

## IN THE PERTH CASINO ROYAL COMMISSION

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**WITNESS STATEMENT OF BARRY FELSTEAD**


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I, Mr Barry Felstead of Contains sensitive information say as follows.

1. This statement is provided in response to the witness summons dated 8 July 2021 and issued pursuant to s 9 of the *Royal Commissions Act 1998* (WA) (**Summons**), in relation to the Perth Casino Royal Commission (**Royal Commission**) and represents the evidence I am prepared to give at the hearing conducted by the Royal Commission.
2. This statement addresses:
  - (a) evidence given by me on 17, 18 and 19 August 2020 during the Inquiry under s 143 of the Casino Act 1992 (NSW) (**Bergin Inquiry**) conducted by Commissioner Bergin; and
  - (b) the matters set out in Schedule 1 to the Summons.

3. The matters I address in this statement are addressed to the best of my own knowledge, recollection and belief in the limited time I have had to respond. I note that I am no longer employed by the Crown Group and no longer have direct access to my files or correspondence including emails. My responses are necessarily brief and, in some respects, are not as comprehensive as my responses might have been had I had more time and direct access to my emails and relevant documentation to prepare this statement.
4. In this statement, I refer to documents which have been shown to me at the time of signing, by their Document ID number which I understand, with respect to Crown documents, have been, or are in the process of being, submitted to the Commission. A Schedule of the relevant documents and their Document ID numbers is attached to this statement.

**Crown entities:**

5. I refer to Crown entities in this statement as follows:
  - (a) Aspers Holdings (Jersey) Ltd (**Crown London Aspinalls**);
  - (b) Burswood Limited ACN 075 071 537 (**Burswood Limited**);
  - (c) Burswood Nominees Ltd trading as Crown Perth ACN 078 250 307 (**Burswood Nominees**);
  - (d) Burswood Resort (Management) Limited ACN 009 396 945 (**Burswood Resort (Management)**);
  - (e) Crown Melbourne Ltd ACN 006 973 262 (**Crown Melbourne**);
  - (f) Crown Resorts and any of its subsidiaries (**Crown Group**);
  - (g) Crown Resorts Limited ACN 125 709 953 (**Crown Resorts**); and
  - (h) Crown Sydney Gaming Pty Ltd ACN 166 326 843 (**Crown Sydney**).

6. When I refer to “Crown Perth” in this statement, I mean the business conducted by Burswood Limited including the business of running the casino pursuant to the licence held by Burswood Nominees.

**A) MATTERS IN BERGIN INQUIRY**

7. On 17 August 2020, (hearing day 13) at P1095.45 I answered, “That’s correct”. I ought to have answered, “I was the casino cage manager and not the assistant casino cage manager”.
8. On 18 August 2020, (hearing day 14) at P1196.34, the transcript records me as saying “From a formality perspective, I think that was adequate”. In fact, I said, “From a formality perspective, I think that was inadequate.”
9. On 18 August 2020, (hearing day 14) at P1222.15, the transcript records me as saying, “Should I have reported it through; yes I did”. What I meant to say was, “Should I have reported it through, yes, I should have.”

**B) QUESTIONS IN SUMMONS**

10. I respond to each of the following 96 separate questions (and, additionally, sub-questions) set out in Schedule 1 of the Summons as follows.

**Your role**

**[1] The period of your employment within the Crown Group.**

11. I was employed within the Crown Group in the period 1994 to 2020.

**[2] The roles you held within the Crown Group**

12. I have had the following roles within the Crown Group:
  - (a) I commenced working with the Crown Group in March 1994, when I was employed by Crown Melbourne (then known as Crown Casino Ltd) as Casino Cage Manager at the Melbourne Casino.

- (b) From August 1995 to February 2002, I worked in various roles at General Manager level in Crown Melbourne. In 2002 I was promoted to Executive General Manager of Gaming Machines at Crown Melbourne. In September 2004, I was promoted to Executive General Manager of Casino Operations, Crown Melbourne.
  - (c) In May 2005, I commenced working as Chief Operating Officer (COO) at Crown Perth. In March 2007, I was promoted to Chief Executive Officer (CEO) of Crown Perth. From March 2013, VIP International also formed part of my portfolio of responsibility. From 2 August 2013 to 31 December 2020, I worked as CEO – Australian Resorts for Crown Resorts.
  - (d) The role of CEO – Australian Resorts was an amalgamation of the roles of CEO – Crown Perth (which I had previously held) and CEO – Crown Melbourne. Australian Resorts was a Business Unit within Crown Resorts, and included the Perth Casino and the Melbourne Casino, as well as, by approximately 2018, the Sydney Casino. Further, as CEO – Australian Resorts, I also had responsibility for the London Casino, Aspinalls.
13. From October 2016, I assumed operational oversight of VIP International. Before this time, Jason O'Connor was the head of VIP International.
  14. At **Annexure “A”** is a copy of my Crown Personnel Profile as at the date of my departure from the role of CEO – Australian Resorts on 31 December 2020. Page 1 of **Annexure “A”** shows the roles I had occupied in Crown Melbourne, Crown Perth and Crown Resorts, and the dates during which I had occupied them.
- [3] The company or entity within the Crown Group that was your employer from time to time.**
15. I was employed by Crown Resorts from 1 August 2013. Prior to this, I was employed by Burswood Resort (Management).

**[4] The person(s) and (or) positions to which you reported in each role you held.**

16. As CEO – Australian Resorts, during the following periods, I reported to the following persons:

- (a) in 2020, I reported to Ken Barton, as CEO and Managing Director of Crown Resorts;
- (b) from 2016 to 2020, I reported to John Alexander as Executive Chairman of Crown Resorts; and
- (c) from 2013 to 2016, I reported to Rowen Craigie as CEO and Managing Director of Crown Resorts.

17. With respect to the following positions, I reported to the following persons:

- (a) as COO at Crown Perth I reported to David Courtney as CEO of Crown Perth;
- (b) as Executive General Manager of Casino Operations at Crown Melbourne, I reported to Richard Longhurst, COO (Gaming) of Crown Melbourne;
- (c) as Executive General Manager of Gaming Machines Crown Melbourne, I reported to Mr Craigie as COO of Crown Melbourne;
- (d) as General Manager Gaming Machine Operations, I reported to Mr Craigie as Executive General Manager Gaming Machines of Crown Melbourne;
- (e) as General Manager Cage and Count operations, I reported to Nigel Morrison as CFO of Crown Melbourne; and
- (f) as Casino Cage Manager, I reported to Mr Morrison as CFO of Crown Melbourne.

**[5] The person(s) and (or) positions which reported to you in each role you held**

18. As CEO – Australian Resorts, I received direct reports from up to 17 persons (including personal assistants) which varied over time.

19. My direct reports at the time of my redundancy from the role of CEO – Australian Resorts are set out on page 2 of **Annexure “A”**. I note that Anne Siegers is listed as a direct report to me as well as a “dual report”. At that time Ms Siegers also reported to and was managed by Mr Joshua Preston as Chief Legal Officer of Australian Resorts.
20. The following documents record the relevant Organisational Charts for the Australian Resorts Business Unit, showing the reporting lines within Australian Resorts as at each year:
  - (i) CRL.752.001.0033 as at 30 June 2014;
  - (ii) CRL.752.001.0047 as at 30 June 2015;
  - (iii) CRL.752.001.0060 as at 30 June 2016;
  - (iv) CRL.752.001.0073 as at 30 June 2017;
  - (v) CRL.752.001.0087 as at 30 June 2018;
  - (vi) CRL.752.001.0100 as at 30 June 2019; and
  - (vii) CRL.752.001.0114 as at 30 June 2020.

**[6] The date of your appointment and (if applicable) resignation as a director of Burswood Limited, Burswood Nominees Limited, Burswood Resort (Management) Limited, Riverbank Investments Pty Ltd and Crown Melbourne Limited.**

21. I was a director of Burswood Limited, Burswood Nominees, Burswood Resort (Management), and Riverbank between 26 April 2007 to 1 January 2021. I was a director of Crown Melbourne between 8 November 2013 to 1 January 2021.

**[7] The circumstances by which you came to become a director of the companies referred to in paragraph 6.**

22. I became a director of Burswood Limited, Burswood Nominees, Burswood Resort (Management) and Riverbank upon my appointment as CEO of Crown Perth. I became a director of Crown Melbourne upon my appointment as CEO of Australian Resorts. This was a historical practice.

**[8] Whether you sat on any committees or working groups within the Crown Group. Provide details of the committees and working groups, including its duration, purpose, composition and reporting lines.**

23. During my involvement with the Crown Group, I sat on the following committees at the following times:

- (a) Crown Perth Executive Risk & Compliance Committee (**ERCC**) (2013-2020);
- (b) Crown Melbourne Executive Risk & Compliance Committee (2019-2020);
- (c) Crown Melbourne Compliance Committee (2016 – 2020);
- (d) Crown Melbourne and Crown Perth Executive Teams (unofficial groups of Crown officers who meet regularly) and Business Operations Teams; and
- (e) Crown Perth Responsible Gambling Management Committee (2013 – 2020).

24. I refer to the relevant minutes of each committee as follows:

- (a) minutes in chronological order for the ERCC in the period 29 January 2013 to 25 November 2020 are listed in the Schedule;
- (b) minutes in chronological order for the Crown Melbourne Compliance Committee in the period 6 February 2013 to 23 November 2020 are listed in the Schedule;

- (c) minutes in chronological order for the Crown Perth Responsible Gambling Management Committee in the period 30 January 2013 to 22 July 2020 are listed in the Schedule;
25. During my involvement with the Crown Group, I was also invited to meetings of the following committees from time to time:
- (a) Crown Resorts Occupational Health & Safety Committee;
  - (b) Crown Resorts Responsible Gaming Committee;
  - (c) Crown Resorts Risk Management Committee;
  - (d) Crown Melbourne Audit Committee; and
  - (e) Crown Resorts Brand Committee (August 2019 - January 2020).

### **Qualifications and expertise**

#### **[9] Your qualifications, expertise and experience generally.**

26. I have no formal qualifications. I have 34 years working in Casinos of which 30 years were in management or supervisory positions.

#### **[10] Your qualifications, expertise and experience specifically in relation to:**

- (a) **casino operations generally;**
- (b) **risk management in relation to casino operations generally;**
- (c) **in particular, and in the context of casino operations;**
  - (i) **AML/CTF risk management;**
  - (ii) **problem gambling risk management;**



- (iii) electronic gaming machine (EGM) risk management;**
- (iv) International Commission Business (as defined in the Casino (Burswood Island) Agreement) (ICB) / junket operations risk management;**
- (v) marketing in foreign countries, in particular China;**
- (vi) vulnerability of operations to criminal infiltration/association risk management.**

27. As to [10(a)] see my response to [9] above.
28. As to [10(b)], I have no formal qualifications in risk management. I generally recall attending presentations regarding Crown's response to risk management issues which also addressed general principles of risk management. My experience and exposure to risk management principles is also as a result of attending meetings for the ERCC or the Crown Melbourne Compliance Committee meetings. As a matter of course, I read the committee papers and, to the extent I was not able to attend meetings of the committee, significant issues were raised with me as a matter of course by those chairing the committees or my direct reports.
29. I recall that in 2018, Ms Siegers arranged a meeting with me in which, over the course of an hour, she presented a power point concerning risk management and Crown's response to risk management at that time.
30. As to [10(c)(i)], I recall that I was required to participate in annual on-line training for AML/CTF. I recall this occurred in the period from approximately 2013. The on-line training went for 30 to 45 minutes and comprised a series of scenarios and questions. I also participated in Crown Resorts board presentations in relation to AML in the period from approximately 2018 to 2020. I recall one session was presented by Louise Lane and a further was presented by Nick Stokes. While overseeing various amendments to the AML/CTF programme I was exposed to issues arising in the AML/ CTF space.

31. As to [10(c)(ii)], during the period I was General Manager and then Executive Manager of Gaming Machine Operations, I was involved in RSG initiatives. Some of these were voluntary initiatives by Crown and others addressed and implemented government regulation. I participated in on-line RSG training annually. The session went for approximately one hour and was scenario- and question-based. In the period 2013 onwards, I attended RSG Committee meetings where the Committee examined best practice and other casinos' practices. I recall that, in 2019, I assisted with setting up an expert panel on RSG which produced preliminary findings to the RSG Committee.
32. As to [10(c)(iii)], see my responses above to [10(c)(i) and (ii)].
33. As to [10(c)(iv)], I do not recall specific formal training around risk management in relation to ICBs or junkets over and above the AML/CTF training referred to above in my response to [10(c)(i)].
34. As to [10(c)(v)], I have no qualifications in marketing. In my professional experience I have been a senior representative of Crown overseas including China; however, I have never been employed in 'marketing' Crown.
35. As to [10(c)(vi)], I do not recall specific formal training around risk management in relation to criminal infiltration over and above the AML/CTF training referred to above in my response to [10(c)(i)].

