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PERTH CASINO ROYAL COMMISSION

PUBLIC HEARING - DAY 28

10.03 AM WEDNESDAY, 18 AUGUST 2021

COMMISSIONER N J OWEN

COMMISSIONER C F JENKINS

COMMISSIONER C MURPHY

HEARING ROOM 3

MS KIRSTEN NELSON and MS MIA HENDERSON as Counsel Assisting the Perth Casino Royal Commission

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

DR ELIZABETH BOROS as Counsel for Mr Ken Barton

MR PETER SADLER as Counsel for the Gaming and Wagering Commission of Western Australia

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

MR JOSEPH GARAS SC and MR JESSE WINTON and MS MIRANDA CUMMINGS 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

MS OLIVIA TATE and MR NICHOLAS MALONE as Counsel for Mr Michael Connolly

10:03AM

COMMISSIONER OWEN: Please be seated.

COMMISSIONER JENKINS: Mr Hulme, please come forward. Please take a seat.

5

WITNESS: Thank you.

COMMISSIONER JENKINS: Mr Hulme, I'm just going to explain to you what is going to happen this morning.

10

WITNESS: Thank you.

COMMISSIONER JENKINS: I understand you do not have legal representation; is that right?

15

WITNESS: That's correct.

COMMISSIONER JENKINS: As I said, I will inform you directly of the process today.

20

The first thing we will do is administer an oath or affirmation to you to tell the truth to the Commission. I will then ask you to identify the statement that you have prepared for the Commission.

25

WITNESS: Okay.

COMMISSIONER JENKINS: And to confirm that it contains the truth. You will be given the opportunity to make any amendments you would like to make to the statement at that time.

30

WITNESS: Thank you.

COMMISSIONER JENKINS: That statement will then become an exhibit in the Commission. Once that has occurred Counsel Assisting the Commission, Ms Nelson, will ask you some questions. Once she has finished counsel for other parties represented in these proceedings will ask you some questions. They will each identify themselves and who they act for at the time they commence their examination.

35

40 At the conclusion of that process, the Commissioners may have some questions for you. And after that Commissioner Owen will give you an opportunity to add anything that has occurred to you over the course of the morning that you have not been able to say. That will conclude your evidence today.

45 Now let me say something to you about the mechanics of it. If there is anything you need in order for you to give your evidence in a clear fashion, then let us know. So if you need to see a document, tell whoever is asking you the question you want to see the document before you answer. If you need the speaker to speak up because you

can't hear them, anything like that, the floor is yours.

WITNESS: Thank you.

5

COMMISSIONER JENKINS: It is your evidence and it is important you are able to give it clearly. If you need a break, anything of that nature, again let us know and we will organise it.

10 Before we administer the oath or affirmation, is there any question you would like to ask me?

WITNESS: No, thank you.

15 COMMISSIONER JENKINS: Then, could you please stand. Please state your full name for the record.

MR PAUL HULME, SWORN

20

QUESTIONS BY COMMISSIONER JENKINS

25 COMMISSIONER JENKINS: Thank you, Mr Hulme. Please take your seat.

At the time you received a summons, or maybe later, to attend today, did you also receive a request from the Commission to provide a statement?

30 MR HULME: I have, yes.

COMMISSIONER JENKINS: And in response to that request did you provide a statement dated 27 July 2020. I assume that should be 2021.

35 MR HULME: Yes, 2021.

COMMISSIONER JENKINS: That might be the first amendment we make to it, and that's the date on the last page. Is it possible for that witness statement to be brought up on to the screen, WIT.0010.0001.0001. Could the last page --- does that appear to be the statement you have provided?

40

MR HULME: It is, yes.

COMMISSIONER JENKINS: Is there any change you would like to make to that statement?

45

MR HULME: Yes, please. Just in regards to question 3. As I explained in my statement I was away at the time, so the company that employed me, I've checked on

10:08AM

my payment summaries, was Burswood Resort (Management) Ltd.

5 COMMISSIONER JENKINS: All right. So we will delete "Burswood Nominees Ltd" and we will insert "Burswood Resort (Management) Ltd" at that point. Thank you.

10 MR HULME: Just in regards to questions --- topic 6. Just a couple of things. I've added on there were many different meetings and groups I was involved in with treating the evidence, but changes to the WA Appendix for electronic gaming machines.

COMMISSIONER JENKINS: Which page are you on?

15 MR HULME: Page 2 and 3. So adding to question 6.

COMMISSIONER JENKINS: So that would be at the end ---

20 MR HULME: Yes, so where I have use of direct debit cards at table games, adding two other topics: changes to the WA Appendix for electronic gaming machines and the proposed introduction of ticket in or ticket out, or TITO as it is known.

COMMISSIONER JENKINS: Just wait, please, so we can make those.

25 MR HULME: "Changes to WA Appendix for electronic gaming machines", that's not the formal name of the document, but I can't recall what it is offhand. And the next one is "proposed introduction of ticket in/ticket out (TITO) as it is known".

30 COMMISSIONER JENKINS: So rather than --- we'll add those headings, but rather than actually amending the statement to include material about that, perhaps you would like now to give some oral evidence yourself about what involvement you had in this.

35 MR HULME: Okay. With the changes to the WA Appendix I was approached by the electronic gaming machine product manager, as well as Mr Marais, and earlier by the Chief Operating Officer Lonnie Bossi, with a view seeking a review of th a WA Appendix by the Gaming and Wagering Commission. So there was three or four of us involved in that process along with two of the executives. We prepared the submission. I had a lot to do with drafting a lot of the submissions to the
40 Commission beyond those which were prepared by the executives themselves, or routine correspondence by departments, but a lot of correspondence invariably was drafted by myself or other team members in legal services. So that submission letter was, like all important matters that I felt were needing the appropriate authority, were signed by one of the executives though I can't recall which executive. That may have
45 been Barry Felstead.

The next matter was the proposed introduction of ticket in/ticket out. In an earlier matter I talk about the introduction of the new electronic gaming machine monitoring

system. That system enabled the use of ticket in/ticket out. So as the product rolled out, more and more elements of that product were introduced so we would seek approval on each indication. Once again, that was driven by an executive of one ---
5 one of the Crown Perth executives.

There is a whole group of people from various departments, could be finance, electronic gaming machines, that were involved in looking at that, testing it before a submission was put before the Gaming and Wagering Commission, and again that
10 letter would have been signed by one of the executives. And all of these matters were invariably discussed at executive level.

COMMISSIONER JENKINS: Is there anything else you wanted to say about those two items now?
15

MR HULME: Not at this stage. I notice they are part of the documents so maybe we can talk to all of that. On page 10, heading (d), "Changes to the nature and level of on-sight supervision in 2015", then to the executives, it should be Chief Legal Officer of Australian Resorts.
20

COMMISSIONER JENKINS: So that is on the third line, delete "executive" and insert "legal officer".

MR HULME: That's correct. That's his title as I understand it.
25

Going further down to item (e) because I had limited information available to me, it just talked about changes to the nature and level of junkets in 2017, I mentioned in my statement I am unable to recall any involvement in these changes. Having now been provided with documents, I'm now aware of that particular matter. But I did
30 prepare that letter to the Commission.

COMMISSIONER JENKINS: So ---

MR HULME: --- (inaudible) on that.
35

COMMISSIONER JENKINS: It may be better if Ms Nelson just includes that in her examination of you. So we will delete "I am unable to recall any involvement" because that would no longer be true --

MR HULME: That's correct.
40

COMMISSIONER JENKINS: --- and perhaps leave it with the heading as it is.

MR HULME: Thank you. And beyond that the date at the rear. Sorry about that.
45

COMMISSIONER JENKINS: Okay, so with those amendments ---

MR HULME: Yes.

10:14AM

COMMISSIONER JENKINS: --- is the contents of the statement true and correct to the best of your knowledge and belief?

5 MR HULME: Yes, given the circumstances I was in and without having any documents. Thank you.

COMMISSIONER JENKINS: So the statement bearing that identifier will be an exhibit in the Commission.

10

EXHIBIT #WIT.0010.0001.0001 - STATEMENT OF MR PAUL HULME

15 COMMISSIONER JENKINS: Thank you. Yes, Ms Nelson.

MR HULME: Good morning.

20 **CROSS-EXAMINATION BY MS NELSON**

MS NELSON: Thank you, Commissioner.

25 If you can leave the statement up on the screen, thank you. On the very first page, you say at the third dot point that you "have not sought legal advice" prior to preparing the statement but you were offered it by Crown.

MR HULME: That's correct, yes.

30

MS NELSON: Can you say why you didn't take up the offer?

MR HULME: Yes, I had given it some serious thought, if you don't mind me giving you some background information, I was aware that the Commission hearing was coming up and I was aware that the stress that the fellow employees would have been under. So I did ring them and say "Look, if I can help you in any way with helping prepare matters for the Commission", it resulted in me meeting, and this isn't incorrect to say this meeting with Philip Blaxill and a Richard Lilly who explained to me that Crown was willing to provide me with legal advice ---

40

MS NELSON: You don't have to say what else they said to you.

MR HULME: Okay. That's fine. I chose --- I felt it better that I be independent and appear as Mr Citizen and say it as it is, rather than be guided by any lawyer or anything like that.

45

MS NELSON: Thank you. You said that you spoke to was it former or current

10:16AM

executives at Crown?

MR HULME: No, just fellow employees, Mr Marais and Ms Grist.

5

MS NELSON: That's all?

MR HULME: Yes. Yes.

10 MS NELSON: And when did you speak to them?

MR HULME: I had made a number of calls to them just saying, asking how they were. I have a particular bond with people I work with, and I just wanted to make sure that they were coping okay, and then offer them some assistance if I could come and help them prepare whatever is necessary.

15

MS NELSON: Over what period of time would you have made those calls?

MR HULME: Oh, I don't know when --- whenever this became public knowledge this is going to happen, maybe the last six months or so.

20

MS NELSON: You also indicated in your statement that you ceased working at Crown Perth in December 2019.

25 MR HULME: That's correct.

MS NELSON: But you didn't retire until 20 March 2020.

MR HULME: That's right.

30

MS NELSON: What were the circumstances that caused you to leave Crown in December 2019?

MR HULME: I was at retirement age and I was looking forward to that. So I had given probably about a 12 months' advice to the business that I intended to retire. It was to be March but my wife insisted that I leave in December, given the time of the year, so that's what I did.

35

MS NELSON: Fair enough.

40

Do you have any ongoing financial relationship between yourself and Crown?

MR HULME: No.

45 MS NELSON: In your statement you also refer to having a celebration for your work colleagues upon your retirement in December 2019.

MR HULME: That's correct, yes.

10:18AM

MS NELSON: Was that event organised and paid for by Crown?

5 MR HULME: Look, I didn't want an event, to be honest with you. I just wanted to quietly leave. This was not something I wanted, but they insisted, and I understand it was paid by Crown.

10 MS NELSON: And did any of the Department of Local Government, Sport and Cultural Industries employees attend that event?

15 MR HULME: They did, to my surprise and non-knowledge. There was, I couldn't tell you how many now, probably 10, 12, 13 maybe. I had worked with a lot of these people since 1985, which, as you can probably see, and built a relationship with them, friendship, if you like, over the years and, yes.

MS NELSON: Did that include Mr Sergeant? Did he attend?

MR HULME: I didn't see him there but I don't think he was there.

20 MS NELSON: Mr Connolly?

MR HULME: Yes, Mr Connolly as well as a number of other I think they were directors and people within the licensing department, as in casino employee licensing, and within the policy area of the department that I have known for many
25 years.

MS NELSON: And who was present from Crown?

30 MR HULME: I couldn't list them all. There was probably 150 people, I think. It was quite beyond what I wanted but there was a lot of people and quite a few of the executives there.

MS NELSON: Mr Preston?

35 MR HULME: Mr Preston was engaged with the Crown Melbourne matter so he had sent me a goodwill message and later caught up with me in a private dinner amongst our team but, no, not him.

MS NELSON: So you were employed at Crown for 12 years?

40

MR HULME: That's correct.

MS NELSON: Prior to your retirement, so you commenced working there in 2007. Is it the case that immediately prior to that you were working at the department,
45 which was then Racing, Gaming and Liquor?

MR HULME: That's correct, yes.

10:20AM

MS NELSON: So there was no intervening period, it was continuous employment one from the other?

5 MR HULME: Yes, might have been a week or two. I can't exactly recall. But I was at the Department for only a period of about 10 months and I am going from memory, I've had no records to check, before I ultimately moved across to Crown.

MS NELSON: Sorry, you were at the department for 10 months?

10

MR HULME: Yes, about 10 months. So I had left the department, you can probably see that in my resume.

MS NELSON: I was unclear. Where had you left to go to?

15

MR HULME: I did a number of things in my life. I ran my own business for five or so years, I worked with another government agency for four or five years. Yes, did different things.

20 MS NELSON: So how long were you at the department for altogether from 1985?

MR HULME: Again, guessing, '85 to 1998, and then for about a 10-month period in 2006 to 2007, which is when I then joined Crown Perth, Burswood, as it was known then.

25

MS NELSON: So in 2006 is that when you came back as the senior inspector?

MR HULME: Senior inspector, yes.

30 MS NELSON: And what caused you to come back to the department in 2006?

MR HULME: I was in another government position. This role came up. I did enjoy working within the casino environment. It is a very dynamic interesting area. It was a promotion so I applied for the position like many others, and I was successful during that interview.

35

MS NELSON: During that short period of time of less than a year with the department from 2006 before you moved to Crown ---

40 MR HULME: Yes.

MS NELSON: --- when during that period did you start talking to Crown about moving to be employed with them?

45 MR HULME: Oh, I didn't. I had no intentions of doing that. How it happened, I got approached by an executive at that time of Crown, a fellow who I had worked --- he was the former Chief Casino Officer when I first worked at the department many

years ago and was a senior executive at Crown. He approached me saying that he had spoken to the Chairman of the Gaming and Wagering Commission before meeting me to ask whether he had any objections, concerns, in approaching me to see if I would be willing to work for Crown, or Burswood then. Having got that approval, sanction, if you like, they approached me and asked me if I would like to come and work for two or three weeks to make my mind up. I was very candid with them in terms of where they were at and what I wanted. But they were keen to bring me on board.

10 MS NELSON: Who were the two gentlemen that you said had the discussion amongst themselves?

15 MR HULME: All I know is one of the executives, I don't really know who met with the chairman, I understood it might have been just one person. I can't give you his title. I know his name.

MS NELSON: What is his name?

20 MR HULME: His name is Michael Egan.

MS NELSON: You understood he spoke to Mr Barry Sargeant, who is the Director-General of the department then and chairman of the Gaming and Wagering Commission.

25 MS NELSON: And when did you understand this conversation took place between -
-

MR HULME: I would imagine it wasn't long before they approached me.

30 MS NELSON: And when did they approach you?

MR HULME: Early September or end of August or thereabouts.

35 MS NELSON: In 2007?

MR HULME: That's correct.

MS NELSON: Who was it that approached you?

40 MR HULME: Michael Egan.

MS NELSON: Was it during that conversation that someone had told you that they had spoken to Barry Sargeant?

45 MR HULME: Yes, he said we --- I think he used the words "We've spoken to the chairman", very diplomatic, and conscious of not upsetting any relationships with the Commission and so forth so, yeah.

MS NELSON: Did you speak to Mr Sergeant ever about that conversation?

MR HULME: No, I didn't. No.

5

MS NELSON: Did you understand what Mr Sergeant's attitude was when he spoke to Mr ---

10 MR HULME: He probably, my instincts, and he didn't say anything to me, my instincts were he was a little bit annoyed that I had only just joined the department for ten months and then moving on. But I think he understood. He had a bit of a joke with me and said that "Oh, if you were going to get the big bucks, I don't blame you" or something like that.

15 MS NELSON: Who was it that had the conversation with you about what your role would entail?

MR HULME: Michael Egan. At that time he was the executive overseeing the legal services department. He ultimately stepped down from that role. I was conscious he was heading for Environment as well over a period of time.

20

MS NELSON: What did he say the role would entail that you would be taking on?

25 MR HULME: Look, there was a lady occupying the role prior to me being approached, I had met them on a number of occasions. Essentially it was working with the legal services and helping with the Legal Compliance Committee that operated at Crown Perth to assist with submissions to the Commission and work with the operational departments on matters that they want to put forward before the Commission, just giving them advice generally on a day-to-day basis, what they can and can't do, might be in the Act, or the directions, people are all there, I can't explain, no one ever read the darn thing except for me. But anyway, yeah.

30

MS NELSON: So why did you decide to take the role?

35 MR HULME: I was at the point where I said 12 years before my retirement, there was more money involved, and my wife and I discussed it and thought it would be good for our retirement long-term. I actually love the cut and thrust of the business, to be quite frank. I just love it. Despite its stressors.

40 MS NELSON: Before we talk more about what your role evolved into, I want to go to when you were working at the department, so up until 1998 and then from 2006 to 2007, is it correct to say that your whole role during that time focused on regulating casinos, not --

45 MR HULME: Yes.

MS NELSON: --- liquor and side business ---

10:27AM

MR HULME: No.

5 MS NELSON: You refer to taking on the role of a senior regulatory officer in 1994 and 1998 ---

MR HULME: Yes.

10 MS NELSON: --- was that a newly created position?

MR HULME: It was. It was a newly created position. There was a desire --- there was a new --- I think he was deputy director of the department, he had come from Singapore. There was a desire to have more assistance within the department administratively, in terms of helping put the submissions to the Commission and
15 submissions that came in, but importantly a desire to develop risk-based audit programs, which was new to me, I have to say. This fellow had a lot of experience and I worked very closely with him. There were two other officers that were assigned to me. After a period of time they didn't like what was going on, they moved and so two other people joined.

20 It was interesting. It was to be a more formal documented approach, as auditors do, to regulating the casino. I saw on the wall the future of regulating the casino, to be honest with you, to be based on conducting audits, risk-based audits.

25 MS NELSON: And why was that?

MR HULME: I think there was more to be gained, more written documentary evidence of the checks and balances being conducted, as opposed to previously we were often just doing observational work, working within the surveillance
30 department. A lot of operational questions from the casino operator in the first three or four years, and the staff couldn't sneeze or move without speaking to a government inspector. That's how it was. Often seeking guidance to make sure that they were complying. And patron complaints were quite a lot in the early days, people not understanding how the games operated. There was a process by which
35 they could appeal to a government inspector. We would be onsite, often four hours, five hours often dealing with a complaint and trying to resolve it.

40 So, going back to your question, I felt that there was --- there is always a better way to do something.

MS NELSON: So it was to be more evidence-based approach rather than a subjective observational approach?

45 MR HULME: Yes.

MS NELSON: On page 3 of your statement you say that the audit programs were in relation to all aspects of casino gaming operations.

10:29AM

MR HULME: That's correct, yes.

5 MS NELSON: How did you decide which particular operational aspects of casino gaming you would audit?

MR HULME: Look, at regular meetings with the Chief Casino Officer. Michael was a very experienced casino person himself. He had a legal background himself.

10 MS NELSON: So Michael is Michael Egan?

MR HULME: Michael Egan, sorry, yes.

15 MS NELSON: Is he at Crown at this stage?

MR HULME: No, no, he'd come from Tasmania and through to Perth and was the Chief Casino Officer. Talking to him, talking to the senior inspector at the time, there was a senior manager.

20 MS NELSON: Who was that?

25 MR HULME: Ron Harricks{?}, his name was. Talking to the deputy director that came in, and my knowledge as well. So we just methodically started working through areas that were important, if you like.

MS NELSON: And you've identified that one particular area was the table games and EGMs, or electronic gaming machines?

30 MR HULME: Yes, that's pretty fundamental to the conduct of gaming. So I purposefully listed that first.

MS NELSON: What essential features did you put into that risk program?

35 MR HULME: This was a long time ago but we looked at the controls governing the movement of things like chips in and out from the gaming table, the controls relevant to surveillance, its role, the rules of the games, the procedures in place. Was there anything that we thought could be improved. And just a broad brush look at --- we met with often casino management to gauge their views. We met with internal audit. We met with external auditors.

40 MS NELSON: Internal audit at Crown?

45 MR HULME: Yes, in Crown, to find out what they were doing at the time. We even met with the company secretary as well to gauge things what he was doing, particularly in relation to the shareholdings of the company.

MS NELSON: Who was that?

MR HULME: He was an Asian fellow, I just can't remember his name.

MS NELSON: How did you see that as being relevant to your regulatory role?

5

MR HULME: Because within the Burswood Island Agreement there were requirements to foreign stakeholder and controlling interest provisions. We just wanted to see what they were doing, if anything, to manage that.

10 MS NELSON: And were they doing anything?

MR HULME: Not that I can recall, no. So we developed an audit program in that space. It was quite difficult. Because companies can be controlled by companies, but we nevertheless went about doing some work in that area.

15

MS NELSON: Would that audit have been like a regular review of the controlling interests of relevant country companies?

MR HULME: Yes. I can't tell you how often we did it, but yes.

20

MS NELSON: Who undertook the audits on behalf of the department?

MR HULME: There was myself and two other officers. Sometimes we would --- having compiled them, we would send them to inspectors to do and they would come back with any feedback because they too had a lot of experience and knowledge, or one of the two fellows in my team would do it. I think I was involved in the shareholder one, which frankly drove me nuts, but I was involved in that one. Along with the Deputy Director-General, actually. Deputy Director-General.

25

30 MS NELSON: Who was the Deputy Director-General at that time?

MR HULME: His name was Len Nazareth{?}

MS NELSON: How often did you do that particular audit?

35

MR HULME: I couldn't tell you so.

MS NELSON: And once they were done, who reviewed them or what was done with them --- (overspeaking) ---

40

MR HULME: Invariably there was a report that came through, we were discussing with the, if I recall correctly, the Deputy Director-General or the Chief Casino Officer. I know for a fact we had a plan, as to having met with all the relevant stakeholders as to --- how the frequency with which the audits would be done. I seem to recall it being put before the Gaming and Wagering Commission for their consideration, and we went from there.

45

10:34AM

MS NELSON: Did you ever meet with Mr Barry Sargeant who was DG at that time?

5 MR HULME: Given he was Chairman of the Commission ---

MS NELSON: Sorry, did you meet with him separately --- (overspeaking) ---

MR HULME: No, I don't recall meeting with him now.

10

MS NELSON: And you did mention that you did an audit program in relation to surveillance.

MR HULME: Yes.

15

MS NELSON: Do you recall what the casino operator's obligations were under the directions in relation to surveillance?

20

MR HULME: I can't remember what they were back then, but there are provisions there for many levels, controls over video footage, reporting obligations to the Commission. But I could be confusing what was today versus what was back then, but reporting obligations to ensure all non-compliance with rules and procedures were reported through to the department, things like that.

25

MS NELSON: Did you have an audit program in relation to cage operations?

MR HULME: Yes. I've just listed a few. I think I might have put --- even the chip bank, it's not mentioned there, but it's part of the cage.

30

MS NELSON: And in terms of prioritising the audit program, was that something that you decided in that small working group that you've mentioned with the deputy director ---

35

MR HULME: Yes, and Chief Casino Officer. Yes. And I think those programs are still being used today. I've seen the inspectors, government inspectors attending the casino carrying out those sort of audit checks.

40

MS NELSON: And when you say you've seen them, did you have a look at what the audit documentation was?

40

MR HULME: No, but they would come to me about something that has been raised or I would get advice, particularly from the credit department, where the Government inspectors seemed to spend an inordinate amount of time week after week checking that area.

45

MS NELSON: Who was in the credit department?

MR HULME: A lady by the name Heather Ryan. She's retired now.

MS NELSON: And over what time period can you recall were the audit team from the Government spending that amount of time with Heather Ryan?

5 MR HULME: Oh, I couldn't tell you. They seemed to be concentrating at times, and again I didn't know all of their audit work, surveillance and within the credit area. I just seem to recall them having time in those areas.

10 MS NELSON: The Commission has heard that up until 2015, there were government inspectors on site at the casino in a government office.

MR HULME: Yes.

15 MS NELSON: When you were at the department, were you permanently on site at the casino?

MR HULME: Yes. When I first started there were 12 officers in groups of four teams. There was no supervisor at that stage. About four years later, the casino wanted to conduct its first expansion of the casino. It resulted in an additional four
20 officers being taken on board which is where --- 1990 I think it was 1989, people like Mick Connolly were employed to become government inspectors. We used to work 24 hours, 7 days a week. A supervisor ultimately was appointed to each of those four individuals. I ultimately got one of those positions.

25 MS NELSON: And you've also mentioned when you were at the department you prepared agenda papers for the GWC's consideration?

MR HULME: Yes.

30 MS NELSON: And you did that until you left employment at the department in 2007?

MR HULME: Yes.

35 MS NELSON: And you've also mentioned attending monthly ---

MR HULME: Sorry, I wasn't the only person doing agenda papers, there were other officers as well.

40 MS NELSON: How was it decided who would do an agenda department for a particular subject?

MR HULME: Because my area was casino, another might be community gaming, another might be liquor, and the Chief Casino Officer or the manager of compliance,
45 as he was known then, do work as well.

MS NELSON: And you also mention attending monthly department operational meetings that occurred between the department and Crown ---

10:38AM

MR HULME: Yes.

MS NELSON: --- whilst you were at the department. Who would have set the
5 agenda and run those meetings?

MR HULME: The agenda was all set by Crown. I think principally having worked
for Crown it was in its interest to set forth the matters that ought to be brought
10 forward to the Commission, the status of where things are, having lodged them, and
other matters that arose via Commission meetings and so forth. But you may want to
explore that separately, I'm sure.

MS NELSON: When did you first start attending those meetings when you were at
15 the department?

MR HULME: As soon as I joined in 2006. The first meeting was about a week or
two later.

MS NELSON: Sow hadn't attended them back in the '90s when you were working
20 there?

MR HULME: There was --- look, the big operational meetings of sorts, literally
from day one if I recall correctly, the frequency I can't recall. Certainly in the early
25 days, probably the first three or four years when the industry was new, there were
lots of meetings and I only attended a couple, in fact most of the Crown executives
were in those meetings to talk about operational matters, finance directors and so
forth.

MS NELSON: When you returned to Crown, sorry, to the department, in 2006, who
30 was the Chief Casino Officer then?

MR HULME: I think it was David Halge but I can't quite recall. Unfortunately
there's were a number of people who moved in and out of roles there, and it kept
35 swapping all the time so it was difficult to keep up with. I do think it was David
Halge.

MS NELSON: When you started working for Crown in the compliance manager
role in September 2007, is it fair to say that you were essentially performing the
40 same duties that you were as the senior government inspector, but just from the other
side of the fence?

MR HULME: I got accused of being the internal regulator at times, given what I
was trying to do.

45 MS NELSON: Who would accuse you of that?

MR HULME: Michael Egan, who used to have a bit of a joke on me, he would say,
"Paul, we have our own internal regulator". I was trying to do my best.

MS NELSON: So you still prepared responses to the GWC and Department from Crown's point of view?

5 MR HULME: Yes, so there would be --- just briefly, not only assisting operational
departments with their submissions that they wanted to do, talking to them about
their obligations to comply with rules, procedures and anything else, legislation,
assisting the executives in that regard, dealing with patron complaints that sometimes
10 got too hard for operational people. Certainly where the regulator had any queries,
concerns, they would invariably write to me via email or letter, and then I would
investigate or gather the information to compile a response.

MS NELSON: You mentioned to Commissioner Jenkins that your response was
invariably vetted by one of the senior executives?

15 MR HULME: Not all. Some of the routine stuff --- I used to get them to sign all the
letters thinking that is the appropriate protocol. At the time they said that "Look, we
were so confident in what you are doing, Paul", I'm not blowing my own trumpet but
I am, "we will let you deal with the majority of stuff." I chose to make sure that they
20 were signing the letters, what I considered important changes to, whether regulations
or with changes or --- requests or responses to important matters.

