

IN THE PERTH CASINO ROYAL COMMISSION

WITNESS STATEMENT OF JOHN HENRY ALEXANDER

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Prepared by:

John de Mestre & Co

Level 5

50 Park Street

Sydney NSW 2000

Telephone: (02) 9284 5800

Email: johndm@jdemco.com.au

I, **John Henry Alexander**, care of John de Mestre & Co of **Contains sensitive information**
Contains sensitive information company director, say as follows:

1. I provide this statement in response to the request in the letter from the Solicitors Assisting the Perth Casino Royal Commission (**PCRC**) to me dated 3 August 2021.
2. That letter attached:
 - (a) a summons under s 9 of the *Royal Commission Act 1968* (WA) requiring me to attend the PCRC to give evidence; and
 - (b) a list of topics to be addressed in my statement.
3. In this statement, I address the topics in that list to the best of my knowledge, recollection and belief in the limited time I have had to prepare this statement. This statement is true and correct to the best of my knowledge and belief.
4. Nothing in this statement is intended to waive any privilege and I am not authorised to waive any privilege on behalf of Crown Resorts Limited (**Crown**) and/or its subsidiaries.

Crown Group

5. In this statement, I refer to Crown and its subsidiaries as the “**Crown Group**”.

6. I refer to the following subsidiaries of Crown as follows:
 - (a) Burswood Limited (**Burswood**);
 - (b) Burswood Nominees Limited (**Burswood Nominees**);
 - (c) Burswood Resort (Management) Limited (**Burswood Resort (Management)**); and
 - (d) Crown Melbourne Limited (**Crown Melbourne**).
7. I refer to Burswood and its subsidiaries (including Burswood Nominees and Burswood Resort (Management)) as “**Crown Perth**”.

My evidence before the Bergin Inquiry

8. I provided the following evidence to the inquiry under s 143 of the *Casino Control Act 1992* (NSW) presided over by the Honourable Patricia Bergin SC (**Bergin Inquiry**):
 - (a) a witness statement dated 7 March 2020;
 - (b) a witness statement dated 14 September 2020; and
 - (c) oral evidence on 1 and 2 October 2020.
9. I confirm that my evidence before the Bergin Inquiry was true and correct to the best of my knowledge and belief and I do not wish to revise that evidence. This statement is in addition to, and supplements, my evidence before the Bergin Inquiry.

Topics 1-8: Role

10. I refer to paragraphs 4-14 of my second witness statement to the Bergin Inquiry.
11. In 1998, I was employed as Group Publisher of ACP Magazines Limited (**ACP Magazines**), a subsidiary of Publishing and Broadcasting Limited (**PBL**).
12. In March 1999, I was appointed as Chief Executive Officer (**CEO**) of ACP Magazines. In that role, I reported to Mr Kerry Packer, Mr James Packer, Mr Nick Falloon (who was then Managing Director (**MD**) and CEO of PBL), and, in turn, the Board of PBL. I remained in the role until 2002.

13. Between 2002 and 2004, I was the CEO of the Group Media Division of PBL, which, at the time, was comprised of ACP Magazines and the Nine Network. In that role, I reported to Mr Peter Yates, who was then MD and CEO of PBL.
14. In June 2004, I was appointed as MD and CEO of PBL following Mr Yates' retirement from the position. In that role, I reported to the Board of PBL. During my tenure as MD and CEO of PBL, PBL's gaming assets included the Crown Casino in Melbourne and the Burswood International Resort Casino (later renamed the Perth Casino) in Perth. I was appointed as a director of Crown Melbourne on 17 August 2004 and as a director of Burswood on 18 May 2006.
15. In May 2007, PBL announced a plan to demerge its gaming and media assets. Under this plan:
 - (a) the gaming assets were to be divested to a separately listed company (then named Crown Limited and later renamed Crown Resorts Limited – i.e., Crown); and
 - (b) the media assets were to be retained by PBL which would be renamed Consolidated Media Holdings (**CMH**).
16. On 6 July 2007, in anticipation of the proposed demerger, I was appointed as Executive Deputy Chairman of Crown. In this role, I reported to the Executive Chairman and the Board of Crown. I did not have anyone directly reporting to me in this role.
17. In November 2007, I became the Executive Chairman of CMH with the change of name from PBL to CMH. In this role, I reported to the Board of CMH. In November 2012, I resigned from the Board of CMH following the acquisition of CMH by News Corporation.
18. Between around 2014 and 2017, in parallel with my role as Executive Deputy Chairman of Crown, I was employed by Consolidated Press Holdings Pty Ltd. In this role, I reported to Mr James Packer. This role was focussed on improving the financial performance of Crown.
19. On 11 August 2016, after Mr James Packer resigned as a director of Burswood, I replaced him as the Chairman of the Board of Burswood.¹
20. On 1 February 2017, I was appointed as Executive Chairman of Crown following Mr Robert Rankin's retirement from that role. On 28 February 2017,

¹ CRL.627.001.0578 at 0578.