**[11]What training or induction, if any, you were given at the time of your employment:**

- (a) **generally; and**
  - (b) **in relation to matters referred to in 10(a) to 10(c) above.**
36. At the commencement of my employment, I participated in a short induction. I was not given any other training or induction at the commencement of my employment with Crown in 1994. I learnt through on-the-job training. During my time as a manager, I provided formal skills training to new employees.

**[12] What training, if any, you were given during your employment:**

- (a) generally; and**
- (b) in relation to matters referred to in 10(a) to 10(c) above.**

37. During my time of employment I participated in training on various matters. These included training on Responsible Service of Alcohol, Occupational Health and Safety, sexual harassment awareness, respect and inclusivity awareness and indigenous cultural awareness. Otherwise, see response above to [10(a)-(c)].

**Governance**

38. With respect to the governance of the Crown Group of Companies, as it applies to Burswood Limited and Burswood Nominees, I refer to the following:

- (a) Group Structure charts for the Crown Group of Companies, being [CRW.701.004.2555] and [CRW.701.004.2554] which I understand are with Crown and will be provided to the Commission in due course, respectively;
- (b) Burswood Limited Minutes as listed in the Schedule; and
- (c) Burswood Nominees Board Minutes, as listed in the Schedule.

**[13] Your understanding of your responsibilities as a director of the companies in paragraph 6 above.**

39. Generally, I understand that as a director, I am required to act in a responsible and compliant manner in line with principles of good corporate governance. I also understand that the nature of the company and its operations influence the scope and nature of my responsibilities in relation to it.

**[14] Your knowledge or understanding of whether and to what extent Crown Resorts Limited, Crown Melbourne Limited (Crown Melbourne) or any other entity within the Crown Group, influenced or directed the manner of governance of Burswood Nominees Limited.**

40. The ultimate holding company of Burswood Nominees is, and was at all times, Crown Resorts. In practice, the management of Crown Perth set the business plan which was presented to the boards of Burswood Limited and Crown Resorts for approval. I do not recall any influence or direction by the board of Crown Melbourne on the governance of Crown Perth.

**[15] Your knowledge or understanding of the risk management system applicable to the activities of Burswood Nominees Limited.**

41. As an overview, risk management was addressed, operationally, by management and the legal department at Crown Perth which reported through to the board of Burswood Limited. The board of Burswood Limited received a legal risk and compliance report at each meeting as part of the board pack. The highlights of that were discussed at board meetings as required. Crown Perth employed a standard risk management framework. I recall that this was approved by the board of Burswood Limited. The risk management framework used a risk register through which risks were reported through to the ERCC. Crown Perth also had a Risk and Compliance Officer, Sasha Grist during the entire period. This is discussed in further detail below.
42. Crown's risk management framework involved the identification and control of all of the internal and external sources of risk at Crown Perth.
43. The ERCC's role was to assist the Burswood Limited board to monitor risk and compliance. The ERCC provided assessment and oversight over the identification and evaluation of material risks in business operations, actions to mitigate and manage business and compliance risks, the compliance program, and in relation to legal compliance matters and practices generally. The Compliance Program included strategies, annual compliance plans which were signed off by each General Manager for their Business Unit, compliance officers within each department, regular compliance

reporting, as well as corporate compliance activities coordinated by the Legal Services Department (which was led by Mr Preston). The ERCC also assisted the Crown Limited board in its risk management responsibilities.

44. The ERCC members were drawn from various parts of the Crown Perth management and board. While the individuals who held various roles changed from time to time, the ERCC usually had the following members:

- (a) Executive General Manager Legal & Corporate Services (Chair);
- (b) Chief Executive Officer;
- (c) Chief Operating Officer;
- (d) Chief Operating Officer – Hotels & Entertainment;
- (e) Chief Financial Officer;
- (f) Executive General Manager Human Resources;
- (g) General Manager Risk & Corporate Projects; and
- (h) General Manager Legal & Compliance (Committee Executive Officer).

45. The ERCC met quarterly, and usually discussed set agenda items, including the following:

- (a) Internal audit reports (Mr Preston);
- (b) Fraud (Mr Grist);
- (c) Risk update (Mr Grist);
- (d) Compliance framework (Mr Preston and Ms Grist);
- (e) Compliance and Regulatory update (Mr Preston);
- (f) Litigation update (Mr Preston);
- (g) AML/CTF update (Mr Preston);

46. The risk management framework was adapted over time. In addition, Risk Management Plans and Department Risk Registers were reviewed by the relevant management and the ERCC.
47. The Corporate Risk Profile which I refer to as the “risk matrix” or “matrix” was set annually and was reviewed regularly. The matrix set out the various risk issues, and the likelihood and consequence of those risks materialising. Typically that document was authored by Ms Grist and Ms Siegers. It was finalised and approved by both the CEO-Australian Resorts (myself) and the Executive Chairman – Crown Resorts. It was presented for approval at the board meetings for Burswood Limited, Crown Melbourne and Crown Resorts.
48. The boards of Burswood Limited and Crown Resorts set Crown Perth’s risk appetite and approved its risk management strategy. This was done through management for these companies reporting key risk and compliance issues to various committees which ultimately reported through to the boards and allowed the boards to make informed decisions around Crown’s risk appetite for particular issues. In this way the board would set the company’s risk appetite.
49. I also refer to my answers in questions [38], [40] and [42], which also discuss risk management specifically in the areas of junkets and AML/CTF.

**[16] Your knowledge or understanding of the management structure applicable to the activities of Burswood Nominees Limited.**

50. The primary activity of Burswood Nominees was holding the Casino Licence. There was a board of directors, of which I was a member. The operational decisions concerning the business of the casino were made at the Burswood Limited level. Burswood Limited had heads of various departments reporting to the CEO. I refer to documents [CRL.752.001.0033], [CRL.752.001.0047], [CRL.752.001.0060], [CRL.752.001.0073], [CRL.752.001.0087], [CRL.752.001.0100], and [CRL.752.001.0114].

**[17] Your knowledge or understanding of the employer of each person within the management structure of Burswood Nominees Limited.**

51. I do not understand there to have been a separate management structure for Burswood Nominees, other than for its board. There was a management structure at Burswood Limited level. My understanding is that Burswood Resort (Management) employed members of that management structure. Otherwise, I refer to my response to question [3] above.

**[18] Your knowledge or understanding of whether and to what extent persons within the management structure of Burswood Nominees Limited were influenced, directed or accountable to Crown Resorts Limited, Crown Melbourne or any other entity within the Crown Group in the performance of their duties and responsibilities.**

52. Of the directors of Burswood Nominees during my time on the board (2007-2021), Mr Barton, Mr Alexander, Mr Craigie, Mr Robert Turner and Mr Geoffrey Kleemann were also on the board of Burswood Limited and accountable to that entity in the performance of their duties and responsibilities. Mr Craigie, Mr Barton, Mr Alexander and Mr Kleemann were also directors of Crown Resorts and Crown Melbourne at various times, while Mr Turner was also a director of Crown Melbourne.

**[19] Your knowledge or understanding of whether and to what extent Burswood Limited influenced or directed the manner of governance of Burswood Nominees Limited.**

53. The board of Burswood Limited set the strategic direction of the business operated by Burswood Limited including in respect to the casino the subject of the licence held by Burswood Nominees. This is reflected in the minutes of the relevant board meetings for Burswood Limited.

**[20] Your knowledge or understanding of the demarcation of roles and responsibilities as between the directors of Burswood Nominees Limited, on the one hand, and the management of Burswood Nominees Limited as delegate of the board of directors, on the other.**

54. From 2007, the directors of Burswood Nominees had, with respect to the Casino business, the following roles and responsibilities:

- (a) as CEO of Crown Perth from 2007 to 2013 and CEO of Australian Resorts from 2013, I had an operational focus;
- (b) Mr Kleemann (2008), as Group CFO, had a finance and banking focus at Group level;
- (c) Mr Turner (2008 to 2010), as Group CFO, had a finance and banking focus at Group level;
- (d) Craig Spence (2013 to 2014), as CFO of Crown Perth, had a finance and banking focus at Crown Perth level;
- (e) Mr Craigie (2004-2017), as Group CEO, had oversight at Group Level;
- (f) Mr Alexander (2017-2020), as Group CEO and chairman (formal title: Executive Chairman) of Crown Resorts, had oversight at Group Level;
- (g) Mr Barton (2010 to 2021), as Group CFO, had a finance and banking focus at Group level and in 2020, he became Group CEO.

55. I do not currently recall any specific delegations of authority from Burswood Nominees to management at Crown Perth.

**[21] Your knowledge or understanding of whether and to what extent the assets of Burswood Nominees Limited, including the casino licence, have been used as security for the debts of any other company or entity within the Crown Group.**

56. I do not currently recall the casino licence or other assets being used as security for the debts of any other company or entity within the Crown Group at any time.



**[22] Your knowledge or understanding of the risk management system applicable to Burswood Limited.**

57. I refer to my response to question [15] above.

**[23] Your knowledge or understanding of the management structure applicable to Burswood Limited.**

58. I refer to my response to question [16] above.

**[24] Your knowledge or understanding of the employer of each person within the management structure of Burswood Limited.**

59. I refer to my response to question [17] above.

**[25] Your knowledge or understanding of whether and to what extent persons within the management structure of Burswood Limited were influenced, directed or accountable to Crown Resorts Limited, Crown Melbourne or any other entity within the Crown Group in the performance of their duties and responsibilities.**

60. See my response to question [18] above. Of the directors of Burswood Limited during my time on the board, the following were also on the board of Crown Melbourne, and also accountable to that entity in the performance of their duties and responsibilities, in the years listed:

- (a) Mr Barton (2010-2021);
- (b) Mr Alexander (2004-2020);
- (c) Mr Craigie (2002-2017);
- (d) Mr James Packer (1999-2016);
- (e) Mr Courtney (2007-2011);
- (f) Mr Turner (2008-2010); and

(g) Mr Kleemann (1999-2007).

61. Of the directors of Burswood Limited during my time on the board, the following were also on the board of Crown Resorts, and accountable to that entity in the performance of their duties and responsibilities, in the years listed:

- (a) Mr John Poynton (2018-2021);
- (b) Mr Barton (2020-2021);
- (c) Mr Alexander (2007-2020);
- (d) Mr Craigie (2004-2017);
- (e) Mr Packer (2007-2015, 2017-2018); and
- (f) Mr Kleemann (2007).

**[26] Your knowledge or understanding of the demarcation of roles and responsibilities as between the directors of Burswood Limited, on the one hand, and the management of Burswood Limited as delegate of the board of directors, on the other.**

62. I refer to my response to question [20] above. Maryna Fewster, Mr Poynton, Timothy Roberts were independent directors. Mr Packer was chair of Burswood Limited for a period of time. Mr Courtney was the previous CEO of Crown Perth.

**[27] Your knowledge or understanding of the risk management system applicable to Burswood Resort (Management) Limited.**

63. See my response to question [15] above.

**[28] Your knowledge or understanding of the management structure applicable to Burswood Resort (Management) Limited.**

64. Burswood Resort (Management) was the employing entity for Crown Perth. I am not aware of it having a separate management structure. Its board was substantively the same as Burswood Nominees during my time as director of both entities (2007-2020).

**[29] Your knowledge or understanding of the employer of each person within the management structure of Burswood Resort (Management) Limited.**

65. I refer to my response to questions [17] and [28] above.

**[30] Your knowledge or understanding of whether and to what extent persons within the management structure of Burswood Resort (Management) Limited were influenced, directed or accountable to Crown Resorts Limited, Crown Melbourne or any other entity within the Crown Group in the performance of their duties and responsibilities.**

66. I refer to my response to question [18] above as it applies to Burswood Resort (Management).

**[31] Your knowledge or understanding of the demarcation of roles and responsibilities as between the board of Burswood Resort (Management) Limited, on the one hand, and the management of Burswood Resort (Management) Limited as delegate of the board, on the other.**

67. I refer to my response to question [20] above as it applies equally to Burswood Resort (Management).

**[32] Whether you were aware of cl 22.1 (r) and cl 22.1 (ra) of the Casino Agreement between Crown Melbourne and Victorian Commission for Gambling and Liquor Regulation (VCGLR) and, if so:**

- (a) whether those clauses were ever discussed by or with the board of Burswood Limited or Burswood Nominees Limited during your tenure as a director; and**
- (b) how those clauses were interpreted by, and applied to, the operations of Burswood Limited and Burswood Nominees Limited.**

68. I do not recall ever seeing clauses 22.1(r) and (ra) before preparing this statement. ~~The effect of those clauses was brought to my attention in about 2013 by Michelle Fielding~~

~~and Michael Nielson.~~ At all times I knew there was an obligation on Crown Melbourne in accordance with clause 22.1(ra)(i), (ii) and (iii).