MS NELSON: I will take you to some of those letters later. When you moved to
Crown in 2007, how did you find the transition from being the regulator?

25 MR HULME: Nervous, to be honest, whether my knowledge and experience was up
to scratch. Having only been returning back to the Department for a 10-month
period, a lot of the knowledge was in my brain, but just recalling it. I felt very
comfortable. I had a very good manager to deal with.

30 MS NELSON: Who was that?

MR HULME: Sasha Grist. She gave me a lot of confidence. We worked very well
as a team. There was the two of us initially --

35 MS NELSON: Who was that?

MR HULME: I've got it in my statement somewhere, general manager of
compliance and governance or something.

40 MS NELSON: Talking about the knowledge in your head ---

MR HULME: Yes.

45 MS NELSON: --- when you were leaving the department, did you have a
conversation with anyone in management there about conflicts of interest or
confidentiality of information that you got on the job?

MR HULME: No.

MS NELSON: No discussion?

5

MR HULME: No.

MS NELSON: What about when you went to Crown? Did they discuss with you how you might manage any conflicts of interest?

10

MR HULME: No. No. I was aware that there were policies and procedures at Crown. There's hundreds of the darn things, but no one --- I think it's just the way I've always conducted myself, albeit you might tell me otherwise.

15 MS NELSON: Did you turn your mind at that time to the fact that you might have departmental knowledge that shouldn't be shared with Crown?

MR HULME: Look, I think it is quite normal for businesses or government agencies to engage, public institutions gain people from the private sector and vice versa.

20 They are engaged for a reason, for their expertise, their knowledge. But specifically, no I didn't.

MS NELSON: So you didn't turn your mind to it?

25 MR HULME: No. Other than I just wanted to do a good job and make sure we were doing the best we could.

MS NELSON: And had you been told by anyone at Crown that you were being employed for your expertise and knowledge?

30

MR HULME: Not in so many words, but in speaking to Michael Egan he gave me the confidence that he didn't think I'd fail.

35 MS NELSON: Were there any matters in the early days or weeks at Crown in which you excused yourself from because felt like you had already been involved in those matters back at the Department?

MR HULME: No, I didn't, no.

40 MS NELSON: Matters that came over to Crown and hadn't been resolved?

MR HULME: No.

MS NELSON: That didn't occur to you?

45

MR HULME: Being totally honest, there was one letter that had been going on for a number of years when I joined the Department. I can't remember the specifics of it,

but I wrote this rather long letter to Crown about, and when I arrived at Crown, I investigated it and I responded to my letter.

5 MS NELSON: Do you recall generally what the substance of the investigation was about?

MR HULME: I really can't. There is a letter on file, but, no.

10 MS NELSON: In your statement at page 7 --- thank you.

MR HULME: Which page, sorry?

15 MS NELSON: Page 7. It will come up on the screen in a minute. Under question 20, the third paragraph ---

MR HULME: Yes.

20 MS NELSON: --- you refer to your former manager encouraging you to have a philosophy of being respectful, open and transparent with the --

MR HULME: Where is that? I'm not seeing that on this page.

25 MS NELSON: Can you see Q20 ---

MR HULME: Oh, yes, sorry, got it.

MS NELSON: And you speak about your former direct manager, who was that?

30 MR HULME: That was Joshua Preston. He wanted us to maintain a positive, respectful relationship with the regulator. That's the way Josh conducts himself, and I liked, having transitioned from Michael Egan and understanding of the respect I had for him, Josh had a similar philosophy.

35 MS NELSON: How many years were you with Michael Egan at Crown before you then reported to Josh?

40 MR HULME: I think Michael was there for five years I think, maybe. I'm just trying to think. Maybe six.

MS NELSON: And you said that Josh encouraged "we". Who are you referring to?

45 MR HULME: In meetings with operational departments, we were at times faced with something that might have gone wrong, and it was always "Let's put it out there." Equally, when there were a couple of occasions when employees had to appear before the Commission, the philosophy was, and certainly I encouraged it with the employees, "If you've made a mistake, don't try and hide it, put it out there and we will deal with whatever comes from the Commission." And that was very

evident in my dealings with Josh and others.

5 MS NELSON: How many of those conversations do you think you had with Josh?

MR HULME: Probably a couple, but it was just evident during meetings when he was talking. Yes, it was a philosophy that I clearly understood from him.

10 MS NELSON: What type of meetings are you referring to that was evident to you?

MR HULME: Well, there was say a roulette incident where employees were, and it is mentioned in one of the documents, were involved in a matter. Let's put it out there, let's do our research, whatever we find, we just put it to the Commission.

15 MS NELSON: So these are internal meetings just with Crown employees ---

MR HULME: Josh.

20 MS NELSON: --- where Josh would say this?

MR HULME: Yes.

MS NELSON: On the two occasions?

25 MR HULME: And it could be with me and Claude as well. That's my view.

MS NELSON: So how did you implement that philosophy?

30 MR HULME: I've always had that view anyway. You know, you listen to the regulator, you may not always agree with what they say, but you respect their opinion. They are the regulator. Certainly being open and transparent with them, I've known a lot of them for so long they know how I operate.

35 MS NELSON: So apart from listening to the regulator's opinion, did that ---

MR HULME: Sorry, just in writing to the regulator. Hopefully you see my letters are very formal in terms of addressing the Commission, seeking approval. Just the language generally I tried to incorporate in the letters that I had prepared to be respectful.

40 MS NELSON: And what about the content of the letter, what was Josh's view about the fulsomeness or otherwise of content of letters to the regulator?

45 MR HULME: I very rarely saw any of the content that I put in the letters being changed other than the use of a word the content, or I don't recall seeing anything being taken out because they don't want them to know that or whatever.

MS NELSON: Would you ---

10:50AM

MR HULME: I'm going on memory. I wrote that many darn letters.

5 MS NELSON: I understand. Looking back over the time you were employed by Crown, would you say that generally you felt the regulator set clear behavioural benchmarks for Crown or was it a more corroborative relationship?

10 MR HULME: I think the benchmark was always set, or the benchmark I followed was set by my dealings with Michael Egan within the department in the early days, with working with him at Crown and then following with Josh as well.

15 MS NELSON: So by that answer are you saying that your benchmarks of behaviour that Crown had to meet were set more by Crown in their dealings with the regulator than by the regulator?

20 MR HULME: No, sorry, having worked at the regulator in the early days, the benchmark as to how we conducted ourselves was set by Michael Egan. And the Chairman, he was a very forthright, no nonsense individual, Mr Sergeant. And the former chairman too, I can't remember his name now, he was there for three or four years before Mr Sergeant came along.

25 MS NELSON: You also said in your statement that the role of compliance officer required you to liaise with the GWC, in particular senior management within the department.

MR HULME: Yes.

MS NELSON: Are you referring to the Chief Casino Officer?

30 MR HULME: It would be more than just him. Over time the Chief Casino Officer's role beyond being a Chief Casino Officer had gone exponential. So increasingly I was spending --- and even --- I was spending more times with the relevant directors and managers. There were various directors that had rotated through the department. Again, a lot of them I knew, some of them were new. So I would meet with them or
35 the relevant senior inspectors. I would meet with the Government inspectors as they were conducting any inquiry. They would come to me and ask me about things, or I would meet with a lot of the officers of the department. Importantly, when any submission that we had made where it required an officer to come down or to be better informed, I would facilitate maybe having the manager of the relevant
40 department there. We would do --- set up a product to demonstrate to them. So you can put something in writing but sometimes until you see it physically you have difficulty comprehending what it is about. So we would set up demonstrations of products.

45 MS NELSON: Are you talking about gaming machines?

MR HULME: Yes, beyond that. Could be ticket in, ticket out courses. That was

a new method by which revenue would be brought to account, or metered revenue. So I arranged for people from the finance, the cage, accounts all to be together, and we'd run a mock process for them to verify, as we had done during testing, so they
5 could see how we operated it.

MS NELSON: Thank you. You mentioned in that answer, it was quite long ---

10 MR HULME: Sorry.

MS NELSON: --- going back to the beginning of it, that the Chief Casino Officer's role expanded ---

15 MR HULME: Yes.

MS NELSON: --- and that resulted in you then meeting with other departmental inspectors and directors.

20 MR HULME: Yes.

MS NELSON: When do you think that started occurring?

MR HULME: It was when the department's government agencies merged. That's the change I noticed. In fact, ordinarily we would write to the chairman of the
25 Commission or the Chief Casino Officer as a company. He said, look, I would like you to write to or direct the correspondence to this particular director, because he or she will now have carriage of that, and if they need to come and see me, they can. There are some matters, until it got to the Commission meeting, he had little to do with, from what I understood.

30 MS NELSON: And apart from corresponding with these departmental officers, you've mentioned meetings with them ---

35 MR HULME: Yes.

MS NELSON: --- would they be informal meetings or are you referring to the DRGL operational meetings?

40 MR HULME: No, it's separate from the DRGL operational meetings. They could be in my office or we have a separate meeting room within legal services, yes. It could be two or three officers from the department, three or four from Crown.

45 MS NELSON: How many times a week would those more informal meetings take place?

MR HULME: Guessing once a week at times.

MS NELSON: Was the Chief Casino Officer always at those meetings?

MR HULME: No, not always. As the later years progressed, he wasn't always there. He often left it to the directors and managers to do the homework, get an understanding of it and then follow through with him, I presume.

5

MS NELSON: Over the time you were with Crown, did you feel you had a main point of contact with the department, someone who you would call initially?

MR HULME: There were several people that worked in the director's role, I can name them if you wish, but they would be the people I would deal with. There would be somebody in the licensing area. Just --- I've dealt with the whole of business, as you probably know, all casino employees are licensed. There is often problems in that area, so the HR would come to me and I would try and sort out what was going on or facilitate a meeting. There was at one stage monthly meetings with the licensing people and our licensing people to sort out delays or queries between the parties.

MS NELSON: It sounds like you would just arrange yourself with whoever you thought was the most appropriate person at the department to talk to about a particular issue?

MR HULME: That's right. And, say, one of the managers from Crown had a problem, I would be there because of my relationship with the regulator. That's my job. And I wanted to make sure that they were, as we've got it there, respectful and all of that. Some of them can be a little one-eyed. But, yes.

MS NELSON: Were you encouraged by Crown to maintain strong relationships with those officers and the department?

MR HULME: Yes. That was my job to liaise with them.

MS NELSON: Was there anyone in particular at Crown who encouraged you to do that?

MR HULME: No, it was just part of my position description, if I recall correctly. That was set when I started, and was there when I left, if I recall correctly.

MS NELSON: So it was actually in black and white on your job description?

MR HULME: Yes. Maintain a positive and open relationship with the regulator or something.

MS NELSON: And when you took on the role at Crown, did they discuss with you how you would maintain a positive, open relationship?

45

MR HULME: No.

10:58AM

MS NELSON: They left it to your discretion?

MR HULME: I was often left to my own devices over the years. They seemed to
5 have a lot of trust in what I was doing.

MS NELSON: But you reported to Joshua Preston?

MR HULME: At one stage, yes.
10

MS NELSON: And that was I think you said in your statement, from the two years
prior to your departure?

MR HULME: No. That was another person in Melbourne, unless I have it wrong in
15 there. Have I? There were three people I reported to over the years. I couldn't recall
the period of exactness unless somebody can bring it up for me.

MS NELSON: I think that was just my understanding from reading your whole
witness statement.
20

MR HULME: Oh, okay.

MS NELSON: Obviously that was misconceived. You mentioned that it was Mr
Egan initially?
25

MR HULME: He wasn't my direct supervisor, he was just one of the directors. I
have the three people's titles in there. Here we go, question 4. Persons I originally
reported to was the general manager, governance and corporate projects.

MS NELSON: Who was that?
30

MR HULME: That was Sasha Grist. I then reported to the Chief Legal Officer,
Australian Resorts, his title wasn't that at that time, and finally the group Executive
General Manager, regulation or compliance at Crown Resorts.
35

MS NELSON: The Chief Legal Officer, Australian Resorts, that is Mr Preston?

MR HULME: That's correct, yes.

MS NELSON: Who was the regulatory and compliance Chief Executive General
Manager?
40

MR HULME: Group executive, Michelle Fielding, in Melbourne.

MS NELSON: So for how many years did you report to Mr Preston?
45

MR HULME: Four, maybe.

11:00AM

MS NELSON: And what years were they? You left in 2019?

MR HULME: Yes. 2012 to 2016, I think.

5

MS NELSON: And thereafter was it Ms Fielding?

MR HULME: Yes, that's correct.

10 MS NELSON: So, given that, maintaining open and positive relationships with the regulator was part of your job description ---

MR HULME: Yes.

15 MS NELSON: --- did you talk about that with each of those direct reports?

MR HULME: No, no. I actually was very fortunate. I had a philosophy and they liked this. I only reported --- my philosophy was only alert very early management by exception. I didn't bother them unless I felt it was necessary or important enough, and they equally trusted what I was doing, so I was often left to my own devices.

20

MS NELSON: Did you have any regular job reviews during the time --

MR HULME: Yes. Yes, we all had one or two a year.

25

MS NELSON: And you do that with your direct line manager?

MR HULME: That's correct, yes.

30 MS NELSON: So, during the time that you were reported to Mr Preston ---

MR HULME: Yes.

MS NELSON: --- from 2012 to 2016, you would have two performance reviews a year?

35

MR HULME: Yes, if I recall correctly. Half yearly and end of year.

MS NELSON: And did you have key performance indicators you had to meet?

40

MR HULME: Yes.

MS NELSON: And what did they involve? What type of actions?

45 MR HULME: I can't recall them, but just off the top of my head, was working closely with operational departments to ensure --- to help draft submissions ---

MS NELSON: And that is submissions to the regulator?

11:02AM

MR HULME: Yes, yes, and generally ensure compliance with legislation and so forth.

5 MS NELSON: Did your job involve liaising with any other regulatory agency?

MR HULME: No.

10 MS NELSON: Sorry, I interrupted. So it was working firstly with operational departments?

MR HULME: They wanted measurable --- I don't quite understand what --- measurable indicators. Again, I put down a success rate on the giving submissions approved.

15

MS NELSON: And that was an acceptable KPI for Mr Preston?

MR HULME: Yes.

20 MS NELSON: How did you perform when it came to that particular KPI?

MR HULME: Look, we had a very good relationship with the regulator in terms of talking to them about submissions before we presented them. I was generally reasonably aware of the type of thing the business would put forward so I was pretty confident in meeting them. Didn't get everything approved, but that's the nature of the game.

25

MS NELSON: What didn't you get approved?

30 MR HULME: Something that comes to mind is the use of telephone betting. There was a request to the Commission to enable international players under certain guidelines, circumstances, to participate in telephone betting, if you like, having an agent here at Crown Perth. It was --- I was reasonably confident it may not get legs and it didn't.

35

MS NELSON: Before we leave the KPIs, were there any other KPIs that you had to meet?

MR HULME: I can't recall them all. They're on file if you want to have a look.

40

MS NELSON: So those are the two that come to mind. So working with the operation departments within Crown ---

MR HULME: Yes.

45

MS NELSON: --- and successful submissions ---

MR HULME: There was about 12. There was about 12 indicators. I just can't recall them all.

5 MS NELSON: You talked about the submissions and getting those approved. What was the process generally that occurred within Crown that caused you to start writing a submission or getting together a submission?

MR HULME: Okay, I could get --- the submissions varied from being something
10 rather simple, and that might be a minor amendment to a rule, to a procedure, meaning games procedures, or a casino manual amendment, which is --- the manuals originally went into five or different sets, security and surveillance, accounting and internal controls, IT and another one. So there could be minor amendments to those, to anything being of a substantial nature. Those matters of a substantiate nature
15 could be generated by the general manager of the department or invariably by one of the executives, some of the matters that are in the documents, for example, are ticket in, ticket out, or the IGT Advantage system, or change to supervision levels. They would invariably come from an executive level.

20 MS NELSON: And how would you be initially prompted to start working on that? Would it be raised in a meeting or an email?

MR HULME: A combination, but invariably pop into my office and say, "Paul, this is what we are looking at doing", I would get a brief of what they are considering. I
25 would then, myself or other officers within the legal services or the operational departments, would work on trying to put something together for the Commission. Often the thought and thinking was often driven by myself and people within the legal services department as to how to approach a topic.

30 MS NELSON: Apart from yourself ---

MR HULME: Yes.

MS NELSON: --- and I think you mentioned Sasha Grist, who else was in the legal
35 department?

MR HULME: There was about 11 people. There was AML, the anti-money laundering. When I say they were in the legal service department where we all sat together, internal audit was located in the office, the risk manager, compliance which
40 is myself and another lady, and then Claude and another lawyer from a legal perspective.

MS NELSON: Did you have regular meetings apart from the performance reviews twice a year? Did you have regular meetings with your direct line manager to let
45 them know what you are working on?

MR HULME: Invariably they knew because I did with Sasha in the early days. Over time Josh was so busy I didn't, but having said that, because of the DRGL operations

meetings that were going on, I would invariably prepare the agenda for those meetings based on what I knew was coming at me from a business perspective, what we had lodged with the Commission, and then what we were waiting on feedback from the Commission, and other matters that the executives might want to add to the list, or other general managers. And from that list I would invariably give him and the other executive, ECO of gaming, a short summary under each agenda item what that topic was about, and I would invariably meet with Josh before the meeting to brief him and explain what they are about. So that was the means by which he was acutely aware of the sort of stuff I'm working on or the business is asking about.

MS NELSON: So those operational meeting agendas ---

MR HULME: Yes.

15

MS NELSON: --- then basically were your to-do list in effect?

MR HULME: Yes, in a way. Besides other stuff I was working on, but, yes.

MS NELSON: And did you ever add anything to that list off your own bat without having been asked or instructed or directed to from someone else within the Crown Group?

MR HULME: Not that I recall. It might have been that a complaint has come in say the gaming department can't handle and it's been escalated to me and the person is making all sorts of threats, so I would add that matter to the agenda. That's the only thing I can think of at the moment.

MS NELSON: Did you consider your role at Crown required you to the focus on local Crown Perth operational matters as opposed to Crown Group?

MR HULME: Yes. Specifically Crown. I had no dealings with Crown Melbourne for many, many years until the sort of merger that started taking place, but even then I had very little to do with Crown Melbourne at all.

35

MS NELSON: And when did that merger start to take place?

MR HULME: I've got it in my statement if I recall correctly.

MS NELSON: I think you do mention 2016, 2017.

MR HULME: Yes, that would be about right.

MS NELSON: At page 6 at the top.

45

MR HULME: Thank you.

MS NELSON: And the Q --

11:09AM

MR HULME: But on a personal level, despite my direct manager was in Melbourne, I had very little to do with on a daily basis. I probably met with her on three occasions.

5

MS NELSON: Is that Ms Fielding?

MR HULME: Yes, that's correct. On three occasions over the three or four years I worked for her. I was essentially left to my own devices. She did do my appraisals as they arose.

10

MS NELSON: When you were reporting to Mr Preston between 2012 and 2016, was he located in Perth?

15 MR HULME: Yes.

MS NELSON: That entire time?

MR HULME: Yes.

20

MS NELSON: In your statement you address various Crown committees.

MR HULME: Yes.

25 MS NELSON: You mention the new electronic gaming machine monitoring system committee.

MR HULME: Yes.

30 MS NELSON: Did that committee run the whole time that you were at Crown or was that just for a period?

MR HULME: No, that ran there the whole time. I think it went on --- I put 15 months but it may have been a little longer than that.

35

MS NELSON: And what was the purpose of that committee?

MR HULME: So, there are two systems which are critical to gaming operations, one of them is to do with the electronic gaming machine monitoring system, it's formally known as the IGT Advantage system. There was a computer system there previously, it was ageing, it had been there since day one, and the business had a desire to upgrade it. There were lots of operational benefits, as I understood it, that came from that. As technology was changing, electronic gaming machines and products, this new system was able to communicate better with all of this. I'm not a technical expert.

40

45

MS NELSON: And what were the operational benefits?

MR HULME: Oh, as new products come on the use of ticketing, ticket in and ticket out, the real benefit from my perspective was the ability to monitor revenue. So revenue historically had been just brought to account from the machines and counted.
5 The machine monitoring system now enables them to find out how many \$2 coins, \$1 coins, how many \$5 notes, \$10 notes are there. It is a better reconciliation and accountability of revenue, as opposed to it --- only happened once but someone potentially filtering money away from gaming revenue.

10 MS NELSON: Apart from counting the revenue, did the IGT Advantage system have any other data that was useful to the operations?

MR HULME: I believe so. There was a lot --- I didn't get myself involved in the reporting side of that too much but, yes, my understanding was there was a lot of
15 data better able to be accessed and reviewed at Crown Rewards members' details and so forth. Whether that was available in the old system, I can't recall. And things like jackpots, a lot of jackpots used to run through what is termed a separate jackpot controller. This system allowed it to all run through one central hub, if you like. Again, I'm probably not the best person to speak to it from a technical perspective.

20 MS NELSON: Apart from the Crown Rewards and the jackpot controller data, what areas of the business was interested in the IGT Advantage data?

MR HULME: Income control, which is the finance department from the reconciling
25 of revenue. Obviously the executives too, making sure it is a better means of accounting for revenue. The gaming product team, it gave them an opportunity to get more jackpots available on machines. The machines changed over time. I don't know if you want me to explain that to you.

30 MS NELSON: Not at the moment.

MR HULME: No.

MS NELSON: We'll get back there. So in terms of ---
35

MR HULME: Cut me short if I'm talking too much, please.

MS NELSON: The Crown Rewards data that you could get from the IGT Advantage system, what type of data was that?
40

MR HULME: You could see when that person had come into the casino and inserted his or her card into that machine, you could see the money he or she had spent, and the relevant money they had won. So I would have thought from a business perspective that would be a good analytical tool. There were a lot of analysts at
45 Crown that would look at that data, I imagine.

MS NELSON: Do you know how many analysts Crown had?

11:14AM

MR HULME: Not really. There were analysts in different departments.

5 MS NELSON: Apart from that type of data being of interest to income control and executives, do you know if the data was sent to the Responsible Gaming area?

10 MR HULME: I'm not sure. I had very little to do with the RSG team albeit the manager ultimately sat near where I was located. I didn't have a lot to do with that area other than --- I can explain that later if you wish.

MS NELSON: No, explain it now.

15 MR HULME: Okay. Now and again a patron who was self-excluded and ultimately barred from the casino under section 26(2) of the Casino Control Act, that person had a right to appeal before the Commission. So at one stage when Michael left I started taking over the responsibility of preparing a response back to the Commission with the assistance of the RSG team on why we felt that person's barring should continue.

20 MS NELSON: So, apart from that interaction, you didn't work with the RSG team?

MR HULME: No. Only on my last year there was a request from the Commission, and I assisted in drafting a fairly long letter to the Commission about the RSG team.

25 MS NELSON: Was that in relation to a particular submission?

MR HULME: Yes, it was a long submission made to the Commission outlining the benefits of the RSG team, what it has achieved and so forth. It was quite a long submission if I recall correctly.

30 MS NELSON: What was the context for the GWC wanting that information?

35 MR HULME: I can't recall. I think it might have been driven by a member of the Commission who is now retired. He raised some queries and questions as I recall, and that prompted Crown to say, look, let's approach the Commission and outline the RSG area.

MS NELSON: Did you have an awareness of how big the team was?

40 MR HULME: Yes.

MS NELSON: How big was it?

45 MR HULME: It was quite small initially. If I recall correctly, there were two offices. I think there was about ten in Perth. This is --- again through that merger they became a group manager, overseeing the RSG team, so whether that made 11 or 10.5 people, I don't know the exact numbers. They had a separate office area too.

11:17AM

MS NELSON: Thank you. You mention also in your statement the compliance committee, that you attended those meetings and you became a chair.

5 MR HULME: Yes.

MS NELSON: When did you become the chair?

10 MR HULME: I think it was two or three years before I retired. Again it might have been driven by Josh's responsibility. Claude historically would chair those meetings and I think before that Sasha may have. I would relieve now and again when they were on leave or otherwise. Claude's responsibilities stepped up as well when Josh was so tied up with what he was doing. Consequently I was asked to take over being the chair of those meetings.

15

MS NELSON: And you had attended those meetings prior to becoming chair ---

MR HULME: Yes, generally when I could, but most times.

20 MS NELSON: From 2007?

MR HULME: Yes.

25 MS NELSON: So do you think if you left in December 2019 ---

MR HULME: Yes.

MS NELSON: --- do you think you started being chair in 2016 or 2017?

30 MR HULME: Yes. 2016, maybe.

MS NELSON: And in your statement you've explained that this committee referred risk events and compliance breaches to the Executive Risk and Compliance Committee; that is correct?

35

MR HULME: Yes.

40 MS NELSON: And then the reporting line upstream was the Executive Risk and Compliance Committee referred matters on to the Crown Resorts Board?

MR HULME: I didn't have anything to do with those two committees but that is my understanding of the process that was happening.

45 MS NELSON: So, to your understanding, the Burswood Nominees board was not part of that reporting?

MR HULME: I don't quite know who was members of those groups. I know some of the executives were part of the executive risk and compliance in Crown Perth. I'm

11:19AM

certain Claude was, and others, but I can't recall who.

5 MS NELSON: So it was the compliance committee that referred matters to the Executive Risk and Compliance Committee.

10 MR HULME: Yes. So having prepared the meetings and conducted --- Claude would go through the minutes and if necessary go to a relevant compliance report from the department, and extract relevant matters of importance to take to that executive.

MS NELSON: So that wasn't an action that you took as chair, it was Claude's role?

15 MR HULME: No. Yes.

MS NELSON: And I take it that not all matters before the compliance committee were then referred to the executive risk?

20 MR HULME: No, they wouldn't have time to look at all the day-to-day stuff that was going on.

MS NELSON: Do you know what the basis was on which Claude decided what matters went to the Executive Risk Committee?

25 MR HULME: It would probably be something that was ongoing and repetitive no matter how much we tried to resolve. So taking it to a higher level executive to say that "You guys better get your operational managers to sort this out". There was obviously high risk matters. Just as he saw fit.

30 MS NELSON: Can you think of one particular high risk matter as an example?

35 MR HULME: Yes, yes. They'll kill me, but the marketing team kept doing errors --- between marketing, IT and the operational departments, promotions that were operated, trade promotions as they are called, they would sometimes not get the formatting right or the set-up right, and we've gone and published this to our clients, patrons, and they were just ongoing and we had control after control. We had three people checking things at times.

40 MS NELSON: When you say "formatting", I presume you don't mean the drafting --

45 MR HULME: No, it's just the conduct of the actual trade --- they would not entirely get right, or if they'd sent out a promotional letter and they would get the wrong date period, it might have been for last year, minor things like that which we think are unacceptable.

MS NELSON: Was there a charter of responsibility for the compliance committee?

MR HULME: There are a whole myriad of documents around that. I would have to

go back and look at that but it was certainly approved by the executive and I thought Crown Resorts Board.

5 MS NELSON: And you indicate in your statement that this committee had oversight over matters that had originally been reported by department managers.

MR HULME: Yes.

10 MS NELSON: And/or compliance officers. Did each business unit at Crown Perth have a compliance officer?

MR HULME: Yes, so again there were 32 or 36 compliance offices. Each had a compliance program and plan. That officer, and if he or she is not available they had to appointment somebody in the department to attend and address and talk about the matter. Yes, we sat in the room for about two hours most days.

MS NELSON: And how did they, apart from --- sorry, I will start that again. How did those compliance managers for each of those departments report incidents that would then end up before the ---

MR HULME: Through a system called CURA.