I assumed responsibilities as CEO of Crown following Mr Rowen Craigie's retirement from that position.

21. In the role of Executive Chairman and CEO, my direct reports included:
 - (a) Mr Barry Felstead who held the role of CEO – Australian Resorts (from around mid-2013);
 - (b) Mr Ken Barton who held the roles of Chief Financial Officer (CFO) and Head of Digital;
 - (c) Ms Mary Manos who held the role of Company Secretary and General Counsel; and
 - (d) Mr Todd Nisbet who held the role of Executive Vice President of Strategy and Development.
22. Around this time, by reason of becoming Executive Chairman and CEO, I signed consents to become a director of about 60 of Crown's subsidiaries, including: Crown Entertainment Group Holding Pty Ltd, Crown Sydney Holdings Pty Ltd, Crown Sydney Pty Ltd, Crown (Western Australia) Pty Ltd, Burswood Nominees, Burswood Resort (Management), Riverbank Investments Pty Ltd (**Riverbank**), Southbank Investments Pty Ltd (**Southbank**), Crown (Western Australia) Finance Holdings Pty Ltd, Crown (Western Australia) Finance Pty Ltd, Burswood Hotel Pty Ltd, Burswood Catering and Entertainment Pty Ltd and Burswood Property Holdings Pty Ltd. My appointments as a director of the above companies took effect on 22 March 2017.
23. I stepped down as Crown's Executive Chairman and CEO on 24 January 2020. On that date, I also resigned as a director of Crown Melbourne, Burswood and the subsidiaries of Crown referred to in paragraph 22.
24. From 24 January 2020, I was in the role of Executive Director of Crown. I stepped down from this position and the Board of Crown on 22 October 2020.
25. During my time as a director of Crown, I was a member of the following committees.
 - (a) From 2007 to April 2010, I sat on the Remuneration Committee. The committee reviewed the fees payable to executives of Crown. The committee consisted of Mr James Packer, Mr Geoffrey Dixon and me.

- (b) From April 2017 to June 2018, I sat on the Risk Management Committee, which oversaw risk management and compliance frameworks. The committee consisted of Mr Dixon, Ms Rowena Danziger and me.
- (c) From April 2017 to February 2020, I sat on the Responsible Gaming Committee, which monitored and reviewed responsible gaming programs and policies at Crown's businesses. The committee consisted, at various times, of Professor John Horvath AO, Ms Danziger, Ms Antonia Korsanos and me.
- (d) From August 2019 to January 2020, I sat on the Brand Committee. This committee was formed to respond to the media allegations in July 2019 but, over time, came to oversee development of corporate communications, brand and digital strategies and engagement with regulatory authorities. The committee consisted of Professor Horvath, Ms Helen Coonan, Ms Jane Halton, Mr Michael Johnston and me.
- (e) From February 2008 to February 2020, I sat on the Investment Committee. As best as I can recall, this committee met from time to time for the purpose of formalising investments by the Crown Group. It consisted, at various times, of Mr James Packer, Mr Ashok Jacob, Mr Craigie, Mr Rankin, Professor Horvath, Mr Johnston, Mr Guy Jalland and me.

Topics 9-12: Qualifications and Expertise

- 26. I hold a Bachelor of Arts (Economics and Law) from Macquarie University.
- 27. Before my roles with PBL, CMH and the Crown Group, I was a newspaper editor and publisher.
- 28. Between 1987 and 1998, I was Editor and then Editor-in-Chief and Publisher of the Sydney Morning Herald.
- 29. Between 1998 and 2004, I was Editor-in-Chief of the Australian Financial Review.
- 30. I am currently a non-executive director of Seven West Media Limited.
- 31. I am a former director of a number of companies including Foxtel Management Pty Ltd, Fox Sports Australia Pty Ltd, SEEK Limited, Carsales.com Limited, Ninemsn Pty Ltd and CrownBet.
- 32. I have no formal qualifications in relation to:

- (a) casino operations generally;
 - (b) risk management in relation to casino operations generally;
 - (c) AML/CTF risk management;
 - (d) problem gambling risk management;
 - (e) electronic gaming machine (**EGM**) risk management;
 - (f) international commission business (**ICB**) and/or junket operations risk management;
 - (g) marketing in foreign countries, in particular, China and Malaysia; and
 - (h) vulnerability of operations to criminal infiltration/association risk management.
33. However, during my time with the Crown Group, I obtained a better understanding of the matters referred to in paragraph 32 through briefings, meetings of Boards and committees, informal discussions and my involvement in the review and revision of Crown's policies including risk management policies.
34. I was never provided with any formal training or induction in respect of the Perth Casino generally or in relation to the matters referred to in paragraph 32.

