seems rather short, but as I've also mentioned the members of the --- the Crown members of the board were very familiar with most of the contents of those board packs well and truly before the meetings. I've never equated the length of meetings with the quality of outcomes. I've sat on public company meetings, public board meetings which have often gone for five hours and the consequences of those where there were no decisions made or very limited information learnt, state of my mind.

35 MS CAHILL: Have a look at the second last column, "Means of Attendance", you see that there?

MR ALEXANDER: Yes.

40 MS CAHILL: Whether somebody attended by teleconference or was physically present?

MR ALEXANDER: Yes.

45 MS CAHILL: Were the directors often phoning in their attendance to these meetings?

MR ALEXANDER: No, I think in the case of Mr Roberts who was travelling a lot, he did. I made a point of going, over the years, I think I probably missed one

11:30AM

meeting in terms of non-physical attendance. My strategy always was to go
lunchtime the day before the meeting, spend the afternoon talking to management
and speaking to usually other directors, independent directors over dinner at the
5 property before the meeting the next day.

MS CAHILL: During your tenure on the board of Burswood Ltd, do you consider
that the members of the Board who were not also members of the CRL Board were
given the same amount of information about matters relevant to the operation of
10 Perth Casino that the directors of both companies received?

MR ALEXANDER: Sorry, will you repeat the question.

MS CAHILL: I will. It is complicated. There were some members of the Burswood
15 Ltd Board who were on both CRL and Burswood Ltd.

MR ALEXANDER: Yes.

MS CAHILL: There were some who weren't.
20

MR ALEXANDER: Yes.

MS CAHILL: For the ones who weren't, during your time on the board, did they
receive the same amount of information about the Perth Casino operations as the
25 directors who were on both boards?

MR ALEXANDER: Yes.

MS CAHILL: And how was that achieved?
30

MR ALEXANDER: It was achieved primarily by the board packs which are fairly
fulsome. It was achieved by their capacity to interact with management of both the
case and where need be management of Crown.

MS CAHILL: Did the Burswood Ltd Board ever take advice outside of Perth Casino
35 management or Group management regarding the establishment and implementation
of an appropriate corporate culture for the Perth Casino operations?

MR ALEXANDER: I can't recall.
40

MS CAHILL: Did the Board ever have strategy days, retreats, independently of
management in determining the strategic direction, risk management or ethos of
Burswood Ltd?

MR ALEXANDER: I don't recall.
45

MS CAHILL: You say at paragraph 85, I'm changing topics here ---

COMMISSIONER OWEN: Well, if you are going to change topics, can we take a break?

5 MS CAHILL: It will be short.

COMMISSIONER OWEN: All right, if it is short.

10 MS CAHILL: I'm changing topics here to ask you about Riverbank, Mr Alexander. You say at paragraph 85 of your witness statement that you were unaware of the existence of Riverbank until August 2019. I assume you are referring to the company, Riverbank Investments Pty Ltd?

15 MR ALEXANDER: Correct.

MS CAHILL: How is it possible, when it was a wholly-owned subsidiary of Burswood Ltd the entire time that you were a director of Burswood Ltd and an executive director of CRL, that you had no knowledge of that company?

20 MR ALEXANDER: Well, as I explained to the Bergin Inquiry, I became a director of 60-plus-odd companies the day Rowan Craigie, the former CEO, resigned. Most of those companies were explained to be to be shelf companies supporting tax and financing structures. I was aware of the companies I signed off, I was aware of Burswood Nominees and Burswood Resort (Management) Ltd as companies. Most
25 of the others had --- and I think I joined the Board of eight Western Australian companies as part of that process. There were no flags or --- red flags or indications when I signed those vast group of proprietary companies, there were any issues, and I signed them with the company secretary.

30 I became --- I only became aware, genuinely, of Riverbank and Southbank when I read the reports in The Age newspaper in August 2019, and then I started asking questions. And the answers I got would have been, if I'd asked the same questions when I signed on as a director, I would imagine, given the answers I was given in
35 2019, the same.

MS CAHILL: But you had not asked before 2019 about the corporate structure sitting underneath Burswood Ltd; is that right?

40 MR ALEXANDER: Yes.

MS CAHILL: And you hadn't asked about the corporate structure sitting under CRL to the level of detail of Riverbank Investments Pty Ltd at any time prior to that in your capacity as an executive director of CRL?

45 MR ALEXANDER: That's right. Yes.

MS CAHILL: Well, why not?

11:35AM

MR ALEXANDER: It's not unusual for CEOs to sit on the boards of a vast number of companies which aren't really active companies. When I was CEO of PBL it was a fairly similar situation. There might have been even more. There was no cause to do so.

COMMISSIONER OWEN: Thank you.

Mr Alexander, we will take a break for 30 minutes. We will come back at 12.05 your time, which is 2.05 your time.

MR ALEXANDER: Thank you, Commissioner.

COMMISSIONER OWEN: 12.05.

ADJOURNED **[11.35AM]**

RESUMED **[12.05PM]**

COMMISSIONER OWEN: Thank you, Mr Alexander.

MR ALEXANDER: Thank you, Commissioner.

COMMISSIONER OWEN: Ms Cahill.

MS CAHILL: Thank you, Commissioner.

Mr Alexander, in paragraph 58 of your witness statement you are referring to what I will call in shorthand the Melbourne Casino Agreement, and in response to a question from the Commission you say you have a distant recollection of clauses 22.1(r) and 22.1(ra)(3), or (ra) in any event. You recall clause 22(ra)(3); by that clause, Crown Casino Ltd maintains the Melbourne casino as the flagship gaming resorts gaming business in Australia?

MR ALEXANDER: Yes.

MS CAHILL: Now, you say at 58 that you don't call whether or not, and if that clause and also 22.1(r) were applied to the operations of Perth. Can I ask you this then: during your tenure as a director of CRL, did CRL maintain Melbourne Casino as the flagship casino of CRL's gaming business in Australia?

MR ALEXANDER: Yes, it did.

MS CAHILL: And how did it do that?

MR ALEXANDER: Purely because of scale of the operation. I mean, the Melbourne Casino is a much larger, in every sense, entity than Perth and even the proposed casino in Sydney.

5

MS CAHILL: Was there anything other than scale that rendered it the flagship casino of CRL's gaming business in Australia?

MR ALEXANDER: Well, I think it was not only the flagship, it was the first property. I'm not familiar with the negotiations that took place, that might have taken place between the Victorian Government and senior figures at Crown about that clause and maintenance of that clause, but I think it --- scale's one of the prominent reasons for that.

MS CAHILL: All right. So you have scale as one of the prominent reasons and the fact that it was the first casino for Crown Group Australia. What else rendered it during your tenure as the flagship casino in Australia for CRL?

MR ALEXANDER: I think they are the primary reasons. As I said, I'm not aware of the conversations that took place between the Victorian Government and Crown management/ownership.

MS CAHILL: I want to ask you in the context of your role as a director and then as Chair of Burswood Ltd about your relationship with James Packer, Mr Alexander.

25

In the Bergin Report you were described as having been a close ally of the Packer family for many years, would you agree with that?

MR ALEXANDER: Yes.

30

MS CAHILL: And as having a close relationship with James Packer; you would agree with that?

MR ALEXANDER: Yes.

35

MS CAHILL: The Bergin Report also referred to you having communicated with Mr Packer throughout the whole of the period that he was on the Crown Board, and in particular after he resigned in March 2018; do you agree with that?

MR ALEXANDER: After he resigned in March 2018 my communications were much more limited with Mr Packer.

MS CAHILL: But there were some?

MR ALEXANDER: There were some, yes.

45

MS CAHILL: And did that include, after he resigned, communication of confidential information such as the results of what had occurred in in-camera discussions at CRL

Board meetings?

5 MR ALEXANDER: I can't recall anything from an in-camera conversation. Most of my conversations with Mr Packer were frankly generic. He had two directors on the Board, so he would have been getting much more explicit accounts of what had happened at the board meetings than from myself.

10 MS CAHILL: And who were those two? Did that include Mr Poynton?

MR ALEXANDER: No, this is --- I'm referring to Mr Johnston and to Mr Jalland.

15 MS CAHILL: Why do you infer he would have been getting much more explicit communications from them?

MR ALEXANDER: They were CPH appointees and executives.

20 MS CAHILL: Why did that influence what they communicated in their capacity as directors of CRL to Mr Packer?

MR ALEXANDER: They were appointed by Mr Packer, they were his two --- two of his nominees on the board. Mr Poynton came later.

25 MS CAHILL: But just coming back to your position, did you communicate confidential information to Mr Packer after he resigned in March 2018, confidential information about what occurred at CRL Board meetings?

30 MR ALEXANDER: On occasion, but covered by the protocol, the Shareholder Protocol Agreement.

MS CAHILL: After Mr Packer resigned from the CRL Board in 2018 did you communicate to him confidential information regarding Perth Casino that you obtained through your position as a director of Burswood Ltd?

35 MR ALEXANDER: To the best of my knowledge, no.

40 MS CAHILL: At paragraph 18 of your witness statement you referred to being employed by CPH and reporting to Mr James Packer in parallel with your role as Executive Deputy Chair of Crown, you see that, between 2014 and 2017?

MR ALEXANDER: Yes, I do.

45 MS CAHILL: It was also in parallel with your directorship with Burswood Ltd, wasn't it?

MR ALEXANDER: Yes, I was on the board of Crown Melbourne and Burswood at the time.

12:11PM

MS CAHILL: Your employment by CPH, you say in the last sentence of paragraph 18, was focused upon, as you say "improving the financial performance of Crown". You see that?

5

MR ALEXANDER: Yes.

MS CAHILL: Which would have included the financial performance of the Perth Casino; is that right?

10

MR ALEXANDER: Yes, although most of the issues in terms of financial performance at the time related to Melbourne.

MS CAHILL: Yes, but it did include Perth Casino?

15

MR ALEXANDER: Yes. Yes.

MS CAHILL: Were you answerable to Mr Packer directly in that regard?

20

MR ALEXANDER: Yes, I was.

MS CAHILL: And acted at his direction?

25

MR ALEXANDER: It wasn't so much at his direction. He was looking for information going up rather than directions coming down.

MS CAHILL: That was the point of your employment?

30

MR ALEXANDER: Yes, it was.

MS CAHILL: And you provided him with that financial information?

MR ALEXANDER: Largely financial information, yes.

35

MS CAHILL: And analysis?

MR ALEXANDER: Yes.

40

MS CAHILL: Do you accept that placed you in a position of potential, if not actual conflict of interest?

45

MR ALEXANDER: No, I don't. We were acting in respect of Crown shareholders. The entire rationale of my doing that, and Mr Johnston was engaged at the same time to play a similar role was to really drill down into the business perhaps in a more forensic sense than happened in the past, because the financial outcomes weren't as budgeted, and he wanted, along with the rest of the Crown Board for that matter, an improvement in performance.

MS CAHILL: But when you provided this financial information and analysis to Mr Packer to CPH, what did you expect him to do with it?

5 MR ALEXANDER: It wasn't at that time so much information, it was a course of actions we were undertaking, and recommendations we were making to the various entities. And for example, the appointment of Mr Felstead to oversee both casinos came out of that process.

10 MS CAHILL: If we go back to paragraph 18, last sentence, your employment by CPH, in which you reported to Mr James Packer, was focused on improving the financial performance of Crown. You see that?

MR ALEXANDER: Yes.