MS NELSON: C-U-R-A?

MR HULME: That's correct. I couldn't tell you what it stands for, but it is a risk audit tool, computer system. We used to do it manually. There used to be a lot of paperwork involved. There is still a lot of paperwork involved but all the data is entered into CURA. They would quantify the incident, explaining what it is about, briefly and determine whether they considered it high, low or medium. Invariably matters which were considered high had been escalated usually on the day to the relevant general manager for an area and/or the executive, if there was something that was really out there, but there wasn't a lot of those.

MS NELSON: Apart from the compliance committee, did anyone else see those CURA reports?

MR HULME: I don't think so, no. I mean, internal audit had access to CURA but they also attended the compliance meeting.

MS NELSON: So was the primary responsibility of the CURA software to identify and monitor and report on ---

MR HULME: Just collate the data that's being input by the relevant departments, really, and all of the relevant compliance reports of each department was contained in there.

MS NELSON: Was there an obligation for each department compliance officer to

enter data on a regular basis?

MR HULME: Yes, absolutely.

5

MS NELSON: How regularly?

MR HULME: As and when the matters rose. I don't know how they personally went about do that, I didn't get too involved, I had another person assisting me. She was probably more actively involved in that space.

10

MS NELSON: Is that the internal audit person?

MR HULME: No, a lady who worked with myself.

15

MS NELSON: How many people in the internal audit department?

MR HULME: It used to be five, if I recall correctly.

20

MS NELSON: And apart from the internal audit department who you said had access to CURA, did the legal services department have access?

MR HULME: Yes. Every department had access to CURA because they needed to, to enter their relevant data.

25

MS NELSON: And who would vet those reports, compliance reports on CURA before they ended up on the agenda?

MR HULME: So the process was the compliance officer would enter the data, the report had to go to the manager of that area, him or her to sign off, and if I recall correctly it would also at times go to the executives before they would come through to me. There were sometimes we would chase those reports because they had to have them done at a certain time to give me time to review them.

30

MS NELSON: So as I understand, the manager would need to get an approval from the executive before they entered it into CURA or after?

35

MR HULME: I could stand corrected there but I know the general manager of the area had to.

40

MS NELSON: Just the general manager of the department?

MR HULME: Yes, so me as a compliance officer would enter the data, the general manager had to sign off on that report before it came through to us. So there was an ongoing alert. That's what it was. If that general manager hadn't signed off on their compliance report after a period of time, an alert would go to their relevant executive to say "Paul Hulme hasn't signed off on his compliance report."

45

11:26AM

MS NELSON: And I think you said there were 32 or 36 different departments?

MR HULME: Yes. Compliance officers.

5

MS NELSON: Talking about --- the cage would be one department?

MR HULME: Yes, so it could be representative from all gaming, cage ---

10 MS NELSON: Surveillance?

MR HULME: --- surveillance, security, table games, electronic gaming machines, hotels, food and beverage, maintenance, yeah, an array of people.

15 MS NELSON: And when was this system put into place, or was it there when you started?

MR HULME: When I start there'd was a compliance program already in existence. CURA only came in at a later date to improve reporting methodology, and the ability
20 to have all data contained in one location, rather than on files and bits of paper.

MS NELSON: Do you recall when it came in?

MR HULME: I can't remember. Sorry.

25

COMMISSIONER OWEN: Ms Nelson, when it is a convenient time?

MS NELSON: That's a convenient time.

30 COMMISSIONER OWEN: Mr Hulme, we will take a break and come back at 11.45.

MR HULME: Thank you.

35

ADJOURNED [11.27AM]

RESUMED [11.46AM]

40

COMMISSIONER OWEN: Please be seated. Thank you very much.

Ms Nelson?

45

MS NELSON: Thank you, Commissioner. Before the break we were talking about CURA, which you said was a software program to monitor and report on compliance and risk; is that a fair summary?

11:47AM

MR HULME: To retain the data associated with that, yes.

5 MS NELSON: And the reporting into the software program you said was done by compliance managers from each department?

MR HULME: Compliance officers.

10 MS NELSON: And that data entered by those officers normally had to be authorised by the general manager of that department?

MR HULME: Yes.

15 MS NELSON: Was there any mechanism for any employee to enter incidents on to that sum of money?

MR HULME: Not that I know of, because it was password-protected, as I understood it.

20 MS NELSON: Were any of the reports that that system generated sent to the department or the GWC?

MR HULME: No.

25 MS NELSON: So the reports that that system generated could be sighted by the legal services area ---

MR HULME: Yes.

30 MS NELSON: --- or the internal audit area?

MR HULME: Yes, to what extent the internal audit used it and used it as a means for their work as well.

35 MS NELSON: As chairman of the compliance committee, you were able to get into it as well?

MR HULME: No, I didn't. I left that to the lady that was working with me.

40 MS NELSON: Did you have a password to get into it?

MR HULME: No.

45 MS NELSON: So the lady working with you had a password to get in?

MR HULME: Yes.

MS NELSON: And Mr Marais had a password?

MR HULME: I think so.

5

MS NELSON: And there were compliance programs in place for all the business units at Crown Perth?

MR HULME: Yes.

10

MS NELSON: And did the compliance committee have visibility over those compliance programs or just what was in CURA or generated ---

MR HULME: My understanding was the committee had sight of all of those. Invariably they would go to each department executive for sign-off each year.

15

MS NELSON: Do you have a recollection, being chair of that committee ---

MR HULME: Yes.

20

MS NELSON: --- that you saw compliance programs for each department?

MR HULME: Yes.

MS NELSON: And that would include the cage area?

25

MR HULME: Yes.

MS NELSON: Surveillance area?

30

MR HULME: Yes.

MS NELSON: And the EGM gaming area?

MR HULME: Table games, security, surveillance and so forth.

35

MS NELSON: And would that include the anti-money laundering area?

MR HULME: Yes, yes.

40

MS NELSON: So you saw that compliance program?

MR HULME: Yes. Yes.

MS NELSON: Did you have anti-money laundering training?

45

MR HULME: I did an online training course like every other employee at Crown. Beyond that, no.

11:49AM

MS NELSON: And that was a standardised course for all Crown employees?

MR HULME: Yes. Similar to the one shown to me in these documents.

5

MS NELSON: How often did you do that training online?

MR HULME: I think it is a two-yearly requirement for me to do that online course.

10 MS NELSON: How long did it take you to do?

MR HULME: 20 minutes, half an hour, if I recall correctly.

15 MS NELSON: Apart from that online course, did you have any other training around AML?

MR HULME: No.

20 MS NELSON: So who had responsibility for ensuring AML breaches or incidents of compliance --- (overspeaking) ---

MR HULME: The compliance officers in the AML team. Initially there was only one officer and then there became two, and there became an overseeing manager for both Crown Perth and Crown Melbourne.

25

MS NELSON: When you say there was initially one officer and then it became two, do you mean in the entire team or one ---

30 MR HULME: Yes, within the entire team there was only one officer in the early years, probably the last three years, two years, then it became two and a manager as well.

MS NELSON: And the last two or three years, you mean prior to 2019 --

35 MR HULME: Prior to me retiring, yes.

MS NELSON: Who had responsibility for putting the cage compliance risk or breaches into CURA?

40 MR HULME: It was two people, it was the cage manager himself and he had another lady as well as one of his supervisors. So she invariably did it, but the manager, like all other managers, would sign off when it was completed.

MS NELSON: So who was the lady? What was her name?

45

MR HULME: I can't recall her name. It was Anne somebody. I can't remember her surname.

MS NELSON: And do you recall the manager's name?

MR HULME: Yes, David Brown.

5

MS NELSON: Apart from considering what matters to refer from that Compliance Committee up to the Executive Risk Compliance Committee, did the committee take any actions in respect of any compliance risks or breaches that had been notified?

10 MR HULME: The only one that comes to mind is --- I'm sure they did, but the only one that comes to mind is the one relevant to marketing that I referred to earlier that I can bring to mind.

15 MS NELSON: And, as chair, did you have responsibility for any actions arising out of the Compliance Committee actions?

MR HULME: Yes, I invariably made sure through that compliance officer and/or speaking to the General managers of the areas that they had put processes, controls in place to make sure the matter where possible doesn't recur. And that invariably was addressed at the meeting because I would ordinarily before the meeting would alert each officer of the matters that I would be talking to them about at the meeting and I would ask them --- I will give them a bit of a summary of things I would be wanting to know. So I try and make sure they knew beforehand so it's not dropped on them at the meeting, this is the topic I will be talking to you about. So there might be a range of things in their report, but I would pick out the ones that I had particular interest in.

25 MS NELSON: And they were the matters that had been taken out of CURA for you by either Mr Marais or the woman who was assisting you?

30 MR HULME: Yes, the lady that assisted me or a PA. She would print them all out, I would have a file, not dissimilar to the one I have here, I would go through the legal compliance report and do my own notes from it.

35 MS NELSON: Did you understand you were being given every single entry into CURA that had been made in the preceding period since the last ---

MR HULME: That is my understanding, expectation.

40 MS NELSON: And the meeting ---

MR HULME: Sorry, just on that, some departments didn't necessarily lodge their compliance reports on time because that officer was on leave but we would follow up with them and get it for the following meeting.

45 MS NELSON: So was there an expectation that you would see something from each department, each matter?

11:54AM

MR HULME: Yes, every month.

5 MS NELSON: If I could get up on the screen CRW.700.019.4295. We've got here some minutes of a legal compliance meeting in March 2012.

MR HULME: All right. Yes.

10 MS NELSON: And you can see that you are in attendance?

MR HULME: Yes.

15 MS NELSON: Look on page 2 under "Compliance Certificates", which is 4, there is one there for anti-money laundering relating to a threshold transaction conducted with an expired identification.

MR HULME: Yes.

20 MS NELSON: Was it your expectation that all compliance or risks in relation to anti-money laundering would appear at the Compliance Committee level?

MR HULME: Absolutely. Absolutely, yes.

25 MS NELSON: You can see that had occurred at the cage?

MR HULME: Yes.

30 MS NELSON: What would have been your normal process, or the chair at that time, what would have been the normal process to have dealt with that?

35 MR HULME: A couple of things, just reading that particular one. I can't remember it specifically but we did in fact get appropriate identification in the end from that patron. Importantly the employee too was counselled or disciplined, depending on if he or she was a representative non-compliant then I would expect the manager there to do something more, put a written warning on her file, or his file, and that the matter has been correctly reported through to AUSTRAC.

MS NELSON: What did you consider to be proper identification?

40 MR HULME: There is a list of identifications --- a primary and a secondary. One that comes to mind is a driver's licence or a passport if I recall correctly.

MS NELSON: So it was more than just the Crown Rewards card?

45 MR HULME: Oh, yes. There are formal documents, it is all detailed in the --- I remember them being on the training course. And, secondly, within the AML documents.

MS NELSON: Thank you. That can be taken down.

5 During your employment at Crown were you aware of the process by which patrons could deposit funds into a Crown bank account using a telegraphic transfer process?

10 MR HULME: Broadly. There has often been different methods over the years, whether it be cash being brought in, electronic funds transfer, things of that nature, yes.

MS NELSON: We are talking just about the electronic funds transfer --

MR HULME: Yes.

15 MS NELSON: --- or telegraphic transfer. Would the patron then turn up at the casino and exchange those funds they deposited for gaming chips?

20 MR HULME: I haven't been involved directly with that level of detail for many, many years. As a government inspector we used to be, but I haven't been involved for a long time. Sorry.

MS NELSON: What was your involvement in that process as a government inspector?

25 MR HULME: It used to be when junkets come in, for example, and they are on a program, we would sight the front money that would come in. Again, going on memory, making sure it was properly recorded on the buy-in summary sheet that was used. There is a series of documents used to keep track of junket activity which ultimately would find its way to the department, and at times the Commission
30 meeting. During my earlier years, anyway.

35 MS NELSON: If I could just stop you there, when you say "sight the front money", if it had been deposited into a Crown bank account, does that mean actually sighting the bank account entry?

MR HULME: It was more when people brought in the cash, that's principally what I was thinking about.

40 MS NELSON: When you were a government inspector or you were managing government inspectors, did they have any oversight of the bank accounts where patrons deposited funds before they turned up to the casino?

45 MR HULME: No. No. What I can tell you is in Burswood casino directions, there is a requirement for the casino operator to operate a bank account exclusively for wagering. When I did return to the Department I noted that within the casino manual the Commission had endorsed the use of multiple bank accounts, and it is all described in the casino manual. Yes.

11:59AM

MS NELSON: Did you ask anyone about that?

MR HULME: Yes, I did. I asked the manager of compliance at that time.

5

MS NELSON: Who was that?

MR HULME: Mick Connolly.

10 MS NELSON: And what did he say?

MR HULME: Yes, the Commission had approved the use of multiple accounts. And they must have, because it was contained in the casino manual that I noticed.

15 MS NELSON: Do you recall how many accounts there were?

MR HULME: No. My recollection of the wording is quite broad. It talked about Burswood, Crown Resorts, or Crown-related accounts. It was quite broad. Even the directors never nominated which bank account or the name of it, although I did know what it was in the early days.

20

MS NELSON: Did you ask Mr Connolly for details of the exact accounts that came under those broad ---

25 MR HULME: No, I didn't. No.

MS NELSON: --- headings?

MR HULME: No.

30

MS NELSON: So when you were at Crown, did you have understanding of how patrons' funds were tracked once they were deposited into the casino bank account?

MR HULME: I can give you a bit of --- I have observed a couple of interviews and I can probably give you a bit of history to the bank accounts, if that helps.

35

MS NELSON: When you say "observed a couple of interviews", what does that mean?

40 MR HULME: I just jumped on YouTube last night to get --

MS NELSON: --- (overspeaking) ---

MR HULME: --- a feel of what happens here.

45

Many, many years ago when I stepped into the role as regulatory officer, supervising regulatory officer, we would get a pack of documents from the casino operator on a monthly basis. Not only did we get the daily revenue details, but there was

a monthly summary, and included in the monthly summary was the bank statement relevant to the casino wagering account back then. If I recall correctly, it was R&I Bank. I queried with the Chief Casino Officer what are we doing with these, what
5 was the purpose of getting them, and at that stage it seemed, and this is my recollection again, that the Commission was of the view when they were formulating the directions thinking the money that is brought to the count room, which is from electronic gaming machines and table games, would simply be deposited straight into the bank account which would then bring some credibility to the funds of being fully
10 accountable, in the sense that they were now in a bank account. So if they needed to use that money for any purposes, there was a trail that could be used to say "You drew out a million" or whatever it be.

I then went about going to the cage and myself talking to the relevant cage manager at the time about that aspect, and it became evident that the casino operator just
15 doesn't get all the money from the count room and just deposit it into the bank account because it runs a cash business. That is, many years ago electronic gaming machines needed more coins to be filled up. So they would keep a proportion of the money in a vault, equally they would keep a proportion of the actual dollars, physical
20 notes in the cage, for the daily use of the business, rather than depositing it all and going to the bank and asking them to "Give us this amount of working capital", if you like, and I went back to the Chief Casino Officer and said, "Look, I didn't think it worked that way", and we didn't proceed any further with that conversation that I can recall.

25 MS NELSON: This is in the period 1994 to 1998?

MR HULME: When I became senior regulatory officer, that's when I started getting this pack of information and I wanted to figure, what do you want me to do with this.
30 Is there a reconciliation process I should be following? Anyway, that was the belief of the information I was given back then.

MS NELSON: So the bank statement was in that pack of information?

35 MR HULME: Yes, that's correct, and all the transactions of deposits and withdrawals relevant to the casino wagering account.

MS NELSON: And some of those would have included patrons depositing monies into the casino gaming account?

40 MR HULME: Invariably, again going on memory, a lot of the funds were collectively collated in the cage through a main bank control sheet, and so you see this bundle of money, and without you looking at individual transactions, you wouldn't know what that bundle of money, who it came from.

45 MS NELSON: You are talking about physical cash?

MR HULME: Cash, yes.

12:04PM

MS NELSON: I'm talking about ---

MR HULME: Electronic transfers?

5

MS NELSON: Yes.

MR HULME: I can't remember that side of things.

10 MS NELSON: Now, if you are getting those packs 1994 to 1998, when you came back to the Department in 2006 ---

MR HULME: Yes.

15 MS NELSON: --- did you observe that the Department, or the GWC, was still receiving those packs?

MR HULME: There was another officer receiving that information but, yes, the Department was getting it. In my early 10 months, things were pretty hectic and I
20 was on my own so I didn't get too much time to turn my mind to that. I was just picking up things that at times may have dropped off the radar a little bit that I recall from having worked there previously.

MS NELSON: So in that ten months you were back at the Department before you
25 went to Crown ---

MR HULME: Yes.

MS NELSON: --- was it part of your role to review those packages of documents,
30 including the bank accounts?

MR HULME: No, I never actually got them myself, personally.

MS NELSON: Who was the officer who got them?

35

MR HULME: I think his name was Peter. He is retired now. Peter somebody.

MS NELSON: Do you know what Peter did with them?

40 MR HULME: No, I don't. What I do know is the basis of which casino tax was paid, which was the focus of the Department, making sure the relevant tax is paid, revenue is brought to account and all that, there is a whole series of controls and measures ---

45 MS NELSON: We will get to that. If we could finish with the AML if I could.

MR HULME: Sorry.

MS NELSON: So once you were at Crown ---

MR HULME: Yes.

5

MS NELSON: --- and putting receiving of cash in the cage to one side ---

MR HULME: Yes.

10 MS NELSON: --- we're not talking about that, we're talking about telegraphic transfer or electronic deposits in Crown's gaming account, did you have an understanding of how Crown dealt with those deposits into their gaming bank account so that the patron could then use the money gambling?

15 MR HULME: Look, my brief recollection is provided the funds were received then we would release the relevant chips to the patron. Again, going on memory, I seem to recall there was some authority on behalf of certain executives to provide early release of those funds depending on the level of confidence in the receipt of that money, intended receipt of that money.

20

MS NELSON: So in what circumstances would you need to authorise as an executive early release? I'm not saying you personally.

25 MR HULME: Yes, that was a matter for them. I don't really know what criteria they used. Again, not an area that I ordinarily got myself too involved in other than I seem to recall within the procedures there was some authority for them to do that.

MS NELSON: And what executive, or who were you talking about, what level?

30 MR HULME: There is a matrix if I recall in the manual, or a title.

MS NELSON: An approval matrix?

35 MR HULME: Yes, or a title of individuals. The manual is very descriptive in that regard.

MS NELSON: And are you familiar with a computer system in operation called SYCO?

40 MR HULME: Yes, I am, yes.

MS NELSON: What was the purpose of SYCO?

45 MR HULME: SYCO, like the IGT Advantage system, or the EGM monitoring system, was used for a number of reasons but basically relevant to what we are talking about is it is a means by which, like, table games revenue is brought to account. So various transactions which would occur through chip inventories at the chip bank or movement of chips at gaming tables, all that data would be collected

and moved through there. Equally, revenue dropped by each gaming table would be brought to account into that system. So you would get an estimated drop and the actual drop or revenue.

5

MS NELSON: Did it also have a role in relation to patrons' gaming ledgers?

MR HULME: Look, my understanding, and again it's not my area, but the patron could use his or her Crown Rewards card at a gaming table for them to receive benefits based on their turnover. But it was an important system.

10

MS NELSON: And who was it important for?

MR HULME: Important for the business, important for ---

15

MS NELSON: Which area of the business?

MR HULME: All areas, table games in particular, finance, the regulator, in my opinion. Within the accounting manual now there is a series of what is termed control programs which, if they get amended, are required to go through a fairly vigorous process of being tested and then seeking approval of the Commission before those particular programs are amended. It is very much a specialist IT matter.

20

MS NELSON: Did the regulator have access to SYCO?

25

MR HULME: No.

MS NELSON: Did you ---

MR HULME: Sorry, they could have. They had limited access in the surveillance room at times based on what they ---

30

MS NELSON: What do you mean access in the surveillance room?

MR HULME: I can only talk historically, what we used to do. There was a series of key reports you could look at, say a table that is the top ten tables might be losing money, the top ten tables that might be winning money. So as an inspector you might be looking at that to say, well, if the casino operator is doing something it shouldn't be doing in terms of winning more, and equally is there a reason why a table might be losing more than what is expected to be lost through fraudulent activities or whatever. So that was one key report that I used to use when I conducted surveillance.

40

Equally, you could watch the movement of chips through fills and credits. We could see the fills and credits that had transferred from the main cage to the chip bank and vice versa. So we could independently observe anything to make sure they are following procedures through the surveillance system.

45

12:10PM

MS NELSON: Are you talking with your government inspector hat?

MR HULME: Yes.

5

MS NELSON: Did you also have access to the same programs when you were working for Crown?

MR HULME: Not me. I had no access to any of the systems.

10

MS NELSON: Apart from CURA and SYCO, were there any other internal software management systems that the operations could use to pull information?

MR HULME: I'm not familiar with them to comment on.

15

MS NELSON: You talked about when you were on the Compliance Committee you had visibility of the AML compliance program.

MR HULME: Yes.

20

MS NELSON: During the ILGA Inquiry, or also called the Bergin Inquiry, Mr Preston was examined in 2020 and shown a number of historical bank accounts operated by a company called Riverbank Investments Pty Ltd. Had you heard of that company before the Bergin Inquiry?

25

MR HULME: I don't recall hearing about those accounts but I may have. I've been racking my brain whether I knew of them. But, no, and I haven't followed the Bergin Inquiry at all, to be quite frank.

30

MS NELSON: So during your employment at Crown you didn't have any involvement with running that company with the banks?

MR HULME: No, no, no.

35

MS NELSON: Whilst you were at Crown, were you aware that Riverbank operated bank accounts for the purposes of receiving patron deposits for gaming at the casino?

MR HULME: I don't know whether it's because now I've heard of this through the Royal Commission but I don't think I was aware.

40

MS NELSON: And ---

45

MR HULME: In fact, refreshing my memory here, I do recall in my nine months or whatever it was of working at Crown, as a consequence of some inquiry that was going on, I think it was Claude or Josh came to see me about those accounts, and I pointed out that we ordinarily send details of the casino wagering account to the Commission in the pack of documents, so I think Claude and I were charged with meeting with the finance people to see what was happening there, and it was there

that I realised that they weren't doing that.

5 And I said I don't know --- they couldn't offer me an explanation why they weren't doing it because it had been a requirement for ever. Anyway, so we went about asking them to compile as much data that they had available to send to the Commission in retrospect.

10 MS NELSON: And when was that sent to the Commission?

MR HULME: If I said 2019, 2018 I think. I couldn't give you a time. I know for a fact I may have even made a call to the Department to explain this is what had been brought to my attention, because that's what I did, and that letter went off immediately to the Department.

15 MS NELSON: Who did you speak with at the Department?

MR HULME: I've been trying to recall this. I think it might have been Ms Perry.

20 MS NELSON: Nicola Perry?

MR HULME: Yes. But I'm only --- as I said, people rotated through that job and I had a lot to do with Nicola over the time.

25 MS NELSON: When you retired in December 2019, did you come back into the office before your actual retirement in March 2020?

MR HULME: No.

30 MS NELSON: So you stopped duties in December ---

MR HULME: Oh, yes, sorry. When I finished in December, I finished, other than I think I popped in at some stage after March. They invited me in for a Friday afternoon drink or something.

35 MS NELSON: So, given that you left in December 2019, and you said you think this conversation with Mr Marais and Josh happened in 2019?

MR HULME: Look, there is a letter on file. That would give you a definitive date.

40 MS NELSON: Who would the letter be from, whom?

MR HULME: I don't know --- I think Josh might have signed it, to be honest with you, because he ordinarily over the last few years would sign those letters to the
45 Commission.

COMMISSIONER JENKINS: And what did the letter tell the GWC?

12:15PM

MR HULME: I can't remember the specifics but other than the fact that there has been an oversight by the finance department and obviously apologising for that. I did speak to the person that ordinarily, he's been there for many, many years, and I'm
5 confident in saying it was a genuine oversight by him, or that area.

COMMISSIONER JENKINS: So who do you say that was?

MR HULME: Ishak Atan and Vasula Kessell, she was the head of finance. I think I
10 met with both of them, as did Claude.

COMMISSIONER JENKINS: And when you were told about this oversight, was it in relation to sending any bank account data to GWC or only selective bank account.

MR HULME: It was only relevant to those accounts which were considered casino
15 wagering accounts.

COMMISSIONER JENKINS: So no information was being sent to GWC or only
20 information about --- (overspeaking) --- wagering accounts?

MR HULME: As I recall, it was the Australian bank account details were being sent. Might have been two or three of them because they have quite an array of bank
accounts. And it was the Riverbank accounts.

COMMISSIONER JENKINS: Right, so the information about the bank accounts
25 was still being provided to GWC ---

MR HULME: That's correct.

COMMISSIONER JENKINS: --- but no information about Riverbank?

MR HULME: Yes, that's my recollection.

COMMISSIONER JENKINS: Thank you.
35

MS NELSON. Thank you, Commissioner.

You mentioned there was an Australian dollar account?

MR HULME: I think there was. I didn't see that. I don't recall seeing it but there
40 was a series of different currencies, if I recall correctly. Sorry, I did say Australian
(inaudible) --

MS NELSON: Could I have document GWC.0001.0007.0357, thank you.
45

MR HULME: There you go.

MS NELSON: Is that the letter that you referring to on 23 August 2019?

12:18PM

MR HULME: Yes, that's it. So it was Nicola.

MS NELSON: And at paragraph 2:

5

Direction 4.1 (c) - a copy of the bank reconciliation statement in respect of *each Casino wagering accounts*

Sorry, my screen is reconfiguring.

10

MR HULME: Mine has gone blank.

MS NELSON: I was going to ask you, it seems there is more than one account that was provided, each of the casino wagering accounts?

15

MR HULME: Yes, there was a requirement, without reading direction 4.1(c), there was a requirement, or is a requirement, for those accounts to be sent to the Commission.

20

MS NELSON: But what I'm asking you is, your recollection I thought, in your evidence to Commissioner Jenkins, was that it was only the Riverbank account that hadn't been provided to that point.

MR HULME: Let me read this properly then.

25

MS NELSON: Paragraph 2 seems to suggest to me that it is all of the casino wagering accounts.

30

MR HULME: Okay, it may be but we were talking about Riverbank, that's what came to mind. So whatever was included in the letter at the time is relevant to our discussion.

MS NELSON: And enclosed in the big paragraph it says:

35

..... each of the wagering accounts for the period 1 July 2018 to 30 June 2019.

MR HULME: Yes.

40

MS NELSON: Is there a reason why you wouldn't have provided bank statements from before 2018?

45

MR HULME: I think there was at the time but I can't remember what it was. I just can't recall. I don't know whether they didn't have them, to be honest with you, or some other reason.

MS NELSON: See the last paragraph, it says:

Should the Department require bank reconciliation statements for earlier periods, please let us know.

5 MR HULME: Okay, and my recollection is we never heard anything further.

MS NELSON: You said in your evidence before the break that you were told to be open and transparent to the Department.

10 MR HULME: Yes.

MS NELSON: If you were following that philosophy, shouldn't you have provided all of the bank statements?

15 MR HULME: In hindsight, yes.

COMMISSIONER JENKINS: Is there a second page to that document? Can I see the whole letter?

20 MR HULME: And it might have been I discussed it with Nicola, I don't recall, do you want us just to give you this lot for now, or --- I just can't remember.

MS NELSON: What is your recollection about what occurred at the Department after they received this letter?

25 MR HULME: Firstly, I never received or was instructed to provide any information for previous accounts, which is the question you are asking me. I seem to recall there might have been a call from Mick Connolly, but I don't know whether it was to me or Claude or Josh. But, again, I could be wrong.