Topics 13-34: Governance

Responsibilities

35. I understand that, as a director of various entities within the Crown Group, I was responsible for corporate governance and overseeing strategic direction. I understand that, as a director, I was also subject to a number of legal duties, including to exercise reasonable care and diligence, to exercise my powers and discharge my duties in good faith in the best interests of the company for a proper purpose and to avoid any conflict between my own or another's interests and the company's interests.

Structure

36. Crown is the ultimate parent company of Burswood, Burswood Nominees and Burswood Resort (Management).
37. I understand that Burswood is the sole unit-holder in the Burswood Property Trust.

38. I understand that Burswood holds all the shares in Burswood Nominees. I understand that Burswood Nominees is the trustee of the Burswood Property Trust and holds all the assets of the Perth Casino including the casino gaming licence under the *Casino Control Act 1984* (WA). In April 2020, the Board of Crown approved the establishment of facility agreements with various banks, the purpose of which was to assist the Crown Group with cash flow during the closures of its properties (including the Perth Casino) due to the COVID-19 pandemic.² As part of this, real property mortgages had to be given over Crown Towers and Crown Metropal in Perth. I am otherwise unaware of the assets of Burswood Nominees (including the casino licence) having ever been used as security for the debts of any other company or entity in the Crown Group.
39. I understand that Burswood Nominees holds all the shares in Burswood Resort (Management) which is the manager of the Burswood Property Trust. Burswood Resort (Management) employs most, if not all, the staff at the Perth Casino.

Management

40. During my tenure as a director of Burswood, Crown Perth was managed as a single business.
41. During my tenure as a director, the members of the management of Crown Perth included:
- (a) Mr Felstead who was CEO of Crown Perth;
 - (b) Mr Alan McGregor who was CFO of Crown Perth from 2007 to April 2013;
 - (c) Mr Lonnie Bossi who was Chief Operating Officer of Crown Perth; and
 - (d) Mr Joshua Preston who was Chief Legal Counsel of Crown Perth and responsible for AML/CTF.
42. I believe the above individuals were employed by Crown and/or Burswood Resort (Management).
43. The management of Crown Perth:

² CRW.507.005.1057.

- (a) were responsible for the day-to-day operations of the Perth Casino; and
 - (b) reported to the Board of Burswood on matters such as financial results, key management issues, capital developments, internal audit, and legal, risk and compliance.
44. It was my expectation that the management of Crown Perth would report and escalate matters of importance to me and the other members of the Board of Burswood.
45. The Board of Burswood had oversight of, and made strategic decisions about, the operations of Crown Perth. The Board of Burswood and, in particular, the Perth-based directors also advised Crown on the political and economic climate in Western Australia and how the Perth Casino was running on the ground.
46. The Boards of Burswood Nominees and Burswood Resort (Management) did not hold regular meetings and, instead, typically made decisions by way of circulating resolution (usually shortly following meetings of Burswood's Board).
47. As the ultimate parent company of Crown Perth, Crown influenced the strategic direction of the Perth Casino, with a view to making it a successful business and aligning it with Crown's brand.
48. I recall that, when Crown acquired the Perth Casino, the Perth Casino had annual earnings of around \$80 million but that its business was declining. Crown invested more than \$1.1 billion into redeveloping the casino's premises. This included:
- (a) remodelling and upgrading the Burswood Intercontinental Hotel and renaming it as Crown Metropolis Perth;
 - (b) upgrading and modernising the gaming floor;
 - (c) constructing Crown Towers, which was the first six star hotel in Australia at a cost of around \$650 million dollars;
 - (d) constructing two VIP villas;
 - (e) introducing top-level restaurant brands such as Rockpool Bar and Grill, Nobu, Silks and Bistro Guillaume;
 - (f) constructing a multi-storey car park; and

- (g) purchasing a luxury yacht.
49. As a result of this redevelopment, Burswood Resort (Management) came to double the size of the workforce at the Perth Casino to over 5,000 employees. This made it the largest single site employer in Western Australia.
50. During my tenure as a director of Burswood:
- (a) major capital expenditure at the Perth Casino was required to be approved by Crown; and
 - (b) Crown sought to align policies between Perth and Melbourne in certain areas such as AML/CTF.
51. However, in my experience, Crown did not direct or influence the day-to-day operations of the Perth Casino. There was a degree of overlap between the management of Crown and the management of Crown Perth such as when Mr Felstead took on the role of CEO – Australian Resorts from around mid-2013.
52. I do not recall Crown Melbourne exercising any influence over Crown Perth.