15

MS CAHILL: So you were answerable to Mr Packer for improving the financial performance of Crown; you accept that?

MR ALEXANDER: I was engaged by Mr Packer to do it, but everything we were
20 doing was going back through to the Crown Board. It wasn't in isolation from the Crown Board.

MS CAHILL: But you were also reporting to Packer, weren't you?

25 MR ALEXANDER: Yes, I was reporting to James, yes. And he was also the Chairman of Crown at the time.

MS CAHILL: Yes, but in his capacity as an officer of CPH, you reported to Mr Packer for the purpose of improving the financial performance of Crown?

30

MR ALEXANDER: Yes.

MS CAHILL: And he obviously discussed with you what you were doing to
improve the financial performance of Crown?

35

MR ALEXANDER: He was made aware of what we were suggesting, yes.

MS CAHILL: And because you were answerable to him in this employment
40 position, in respect of that role, you were improving the financial performance of Crown in a way that you considered that Mr Packer would find acceptable?

MR ALEXANDER: Broadly, yes.

MS CAHILL: And that placed you in a position of potential, if not actual conflict,
45 didn't it, in relation to your roles answering to Mr Packer on the one hand and CRL on the other?

MR ALEXANDER: No, I didn't see it that way at all.

MS CAHILL: Well ---

MR ALEXANDER: I saw it as taking actions for the benefit of Crown, period.

5

MS CAHILL: Well, what if CPH had a view about how to improve the financial performance of Crown that was not in the interests of, and let's be specific here, Burswood Ltd shareholders?

10 MR ALEXANDER: Well, that simply --- sorry, Ms Cahill, that simply did not occur. Most of the focus of what we were doing, actually, there was some --- from memory, we looked at the entire business, but most of the opportunity for improvement was actually in Melbourne. It wasn't at the expense of Burswood.

15 MS CAHILL: There was always a potential conflict of interest looming in the dual roles that you held, wasn't there, Mr Alexander?

MR ALEXANDER: I didn't see it that way.

20 MS CAHILL: Well, what if, for example, Mr Packer wanted you to improve the financial performance of Crown in a way which was inconsistent with Burswood Nominees's obligations as a licensee to the people of Western Australia?

MR ALEXANDER: Well, obviously if that had occurred, that would have been an issue that would have been raised with him.

MS CAHILL: But is your evidence that you didn't appreciate the existence of any actual or potential conflict at the time you were employed both by CPH and CRL?

30 MR ALEXANDER: No, I didn't see any conflict there at all.

MS CAHILL: The Bergin Report records that in that inquiry, you accepted that your first loyalty over the years has been to Mr Packer. Do you accept that characterisation?

35

MR ALEXANDER: Yes.

MS CAHILL: Was it the case that in your role as a director of Burswood Ltd between 2014 and 2017, you preferred the interests of Mr Packer and CPH over those of CRL and the State of Western Australia?

40

MR ALEXANDER: No. I don't.

MS CAHILL: Was that in fact the case throughout your tenure as a director of Burswood Ltd?

45

MR ALEXANDER: I believe so.

12:17PM

MS CAHILL: Sorry, I will be clearer. I think you might have misunderstood. It was a poor question. Nothing wrong with your answer, Mr Alexander. But, for the transcript, throughout your tenure as a director of Burswood Ltd, did you prefer the interests of Mr Packer over those of CRL and the State of Western Australia?

MR ALEXANDER: No, I did not.

MS CAHILL: You recall that steps were taken in May 2018 to appoint Mr Poynton to the CRL Board?

MR ALEXANDER: Yes.

MS CAHILL: If we go to CRW.576.002.0558, you received this email on 1 May 2018 from Ms Manos, the CRL company secretary. It will hopefully come up on your screen in a moment. She's forwarding an email from Mr Jalland.

MR ALEXANDER: Yes.

MS CAHILL: On 1 May.

MR ALEXANDER: Mr "Jalland".

MS CAHILL: Yes, I beg your pardon. From CPH. And he has informed Ms Manos that Mr Poynton's retained by CPH to generally assist in its affairs --

MR ALEXANDER: Yes.

MS CAHILL: --- therefore he would be an independent, non-executive director.

After you finished your employment with CPH in 2017, did you or a related entity on your behalf have such a retainer with CPH?

MR ALEXANDER: No.

MS CAHILL: Were you, when you received this email, already aware of the contents of Mr Poynton's retainer?

MR ALEXANDER: No.

MS CAHILL: You didn't at this stage take any steps to enquire into the nature of the retainer of which you were advised in this email, or its terms?

MR ALEXANDER: No. He was a nominee of CPH. The two other exec --- two other nominees, Mr Jalland and Mr Johnston, were full-time executives and were not paid separately by Crown to be on the Crown Board. So it didn't necessarily surprise me there would be a separate financial arrangement for Mr Poynton as a CPH

nominee.

5 MS CAHILL: Did you take any steps at this stage to enquire into the nature of the
retainer or its terms?

MR ALEXANDER: No, I didn't.

10 MS CAHILL: Were you concerned to understand whether or not the retainer
included terms that were prejudicial to CRL?

MR ALEXANDER: I couldn't envisage what that might be, but I did not take any
steps, no. For me this was a CPH matter.

15 MS CAHILL: Were you concerned to ascertain whether the retainer might give rise
to any conflicts of interest on Mr Poynton's part, were he to assume a position on the
Board of CRL?

20 MR ALEXANDER: No.

MS CAHILL: When you say you couldn't envisage how a retainer could be
prejudicial to CRL, did it occur to you that the retainer might include, for example,
provisions requiring Mr Poynton to divulge confidential information of CRL to
CPH?

25 MR ALEXANDER: Well, at that stage there was still a shareholder information
protocol in place, so that would have been covered by that as well. So, again, as a
nominee of Mr Packer on the Board, I would not be surprised by he or the other two
directors, or his other two nominees passing on information, no.

30 MS CAHILL: So what did you think the retainer was about?

MR ALEXANDER: I thought not a great deal about it, actually. I thought it was a
relatively small amount of money as a retainer, as a consultant.

35 MS CAHILL: And it didn't occur to you that you should make inquiries or someone
should make inquiries about the retainer, and that the Board of CRL should be
informed about the results of those inquiries before it voted on Mr Poynton's
appointment?

40 MR ALEXANDER: Well, that was a matter for the Risk and Nomination
Committee. I don't know if they considered it, and I'm not sure if Ms Manos or her
legal department, compliance department, sought information about the consultancy
agreement, no.

45 MS CAHILL: Did you refrain from making inquiries about Mr Poynton's retainer
because your first loyalty was to Mr Packer?

MR ALEXANDER: Absolutely not, no.

MS CAHILL: Did it matter to you whether the retainer was or was not prejudicial to CRL or created any conflicts of interest?

5 MR ALEXANDER: It would be difficult to envisage a set of circumstances where, in my mind, such a consultancy agreement would create such a situation, particularly as I said, there are two directors on the board, CPH nominees with full access to all information, financial and otherwise, about the company.

10 MS CAHILL: Now, the Board of CRL voted on Mr Poynton's appointment at a meeting on 2 May 2018, which you attended and resolved to appoint him. Do you recall whether at that meeting any member of the Board enquired whether there was a written retainer agreement between Mr Poynton and CRL?

15 MR ALEXANDER: To the best of my knowledge, no.

MS CAHILL: Or sought to ascertain the terms of the retainer before passing the resolution?

20 MR ALEXANDER: To the best of my knowledge, no.

MS CAHILL: To your knowledge, did CRL, at some time after Mr Poynton's appointment as a director, obtain a copy of the retainer agreement between his company and CPH?

25 MR ALEXANDER: I can't recall.

MS CAHILL: In October 2018, which I think was when the Controlling Shareholder Protocol was approved that enabled the sharing of confidential information by Crown
30 to CPH and James Packer, you recall?

MR ALEXANDER: Yes.

MS CAHILL: And you also recall it was that --- that protocol was examined in the
35 Bergin Inquiry and findings were made about that?

MR ALEXANDER: Yes.

MS CAHILL: It was as a result of that, wasn't it, that in October 2020, which was
40 around the time that you resigned as a director of CRL, that it became apparent to both CPH and CRL that the Controlling Shareholder Protocol should cease?

MR ALEXANDER: Yes.

45 MS CAHILL: Did it occur to you at that time that you should raise with the Board the matter of Mr Poynton's retainer agreement?

MR ALEXANDER: No, it did not.

MS CAHILL: Why not?

5

MR ALEXANDER: Well, I was --- the simple answer, I was leaving the company. I would have thought --- as I said, I was unaware of the contents of the arrangement Mr Poynton had made with Mr Packer. I didn't believe, I didn't think at the time whether or not it contained any --- or the ability to pass on information. I would
10 have thought if it did, it is something he would have had to raise immediately with the Crown Board.

MS CAHILL: Mr Alexander, I want to change topics again and ask you about Burswood or Perth Casino's International Commission Business.

15

You say at paragraph 66 of your witness statement that you weren't involved in the management of the International Commission Business, which I will refer to in shorthand as ICB, you see there in the first sentence.

20

MR ALEXANDER: Yes.

MS CAHILL: However, you would have had some managerial responsibility at least in your role as Deputy Executive Chair and as CEO of Crown Resorts, you would agree?

25

MR ALEXANDER: Indirect, yes.

MS CAHILL: You certainly had to understand in a general sense what the ICB business entailed?

30

MR ALEXANDER: Yes, but by that stage, 2017, there was very, very little ICB business in Perth.

35

MS CAHILL: All right, but before that you were the Deputy Executive Chair, weren't you, of CRL?

MR ALEXANDER: Yes.

40

MS CAHILL: Over an extended period?

MR ALEXANDER: Yes.

45

MS CAHILL: You had to understand in a general sense what the ICB business entailed through that period?

MR ALEXANDER: In a broad sense, yes, but it was a very small part of the overall business for Burswood, and the business really, from, let's say 2008, fundamentally went into serial decline. It is a very, very different business to the Melbourne

business, it was largely based upon individual players from, in no particular order, Thailand, Indonesia, Singapore, Malaysia, Hong Kong, coming to Perth to play. Post-2008, immediately after GFC, you had two of the largest casinos and most
5 profitable casinos in the world open in Singapore, and at the same time you had a very rapid expansion of the Macau precinct from virtually nothing in terms of quality assets in the early 2000s to, by about 2010, I believe, the largest gaming precinct in the world.

10 So for those customers who used to come to Perth, suddenly there were far more and bigger and better opportunities on their doorstep. So the business was very small and very, very low margin.

MS CAHILL: So these are the sort of high level features of the business that you
15 understood from your role as executive deputy chair of CRL?

MR ALEXANDER: That's right.

MS CAHILL: So you had a sense of how the ICB business of Perth Casino was
20 performing financially?

MR ALEXANDER: In a broad sense, yes.

MS CAHILL: And you understood, if I understood your evidence a moment ago,
25 that it was comprised of both junkets and individual premium players?

MR ALEXANDER: My understanding is it was mainly premium players, very small junket business.

30 MS CAHILL: And just to be clear, the junket players were individual international patrons who came to gamble at the Perth Casino, not as part of a junket group?

MR ALEXANDER: That's my understanding.

35 MS CAHILL: Yes. But they were regarded as VIP players in the sense that they would gamble with large amounts of money over periods of several days?

MR ALEXANDER: Several days or longer in some cases.