30 MS NELSON: And how soon after they would have received that letter would Mr Connolly have made that call do you think?

35 MR HULME: I would expect not long after that.

MS NELSON: Would there be a file note of that call?

MR HULME: I didn't, no. I'm only surmising. I'm racking the back of my brain but I just can't remember.

40 MS NELSON: Is this a matter that would have been put on the agenda by Crown for the department operation meetings?

MR HULME: I would have to check the minutes to find out.

45 MS NELSON: Would you have considered this is a serious breach of direction 4.1(c)?

MR HULME: Yeah, any breach of a direction can be serious on the surface of what is there. That is often the case that Crown would at times not adhere to procedures, rules or whatever, and it was a matter of establishing exactly what transpired to
5 determine whether it was deliberate or otherwise and then for the regulator to determine which action it wishes to take. Yes, I consider a breach of the directions up there. It is akin to breaching the law.

10 MS NELSON: There was no action taken on this occasion?

MR HULME: Not that I know of, no.

MS NELSON: Was there any investigation by you, as chair of the Compliance Committee, as to how this breach had come about?

15 MR HULME: Yes, I think I may have mentioned myself and I think Claude asked Vasula and Ishak to attend their office for them to try and explain --- they are the only two people involved in this, they have staff of course, to find out why they didn't do it. And there was no valid explanation.

20 MS NELSON: Was there any explanation at all?

MR HULME: Other than my recollection is we didn't think we had to, or something to that effect.

25 MS NELSON: Did you enquire as to where they got that representation from?

MR HULME: I'm surprised that they had formed that view because that information, as well as the information obtained in 4.1(b) had been provided to the Commission since day one of the casino, not that those people were there from that time, but
30 certainly they are important. And even within the compliance framework, which is -- I'm glad I'm getting this out, any requirements legislatively or otherwise, we either copy the letter or the relevant aspect of the legislation within the compliance program of each department, for them to know where this requirement comes from so there is
35 no doubt in their mind that it is buried in some bit of legislation. So if there is a letter there seeking us to send stuff to the Commission, it can get lost in time.

We made a point of uploading that into CURA, relevant to the Department concerned, so they know what to do and where this request is coming from.

40 MS NELSON: Do you agree that reading paragraph 2 there would give Ms Perry the impression that it was all casino wagering accounts in operation that hadn't been provided for ---

45 MR HULME: Yes.

MS NELSON: --- just one month of July 2019?

MR HULME: Yes, I never thought of it that way, but, yes.

MS NELSON: And in fact your investigation you say uncovered ---

5

MR HULME: Had been done for a long time, or at all, maybe. Well, they couldn't -- the relevant letters that were being sent and the supporting documents, my, recollection is they didn't have them there to show me, because ordinarily I would keep copies of anything on my file I would send to the regulator, some department
10 may have just got rid of them after a period of time, it seems.

MS NELSON: During your investigation when you talked to Ishak Atan and Vasula, were you asking them specifically about the Riverbank bank accounts or were you asking about all casino wagering accounts?

15

MR HULME: I seem to remember it was only specifically the Riverbank because that's what came to me through Claude or Josh.

MS NELSON: And it was their statement that they had never provided those?

20

MR HULME: Yes.

MS NELSON: Did you have that conversation with them before you drafted this letter?

25

MR HULME: Oh, yes. Yes. And equally we met with Josh and he was quite furious. He doesn't normally get furious, but he was furious, maybe because of the circumstances and what was going on.

30

MS NELSON: Just so I'm clear, did you draft this letter on behalf of Josh or did Mr Preston write it?

MR HULME: No, I think Claude and I might have drafted that letter together. The contents of the first part is standard, monthly information. It is that additional
35 paragraph there to do with those discussed with Mr Paul Hulme, that's myself, and I think Claude drafted, although it is not --- yeah.

MS NELSON: And in the telephone call that you said you also made to someone in the department, was that Mr Connolly?

40

MR HULME: No, I seem to remember he may have rung us, but I couldn't support that with any evidence.

MS NELSON: Can you recall what you specifically discussed with him?

45

MR HULME: I don't know whether he rung me, or Josh or Claude.

MS NELSON: What prompted Mr Preston to come and ask you and Claude Marais

about the Riverbank accounts that led to this letter?

5 MR HULME: I can't recall, but it may have been to do with what was going on in Melbourne, I suppose.

MS NELSON: And what was going on in Melbourne?

10 MR HULME: That inquiry as I understood it.

MS NELSON: Thank you. That can be taken down.

15 Apart from the finance team, did you know who else in the organisation had access to the Riverbank bank accounts?

MR HULME: No, I don't.

20 MS NELSON: During your time on the Compliance Committee, do you recall receiving any reports, either from CURA or from the legal services department or the AML, concerning compliance or risk breaches in relation to the Riverbank account?

MR HULME: No.

25 MS NELSON: Do you recall receiving any reports about any other patron deposit accounts run by Crown at any time?

MR HULME: Reports, did you say?

30 MS NELSON: Compliance, breach or risk reports.

MR HULME: No. No.

35 MS NELSON: Were you aware of which bank in 2019 the Riverbank Investments was actually with, the patron bank account was opened with?

MR HULME: No, I don't, no.

40 MS NELSON: Did you make any inquiries of the finance team as to how long there had been a bank account in operation for Riverbank Investments?

MR HULME: No, I didn't.

MS NELSON: Is there a reason why you didn't do that?

45 MR HULME: I just wanted to make sure --- no, I didn't think of it, to be honest.

MS NELSON: Did you have to report back to Mr Preston or anyone else higher up in the organisation what the outcome of your investigation with the finance team

12:30PM

was?

5 MR HULME: Yes, absolutely. Yes. I think we met with Josh and I think he may have even met with Vasula himself, but you would have to probably speak to him about that.

MS NELSON: Did this event end up on CURA?

10 MR HULME: I can't recall. I would hope so but I can't recall.

MS NELSON: So in your opinion it would have been something that should have ended up on that program?

15 MR HULME: Yes. Yes.

MS NELSON: And should have been brought to the attention of the Compliance Committee?

20 MR HULME: Yes.

MS NELSON: Were you aware that in 2014 that the ANZ Bank had raised concerns about a Riverbank account with them?

25 MR HULME: I had heard through Claude that some account was going to be closed, now that you have said that.

MS NELSON: Did you hear that in 2014?

30 MR HULME: I can't recall. And Mr Ken Barton was dealing with it or something, but I don't get involved in the bank accounts so it just went over my head.

MS NELSON: In answer to that question you said that you heard from Claude that an account was going to be closed ---

35

MR HULME: Something like that, that a bank account was going to be closed.

MS NELSON: So the conversation with Claude was along the lines of "Is this going to happen", not "This has happened"?

40

MR HULME: Something like that, yes. I couldn't be definitive. I just remember, back of my head, something about a bank account going to be closed and Mr Barton was dealing with it.

45 MS NELSON: Do you recall which bank was going to close the account?

MR HULME: No, I don't know. Again, I had nothing to do with the bank accounts. I don't know who the signatories to those accounts are or how many there were,

honestly.

MS NELSON: Did Mr Marais tell you why it was going to be closed?

5

MR HULME: I don't recall.

MS NELSON: Is that something that would have sparked your interest?

10 MR HULME: It probably should have, in hindsight, but I see it as something that is at that level of management for them to deal with.

MS NELSON: Why was Mr Marais telling you?

15 MR HULME: He just fleetingly told me stuff as --- we sat next to each other. We worked so closely. Now and again something would pop up.

MS NELSON: If a bank was going to close a bank account because of concerns about how the account was being handled ---

20

MR HULME: Yes.

MS NELSON: --- is that something that should have been reported to the Compliance Committee, do you think?

25

MR HULME: I would have thought so but whether --- because the bank accounts I assume were run by Crown Resorts, or I'm not sure who managed them, whether our finance people, through their compliance officer, would bring it to our attention and whether they would know about that, I really don't know.

30

MS NELSON: And if your finance team brought it to your attention during --- from their compliance officer level ---

35 MR HULME: Yes, it should have been reached the compliance level report and then presumably gone to the executive risk for them to understand what and why.

MS NELSON: And it should have been entered on the CURA system?

40

MR HULME: Yes. Yes.

MS NELSON: As the chair of that committee that is something you would have been interested in knowing?

45 MR HULME: If it is a Resort matter, I probably would not get too involved, because there were a lot of things that were confidential at that level, not even I was privy to a lot of that stuff, as you would expect. But, yes, potentially. If it had come to the finance department's attention, which I don't know if it did or didn't, I'm assuming it did, and that they were managing that account, that they would raise it in the

compliance report in terms of a bank had decided to close the account for whatever reason and we would explore it from there.

5 MS NELSON: Well, if the finance team were the ones that were responsible for sending the bank accounts to the regulator ---

MR HULME: Yes.

10 MS NELSON: --- then they would have had oversight over a bank closing an account?

MR HULME: You would think so, yes.

15 MS NELSON: During the period you were on the Compliance Committee, do you recall receiving risk notifications or compliance breaches in relation to general money laundering concerns separate to deposit accounts in relation to activity that might have been seen on the gaming floor?

20 MR HULME: I do recall, and I'm not sure this is a police matter, but I do recall the police seeking Crown's assistance in regards to an individual. I'm not sure if I --- anyway, this individual was ultimately arrested in the casino with a wad of cash.

MS NELSON: If a Crown employee on the gaming floor a table dealer or EGM
25 attendant had observed conduct or behaviour by a patron, what would be the process for them to report?

MR HULME: You would expect them to raise it with their direct manager and then ultimately --- they ordinarily contact Surveillance and they would do some
30 observation work or gain footage of anything that might have occurred, and then you might get some reporting from that. So it is a matter of gathering the relevant evidence, but yes, every employee is trained to be on the look out for potential money laundering.

35 MS NELSON: And at the Compliance Committee level ---

MR HULME: Yes.

MS NELSON: --- do you recall seeing any incidents of what you just described?
40

MR HULME: On either one that I've talked about, that transaction was about to occur at the cage.

MS NELSON: So from 2007 to 2019 you only recall seeing one incident?
45

MR HULME: Yes, that comes to my mind.

MS NELSON: That originated from the gaming floor where an employee had

raised ---

5 MR HULME: Again, I don't know the source of that information. It was all kept confidential. I think because it was involving police. It only came to my attention after the person had been arrested.

10 MS NELSON: To be more specific, did you ever receive at the Compliance Committee level some notifications that a lot of cash had been stuffed into particular EGM machines or that there had been bags of cash on the gaming floor?

MR HULME: No, I don't recall seeing anything like that.

15 MS NELSON: Or junkets had left bags of cash in the salons?

MR HULME: There was an instance where a junket group was in, and they all just simply walked out of the room and left a lot of gaming chips worth lots of money, just --- talking millions of dollars just laying there.

20 MS NELSON: Not cash?

MR HULME: Whether there was cash in the bags, they had left bags there as well, whether there was any money in that I got a call from table games saying "What do we do?" I said, "Make sure you get surveillance."

25 Looking at that room, the door locked, and if I recall correctly, we appointed a security officer, don't let anyone in that room, because we don't want any allegations from the patrons that somebody had taken their chips or money.

30 I know there was some personal effects in that room, clothing and handbags or whatever, but I just remember that being brought to my attention, asking "What do we do? They just all walked out." So I just said what I said.

35 MS NELSON: Did you follow it up in any other sense?

MR HULME: No, they did it a couple of times during their stay and the person I dealt with, he's the compliance officer within the table games department and a senior manager, and I'm confident Wayne would have followed through with what I suggested.

40 MS NELSON: Did you escalate that incident or incidents --- you said a couple of times --- to anyone?

45 MR HULME: It's not illegal activity, but certainly I surely would have discussed it with his general manager. These people. You can't stop somebody walking away and leaving all their chips on a gaming table. It happens at times, but this was a significant amount of gaming chips.

MS NELSON: And can you recall the name of the junket?

MR HULME: No, I don't.

5

MS NELSON: And you said there might have been cash also left ---

MR HULME: Well, there was bags there. As I understand it, personal belongings. Whether there was cash in there, I'm just trying to relate it to the question you were asking me.

10

MS NELSON: Did you see that behaviour as suspicious from a money laundering or criminal activity point of view?

MR HULME: No, I just saw a stupid act of just, you don't leave your purse around or your wallet, as some people do, and at that level of transactions and --- more importantly I didn't want the stuff being exposed to suggestions that, "Hang on, I left X amount of chips here and I only have" --- because all sorts of allegations can be raised by these players to try and get an upper hand at times. So that was my main concern, the integrity of the chips and the employees concerned.

20

MS NELSON: So your main concern was the integrity of the customer service that Crown was providing?

MR HULME: And the commodity of chips there.

25

MS NELSON: Did you talk to any senior management about that incident?

MR HULME: I think I talked to the other senior manager within table games about it on another occasion.

30

MS NELSON: Who was that?

MR HULME: Chris, I can't think of his surname.

35

MS NELSON: And was that incident reported to the regulator?

MR HULME: I think I might have rang them and explained what we've done. And they couldn't believe that patrons would just walk away and leave those chips.

40

MS NELSON: Who did you speak with when you --

MR HULME: Again it may have been Nicola. But, again, this was some years ago.

MS NELSON: So apart from ringing the regulator, did you send any correspondence or raise it in a formal sense?

45

MR HULME: No.

12:40PM

MS NELSON: And you spoke to Wayne who was ---

MR HULME: Yes.

5

MS NELSON: --- one of the managers up in the Pearl Room?

MR HULME: Yes. No, he is --- you have a general manager and then --- I don't
10 remember the title but there is two sub-managers, very senior within the table games
department, and he was the compliance officer for table games. And he's the one
that rang me.

MS NELSON: Did a member of the AML/CTF committee of Crown Perth sit on the
15 Legal Compliance Committee?

15

MR HULME: A member of the?

MS NELSL team?

MR HULME: Yes, yes, the AML officer. And at times, in the latter six months I
20 would call my direct manager the risk manager and I think the AML manager
dialling in from Melbourne just to listen to some of the meetings that were going on,
the compliance meetings.

MS NELSON: When did that occur, sorry?

25

MR HULME: Probably in the last six or 12 months.

MS NELSON: During 2019?

30

MR HULME: It wasn't a frequent event. It was a very rare event.

MS NELSON: Do you recall ever seeing an internal Crown report from the Group
35 General Manager AML, Louise Lane?

35

MR HULME: No, I've never seen that document before.

MS NELSON: We are referring to the 100-day report. You have never seen that
40 before?

40

MR HULME: If it is the one that is quite thick from Louise, yes, I've never seen
that.

MS NELSON: Did you have conversations with Louise about that report?

45

MR HULME: No. No. Nor any other person, either.

MS NELSON: That report was done in April 2018. It is dated 30 April 2018. Did

you have a chance to read through that report?

5 MR HULME: No, I didn't. I tried to read as much as I could yesterday. I'm a bit of a slow reader so I got to about page 4 or 5 and I went, "I've never even seen this before so I can't talk to it."

10 MS NELSON: And you got to about page 4 or 5. Did you get a sense that it was about the Riverbank account?

MR HULME: I may not have even got that far to be honest with you.

15 MS NELSON: Did you ever have any discussion with anyone about any overlap in duties or responsibilities in relation to AML between the AML team and the Compliance Committee?

20 MR HULME: No. No. There is a lot of confidential information within the AML team which my understanding is they can't disclose to anyone, so was there never any matters raised, discussed with me about reporting matters or anything like that.

MS NELSON: But as we saw from the 2012 minutes of the Compliance Committee there are some AML matters ---

25 MR HULME: Yes, beyond those. We had identified a staff member not complying with their obligations.

MS NELSON: The Chief Financial Officer of Crown Perth, did they have to attend the Compliance Committee meetings?

30 MR HULME: Are we talking Alan McGregor or Vasula? I don't know who. What is the title again?

MS NELSON: CFO. So Mr ---

35 MR HULME: Crown Resorts?

MS NELSON: It was Mr Alan McGregor and Mr Craig Spence ---

40 MR HULME: No.

MS NELSON: --- (inaudible) --- at one point. No?

45 MR HULME: No. I remember Craig attending a meeting, but whether that was when he was head of finance rather than CEO. I remember Craig attending a meeting, only one.

MS NELSON: Moving away from AML now and looking at the casino manual, was it your responsibility when you were at Crown to amalgamate all the existing

manuals into one?

MR HULME: The manuals, as I said, were separate documents and had, over 25
5 years, been attended to by very different people approving writing them and so forth.
I thought they were getting a bit unwieldy. I came up with an idea, which I had
intended to improve the manual, and myself and the internal audit manager at the
time sat down and came up with a strategy. We put it to the executives, they liked
what we saw, we put it to the Commission as an example they were receptive to that.

10 The manuals themselves are the responsibility of each department because they are
their procedures and they would ordinarily come to me, but that manual
unfortunately has taken quite a long time to get to a stage, because I think we started
in 2010, to get to a stage of a rewrite. I think it might have finished literally a month
15 before I left.

MS NELSON: You've been described by another Royal Commission witness as
being the primary interface between Crown and the Department, the regulator; would
you agree with that?

20 MR HULME: Look, on the day-to-day stuff, yes. Certainly there were dealings by
executives at a higher level, Chief Casino Officer, Commission members, ministers
to the Premier. On a day-to-day basis, on the day-to-day submissions that I had
involvement in, yes.

25 MS NELSON: During the entire time you were with Crown, was Mr Connolly the
Chief Casino Officer?

MR HULME: No. There had been, I think, as I said, I can't remember now, but
30 there was David Halge, I think it was Janine Belling, and a couple of other people
who acted, I think Mick went for a couple of years, I am not sure who the --- who
was the Chief Casino Officer during that time, I just can't recall.

MS NELSON: When you left the department in 2007, did you consider that you had
35 a personal and a professional relationship with Mick?

MR HULME: Yes, Mick and I go back a long way, I think I've spelt that out in my
statement. We go back to 1990. We crossed paths a number of times throughout the
10 or 12 years that I worked at the Department. He wasn't in my team as an officer.
40 We have --- as a group we have at times met socially, and then returning back to the
Department, Mick and I shared the same office. We were actually sitting back-to-
back. I probably got to know him more in that 10 months than I did in the previous
12 years I had dealings with him. And then over time, having the role I had
occupied.

45 MS NELSON: And when did you start going fishing with him and going ---

MR HULME: Contrary to what --- I'm not a real fisherman, but I was asked to go

fishing, I think, four or five years ago, something like that.

MS NELSON: And that was the first occasion?

5

MR HULME: Yes. And Claude quite rightly so said I will speak to Josh and Barry to see if they had any objections for both of us. I didn't think it was necessary for both of us to go forward like two schoolkids asking for permission. Claude did that. Mick came back and said equally he had spoken to the chairman of the Commission and he had no objections. I think I went fishing with Mick, from a fishing perspective, five times maybe, thereabout. I think I went out fishing, crayfishing with him on about eight occasions. I did it mainly because I enjoyed the company and the banter that went on between us.

10 MS NELSON: Why did your friendship go ---

MR HULME: Flourish?

MS NELSON: Yes, why did it flourish?

20

MR HULME: Yeah, okay. As I said, I didn't have a lot to do with Mick. I got to understand him more. He's a man that wears his heart on his sleeve. He is probably one of a handful of officers at the DRGL that has good work ethic and sound understanding of gaming operations. I at times felt sorry for him for the workload he was under, and I was a bit of a sounding board for him at times and our friendship grew from there. And we would chat about all sorts of things, whether it would be his desire, his skydiving, which he talked me into doing --- which I will never do again, to be honest with you --- and then our children, old acquaintances that we used to work with, and that's how it flourished.

30

I decided, although we gone out a couple of times with our wives, when I retired, we invited them back to my home for a Friday night drink, because I wanted to keep that friendship going, having I retired.

35 MS NELSON: You say that you were a bit of a sounding board for Mick?

MR HULME: Yes. I seem to attract a lot of people over my life, people come to me and talk to me about all sorts of things. But yeah, Mick, I understood Mick a little bit more. And he was just under a bit of stress at times.

40

MS NELSON: You said he had a heavy workload?

MR HULME: He appeared to, based on what he was telling me. And taking on the new role with the merging.

45

MS NELSON: So the new role from merging that happened I think in about 2017, the machinery of government changes?

12:51PM

MR HULME: I can't remember, yes.

MS NELSON: Is that the period of time you are talking about?

5

MR HULME: Yes, and probably a little bit before that I got a little closer to him.

MS NELSON: So how long before?

10 MR HULME: A year or two. Probably when --- I don't know when he returned back to the department, and it was then that I started getting a little bit more friendly with him. I've always maintained a level of banter in my communications with people. I find it helps ease the stress and strain of work on a day-to-day basis. It's worked well for me in terms of building relationships with people over the years.

15

MS NELSON: Are you aware of where he left the Department to go to?

MR HULME: Yes, Fisheries. He rang me a couple of times while he was there. I think --- I was only thinking about that when I was having a break. I think he rang me two or three times to see how I'm going.

20

MS NELSON: Did he discuss work with you on those occasions?

MR HULME: No. It was all about his role, what he was expected to do, and some new system he was implemented and he was charged with that. What he was doing with himself. His daughters, which I've heard of over the years growing up, as is my children.

25

MS NELSON: So once he came back to the Department after being at Fisheries, was it from that time that you became a sounding board for him about (inaudible)?

30

MR HULME: A little bit, yes.

MS NELSON: And what did you use to discuss?

35

MR HULME: Anything, day-to-day frustrations we all have at our work. Families. He loved his skydiving and fishing. He was obsessed with it. He was ultimately obsessed with his skydiving and he was always showing me his GoPro videos he would have, competitions he was entering, and obviously work, because it wasn't all about social.

40

MS NELSON: And what aspects of his work did he discuss with you?

MR HULME: Operational matters as and when --- whilst I would in the end, dealing with a lot of his directors, he would come to me. If he didn't have the entire clarity he needed, he would come to me and talk about a submission, and I would explain it to him a bit more to him so he was better equipped when he attended the Commission meeting.

45

MS NELSON: So you were discussing with him submissions that Crown had made?

5 MR HULME: Yeah, not all, but some. So for instance, it might be about metered revenue. Once they had a group of inspectors come down to talk about it, and they relayed obviously their understanding. He might come to me and talk about it.

MS NELSON: Was he talking to you as a friend?

10 MR HULME: No, no, as a Chief Casino Officer. As the person responsible for providing information to the Commission, determining whether or not to approve it. The table supervision levels was another one that came to mind. I later went to him and I remember him ringing and he said, "Paul, did you write this" and I said, "Yes, I did, not just me but others". And he said, "18 pages, there is a lot of noise in here,
15 Paul". I said, "Look, Mick, I am only trying to explain to you to the best of my ability", as well as others who contributed, there were others primarily writing that, to try and help the Commission understand why these changes were necessary.

MS NELSON: Why do you think the friendship was rekindled in your words after --
20 -

MR HULME: I got to respect Mick more, given the role he had. Given his role, he was Deputy Director-General of the Department, Chief Casino Officer, which you get to a level where you become divorced from some of the routine aspects of
25 gaming operations. He endeavoured to keep a finger on the pulse. I remember ---

MS NELSON: On the pulse of what?

MR HULME: Of what was happening in the casino. He would turn up to my office,
30 for instance, and he'd been into the casino at 6 in the morning just to walk around and see what was going on and observe the revenue collection process. So outside of his managerial role he was --- from what I heard he would sometimes come in at 8 o'clock or 10 o'clock at night to walk around the casino to see what was going on.

35 So, in my opinion, he had a genuine desire to keep his skills, knowledge, and when we talked to him he wasn't any slouch to --- he knew what he was talking about. Very technical. He's a very technical man too.

MS NELSON: And those times that he had been walking around the casino early in
40 the morning and you said he would drop in, do you mean drop in to your office?

MR HULME: Yes, so he might have been there from 6 o'clock in the morning, and I would arrive around half past 8, 8 o'clock, 9, 9 generally as I got older. He would just come and see me, say hello.
45

MS NELSON: He felt comfortable enough to walk into the Crown offices?

MR HULME: Oh, yes. All government inspectors had that authority to walk in anywhere into the complex. They had their own access badges to use at the casino, so they could just swipe their card and walk into the cage or

5

MS NELSON: And did he have the same relationship with Mr Marais where he dropped into Mr Marais's office ---

10 MR HULME: I think that developed. A little bit but maybe not as intricate, intimate as maybe I had with Mick, because of our long-standing work relationship, people we knew --- we would often reminisce about people we worked with.

MS NELSON: So you were friends?

15 MR HULME: Yes, as time progressed, we became more friends, and in fact, I'll be honest with you, when this is all out of the way I am hoping to see him again. Because he doesn't want to talk, understandably.

20 MS NELSON: Just to clarify, you are saying that he used to drop in to Mr Marais' office unannounced like he did with you?

MR HULME: Yes, because Claude and I sat next to each other, if I'm not there he would pop his head into Claude's office or vice versa.

25 MS NELSON: So you had separate offices, it wasn't open plan?

MR HULME: Yes, separate offices, two doors next to each other.

30 MS NELSON: What about Mr Preston, did he drop into see Mr Preston?

MR HULME: I believe he did at times.

MS NELSON: Unannounced?

35 MR HULME: I couldn't --- potentially, but I couldn't say definitively. I think more times than most it was an appointment through his PA because Josh was such a busy man. It might be that Mick would (inaudible) and Josh would come out to see him, so he might see him then.

40 MS NELSON: Was he friends with Mr Preston?

MR HULME: Not to the extent that maybe I was.

45 MS NELSON: But he was to some extent?

MR HULME: Josh maintained a very friendly working relationship. He had an amazing capacity, when he dealt with somebody, to be very friendly with them. That was his demeanour, his mannerism in which he conducted himself.

MS NELSON: And did Mr Preston go fishing with you and Mr Connolly?

5 MR HULME: I can't --- I don't think he did but I can't be certain. I don't remember being with Josh fishing. It was usually just Claude, myself and Mick and Jon Nichols came along a couple of times when he joined Crown. Certainly when the crayfishing was on, the three that always went crayfishing was me, I always came just the week or two before Christmas so I could get some crayfish for Christmas.

10 MS NELSON: Did you use to go on weekends away with Mr Connolly and Mr Marais?

15 MR HULME: Yes. Rather frustrating, but we might book one or two nights, maybe two, say, Jurien Bay, invariably somebody had to leave so we all left a day early, but, yes, there were stays. Even on one occasion we thought we would try Mandurah to do some fishing, and my parents-in-law have a little duplex down there so I said, "Look, why don't we go down there, save us money for accommodation."

20 MS NELSON: And did you go to the Mackerel Islands?

MR HULME: No. I'm not that keen on fishing!

MS NELSON: Do you know if Mr Marais and Mr Connolly went there?

25 MR HULME: I believe they did. There might have been another person too I think.

MS NELSON: Did Mr Preston go on any of these nights away?

30 MR HULME: No, not that I can recall. I'm certain he didn't.

MS NELSON: You said ---

35 MR HULME: He was invited. I will be honest with you. He was invited but he chose not to go for reasons I can't explain. I think Claude invited him.

MS NELSON: You didn't have a conversation with Mr Preston at any point?

MR HULME: No. No.

40 MS NELSON: You said when you rekindled the relationship with Mr Connolly that you and Mr Morais, or one of you I think you said, had a discussion with someone at Crown about ---

45 MR HULME: Yes, Claude. Claude --- because I knew Claude or Mick were fishing or crayfishing or whatever, and they asked me to come along, and Claude had said "I will just let Josh" and I thought he said Barry, I seem to remember him being on two separate occasions for some reason, but he came out and said they don't have

01:01PM

a problem. He did do it on two occasions.

MS NELSON: So he talked to Josh or Barry. Is that Barry Felstead?