69. As to (a), I do not recall clauses 22.1(r) or (ra) of the Casino Agreement being discussed by the board of Burswood Limited or Burswood Nominees.
70. As to (b), I do not recall those clauses being interpreted or applied to the operations of Burswood Limited or Burswood Nominees.

**[33] The phrases 'risk appetite' and 'risk tolerance' are commonly used in risk management aspects of corporate governance. Acknowledging that the reach and understanding of those phrases is of relatively recent origin, what is your knowledge or understanding of the approach and attitude of Crown Resorts Limited, Burswood Limited, Burswood Nominees Limited and Burswood Resort (Management) Limited to risk appetite and risk tolerance:**

- (a) at the commencement of your employment and (or) directorship(s);
  - (b) whether it changed from time to time during your employment and (or) directorship(s); and
  - (c) the frequency and nature of any instructions given to you by the directors of one or more of those companies or others to whom you reported on those subjects.
71. I understand 'risk appetite' to be what the organisation will accept from a risk perspective before it puts in place strategies or undertakes activities. When I commenced my directorship at Burswood Limited in 2007, I was aware that the company had a low risk appetite. I do not recall specifically the term "risk appetite" being used at the commencement of my directorship; however, I recall the general principles of risk management and approach being discussed at board level. As CEO, I recall that I had quarterly meetings with Ms Grist, the Risk Compliance Officer, to review the risk registers and risk map. These were discussed at the time with respect to the Legal Risk and Compliance reports that were tabled at each meeting. After the China Arrests in

2016, I recall that the words “risk appetite” were used more frequently and that the attitude of Crown Limited and its subsidiaries was that its risk appetite was lower than before.

72. “Risk tolerance” is not a term I would use or which I frequently encountered.

**[34] Your knowledge or understanding of the entities concerned in or associated with the organisation and conduct of gaming operations at the Perth Casino and the manner in which gaming operations at the Perth Casino are organised and conducted, including as to:**

- (a) the identity of the employer of individuals engaged in gaming operations at the Perth Casino;**
- (b) the identity of the operator and (or) manager of gaming operations at the Perth Casino;**
- (c) any agreement, arrangement or understanding between Burswood Nominees Limited and any employer and operator and (or) manager referred to in paragraphs 34(a) and 34(b); and**
- (d) the extent to which Burswood Nominees Limited has the ability to supervise and control the organisation and conduct of gaming operations by any employer or operator and (or) manager referred to in paragraphs 34(a) and 34(b).**

73. As to [34(a)], I understand that Burswood Resorts (Management) employed the individuals engaged in gaming operations at Perth Casino.

74. As to [34(b)], Lonnie Bossi was the chief operating officer at the Perth Casino.

75. As to [34(c)], I understand that there were standard employment agreements with Burswood Resort (Management) and that Mr Bossi would have been a party to such an agreement with Burswood Resort (Management). I am not aware of any written agreement, arrangement or understanding between Burswood Nominees and Mr Bossi.

76. As to [34(d)], I understood the supervision and control of the organisation and conduct of gaming operations by Mr Bossi and Burswood Resort (Management) was undertaken at Burswood Limited level.

**[35] Your knowledge and understanding of the manner in which the casino gaming operations of the Perth Casino are and (or) were funded in the period 2014 to the present.**

77. The casino gaming operations were solvent and, to the best of my knowledge, were funded out of revenue.

**[36] Your knowledge and understanding of the financial position of Burswood Limited, Burswood Nominees Limited and Burswood Resort (Management) Limited in the period 2014 to the present.**

78. See my response to question [35] above. I understood that each of Burswood Limited, Burswood Nominees and Burswood Resort (Management) were solvent and that the operations of each were funded from revenue from the operations of Crown Perth.

**[37] For the period 2014 to present, please include, for example, your knowledge and understanding of:**

- (a) any dividends or trust distributions paid by one or more of Burswood Limited, Burswood Nominees Limited and Burswood Resort (Management) Limited to other Crown Group members;**
- (b) any payments made and the purpose(s) for payments made by Burswood Limited, Burswood Nominees Limited, Burswood Resort (Management) Limited to other Crown Group members;**
- (c) any loans to Burswood Limited, Burswood Nominees Limited and Burswood Resort (Management) Limited from other Crown Group members;**
- (d) any loans made by Burswood Limited, Burswood Nominees Limited and Burswood Resort (Management) Limited to other Crown Group members;**

- (e) **any guarantees of debts of Crown Group members given by Burswood Limited, Burswood Nominees Limited and Burswood Resort (Management) Limited;**
- (f) **any debts and any security provided for any debts (contingent or not) of Burswood Limited, Burswood Nominees Limited and Burswood Resort (Management) Limited;**
- (g) **any assets of Burswood Limited, Burswood Nominees Limited and Burswood Resort (Management) Limited;**
- (h) **any budget of Burswood Limited, Burswood Nominees Limited and Burswood Resort (Management) Limited; and**
- (i) **any business or strategic plan with respect to the casino gaming operations of the Perth Casino of one or more of Crown Resorts Limited, Burswood Limited, Burswood Nominees Limited and (or) Burswood Resort (Management) Limited, and the anticipated future revenues from such business or strategic plan.**

79. As to [37(a)-(f)], I had no direct involvement in and no specific knowledge of these matters other than what may have been brought to my attention in any board papers and at the relevant meetings. I have no specific recollection of those matters now.
80. As to [37(g)], I understand that the assets of Burswood Limited included the property, land holdings, plant and equipment and cash on hand. I have had that understanding since 2014. I understand that the assets of Burswood Nominees included the casino licence. I have had that understanding since 2014.
81. As to [37(h)], Burswood Limited had annual budgets. Every department had a budget which fed into the main budget. I presented the budget to the board annually as is recorded in the relevant papers and minutes.
82. As to [37(i)], each of Crown Resorts, Burswood Limited, Crown Melbourne and Crown London Aspinalls had a financial plan and targets set each year. I presented the budget

to the relevant board annually. I recall that the financial plan contained projections for the coming year, coming four years, including as to future anticipated revenues and EBITDA.

### **International Commission Business**

**[38] Your knowledge and understanding of the historical structure and operation of the ICB of the Crown Group generally and separately in regard to the Perth Casino, including as to:**

- (a) its financial model;**
- (b) management responsibility;**
- (c) agreements, arrangements or understandings with junket operators, junket representatives and (or) premium/privileged players;**
- (d) memberships, loyalty programs or other agreements, arrangements or understandings with premium/privileged players or casino patrons;**
- (e) the provision of credit to junket operators, junket representatives, premium/privileged players and (or) other patrons;**
- (f) the receipt of payments from junket operators, junket representatives, premium/privileged players and (or) other patrons using a credit or debit card with the funds then made available for gaming activities;**
- (g) the provision of gratuities to junket operators, junket representatives, premium/privileged players and (or) other patrons;**
- (h) the provision of funds for gaming at the Perth Casino by junket operators, junket representatives, premium/privileged players and (or) other patrons;**
- (i) target markets and marketing for ICB; and**



- (j) **the identification and management of risk associated with ICB, including the risks to employees, agents or patrons in target markets.**

83. As to [38(a)], the ICB consisted of:

- (a) junket operators/ representatives and players; and
- (b) premium players.

84. Both Crown Melbourne and Crown Perth have been offering both Junket and Premium Player arrangements for high-net-worth International customers for the majority of times both these properties have been doing business, with the lion's share of the business going to Melbourne.

85. As to [38(b)], before 2016, Crown Perth had a VIP management team consisting of the head of VIP Perth and staff in charge of credit control. They worked with their counterparts in Melbourne to conduct background and credit checks on customers. The VIP management team in Crown Perth reported to the COO, Crown Perth, on the ICB business. At this time, the sales staff reported to Michael Chen who reported to Mr O'Connor who was based in Melbourne. From 2016, the ICB, with the exception of hosting and on the ground servicing of customers, was run out of Melbourne. From this time, the hosts reported into Jacinta Maguire, Group General Manager International Business Operations, Melbourne.

86. As to [38(c)-(h)], Crown entered into agreements with junket operators which included commission terms. A similar arrangement operated for premium players. Typically a Junket Operator or a Premium Player would enter into an agreement with Crown Perth or Crown Melbourne whereby Crown would agree to pay a commission based on the gaming activity of that Junket or Premium Player. Such arrangements would also include the provision of complimentary benefits to the Junket/Premium Player which would typically consist of accommodation, food and beverage and in some instances airfares or transportation. The agreement would also state the Credit Limit (if applicable) or the Cheque Cashing Facility (if applicable) available to the customer. These benefits are standard industry practice for those Casinos who are active in ICB. This information would be collated and approved by a variety of personnel including VIP Management,

Credit Control Officers, Sales staff and Executive Management (who would approve any applicable Credit Limit).

87. Front Money was a term used in the casino business to represent what funds a Junket/Premium Player had at their disposal. This would typically be a specific credit/cheque facility limit or funds received by way of a telegraphic transfer or cash or foreign currencies or a cheque from another casino or bank cheques. I recall that at Crown Perth, the use of credit cards had been approved for VIP international players. China Union Pay was not available at Crown Perth.
88. As to [38(i)], up until 2016, Crown's target market for the ICB Business encompassed Asia. In particular, Crown had offices in Asia including Hong Kong, Kuala Lumpur, Jakarta and Singapore. Staff were also located in China, Japan and Taiwan.
89. As to [38(j)], Junket Operators/Junket Players/Premium Players would all undergo a know your customer (**KYC**) process as well as a due diligence process. Junket Operators and Premium Players would need to open a deposit account with the Casino Cage so that all financial transactions could be transacted through that account for operational purposes. Reportable cash transactions (i.e. AUD 10,000 or \$5000 in any other currency) were monitored for threshold transaction reporting (**TTRs**), and cash or cash equivalent transactions (e.g. casino gaming chips, telegraphic transfers) were monitored for suspect matter reporting (**SMRs**) for AML purposes.
90. SMRs and TTRs were collated and reported, as to numbers within a period, to the ERCC which reported these figures to the board of Burswood Limited.
91. In the regions deemed to need more attention (for example, China), Crown, over the course of time, sought and received a number of advices both from a respected legal firm, Wilmer Hale, and from a well-known advisory firm, Mintz. Both of these firms had a presence in, and offices which operated out of, China. These advices were either forwarded to me, or the effect of the advice was relayed to me by Mr O'Connor or Mr Chen either by email or by telephone. The purpose of engaging such firms was to establish that our operations were, firstly, legal and, secondly, to get a temperature check on any potential risks to our operations. Crown also sought industry feedback on what

other large Casino operators were doing throughout the region. By way of example, I refer to Mintz and Wilmer Hale advices: [CWN.502.032.1182], [CWN.502.068.6593] and [CWN.514.073.1867].

92. I also refer to my response to question [15] above as to the general risk management framework.

**[39] Your knowledge or understanding of the oversight exercised historically by the directors or managers of one or more of Crown Resorts Limited, Burswood Limited, Burswood Nominees Limited and Burswood Resort (Management) Limited as to the structure and operation of the ICB of the Perth Casino.**

93. At board meetings for Crown Resorts or Burswood Limited, I regularly reported to the board concerning ICB matters. The directors of both Crown Resorts and Burswood Limited had a good historical knowledge of the operations and performance of the International Casino Business. I obtained the information forming the basis of my reporting to the boards from financial reports and from Mr O'Connor (head of VIP International) or Mr Chen, Ms Maguire or Roland Theiler. In addition, the COO and then CEO (Mr Bossi) had oversight over Perth ICB matters. Mr Bossi also updated the board of Burswood Limited regarding ICB matters as required.