40 MS CAHILL: And in this sort of high level managerial position, looking at the ICB business, and as a director of Burswood Ltd, you appreciated, didn't you, that the ICB business was relatively high risk compared to other parts of Perth Casino's gaming business?

45 MR ALEXANDER: Yes, high risk, and also marginally profitable.

MS CAHILL: All right. We'll come to that in a moment. One of the risks that was higher for ICB business than other parts of Perth Casino's gaming business was it was

at higher risk of attracting criminal elements to the casino; would you agree with that?

5 MR ALEXANDER: In a broad sense, yes.

MS CAHILL: Another risk that was higher for the ICB business than for the rest of Perth Casino's gaming business was a risk of using the Perth Casino operations to facilitate money laundering?

10

MR ALEXANDER: A potential risk, yes.

MS CAHILL: Now, coming back to this point about ICB that you make, being only a very small part of Perth Casino's earnings, can we have a look at this document, CRL.715.001.0001. This is a document that has been provided to the Royal Commission by Crown which summarises VIP revenue contribution between 2014 and 2019 across Perth and Melbourne Casinos.

15

MR ALEXANDER: Yes.

20

MS CAHILL: And we can see there the percentage for Perth of the total revenue contribution for ICB.

MR ALEXANDER: Yes.

25

MS CAHILL: And it is either, this is right, a net expense or less than 1 or 2 per cent of the revenue contribution typically?

MR ALEXANDER: I'm not sure about that exact number.

30

MS CAHILL: If we look at the normalised figures on the right-hand side ---

MR ALEXANDER: Yes.

MS NELSON: --- and you can see for 2014 it is 0.67 per cent. There is no revenue. That is a net expense, isn't it?

MR ALEXANDER: Exactly.

MS CAHILL: So if you take that sort of middle figure in each row, the highest we get to is in 2018 at 2.89 per cent.

40

MR ALEXANDER: Yes.

MS CAHILL: And so that is a combined figure for junkets and individual premium players. Did you have a sense, in your role as a director of Burswood Ltd or in your executive role for CRL, of the respective or relative contributions to revenue of junkets on the one hand and premium players on the other? Whether one was more

45

profitable in that sense, it actually contributed to revenue to a greater degree than the other?

5 MR ALEXANDER: You mention the word "profitable". The advantage, if that's the right word of junkets, is the surety of --- junkets are lower margin than individual players, but with junkets you had a lesser risk of default on debts.

MS CAHILL: Right.

10

MR ALEXANDER: But by this stage, late 2018, the junket business, such as it was, to the best of my knowledge, almost non-existent in Perth.

15 MS CAHILL: Now, on a month-to-month basis, you were kept abreast of the financial performance of the ICB business at Perth Casino through your participation in CEO meetings, weren't you?

MR ALEXANDER: Yes.

20 MS NELSON: If we see CRW.510.035.3142, this is an email to you of 24 November 2014 and others regarding a CEO meeting that was to be held. This is a fairly typical meeting placeholder for the CEO meetings that were regularly held?

25 MR ALEXANDER: Is it possible to --- sorry, Ms Cahill, is it possible to expand the document? Thank you very much.

MS CAHILL: Is that easier?

MR ALEXANDER: Yes, it is, thank you.

30

MS CAHILL: This is fairly typical how you receive notification of CEO meeting dates and papers?

MR ALEXANDER: Yes. But by that stage I was not an attendee at those meetings.

35

MS CAHILL: Well, you were provided with the materials?

MR ALEXANDER: Probably, yes. I can't recall, but probably, yes.

40 MS CAHILL: Well, you were, it says here.

MR ALEXANDER: Yes.

MS CAHILL: You were, weren't you?

45

MR ALEXANDER: I assume so, yes.

MS CAHILL: And if we drop down a little you will see the agenda is referred to by

way of attachments with annexures.

MR ALEXANDER: Yes.

5

MS CAHILL: It includes a specific Perth update and then underneath, annexure 6, you have an MIP update and a VIP update, which was typically the ICB business update; is that right?

10 MR ALEXANDER: I can't call that up, I'm sorry. My annexure 6 says "Cannery".

MS CAHILL: Just in relation to Crown Perth and the annexure there, if we go to CRW.510.035.3244, we might just not display that on the public screen, thank you. We have the monthly performance review for Crown Perth for October 2014. If we scroll through. We don't need to delay to look at anything in detail, but if we just scroll through, what you were receiving in these Crown Perth updates were financial performance figures on a monthly basis? Is that right?

MR ALEXANDER: That seems to be the case.

20

MS CAHILL: So what was the rationale for you receiving financial information about the performance of Crown Perth on a monthly basis as an executive of CRL, but only on a quarterly basis as a director of Burswood Ltd?

25 MR ALEXANDER: Well, I wasn't the architect of the CEO meetings at that stage, so I can't explain that difference in approach. I can't recall why that particular CEO group was set up. That was when Mr Craigie was the CEO of the company.

MS CAHILL: But, as you recall, certain CRL executives received more regular financial information about the performance of Perth Casino than the directors of Burswood Ltd; is that right?

MR ALEXANDER: That's quite probably the case, yes.

35 MS CAHILL: What was the rope for that?

MR ALEXANDER: As I said, I can't explain that.

MS CAHILL: Now if we go to CRW.510.035.3398, this is a typical ICB business update --

40

MR ALEXANDER: Yes.

MS CAHILL: --- if you can see it. If we go to page 3401 we have the October 2014 results for Perth Casino.

45

MR ALEXANDER: Yes.

MS CAHILL: Would you agree that it is showing losses against modest budgeted contributions?

5 MR ALEXANDER: Yes.

MS CAHILL: And under "Key points", it is identifying Perth's October turnover of \$1.2 billion?

10 MR ALEXANDER: Yes, I can see that.

MS CAHILL: I will come back to this in a moment, Mr Alexander, but for the ICB business it was important, wasn't it, as a financial indicator, to understand what the turnover figure on the junket or premium player gambling was; is that right?

15 MR ALEXANDER: In a broad sense, yes.

MS CAHILL: Now if we go to page 3403 there was a standard part of these reports to see the recent events and initiatives; wasn't it?

20 MR ALEXANDER: I would imagine so, yes.

MS CAHILL: What this provided was, and we'll see it scrolling through, an explanation of various events that Crown, either at Perth or Melbourne --- if we scroll through, please --- put on to attract ICB business to the casinos? Is that right?

MR ALEXANDER: That's right, yes.

30 MS CAHILL: If we go back to 3405, this is a Perth baccarat tournament that was held, and do you see the last dot point there:

Achieved 59% of the \$2.5 billion turnover target for the entire series

You see that?

35 MR ALEXANDER: Yes.

MS CAHILL: This focus on turnover, is that because when one has regard to the normalised results, that is the house edge for playing baccarat, the typical game that is played in the International Commission Business, the amount of turnover, having regard to the theoretical win or house edge, reflects the long-term or average return to the business?

45 MR ALEXANDER: I'm the wrong person to ask that question.

MS CAHILL: Are you able to explain why there is a focus on turnover here?

MR ALEXANDER: I can't, no.

MS CAHILL: If we go to page 3409, it was typically reported what the debt position in relation to ICB business was. Is that right?

5 MR ALEXANDER: Yes, that's right.

MS CAHILL: If we go to 3410, this is for October 2014, the overall net debt across both casinos was \$310 million.

10 MR ALEXANDER: Yes, I see that.

MS CAHILL: And at 3414 there is a key debt schedule for Perth Casino, that was also typically reported, wasn't it?

15 MR ALEXANDER: Yes.

MR DHARMANANDA: I'm not sure this should be on the public screen.

COMMISSIONER OWEN: Can you remove it from the public screen, thank you.

20

MS CAHILL: I don't think it is subject to an order, but if my learned friend is applying for one, then

25 Now, at 3414 we have this key debt schedule which was typically reported in each of these updates, these monthly updates, wasn't it?

MR ALEXANDER: I believe so.

30 MS CAHILL: And do you see the first customer nominated has a debt of \$29 million that has been outstanding since February?

MR ALEXANDER: Yes, I do.

35 MS CAHILL: And the comments suggest the customer may be under investigation in China?

MR ALEXANDER: Yes.

40 MS NELSON: Then if you go down to the fourth customer, he has a \$10 million debt that has been outstanding for over two years since October 2012, for about two years?

MR ALEXANDER: Yes.

45 MS CAHILL: And in the comments section, media reports suggest he may have been convicted of various crimes in China; you see that?

MR ALEXANDER: Yes, I do.

MS CAHILL: So these are individual premium players, are they?

5

MR ALEXANDER: Yes.

MS NELSON: Because the "JKT" nomination after the others indicates it is a junket?

10

MR ALEXANDER: Yes.

MS CAHILL: Did it occur to you, when reading reports like this that had such comments about people being under investigation in China or having been convicted of various crimes in China, that there might be something seriously wrong with the vetting and approval processes of the ICB business?

15

MR ALEXANDER: It gave cause for concern, yes, that we relied very heavily on a variety of international law enforcement agencies for approving players like these particular players to be customers. And if you look at people like Michael Chen, he was travelling from the States to Macau, to Australia, to Singapore and the likes. So, yes.

20

MS CAHILL: Did you have concerns, when you received reports like this, that people with dubious backgrounds were being let into Perth Casino?

25

MR ALEXANDER: I had a variety of concerns. One was the scale of debts that we were owed. That, I think, was the initial reaction from all concerned. But, yes, the fact that people with question marks against their character, which didn't seem to be resolvable by the various international enforcement agencies which we obviously relied on for permission for players like this to come to Australia.

30

MS CAHILL: And what did you do about that?

MR ALEXANDER: I think --- I didn't do anything personally, no, I admit that, but I recall our various VIP --- legal departments and the like, our AML people and the like, being in constant contact with the relevant regulators, the relevant law enforcement agencies about particular individuals.

35

MS CAHILL: Did you see a gradual improvement in the comments section of reports such as this, to see that there weren't people with such comments against their names being the subject of these large debts?

40

MR ALEXANDER: I don't think this particular reporting --- this particular meeting and reporting continued for very long after this particular time. Of course, in the various Crown Perth and Crown Melbourne Board reports, we would get information about the status of debts and the like, status of players who owed us money and briefings about that.

45

MS CAHILL: Just coming back to the evidence you gave us a moment ago, whatever the background of people set out on the pages such as these, where the key debts were set out for Perth Casino, it was the case, wasn't it, that Perth Casino's
5 ability to enforce repayment of these debts was limited because these people were resident overseas?

MR ALEXANDER: It was very limited, yes.

10 MS CAHILL: Would you agree that was another high element risk of the ICB business, that is the risk of large, bad and doubtful debts being incurred?

MR ALEXANDER: Yes, which is why, as I said earlier, junkets were in one sense preferable because they guarantee the debts of the players.

15 MS CAHILL: I want to come back to the marketing events that I --- the marketing events I took you to, but I want to do it by reference to another update, which is CRW.510.0035.2520. This is the update for 21 April 2015 and at page 2524 we have the recent events and initiatives that are reported on, just as with the most recent
20 update I showed you in 2014. Now it includes at page 2526, if we go to that, a wedding that was hosted by Perth Casino for, it looks like the friends of a junket operator or organiser; you see this?

MR ALEXANDER: Yes, I can.