5

MR HULME: He talked to Josh and said he didn't and then he went to Barry and he had no concerns. I remember that.

MS NELSON: And did you have the same conversation with Josh or Barry?

10

MR HULME: No.

MS NELSON: Why was that?

15

MR HULME: As I mentioned earlier, I had known Mick for a long time. Claude said, "I will do it. There's no use both of us going", and I used the term "a couple of schoolboys asking for permission" but Claude did that.

MS NELSON: Why did you and Claude feel like you had to do that at that stage?

20

MR HULME: We didn't have to do it. I didn't have to do it. I talked it over with my wife because I'm not one to do boy type things and she felt it would be good for me to have a boys weekend away and I enjoyed it so we did it a few times.

25

COMMISSIONER OWEN: Ms Nelson, the time.

Mr Hulme, we break for lunch and we will come back at 2 pm.

MR HULME: Thank you.

30

ADJOURNED

[1.02PM]

35

RESUMED

[2.01PM]

COMMISSIONER OWEN: Thank you, Mr Hulme.

40

Ms Nelson, if there is any danger of running beyond 4 pm we'll need to break at 3 pm.

MS NELSON: Thank you.

45

Could I have a document on the screen CRW.709.132.1836 at page 2, which is the one on the screen. You see that is an email from Mr Connolly to yourself, Mr Marais and Mr Preston.

MR HULME: Yes.

5 MS NELSON: Mr Connolly states that it is "shameful how Paul Hulme avoids my calls".

MR HULME: That is from Mick, isn't it ---

10 MS NELSON: Yes.

MR HULME: --- to --- yes.

MS NELSON: How often did you talk to him on the telephone in 2014?

15 MR HULME: As and when the need arose. As to why Mick was calling on that occasion, I'm not quite sure. I was very busy and had things I was attending to, otherwise I would have attended to his call.

20 MS NELSON: He refers to having a sleepover in Jurien Bay in the second paragraph?

MR HULME: Yes, he did.

25 MS NELSON: Can you scroll up to see your response, thank you.

MR HULME: Yes.

30 MS NELSON: Was that email exchange indicative of the familiarity between you and Mr Connolly?

MR HULME: Not at work, normally, but that was an exchange that did take place, a bit of banter between my fellow colleagues and me.

35 MS NELSON: When you say "not at work" ---

MR HULME: Not ordinarily but outside of work we would talk about anything about life. Beyond work.

40 MS NELSON: Did you arrange social occasions during work time?

MR HULME: Well, it looks like we have, yes.

MS NELSON: And during social occasions did you talk about work?

45 MR HULME: No.

MS NELSON: How can you be so sure?

MR HULME: That was --- several things come to mind. We were all very professional. Second, we didn't need to talk about work. If I needed to talk about work to Mick or any other officer within the Department I had access to them via email, phone calls any time during the day, five days a week.

MS NELSON: Thank you. That can be taken down.

That's from 2014. Do you recall during 2015 that you, Mr Marais and Mr Preston and Mr Connolly exchanged several emails about boats for sale?

MR HULME: I remember Mick having interest in boats and Claude did too, but I can't remember the specific emails, no. But there was --- I do recall Claude telling us boats for sale and various dreams about owning such large boat.

MS NELSON: And you mentioned before lunch that there was also some exchange about skydiving?

MR HULME: Yes.

MS NELSON: Did Mr Connolly give you a voucher to go skydiving?

MR HULME: No, I bought that myself.

MS NELSON: But you went with Mr Connolly?

MR HULME: We were up there fishing in Jurien Bay and we booked it the week before.

MS NELSON: What year was that?

MR HULME: As a guess, 2017-ish.

MS NELSON: And after Mr Marais approached Mr Preston and Mr Felstead about his and your relationship with Mr Connolly ---

MR HULME: Yes.

MS NELSON: --- which was sparked by the initial fishing trip invitation by Mr Connolly ---

MR HULME: Yes.

MS NELSON: --- did Mr Preston or Mr Felstead ever suggest to you that your communication or socialising with Mr Connolly should stop?

MR HULME: No.

MS NELSON: Did they ever suggest it was inappropriate?

MR HULME: No.

5

MS NELSON: Did you ever have any discussions with Mr Marais or Mr Preston or Mr Felstead about any possible benefit to Crown in managing the casino licence if you maintained it (inaudible)?

10 MR HULME: No. Nor was that my expectation.

MS NELSON: Was it their expectation?

15 MR HULME: Not that I know of. They never raised it with me and if they did I wouldn't accept that position.

MS NELSON: Do you accept that it did assist the relationship of the casino licence operator that you had that relationship with Mr Connolly who was the CCO?

20 MR HULME: I think I had --- knew of quite a few officers within the department, including Mick. It made my ability to communicate with him easier because I knew of them for many years --- knew a lot of them for many years.

25 MS NELSON: And if your ability to communicate with him was easier, then it was easier for you to in effect portray the Crown submission in the best possible light for getting changes to policies?

30 MR HULME: No, the submissions were drafted out and stood on their own merits. I made a point, as I said earlier, of the executives signing those documents, because they are the ones that take charge of these matters. I'm simply the conduit by which the business asks me to prepare submissions.

35 MS NELSON: If the submissions stood on their own merits, why was it necessary for you to have informal meetings with Mr Connolly prior to submitting those?

40 MR HULME: Okay, the informal meetings were often driven by two things: a request for us to demonstrate a product, and it wasn't just him, there were a lot of other officers that were invited and did attend. One of the ladies sitting here today was one of those officers, attending presentations and submissions to supplement maybe what the written submission was. It wasn't unusual for matters which were important that Crown would be requested by the Commission to personally attend and the executives, and the general manager at times did attend and do a PowerPoint presentation to talk to the Commission members.

45 MS NELSON: Isn't it the case that before the DRGL operations meetings that Mr Connolly would come and have a meeting with you in your office?

MR HULME: Not every time, no. But there were occasions he did that, yes. Not

every meeting.

5 MS NELSON: What was the purpose of those pre-meeting meetings with Mr
Connolly?

10 MR HULME: Sometimes he would ask me what this is about, bearing in mind the
agenda would go to the officers of the Department before the meeting. He just
wanted me to give him a bit of a heads up, if you like, what that was about.

Secondly, he may have had something to talk to me about from a submission
perspective. More generally or not it was only a matter of five or ten minutes before
the meeting, a general chitchat, how you go. It wasn't for hours or things like that.

15 MS NELSON: So it was part social and part work?

MR HULME: Yes.

20 MS NELSON: Did you ever give Mr Connolly any gifts while you were at Crown?

MR HULME: No.

25 MS NELSON: Are you aware of any other Crown executives or management giving
Mr Connolly any free meals or alcohol or tickets to events?

30 MR HULME: Not that I know of, no. The only thing, and I think I mentioned it in
my statement is that there were three instances I recall where if you call it a gift, or
benefit, where they had morning tea and biscuits and cakes at the end of year
meeting, and the Commission members would also attend at Crown Perth once a
year, but no gifts as such.

MS NELSON: What about any other Crown employees, sorry, any other department
employees, were they given any bottles of wine?

35 MR HULME: I didn't have authority to authorise that. I didn't have that level, yeah,
to any expenditures --- so no, I didn't ---

MS NELSON: Did Mr Preston or Mr Marais have that authority?

40 MR HULME: Yes, Mr Preston and Mr Marais did, and other managers at that level.

MS NELSON: Were you aware of Mr Preston giving any free bottles of wine to
department employees ---

45 MR HULME: Not that I know of.

MS NELSON: A review of the relationship between yourself and Mr Connolly and
also between Mr Marais and Mr Connolly was commenced by Crown in February

2021, so this year.

MR HULME: Yes.

5

MS NELSON: It was coordinated by the Chief Risk Officer, Anne Siegers. Were you aware of that review?

10 MR HULME: Yes. I had been contacted before that review saying that Helen Coonan, was it, had wanted an internal review conducted of the relationship between myself and Claude, and he said, would I be willing to participate in an interview with somebody. And I said "yes". I did speak to and meet with a person called Nick Kaldas, he is, as I understood it, an ex-deputy commissioner of police or NSW or something. So I spent probably an hour or so with him.

15

I subsequently was advised that a lawyer was intended to be appointed to do that review. I can't remember whether Claude told me that or it was following my meeting with Mr Blaxill and Mr Lilly. At that stage I didn't commit to doing that. I decided given that I thought this matter would be considered at the Commission, I would rather just talk about it here and with anyone else.

20

MS NELSON: Thank you.

25 MR HULME: But I was told the name of the fellow that was going to do that. He was a lawyer if I recall correctly.

MS NELSON: I will just change tack and I want to ask you about junkets and the department's approach to regulating junket activity.

30 MR HULME: As in the Department of Racing, Gaming and Liquor?

MS NELSON: Yes, going way back to 1985 and up to 1998.

MR HULME: Yes.

35

MS NELSON: Did you have a role in regulating junkets when you were at the department?

40 MR HULME: The only role I had was, certainly as an inspector, we were asked to participate at the buy-ins and the settlements, just to observe the transactions that took place and the payment of the Commission relevant to those gaming activities. Later on, as I mentioned, I developed, along with others, a risk-based program associated with junkets. That was based on the legislation in place at the time and the various other processes around the Commission approving junket operators if I recall correctly.

45

MS NELSON: So at the time you put that audit risk-based process in place, what was the position on regulation by the department, what did the department have to

approve?

MR HULME: The junket operator and the junket representative.

5

MS NELSON: So they never had to approve the junket participant; is that correct?

MR HULME: No.

10 MS NELSON: What information did they have at that stage?

MR HULME: Would you like me to walk through the process as I recall it?

MS NELSON: Yes, please.

15

MR HULME: The Commission determined to put around 88 regulations in place in terms of junkets, because that's when Burswood, who was potentially one of the first casinos in Australia starting to bring junkets in, they put regulations in place which have been removed, as you probably know, in 2010. Those regulations required the junket operator and their representative, junket operator principally, to fill in an application form, filling out all the personal particulars that were necessary and detailed in that form.

20

The junket operator, if I recall correctly, was permitted a one-off visit, even though they hadn't been approved. The purpose being for them to attend an interview with, I don't even know who did those interviews back then.

25

MS NELSON: Someone from the department?

MR HULME: Yes, somebody from the department. I couldn't tell you who. And following that interview there was also a series of police checks done if I recall correctly. In some instances the junket operators themselves had to provide a police certificate from their country of origin. Once that junket operator was approved they could obviously bring more players in for subsequent visits.

30

A junket representative also had to approved. They had to be an appropriate authority signed between the junket operator and representative detailing what steps that representative can perform on behalf of the junket operator. If I recall correctly, that was a requirement of the Commission, although it is not written anywhere. I know that was a requirement of the Commission. And obviously there were junket audit programs in place which the inspectorate would have utilised and presumably still utilised until recently observing junket activity.

35

MS NELSON: Was that a one-off approval process?

40

MR HULME: That's my recollection, yes.

MS NELSON: Then fast-forward to, you mention, 2010 ---

MR HULME: Yes.

MS NELSON: --- were you involved in the submission from Crown to the GWC to
5 get those amendments through in ---

MR HULME: I was, yes. Do you want me to ---

MS NELSON: Yes.
10

MR HULME: I was approached by Joshua Preston asking if I would prepare a
submission to the Commission. There was some difficulty, as I understood it, from
junket operators coming to WA, whereas in Melbourne and I understood other
jurisdictions they had laxed the requirements for it to be approved, or as I understood
15 it, Melbourne were licensed.

MS NELSON: Where did you gain this understanding?

MR HULME: From Josh. And I was aware that that's what had happened in
20 Melbourne. He mentioned it to be because I had been speaking with somebody else.
He then, and I just briefly talked about the role of other authorities, such as
immigration, customs, in allowing these countries in and we talked about 9/11, and
we would have thought there would be robust processes in place in checking the
integrity. So I went about drafting a letter. I jumped on, if I recall correctly, the
25 websites of those authorities which are listed in my letter, and (inaudible) some of
the text on their websites which talked about what they do and how they
communicate between one another to include within the letter.

Also, having been familiar with the processes that had gone on in the past in
30 approving junket operators, I was very conscious that the Commission gave junket
operators a one-off approval and never did any further review. So that was put in the
letter as well.

MS NELSON: Apart from a conversation with Mr Preston, did you seek advice or
35 information from anyone else before you drafted the letter?

MR HULME: No. As in customs or immigration or anything like that? Anyone
else in Crown?

MR HULME: No. Josh was the primary point of contact for me. I did, of course,
40 speak to the AML people about their processes because they raised the due diligence
processes that the AML team does. So a series of points you will see in that letter is
information I gained through the AML team at the time.

MS NELSON: Is that the AML team that was in Perth at the time?
45

MR HULME: Yes. I only ever dealt with Perth people.

MS NELSON: I will get the letter up, which is GWC.0004.0008.0001.

In front of the letter is actually the submission to GWC.

5

MR HULME: This is the Commission meeting agenda paper?

MS NELSON: It is.

10

MR HULME: Yes.

MS NELSON: I did send that to you to read through yesterday?

MR HULME: I did have a quick read through, yes.

15

MS NELSON: Apart from seeing it yesterday, had you ever seen that document before?

MR HULME: No.

20

MS NELSON: If we could go to page 12, please.

MR HULME: Just on that, I do recall, having lodged that submission I received a call from an officer of the Commission, and he said that he had sighted or seen a letter, and that he was of a similar view, and that he had put a paper up to the Commission some five years earlier and at that time --- I think it was five years --- at that time the Commission didn't support his recommendations, which was similar to what we put in our letter.

25

30

MS NELSON: Is that an officer of the Gaming and Wagering Commission or ---

MR HULME: No, well, I don't know if he's still an officer of the Gaming and Wagering Commission. I think he might be, but he is certainly an officer of the Department.

35

MS NELSON: Right. Can you recall his name?

MR HULME: Nick Toyne. Again, I had worked closely with Nick. Nick was actually in my team for a number of years.

40

MS NELSON: And apart from that one phone call with someone from the department do you recall speaking to anyone else about it?

45

MR HULME: I never spoke to anyone else, other than --- I think it was sent on an email, and possibly Sandy Del Prete in regards to the processes around the regulations being amended that I can recall.

MS NELSON: So we have the letter, 4 December 2009 and it is addressed to Mr Michael Connolly, Acting Chief Casino Officer.

5 MR HULME: So he wasn't the Chief Casino Officer at the time, somebody else might have been. He must have been acting in that person's role.

MS NELSON: Is this the letter you say you drafted?

10 MR HULME: Yes.

MS NELSON: In the first paragraph it says:

15 *We refer to the most recent discussions between Mr Joshua Preston
yourself [meaning Mr Connolly], you and Mr Sandy del Prete*

MR HULME: Yes.

MS NELSON: Was it a meeting or discussions one-on-one?

20

MR HULME: No, a meeting. Ordinarily meetings until more recently were held at Crown Perth. Over time we started chairing, because the regulator's time-poor, we would drive into the city and meet them in their offices. But, yes, it would have been a one-off meeting with all the parties concerned. And it sounds like there was more
25 than one because I have got "discussions".

MS NELSON: You can't recall how many meetings there were?

30 MR HULME: No, I can't. And it might be a meeting as well as telephone discussions or a combination of those.

MS NELSON: Do you agree --- first of all, yesterday, did you familiarise yourself with the contents of this letter again?

35 MR HULME: Yes.

MS NELSON: And do you agree that one of Crown's essential arguments in the letter that you've written is to discontinue junket regulation because the entry process into Australia through the visa processes and the Department of Immigration was
40 sufficient to exclude organised crime?

MR HULME: And the fact that I was aware that the Department, once it had approved a junket operator, didn't do any further inquiries, unlike the casino employee licence or driver's licence where it's renewed. Those two stand out to me.

45

MS NELSON: You also mentioned before, I have the letter on the screen, that there was some AML compliance?

MR HULME: And those elements too, yes, sorry.

MS NELSON: --- explanation that you gave. In the letter you also say that:

5

Crown in their AML/CTF program was reviewed yearly by the audit *department and every second year by an external auditor*

10 MR HULME: Could I go to the next page, but I do remember reading that because that's what I was advised.

Yes. That's what I was advised occurs.

MS NELSON: That's the last point on 0013.

15

The AML/CTF program was reviewed yearly by the audit department

Did that occur or not?

20 MR HULME: I'm not sure. I may have spoken to the internal audit manager, because she sat close to me as well, to glean that information or confidence, but I can't recall.

25 MS NELSON: And you also say that each alternative calendar year by an external auditor.

MR HULME: Yes.

MS NELSON: Did that occur?

30

MR HULME: Again, I'm not certain because I didn't have a lot to do with AML. This is information fed to me by --- I think all along I have said anything I prepare beyond information that I'm aware of, I source from the various departments.

35 MS NELSON: That can be taken down. In your statement, which is WIT.0010.0001.0011 at page 11. At the top of that page you are talking about the submission in relation to table game supervision. You say:

40 *I can confirm information contained in the written submission sent to GWC was provided by*

MR HULME: Sorry, I'm missing that paragraph?

MS NELSON: Sorry, right at the very top.

45

MR HULME: (Mumbles). Yes. Yes.

MS NELSON: I gather that you are saying there in relation to table games that you

gather information where necessary for the letter to go to GWC --

MR HULME: Yeah.

5

MS NELSON: --- but you don't necessarily have any independent knowledge that what you are saying in the letter is true and correct?

MR HULME: Look, that letter was a fairly extensive letter. There was information that was brought to my attention and Sasha Grist, because we were the preparers of that letter, from finance, surveillance, security, if I recall, table games.

10

MS NELSON: If I could just stop you there, I will take you to that letter. I just want to ask you about the process by which you draft the letters.

15

MR HULME: I draft the letters. I look at the information they give me. I often query information, certainly with some of the information we were getting from various departments in this particular submission, as to their accuracy, and I've got them to double-check stuff, as did Sasha.

20

If my instincts thought it was right because it looked reasonable, then I would go with it, otherwise I just wouldn't have the time to go around and personally checking and getting all the data myself.

MS NELSON: And is that the same for that letter of, I can't remember the date, but back in 2010 that we just looked at for the junkets, the submission to the GWC?

25

MR HULME: Yes. Yes. So all that AML information would have come from the AML team, I'm certain. As I said, I jumped on the web pages of those various government agencies involved in immigration and that, and other stuff that was there.

30

MS NELSON: Thank you. That can be taken down.

When you were involved back in the Department days with setting the audit programs for junkets and attending to the settlements and the other duties that you've described, why was it at that time that the department wanted to regulate junkets?

35

MR HULME: I wasn't privy to knowing why the Commission made that decision, to be honest with you. It was just some things, the regulations came in and away we went. So I wasn't even at head office, as we call it then. We were working shift. So there was the Chief Casino Officer and the Commission. I mean, I can second-guess, but you want the truth and the facts I would have thought.

40

MS NELSON: Well, in setting the audit programs for junkets, did you need to understand the perceived risks that the department were trying to regulate?

45

MR HULME: Again presumably we did. The audit program still exists and those risks would be still there. I know the audit program was there before I left, because I

remember seeing it, the junket program. Whether it had been amended in my time whilst I was away to reflect new different things, I don't know. But we are talking about back many years ago. I couldn't give you a definitive answer there.

5

MS NELSON: So it is your understanding that the department still has a risk program, an audit program for junkets?

10 MR HULME: Well, I would see no reason why they wouldn't want to take an interest in that side. Certainly there is a philosophy that it is only gaming. And I use the word "only" but the integrity of gaming is important. But I used to compile a report in the first ten months when I came back for the Chairman and the Commission members, detailing all the junkets. I noted it had fallen off the radar so I started resurrecting that when I got back. Whether that still happens, I don't know.

15

MS NELSON: So, in 2010 and 2009, December 2009 ---

MR HULME: Yes.

20 MS NELSON: --- when Mr Preston came to you and said that he wanted you to draft this letter ---

MR HULME: Yes.

25 MS NELSON: --- to the GWC or to Mr Connolly to get rid of the regulation over junkets ---

MR HULME: Yes.

30 MS NELSON: --- did he have a conversation with you as to why he wanted that to occur?

35 MR HULME: Oh, yes. He talked about what happens in Victoria. He said that the information he'd been given junket operators that would ordinarily, you have to bear in mind that a lot of business was driven by people based in Melbourne. Perth, as I understood it, the junket operators were unwilling to come to Perth because if they had to go through an interview process and application form they would rather just stay in Melbourne or go elsewhere to another jurisdiction. That's how he described it to me.

40

MS NELSON: Did Mr Preston ---

MR HULME: Bearing in mind these people are from a different country where I suppose law enforcement may be viewed differently.

45

MS NELSON: Was there any discussion between you and Mr Preston about any potential link between junket activity and money laundering?

02:31PM

MR HULME: No, nothing.

MS NELSON: Was that --- did you ever have that conversation with Mr Connolly at
5 any stage in your relationship?

MR HULME: No. No.

MS NELSON: Did Mr Connolly discuss with you the attitude of GWC to junket
10 regulation at any time?

MR HULME: No. No. In fact, I'm just trying to recall whether Mick saw this thing
through or whether he had left by that stage. Because I seem to recall
correspondence came through from Santo, another senior manager, so I'm not sure ---
15 you'd know better what time he was there or not.

MS NELSON: The letter stated at the end that Crown would continue to advise the
GWC of new junket operators and representatives.

20 MR HULME: Yes.

MS NELSON: And did that occur?

MR HULME: Because that was what, I think, part of the discussions. My
25 understanding is it did continue for a while.

MS NELSON: For how long?

MR HULME: I did receive a call from Sandy del Prete if I recall correctly, saying
30 that we don't need that information any long.

MS NELSON: Sorry, he said what?

MR HULME: I thought he said the Department didn't need that information any
35 longer.

MS NELSON: What year do you think you received that call?

MR HULME: A few months later, maybe six months. I may be mixing that up with
40 his call to me about not sending through the revenue packs that came through. I had
so many calls about different things. Whether it's continuing now I couldn't tell you.

MS NELSON: If someone from the department had rung you and asked you to no
longer send in junket information, is that something you would document in writing?
45

MR HULME: Yes, I would send an email out to the relevant parties that would do
that, and that would be through to David Brown in the cage.

MS NELSON: So it was David Brown's job otherwise until he received that email to send that information to the department.

5 MR HULME: Yes. Was it junket settlements, just remind me?

MS NELSON: We'll go back to the letter and have a look.

10 MR HULME: Please. There were two departments involved in this.

MS NELSON: GWC.0004.0008.0001, page 14. Thanks. It's the very last paragraph.

15 MR HULME: So in regards to the first part:

Immediately advise the Commission of the appointment of new junket operators and junket representatives.

20 That's a matter dealt with by the international team.

COMMISSIONER JENKINS: Where are we, sorry?

MS NELSON: Very last paragraph, Commissioner.

25 MR HULME: Would you like me to go through that again?

COMMISSIONER JENKINS: Yes.

30 MR HULME: There are two points to that particular paragraph. In regards to the appointment of new junket operators and junket representatives, that was managed by the international team and we had managers at Crown Perth at that time that we were actively working with Crown Melbourne in that space. So they would have been persons ordinarily sending that information.

35 In regards to the settlements, they would be derived from the cage because the junket settlements were conducted at the cage, and David Brown would be --- and his staff would be the persons involved in that.

40 MS NELSON: So do I understand your evidence to be that at some point after this letter that practice was continued ---

MR HULME: Yes.

45 MS NELSON: --- by the international team and by Mr Brown in his role as general manager of the cage?

MR HULME: That would be my expectation, yes.

MS NELSON: So it is your expectation, but did you have knowledge that that practice ---

5 MR HULME: I think it was still in the manuals at that stage.

MS NELSON: And is it your evidence that at some point after this letter Mr Sandy Del Prete contacted you ---

10 MR HULME: Yes.

MS NELSON: --- about discontinuing both aspects?

15 MR HULME: Again I would have to refer back to the procedures that exist today. I'm a little vague in that area.

MS NELSON: And if you received a call from a department officer saying they no longer you to do something that had been in a submission letter from Crown to the GWC, would you require that to be in writing from the department?

20

MR HULME: It would be nice to have it in writing. Unfortunately, you may not have seen the minutes of a meeting where matters were put forward to the Commission either formally or through presentations. There was not always a letter of approval or in-principle approval. That was one of the prime reason for the operations. They documented that we had been advised to proceed with that matter.

25

MS NELSON: Can we have a letter from Mr Preston to the Chief Casino Officer, 10 February 2017 CRW.709.132.6189.

30 Do you recall drafting this letter?

MR HULME: I do now. That's one of those matters I think I corrected in my statement. I didn't recall what this was about.

35 MS NELSON: Do you recall this was about Crown proposing amendments to the casino manual in relation to junket procedures arising from the regulation amendments that had occurred in 2010?

40 MR HULME: Yes. So, again, going on memory, there was a lot of procedures within the casino manual relevant to junket, and I seem to recall Mick calling me and saying, "Paul, why are these procedures still in there?" So I looked them up, and these procedures have all issued by the relevant department, so albeit I endeavoured to try and keep a handle on them. It was obviously an oversight so we went about removing all of those procedures. Yes, removing the (mumbles) to be licensed or approved. I used the word "licensed" because I noticed in a lot of the letters from the regulator, the documents talk about licensed, but they were never licensed, they were
45 only ever approved. There may be a distinction there.

MS NELSON: So it is your evidence that this letter arose from a telephone call you received from Mr Connolly, not from anyone else within Crown?

5 COMMISSIONER JENKINS: I think he said Mr Toyne.

MR HULME: Mr Connolly in this instance. Mr Toyne is relevant to the ---

10 COMMISSIONER JENKINS: I misheard you. Thank you for correcting me there.

MR HULME: Sorry, I can be a bit dyslexic ---

COMMISSIONER JENKINS: No, I misheard you.

15 MS NELSON: Was there anything else happening at the time that prompted this action apart from a call from Mr Connolly?

MR HULME: I can't recall.

20 MS NELSON: Do you recall that you then proceeded to engage with Mr Connolly with the redrafted manual?

I will show you a document, CRW.708.008.7829. We're now in March.

25 MR HULME: Yes.

MS NELSON: And if we could go to page 7, thank you.

30 MR HULME: Yes. So they again, going on memory, the new casino manual, we were slowly removing sections from the various manuals that were in place into the new casino manual operations. So at that time we took the opportunity to include procedures in that new section, 28 I think it was. It wasn't unusual whenever Crown made a submission of any sort, be it a new game, rules, procedures, and as you would expect, the regulator would review them and come back and say, "Hang on, 35 that doesn't read well, or can you add this or that", that was part of the ongoing, and has been that way since day one at the casino. They would give us input as to what they wanted, what they didn't like, even ideas to improve things, which is pretty helpful.

40 MS NELSON: But it was Crown's role to draft the casino manual?

MR HULME: Yes, it was always Crown's role. In the early days I was involved in reviewing the first casino manual that came in from Genting at that stage.

45 MS NELSON: Thank you. That can be taken down.

Were you aware that Crown assisted some international patrons to obtain visas?

MR HULME: I didn't get too involved but I had heard that there was some letters or

communication to support players or junket operators but I wasn't involved in those sorts of things.

5 MS NELSON: And you had enough of the awareness of the situation to know that this assistance was in the form of letters?

MR HULME: Yes, that's what I understood.

10 MS NELSON: To whom?

MR HULME: To whatever authority, immigration, customs or whoever was seeking. I don't know if there was many, but I had heard that we had supported one or two or something.

15 MS NELSON: Only one or two?

MR HULME: I seem to recall there to be one or two occasions that might have occurred. I think I queried what the heck are we doing that for.

20 MS NELSON: When did you query it?

MR HULME: When I heard about it.