**[40] Your knowledge or understanding of the systems, policies and procedures historically applicable for the Crown Group and (or) Perth Casino for:**

- (a) due diligence upon, and probity investigations of, prospective junket operators, junket representatives, premium/privileged players and other patrons before approving or entering into an agreement, arrangement or understanding with junket operators, junket representatives, premium/privileged players and patrons in connection with gaming activities at a Crown casino; and**
- (b) review, affirmation, cancellation or termination of approvals, agreements, arrangements or understandings with junket operators, junket**

**representatives, premium/privileged players and patrons in connection with gaming activities at a Crown casino.**

94. Crown Melbourne and Crown Perth have historically undertaken due diligence and approvals of both Junkets and Premium Players. Over time, the level of due diligence has increased significantly particularly in the area of Junkets. Before 2016, I recall that Crown Melbourne and Crown Perth conducted KYC processes and ran customer names through World Check. I recall Crown Melbourne and Crown Perth also relied on the customer's capacity to apply successfully for visa entry as an additional probity check. After 2014, the credit control team undertook additional checks. After 2016, I recall that sales staff obtained documents to verify identity and addresses and sources of wealth. The Credit Control team (headed by Mary Gioras) obtained information such as Police Clearances, DICJ (Macau Regulator) licences, Independent Wealth Checks, checks of the Dow Jones database, company searches, Google searches, credit history checks, and property searches. From 2020 onwards, I recall the team also conducted surveillance database checks, visa checks and police checks for all Junkets, as well as media searches.
95. I recall that after 2016, all existing junkets were reviewed by a senior management committee and all new Junkets required approval, to operate, from an executive group consisting of Michael Johnston, Mr Preston and me.
96. In addition to the above, all Junket operators/Junket Representatives/Junket Players and Premium Players were run through the Dow Jones database on a daily basis to look for any adverse commentary or findings.
97. A Person of Interest (**POI**) Committee operated in Crown Melbourne, but also applied to international customers undertaking business at Crown Perth. If there were concerns about a particular representative, operator and or player, they would be reviewed by the POI Committee for suitability for approval or continuation of their arrangements.
98. As for individuals, Notices Revoking Licence (**NRLs**) applied in Crown Perth. If an NRL was issued for behavioural or other issues, a person could be excluded from the premises.

99. The Crown Group's dealings with junkets were paused in mid-2020 and ceased completely in late 2020.

**[41] Please include, for example, your knowledge or understanding historically of the Crown Group generally and separately in regard to the Perth Casino, including as to:**

- (a) the person(s) and (or) positions responsible for performing due diligence and probity investigations about a junket operator, junket representative or patron;**
- (b) the person(s) and (or) positions responsible for decisions to approve/disapprove or enter into/terminate an agreement or arrangement with a junket operator, junket representative or patron;**
- (c) the policy for reporting to directors and (or) senior managers the due diligence outcomes and decisions to approve/disapprove or enter into/terminate agreements or arrangements with a junket operator, junket representative or patron;**
- (d) the policy for extending credit to junket operators, junket representatives, premium/privileged players and (or) other patrons; and**
- (e) the policy for reporting decisions to extend credit to junket operators, junket representatives, premium/privileged players and (or) other patrons to directors and (or) senior managers.**

100. As to [41(a)], due diligence was performed by the Credit Control team in conjunction with the AML team in Melbourne.

101. As to [41(b)], approval would first go through the head of Credit Control (Ms Gioras) who would make a recommendation. The recommendation then went to Mr Theiler, the SVP for International Business, for his approval. Mr Theiler would send an email with the patron details and checks that had been performed and any other supporting information to Mr Johnston and Mr Preston, and me for final approval. I, and the others, would individually review the material. If any of us had a concern we would write back

to Mr Theiler, copying in the rest of the group. Each of us would make an individual determination. I recall refusing two applications in relation to two individuals. As a result, those two individuals were not approved. I refer to the email dated 24 December 2019 between Mr Theiler and myself, copied to others at [CRL.667.001.0004].

102. As to [41(c)], there was no general reporting to the board as to outcomes of the junket approval process. However, the board was aware of the process for approval. In 2016, a review of all junkets was undertaken by Mr Craigie, Mr Johnston, Mr Nielson, Mr Barton, Mr Preston, Mr Theiler and me. Approximately 100 junkets were removed as a result of that process. Further, any new junkets were, from that time, subject to an enhanced due diligence process and required to be signed off by Mr Johnston, Mr Preston and myself.
103. As to [41(d)], once approval to operate was obtained, a line of credit or credit limit was approved according to a matrix with regard to the amount of credit sought by the Junket/Player. This would include more than one senior manager.
104. As to [41(e)], senior management approved the limits. Directors were not typically made aware of the extension of credit limits to individuals.

## **AML/CTF**

**[42] Your knowledge and understanding of the nature and content of the AML/CTF systems, policies and procedures as to the identification and management of the risks of money laundering and terrorism financing in connection with gaming operations at the Perth Casino.**

105. Crown Perth had an AML/CTF programme which was managed through the legal department. The AML/CTF programme covered such issues as transaction monitoring (threshold, suspect and international funds transfer transaction recording), KYC policies and procedures, and liaising with various law enforcement agencies including AUSTRAC. This programme was approved at board level, and reported on through the ERCC, and ultimately through to the Crown Resorts board.

106. **Threshold (\$10,000) reporting (TTRs):** the Cage or any one accepting cash were required to raise a report for any cash transaction exceeding the threshold. This report would be logged into Crown's casino operating system: SYCO. The AML officers would review the information in the SYCO report. Once the AML team was satisfied the report was accurate, it would lodge that report with AUSTRAC.
107. **Suspect Matter Reports (SMRs):** a report could be made at any part of the property where cash was involved. The process was similar to that of TTRs. The person making the report would log the report into SYCO including as much detail as they could. That report would go to the AML team which would then review the information for the purposes of completing an SMR. The SMR was logged in the AUSTRAC system. A series of policies, tailored to different departments, guided staff as to when a SMR should be raised. Typically, an SMR might be raised on one or multiple transactions just under the reporting threshold. It could also arise from, for example, a patron's responses to questions seeking identification details or from conduct such as a person depositing at the Cage a large amount of small bills or conduct which the Crown staff considers is "out of the ordinary".
108. **International Funds Transfer Instructions (IFTIs):** IFTIs applied to international funds transfers made on behalf of a customer. The staff were required to complete a form with details of the international funds transfer including customer details, bank and source of funds. The IFTIs were then required to be lodged with AUSTRAC.
109. In addition to the above, the surveillance department of Crown Perth was tasked with looking out for suspect transactions. Also, depending on the nature of the conduct or transaction, law enforcement might be advised.
110. All relevant staff received annual online training in relation to AML/CTF. Areas with a higher exposure to dealing with cash received more detailed training. Reports of training completion rates for each department were provided to the board of Burswood Limited.
111. Internal audits were regularly done on AML/CTF reporting to check if Crown was reporting correctly. The results of the internal audits went to the ERCC and then to the board of Burswood Limited as part of the Legal Compliance update.

112. Credit Control, Finance/ Treasury and the Cage reviewed the bank accounts on a daily basis with a view to identifying which customers had deposited particular amounts. This would be recorded on the SYCO system. As part of that review, Credit Control, Finance/ Treasury and the Cage were all trained in and expected to identify any potential AML/CTF transactions as well as anomalies which could give rise to SMRs. As a matter of practice, this applied to all bank accounts where patrons could deposit funds.
113. The systems, policies, and procedures changed in response to changes in the AML/CTF legislation. For example, in 2014 as a consequence of amendments to the legislation and AML/CTF Rules which required reporting entities to consider a greater range of matters with respect to potential customers Crown then amended its AML/CTF Program (see ERCC Committee papers dated 25 November 2014 at **CRW.701.001.1181 at .1251**). Also, AUSTRAC reviewed the systems in place, made an assessment and required and recommended changes to the AML/CTF Program to be made. To the best of my recollection, Crown implemented the required changes and reviewed, and generally implemented, any recommended changes to the extent it was feasible to do so.
114. To the best of my recollection, AUSTRAC completed compliance assessments for each of Crown Perth and Crown Melbourne approximately every two years.
115. I am aware that the Crown Group also sought and received external reviews of the AML/CTF program and systems, including from Minter Ellison and Initialism.

**[43] Your knowledge or understanding of the management responsibility within Burswood Nominees Limited and the Crown Group for identifying and managing money-laundering and terrorism financing risks.**

116. Crown Perth had an AML team. These included AML officers who, after 2017, reported through to the Group General Manager AML based in Melbourne, Ms Lane. From 2019, Mr Stokes held that role. Ms Lane, and then Mr Stokes, reported through to Mr Preston.



**[44] Your knowledge and understanding of the oversight exercised by the directors of Crown Resorts Limited, Burswood Limited, Burswood Nominees Limited and (or) Burswood Resort (Management) Limited as to the development and implementation of, and compliance with, its systems, policies and procedures to identify and manage the risks of the Perth Casino operations being used as a vehicle to facilitate money-laundering.**

117. Development, implementation and compliance issues were identified to the relevant boards through the committee system. Any changes to the AML/CTF Programme would go through ERCC to the Burswood Limited board and also the Crown Resorts Risk Committee. Directors of Crown resorts had briefings from Ms Lane and Mr Stokes around AML/CTF and also from external parties in relation to transaction monitoring.
118. I recall that, every year, the Group General Manager of Risk and Audit (Ms Siegers) completed a Strategic Internal Audit Plan on the areas to be audited over a 12-month period, including AML/CTF risks. This was based on feedback from the ERCC, from both Crown Perth and Crown Melbourne. At the Crown Resorts board meeting, Ms Siegers would report on the risk matrix and report on any changes to systems in place. Before Ms Siegers, Drew Stuart (Crown Melbourne) and Ms Grist (Crown Perth) completed the Strategic Internal Audit Plan.
119. Internal audit would conduct the audits, as set out in the Strategic Internal Audit Plan, and report back on the level of compliance with the procedures and policies they were auditing. This Internal Audit Activity Report would be reported to the ERCC. Typically Ms Siegers would speak to that report. The Internal Activity Report would then be reported up through to the Burswood Limited Board as part of the Legal and Compliance update and spoken to by either Mr Preston or myself.
120. As part of its annual audit, Ernst & Young would note the internal audits conducted by Crown including with respect to AML/CTF.

**[45] Your knowledge or understanding of what, if any, investigations or enquiries have been undertaken by the board of Crown Resorts Limited, Burswood Limited, Burswood Nominees Limited and (or) Burswood Resort (Management) Limited, and when, to ascertain whether any bank accounts of Riverbank Investments Pty Ltd (Riverbank) or any other bank accounts maintained with respect to the Perth Casino operations may have been used as a vehicle to facilitate money-laundering or terrorism financing.**

121. I recall that Neil Jeans of Initialism was retained to investigate Crown's transaction monitoring programme (TMP) in late 2018, and that in or about July 2019 Initialism provided its report). I recognise the document [INI.0004.0001.0008] as that report. I recall reading the Executive Summary at the time. In accordance with my usual practice, I would have read the entire document because of its importance at the time. I recall that Mr Jeans gave a presentation to the board of Crown Resorts.

122. I also recall that Minter Ellison was approached by the Crown Group in or around July 2019 to provide advice concerning whether the AML/CTF Programme was compliant.

**[46] Whether you know or suspect that any bank accounts maintained with respect to the Perth Casino operations, other than a bank account of Riverbank, may have been used as a vehicle to facilitate money-laundering or terrorism financing.**

123. Up until the end of 2020, I was not aware and did not suspect that any bank accounts, other than a bank account of Riverbank, may have been used for money laundering or terrorism financing.

**[47] Whether you know if any of Burswood Limited, Burswood Nominees Limited and (or) Burswood Resort (Management) Limited received or assisted in receiving payments at any hotel forming part of the Perth Casino complex from international customers using a credit or debit card (ordinarily a China Union Pay (CUP) card), with the funds received then being made available for gaming.**

124. I do not understand CUP to have been used at Crown Perth. I was aware that certain other credit cards had been approved by GWC for use in Crown Perth and, as a result of that, I assume that those cards may have been used.

## **Riverbank**

### **[48] Your understanding of your responsibilities as a director of Riverbank.**

125. I refer to my response to question [13] above. Riverbank was a wholly owned subsidiary, along with a number of other subsidiaries, of Burswood Limited which made the operational and other decisions for the business of Crown Perth. The focus of my attention was given to the activities of Crown Perth of which Riverbank was a small part.

### **[49] Your knowledge or understanding of the activities, assets and business of Riverbank.**

126. I was aware that the only activity of Riverbank was to hold bank accounts.

### **[50] Your knowledge or understanding of the circumstances in which Riverbank opened and operated any bank accounts that were used in connection with gaming at a casino (Riverbank Accounts), including as to:**

- (a) how it was decided that Riverbank was to hold, and continue to hold, bank accounts which were to be used by the Perth Casino's patrons to deposit funds; and
- (b) otherwise, the purpose of accounts with financial institutions held by Riverbank.

127. The decision to hold bank accounts under Riverbank for the purpose of depositing patrons' funds predates my directorship of Riverbank. I understand that it was a common practice, historically, for casinos to have bank accounts with a different name to that of the casino into which patrons could deposit funds. This was to provide privacy for customers who did not want their spending at a casino to be displayed on their bank account statements and, in that way, revealed to their spouse or bank manager. I understand that the continuation of the bank accounts under Riverbank was for that purpose although I do not recall any discussion at board level in relation to this issue.