25 MS CAHILL: You will see from the last dot point on the page that one infers that Crown Perth subsidised the cost of the wedding, which was in excess of \$2.75 million, to the tune of about \$950,000; do you recall that?

30 MR ALEXANDER: I don't recall it, but I see it here now, yes.

MS CAHILL: Presumably the idea was the guests at the wedding party would gamble at both Melbourne and Perth Casino?

35 MR ALEXANDER: There was always a hope of people gambling, yes, but often people would actually come --- would actually be flown down on private jets to Melbourne or Perth and choose not to gamble.

MS CAHILL: But it resulted, on this occasion, the gambling associated with the
40 wedding resulted in a loss of \$3.1 million to the casino; you see that?

MR ALEXANDER: I do, yes.

MS CAHILL: So, just to be clear, what did Burswood Ltd and in particular its
45 board, see as the benefit of hosting these sorts of functions?

MR ALEXANDER: I don't recall the Burswood Ltd Board discussing this as

a specific topic, but clearly the appetite for remaining in this business started to dissipate very quickly.

5 MS CAHILL: The subsidising of the wedding is an example, isn't it, of the very high costs that were involved in operating the ICB business?

MR ALEXANDER: Yes, it is.

10 MS CAHILL: To lure international players, Perth Casino needed to spend a lot of money, didn't it?

MR ALEXANDER: It did, particularly when other casinos, the ones I mentioned earlier, opened up much larger, much closer to home for most of these players. So
15 the competitive pressure to do more for customers across the board in Australian casinos at large increased.

MS CAHILL: That extended to purchasing private jets to transport these international players and junket participants?

20

MR ALEXANDER: Yes, particularly in the case of Perth because of the relative infrequency of flights from northern Asia.

MS CAHILL: And were those jets purchased by, do you recall, the Crown Group or
25 the Burswood entities, if I might use that term generically?

MR ALEXANDER: My belief is they were purchased by the Crown Resorts Group.

MS CAHILL: In respect of the Perth Casino's operations there, was a luxury yacht
30 purchased for the use of the international players?

MR ALEXANDER: For the use of international players or local VIPs, yes.

MS CAHILL: Was that a Group purchase or a Burswood purchase?

35

MR ALEXANDER: No, that was a Burswood Ltd suggested and approved purchase.

MS CAHILL: There were other high costs associated with fitting out the gambling
40 salons, wasn't there, for the international patrons?

MR ALEXANDER: Yes.

MS NELSON: They had to be fitted out to a very high standard?

45

MR ALEXANDER: Yes.

MS CAHILL: Was it also the case that there was a very high ratio of staff that was required to attend to international patrons when they were gambling at Perth Casino?

MR ALEXANDER: Yes, there was, which is one of the reasons why it was such a low margin business.

5 MS CAHILL: So, just to ask you this question in a general way, Mr Alexander, having regard to the risks associated with the ICB business of criminal infiltration of the casino, money laundering, bad and doubtful debts, the high overhead cost, the modest revenues generated by the ICB business, what was the commercial rationale for continuing to operate that business over the period up until 2019?

10 MR ALEXANDER: Well, the commercial rationale was clearly under a lot of pressure, having spent in a broad sense so much on resources in both Melbourne and Perth on attracting luxury high end customers, that was the rationale. I mean obviously the customer base is now the issue --- the absence of a customer base, not just caused by COVID, but obviously for a variety of events.

MS CAHILL: But the business was carried on at Perth Casino at least between 2014 and 2017?

20 MR ALEXANDER: Yes, it was, yes.

MS CAHILL: And ostensibly carried on right up until COVID, wasn't it?

25 MR ALEXANDER: Yes, although a much smaller business again.

MS CAHILL: But why, given all the inherent characteristics of it, in terms of high risk, high cost and low margin?

30 MR ALEXANDER: I think now, obviously --- as a company, and as a country, we're far more aware of the risk you refer to, reliance on law enforcement reports obviously wasn't sufficient, as has proven to be, to actually protect ourselves against the quality of some of these customers.

35 MS CAHILL: Right. So if we then, just taking that answer, put the risks to one side and look simply at the high cost, the high overhead cost and the low margins, what was the commercial rationale for continuing with the ICB business over many years?

MR ALEXANDER: That's a good question.

40 MS CAHILL: You don't know the answer to it if I understand that response?

45 MR ALEXANDER: Well, I mean, as I said, we had committed a lot of resources to the area. There was a belief that certainly until about 2015, 2016, that Chinese tourism and Chinese visitations was going to continue to grow to Australia. It was the fastest-growing tourist group that we had, and there was an expectation that obviously things would get better in terms of volumes and the like by more customers coming.

12:52PM

MS CAHILL: Nothing further, Commissioner.

COMMISSIONER OWEN: Thank you, Ms Cahill.

5

Are there any applications?

MR WARD: Yes, Commissioner.

10 COMMISSIONER OWEN: Mr Ward.

CROSS-EXAMINATION BY MR WARD

15

MR WARD: Mr Alexander, I appear for Mr Poynton. The Board of Crown Resorts was much larger than that of Burswood Ltd, wasn't it?

MR ALEXANDER: Yes.

20

MR WARD: And had more independent directors?

MR ALEXANDER: Yes.

25 MR WARD: It met regularly and frequently?

MR ALEXANDER: Yes.

30 MR WARD: And it had a number of subcommittees of the Board, so it had a Risk Management Subcommittee?

MR ALEXANDER: Yes.

35 MR WARD: That subcommittee was responsible for setting the group framework for risk; is that right?

MR ALEXANDER: That's correct.

40 MR WARD: It also had an Audit and Governance Subcommittee that set the framework for internal and external audit; is that right?

MR ALEXANDER: Yes.

45 MR WARD: They were also responsible for appointing the external auditors?

MR ALEXANDER: Yes.

MR WARD: It had a Responsible Service of Gaming Subcommittee?

MR ALEXANDER: It did but Perth did as well.

5

MR WARD: The Perth one wasn't a Board subcommittee though, was it?

MR ALEXANDER: It was not, no.

10 MR WARD: So Responsible Service of Gaming within Perth was an executive committee, was it not?

MR ALEXANDER: It was, yes.

15 MR WARD: And the Board of Crown Resorts also had a Nomination and Remuneration Subcommittee?

MR ALEXANDER: Yes, that's correct.

20 MS CAHILL: I think you told Ms Cahill before that that subcommittee dealt with senior staff appointments, including the Perth CEO, is that right?

MR ALEXANDER: Yes, it would have to go through that committee.

25 MR WARD: That committee also controlled appointments to the boards of subcommittees of Crown Resorts?

MR ALEXANDER: I don't believe that was its agenda, no.

30 MR WARD: It certainly would consider and advise the board of Crown Resorts to appointments to those subsidiaries?

MR ALEXANDER: Sorry, which subsidiaries are you referring to, Burswood in particular?

35

MR WARD: I'm referring to boards more generally, but let's take Burswood firstly.

MR ALEXANDER: Appointments of directors to Burswood Ltd would have actually gone through the RSG --- sorry, Nom & Rem Committee, which has been
40 renamed "People" and other things now, yes.

MR WARD: What about for the other subsidiaries? Let's take Burswood Nominees first, that would have been dealt with by that committee as well?

45 MR ALEXANDER: No.

MR WARD: So who would have made the appointments to Burswood Nominees?

MR ALEXANDER: I can't recall historically because I went on that Board in 2017, and the participants only changed at roles as Crown had changed. So I replaced Mr Craigie and I don't recall that going through the Nom & Rem Committee, no, I don't.

5

MS CAHILL: Those appointments to the Board of Burswood Nominees were essentially dictated by who was sitting in the executive positions within Crown; is that right?

10 MR ALEXANDER: Largely, yes.

MR WARD: So you were appointed in 2017 to the Board of Burswood Nominees and that was concurrent with you taking the lead executive position with Crown Resorts; is that right?

15

MR ALEXANDER: Yes.

MR WARD: Mr Felstead was appointed in 2007 and that was because he was the CEO of Perth?

20

MR ALEXANDER: Yes.

MR WARD: What about the companies above Burswood Ltd? You were aware the immediate parent company was Crown (Western Australia) Pty Ltd?

25

MR ALEXANDER: Again, that was one I was put on in 2017, but that would not have gone --- I doubt very strongly if that had gone to Nom & Rem. It was one of the 60-odd companies I referred to earlier. For nonfunctioning companies, if that is the right word, or non-operational companies, I don't believe those appointments ever went through the Nom & Rem Committee.

30

MR WARD: So they were all staffed simply by executives?

MR ALEXANDER: Exactly. I replaced Mr Craigie for example on that one.

35

MR WARD: Thank you. You said earlier in a response to Ms Cahill that the Burswood Ltd Board had responsibility for oversight of Crown Perth.

MR ALEXANDER: Yes.

40

MS CAHILL: To whom was that Board responsible?

MR ALEXANDER: In my view it was responsible in turn to Crown Resorts.

45 MR WARD: The Burswood Ltd Board in that regard was accountable to the Crown Resorts Ltd Board for the performance of the Perth business?

MR ALEXANDER: Yes, it was. Obviously a lot of focus on the performance of management up to that Board, but, yes.

5 MR WARD: And largely that's because the majority of the board members were management at one level or another within the organisation; isn't it?

MR ALEXANDER: That's correct.

10 MR WARD: You also described the role of the Burswood Ltd Board and the demarcation of roles as between Burswood Ltd and Crown Resorts as being in relation to operational matters. Do you remember that answer to Ms Cahill?

15 MR ALEXANDER: Sorry, could you repeat that? It's quite bad audio at the moment, I'm sorry.

MR WARD: You describe the demarcation of the role between the Burswood Ltd Board and the Crown Resorts Board as being perhaps in relation to operational matters. Just to be specific, you referred to things like table games, facial recognition and surveillance?

20

MR ALEXANDER: Yes, that's true. I mention those examples of where the Burswood Ltd Board or Burswood management to the Board took a different course to what Crown Melbourne, for example, was doing.

25

MR WARD: And these were largely management issues, were they not? They were operational issues rather than strategic direction issues?

30 MR ALEXANDER: Yes, they were driven by management.

MR WARD: If the Burswood Ltd Board had disagreed with something management was doing in that regard, it could have considered that matter and made a recommendation to management as to how it should act, could it not?

35 MR ALEXANDER: Yes, it could.

MR WARD: And that would have effectively happened by reason of the fact that the Perth CEO was on the Board of Burswood Ltd? So it would essentially be a discussion including the Perth CEO?

40

MR ALEXANDER: It could be, but if it involved his particular performance I imagine that that conversation would take place without his presence.

45 MR WARD: And ultimately if it involved his personal performance that would have been moved to the Crown Resorts Board and the Appointment Committee anyway?

MR ALEXANDER: Yes, that's correct.

MR WARD: If the Burswood Ltd Board had done something that the Crown Resorts Board disagreed with, the Crown Resorts Board could override them, couldn't they?

5 MR ALEXANDER: In theory, yes.

MR WARD: And you said in response to a couple of questions from Ms Cahill that the Burswood Ltd Board hypothetically could depart from Crown Resorts?

10 MR ALEXANDER: Yes. It did on one particular issue, in terms of the nature of the HR policies at Perth were different to those in Melbourne, but I think the level of statutory issues such as AML, risk management, whistleblower policies and the like, we wanted commonality across all our properties.

15 MR WARD: In relation to those higher level items, and I think you used the word before "big ticket items", they were really driven by the Crown Resorts Board and its committees that were dealing with those policies and issues; is that right?