25 MS NELSON: When was that?

MR HULME: Maybe five years ago.

30 MS NELSON: Maybe 2015, 2014?

MR HULME: 2016, 2015, 2014, yes.

MS NELSON: And why did you say "What the heck are we doing that for?"

35 MR HULME: I have a view that regulatory authority has a role to play. I didn't know where we stood in giving somebody that, I don't know how well we knew them, to start giving a letter of reference, if that's what it was. I think you have to be very careful when you start doing things like that.

40 MS NELSON: Who was giving the letter of reference from within Crown?

MR HULME: I really don't know who signed those letters. I just had heard that's what might be happening.

45 MS NELSON: Did you become aware towards the end of your time at Crown that the Commonwealth law enforcement integrity agency was doing an inquiry into that practice?

MR HULME: No, I didn't. Who were they again?

MS NELSON: Have you heard of Operation Angove?

5

MR HULME: No.

MS NELSON: On 16 April 2014 do you recall that you and Mr Preston sent a letter about amending the casino manual concerning the exchange of gaming chip chips?

10

MR HULME: At gaming tables?

MS NELSON: Yes.

15

MR HULME: Could I see the letter, but I do remember it.

MS NELSON: Yes. It is DLG.8001.0022.8435.

MR HULME: Can I see the next page?

20

Yes, I'm familiar with this. Yes.

MS NELSON: At the time was there a prohibition on the exchange of gaming chips between tables unless there was certain criteria?

25

MR HULME: It wasn't a prohibition, it was just the way things are done. All movements of chips from the chip bank were through, I forget the chip bank itself, but all movements from the chip bank to tables was done through fills and credit documents. They were a computer generated document through SYCO. Historically they were a manual document. This came about because table games management raised with me, with Josh, on a number of occasions, and even with security the delays experienced in getting the correct chips to a table.

30

If you can imagine that a dealer has an inventory tray about this big with a set number of denominations of gaming chips. There is need at times to pay out somebody a particular amount, but those chips might have been depleted, so it would require a pit boss having to go back to the computer system, request a fill, goes through printouts at the chip bank. The chip bank clerk is busy doing everyone else's because there is all these pits requesting transactions. Then they need to call a security officer and notify surveillance before they moved.

35

40

MS NELSON: So there was a delay in gaming?

MR HULME: Yes. So the idea was, without affecting revenue, and again this was an example of where I had several inspectors come down and walk them through what we were planning to do seeking their approval.

45

MS NELSON: Is there a reason why the letter is addressed to Mr Michael Connolly

but it has attention to Mr Mark Beecroft?

MR HULME: Yes, there is a reason. Mick started saying because there was a point
5 in time, I don't wish to be disrespectful to the regulator but it seems things were just -
-- people weren't sure who was managing what within the department. We had a lot
going on around that time. So Mark worked in the policy department. There is a
team of ladies working in that team. He --- and he changed his mind several times as
10 to how he wanted it done. He asked us to forward all correspondence to the attention
of Mark and his team. They would then coordinate the distribution of those
submissions to whoever it be in the department and control, "Yes, that's with Harry
Smith, or that's with Mary, it was received on this date. So a form of register of
submissions received." I think at one stage we had 22 submissions up there.

MS NELSON: Right. So is it your understanding that this was an example of Mr
15 Beecroft being responsible for getting your submission to the GWC?

MR HULME: No. Mr Beecroft was just the conduit by which Mick could go to and
say, "Paul has just rang me, or I've had a call from the regulator, where is this
20 submission, who's got it", rather than go around to everyone and find out who has got
it.

MS NELSON: Right.

MR HULME: It later changed. It probably changed three or four times as to who
25 they will go to. Ultimately you will see the letters started going to the directors
themselves and not always Mick. It would often be Mick or the chairman on the
more serious matters.

MS NELSON: Do you have a recollection of speaking to Mr Beecroft about this
30 particular submission?

MR HULME: No. No. There was no need to. It was just him and his team who
were the conduit to which to distribute.

MS NELSON: Thank you. Could we please have document CRW.709.109.2277.
35 And this is a ---

MR HULME: Yes, yes, I remember this too. There is an example of the gaming
40 departments that had come to me. With a number of initiatives, the third one is the
chip exchanges we've just been talking about, which had initially, if I recall correctly,
not been favourably received by the department. So we would ask them if they
would like to come down so we can walk them through what is planned. That's, the
relevant department will set up, say a poker table in this instance, for us to
45 demonstrate how something that we were intending to lodge would operate, so that
when they did receive the submission, or they may have already received it, I can't
recall, they understood the mechanics of it all, what it looked like and so forth.

MS NELSON: Right, but can you see 2.30 to 3 pm, to chip exchanges between gaming tables in the same pit:

5 *You may recall your department was initially not in favour of this proposal, however Crown Perth was invited to discuss this matter further with your department.*

10 MR HULME: Yes, I recall this particular matter. There was a bit of nervousness with respect to some of the officers who were relatively new there. They may not have fully understood the mechanics or of how revenue processes worked, and it was initially either rejected or stalled or something. So again through our operations meetings or through my chats with Mick or others, I would say, "Look, can we meet and go through this again and walk you through it, just to explain, because there
15 seems to have been some confusion about the impact this will have."

 Again, we are talking about changes, changes to people that have been there long-term and/or are new are sometimes nervous about agreeing or approving something when they may not fully understand it all. Quite understandable.

20 MS NELSON: Do you recall that at a DRGL operations meeting in June of 2014, that Mr Connolly said that he would do a review of the decline by the GWC to approve this proposal?

25 MR HULME: If it's in the minutes, I accept that. Is it in the minutes?

 MS NELSON: It is. I'm just trying to find it. I have the wrong number.

30 MR HULME: What date was that, sorry?

 MS NELSON: June, I think, 2014.

 MR HULME: So that then took us to September and unfortunately gaming want things but they don't necessarily get things in order as quick as what they would like.
35 But, yes, I accept that.

 And that might have been precipitated because we discussed it during the operations meeting, and when I --- and it would usually be me, I would talk to Mick about what I felt was the obstacle, and the obstacle may in this instance not have been fully
40 understood. So he took it upon himself, along with Lance, to come down and have a look. Lance at some point in time was a relatively new officer but he was a director in the Department.

45 MS NELSON: We'll move on to reduction in gaming table supervision levels. In 2014 you mentioned in your statement that a working group was put together at Crown ---

 MR HULME: Yes.

MS NELSON: --- and you said it went together for about seven months. Who was chairing that working group?

5 MR HULME: Lonnie Bossi, the CEO of gaming.

MS NELSON: Who else was in the working group apart from yourself?

10 MR HULME: Myself, Sasha Grist, general manager of table games, her two offsiders. It was considered highly sensitive because of the potential impact on employment. Believe it or not we all signed non-disclosure documents, it was that confidential. We had to bring in finance and other departments to obtain information that we felt was necessary in order to put a comprehensive submission to the Commission.

15

MS NELSON: Thank you. If we could go to page two of the statement on the screen.

20 MR HULME: Sorry, just on that, I think Josh certainly popped his head in on a number of the meetings and ultimately, as I've said there, it went to the Crown Perth executive and then I understood, although I don't definitively know, but I think Josh told me it was going to the board.

25 MS NELSON: What were the merits, what were the benefits to Crown in introducing this policy?

30 MR HULME: Certainly there was a cost saving from a labour perspective. If you analysed the error rates and the role of pit bosses and the benefits achieved from them from what was originally considered important roles, and they still are important, but it was --- plus the business was keen to operate its surveillance system, if I remember correctly, and that was a significant capital investment. But all of those matters put in the letter were considered important.

35 MS NELSON: We've heard from other witnesses that this policy led to, in their opinion, a decline in operational standards; do you agree with that?

40 MR HULME: Yes. There is an extensive letter on that on file. If I recall correctly, I think the Commission insisted increasing surveillance levels and reports to be sent through. An internal auditor was appointed full-time, she had already been appointed earlier, to full-time audit gaming activity. So there was an extensive report put together in terms of the quantitative nature of breaches of rules that were occurring before and after, I'm reasonably confident it would demonstrate the fact that because there had been a change in structure, that there wasn't a decline in suspected illegal activity or errors occurring at gaming tables. And when I talk
45 suspected illegal activity, we are talking about the day-to-day punter having a crack at being opportunist and to gain, or in fact a dealer or inspector would otherwise being corrupt.

MS NELSON: Is it your evidence that you were aware that there is that --- that people hold that view that there had been a decline in operating standard but it was not your ---

5

MR HULME: No, again, I owe nothing to no one here, but things do change, businesses change, and you can't hold on to what is being that forever. And I didn't see that in the information that I gathered. I met with the internal audit lady that had been, for some three years, doing audits of table games and she kept statistics of any potential breaches of rules, procedures. Not just me, there were three of us actively involved. But all the surveillance reports of errors, the type of games, and it didn't reflect suspicion that we've just been talking about, a decline.

10

MS NELSON: Thank you. If we could go to page 9 of the witness's statement. Under Q27, the second dot point, you are talking about generally table and supervision levels as an example ---

15

MR HULME: Yes.

MS NELSON: --- when you say that the changes were sought to enable Crown Perth to remain competitive with casinos in other Australian jurisdictions.

20

MR HULME: Yes.

MS NELSON: Would you agree the dominant driver was to maintain or increase revenue of the table games?

25

MR HULME: No doubt. Any business who is not ensuring their profit is maintained or improved is negligent. It shouldn't be at the expense of, given the uniqueness of the casino industry, the integrity of gaming operations, but where there is merits in putting something forward and evidence to support that it hasn't declined, in my opinion, irrespective of what might come out of this Commission, from a day-to-day operation perspective, I'm confident it was fine.

30

MS NELSON: And were you involved in drafting the letter that was sent from Mr Preston and Mr Bossi to the GWC to formally put that ---

35

MR HULME: Yes.

MS NELSON: --- proposal up?

40

MR HULME: Yes. I spent a lot of time on that. As did another colleague of mine. There were two of us who were the principal drafting persons.

MS NELSON: Who was the other colleague?

45

MR HULME: Ms Sasha Grist.

MS NELSON: Was there any informal engagement with someone from the Department before you sent that letter?

5 MR HULME: Because of its confidential nature there may have been. I really had no discussions with --- in fact, as I understand it, there was a meeting with the chairman and the Commission, and I understood it was Barry Sargeant, Barry Felstead and Josh, before it went to the Department. So Barry Sargeant, even before I think any office within the department, including the Chief Casino Officer was
10 aware of this proposal. Again, I wasn't privy to those meetings but I seem to recall that did occur.

MS NELSON: Thank you.

15 And did you know, well, within about six months of that change, so in August 2015, the Department changed their regulatory approach by removing the inspector presence at the casino?

MR HULME: Was that the timing of it? I can't recall.

20

MS NELSON: 25 August 2015. That was approved by the GWC.

MR HULME: Right. Okay. As I said earlier, it was certainly on the cards in my early days that there would be a shift in the inspectorate's role. It took many years
25 obviously to get to that stage. So it's been talked about since 1989 onwards, off and on.

MS NELSON: And to your knowledge was that driven by cost?

30 MR HULME: At the Department?

MS NELSON: Yes.

MR HULME: I don't know what was driving it.

35

MS NELSON: Is that an appropriate time for a short break?

COMMISSIONER OWEN: Yes.

40 We will take a 10-minute break, Mr Hulme, so you can stretch your legs.

MR HULME: Yes, thank you.

45 **ADJOURNED**

[3.01PM]

RESUMED

[3.10PM]

5 COMMISSIONER OWEN: Please sit down.

MS NELSON: Thank you, Commissioners.

10 In March 2015 you sent an internal email within Crown in which you described a new self-reporting casino tax portal called Navigate or --- (overspeaking) ---

MR HULME: Yes.

15 MS NELSON: --- that Crown had to report revenue data to the department on a daily basis ---

MR HULME: Yes.

20 MS NELSON: --- and an end of month basis.

MR HULME: Yes.

MS NELSON: Is it correct to say that was a self-reporting tax portal for Crown?

25 MR HULME: I don't see it that way. The regulator, rather than, I don't know if you've ever seen the packs revenue data that come through, it is a bundle of papers like that, and rather than get them, in fact probably bigger than that, rather than get them in a paper form it was agreed to lodge the information electronically, that was what the regulator wanted. The regulator had every opportunity to go about doing its
30 audit work as it had in the past. It was just a means of uploading data electronically no different than you would do your tax return today as opposed to lodging a manual one many years ago.

35 MS NELSON: When someone does a tax return today I would say that was self-reporting, because the tax department doesn't go behind the figures that I would submit. Is it similar for Crown in this instance?

40 MR HULME: Well, yes, but what the regulator does with it after that, I'm not sure any longer. They used to have an active role in what I termed a tick and flick exercise in looking at the information.

MS NELSON: Behind the reported figures?

45 MR HULME: No, they used --- when they received the manual paperwork, they used to sit there with the transaction documents and tick them off. Equally, the data that they received for the system anyway was on a disk, and that disk would be uploaded to a PC, as opposed to a central repository that they now have.

COMMISSIONER JENKINS: Mr Hulme, are you saying they still receive the same information, all of the same information they used to receive in paper?

5 MR HULME: Yes, my understanding. They may not actually get what was termed
the master game report, but that is available and this is the one that Sandy did call me
about, saying "Don't send that to us anymore, if we need it we will come down and
grab it from you." So income control would keep the audited and unaudited master
game reports where we would ordinarily send them to the government inspectorate
10 along with the daily revenue figures.

COMMISSIONER JENKINS: Did they need the master game report to do that tick
and flick process you just described?

15 MR HULME: Potentially, yes. It's been that long. Must be 12, 14 years since I've
done it so I can't remember the exact process we used to follow, but having come
from a form of accounting background, I used to question sometimes what we are
actually doing, from a tick and flick exercise.

20 COMMISSIONER JENKINS: That is when you were at the Department?

MR HULME: Yes. But, as I understood it, the Chief Casino Officer still required
his officers, or the Commission's officers to do audits on revenue. I actually queried
with income control on a number of occasions, has government inspectors been
25 down to check anything, and they hadn't done that.

COMMISSIONER JENKINS: Thank you.

30 MS NELSON: Thank you. Can I have document CRW.709.003.0904, and if we
could go to 0908. This is an email chain and we are just going to the back of the
chain.

35 MR HULME: Yes. So what happened there is those people in that email, and
potentially others, I can't recall now, maybe a couple of people from income control,
we went down to the DRGL's office. They had the IT people that they had engaged
to develop this portal, and they walked it through with all of the users, if you like,
from the finance department, and explaining how it all operated. Obviously we had a
number of queries about it.

40 MS NELSON: I see. Now if you read the second paragraph in the middle of the
page, starting "I really don't think", if you can just read that to yourself.

MR HULME: Right. Okay.

45 MS NELSON: Do you still maintain what you told Commissioner Jenkins, that the
Department was receiving the same information through this portal that they would
have been manually before?

MR HULME: Yes. Look, no, they weren't receiving the same documents but the actual details of the revenue was the same, but the other pack of supporting documents they didn't receive. Sorry if I misled you there.

5

MS NELSON: So they were receiving the revenue numbers but not necessarily ---

MR HULME: The supporting paperwork.

10 MS NELSON: --- the primary source documents from which those numbers were obtained; is that correct?

MR HULME: Yes.

15 MS NELSON: Thank you. That can be taken down.

MR HULME: Sorry about that.

20 MS NELSON: Did you have any knowledge about how casino taxable revenue was calculated?

MR HULME: By Crown?

MS NELSON: Yes.

25

MR HULME: I'm familiar with the formulas used, yes.

30 MS NELSON: Is it true to say simply that it calculated by adding Crown's takings from gamings through the EGMs, the table games, junkets and high roller gaming, and then deducting what Crown has paid out as winnings from gaming?

35 MR HULME: Yes. Yes. And there is an element of --- it is called what in and what out. I can't remember that componentry off the top of my head. It is to do with ticketing, if I recall. But the formula for gaming machines is in the manual, and I had intended, although I explained it to the officer before I left and I explained it to as many people as I could within the casino, how table games revenue is calculated.

40 MS NELSON: To your knowledge when Crown was calculating the winnings deduction figure, did they include the cost of any accommodation, meals, drinks?

MR HULME: Not that I know of, no.

MS NELSON: Or tickets given to patron?

45 MR HULME: Tickets?

MS NELSON: Tickets to events.

MR HULME: No, no. It was raised.

MS NELSON: When was it raised?

5

MR HULME: It had been raised for four or five years of --- maybe I could explain. On gaming machines, a patron can win a prize as opposed to money, and a prize could consist of a motorbike, stereo system or anything like that. The Commission approved the use of these types of bonus prizes but Crown must say the car is worth \$50,000 advertised price, but if the car was purchased for 45, they were only permitted to deduct the 45,000 from tax, not the recommended retail.

10

There was a discussion regarding allowing gifts such as free hotel room and other bits, that was raised with the Commission, with the officers from the Department in an operations meeting.

15

MS NELSON: Who raised that?

MR HULME: Lonnie Bossi.

20

MS NELSON: When did he raise that?

MR HULME: It had been raised a number of times over a number of years, probably 16, 17 I think. Quite rightly Mick said, "Look, I don't mind if you want to utilise, give away prizes from Crown, but it can only be at its cost." In other words, just because you are selling a hotel room for \$400, if it costs you \$100 to operate it, that's the only amount you can deduct. Now, that never, to my knowledge, progressed any further at Crown Perth.

25

MS NELSON: So it was raised at an operations meeting?

30

MR HULME: Yes, probably a number of times.

MS NELSON: A number of times ---

35

MR HULME: Yes.

MS NELSON: --- and by Mr Bossi on every occasion?

40

MR HULME: Yes.

MS NELSON: During 2016 and 2017 --

MR HULME: Yes.

45

MS NELSON: --- or also outside that period?

MR HULME: Yes, I can't remember exactly but it has been raised.

MS NELSON: And Mr Connolly said "I don't mind"?

MR HULME: He said we would obviously need to incorporate it. It has to be
5 considered, it has to be included in the rules, provision in the rules, or within the
accounting manual because the accounting manual describes some of the prizes we
talked about, such as motorbikes and non-cash prizes. But it would have to also be
approved by the Commission. But we would also, at Crown, have to demonstrate
that it was only cost that --- because it is a means of which you can deviate your
10 revenue that way.

MS NELSON: And when you say "prizes", are you talking about the cost of prizes
attached to a gaming event or are you talking about loyalty ---

MR HULME: Through a gaming event. So it could be prizes for a weekend stay,
15 weekend plus meals, as your prize instead of a stereo or car.

MS NELSON: And how would a patron get one of those prizes, like a weekend
20 stay?

MR HULME: The way the electronic gaming machines operate, and depending on
which type of jackpot you are talking, I will give you a simple example, win this car.

There is a car on display. On each standalone electronic gaming machine there is a
25 meter. The meter can go between \$1 and \$10,000. I'm just making this up to try and
describe it to you. Somewhere along the line there is a random number generator
that determined that at \$6,629.29 you are going to win that prize.

MS NELSON: Okay.
30

MR HULME: So you are not winning the \$6,629, you are winning the prize on
display. It's called "Win This Car".

MS NELSON: And on each occasion that Mr Bossi raised this during 2016/17 ---
35

MR HULME: Yes.

MS NELSON: --- did Mr Connolly give the same response?

MR HULME: Yes, every time, as I would expect from Mick. That's what I would
40 do. You can't --- it can only be cost.

MS NELSON: Thank you. You've talked about the ticket in, ticket out proposal
which was introduced in 2012.

MR HULME: Sorry, can I go back a little bit.
45

MS NELSON: Yes.

MR HULME: It wasn't talk about prizes such as did you say parking and --

5

MS NELSON: No, I didn't say parking, I said accommodation.

MR HULME: Yes, there was accommodation.

10 MS NELSON: What about parking?

MR HULME: That wasn't raised. There was only food and beverage packages and hotel accommodations. That type of

15 MS NELSON: Did patrons get given accommodation and food and beverages just because they were Crown Rewards members?

MR HULME: Yes, they were able to redeem --- like any reward, frequent flyer, if you are a frequent flyer, if you get so many points you can redeem it for whatever goods and services to the value of those --- there is a formula associated with the points which the marketing and analytical team deal with.

20

MS NELSON: And you earn points from gaming turnover?

25 MR HULME: There could be points on any activity at Crown. So you might be going to the theatre, a hotel, regular hotel stay, food and beverage, and gaming.

MS NELSON: If they redeemed items such as accommodation or meals and beverages from those points, were they then included by Crown in their calculation of winnings?

30

MR HULME: No. I've never been aware of that. I had people within the department of finance would raise it with me if that started to happen. I've never known that to occur.

35

MS NELSON: How can you be sure they would raise it with you?

MR HULME: I had a very close working relationship with finance and the gaming product manager. I like to think I could trust them implicitly and they would come to me with various things and if necessary I would raise it, and they never did.

40

MS NELSON: Did the Legal Compliance Committee ever action any review or internal processes to make sure that wasn't happening at Crown?

45 MR HULME: No, not that I know of. I wasn't involved in any of that. I don't recall hearing of that.

MS NELSON: We are moving on ---

MR HULME: I think it all became too hard to start quantifying what the cost of a meal is or a meal and a hotel room.

5 MS NELSON: So is it your evidence that there was some discussion about ---

MR HULME: Yes.

10 MS NELSON: --- including that in winnings?

MR HULME: Offsetting the cost of those against winnings, because it would be issued as a prize for the conduct of gaming.

15 MS NELSON: But if it is issued as --- not a prize from gaming but redeemed from your Crown Rewards loyalty ---

MR HULME: Crown Rewards loyalty program had nothing to do with revenue.

20 MS NELSON: We are moving on to ticket in, ticket out ---

MR HULME: Yes.

25 MS NELSON: --- which is one of the corrections to your statement that you made this morning.

You told Commissioner Jenkins that there was a proposed introduction of TITO driven by Crown Perth executives, and it was discussed and tested before all departments before going to the GWC as I understood your evidence this morning; is that correct?

30 MR HULME: Yes. Whether it had been flagged with the Commission earlier as an initiative, I can't recall, but ultimately it went to the Commission as a formal approval and submission.

35 MS NELSON: And you also alluded in other evidence that there was a demonstration given to the GWC of the system, or to department members?

MR HULME: Department officers.

40 MS NELSON: Department officers. And who was at that demonstration?

MR HULME: I couldn't recall, sorry.

45 MS NELSON: Was Mr Connolly?

MR HULME: I can't recall. I had so many different officers coming into different demonstrations.

MS NELSON: Did you travel over to Melbourne with Mr Connolly or Mr Sargeant in relation to getting that TITO ---

5 MR HULME: I've never been to Melbourne other than a private holiday with my wife.

MS NELSON: Do you recall if there was any discussion about mitigating potential harm from bringing in that ticket in, ticket out system in terms of Responsible
10 Gaming?

MR HULME: Look, I'm sure that would have been considered. I do notice you sent me an email from Michael Egan, and he sent it to me in confidence. I can't remember that document, to be honest with you. He did send it to me in confidence.
15 I have no doubt, knowing Michael, he would have taken that up with the CEO of Gaming. He's a champion and he was the champion of setting up the Compliance Committee and the RSG initiative at Crown Perth before any legislation. I'm very confident in saying he would have taken that up.

20 MS NELSON: Were you involved in any approval processes from new EGMs being introduced on to the floor?

MR HULME: The only involvement I had was invariably James Sullivan would ask me if I could facilitate a meeting with officers of the department. And that could be -
25 -- in the end it was mainly the relevant directors and managers. Mick would very rarely turn up because he didn't have time. James would do a PowerPoint presentation to them. That same PowerPoint presentation would be put before the Commission. So the idea was to show them, to inform them what we were looking at to seek their input, is there anything there that stands out that might be of concern
30 to you or opposite to requirements. Beyond that, all electronic gaming submissions were made by James.

MS NELSON: Do you recall a Crown proposal in June 2016 to put a player through agent proposal before the GWC?

35 MR HULME: A referral agent program?

MS NELSON: So international patrons being able to phone in through an agent.

40 MR HULME: Oh, yes, yes. I was --- Josh came to see Claude, or Claude --- Josh came to see me, between Claude and I but principally Claude, that submission was drafted, or to the Commission. We did look at bookmakers, the Commission had enabled bookmakers to allow telephone betting to occur as part of our review and we were asked to put that before the Commission.

45 MS NELSON: Was there any discussion by Mr Preston as to what the motivation was --- (overspeaking) ---

MR HULME: As I understood it, and my recollection was it was happening in other casinos, I think the Philippines might have been mentioned. And the business had a desire to implement that initiative.

5

MS NELSON: Was there any discussion between you and Mr Marais and Mr Preston about the AML risks through that proposal?

MR HULME: Yes, I think we did discuss it. I even went to see a lady who works for me who was the AML officer. She was a little bit disturbed saying we are going to have to do proper due diligence, third-party checking, she rattled it all off, when they ordinarily do. If that was approved, that would certainly need to be something that would need to be considered before being implemented.

MS NELSON: Did you have any informal discussions with Mr Connolly about this proposal?

MR HULME: Other than when he got it, I think he may have rang us and said, "What's this". Because he wasn't particularly supportive of it. But once again Mick always said it's not for me, it's up to the Commission to make the determination.

MS NELSON: Could I have the witness's statement at WIT.0010.0001.0009, page 9.

MR HULME: Sorry, what am I looking at?

25

MS NELSON: Page 9.

MR HULME: Yes.

MS NELSON: The first dot point we are talking about Crown Perth having access to a broader range of EGMs as opposed to having them purposively manufactured and designed.

MR HULME: Topic 27?

35

MS NELSON: Q27.

MR HULME: Q27, dot point number one. "To improve Crown Perth's access" --- yes.

40

MS NELSON: What was your understanding as to why they had to be manufactured and designed purposefully?

MR HULME: The Burswood Island Agreement prohibits the use of poker machines in Western Australia. I think Crown Perth and possibly Darwin, and I stand corrected, are the only jurisdictions which needed to get machines purposely manufactured to suit Western Australian, WA Appendix standards, and whereas

45

other jurisdictions where the National Standards were used, and there was a broader range of products available, as I was advised, could mean that there was more readily access to products as opposed to --- and again we had to wait a long time. I
5 remember this gave us in-principle approval of games and took a year or two to get developed. So again that is an area that James Sullivan managed.

10 MS NELSON: And how was Crown proposing to get access to a broader range of EGMs?

MR HULME: By having the WA Appendix amended and the changes, and it gets a bit technical, which I have now forgotten about, I have to get my head around it, to do with all the particular standards within the appendix, the WA Appendix, enabled the manufacturers to have machines readily available for us.

15 MS NELSON: And if you change the WA Appendix, would you change it so that it was more in line with what was available in other states in terms of EGMs?

20 MR HULME: I think there is ten criterion which the Commission is determined to identify those which are electronic gaming machines in Perth and not spinning reel machines. We went about seeking the technical advice of an accredited testing facility, because they are the so-called experts in testing these. They have mathematicians and IT specialists to tell us whether those changes to those particular WA Appendix would, I don't know how to put this, result in them actually being
25 considered poker machines, but I would have to refresh my memory on the exact wording they said.

30 MS NELSON: Thank you. I will take you to an operations division meeting in March 2014, DLG.0004.0001.0326.

MR HULME: Yes.

MS NELSON: You can see that you are in attendance on 27 March 2014.

35 MR HULME: Yes.

MS NELSON: And if we go to item 4.1 on the second page, the very last paragraph ---

40 MR HULME: Yes.

MS NELSON: --- it says:

45 *DDG further advised that the GWC required the DRGL to examine the current 5 second 'speed of play' provisions detailed in the EGM National Standards --- WA Appendix and provide a report on whether this speed of play should be increased to 6 seconds.*

MR HULME: All right. I do vaguely remember this.