**[51] Your knowledge and understanding of the risk management system which applied to Riverbank, both in and of itself and more broadly within the context of the Crown Group.**

128. The Riverbank bank accounts were subject to the Crown Perth Transaction Monitoring Programme and AML/CTF Compliance Programme under the umbrella of Burswood Limited which was the reporting entity for AML/CTF purposes. The usual internal audit process would also apply. I refer to my responses to questions [42] to [44]. I refer to the memorandum by Mr Preston to Mr Johnston, copied to me and dated 4 August 2019. This accords with my understanding of the systems and processes applying to management of AML/CTF risk in relation to the Riverbank bank accounts at all relevant times up to 2020 [CRL.563.002.4035].

129. I also refer to my response to question [15] with respect to the risk management system generally.

**[52] Your knowledge and understanding of the management structure which applied to Riverbank.**

130. Riverbank had its own board. However, it did not have a separate management team. The management of the bank accounts was addressed as part of the management of the Crown Perth business in circumstances where Riverbank was a part of Crown Perth and a wholly owned subsidiary of Burswood Limited.

**[53] Your knowledge and understanding of the persons who performed services in relation to the activities of Riverbank and which entity employed those persons.**

131. The persons who performed services in relation to Riverbank were Finance, the Cage, the Credit Control team and Treasury. Employees of the Cage and Crown Perth Finance team were employed by Burswood Limited. Employees of Treasury and the Credit Control team were employed by Crown Resorts or Crown Melbourne.

132. Mr Barton, as CFO, was in charge of banking and finance and was involved in oversight of Crown Perth's bank accounts, including those of Riverbank. I understand that he was involved in dealing with the banks concerning the opening and closing of bank accounts. I understand he was employed by Crown Resorts Management.

**[54] Your knowledge and understanding of the persons who were responsible for transferring funds from the accounts with financial institutions held by Riverbank for use by patrons of the Perth Casino and under whose direction they did so.**

133. A combination of VIP Credit Control, Finance and the Cage all reviewed the transfers of funds into bank accounts held by Riverbank. Transfers of approved funds for use by patrons would be within the remit of the Cage. This would be under the direction of David Brown, the General Manager Cage and Count.

**[55] Your knowledge and understanding of whether and to what extent persons who performed services for Riverbank were influenced, directed or accountable to Crown Resorts Limited, Crown Melbourne or any other entity within the Crown Group in the performance of their duties and responsibilities.**

134. I refer to my responses to questions [52] to [54] above. In addition to the matters set out in my responses to those questions, the persons listed there were ultimately accountable to the board of Crown Resorts in circumstances where Crown Resorts was the ultimate holding company and therefore ultimate owner of the business of Crown Perth. Officers from Crown Melbourne were, at times, also involved in providing services with respect to the operation of the bank accounts; however, I do not understand that the Crown Perth business operations were ever accountable to the board of Crown Melbourne.

**[56] Your knowledge and understanding of the person(s) and (or) positions responsible for monitoring the operation of the bank accounts of Riverbank for compliance with systems, policies and procedures to identify and manage the risks of the Perth Casino operations being used to facilitate money-laundering and terrorism financing.**

135. I refer to my response to question [51]. I also refer to the memorandum by Mr Preston date 4 August 2019 [CRL.563.002.4035] which reflects my understanding of the persons responsible for monitoring the operation of the bank accounts.

**[57] Your awareness of the extent to which the operation of the bank accounts of Riverbank was accounted for in the AML/CTF program of the Crown Group or entities within that group, including as to:**

- (a) the extent to which the Riverbank Accounts were the subject of AML/CTF systems, policies and procedures;**
- (b) whether any internal Crown AML/CTF reports were prepared in connection with one or more of the Riverbank Accounts; and**
- (c) whether any internal Crown AML/CTF reports prepared in connection with one or more of the Riverbank Accounts were reported to or provided to directors of Burswood Nominees Limited and (or) other members of the Crown Group.**

136. I understood that the bank accounts were accounted for in the AML/CTF programme in the manner set out in the memorandum dated 4 August 2019 at [CRL.563.002.4035] at all relevant times. I understood that the bank accounts of Riverbank were subject to the reporting, internal reporting and other requirements as set out above in response to questions [42] to [44].

**[58] Your awareness of legal advice in respect of the operation of the bank accounts of Riverbank insofar as it concerns the AML/CTF compliance program of the Crown Group, or entities within that group, and otherwise the compliance of those entities with the Australian AML/CTF legislation requirements.**

137. I recall that the Crown Group received internal and external legal advice in relation to the AML/CTF programme. The bank accounts of Riverbank formed part of the Crown Group AML/CTF programme, and so advice on their operation was addressed, in a general manner, in that context.

**[59] Your involvement in, or awareness of, concerns expressed by financial institutions, with which bank accounts in the name of Riverbank were held, that such accounts may have been used by third parties for the purpose of money-laundering, as well as what response was given and ought to be given to those financial institutions in relation to such concerns.**

138. I have no present recollection of being told that any financial institution had expressed concerns that Riverbank bank accounts may have been used by third parties for the purposes of money-laundering at any time before the Bergin Inquiry. I recall HSBC closed the Riverbank bank accounts because it was exiting the gaming business as a whole (and not just Crown).

139. I was not involved in negotiating with any banks in relation to the opening or closing of Riverbank accounts. I was aware that ANZ held the banks accounts for Crown Perth and so I would have been aware that Riverbank's bank accounts would also have been held with ANZ. I do not presently recall issues concerning the ANZ accounts being brought to my attention. However, if there were issues brought to the attention of any of the members of the board, I would expect that also to have been brought to my attention. At all times up until 2020, Mr Barton and Travis Costin, of Treasury, dealt with all banking negotiations and issues arising in connection with the bank accounts. These issues would typically have been escalated to Mr Barton who would step in to assist as the executive responsible, and as CFO.

**[60] Your knowledge or understanding of the circumstances in which one or more of the Riverbank Accounts was closed, including as to:**

- (a) whether the directors of Crown Resorts Limited, Burswood Limited, Burswood Nominees Limited and (or) Burswood Resort (Management) Limited were provided with reports or other information about the closure of one or more of the Riverbank Accounts; and**
- (b) (b) the response of Crown Resorts Limited, Burswood Limited, Burswood Nominees Limited and (or) Burswood Resort (Management) Limited to the closure of one or more of the Riverbank Accounts.**

140. I refer to my response to question [59] above.

**[61] Your knowledge or understanding of differences (if any) in the way the bank accounts of Riverbank and bank accounts of Southbank Investments Pty Ltd were opened and operated in connection with gaming at the Perth Casino and Melbourne Casino respectively.**

141. My understanding is that the accounts for each of Riverbank and Southbank operated largely in the same manner in relation to gaming at Perth Casino and Melbourne Casino, respectively. To the best of my recollection the VCGLR approved the Southbank bank accounts whereas the GWC were notified of the Riverbank bank accounts. Otherwise, I refer my responses to questions [51] to [57] above.

#### **Taxes and fees**

**[62] Your knowledge or understanding of what, if any, investigations or enquiries have been undertaken by the board of Burswood Limited, Burswood Nominees Limited or Burswood Resort (Management) Limited, and when, to ascertain whether there has been any underpayment of the tax payable under section 20 of the Casino Control Act 1984 (WA) (Tax) to the State of Western Australia by Burswood Nominees Limited with respect to the operation of the Perth Casino.**

142. At no point during my time on the board was it ever brought to my attention, or, to the best of my knowledge, the attention of other board members, that Crown Perth may have underpaid any tax owing to the State of WA. No inquiries or investigations were undertaken by the board to investigate or ascertain any suspected underpayment.

143. There was no cause for me to consider that an investigation or an inquiry was necessary as to the underpayment or potential underpayment of tax to the State of WA. This is so in the following circumstances.



144. Each month, the Finance department obtained the revenue figures for Crown Perth and calculated the tax payable. The Finance department would forward its calculations to the Department for it to review. During the same period, the Department would have separately obtained the daily gross gaming revenue from the Cage (which included the hard and soft counts from the gaming tables, EGMS and VIP rooms) and any other revenue information required for the Department to conduct its own review. On occasion there may have been minor discrepancies between the records of the Department and Crown. In the normal course, these were addressed by Finance and resolved with the Department. I do not recall any of these issues being escalated to the board of Burswood Limited. In addition, the Audit team also undertook a review of the revenue and tax calculations. During the relevant period, the auditor was Ernst & Young which reviewed and signed off on the accounts before these were presented to the board.

**[63] Your knowledge or understanding of what, if any, investigations or enquiries have been undertaken by the board of Burswood Limited, Burswood Nominees Limited or Burswood Resort (Management) Limited, and when, to ascertain whether there has been any underpayment of casino gaming licence fees to the GWC (Licence Fees) by Burswood Nominees Ltd with respect to the operation of the Perth Casino.**

145. At no point during my time on the board was it ever brought to my attention, or, to the best of my knowledge, the attention of other board members, that Crown Perth may have underpaid its licence fee to the GWC. No inquiries or investigations were undertaken by the board with respect to any such potential underpayment.

146. There was no cause for me to consider that an investigation or an inquiry was necessary as to the underpayment or potential underpayment of the licence fee. This is so in circumstances where, to the best of my recollection, the licence fee was a set fee, indexed to CPI, for the relevant period.

**[64] Your knowledge or understanding of whether, at any time, in determining the 'Casino Taxable Revenue' (as defined in the Casino (Burswood Island) Agreement) for the Perth Casino the cost of goods or services provided as gratuities or loyalty program rewards to gaming patrons have been deducted on the basis that they are 'winnings'.**

147. As far as I am aware, there was no deduction claimed for the cost of goods or services provided as gratuities or loyalty programmes on the basis that they were winnings or on any other basis.

### **Response to public allegations and regulatory investigation**

**[65] Your knowledge and understanding of any response of Crown Resorts Limited, Burswood Limited, Burswood Nominees Limited and (or) Burswood Resort (Management) Limited to public allegations of money laundering through the Perth Casino and the Melbourne Casino, infiltration of the Perth Casino and the Melbourne Casino by organised crime and associations between Crown and organised crime made at or around the following times:**

- (a) September 2014: Four Corners "High Rollers – High Risk? Australian casinos and the threat posed by organised crime";**
- (b) October 2017: Allegations tabled in Federal Parliament by Mr Andrew Wilkie MP;**
- (c) April - July 2018: Guardian (allegations of EGM tampering);**
- (d) July 2019: 60 Minutes and Fairfax Media (money laundering and criminal infiltration); and**
- (e) September 2020: ACLEI release of the Operation Angove Report.**

148. As to [65(a)], I recall that Crown Resorts received a series of questions from Four Corners in the days leading up to the airing of the programme on or about 14 September 2014. I recall that responses were drafted by Karl Bitar, Mr Nielson and Mr Preston. I do not presently recall seeing the responses before they were sent; however, typically that would have been the case. I refer to email correspondence dated 11 September 2014 from Mr Preston to myself [CRL.651.001.0031 and CRL.651.001.0033].

149. As to [65(b)], I recall that Mr Preston and I were tasked by Mr Alexander to investigate and respond to the allegations. I recall receiving a list of allegations based upon those

tabled or referred to by Mr Wilkie in parliament. I recall that Mr Preston and I conducted investigations. I recall that a document was produced with the results of our investigations with respect to each of the allegations. I recall that the document was circulated to members of the board of Crown Resorts for their comments. I believe that a statement was issued by the board of Crown Resorts, although I cannot now recall the content of that statement.

150. As to [65(c)], I do not recall the Guardian articles or any response by Crown to them.
151. As to [65(d)], I recall that Mr Alexander, as Executive Chairman, took the lead on responding to these allegations on behalf of Crown Resorts. Mr Preston and I were tasked with investigating the allegations and reporting back to the board of Crown Resorts. Barton, Mary Manos, Mark Arbib, Mr Bitar and Richard Murphy (Minter Ellison) were also involved in formulating the response of Crown Resorts. These allegations were the subject of the Bergin Inquiry and have been extensively addressed in the report it produced.
152. As to [65(e)], I was not involved in formulating any response of Crown Resorts to the allegations or findings in relation to Operation Angove.

**[66] Your knowledge or understanding of any response of Burswood Limited, Burswood Nominees Limited and (or) Burswood Resort (Management) Limited to the arrest, detention and conviction of Crown employees in China in 2016.**

153. All of the sales staff reported to Crown Melbourne. Accordingly, this was a Melbourne Crown issue. I do not recall any response being issued by Burswood Limited or any of its subsidiaries.