MR ALEXANDER: That's correct.

20

MR WARD: So when those policies flowed down to Burswood Ltd, if the Burswood Ltd Board had a better idea, they would be listened to, wouldn't they?

25 MR ALEXANDER: Yes, they would have been. The AML programs which were upgraded and introduced in late 2019 from memory went through to the Crown Melbourne board first for discussion and approval, then separately to Perth. They were very fulsome packs. The directors had the opportunity to examine, accept, reject, suggest modifications, whatever. Yes, that's correct.

30 MR WARD: So it is an iterative process. There is an executive function to develop these policies and then they might be reviewed and commented upon but ultimately they are adopted at the Crown Resorts level?

35 MR ALEXANDER: If they are approved by the subsidiary boards in the case of AML, if the AML policies in Melbourne were approved by the Crown Melbourne Board and vice versa in Perth, yes.

40 MR WARD: To use an example that Ms Cahill put to a witness last week, if the Crown Resorts Board had adopted an AML policy, it wasn't open to the Burswood Ltd to say, "Well, we're not going to do that".

45 MR ALEXANDER: I don't think it followed in that particular order. I think those policies, as I say, went to those individual boards before it went to the Crown Resorts Board, from memory.

MR WARD: But if the Crown Resorts Board had adopted something different to what the Burswood Ltd Board had proposed, the Burswood Ltd Board couldn't just decide unilaterally not to apply it, could they?

MR ALEXANDER: It would depend on the issue.

5 MR WARD: Well, Ms Cahill's example last week was an extreme example where the Burswood Ltd Board in the example decided "We're simply not going to have an AML policy." That simply wouldn't be open, would it?

MR ALEXANDER: No, it would not.

10 MR WARD: And ultimately, if the Burswood Ltd boards tried to do something like that the directors could simply be removed by Crown Resorts, couldn't it?

MR ALEXANDER: I think in a reality sense, yes.

15 MR WARD: Now, I wanted to ask you a question regarding the consultancy agreement that Ms Cahill took you to with Mr Poynton.

MR ALEXANDER: Yes.

20 MS CAHILL: I think you said you'd not seen it. You were aware though that an agreement existed, were you not?

MR ALEXANDER: He told me about it, yes, after he signed the agreement.

25 MR WARD: But before he was appointed to Crown Resorts?

MR ALEXANDER: I can't recall the exact timing, but obviously he had already been publicly nominated by Mr Packer, so then a process had to follow from that to go to the Nom & Rem Committee and I'm not sure what the time frame or gap was
30 between that happening.

MR WARD: Ms Cahill asked you some questions about whether that might have given rise to a conflict of interest through disclosure of information. You are not aware of Mr Poynton ever having disclosed confidential information of Burswood or
35 of Crown Resorts to CPH, are you?

MR ALEXANDER: No, I'm not.

MR WARD: And you referred, in response to one of Ms Cahill's questions, you said
40 you weren't referring to Mr Poynton, you were referring to Mr Jalland and Mr Johnston. Are you aware of what the arrangements were for them to communicate with Mr Packer before the Controlling Shareholder Protocol came into place?

MR ALEXANDER: No, I'm not. But they were openly his employees and his
45 nominees on the board and I think there was a general assumption that anything discussed at a Board level could be communicated by those gentlemen back to

Mr Packer.

MR WARD: And other than a very small window immediately before the
5 Controlling Shareholder Protocol came into place, Mr Packer was himself a member
of the Crown Board?

MR ALEXANDER: Yes, he was.

10 MR WARD: So, in fact, he already had access to all of that information anyway, did
he not?

MR ALEXANDER: That's correct.

15 MR WARD: Now, you mentioned before in relation to the AML policy that the
board packs, that there was significant information provided to the Board through
those packs. I want to ask you more generally about the board packs for Burswood
Ltd. Do you recall --- sorry, I withdraw that. If I were to say that they were
generally in excess of 100 pages, would that be about right?

20 MR ALEXANDER: I can't remember the exact page count and it did depend largely
where we were in the development phase. And then some of the packs were much
larger than that, because there was a lot of voluminous information about
development when that was a feature of the property. There was always an extensive
25 legal --- I will just call it the legal report which included all the ERCC matters, the
level of financial information was quite precise, the level of financial information
was upgraded every meeting with the latest monthly figures. So I can't recall the
exact number of pages, but I wouldn't have regarded the board packs, in an
information sense, as anaemic. There was a lot of information.

30 MR WARD: So they were very, very detailed board packs. They were provided
well in advance of the meetings, generally?

MR ALEXANDER: In advance of the meeting as long as possible, which is always
35 the policy to give the directors a chance to absorb what is in them, rather than do a
page-turner at every board meeting.

MR WARD: And so when those board packs were distributed, did you review them
before they went out to the rest of the board?

40 MR ALEXANDER: Yes, they came from Mr Felstead to me.

MR WARD: And if you read through the board pack and found that there were gaps,
you would have had that addressed in what was distributed to the rest of the board?

45 MR ALEXANDER: Yes.

MR WARD: And if an issue had been identified that was being escalated to the

board in those board packs, it would generally include a proposed resolution to the issue, wouldn't it?

5 MR ALEXANDER: Yes, and often there could well have been situations where there were issues outside the framework of the quarterly board meetings that were brought to the attention of the Burswood Board that needed resolution, yes.

10 MR WARD: So when Ms Cahill was asking you about the length of the board meetings, those meetings were held in the context that there had already been extensive consideration and advice to the Board and proposed solutions put to the Board before the meeting occurred; is that right?

15 MR ALEXANDER: In a broad sense, yes, and there was also an informal interchange between the directors and management of the property. So they were fully aware of most of the issues, if not all the issues, before the board meetings ever took place.

20 MR WARD: Did anyone ever complain to you about the quality of the board packs or the lengths of meetings?

MR ALEXANDER: Never.

25 MR WARD: Part of the legal and compliance report that was in those board packs included updates on internal and external audits. Do you recall that being a part of the pack?

MR ALEXANDER: Yes, I do.

30 MR WARD: Those internal and external audits were all conducted against the framework set by the Chief Risk Officer with the assistance of the Risk Committee at the Crown Resorts Board; is that right?

35 MR ALEXANDER: Yes.

MR WARD: And the internal audit and risk functions all reported through, in the executive lines, to the Chief Risk Officer and the --- to the Chief Risk Officer, was it not?

40 MR ALEXANDER: Sorry, I'm not quite sure of the question. The internal audits of Perth would have reported up through ERCC and then in turn --- and the Chief Legal Officer, obviously, before they got to Burswood Ltd and then those reports would have been forwarded to Melbourne, to the Risk Committee in Melbourne, yes. So there were a couple more steps there than you refer to.

45 MR WARD: Thank you. Did you ever have any concerns with the capabilities of the people who were heading those risk and legal functions in Melbourne?

MR ALEXANDER: The Risk Committee? Not particularly but --- and certainly not the chair, Mr Dixon. But one of the first things I did when I took on the Exec Chair role was to change both the frequency of the meetings and the composition of the board to make it an all-independent directors board. The ASX guideline is a majority of independents but you risk being what it is, and obviously what we had encountered in China, meant that we had to, I think, go to a higher standard. At that stage there were only two Risk Committee meetings a year, which was less than Responsible Gaming and we doubled the number of meetings.

10 MR WARD: Thank you. That is dealing with the board oversight of the risk and internal audit functions. What about at the executive level within Crown Resorts?

MR ALEXANDER: Well, at the executive level there were functions that simply did not exist pre-early or mid-2017. So we had to create new functions to assist in that process. The AML function was a new function with a team, and the risk and audit function was a new function with a team.

MR WARD: I appreciate there were some changes made in 2017, but even in the period before that, the internal audit function, just to use one of the two, that reported internally through to a Crown Resorts executive, did it not?

MR ALEXANDER: I believe so.

MR WARD: And in your capacity as a director of Burswood Ltd, did you have confidence in the integrity of the internal audit function at that time?

MR ALEXANDER: I had no cause to think there was an issue.

MR WARD: To your recollection, were you seeing that internal audit function pick up issues and they were being addressed in the performance of audit as reported through the board packs that you were receiving?

MR ALEXANDER: In a broad sense, yes.

MR WARD: Now, Ms Cahill also asked you about the evidence that Mr Poynton gave concerning what he had described as an ambassadorial role. Ms Cahill included in that question the suggestion that Mr Poynton's evidence had been that that was his only role. Can I just take you to something that he said on the transcript because, with great respect to my learned friend, I don't think the word "only" belongs in that question, but if I could take you please to the transcript of Mr Poynton's evidence, if we could have the transcript of 28 July, please, at page 1407.

MR ALEXANDER: Is it possible to make that document larger? I'm sorry.

MR WARD: Could I ask the operator to drag out lines 24 through to 33.

MR ALEXANDER: Yes.

MR WARD: Can I ask you to read that paragraph to yourself, Mr Alexander, and let me know when you've read it.

5 MR ALEXANDER: Are you talking about paragraph 25?

MR WARD: It begins at line 24, yes.

MR ALEXANDER: Yes, I've read that.

10

MR WARD: The second last sentence Mr Poynton said:

It was never envisaged, in my recollection, that this company and its directors would be directly responsible for the management of the casino.

15

I want to focus on the word "management. Mr Poynton was referring to his ambassadorial role not as excluding directors' duties, but that the independent directors, or in fact the terminology he used earlier in that sentence, the "non-management directors", were appointed to be ambassadorial and they were not directly responsible for the management of the casino.

20

Now, given that the Board comprised a majority of executives, would you agree then with what Mr Poynton said, that the non-management directors were not envisaged to be directly responsible for management?

25

MR ALEXANDER: Unfortunately, no, I wouldn't, and the reason being is a simple one of directors' duties. I don't think you make a distinction between being a Crown executive sitting on that Board and an external director sitting on that Board and there being different responsibilities. I understand what he's trying to say. I mean, certainly I don't disagree with his insights to providing legal and economic and political overview about the situation in WA, but my view though, the Board of Burswood --- whatever was in Mr Poynton's mind 15 years ago, by the time --- in the current landscape of corporate life we live in, you can't be sitting on a board and not think you have particular duties.

35

MR WARD: The distinction I'm drawing Mr, Alexander, is not one between directors' duties and an ambassadorial function. The distinction I'm drawing is between management versus directors' duties, that is between an executive and a non-executive role. Would you agree that the independent directors did not have a management role whilst they might still have had directors' duties?

40

MR ALEXANDER: I think they had a management role in the sense that everybody sitting in the board was overseeing management and performance of management.

45 MR WARD: They didn't have a management role in the same way as you as the --- as the executive did, did they?

01:18PM

MR ALEXANDER: Not directly, no.

5 MR WARD: And they didn't have a management role in the say way as, say, Mr Barton had?

MR ALEXANDER: No.

10 MR WARD: Or Mr Felstead?

MR ALEXANDER: No.

MR WARD: Yes, thank you, that's all, Commissioner.

15 COMMISSIONER OWEN: Thank you, Mr Ward. I think we will take another break.

Are there other applications?

20 MR DHARMANANDA: Only from me, as I understand it. I don't know about persons online.

COMMISSIONER OWEN: The people who are in remote locations, are we likely to receive applications for leave to cross-examine?
25

MS BOROS: No, Commissioner.