5 MS NELSON: Do you recall that Mr Connolly asked you personally to ensure that he got some high level dot points explaining the impact of the change in the speed of play on Crown Perth?

MR HULME: He may have. I don't recall it specifically.

10 MS NELSON: And going from five seconds to six seconds, would that have a negative impact on Crown Perth or a positive impact?

MR HULME: I would suggest it would be a decline in revenue. Depending on which way you look at it. From an RSG perspective it could be an improvement.

15 MS NELSON: Can I have CRW.709.139.8384. This is an email from you, 17 June 2014 to Lonnie Bossi and Joshua Preston ---

MR HULME: Yes.

20 MS NELSON: --- and I will just let you read what is on the screen.

MR HULME: Yes.

25 MS NELSON: Does that jog your memory?

MR HULME: It does, yes.

30 MS NELSON: Do you recall whether Mr Preston or Mr Bossi did do that?

MR HULME: I don't, actually. I wouldn't be surprised and my recollection seems to be there might have been a meeting called with the product manager and the general manager of gaming along with those two executives and myself. I actually can't even remember what happened with this.

35 MS NELSON: Ultimately in June 2014 you were advised in an operations meeting by Mr Connolly that the matter had been discussed at a GWC meeting ---

MR HULME: Yes.

40 MS NELSON: --- late in June and GWC had resolved not to change the speed of play.

MR HULME: All right. Okay.

45 MS NELSON: I'm taking you from 2014 to 2018. In May 2018 do you recall discussing with Mr Sullivan and Mr Marais some possible changes again to the parameters for electronic gaming machines?

MR HULME: Yes. I know James had been and/or Lonnie and potentially Barry at one stage, Barry Felstead, had probably over quite a number of years mooted the idea of getting changes to the WA Appendix, whatever form that might be. There was
5 never any real direction. I think speed of play was certainly on their agenda. And there had been a number of discussions that Lonnie had met with me, Claude, James and Josh if I recall correctly and another fellow, General Manager of gaming machines, with a view of putting something together to the Commission. And that
10 had been off and on for some time now, resulting in James Sullivan and I picking up the ball. They kept, in and out, wanting it done, not wanting it. So we just grabbed it, put it together as a submission and sent it to them and said, "Is this what you wanted?"

MS NELSON: Do you recall in your last year at Crown in 2019 that you were
15 successful in getting the speed of play ---

MR HULME: I think it came through just before I retired. I can't remember.

MS NELSON: And in order to get that ---
20

MR HULME: There was lots of playing with the words to do with the WA Appendix, if I recall correctly.

MS NELSON: And did you have several meetings with Mr Connolly to discuss the
25 proposal?

MR HULME: Yes. Yes.

MS NELSON: During 2019?
30

MR HULME: Yes, and I think it was even raised at a DRGL operations meeting if I recall correctly. This topic had been discussed for a long time.

MS NELSON: Do you recall Mr Marais helping to draft a paper for Mr Connolly to
35 put before the GWC in July 2019?

MR HULME: Vaguely, but I'm not specifically clear.

MS NELSON: I will show you a document --
40

MR HULME: Yes.

MS NELSON: --- VLG.8001.0003.3735. This is from 18 July 2019.

45 MR HULME: Thank you. What was happening, as I had made it clear my intended retirement and it didn't look like they were going to appoint anyone, the work was going to be shared, Claude started getting more involved in my side of the work over

the last year, which is fine.

MS NELSON: You see the attachment?

5

MR HULME: Is that the letter to seek the amendment to the WA Appendix? Because this is the to and fro wording we were trying to work with the gaming product team and I think James was working with some manufacturers to make sure the wording is exactly right as to how they wanted it. But, again, I can't remember
10 this specifically.

MS NELSON: It does attach a letter to GWC of 9 March ---

MR HULME: Yes, I saw that.

15

MS NELSON: --- 2007.

MR HULME: There is two letters there.

20 MS NELSON: Yes. And also one from 2018 that you gave evidence about a few moments ago.

MR HULME: Right. Okay. It wasn't unusual for the regulator to want to change Burswood casino directions that we were asked to put a draft to the changes of
25 directions which historically were prepared by parliamentary counsel on behalf of the Commission, but parliamentary counsel at some stage, as I understood it, felt they didn't want to do that type of work, so the officers within the department were endeavouring to do that so we were at some stages, depending on who I was dealing with, were asked to put an amendment, draft amendment within the directions. So
30 this might be one of those circumstances.

MS NELSON: Thank you. That can be taken down.

35 Moving to another topic in your statement, you refer to select patrons conducting transactions at the hotel service desk.

MR HULME: Yes.

MS NELSON: (Inaudible).

40

MR HULME: Yes.

MS NELSON: That is in your witness statement at page 7.

45 MR HULME: Yes. I've got it here. You don't need to ---

MS NELSON: Can you explain more about how that process worked and when it was in place?

MR HULME: It was in the manual before I returned with it to the department and/or the working for Crown that I recall. I can't remember the specific mechanics around it, but I know --- I seem to call a staff member had to accompany a person to the
5 hotel, get a receipt and then take the receipt to the cage to conduct the transaction.

Now, the basis, and why it was all put in place, I don't recall being involved in it at any stage. I could stand corrected. I'm not sure how long it's been there.

10 MS NELSON: So it was in the manual when you returned to the department in 2007?

MR HULME: That's my recollection.

15 MS NELSON: 2006, sorry?

MR HULME: Yes.

MS NELSON: Did it stay in the manual when you moved over to Crown?
20

MR HULME: Yes. It had been there for some time. Yes.

MS NELSON: And ---

25 MR HULME: And I think there were some amendments made to that section as part of the review when the manuals were being put into the new format.

MS NELSON: And that review was undertaken by yourself?

30 MR HULME: No. I left it to my colleague, Denise, because I was just too busy, and often I would come in on different matters when there wasn't agreement on matters, to work with the operational departments, so they would draft their procedures, send them to us and we would review them and say "Hang on, that's not worded well", "Hang on, that's not right, you missed this", so it depends who you are dealing with.
35

MS NELSON: So you recall it was in the manual?

MR HULME: Yes.

40 MS NELSON: Was it a practice that was happening at the time you were at Crown?

MR HULME: I don't know how, that's again a question for maybe Mr David Brown. I don't know how frequent or if they used it. But it was often things that were put in and didn't get used. There is one that you've given me to do with chips being put in a
45 cupboard within the International Room. We wanted it approved, I got it approved, and about nine months later they still hadn't implemented it or weren't using it. So it depends on whether they were using it, I don't know.

MS NELSON: I want to ask you about cheque cashing facilities.

MR HULME: Yes.

5

MS NELSON: Did you have any understanding of how a patron who --- a domestic patron who had a cheque cashing facility application approved ---

MR HULME: Yes.

10

MS NELSON: --- for a certain limit, how that patron could get that limit extended during the course of their gaming?

MR HULME: There --- we are talking about somebody presenting a cheque, now, aren't we?

15

MS NELSON: What do you understand it to be?

MR HULME: Okay.

20

MS NELSON: If you don't know, please say you don't know.

MR HULME: Okay, look, I would rather not go. I may be confusing myself here, but there is something within the Burswood casino directions about the receipt of cheques and the consolidation of those cheques.

25

MS NELSON: Did you have any visibility over how after then that facility was used by patrons or how it was used?

30

MR HULME: No, that was all managed by the cage.

MS NELSON: Thank you. Were you aware when you were at Crown that Crown maintained staff in Malaysia to engage with Crown customers over there?

35

MR HULME: I understood they had a number of officers overseas. I think there was some 67 of them in different countries. The reason I became aware of that because at one stage those persons were required to be licensed. Then because of a difficulty in getting police clearance certificates, they weren't licensed by the Commission. And for some reason that got reverted. So there were 67 people I had, through my PA, ensure we had position descriptions and get them all licensed.

40

MS NELSON: And some of those people were in Malaysia?

MR HULME: At various countries around the world, yes.

45

MS NELSON: And in terms of those people in Malaysia, can you give the Commissioners a time period that they had --- that Crown had staff working over

there?

5 MR HULME: No, I don't. I couldn't tell you. I had no involvement in that side of the business. I believe potentially say it was about 2015/2016 that we got them all relicensed, but again all that information is on a file at Crown Perth.

10 MS NELSON: So your only involvement in the Malaysian office was getting the employees licensed?

MR HULME: That's correct. I don't ordinarily do that. That is something that is managed by HR and payroll, but I was asked by Josh if I could help get these people licensed.

15 MS NELSON: Nothing further.

COMMISSIONER OWEN: Thank you.

Any applications?

20

CROSS-EXAMINATION BY MR GARAS

25 MR GARAS: Yes, Commissioner.

Mr Hulme, my surname is Garas and I appear for the Crown companies. Just a few questions for you.

30 Can I have CRW.709.132.6189, please.

Mr Hulme, Ms Nelson took you to this document.

MR HULME: Yes.

35 MR GARAS: It relates to the request to amend the manual. You indicated during your evidence that this was essentially prompted by a discussion that Mr Connolly had had with you at his suggestion.

40 Can I just direct your attention to the opening paragraph where you refer to a discussion.

MR HULME: Yes.

45 MR GARAS: I should say Mr Preston, who is the author of this letter, refers to a discussion between you, and of course the addressee of this letter is Mr Connolly ---

MR HULME: I'm having difficulty hearing you.

MR GARAS: You can see in the opening paragraph, there is a reference to a discussion between yourself and the addressee, which is Mr Connolly.

5 MR HULME: Yes.

MR GARAS: And that discussion occurred on 9 February 2017?

MR HULME: Yes.

10

MR GARAS: Is that the discussion that you are referring to in which Mr Connolly suggested the amendments to the manual?

MR HULME: That's my recollection, yes.

15

MR GARAS: Thank you.

Operator, can I please have another document brought up, CRW.513.024.6387.

20 Commissioners, just for the purposes of the record, this is a more complete version of one of the documents that Ms Nelson took Mr Hulme to which was GWC.0001.0007.0357.

25 Mr Hulme, Ms Nelson directed your attention to numbered paragraph 2 of this letter and suggested to you that the addressee of this letter, Ms Perry, may have gained the impression, based on the content of paragraph 2, that the accounts that had not been provided to the Commission was confined to just the month of July 2019. Do you recall that discussion with Ms Nelson?

30 MR HULME: Yes.

MR GARAS: During the course of your evidence, you explained that the opening parts of this letter were quite standard, and that it was the balance of the letter that really addressed the omission.

35

MR HULME: That's correct.

40 MR GARAS: I just want to take your attention to the second-last paragraph on this page, which first of all refers to the fact of a discussion between yourself and Ms Perry. And it goes on to identify the inadvertent failure to provide the bank reconciliation statements, and that those were then provided over the period 1 July 2018 to 30 June 2019. And the letter then goes on to state that although not a requirement, the actual bank statements were then provided for each of the bank accounts for that same 12-month period.

45

MR HULME: That's right.

MR GARAS: Does that accord with your recollection of the discussion that you had with Ms Perry at the time?

5 MR HULME: Yes.

MR GARAS: And can I just, operator, have you move forward to page 6444. While we are moving to that, you will see there is a reference to attachment 5 at the end of that paragraph, Mr Hulme, the paragraph I just directed your attention to. Can we go
10 to page 6444, please.

MR HULME: I do apologise, I'm having difficulty hearing you.

MR GARAS: I'll speak up, Mr Hulme.

15

MR HULME: Thank you.

MR GARAS: Just while we are here, operator, can we keep this information retained to the private screens. There may be some non-publication issues in relation
20 to it. Thank you.

Mr Hulme, we will bring up the document on the screen in front of you.

MR HULME: Yes, thank you.

25

MR GARAS: If we could just move that page up slightly, you will see on the right-hand side the reference to it being "ATTACHMENT 5".

MR HULME: Yes.

30

MR GARAS: Does this assist in your recollection to show that ---

MR HULME: Sorry, just while I'm on that page, are they all the relevant accounts we sent, just to remind me?

35

MR GARAS: This is just the cover page to attachment 5 and ---

MR HULME: Okay.

MR GARAS: --- I will take you to other pages. You will see there is a listing here that includes at the bottom half references to the Riverbank Investments account with CBA.

MR HULME: Yes.

45

MR GARAS: And there is also four different currencies in relation to that --

MR HULME: Yes.

MR GARAS: --- Australian dollars, Hong Kong, Singapore and US. Can I ask the operator to move forward to page 6695. I will just take you to instances within this document which shows the bundle that was provided to the Commission, or the
5 Department.

MR HULME: It was quite a bundle of documents, if I recall.

MR GARAS: Yes.
10

MR HULME: That may be why we only just gave them the 12-month period thinking, gee, this will get swamped by all of this.

MR GARAS: You will see at page 6695, this is one of the first statements that covers the period of July 2018, and it relates to Riverbank Investments and this is the
15 Australian currency accounts, correct?

MR HULME: Yes.

MR GARAS: Then can we skip forward to page 6731. I won't take you to all of them, Mr Hulme, but there are obviously similar statements that cover that entire 12-month period.
20

MR HULME: Yes. Yes.

MR GARAS: At 6731, this is June 2019. Again the Australian currency account.
25

Can we just go forward, please, to 6736.

This is the equivalent information in relation to the Hong Kong currency account; is that correct?
30

MR HULME: Yes, it looks it.

MR GARAS: And this is in relation to July 2018?
35

MR HULME: Yes.

MR GARAS: I won't ask the operator to take you to it, but there are similar statements all the way up to June 2019. There are also similar statements for the 12 months relating to the Singapore dollar currency and US dollar currency. Does that accord with your recollection in terms of information provided to ---
40

MR HULME: Seeing that, yes.

MR GARAS: Thank you.
45

You may recall that in the covering letter there was a closing statement to the effect that if the Department required earlier information that they should contact yourselves.

5

MR HULME: Yes.

MR GARAS: To the best of your recollection, did the Department ever seek or request that earlier information?

10

MR HULME: No, they never contacted me. That doesn't preclude them going to the finance department who do ordinarily send this information, but they would ordinarily contact me because they knew how important this was. Mr (inaudible) in particular, he would have been their contact point because he's the one that often dealt with them, but to answer your question, no, I don't recall ever receiving any additional information being sought by the Commission.

15

MR GARAS: Commissioners, no further questions.

20

COMMISSIONER OWEN: Thank you, Mr Garas. Any other applications? Mr Sadler.

CROSS-EXAMINATION BY MR SADLER

25

MR SADLER: Mr Hulme, my name is Sadler and I appear for the Gaming and Wagering Commission. A few questions on the same topic as discussed before.

30

MR HULME: Yes.

MR SADLER: You gave evidence before lunch about various bank statements and your interactions with them. I want to test the timeline slightly with that.

35

Is it correct that you first became aware of these accounts being provided to the casino to the Gaming and Wagering Commission where you had your role as the senior regulatory officer in 1994 to 1998?

40

MR HULME: Sorry, could you repeat that?

MR SADLER: When you first became aware of the provision of these accounts by the casino to the Gaming and Wagering Commission.

45

MR HULME: Yes.

MR SADLER: Just to get the timeline right on that, was that when you were in the role ---

MR HULME: When I was a senior regulatory officer, I recall them coming in. Having said that, I remember a pack coming through the office of the inspectorate, and that would come through the inspectorate and go straight to head office.

5

MR SADLER: Okay. And you outlined a couple of roles you had when you were the senior regulatory officer. There was two. One of them was to develop this risk-based program ---

10 MR HULME: Yes.

MR SADLER: --- and it is correct that one of the aspects of that was revenue control?

15 MR HULME: I believe --- the revenue side, the revenue collection. There is lots of controls that lead to revenue, it's not just the count process, yes.

MR SADLER: What I'm trying to establish is where you came across the accounts, was it in the purposes of the audit or was it in your role, your job as assisting the
20 Chief Casino Officer, in what context did you come across these accounts and the letters?

MR HULME: The bank accounts?

25 MR SADLER: Yes.

MR HULME: As the senior regulatory officer, that pack of documents would come into the office and just land on my desk or one of my fellows working for me, but I was familiar with the paperwork that would ordinarily be sent having been a
30 government inspector in the early years.

MR SADLER: I appreciate this is a very long time ago, but you don't remember who sent those documents to you and what accounts were in the pack?

35 MR HULME: No, no. I know who used to send them.

MR SADLER: Who was that?

MR HULME: As in ---
40

MR SADLER: At the casino?

MR HULME: It was --- there was a fellow who occupied ---

45 MR SADLER: Who?

MR HULME: Ishak Atan. He's been there for 32 years.

04:00PM

MR SADLER: What role is he at?

MR HULME: He's in the finance department. It's income control.

5

MR SADLER: At the casino?

MR HULME: Yes.

10 MR SADLER: You again came across these letters and accounts being provided to you in the ten months when you resumed your role at the Department as a senior inspector?

15 MR HULME: I didn't ordinarily see them at that stage. They used to go to another fellow in the department.

MR SADLER: Who was that, do you remember?

MR HULME: His name was Peter.

20

MR SADLER: Actually, I remember you raising this and you couldn't remember his last name.

MR HULME: I can see his face. But sorry.

25

MR SADLER: Was it at this point that you noted that multiple accounts were coming in?

MR HULME: No.

30

MR SADLER: I believe, and I could have this wrong because I don't have the transcript, your evidence was before lunch that you had a conversation with Mick Connolly about seeing that there were two accounts ---

35 MR HULME: Oh, sorry, you are referring --- okay, maybe I'm misunderstanding the question. Having started at the department --- I was refreshing myself with the Burswood casino directions and within the directions, I think it was direction 5 or thereabouts, it talks about the casino operating a casino wagering account. At the same time, whilst reading the casino operational manual or accounting manual as it
40 was known then, I noticed within the manual it enabled the use of a number of accounts. Sometimes I try to be a stickler for directions, a wagering account and now we have multiple accounts. Yes, that's how I raised it with him.

45 MR SADLER: And when you raised it with him, was that when you came back in 2006?

MR HULME: Yes, September, October, November, December, some time like that.

MR SADLER: When you looked at the accounts at that stage do you remember who sent the accounts to you?

5 MR HULME: Well, the only accounts I saw, if you look, if somebody has the casino manual back then, it actually has a whole section that says that casino accounts operated by Crown Resorts, Crown Ltd, Burswood Ltd or any other Crown-related companies ---

10 MR SADLER: The question wasn't spurred by the fact you'd seen that letter come in ---

MR HULME: No.

15 MR SADLER: --- it was looking at the manual and looking at the direction?

MR HULME: Yes.

MR SADLER: Thank you very much.

20

For the benefit of the Commission, can you explain the difference between the revenue pack that comes in and then the accounts that are attached to the monthly letters that are provided by the casino?

25 MR HULME: I haven't seen them for a long time, but the revenue packs, there is a daily pack that goes to the inspectorate, used to, we're talking historical. That would consist of firstly the unaudited master game report which would be sourced from the count room. Following income control having done its review, they would forward through the audited master game report so those two documents would be kept.

30

MR SADLER: Yes.

MR HULME: And within the count room, in particular those relevant to table games there was lots of documentation.

35

MR SADLER: Yes.

MR HULME: They would be kept by a government inspectorate, so there would be cheque credits, opening, closes, inventories, credits, fill documents, all to do with
40 movement of chips. So those were retained and kept by the inspectors. At the end of every month, income control would collate all of that information, bearing in mind that the Government inspectorate would enter that data onto a spreadsheet, or over time use a disk supplied by the casino operator.

45 MR SADLER: Before (inaudible).

MR HULME: Yes. And they would say, "Righto, on 1 January we said it was

\$10 million, you've got \$11 million." So there was a form of reconciliation. Invariably the inspectors would raise any variations with income control before casino tax is paid to the State.

5

MS NELSON: Did that daily revenue packs, or even the monthly revenue packs, did they involve the unredeemed chip account?

MR HULME: Yes.

10

MR SADLER: Is that an important component of that?

MR HULME: The control of chips were considered important because you may get counterfeit chips introduced into the casino. Equally, the casino operator is obligated to pay tax on any unredeemed chips, because that is a sum received and they've issued a chip for that, but no one has redeemed that chip.

15

MR SADLER: Were you aware that the --- an allocation of --- or a summary of the unredeemed chips also accompanied the monthly letters ---

20

MR HULME: Yes, I believe it did, by recollection, yes.

MR SADLER: So when you joined Crown in 2007, did you conduct an audit of Crown's compliance with the GWC's directions?

25

MR HULME: Did I conduct an audit?

MR SADLER: Yes?

30

MR HULME: Of?

MR SADLER: Crown's compliance with the Gaming and Wagering Commission's directions.

35

MR HULME: No. No, I didn't conduct an audit of it, no.

MR SADLER: Okay.

MR HULME: So, in other words, going around the casino, just to make sure that they are doing their supervision levels correctly and all that, no, I didn't.

40

MR SADLER: And you covered this earlier, but just to confirm, when you joined the Crown Casino, you didn't take over drafting the monthly letters to the Gaming and Wagering Commission?

45

MR HULME: I've never --- what I did do, because some of the quality of the letters were so poorly written, within the cage, income control and others, I helped draft them into a more professional manner, in my respectful opinion, and quoting, as you

see, the relevant direction or section of the Act, 4.1(a) or whatever it might be, just to formalise things.

5 MR SADLER: Can we bring up GWC.001.007.0212. This is the first of these monthly records that we have online here in the bundle in evidence. You will see it is to ---

10 MR HULME: Yes, foreign currency chip program. Yes.

MR SADLER: It is signed off by Craig Spence.

MR HULME: Yes, he was the financial controller at the time.

15 MR SADLER: Thank you. The Commission has heard evidence that prior to Mr Spence signing letters, Mr Alan McGregor signed the letters; do you know that to be right?

MR HULME: Yes, that's correct.

20

MR SADLER: What was Mr ---

MR HULME: Alan McGregor, I couldn't tell you the formal title, but my recollection is he was the Chief Financial Officer before moving to Crown
25 Melbourne.

MR SADLER: So this is the first letter we have, and you will see --- I just want you to have a look, and I will ask you a question about this --

30 MR HULME: Yes.

MR SADLER: Can I show for comparison's sake, can you bring up GWC.001.0027.0231. Note the date on that. It is a few months later.

35 MR HULME: Yes.

MR SADLER: So that letter is dated 7 July 2014.

MR HULME: Yes.

40

MR SADLER: And next to the 7 July 2014, can we bring up GWC.001.007.0235.

MR HULME: Okay. That's potentially where I tried to more formalise the letters being sent to the Commission.

45

MR SADLER: That was my question. Did you have a hand in changing the front cover of this ---

MR HULME: Yes, I do recall that. I don't remember whether Josh came to see me and talked to me about this, and I said, Josh, as I said, there were lots of letters going to the regulator which were quite informally addressed and/or, I hate to say this, not very well written, so where I had an opportunity I tried to improve that.

MR SADLER: And you say Josh, Mr Preston ---

MR HULME: Sorry, Joshua Preston.

MR SADLER: Do you know why he took over signing the letters for Mr Spence?

MR HULME: My recollection is he left. Mr Alan McGregor, being based in Melbourne, formerly I don't know why he chose to sign the letter, but he did. I think principally because he worked very closely with Barry Felstead, Barry was also simultaneously signing the revenue --- there is a requirement in the directions for the CEO to sign the revenue documents. And so Barry would sign those and Josh took it upon himself to sign these documents, for reasons I couldn't explain.

MR SADLER: If we look at GWC.001.007.0235 being the 15 August 2014 letter, and we take you to _0062 of that letter. This is one of the Riverbank accounts.

MR HULME: Right.

MR SADLER: You will see it is in Hong Kong dollars.

MR HULME: Yes.

MR SADLER: At the stage of redrafting the front cover of this letter, would you have had a look at the contents of the letter and its attachments?

MR HULME: These attachments, no. I just wanted to --- I mean, the direction is simple in itself, it requires the casino wagering accounts, but, no, I wouldn't have been shown these documents. I don't recall being shown these documents.

MR SADLER: So you would have just seen the draft cover letter ---

MR HULME: Yes, that's going on my recollection. So are you saying to me that those were included back then?

MR SADLER: Yes.

MR HULME: Oh, were they? Okay. That's positive. We couldn't get a definitive answer from the finance people.

MR SADLER: Maybe I should check your question. What are you asking was included back then?

04:11PM

MR HULME: Are you saying, I think, that included in the letter was all the statements relevant to Riverbank.

5 MR SADLER: One question that I had, that you might not be able to answer, it is only the Hong Kong dollar accounts.

MR HULME: Oh, okay.

10 MR SADLER: Do you know why that is?

MR HULME: Can't shed any light on that. Sorry.

15 COMMISSIONER JENKINS: Can we go back to the former document, the reporting letter, sorry.

MR SADLER: The front cover of that.

20 COMMISSIONER JENKINS: That only refers to the ANZ. It's not a CBA account.

MR SADLER: I took you to _64, but if you go to _62 on that, I think it is the ANZ account.

25 MR HULME: No, that's a Commonwealth account.

MR SADLER: Perhaps _64.

30 MR HULME: Can I ask a question? Are you saying that was the letter and attached to that letter was the bank statements? Right, okay. I couldn't even get that information from --- right, okay.

COMMISSIONER JENKINS: Sorry, I'm still a bit confused, Mr Sadler. The document you showed Mr Hulme with the CBA account ---

35 MR SADLER: Yes. These are the attachments to that letter. For clarification, it has both the names and the CBA account attached to the back of these, both seemingly in Hong Kong dollars.

40 COMMISSIONER JENKINS: I will take your word for it, Mr Sadler.

MR SADLER: Don't take my word. That's just the document on the screen.

Can I bring up, please, GWC ---

45 MR HULME: I'm pleased to hear that.

MR SADLER: GWC.001.007.0250. And can we put next to that GWC.0001.0007.0251.

MR HULME: Sorry, just on that letter, it says "other bank statements relating to foreign currency activity". Did that previous letter say that too? Because that's what we are talking about, aren't we?

5

MR SADLER: I will ask my question and I can take back to the other letter. See how the addressee has changed from Mr Sgro to Mr Perry?

MR HULME: Yes.

10

MR SADLER: Would that have been your drafting again then, on this?

MR HULME: It may have been. But having said that, I had, because the directors and people's titles and positions kept changing, I kept sending emails out to the business, saying apologies, Mr Sgro's title is now this, he's no longer doing that job, he's doing Ms Perry's job. So I was endeavouring to try and keep the business units alert to the ongoing changes amongst positions so correct correspondence could be directed to the right individual in the department. So whether I did it or finance, I'm not sure. Because I remember during that period I must have swapped about six times in four months.

15
20

MR SADLER: Did you want to go back and have a look at the last letter?

MR HULME: Yes, I'm just --- can I --- on these letters it talks to other statements relating to foreign currency activity in the previous document?

25

MR SADLER: So if we leave up GWC.001.007.0250 and put that against GWC.001.007.0235.

MR HULME: There you go. It does say other bank statements relating to foreign currency.

30

COMMISSIONER JENKINS: So that's the foreign currency, not Australian currency.

35

MR HULME: Yes. But it seems, am I right, that it included some of the Riverbank accounts, but maybe not all.

MR SADLER: The Hong Kong dollar ones.

40

MR GARAS: Commissioners, can I suggest we perhaps look at attachment 3A as well as 3B?

COMMISSIONER JENKINS: I don't know what page 3A is at.

45

MR SADLER: So it is a page we had up before. It is page 62 and 64.

MR HULME: It makes no mention of the Commonwealth Bank, does it?

5 MR SADLER: I don't have the page reference. It will be up from 62. So this is the main casino account. I have no further questions about this document.