**[67] Your knowledge or understanding of any response of Crown Resorts Limited, Burswood Limited, Burswood Nominees Limited, Burswood Resort (Management) Limited and (or) Crown Melbourne to the recommendations of the VCGLR Report "Sixth Review of the Casino Operator and Licence June 2018" (VCGLR Sixth Review Report).**

154. I understand that, on 28 June 2018, the final version of the VCGLR Sixth Review Report was sent to Mr Alexander in his capacity as Chair of Crown Melbourne Limited. On 2 July 2018, Mr Alexander replied to the CEO of the VCGLR confirming that Crown accepted all 20 recommendations in the VCGLR Sixth Review Report (the **20 Recommendations**). Some of the 20 Recommendations were for specific action to be completed by a certain date, whereas others of the 20 Recommendations were ‘open-ended’, that is, they recommended ongoing action.
155. In the period July 2018 to December 2019, Crown Melbourne updated the VCGLR as to its progress in relation to each of the 20 Recommendations. Certain of the letters to the VCGLR from Crown Melbourne name me as an author or contact person. Depending on the topic, Ms Fielding or Sonia Bauer created the first draft of the letter. From discussions I had with Mr Preston at the time, I understood that Mr Preston undertook a detailed review of the letters and, if required, he would redraft them to ensure that the information was conveyed in a way which would meet the expectations of the VCGLR. Once Mr Preston was satisfied with the content of the letter, he presented the letter to me for signature and, in some circumstances, he talked me through the key points of the documentation. I do not ever recall amending the substance of any of the letters. On occasion, I amended the letters for typographical errors.

**[68] Your knowledge or understanding of any response of Burswood Limited, Burswood Nominees Limited, Burswood Resort (Management) Limited and (or) Crown Melbourne to the disciplinary actions of the VCGLR referred to on pages 66, 135 (non-compliance with junket related internal controls) and pages 66, 75 (unauthorised variations to the configuration of 17 gaming machines) of the VCGLR Sixth Review Report.**

156. I do not recall there to have been any response by Burswood Limited or any of its subsidiaries. I recall that Crown Melbourne ultimately accepted the disciplinary actions.

**[69] Your knowledge or understanding of any response of Crown Resorts Limited, Burswood Limited, Burswood Nominees Limited and (or) Burswood Resort (Management) Limited during the course of the Bergin Inquiry to matters raised during that inquiry relating to:**

- (a) **criminal infiltration of the Perth Casino;**
- (b) **commercial relationships with junket operators, junket representatives, premium/privileged players and (or) other patrons at the Perth Casino who have known or alleged associations to organised crime; and**
- (c) **money-laundering through bank accounts operated in connection with the Perth Casino.**

157. I do not recall any public responses being issued by entities within the Crown Group on those issues during the Bergin Inquiry. I recall that the Brand Committee of the Crown Resorts received a daily update from Mr Murphy and Glen Ward of Minter Ellison regarding matters raised in the Bergin Inquiry that day.

### **Problem gambling**

**[70] Your knowledge or understanding of what, if any, investigations or enquiries have been undertaken by the board of Crown Resorts Limited, Burswood Limited, Burswood Nominees Limited or Burswood Resort (Management) Limited, and when, to ascertain the nature and extent of problem gambling at the Perth Casino.**

158. I, and to my recollection, other members of the board of Burswood Limited and, to my knowledge, Crown Resorts, were aware of issues relating to Responsible Service of Gaming (**RSG**) and problem gambling. Initiatives, policies and procedures were in place to address these issues during my time as director of Burswood Limited and Burswood Nominees. These are described further in response to question [71] below. I recall that I, and other members of the board of Burswood Limited, frequently looked to ensure that these policies and procedures kept up with best practice across the industry. I recall that Crown Resorts briefed independent experts who were tasked with looking at RSG issues and operations at both Melbourne and Perth casinos. Trends relating to RSG and problem gambling, such as levels of self-exclusion, numbers of identified incidents, completion of RSG training by staff were reported through the RSG team to the ERCC and then to the board of Burswood Limited through the Legal Risk and Compliance update.

**[71] Your knowledge or understanding of the nature and content of Crown Resorts Limited's, Burswood Limited's, Burswood Nominees Limited's and (or). Burswood Resort (Management) Limited's systems, policies and procedures to identify and manage the risks of problem gambling at the Perth Casino.**

159. Crown Perth is and was at all relevant times subject to the Responsible Gaming Code of Conduct **[which can be accessed at <https://www.crownperth.com.au/casino/crown-responsible-gaming/info>]**. As reflected in the Responsible Gaming Code of Conduct, Crown Perth had, and continues to have, systems, policies and procedures in place to identify and manage risks of problem gambling.
160. These included the display of responsible gaming logo and messages clearly throughout the Crown Perth Resort including on EGMS, fully-automated table games (**FATGs**), ATMs, table games, monitors, Gaming information terminals, voucher issuance kiosks and restrooms. The Code of Conduct was available in written form to all customers on request, as well as on the website, and Crown employed non-English speaking staff capable of interpreting the Code of Conduct as required. Information brochures on various subjects relating to RSG were available at the Responsible Gaming Centre (described below) and at other locations throughout the casino.
161. **RSG policies** were in place addressing:
  - (a) identification of patrons with gambling problems through observable signs and other methods such as monitoring of data for carded players;
  - (b) provision of Player Activity Statements in respect of EGMs and FATGs to members of Crown Rewards on request, which detailed the patron's wins and losses for a given period;
  - (c) self-exclusions (which operated for a minimum period of 12 months);
  - (d) involuntary exclusion, either initiated by the application of a third party (typically a family member or friend of the patron) or by Crown itself, where a patron was believed to be putting themselves or others at risk of harm due to their gaming behaviours;

- (e) extension of a self-exclusion or involuntary exclusion where the exclusion was breached by the patron during the currency of the exclusion;
- (f) a process for a patron to apply for revocation of self-exclusion or involuntary exclusion once the minimum period of exclusion was passed, which involved engagement of the patron in revocation counselling and attending a meeting with the RG Team (described below);
- (g) maximum play times and maximum bet limits for Crown Rewards members (**Play Safe Limits**);
- (h) RSG training for all staff, including the hospitality staff; and
- (i) the provision of adequate lighting and clocks, adherence to Responsible Service of Alcohol policies, adherence to applicable industry codes and legislative regulations regarding the promotion and advertising of gaming, encouragement of players to take breaks in play, restrictions on the placement of ATMs and availability of EFTPOS, the non-provision of credit or money lending to patrons for the purpose of gambling (other than where approved by the GWC), restrictions on the cashing of cheques, and the provision of non-gaming entertainment.

162. An **RG Team** made up of RSG officers was dedicated to staffing the RSG Centre and interactions with customers on the floor where required. Typically, there was one to two RSG officers per shift depending on the time of day. If there was a breach of a self-exclusion or involuntary exclusion order, then the RSG officer would typically attend to the patron and take whatever action was required and log the incident in an incident report which would be collated and reported to the RG Committee and, ultimately, the ERCC.
163. Crown Perth had a **24 hr 7 day RSG centre**. This was set up as a free, confidential ‘drop in’ centre for patrons or their family members or friends to allow them to talk to RSG officers if they considered the patron had a gambling problem. The RSG officers at the RSG Centre could offer solutions such as self-exclusion (or third-party exclusion in the case of a family member or friend), the setting of a Play Safe Limit and information about Player Activity Statements or refer the patron to organisations providing assistance to problem gamblers. The RSG Centre was also able to provide this information in a range

of languages other than English. RSG officers could also identify patrons who may have problem gambling issues on the floor. They would talk to the player, look at gaming history (if the patron is a carded player) and make a determination on whether to suggest an intervention such as self-exclusion. If required, the RSG Officer could deem the patron to be a serious risk and impose an involuntary exclusion.

**[72] Your knowledge or understanding of the management responsibility within Crown Resorts Limited's, Burswood Limited's, Burswood Nominees Limited's and (or) Burswood Resort (Management) Limited's systems for identifying and managing the risks of problem gambling at the Perth Casino.**

164. The Responsible Gaming Code of Conduct described in response to question [71] above was published under my name as CEO – Australian Resorts, although the managerial responsibility for identifying and managing risks of problem gambling at Crown Perth was that of the General Manager of RSG, who was Sue Turley until 30 June 2014 and after that Melanie Strelein - Faulks.

165. I also refer to my response to question [15] with respect to the management of risks generally.

**[73] Your knowledge or understanding of the oversight exercised by the directors of Crown Resorts Limited, Burswood Limited, Burswood Nominees Limited and (or) Burswood Resort (Management) Limited as to the development and implementation of, and compliance with, its systems, policies and procedures to identify and manage the risks of problem gambling at the Perth Casino.**

166. The RSG teams at each property compiled relevant statistics on such incidents as self-exclusions, involuntary exclusions, breaches of exclusion orders or incidents or trends regarding customers presenting to the RSG Centre to the manager at each property (being Ms Strelein-Faulks at Crown Perth and Ms Bauer at Crown Melbourne). RSG issues were ultimately reported to the Crown Resorts RSG Committee, chaired by Professor John Horvath with the assistance of Ms Bauer (Group GM for Responsible Gambling). Any broad overarching policies or initiatives usually came out of that committee.



167. I also refer to my response to question [15] with respect to board oversight and the management of risks generally.

**[74] Your knowledge or understanding of what, if any, requests have been made of any of Crown Resorts Limited, Burswood Limited, Burswood Nominees Limited and Burswood Resort (Management) Limited by third parties to conduct research into any aspect of problem gambling by reference to the Perth Casino or by utilising information about the Perth Casino operations, and any responses to such requests.**

168. In about 2019, a company approached the Crown Group about its capacity to use player data to identify potential patrons prone to problem gambling. I cannot now recall the name of the company. I recall that the Crown Group reviewed the services being offered and decided against using this company as the Crown Group was already undertaking its own work in the use of patron data trends to identify problem gambling.

### **Electronic Gaming Machines**

**[75] Your knowledge or understanding of, from 2004, the structure and operation of Burswood Nominees Limited's EGM business at the Perth Casino, including as to:**

- (a) its financial model;**
- (b) management responsibility; and**
- (c) marketing.**

169. I started in 2005. From that time, my understanding of the EGM business was that it:

- (a) had its own set of accounts;
- (b) operated on a standard revenue model for a profit-making business;
- (c) had a management team in charge solely of EGMs;
- (d) a General Manager (GM) of EGMS who reported through to the COO; and

(e) had its marketing conducted centrally through Crown Perth.

**[76] Your knowledge or understanding of the oversight exercised by the directors of Crown Resorts Limited, Burswood Limited, Burswood Nominees Limited and Burswood Resort (Management) Limited as to the structure and operation of its EGM business.**

170. The operations and financial structure were reported through to the COO who reported both financial performance and key management issues to the board of Burswood Limited as they related to EGMs. Depending on the issue, some issues were also reported through to Crown Resorts.

**[77] Your knowledge or understanding of the nature and content of Crown Resorts Limited's, Burswood Limited's, Burswood Nominees Limited's and (or) Burswood Resort (Management) Limited's systems, policies and/or procedures for seeking authorisation from the GWC for games to be played on EGMs.**

171. Every EGM type was required to be approved by the GWC. Typically, or on average, Crown would seek approval of ten new games per annum. I understood the process for seeking approval from the GWC to be as follows:

172. First, Crown would be required to obtain a letter of approval from an approved testing facility in Australia. The letter of approval would certify that the machine complied with all WA standards.

173. Secondly, Crown would be required to obtain an indemnity from the manufacturer of the EGM that the EGM was built to WA specifications.

174. Thirdly, Crown Perth would be required to provide a demonstration of the machine to the GWC. Typically, the COO (Mr Bossi) and product manager (James Sullivan) would provide the demonstration at the offices of the GWC.

175. Fourthly, GWC and Crown Perth had a monthly meeting at which the GWC could have a viewing of the EGM to make a determination on whether the EGM would be approved. Typically, the determination would be communicated to Crown Perth at the next monthly meeting. On average, once or twice a year, the GWC might decline a game or require modification to a game.

176. I do not recall seeing a written policy or procedure reflecting the practice described above; however I expect that one was in place at all relevant times.

**[78] Your knowledge or understanding of what, if any, investigations or enquiries have been undertaken by the directors of Crown Resorts Limited, Burswood Limited, Burswood Nominees Limited or Burswood Resort (Management) Limited, and when, to ascertain the nature and extent of problem gambling at the Perth Casino associated specifically with EGMs.**

177. I do not recall any investigations or inquiries specifically associated with EGMs in addition to my response to question [71] above.

**[79] Your knowledge or understanding of the nature and content of Crown Resorts Limited's, Burswood Limited's, Burswood Nominees Limited's and (or) Burswood Resort (Management) Limited's systems, policies and procedures to identify and manage the risks of problem gambling at the Perth Casino associated specifically with EGMs.**

178. Specifically with respect to EGMs, systems to manage the risks of problem gambling included:

- (a) display of responsible gambling information at EGMs;
- (b) operation of Play Safe Limits on EGMs;
- (c) Player Activity Statements for members playing on EGMs; and
- (d) provision of clocks and adequate lighting at each EGM.