COMMISSIONER OWEN: All right. Well, have we lost Mr Alexander?

30 MR ALEXANDER: I can still see you.

COMMISSIONER OWEN: Thank you. How long will you be?

MR DHARMANANDA: I only have one question.
35

COMMISSIONER OWEN: Well, I may be just a little while. If we just break for, say, 20 minutes? If we come back at 20 minutes to 2 Perth time, 20 minutes to 4 your time, Mr Alexander?

40 MR ALEXANDER: Of course.

COMMISSIONER OWEN: Thank you, we will break till 20 minutes to 4.

45 **ADJOURNED** **[1.20PM]**

RESUMED **[1.41PM]**

COMMISSIONER OWEN: Please be seated. Thank you, Mr Alexander.

5

Mr Dharmananda.

CROSS-EXAMINATION BY MR DHARMANANDA

10

MR DHARMANANDA: Thank you, Commissioners.

15 Mr Alexander, my name is Dharmananda. I'm appearing for the Crown Group. I just have a question concerning the ICB business. You will recall that Counsel Assisting asked you certain questions about the ICB business in the context of the lower margins and the risks attendant around that business?

20 MR ALEXANDER: Correct, yes.

20

MR DHARMANANDA: And you were asked certain questions about the certain rationale of continuing that business; do you recall that?

25 MR ALEXANDER: Yes, I do.

25

MR DHARMANANDA: What can you tell the Commissioners about what Crown's competitors are doing with respect to ICB in Australia and the region?

30 MR ALEXANDER: To be frank, counsel, I don't have direct insight into their current appetite or level of operations. I am aware that the various junkets and players which triggered the ILGA Inquiry into Crown, ironically those players and junkets are often long-term customers and often more larger customers than the business that Crown attracted. I mean, you take an organisation like SunCity, and it had rooms at Star in Sydney and I believe also in Queensland, and it is licensed in
35 Queensland, and I imagine those companies are experiencing, obviously in a COVID environment, the business has changed fundamentally in terms of their capacity to come here.

40 MR DHARMANANDA: Thank you.

40

Thank you, Commissioners.

45 COMMISSIONER OWEN: Thank you, Mr Dharmananda. Are there any other applications? No? Commissioner Murphy? Commissioner Jenkins?

45

QUESTIONS BY THE COMMISSIONERS

COMMISSIONER JENKINS: Can I pick up on that issue, Mr Alexander. In terms of the profitability of the international business, would you draw a distinction during the time you were at Crown between junkets and other VIP international business?

5

MR ALEXANDER: Yes, the simplest answer is junkets are a lower margin business because you are paying them fees. But, in essence, because they are guaranteeing you the debts of their players, those who they bring along with them, it is a more secure business at least in terms of debt collection, and looking at some of the evidence that Ms Cahill presented earlier about the debts owing to Crown, that is not an unusual situation globally for casino operators. So, it is a lower margin business, junkets, and international players, if they pay their debts, if they pay their debts, are a higher margin business.

10

COMMISSIONER JENKINS: And do you agree that regardless of the amount of, that is the quantity of and the profitability of junkets at the Perth Casino, the casino continued to want to increase the number of junkets playing at the Perth Casino right up until certainly the end of 2018?

15

MR ALEXANDER: My recollection is obviously they were trying to attract as much business as they possibly could in a very difficult environment.

20

COMMISSIONER JENKINS: And that included junkets?

MR ALEXANDER: It would have been, primarily, junkets at that stage, yes. Junkets were the major component of business in Melbourne, and I imagine the marketing proposition was come to Melbourne and Perth rather than come to Melbourne and Sydney, which have been the rival message for other groups.

25

COMMISSIONER JENKINS: And so, would you in --- could you tell me in --- as of say August 2018, would you have agreed with the following proposition, that "VIP program play (international gaming is critical to Crown Perth's business)"?

30

MR ALEXANDER: I don't recall that document obviously, but in terms of the amount of capital investment that had been poured into the property, it would have made sense to treat --- to obviously retain or try and retain a share of that business, yes.

35

COMMISSIONER JENKINS: I don't think that is what that says, and for your's and counsel's benefit, I'm referring to a submission and presentation that was made on 17 August 2018 --- sorry, the letter, covering letter is dated 17 August 2018, the presentation was made, I believe, by Mr Preston to the GWC in that month also. And this was in relation to an application by Crown to allow a junket operator Swee Choy See to operate salons at the Perth Casino ---

40

45

MR ALEXANDER: And that's the gentleman behind SunCity, correct?

COMMISSIONER JENKINS: Right ---

5 MR ALEXANDER: My understanding is he has rooms, certainly had a room in Melbourne, also had rooms in Star City and in Queensland --- Queensland casinos as well. So it is not, in a sense, in conflict by Perth applying for a room for this gentleman who at that stage was an approved person. It's not in conflict with what his arrangements were in the other States of Australia.

10 COMMISSIONER JENKINS: My question however, was whether you would agree with the statement that "VIP program play (international gaming, is critical to Crown Perth's business)".

15 MR ALEXANDER: Given its recent financial performance, it is difficult to support that contention.

20 COMMISSIONER JENKINS: You spoke about the fact that Crown had made significant investment in respect of attracting international commission business. Would the development of Crown Towers have been part of that investment?

25 MR ALEXANDER: It was a part of it, yes. I think the simple fact was, and this actually was the suggestion to rebrand the property Crown Perth came from one of the independent directors actually, it wasn't actually promoted down or pushed down from Resorts down on to the property. It made sense at that stage because the wider corporate time plan was to have a global string of resorts, high quality properties, three in Australia and obviously in Macau, in Las Vegas, and elsewhere in South-East Asia.

30 So the premise was we needed consistency of brand and consistency of experience. VIP, certainly back then, was a much bigger business for Australia generally but for Crown specifically it obviously subsequently became. So, yes, VIP was an important part, it wasn't the only part, but the driving part of putting \$650 million into a hotel today whose room rates pre-COVID, the room rates pre-COVID, are less than half of what Crown was able to achieve on a two-star property in Burswood eight years ago.

35 COMMISSIONER JENKINS: On to another topic, accepting that business desire is always to increase return to shareholders and to do that you decrease costs and increase profits, was there a particular drive to do that in Crown in the period 2017 onwards?

40 MR ALEXANDER: I can't recall any additional --- sorry, let me rephrase my answer. What happened, if you are talking about in early 2017, which is roughly the time frame I was appointed, we obviously had a major financial issue on our hands because of what happened in China. So our VIP business, which was particularly important for Melbourne at the time, essentially stopped. We had very large capital expenditure demands on our business, particularly to complete the construction of Sydney. I think, at that stage, we were still facing a construction bill of about \$2 billion so we had to, you know, take some quite strong measures to ensure the

5 survival of the company in fact. The balance sheet wasn't in great form. To address those issues, we sold our interest in Macau, largely to pay down debt and to finance the construction of Sydney, and to make a fairly significant return to shareholders at the same time.

10 COMMISSIONER JENKINS: In reading the Bergin Report, there is references in there to correspondence of various sorts --- formal correspondence really between Mr Packer and you and others, where Mr Packer is driving the message that costs have to be cut at the properties, being Melbourne and Perth. Would you agree with that?

MR ALEXANDER: I think it's probably more a message from me to him rather than the other way around actually ---

15 COMMISSIONER JENKINS: Okay, that's fine.

MR ALEXANDER: --- because our revenues were under a little degree of strain.

20 COMMISSIONER JENKINS: And would you agree then that that was the message that you were sending down, ultimately, to management at Perth Casino?

MR ALEXANDER: It wasn't just to Perth Casino, it was to management generally, yes.

25 COMMISSIONER JENKINS: So if we then see various steps being taken by Perth Casino management, say in 2018, to get regulatory approval for certain new processes like tap and go and the reduction in speed of play with EGMs, would it be right for us to infer that that is part of the process of implementing, if you like, the desire at that period of time to increase revenue and decrease costs?

30 MR ALEXANDER: I wouldn't make that direct link in terms of that particular time. I think that, I mean, our shareholders expect us to get a certain return on their capital, get a certain growth in revenue and profits. One of the issues Perth has faced, particularly since the GFC, has been the significant drop in the level --- in the numbers and scale of our table game players. I'm talking about local people. I'm not talking about international visitors. I'm not talking about VIP. And that's really been --- that was a result largely of almost a simultaneous decline in the mining, services, construction, property, retail, automotive businesses. So, a lot of revenue from the property that used to be there, was not there anymore. We had, by the way, doubled the size of our staff in our tenure from 2,500 to 5,000, so there was a much more significant cost base than there had been the case in the past.

45 In terms of the EGMs at least, my understanding of the EGMs, this was a program enacted post my time at Crown, is the change in the spin rates wasn't to actually drop the spin rates down to what they were in the eastern states. The old machines, which had spin rates of five seconds, weren't to be included. It was just the new machines, because it had so many features, were driving the spin rates up to nine, ten seconds. So it made it less attractive for players. At the end of the day, revenue can only come

from a number of sources. Main one is EGMs, tables, food and beverage, hotels.

5 COMMISSIONER JENKINS: Thank you for that and there was only one final area.
You were asked about your confidence in the internal audit process by Mr Ward and
this is a related topic, although not entirely consistent with that. Do you agree that
the Burswood Ltd Board should have known a number of things about the Riverbank
account including, I think, the ones you mentioned at paragraph 91 of your
statement, and also the fact that the concerns raised that you've referred to there were
10 that structuring was occurring in the account and that there was other indicia of
money laundering through that account?

15 MR ALEXANDER: Yes, of course, I agree. I mean obviously I agree not just on
behalf of Burswood Ltd Board, but the Crown Resorts Board also would have --- and
the Crown Melbourne Board would have liked much greater clarity and much greater
understanding of those particular accounts.

20 COMMISSIONER JENKINS: So since finding out about those matters, because I
understand your position is that you didn't find out about those matters and therefore
presumably, neither the Crown Board nor you say neither the Crown Board or
Burswood Ltd knew about them prior to the revelations in the ILGA Inquiry. So
since then, have you reflected on where the defects were in the management of Perth
Casino and Crown Resorts that led to those matters occurring and not being brought
to board level?

25 MR ALEXANDER: My reading of the evidence that came out in the Bergin Inquiry,
it seemed to be failure at a number of levels, in terms of collating information,
aggregating accounts, a whole range of things which combined to give management
in charge of that particular area a false sense of security. At the same time, there
30 wasn't an external --- let's say the external overseers of this area perhaps weren't as
forensic as they might have been in their advice back to operators like Crown, not
just Crown, about these sorts of matters.

35 COMMISSIONER JENKINS: When you say "those external", would you include
the internal audit process in that?

40 MR ALEXANDER: I think the internal audit process must be part of it, but I think
there was greater false security coming from outside the company from a regulatory
level. I'm not talking about the regulator, I'm talking about more from an
enforcement point of view than should have been the case. I think there are failings
all through the system, including at the bottom of the company all the way up
through management. Yes, I do.

45 COMMISSIONER JENKINS: Thank you, Mr Alexander.

COMMISSIONER OWEN: Thank you.

Mr Alexander, the first area I want to discuss with you is to go back to the questions

about the trust structure and the trust deed. So that is the general area.

5 Now, I think it is your evidence that when you first became a director of Burswood Ltd which, in my understanding, was May 2005, you were aware of the trust structure?

MR ALEXANDER: In a broad sense, yes.