10 COMMISSIONER OWEN: Do I understand this then, when we've reached, perhaps, that attachment 3A is an Australian dollar account and it is ANZ? The ANZ Bank? And it is Crown Perth, not Riverbank?

MR SADLER: That's correct. But I could not say definitively for every letter because there is 83 letters.

15 COMMISSIONER OWEN: We can only go with what we have. Attachment 3B had two statements. Both --- one of them was a CBA statement, and one of them was an ANZ statement, and the covering letter simply doesn't refer to by name the CBA accounts but it does refer by name to ANZ accounts; is that where we've landed on this document?

20 MR SADLER: On this document, I have to go back to the front cover just to confirm they don't talk about ANZ and CBA, but the point I was drawing out was it was a Hong Kong dollar account, and we haven't found an Australian dollar Riverbank account until the next document I'm about to take the witness to, which is the document in 20 August 2019, and that's when --- that includes the paragraph that
25 the witness was taken to a while back, where they say they've realised they have forgotten to add accounts on, and they attach all the accounts and my learned friend took them to that as well.

30 COMMISSIONER OWEN: So in 2019 a Riverbank account would have been with the CBA?

MR SADLER: Yes. Can we bring up GWC.001.007.0357. This is the document we looked at before. It has the paragraph down the bottom of the page and then there is a CBA Riverbank account attached to it. But the witness has said he didn't see the
35 attachments.

COMMISSIONER OWEN: I'm sorry, what were you asking this witness about those 2014/2015 letters and attached statements?

40 MR SADLER: So the first question was regards the cover letter and the changes made on the cover letter to include the reference to the directions. And then the second change was the addressee of the letter, and in that evidence the witness confirmed that he only saw the draft cover letter but not the attachments at the back of it.

45 COMMISSIONER OWEN: Is there anything you want to add to that now, Mr Hulme?

04:21PM

MR HULME: I have to say I'm a little confused with what's gone on here. No, I will leave it as it is, thank you.

5 COMMISSIONER OWEN: All right.

MR SADLER: Thank you.

10 On this letter on the screen at the moment, the August 2019 letter, your evidence you gave before lunch was that what precipitated this letter was a meeting between yourself and Mr Preston and Mr Marais?

MR HULME: That's correct.

15 MS NELSON: Was Mr McGregor involved in that?

MR HULME: No. He's in Melbourne. So whether he has received a call from Mr Preston separately, I couldn't tell you.

20 MR SADLER: Did you take over drafting these letters after this August 2019 one was sent out?

MR HULME: No. I retired three months later.

25 MR SADLER: Okay. Just one separate topic. You will be pleased to know we've left the letters.

30 Regarding your interactions with the GWC you described before the break, you agreed with the proposition that you were the conduit between the Department and the GWC.

MR HULME: Yes. Not the only conduit, but ---

35 MR SADLER: The primary conduit?

MR HULME: Yes.

40 MR SADLER: And you described a practice, my words, where you would socialise submissions with the Department before formally presenting them as submissions to GWC?

MR HULME: We would?

45 MR SADLER: Socialise or test your submissions before you would formally put them to the GWC.

MR HULME: Depending on what we were dealing with, we would certainly talk to them, that is evidenced by the minutes of the DRGL operations meeting. There were

some instances where we would provide a demonstration beforehand. Usually it is a submission and then we do the demonstration. It is a combination of things.

5 MR SADLER: Do you consider that your formal submissions made to the GWC were a forgone conclusion?

MR HULME: No, never. I couldn't assume that. Given the amount of work I put into some of them I like to think they were approved, but there was no guarantee.
10 Table supervision levels, I knew that was potentially a big and a significant change for the regulator and its thinking. That's the reason we put the extent of the submission that we put forward. Others which are less concerning wouldn't be as extensive. But, yes, I think it is fair to say I endeavoured to include as much information as possible to enlighten the Commission and hopefully persuade them to
15 approve them, but there was never any guarantee in my opinion.

MR SADLER: Thank you. No further questions.

COMMISSIONER OWEN: Thank you. Any other applications? Are there any
20 counsel who are in a remote location who wish to ask questions?

QUESTIONS BY THE COMMISSIONERS

25 COMMISSIONER MURPHY: Just one, Mr Hulme. You refer in your early role in 1994, 1998 as senior regulatory officer, developing risk-based programs.

MR HULME: Yes.
30

COMMISSIONER MURPHY: Did you have any expertise in that ---

MR HULME: No, no --

35 COMMISSIONER MURPHY: --- or did you draw on some other existing material?

MR HULME: No. I hadn't been exposed to them. I had a sound operations of the casino operations. I relied on the teachings of the Deputy Director-General who used to work for an audit firm in Singapore, for him to explain to me and the Chief Casino
40 Officer the methodology and the approach to that. I learnt from that. That's where I've got that from.

COMMISSIONER MURPHY: Thank you.

45 COMMISSIONER OWEN: Mr Hulme, I have one question for you. In your early period, in that 1990 period you were a government inspector --

MR HULME: Yes.

COMMISSIONER OWEN: --- at the casino, and sometimes inspecting the cage?

MR HULME: Yes.

5

COMMISSIONER OWEN: Did you in that capacity attend, physically, junket buy-ins and junket settlements?

10 MR HULME: Government inspectors broadly, and I couldn't give you the timeline when they stopped doing it ---

COMMISSIONER OWEN: I'm asking, did you --

MR HULME: Yes, I did.

15

COMMISSIONER OWEN: --- attend junket buy-ins and settlements?

MR HULME: Certainly the settlements, I remember the settlement side of things.

20 COMMISSIONER OWEN: All right. Can you tell me, and I hope you can do this in a short timeframe ---

MR HULME: Thank you.

25 COMMISSIONER OWEN: --- but can you tell me physically what did the Government inspectors see and do in the process of supervising or overseeing or whatever word you would like to use, the junket settlements?

30 MR HULME: Okay. So there was a summary report kept by the cage that I can recall. There was often a series of documents to do with the transactions that took place, so a chip purchase voucher is an example of those documents. My recollection is we would look at them, just add them up, you knew what their turnover was based on that. You would look at the program that they had agreed to. There is a documented program. It entitled a percentage of commission to be paid to
35 those junket operators, we would calculate it separately to make sure, because the operator was only paying that due commission based on those programs. That was about it. We would take away copy of the settlement sheets. Ordinarily I would get a photocopy and they were retained.

40 COMMISSIONER OWEN: And at some point, government inspectors ceased to be physically present at the cage during junket settlements; is that your understanding?

45 MR HULME: I don't know if I was around then, but I have heard that when I returned to the inspectorate in 2006, I noted that the role of the government inspector in a lot of activities within the casino where, for example, our involvement in equipment control had been removed, no longer being in the count room where the revenue is counted, and I was advised that was a decision of the Commission to

divest the inspectors from being actively involved in those elements of the business.

5 COMMISSIONER OWEN: I think --- tell me if I'm wrong, but you wouldn't be able to comment on the differences between the physical activity of the government inspector when the government inspector, as you were --

MR HULME: Yes.

10 COMMISSIONER OWEN: --- physically present for junket settlements ---

MR HULME: Yes.

15 COMMISSIONER OWEN: --- and the periods where the Government inspectors were not physically present, you couldn't comment on the differences?

MR HULME: No, I probably couldn't, other than to say audit programs were in use.

20 COMMISSIONER OWEN: Thank you.

COMMISSIONER JENKINS: Mr Hulme, in relation to the process for whereby patrons were permitted to withdraw funds at the hotel and obtain a chip purchase voucher ---

25 MR HULME: A receipt. They got a receipt at that stage.

COMMISSIONER JENKINS: Which they then exchanged for a CPV at the cage?

30 MR HULME: They took it to the cage and got whatever, CPV or cash, whatever.

COMMISSIONER JENKINS: I want to understand what is your understanding of the use, or the advantage of that procedure?

35 MR HULME: I haven't turned my mind to it, to be honest with you, and I never really did whilst I was working at Crown.

40 COMMISSIONER JENKINS: That's fine. In 1994 to 1998 when you were developing the risk-based audit program, you acknowledged that you hadn't had any training apart from what you received on the job from then-manager ---

MR HULME: But also understanding the casino industry, which is pretty unique.

45 COMMISSIONER JENKINS: So was any document created by the regulator in which the risks, historical, current and emerging of casino gaming were identified and listed?

MR HULME: Not that I can recall.

COMMISSIONER JENKINS: Was there any document which recorded the risk appetite of the regulator in respect of those risks?

5 MR HULME: Not that I can recall.

COMMISSIONER JENKINS: Were there formal risk assessments prepared in relation to each of those current and emerging risks?

10 MR HULME: Not that I can recall.

COMMISSIONER JENKINS: And in the areas where you've listed there were audit programs prepared, I note that there is no audit there of the Responsible Gaming program. Was there any ---

15

MR HULME: There wasn't one back then.

COMMISSIONER JENKINS: Was there any reason for that?

20 MR HULME: It probably wasn't at the foremind of everyone at that time, or certainly not mine, anyway. The Chief Casino Officer was very astute in that regard, and the fairness of games was an important part, making sure, but no formal RSG.

25 COMMISSIONER JENKINS: I also noticed that there was no audit of the AML/CTF program at the casino; is that right?

MR HULME: I don't remember that being in place back then.

30 COMMISSIONER JENKINS: Is there any reason why --- so you don't remember if such a program, that is an AML/CTF program, existing --- (overspeaking) ---

MR HULME: I remember something, \$10,000 coming in many years ago, or 5,000, but that's all I can recall.

35 COMMISSIONER JENKINS: Can I ask you whether you had any role in August 2019 in preparing the presentation for the GWC in relation to a variety of matters, it might have been a PowerPoint presentation?

40 MR HULME: About what, sorry.

COMMISSIONER JENKINS: So can I refresh your memory, if you have one, that on 21 August 2019 Mr Connolly sent to Mr Preston and yourself and Mr Marais an email in relation to GWC presentation 27 August, and he said that he was keen, it was addressed to Mr Preston ---

45

MR HULME: Yes.

COMMISSIONER JENKINS: --- and it said that he was keen to get Mr Preston to

present to the Commission on some of the issues relating to the allegations reported in the media about junket operators, players and key processes that Crown has in place?

5

MR HULME: Without seeing it, I'm pretty certain I wasn't involved in that, but without seeing it ---

10 COMMISSIONER JENKINS: All right. If you are pretty certain about that, I will leave that then.

In relation to the casino manual, did you have an understanding, when you were compliance officer at the casino, as to the enforcement procedures and powers, I suppose, that the Department, the GWC and the Casino Control Officer had in respect of the casino manual?

15

MR HULME: Oh, yes, yes. There is penalties and prosecutions and non-compliance and people can lose --- regulations associated, staff losing their licence, being censured.

20

COMMISSIONER JENKINS: In particular, did you think that the casino licensee could be charged with an offence for breaching all of the provisions of the casino manual or only some of the provisions of it?

25 MR HULME: Well, I'd have to think. I'd have to think and look at it closer to give you an answer to that, sorry.

30 COMMISSIONER JENKINS: Whilst you were the compliance officer at the casino, was the licensee ever charged with an offence for breaching a provision of the casino manual?

MR HULME: I can tell you the Commission decided to prosecute Crown back in 2010 over an incident. Do you want me to go through that?

35 COMMISSIONER JENKINS: Was that the one where the Minister then determined --- (overspeaking) ---

40 MR HULME: Crown received a fine of \$3,683 from the courts over a matter to do with non-compliance with ex-gratia procedures contained in the casino manual. The Commission determined to take Crown to court in that regard, and I am intricately aware of that whole thing because as soon as I heard what had happened over the weekend, I reversed the decision that was made on the Monday.

45 COMMISSIONER JENKINS: All right.

MR HULME: But ultimately the Commission still chose to prosecute Crown.

COMMISSIONER JENKINS: Right. So that is an example.

MR HULME: Yes.

COMMISSIONER JENKINS: That is one example, 2010.

5

MR HULME: Yes.

COMMISSIONER JENKINS: Are you aware of any other instances?

10 MR HULME: Yes, there has been a number of instances where not so much Crown
but the employees and executives have appeared before the Commission for non-
compliance. Not so much in the latter years, I'm pretty pleased after we had done a
lot of work to ensure compliance, but in the first five years it was really quite busy. I
15 remember a roulette incident, for example. There were about seven senior and seven
table staff having to appear before the Commission with the threat of potentially
losing their licence ---

COMMISSIONER JENKINS: I'm just focusing at the moment on the prosecutions?

20 MR HULME: --- casino licenses. Yeah, no, the only prosecution that I'm aware of it
albeit I think there is another one about a juvenile but I don't know any details about
that.

COMMISSIONER JENKINS: So the 2010 one is the only actually prosecution you
25 know of?

MR HULME: That's correct.

COMMISSIONER JENKINS: Thank you.

30

You said that it was your expectation that all potential AML instances would be
brought to the Compliance Committee.

MR HULME: Yes.

35

COMMISSIONER JENKINS: If gaming staff were regularly seeing bill stuffing
occurring at ---

MR HULME: What do you mean by "bill stuffing"?

40

COMMISSIONER JENKINS: Patrons going to a fully automated table game ---

MR HULME: Yes.

45 COMMISSIONER JENKINS: --- and inserting up to the maximum number of bills
into the ---

MR HULME: Yes, I think it is \$2,000, if I recall correctly.

5 COMMISSIONER JENKINS: --- and then with either little or no play, removing the money ---

MR HULME: Yes.

10 COMMISSIONER JENKINS: --- and leaving the casino.

MR HULME: Yes.

15 COMMISSIONER JENKINS: Would you expect such a matter to be brought to the attention of the Compliance Committee?

MR HULME: Yes, and it was. There was a lady that was known to be doing that. Without giving details of who that patron was I was aware that the AML team were, as I understood it, reporting that particular lady accordingly.

20 COMMISSIONER JENKINS: So that is one incident.

MR HULME: That's the only one that comes to my mind, yes.

25 COMMISSIONER JENKINS: But your view would be is that if that was happening regularly and the staff were putting it into their shift reports then it should have come to the Compliance Committee ultimately?

30 MR HULME: Yes. And given that that one got reported, I would like to think others would too by the staff involved. Most of the staff endeavoured to do the right thing from my experience. They might make mistakes ---

COMMISSIONER JENKINS: So are you saying that by virtue of the fact that those sorts of reports to the Compliance Committee were unusual, if not rare ---

35 MR HULME: Yes.

COMMISSIONER JENKINS: --- that in your view it did not occur at the Perth Casino?

40 MR HULME: I couldn't say it didn't occur. All I can tell you is there was only one instance that I can recall any matter of non-compliance with AML was reported, as we walked through one of the examples today. Yes, that's all I can say.

45 COMMISSIONER JENKINS: Now, going to the Riverbank account ---

MR HULME: Sorry, just adding to that. I did mention earlier, and I don't know how Crown got involved in this, but there was a rather large cash exchange at the cage which did get reported from an AML perspective and did have the police

involvement.

5 COMMISSIONER JENKINS: Do you recall being told in 2014 that the Riverbank account at the ANZ was closed because the ANZ had concerns that the account was being used to launder money?

10 MR HULME: I didn't get that level of information. I just seem to recall Claude mentioning that a bank account was being called. I can't remember the specifics around that. It was just like a passing comment.

15 COMMISSIONER JENKINS: Just so that I can have some idea about the role of the Compliance Committee, do you think the Compliance Committee should have been told of that sort of thing in relation to an account used by the Perth Casino for wagering --- sorry, gaming.

MR HULME: The Compliance Committee?

20 COMMISSIONER JENKINS: Yes.

MR HULME: We wouldn't ordinarily be told of that but I would have thought if there was anything untoward that might be occurring it should have been reported to the committee.

25 COMMISSIONER JENKINS: So to the extent that that would have reflected the fact that there was something untoward going on at the casino, the Compliance Committee should have been told?

30 MR HULME: Yes. Yes. Having said that, if there was some matters that were confidential that didn't go to the committee but went to the Executive Risk and Compliance Committee, there was one or two of those matters if I recall correctly. We touched on them but didn't delve into the details. They did go to the Executive Risk and Compliance Committee and they weren't AML related matters. They were other matters.

35 COMMISSIONER JENKINS: So going on to a different aspect of the same topic, do you recall being told in 2015 that ANZ had been advised through a Promontory report, who I understand are consultants, that there were deficiencies in Crown's AML/CTF procedures with respect to the Riverbank account?

40 MR HULME: A report from a consultant?

COMMISSIONER JENKINS: Yes.

45 MR HULME: No, I have no knowledge of that.

COMMISSIONER JENKINS: And if, indeed, the ANZ had passed on to Mr Barton that there were apparent deficiencies in the AML/CTF program ---

MR HULME: Yes.

5 COMMISSIONER JENKINS: --- which related to the Perth Casino, do you think that the Compliance Committee should have been told about that?

10 MR HULME: Or at least if we weren't because it may have been confidential, I don't know, but at least it should have been escalated given that the process was from the Compliance Committee to the Executive Risk and then to the Crown Board, I would have thought Mr Barton is at the board level and he should have brought it to the board's attention, absolutely.

COMMISSIONER JENKINS: Going that way. But going the other way ---

15 MR HULME: Whether it would have fed the other way, I doubt it.

20 COMMISSIONER JENKINS: But you and the Compliance Committee would have been keen to ensure that your --- that the Perth Casino's AML/CTF program was tickety-boo?

MR HULME: Yes. And given where Josh sat amongst the hierarchy I would have thought he would be aware of those matters and it seemed to me Josh was endeavouring to do what he could in those space.

25 COMMISSIONER JENKINS: One of those things would have been to tell the Compliance Committee, wouldn't it?

MR HULME: Yes, potentially, yes.

30 COMMISSIONER JENKINS: Then moving on to another topic, in relation to your friendship with Mr Connolly.

MR HULME: Yes.

35 COMMISSIONER JENKINS: Now, given that Mr Preston and Mr Connolly also had some kind of social ---

MR HULME: Emotional ---

40 COMMISSIONER JENKINS: --- relationship, I will put it like that, do you think it was appropriate that Mr Marais obtain permission from Mr Preston for yours and his relationship with Mr Connolly?

45 MR HULME: From my understanding he took it further than that, he took it to Barry as well. Whether he mentioned my name in that discussion because I do recall him saying he would speak to Josh about him and myself but, yes, that's all I recollect.

COMMISSIONER JENKINS: Did you go out fishing with Mr Connolly whilst he was at fisheries?

5 MR HULME: No. It was --- until the latter period it wasn't a friendship like you would have friends coming to your home with their kids or anything of that nature. It was a work-related friendship. Having said that, I probably progressed that a little bit further because I got to like Mick more by inviting him to my home once I retired. And equally we went to a fishing club with our wives.

10 COMMISSIONER JENKINS: So am I right to infer from your evidence that you don't even at this point see anything wrong with the relationship you had with Mr Connolly?

15 MR HULME: Sitting in my seat, potentially no, provided my management has approved it. From a regulatory perspective, if I was sitting in that role, I may have a different view.

COMMISSIONER JENKINS: In respect of the removal of junket approvals, did you
20 find out subsequent to GWC's consideration of the casino's submission that in fact all of the junket regulations were repealed, rather than just the requirement for pre-approval of junket operators and junket representatives?

MR HULME: I think it was the regulations being repealed, first. That's my
25 recollection. I think we may have got a letter from Santo Monino or Sandy del Prete to advise us that the regulations had been appealed or something like that. And consequently ---

COMMISSIONER JENKINS: Did you appreciate that as a consequence of that, not
30 only was the pre-approval provisions repealed but also the requirement to actually advise GWC of the fact of a particular junket occurring had also been repealed?

MR HULME: I think our letter undertook to advise them. I can't remember. I can't
remember the specifics of that, sorry.

35 COMMISSIONER JENKINS: In respect of how that came about, you say that Mr Preston came to you ---

MR HULME: Yes.

40 COMMISSIONER JENKINS: --- and said that other casinos didn't have this requirement for pre-approval and that junket operators didn't want to go through the police vetting process and so were choosing not to come to Perth?

45 MR HULME: They didn't want to go through all the administrative process of filling forms in, going to interviews, that's as it was described to me.

COMMISSIONER JENKINS: And you knew at that time that junkets were

notorious for involvement with organised crime?

MR HULME: On a personal level, no, I didn't. You could come to that conclusion.
5 I, as an individual, to see the level of money that they can and do spend, but some of these as I understand are very high net worth individuals. And whether you see on a day-to-day basis the average tradesman coming in with X amount of cash, is that money laundering ---

10 COMMISSIONER JENKINS: So the bottom line is you say you weren't aware of that at that time?

MR HULME: No.

15 COMMISSIONER JENKINS: So when Mr Preston spoke to you about this and you apparently did internet searches about what AUSTRAC and others did ---

MR HULME: No, customs ---

20 COMMISSIONER JENKINS: --- did you do an internet search to see what junket operators did and whether they had any connections with crime and crime gangs?

MR HULME: No, I didn't. But I do recall an article that I saw in the paper some years ago about Macau and Crown at that stage engaging with a junket operator and
25 the article suggesting he was a rather unsavoury character, which I did forward through to the executives.

COMMISSIONER JENKINS: But at the time you prepared that submission to GWC ---
30

MR HULME: No --- (overspeaking) ---

COMMISSIONER JENKINS: --- you didn't do any of that sort of research?

35 MR HULME: No. Bear in mind the AML team have a process by which they would check, I think it is called World-Check, I don't know how good or efficient that is, to do some level of checking, but, no.

COMMISSIONER JENKINS: And, tell me, the last matter I wanted to speak to you
40 about, if it was relevant, was whether you had any role in preparing the letter dated 7 March 2019 to Mr Ord in relation to the amendment to the WA Appendix to, amongst other things, reduce the speed of play ---

MR HULME: Yes.
45

COMMISSIONER JENKINS: --- by EGMs.

MR HULME: Yes, it was a combination of myself, Claude, James Sullivan on the

technical level, Lonnie, Josh, I think even Barry Felstead looked at that letter. But as a principal writer, it was myself, James and Claude.

5 COMMISSIONER JENKINS: So did you consider that that letter was consistent with what you've described I think as the open, honest and transparent relationship with the regulator and the casino?

10 MR HULME: My view of being open, transparent related to where there has something gone wrong within the casino, non-compliance. My job was to put submissions to the casino as required by the business. Some I may not have agreed with, but equally my job was to prepare submissions on behalf of Crown.

15 COMMISSIONER JENKINS: So ---

MR HULME: I wouldn't do anything illegal or put misinformation in there purposively if that is what you are thinking.

20 COMMISSIONER JENKINS: Well, what I was getting at was that the letter says:

That for the reasons detailed in this submission, Crown Perth is of the respectful view that certain factors within clause WA4.2 of the WA Appendix commercially disadvantage Crown Perth against other casino operations.

25 MR HULME: Yes.

30 COMMISSIONER JENKINS: Now, it is true that the letter didn't bring to the GWC's attention matters which might in fact make the Perth Casino commercially --- or give the WA casino a commercial advantage over other casinos did it?

MR HULME: No, I don't know whether it did or didn't.

COMMISSIONER JENKINS: Well, do you have any ---

35 MR HULME: I couldn't tell you whether it gave an advantage. All we did is compare speed of play, RTP in other jurisdictions.

40 COMMISSIONER JENKINS: So it didn't, for example, include any comparison of tax rates on EGMs?

MR HULME: No, that's a good point. We should have considered that.

45 COMMISSIONER JENKINS: And it didn't mention the fact that in Perth the Perth Casino has a monopoly on the EGMs as opposed to interstate casinos?

MR HULME: No, that's true.

COMMISSIONER JENKINS: And it didn't include any analysis of EGM revenue at

Perth Casino as opposed to other Perth Casinos?

5 MR HULME: I'm not sure where I would get other casino revenue, but, yes, if that is available.

COMMISSIONER JENKINS: Well, you would have had Melbourne Casino revenue available to you, wouldn't you?

10 MR HULME: Yes, potentially.

COMMISSIONER JENKINS: And the letter says that:

15 *A comparison of gaming machine standards applicable across other casinos in Australia has identified the following key factors as creating a significantly less favourable and uncompetitive operating environment for Crown Perth. And it then refers to speed of play and return to player. Would you agree with me that without including some of those other factors that I've referred to, that that statement is potentially misleading?*

20

MR HULME: Look, you can always write something better in hindsight and it just wasn't matters I consider, or others, actually. If it was considered, we probably would have included it.

25 COMMISSIONER JENKINS: And then in respect of the final portion of the letter which relates to the Responsible Service of Gambling, and the letter says that Crown is of the respectful view that the proposed amendments will not have any impact on gambling related harm, I know it is probably a very minor matter in your view now, and you may not have a recollection of it, but do you recall who drafted that?

30

MR HULME: Look, I was listening to some of those words and I'm thinking did I put them in? I can't recall. It is quite strong in some of its terminology, whether I put those words in or others, I don't recall.

35 COMMISSIONER JENKINS: In fairness to you, I think Mr Preston's evidence before the Commission is that when the oral presentation was done he changed that to negligible or small, but that's --- the letter is as I've quoted it to you.

40 I just wanted to ask you whether to your knowledge and recollection Crown did any analysis of what the impact would be of the change on gambling harm before it wrote that opinion?

MR HULME: No, I don't recall it doing that at all.

45 COMMISSIONER JENKINS: Thank you.

COMMISSIONER OWEN: Anything arising?

MS NELSON: No, thank you, Commissioner.

5

COMMISSIONER OWEN: Mr Hulme, if you were legally represented, your counsel would now have an opportunity to ask you questioned by way of clarification of issues that have arisen or matters that may be added to.

10 MR HULME: Yes.

COMMISSIONER OWEN: I would like to give you the opportunity now to, and perhaps you might like just to take a few seconds to think, is there anything that you want to tell us by way of clarification or to supplement what has been said?

15

MR HULME: Not really. I hope --- I've probably talked to much, but I hope I've been --- given enough information and been honest and transparent with what I've recalled and did. That's all I can say.

20 COMMISSIONER OWEN: All right. Thank you.

MR HULME: Thank you.

25 COMMISSIONER OWEN: Mr Hulme, your testimony has been of assistance to us and we are grateful to you for that. In case there are matters that need to be tidied up, we will leave the summons in place, but you are free to go and to resume your post-retirement life with our ---

30 COMMISSIONER JENKINS: Envy!

COMMISSIONER OWEN: With our envy!

MR HULME: I'm actually going away again soon.

35 COMMISSIONER OWEN: Thank you very much.

MR HULME: I just thought I would let everyone know.

40 **THE WITNESS STOOD DOWN**

45 COMMISSIONER OWEN: We will resume at 10.00 am tomorrow. But just before we do, tomorrow's witness is Mr John Alexander who is a director of Seven West Media Ltd as I understand it. On previous occasions I have made statements concerning, particularly the evidence of Ms Maryna Fewster who has responsibilities to that board, about my association with the chairman of that board and those statements are repeated. But for now we will adjourn and resume at 10.00 am

04:56PM

tomorrow.

5 **ADJOURNED AT 4.56 PM UNTIL THURSDAY, 19 AUGUST 2021 AT 10.00 AM.**

Index of Witness Events

MR PAUL HULME, SWORN	P-2676
QUESTIONS BY COMMISSIONER JENKINS	P-2676
CROSS-EXAMINATION BY MS NELSON	P-2679
CROSS-EXAMINATION BY MR GARAS	P-2782
CROSS-EXAMINATION BY MR SADLER	P-2786
QUESTIONS BY THE COMMISSIONERS	P-2797
THE WITNESS STOOD DOWN	P-2810

Index of Exhibits and MFIs

EXHIBIT #WIT.0010.0001.0001 - STATEMENT OF MR PAUL HULME	P-2679
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