179. Otherwise, I refer to my response to question [72] above.

**[80] Your knowledge or understanding of the management responsibility within Crown Resorts Limited, Burswood Limited, Burswood Nominees Limited and (or) Burswood Resort (Management) Limited for identifying and managing the risks of problem gambling at the Perth Casino associated specifically with EGMs.**

180. A risk register operated in the EGM department which was escalated through to the ERCC. The RSG team also had a risk register which was escalated through the GM of risk, Ms Grist and to Mr Preston as the head of Legal.

181. Otherwise, the identification and management of the risks of problem gambling was subject to the processes and procedures set out in my response to question [15].

**[81] Your knowledge or understanding of the oversight exercised by the directors of Crown Resorts Limited, Burswood Limited, Burswood Nominees Limited and (or) Burswood Resort (Management) Limited as to the development and implementation of, and compliance with, its systems, policies and procedures to identify and manage the risks of problem gambling at the Perth Casino associated specifically with EGMs.**

182. I refer to my response to questions [70], [71] and [76] above.

**[82] Your knowledge or understanding of what, if any, investigations or enquiries have been undertaken by the board of Crown Resorts Limited, Burswood Limited, Burswood Nominees Limited and (or) Burswood Resort (Management) Limited, and when, to ascertain whether there has been any tampering with or adjustment of EGMs at the Perth Casino to unfairly disadvantage patrons or to increase the risks of problem gambling associated with such machines.**

183. I am not aware of any investigations into tampering with or adjustment of EGMs to unfairly disadvantage patrons or increase risks of problem gambling. The only investigation I recall in relation to EGMs was into machines with continuous play. I recall that GWC asked Crown Perth whether there were any machines with continuous play. Crown Perth found instances of continuous play in machines which had been approved historically by the GWC.

**[83] Your knowledge and understanding of the nature of EGMs approved and (or) authorised EGMs operated at the Perth Casino and Melbourne Casino and the extent to which the EGMs operated at Perth Casino differ in any material respects to the EGMs operated at Melbourne Casino.**

184. I understand that the EGMs played in WA are unique to Crown Perth and are different to the EGMs which are operated at Melbourne Casino in some ways. The EGMs operated at Melbourne Casino are 'poker machines' in the traditional sense. No spinning reel machines are allowed in WA. The minimum return to player in WA is mandated at 90% as opposed to other states which typically range from 85% to 87%. WA has also mandated a minimum cycle time of 5 seconds on the machines which contain a feature. Other states typically mandate a minimum cycle time of 3 seconds. I also understand that the Australian/New Zealand Gaming Machine National Standard 2016 has a WA appendix due to the unique nature of machines in this state.

#### **Gaming and Wagering Commission and the Department<sup>1</sup>**

**[84] Your knowledge or understanding of whether, how and/or to what extent management of the Perth Casino operations was given direction or guidance from the board of either Burswood Limited, Burswood Nominees Limited or any other entity within the Crown Group about when and how generally to communicate with the GWC or the Department about matters to do with the Perth Casino, either generally or in relation to specific subjects.**

185. I am not aware of any direction from the boards of either Burswood Limited or Burswood Nominees about generally how to communicate with the GWC. I recall that I reported regularly to the board of Burswood Limited regarding my dealings with the GWC on key issues. I recall, generally, that the discussions at board level encouraged a constructive relationship with the GWC, although I cannot now recall any specific discussion to that effect.

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<sup>1</sup> In this document, "Department" means the Department of Local Government, Sport and Cultural Industries and its predecessors including the Department of Racing, Gaming and Liquor, and the Office of Racing, Gaming and Liquor.

**[85] Your knowledge or understanding of whether, how and/or to what extent management of the Perth Casino operations, as a matter of general practice, informed the board of either Burswood Limited, Burswood Nominees Limited or any other entity within the Crown Group of the content of information that management:**

- (a) proposed to communicate to the GWC; and /or**
- (b) had communicated to the GWC.**

186. The day-to-day interactions with the GWC were handled by Mr Preston, Mr Bossi and Claude Marais. From time to time, Mr Preston or Mr Bossi reported to the board of Burswood Limited concerning their interactions with the GWC. The degree of board involvement in the content of any communications would depend upon the significance of the matter. As a general practice, any significant written communications would be referred to at board meetings. Depending on the timing of the communication and the board meeting, the content may be reviewed by the board or by a single member of the board, usually me, before the communication was made. On occasion, if something urgent required review, I would pass that correspondence by either Mr Craigie or Mr Barton or the chair of Burswood Limited, being either Mr Packer or Mr Alexander.

**[86] Your knowledge or understanding of whether, how and/or to what extent management of the Perth Casino operations was given direction or guidance from the board of either Burswood Limited, Burswood Nominees Limited or any other entity within the Crown Group about when and how to communicate with the GWC or the Department about the subject matter of any of the allegations identified in paragraph 95 below.**

187. I am not aware of any direction or guidance coming from the boards of any entity in the Crown Group to the management of Crown Perth in relation to communication with the GWC about those allegations.

**[87] In respect of the subject matter of each of the allegations identified in paragraph 95 below, your knowledge or understanding of how and (or) to what extent management of the Perth Casino operations informed the directors of either Burswood Limited, Burswood Nominees Limited or any other entity within the Crown Group of the content of information that management:**

**(a) proposed to communicate to the GWC; and / or**

**(b) had communicated to the GWC.**

188. As a general proposition, the management did not inform the boards or Burswood Limited or Burswood Nominees (or the boards of any other entity in the Crown Group) of day-to-day communications with the GWC. Of the allegations identified in question [95], I do not presently have a specific recollection of the management informing the directors of communications with the GWC in respect of those matters other than as set out below.

189. As to [95(b)] (junkets in 2010), to my knowledge, the board of Burswood Limited was informed that the Crown Perth operations team was planning to make a submission to the GWC/Department regarding changes to the regulation of junkets. I am unaware whether this was relayed to the board of Crown Resorts or any other Crown Group entity.

190. As to [95(d)] (taxes and licence fees), I recall that the board of Burswood Limited was informed of the content of the communications to the GWC concerning approvals for proposed changes to the VIP and EGM taxes. I recall that the board of Crown Resorts was updated, broadly, on the progress of seeking approvals from the GWC.

191. As to [95(f)] (China arrests issue), I refer to my answer to that question below. I recall that members of Crown Perth management, including myself, informed the Burswood Limited board that a presentation had been given to GWC regarding the status of the detained Crown employees. I do not recall whether the board of any other Crown Group entity was informed of the presentation to the GWC.

192. As to [95(h)] (Mr Wilkie's allegations in October 2017), I recall that I gave Barry Sargeant an update on Mr Wilkie's allegations by telephone. I recall that I told the board of Burswood Limited that I had provided the update to Mr Sargeant.
193. As to [95(k)] (2018 VCGLR disciplinary action for varying the operation of gaming machines without approval), I recall that I spoke to Mr Sargeant by telephone and informed him that the VCGLR was pursuing disciplinary action concerning varying the operation of EGMS without approval. I recall that I informed the board of Burswood Limited that I had spoken to Mr Sargeant about this. As far as I am aware I did not inform the board of any other Crown Group entity of this communication with GWC.
194. As to [95(l)] (recommendations of the VCGLR Sixth Review Report), I recall that Mr Preston updated the board of Burswood Limited that a presentation had been given to the GWC about this issue. I do not recall the board reviewing the presentation before it was given. To the best of my recollection, other than the board of Burswood Limited, no board of any other Crown Group entity was informed about the presentation to the GWC.
195. As to [95(m)] (approval to extend credit to various persons), I recall informing the Burswood Limited board about the submission to GWC to extend credit to junket operators and premium players. I do not recall whether it was communicated to any other Crown entity.
196. As to [95(n)] (allegations of money laundering and criminal infiltration), I do not presently recall Mr Preston informing the board of Burswood Limited of his presentation to the GWC on that matter; however, my understanding is that he would have informed the board of that matter in the normal course. I do not recall it being made known to the board of any other Crown entity.
197. As to [95(q)] (problem gambling), I understand that, in the ordinary course, the boards of Crown Resorts and Burswood Limited would have been informed that presentations were made to the GWC concerning problem gambling.



**[88] Your knowledge or understanding of any contact, formal or informal, which occurs between the GWC and (or) Department, on the one hand, and Crown Resorts Limited, Burswood Limited, Burswood Nominees Limited and (or) Burswood Resort (Management) Limited, on the other.**

198. I cannot speak to any current contact between Crown Resorts and its subsidiaries or the GWC and the Department. As a general matter, in the period up to 2020, my understanding concerning contact between Crown Perth and the GWC or Department was as follows:

- (a) there was a monthly operational meeting attended by officers of the Department, officers of Crown Perth, chaired by Mr Preston or, in his absence, Mr Marais;
- (b) Crown employees, Mr Sullivan and Mr Bossi, presented at GWC board meetings on a monthly basis typically in relation to approvals for gaming product;
- (c) I spoke to Mr Sargeant on an infrequent basis about any key issues arising and Mr Sargeant would also speak to me on the same basis;
- (d) Mr Sargeant and I also sat on the Burswood Park Board which administered the upkeep of the parklands and facilities surrounding Crown Perth;
- (e) occasionally, Mr Preston or I presented formally to members of the GWC on key issues, as required, including any key issues coming from Crown Melbourne or at group level; and
- (f) Mr Marais also spoke to senior management of the GWC on a regular basis, typically Mr Michael Connolly, Chief Casino Officer.

199. I recall also that, as new commissioners were appointed, the GWC would request or Crown Perth would offer, to provide a tour of the Crown Perth facilities to the new commissioners.

200. From time to time, Mr Sargeant, in his role as director of GWC, was invited to events at Crown Perth. Typically, I recall Mr Sargeant did not accept these invitations. I recall once having dinner with Mr Sargeant and Mr Connolly at Crown Melbourne with Mr Preston in or about 2015. I recall that they were visiting Crown Melbourne, by way of tour of that facility, organised and paid for by the GWC. I recall that each attendee at the dinner paid separately for his own meal.

**[89] Your knowledge or understanding of any relationship, formal or informal, between the GWC and (or) Department, on the one hand, and Crown Resorts Limited, Burswood Limited, Burswood Nominees Limited and (or) Burswood Resort (Management) Limited on the other.**

201. I do not recall any formal relationships between the GWC or Department, on the one hand, and Crown Resorts and its subsidiaries, on the other hand, other than as regulator and licensee or regulated entity. I do not understand there to have been any “informal” relationships between those entities. I refer to informal personal relationships between employees of those entities below in response to question [91] below.

**[90] Your knowledge of any gifts or benefits, including hospitality, provided by the Crown Group, including by its officers or employees, to officers and employees of the Department, and members of the GWC.**

202. I recall that Mr Sargeant was invited to a trip to Macau in 2013 with Mr Preston and me. The trip was 6 days, including travel, commencing on 19 July 2013. Mr Sargeant’s flights were paid for by Crown Perth. I cannot now recall if Mr Sargeant or Crown paid for Mr Sargeant’s accommodation. I refer to the letter dated 4 April 2013 from me to Mr Sargeant and itinerary [CRW.707.003.0007 and CRW.008.002.8755].

203. I recall that the Minister for Racing and Gaming, Mr Terry Waldron, was invited on the Crown Perth yacht for a trip to Rottnest Island in about 2010, 2011 or 2012. I cannot now recall precisely when. The food and beverage were paid for by Crown Perth.

204. I recall that the Crown Group invited Mr Waldron to make a side trip to tour Macau while he was separately touring Singapore on ministerial business. While on the side trip, the Crown Group hosted a dinner and paid for tickets to a show for the Minister.

**[91] Your knowledge of any personal relationships and friendships between employees and officers of the Crown Group on the one hand and employees and officers of the Department, or members of the GWC, on the other. Please specify when, to your knowledge, those personal relationships and friendships began and when you first became aware of them.**

205. In or about 2014, Crown Perth employed Paul Hulme who had previously worked for the Department. From about 2015, I was aware that Mr Hulme, who I understand had a friendship with Mr Connolly from his time at the Department, had commenced a friendship with Mr Marais. From about that time, I understood that all three gentlemen socialised outside of work hours. I understood that they went fishing together on Mr Connolly's boat.

206. I sat on a board called Celebrate WA, with Professor Colleen Hayward, a board member of the GWC, for about 5 to 6 years from about 2008. I have never attended small group or one-to-one social engagements with Professor Hayward, but I recall she attended some social functions, no more than, say, twice a year, such as weddings, which I also attended. I recall she once spoke at a gender equity breakfast held at Crown at my invitation in 2018 or 2019.