10 COMMISSIONER OWEN: Which you said, I think, was an inherited structure?

MR ALEXANDER: It was an inherited structure, yes.

15 COMMISSIONER OWEN: But you did not yourself familiarise yourself with the terms of the trust deed; that is correct?

MR ALEXANDER: Yes, that's correct.

20 COMMISSIONER OWEN: In March 2017, you became a director of Burswood Nominees Ltd?

MR ALEXANDER: Yes.

25 COMMISSIONER OWEN: I presume you were aware that Burswood Nominees Ltd was a trustee company?

MR ALEXANDER: Yes.

30 COMMISSIONER OWEN: So you were aware that you were becoming a director of a company that had the obligations of a trustee?

MR ALEXANDER: Yes.

35 COMMISSIONER OWEN: Well, given that context, did you then at that time familiarise yourself with the obligations of Burswood Nominees Ltd under the trust deed?

40 MR ALEXANDER: No, I didn't. I didn't have cause to do so. I had no cause to actually think that I needed to be --- have that understanding imposed upon me because I just didn't believe that was the case at the time.

45 COMMISSIONER OWEN: But you've said that you acknowledged that this was a -- you were becoming a director of a company that had trustee obligations. Would that not put that company in a slightly different situation to any of the other 60 subsidiaries at which you were becoming a director?

MR ALEXANDER: In hindsight, yes.

COMMISSIONER OWEN: And I think at the same time as you became a director of Burswood Nominees Ltd, you became a director of Burswood Resort (Management) Ltd?

5

MR ALEXANDER: Yes.

COMMISSIONER OWEN: And I presume you were aware that Burswood Resort (Management) Ltd was the manager under the trust deed?

10

MR ALEXANDER: Yes, it was described to me as the vehicle which held the staff and the like, yes.

COMMISSIONER OWEN: So can I take it then, from what you've said, that similarly you didn't familiarise yourself with the obligations that the manager had under the terms of the trust deed?

15

MR ALEXANDER: That's correct.

COMMISSIONER OWEN: I think you've already answered that, but looking back now, should you not have turned your mind to the respective obligations of the trustee and the manager under the terms of the trust deed?

20

MR ALEXANDER: Looking back now, I would have preferred a much longer conversation about every single entity I joined, probably headed by those companies which had trusts in place. I'm not sure I would have --- in fact I am sure I would not have been given a different answer on Riverbank and Southbank in terms of what they did or what they should have done, because when I began that questioning several years later, once I became aware of those particular entities, I was told they were --- there was nothing to see here and that they were subject to full AML surveillance. So, in hindsight, yes, I should have.

25

30

COMMISSIONER OWEN: I am going to come back to Riverbank shortly, but sticking with the Burswood Nominees Ltd, the trust deed, now I accept you are not familiar with the details of the trust deed, but I do want to take you to a couple of provisions. If we could bring up CRW.700.007.0209. If you could go to page 0277. And the page before that, please. I wonder if you could blow up clause 28.3 for Mr Alexander.

35

That is a provision which provides some of the duties under this trust deed for the manager. What I want to direct your attention to is the last sentence. Could you just read the last sentence. You can read the entire thing if you wish, but I am going to ask you a question about the last sentence.

40

MR ALEXANDER: Yes, I've read the last sentence.

45

COMMISSIONER OWEN: All right, I'm not asking you for a legal construction of that agreement, but in your understanding at the time, the business of a casino, who

was conducting it?

5 MR ALEXANDER: In my understanding the reality of who was conducting it was at a Burswood Ltd level with the licence held by Burswood Nominees.

COMMISSIONER OWEN: You appreciate the first words, "The Manager", refers to Burswood Resort (Management) Ltd?

10 MR ALEXANDER: I see that now, yes.

COMMISSIONER OWEN: All right.

15 MR ALEXANDER: I'm intrigued by why that structure was in place for so long. Burswood was a public company as well.

COMMISSIONER OWEN: Can I ask you, from your experience in business, would you regard the preparation of accounts and financial statements as a fundamental part of the conduct of a business?

20 MR ALEXANDER: Yes, I would.

25 COMMISSIONER OWEN: Could we go then to the same document, page 0300. And if you could blow up the bottom of the page, (a). That requires the manager, Burswood Resort (Management) Ltd, to prepare accounts and have them audited.

MR ALEXANDER: (Nods head). Yes, I see that.

30 COMMISSIONER OWEN: All right. So that is accounts of the trust fund. Now, I think we may need to go --- I thought that would show it, but it doesn't. We may need to go to a different document. And I hope this is on the hearing book, CRW.708.015.1899.

35 In 2007 the trust deed was amended by what is called the 13th Supplemental Trust Deed. That has the identifier number that I've just read out. If I can read this out to you, clause 45.1 that you just looked at was amended, and it now reads this way. The heading is:

40 *"The manager may cause the preparation of accounts: (a) if thought desirable by the manager, the manager may prepare accounts in respect of any period the manager considers suitable, including any yearly periods, in accordance with any form or accounting standards or for any special purpose it considers suitable; and (b) if an auditor is currently appointed, the manager may cause any accounts prepared under clause 45(a) and their correctness ascertained by the auditor.*

Have you followed what I've been reading out?

MR ALEXANDER: Yes, I have.

5

COMMISSIONER OWEN: So the change is from a mandatory retirement for the manager to have audited yearly and half-yearly accounts, to the point where the manager has a discretion whether or not to have accounts prepared and audited for the trust fund.

10

MR ALEXANDER: Yes, I accept that. Understand that.

COMMISSIONER OWEN: From your experience, that was in 2007. Are you aware from your experience where the manager ever decided to prepare and audit the funds under the amended clause 45.1?

15

MR ALEXANDER: I'm not aware, no.

COMMISSIONER OWEN: The evidence before the Commission suggests that management accounts were and are prepared for the various business units that make up together this conglomerate called Crown Perth; is that your understanding?

20

MR ALEXANDER: In a broad sense, yes.

COMMISSIONER OWEN: And that the management accounts were considered by the Board of Burswood Ltd, and then we're talking here about the annual accounts, they are audited at the local level and then transmitted for inclusion in the consolidated accounts at the group level; is that your understanding?

25

MR ALEXANDER: Broadly, yes.

30

COMMISSIONER OWEN: Now, if we regard the trust fund as an entity, is it the case then, insofar as you are aware, there is no separate accounting for the trust fund as an entity?

35

MR ALEXANDER: That would be my understanding, yes.

COMMISSIONER OWEN: Do you remember some questions put to you by Ms Cahill whether in effect the trust structure was put to one side? Do you remember those questions?

40

MR ALEXANDER: I wouldn't mind being prompted by the questions if you don't mind, Commissioner.

COMMISSIONER OWEN: Well, it was a question whether or not the trust structure itself, the way that the Burswood subgroup, if I can call it that, was operating, that in effect the trust structure was simply passed by and that the concentration was on the three corporate entities, if you like, or on Burswood Ltd as an entity.

45

MR ALEXANDER: Yes. Yes, I recall that.

5 COMMISSIONER OWEN: Now, given that is what I'm focusing on, the question as to whether the trust structure was put to one side, you've agreed with me that the preparation of financial statements is a critical part of the conduct of a business?

MR ALEXANDER: Yes.

10 COMMISSIONER OWEN: Now, in your view then, is the type of change to that accounting structure within the terms of the trust deed consistent with or different from a few that the trust structure was in effect put to one side?

MR ALEXANDER: I really couldn't say.

15 COMMISSIONER OWEN: Do you have an accounting or finance background?

MR ALEXANDER: I have an economics degree but not a financial accounting background, no.

20 COMMISSIONER OWEN: Well, then, I'm not sure that you will be able to assist me with this and we can ask others with this if you can't, so if you can't answer this, please let me know.

25 If there were separate trust fund entity accounts, and there were a separate set of accounts for a trust fund, would it contain information that wouldn't necessarily be evident if you were to look at the segment accounting within the consolidated accounts of the corporate group at Crown Resorts Ltd level?

30 MR ALEXANDER: As you said, I'm probably the wrong person to ask that question of.

COMMISSIONER OWEN: All right. Thank you.

35 I then want to come to the --- sorry, there is one other question, it is only a small point, but I wonder if you can help me with this.

40 That change that I took you to, the 13th Supplemental Trust Deed, received ministerial consent as it was required under the legislation, and under the terms of the trust deed, on 24 April 2007. And the deed was signed on 30 April 2007. If I refer to the PBL restructure where it split out the gaming assets from the publishing assets, you would understand what I mean?

MR ALEXANDER: Yes, the demerge at the end of 2007, yes.

45 COMMISSIONER OWEN: Yes. There is evidence that the announcement of that proposal was 8 May 2007.

MR ALEXANDER: That would be broadly correct, yes.

5 COMMISSIONER OWEN: I'm aware of the close proximity of the two dates, the significant change to the accounting structure of the, if you like, the Crown Perth operations away from the trust fund, and apparently supplanted by the business unit's management accounts structure, that is 30 April and 8 May. The reason I'm raising this with you is, you gave evidence that you don't recall, at any time during your
10 tenure --- so that is from 2005 on --- any consideration being given to this corporate structure that this, what you call the inherited structure of the Burswood subgroup; you remember that?

MR ALEXANDER: I do, yes. I do not recall any conversation about it.

15 COMMISSIONER OWEN: Then are you able to help me whether or not, given the close proximity of those two dates, that is, April, the supplemental deed, and May, the announcement of the restructure, the PBL restructure, that someone might have been looking at the Burswood subgroup at that time and decided that at least this change should be made? Are you able to help me with that?
20

MR ALEXANDER: I can't help you with that. I mean, it's not the sort of thing I would have been involved in, in the role I was playing in the company. I'm not just an accountant, I'm not a corporate lawyer or somebody advising on these sorts of structures at all. I'm sorry, but I can't help you.
25

COMMISSIONER OWEN: All right. Thank you.

I want to now turn to a different topic. It was the governance structure and roles and responsibilities of the various entities within Crown Perth and in particular focusing
30 in on Burswood Ltd. I want to ask you a question: you've had experience as the Chair of a public company and the Chair of its various subsidiaries.

MR ALEXANDER: Yes.

35 COMMISSIONER OWEN: Would you agree with this proposition: one of, not "the", the roles of a Chair of the Board is to lead and guide the Board, and to ensure that the Board as a composite group understands its role and responsibilities so that it can function properly and efficiently? Would you agree with that as a general proposition?
40

MR ALEXANDER: Yes, I would.

COMMISSIONER OWEN: Let me come to Burswood Ltd. Did you regard at the time were you a director, and particularly when you were chairman, that the presence
45 of non-executive directors, Perth-based directors, on that board was an important feature of its governance structure?

MR ALEXANDER: Yes, I did, actually, I did.

5 COMMISSIONER OWEN: And the non-executive directors during your time were Mr Poynton, Mr Roberts and, for a shorter period, Ms Fewster?

MR ALEXANDER: Yes, that's correct.

10 COMMISSIONER OWEN: Would you agree with the proposition that they are all experienced business people?

MR ALEXANDER: Yes, I would. I mean, I was involved in --- Maryna Fewster used to come in to be a director of Crown Perth based on her business skills.