**[92] Your knowledge or understanding of any policies and procedures of Crown Resorts Limited, Burswood Limited, Burswood Nominees Limited and (or) Burswood Resort (Management) Limited regarding integrity issues relevant to interactions with the GWC, including with individual GWC members and (or) the Department, including with individual officers and employees. For example, addressing conflicts of interest and detecting and reporting misconduct (serious and minor).**

207. I recall that there were policies concerning conflicts of interest in place. I do not recall that there were any specific policies or procedures concerning conflicts and the GWC.

208. I recall that when hiring Mr Hulme from the GWC, I spoke with Mr Sargeant to ensure that he and the GWC had no difficulty with Mr Hulme being employed at Crown Perth. I recall Mr Sargeant said that there was no difficulty provided that Mr Hulme had a sufficient break between his employment at GWC and his employment at Crown Perth.
209. I recall that when hiring Jon Nichols, who had worked for the Minister for Racing and Gaming, I called the Minister or his Chief of Staff to confirm that the Minister had no difficulty with Mr Nichols being employed at Crown Perth. I recall that I expected that there was likely to be a ministerial or public sector policy concerning private sector placement. I recall that the Minister or the Chief of Staff required there to be period of about 6 months between leaving the Department and commencing at Crown Perth.

**[93] Your knowledge or understanding of any involvement of Crown Resorts Limited, Burswood Limited, Burswood Nominees Limited and (or) Burswood Resort (Management) Limited in changes that have been made historically to the GWC's regulatory objectives and philosophy in respect of:**

- (a) the regulation and oversight of Perth Casino, generally; and**
- (b) the risks associated with junket operations, money laundering, cash and electronic transactions and the Perth Casino and criminals infiltrating casino operations (RISKS), specifically.**

210. In relation to question [93(a)], I refer to my answers to questions [94(d)] and [95(e)] below.
211. In relation to question [93(b)], other than what was said in my answer to question [94(b)] in relation to the changes to junket regulations in 2010, and question [94(e)] in relation to changes to the Casino Manual (Operations) in 2017 (of which I have no recollection), I am not aware of involvement of those entities in changes to the GWC's regulator objectives and philosophies in respect of such matters.

**[94] Please include your knowledge or understanding, for example, of any involvement of Crown Resorts Limited, Burswood Limited, Burswood Nominees Limited and (or) Burswood Resort (Management) Limited concerning:**

- (a) approval of 'video bingo' as an authorised game in or about 2004;**
- (b) changes to the regulation of junkets in 2010;**
- (c) changes to the manner in which Taxes and (or) Licence Fees are calculated between 2013 and 2015;**
- (d) changes to the nature and level of on-site supervision in 2015;**
- (e) changes to the Casino Manual (Operations) relating to junkets in 2017; and**
- (f) approval to extend credit to ICB players, junket operators, premium players, privileged players and (or) patrons.**

212. As to [94(a)], I have no knowledge or understanding of the approval of “video bingo” in 2004 or the involvement of any Crown entity with such approval. I did not commence at Crown Perth until 2005.

213. As to [94(b)], I recall that Crown Perth (that is, Burswood Limited and Burswood Nominees) made a submission to the GWC to change the junket approval process in or about 2010. My recollection was that the proposal was for Crown Perth to implement its own junket approval process and that the GWC would be advised of incoming junkets, but that its prior approval would not be required. I understand that this proposal was submitted to Mr Sargeant and to the Department. In accordance with Crown Perth’s usual practice in seeking approvals from the GWC, I understand that Mr Preston and his team would have liaised with Mr Connolly of the Department and that the Department would undertake their own review before making a recommendation to the GWC either to approve or reject the matter. After that, I understand the GWC would make their own determination based on the recommendation. This would later be communicated to Crown Perth. In accordance with my usual practice, I expect that I provided updates to the board of Burswood Limited at the time. In accordance with the usual practice at the

time, I also expect that updates concerning these matters were provided to Crown Resorts by Mr Craigie; however, I have no specific recollection of this occurring.

214. As to [94(c)], I understand that there were three matters in relation to changes to taxes or licence fees in 2013 to 2015.
215. First, I understand that there may have been an increase in Crown Perth's EGM tax in around 2013-2015. From recollection, this was because Crown Perth requested that the GWC/Department and the Minister approve the placement of additional EGMs at Crown Perth. Crown Perth was typically required to pay a separate fee for the additional EGMs separate to the licence fee as well as an increased tax rate due to the placement of additional EGMs. From memory, this was an element of the development approval for Crown Towers to assist its financial viability. The approval also covered additional table games and VIP salons. I recall I kept the board of Crown Resorts informed of the progress of the approvals at the time.
216. Secondly, I understand that the licence fees were indexed to the CPI and, therefore, increased over this period. The board of Burswood Limited was aware of this issue.
217. Thirdly, I understand that, in 2014, there was a reduction in VIP tax from a gross rate to a net rate. This allowed Crown Perth to offer a higher rate of commission for VIP customers to Junket operators and premium players with the expectation this would increase VIP visitation to Crown Perth. This was approved by the WA Treasury and the GWC upon the payment, by Crown, of a 'no worse off' guarantee which equated to approximately \$10 million a year over 5 years paid by Crown Perth in return for the reduction in tax. I recall that Crown Perth made presentations to the GWC, the Minister for Racing and Gaming and the Treasurer in relation to these issues.
218. As to [94(d)] (Changes to on-site supervision by GWC), I recall that that the GWC and the Department made an independent decision to no longer have inspectors on-site at Crown Perth in around 2015. I do not presently understand and I was not aware at the time that any Crown entity had any involvement in this decision or made any submissions to the GWC/Department about it. My recollection was that this was becoming standard practice across the industry at that time.

219. As to [94(e)], I have no recollection of any changes to the Casino Manual (Operations) relating to junkets in 2017 and therefore no recollection of the involvement of any Crown Group entities with this.
220. As to [94(f)] (Approval of credit extensions), I understand that there was a request from Crown Perth to GWC/Department sometime during the period 2010–2015 to introduce credit for junkets and premium players. I do not recall the specific time this occurred, but recall that there was a proposal which I understand was approved. In accordance with the usual practice, Mr Preston and his team, on behalf of Crown Perth, would liaise with the Departmental officers, the Department would review the matter and make a recommendation to the GWC as to whether it ought to approve or reject the request. I understand that the boards of both Burswood Limited and Crown Resorts were informed of this.

**[95] Your knowledge or understanding, including your understanding of the accuracy, of any communications with, representations made to or disclosure of information to the GWC and (or) Department by Crown Resorts Limited, Burswood Limited, Burswood Nominees Limited and (or) Burswood Resort (Management) Limited with respect to the following matters relating to regulation and oversight of the Perth Casino:**

- (a) approval of 'video bingo' as an authorised game in or about 2004;**
- (b) changes to the regulation of junkets in 2010;**
- (c) the allegations made in the Four Corners program "High Rollers – High Risk? Australian casinos and the threat posed by organised crime" in September 2014;**
- (d) changes to the manner in which Taxes and (or) Licence Fees are calculated**
- (e) changes to the nature and level of on-site supervision in 2015;**
- (f) the arrest, detention and conviction of Crown employees in China in or about 2016;**

- (g) changes to the Casino Manual (Operations) relating to junkets in 2017;**
- (h) the allegations tabled in Federal Parliament by Mr Andrew Wilkie MP in October 2017;**
- (i) the allegations of EGM tampering raised in Guardian articles in April - July 2018;**
- (j) disciplinary action taken by the VCGLR for failure to adhere to internal controls relating to junkets in or about 2018;**
- (k) disciplinary action taken by the VCGLR for varying the operation of 17 gaming machines without approval in or about 2018; between 2013 and 2015;**
- (l) the recommendations of the VCGLR Sixth Review Report;**
- (m) approval to extend credit to ICB players, junket operators, premium players, privileged players and (or) patrons;**
- (n) the allegations of money laundering and criminal infiltration raised in 60 Minutes and Fairfax Media articles in July 2019;**
- (o) the allegations raised during the Bergin Inquiry and conclusions in the Bergin Report concerning the RISKS;**
- (p) EGM revenue; and**
- (q) problem gambling.**

221. I am not presently aware of any inaccuracies concerning the disclosure of factual information to either the Department or GWC about the issues stated in this question. I otherwise make specific comments concerning certain of the matters as follows.



222. As to [95(a)], I do not recall anything about ‘video bingo’ and repeat my answer to question [94(a)] above.
223. As to [95(c)] (Four Corners allegations), I am now aware that Michael Neilson wrote to GWC/Department in relation to the allegations made in the Four Corners program at or about the time that they were made. I do not recall seeing the letter at the time it was sent. I have not refreshed my memory of the letter in preparation for this statement and so cannot comment on it.
224. As to [95(e)] (on-site supervision), I am not aware of any communications *from* Crown Perth as I understand the proposal was made independently by GWC.
225. As to [95(f)] (China arrests), I recall that either myself or Mr Preston spoke to Mr Sargeant of the GWC and the relevant Minister at the time shortly after our staff had been detained. Further I understand that Mr Sargeant and the Minister’s office were given periodic updates although I do not recall precisely who in the Minister’s office was informed. I also recall that Mr Preston gave a presentation to the GWC around the time of the China arrests in late 2016/2017. Any information I provided concerning this issue to the GWC/Department was based on the information that I knew at the time. I am not presently aware that any of the information provided was inaccurate. However, I also have not refreshed my memory of all of those communications to check whether, given information which has since come to light, those communications remain accurate.
226. As to [95(g)] (Changes to Junkets 2017), as I do not recall being involved in this, I cannot comment upon the accuracy of any communications to the GWC/Department.
227. As to [95(h)] (Wilkie allegations 2017), although I have no specific recollection concerning this, it is likely that I spoke to Mr Sargeant on the telephone and informed him of the nature of Mr Wilkie’s allegations and the nature of Crown’s response to such allegations. In the normal course, any information I provided to Mr Sargeant in respect of these matters would have been accurate according to what I knew at the time.

228. As to [95(i)] (allegations of EGM tampering), I have no recollection of these articles in the Guardian and am not aware of any communications with the GWC/Department in this regard.
229. As to [95(j)] (disciplinary action by VCGLR), I do not recall this being raised with the GWC/Department.
230. As to [95(k)] (VCGLR disciplinary action re blanking buttons), I do not recall any communications with the GWC/Department concerning such matters. Any such communications would likely have been run through Crown Perth's legal department.
231. As to [95(l)] (VCGLR Sixth Review), I recall that Crown Perth presented to the Department and GWC in relation to the VCGLR Sixth Review Report. I understand that the Department/GWC had a copy of the report and that Crown Perth updated the Department/GWC as to the status of Crown Melbourne's response to each individual recommendation, with particular emphasis on recommendations that may be relevant to Crown Perth (e.g. problem gambling). I do not recall the specifics or detail of the updates.
232. As to [95(n)] (media allegations), I recall Mr Preston gave a presentation to the Department/GWC concerning this issue at the time. I did not attend the presentation and do not have knowledge of the specifics or detail of the presentation. Mr Preston may have shown me the presentation; however, I do not now recall this.
233. As to [95(o)] (Bergin Inquiry allegations), I recall that Mr Barton and Helen Coonan made a presentation to the Department/GWC. I was not involved in the process of preparing this presentation and I did not see or attend the presentation. I have not seen the content of the presentation since that time.
234. As to [95(p)] (EGM Revenue), I do not recall any specific correspondence to the GWC/Department concerning specific issues around EGM revenue.

235. As to [95(q)] (problem gambling), the Department/GWC was updated from time to time about Crown Perth's RSG policies and procedures in relation to problem gambling. I was generally not directly involved in these updates. However, I addressed the GWC in relation to the proposed use of cashless technology at Crown Perth's gaming tables, changes to EGM functionality and potential RSG considerations that might arise. I am not presently aware of any inaccuracies in the information provided to the Department/GWC about these issues.

**[96] Your knowledge or understanding of any steps taken by the Crown Group and (or) Burswood Nominees Limited prior to any communications with, representations made to or disclosure of information to the GWC and (or) Department to ensure or verify the accuracy of the communications, representations and information.**

236. To my knowledge, and as a general proposition, the information provided by the Crown Group or Crown Perth to the GWC or the Department was well-researched and accurate at the time such information was presented. Typically, if the information was about EGMS, the information would be compiled by Mr Sullivan and vetted by Mr Bossi. On other issues, Mr Marais, Mr Hulme or Ms Grist would typically collate the information and the letter or communication would typically be vetted by Mr Preston. Depending on the issue, I would also review the documentation. I considered that those people compiling or presenting such information had sufficient knowledge and skill to ensure the information was accurate according to what was known at the time.

Dated: 27 July 2021

Signed: \_\_\_\_\_

Barry Felstead