15 COMMISSIONER OWEN: All right. You've already heard through the cross-examinations, particularly of Ms Cahill and Mr Ward, that there are differences of view about the roles and responsibilities of Burswood Ltd. We've heard differing evidence from various witnesses about that. You've given us your views on the roles and responsibilities of Burswood Ltd within the confines of director's duties and the
20 stinks between governance and management, which has been drawn. So you've given your view. Unless you want me to, I won't repeat what has been said about Mr Poynton's evidence on that issue.

25 By the way, in this exercise that I'm taking you to now, I'm not suggesting that any one view is right, wrong or indifferent. It's what I'm pointing to as the differences of points of view. Do you understand that is the background to this?

MR ALEXANDER: Yes, I do.

30 COMMISSIONER OWEN: Your view has been made clear today. Mr Poynton's view, unless you need me to take you to it again, has been put to you in the cross-examinations. What I will do now, and it is a very broad summary and I hope I do justice in a few lines to the evidence, Mr Roberts's evidence was that governance of the Perth entities was done at the Burswood Ltd level, that Burswood Ltd had
35 oversight for the Burswood entities and the Burswood Ltd Board reported its activities directly to the Crown Resorts Ltd Board, and the Board of Burswood Ltd considered matters arising, made decisions, and then the executives would carry out their respective duties. Do you understand?

40 MR ALEXANDER: I do.

45 COMMISSIONER OWEN: Ms Fewster's evidence seemed to be that that was what should happen, but that all of the direction and activity from Crown Resorts came from Crown Resorts down to Burswood Ltd, and that the meetings for Burswood Ltd were more for noting things that had already happened or already been approved at a higher level, and that the way it is structured it was difficult for Burswood Ltd to run the Perth Casino. So that is a different view again.

To repeat myself, I'm not asking you for a comment on whether they are right or wrong or different, it is simply the existence of those differences. Now, given that there was --- let me ask you this question. The first question I asked you was about
5 the role of the chair, the role to lead and guide and to ensure that the board as a composite group understand its role and responsibilities so that it can function properly and efficiently.

Now, given those differences, and I take it you were not aware of the existence of
10 those differences of view at the time when you became Chair?

MR ALEXANDER: I was not, no.

COMMISSIONER OWEN: But then given your agreement that the proper role of
15 the chair toys lead and guide the board to understand its roles and responsibilities, what steps did you take to identify confusion or differences of approach that were important in a governance perspective?

MR ALEXANDER: Nothing specific. I thought --- as you said, they were all
20 experienced business people and I made an assumption back in --- in joining a board like Burswood Ltd, which was a 100 per cent owned subsidiary but had quite distinct and clear responsibilities, particularly owning a licence, I did not think that that would be required, an educational lesson in terms of responsibilities. Mr Roberts's summary of it seems to align mostly with how I saw the Burswood Ltd Board from
25 the time I joined it, and originally I was not the Chair.

COMMISSIONER OWEN: Now I want to turn to a different topic. This is the final topic that I want to deal with. A couple of weeks ago, time certainly flies, Ms Coonan gave evidence to us. I wonder if we can bring up the transcript, it's page
30 2626 of the transcript. If you could blow up from --- what Ms Coonan was being asked here about was evidence that she had given to the Victorian Royal Commission about the difference in culture between in what she referred to as "old Crown" and "new Crown". Old Crown, as I understand it, would encompass the time when you were the Executive Chair and Executive CEO. Would you read from line
35 30 to the bottom of the page and then ---

MR ALEXANDER: Sorry, Commissioner, is it possible to get it

COMMISSIONER OWEN: From line 30 to the bottom of the page and then we will
40 go over the page.

MR ALEXANDER: Okay, you may turn the page. You can stop it at the end of the first paragraph.

45 Yes, I agree with that.

COMMISSIONER OWEN: If you leave that page there, do you in general terms agree or disagree with Ms Coonan's evidence about the culture and governance of

what was called "old Crown"?

MR ALEXANDER: No, I don't agree. Ms Coonan was a long-time director of
5 Crown so by definition she's probably old Crown as well. The company did go
through a fairly significant metamorphosis from the time the late Kerry Packer
passed away. When he was the executive chairman of the company, I don't think
many of the issues we are now confronted with in being directors were really of front
of mind consideration. Whether that's risk management policies, independent
10 directors and the like. But actually, one of the first things his son James did when he
inherited the company was to almost throw it out on its head and recruited five of the
most senior, independent, experienced business people in the country, Chris
Corrigan, Chris Mackay, David Loewe, Geoff Dixon and Chris Anderson, all highly
accomplished, highly individual, highly independent people and place them on the
15 board of the then PBL. So I thought that was the start of a change of culture. And
ever since then I believe the company has been evolving, perhaps not as rapidly as it
should have, perhaps not confronting some of the challenges it has received as
quickly as it might, but the process of refreshing, redeveloping, deepening
governance, deepening compliance, has been an evolving experience. It has
20 obviously been exaggerated and accelerated by events of the last two years, but I
don't agree. I don't agree that the board meetings were places where there was only
one view.

COMMISSIONER OWEN: All right. Let me take you to the --- if you look at that
25 first paragraph on the screen, there are three propositions there which I want to take
you to. The first is that risk management structures and reporting lines to the board
were very blurred. That's the first. I want to translate this to Burswood Ltd because
I suspect that Ms Coonan may have been focusing more at Crown Resorts level. I
want to focus on if that is the case, if that's the case, that risk management structures
30 and reporting lines to the board were blurred, if that be the case, would you agree
that that is not consistent with good governance principles?

MR ALEXANDER: Absolutely. I don't think the risk management structures and
reporting lines were blurred. I think the Risk Management Committee needed an
35 overhaul and it needed greater frequency of meetings, and it also needed established
executive positions of support underneath it which happened, and which is an
ongoing process.

I suppose what you are possibly going to, Commissioner, is, does Burswood have
40 sufficient risk management structures in place at a Burswood Ltd level?

COMMISSIONER OWEN: That is what I'm getting at, yes.

MR ALEXANDER: Now, I'm obviously not part of the structure, but I would have
45 thought that it would be something of value to the company. Burswood, not from the
Board down, but does have its own Responsible Gaming Committee, for example. I
see no reason why it could not have, from a Board level, a Risk Management
Committee.

COMMISSIONER OWEN: If the evidence shows that there is no board charter, which was the matter of discussion this morning, that Burswood Ltd itself was not focusing on Burswood Ltd's risk appetite, and that the risk frameworks were coming from on high, if you like, if that be the evidence, would that not be an indication of problems in that area of risk management and reporting lines?

MR ALEXANDER: Not necessarily problems, but perhaps --- I wouldn't say problems, I would say potential deficiencies.

COMMISSIONER OWEN: Then let's come to the second point. Asymmetrical information where some information was given to some directors and not others. Can I give you an example of this, and it is well-traversed ground. The closure, the July 2014 closure by the ANZ Bank of the Riverbank accounts. If the evidence is that Mr Barton, who was a director of Burswood Ltd at the time, was aware of the closure of the Riverbank accounts, but certainly the evidence seems to suggest that neither none of Mr Poynton --- neither Mr Poynton nor Mr Roberts, and I think you, were not aware of the closure of the accounts at that time, in the middle of 2014?

MR ALEXANDER: Correct.

COMMISSIONER OWEN: Is that an example of asymmetrical information, and an important matter? Can I take that example a little bit further. I can take you to these documents if you wish.

MR ALEXANDER: Can we, just before we leave that, I mean, that is a failure not really at a board level. To me, Mr Barton was the director of Burswood. He was a non-director of Crown at the time. It wasn't a question of not informing the Burswood Ltd Board, it's also a failure not to inform Crown. So Ms Coonan's remarks about some directors receiving some information that others weren't getting, I have no understanding of what that is, to be frank.

COMMISSIONER OWEN: Yes, I accept that, and the Bergin Inquiry spent a lot of time on those issues. I'm focusing on Burswood Ltd and using this as an example. Because at around this time the Burswood Ltd Board was in February 2014, and bear in mind that the evidence seems to suggest that the issues were raised by the ANZ Bank in January 2014, that in February 2014 the BL Board was considering --- and, as I say, I can take you to these documents if you wish --- amendments to its AML/CTF program and a business risk assessment for the AML. Now, I can take you to those documents if you wish.

MR ALEXANDER: I accept what you say.

COMMISSIONER OWEN: But would you accept that if you are looking at changes to the AML/CTF program and a business risk assessment for AML, that information concerning difficulties with bank accounts, and the possible closure of bank accounts for matters related to money laundering, would be important for the Board to

understand?

MR ALEXANDER: Absolutely.

5

COMMISSIONER OWEN: And then the third of those points that Ms Coonan raised was that it was difficult from a board perspective to end up with enlivened suspicions about things because the way in which the matters were presented didn't raise those kinds of issues.

10

The example that I would give to you here is, do you remember, in September 2014, the television program Four Corners ran a program on high rollers, high risks and again about junkets and money laundering?

15

MR ALEXANDER: Yes.

COMMISSIONER OWEN: You've said that you had little knowledge of that at the time so that's not where I'm going here, but it's the same sort of thing. The evidence suggests that Mr Felstead was aware of that program, he was a director of Burswood Ltd at the time, there is no evidence that I'm aware of that Mr Poynton or Mr Roberts was aware of that or that those matters were brought to the board, but at the same time again, there was, before the Burswood Ltd Board, amendments, proposals for amendments to the AML/CTF program, and an internal audit report which identified some issues with the International Commission Business and junkets.

25

And, again, I ask you the question: would you agree that in order for the Board, properly, to come to grips with the issues that were raised, with which they were confronted, it would have been of importance to know of the allegations that had been made about money laundering type issues?

30

MR ALEXANDER: To know about the allegations and the veracity or otherwise of the allegations, yes.

COMMISSIONER OWEN: And perhaps to ensure that the changes that were being made to the AML/CTF program would be consistent with or would guard against the sorts of things that were being alleged against the company?

35

MR ALEXANDER: I would agree with that.

COMMISSIONER OWEN: All right. Thank you.

40

Ms Cahill, anything arising?

MS CAHILL: No, nothing.

45

COMMISSIONER OWEN: Do you wish to re-examine?

MR PHAM: No.

02:36PM

COMMISSIONER OWEN: Mr Alexander, that concludes the evidence. You have our gratitude. We have found it of assistance. We thank you for making your time available. In case there are matters that need to be tidied up we will leave the
5 summons in place, but you are certainly free to go.

MR ALEXANDER: Understood, Commissioner.

10 COMMISSIONER OWEN: You are free to return to your lockdown life.

MR ALEXANDER: Understood. Thank you so much.

15 **THE WITNESS STOOD DOWN**

COMMISSIONER OWEN: We will now adjourn to 10.00 am on 30 August. Thank
you.

20 **HEARING ADJOURNED AT 2.37 PM UNTIL MONDAY, 30 AUGUST 2021
AT 10.00 AM**

Index of Witness Events

MR JOHN HENRY ALEXANDER, SWORN	P-2814
EXAMINATION-IN-CHIEF BY MR PHAM	P-2814
CROSS-EXAMINATION BY MS CAHILL	P-2815
CROSS-EXAMINATION BY MR WARD	P-2873
CROSS-EXAMINATION BY MR DHARMANANDA	P-2884
QUESTIONS BY THE COMMISSIONERS	P-2884
THE WITNESS STOOD DOWN	P-2900

Index of Exhibits and MFIs

EXHIBIT #WIT.0013.0001.0001 - STATEMENT OF MR JOHN HENRY ALEXANDER	P-2815
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