Risk management

53. The risk management systems for the Crown Group (including Burswood, Burswood Nominees and Burswood Resort (Management)) were developed and overseen by Crown's Risk Management Committee.
54. During my tenure as Executive Chairman and CEO of Crown, I took steps to:
- (a) ensure that the Risk Management Committee was comprised solely of independent directors; and
 - (b) double the number of meetings held by the Risk Management Committee from two-a-year to four-a-year.
55. The risk management systems developed by the Risk Management Committee included a risk management policy that was regularly reviewed and updated.³ The risk management systems were adopted by the Board of Burswood and implemented at the Perth Casino by the management of Crown Perth, including, in particular, Mr Preston.
56. During my tenure as a director of Burswood, it was an agenda item at each meeting of the Board of Burswood for the Board to be given a legal, risk and

³ See, e.g., CRL.522.001.1322, ING.010.003.0120, CRL.668.001.0046.

compliance report. The legal, risk and compliance reports dealt with matters such as government policy and regulatory changes, corporate risk, AML/CTF and litigation matters.

57. Burswood also had an Executive and Risk Compliance Committee (**ERCC**). I did not sit on the ERCC, but my recollection is that the matters discussed by the ERCC formed the basis of the legal, risk and compliance reports to the Board.

Casino agreement

58. I have a distant recollection of the effect of cll 22.1(r) and 22.1(ra) of the Casino Agreement between Crown Melbourne and the Victorian Commission for Gambling and Liquor Regulation (**VCGLR**). I do not recall those clauses ever being discussed by or with the Board of Burswood or Burswood Nominees. Nor do I recall whether, and, if so, how, those clauses were interpreted by and applied to the operations of Crown Perth.

“Risk appetite” and “risk tolerance”

59. I believe that, throughout my tenure as a director of Crown, the Crown Group knew of the risks involved in its operations and took steps to address such risks. I believe that, as time went on, the “risk appetite” and “risk tolerance” within the Crown Group decreased as a result of specific developments (such as the arrest of employees in China in 2016) and greater awareness of emerging risks (such as cybersecurity risks).

Topics 35-36: Operation of the Perth Casino

60. As I can best recall, between 2006 and 2020, the casino gaming operations of the Perth Casino were funded from the revenue generated by the Perth Casino. The casino gaming operations in Perth were also funded by debt facilities. I cannot recall the details of the facilities or their terms.
61. Burswood was solvent in the period from 2006 to 2020.
62. Burwood Nominees and Burswood Resort (Management) were solvent in the period from 2017 to 2020.
63. I recall that the Perth Casino was a profitable business and benefitted from the major financial investment that it received from Crown, which I described above.

Topics 37-42: International Commission Business

64. I refer to paragraphs 43 to 58 of my second witness statement to the Bergin Inquiry.
65. The ICB of the Crown Group (including with respect to the Perth Casino) was managed by the VIP International business at Crown, and, in particular, Mr Felstead after he became CEO – Australian Resorts in around mid-2013. Mr Johnston was also involved in overseeing the ICB.
66. I was not involved in the management of the ICB of the Crown Group. As Executive Deputy Chairman and later Executive Chairman and CEO of Crown, I focussed on the Crown Group's domestic business, which included local gaming customers, hotels, and food and beverage. Compared to the ICB, the domestic business contributed a far larger share of the Crown Group's earnings. My understanding of the ICB was limited to what I learnt from updates given to the Board of Crown.
67. My understanding of the ICB was that:
 - (a) the ICB was only a very small part of the Crown Group's earnings, especially in Perth; and
 - (b) the VIP International business and, in particular, Mr Felstead were responsible for vetting junket operators and international players. (During the Bergin Inquiry, I came to learn that, over time, Mr Johnston and Mr Preston also became involved in the vetting process.)
68. Outside of these matters, I am unaware of the detail of the historical structure and operations of the ICB of the Crown Group, including as to the Perth Casino.
69. I am unaware of any investigations or enquiries that have been undertaken by the Board of Burswood or Burswood Nominees to ascertain whether the Perth Casino's ICB or other junket business was vulnerable to criminal infiltration or may have been used to facilitate money-laundering.
70. I am unaware of any investigations or enquiries that have been undertaken by the Board of Burswood or Burswood Nominees into the arrests of employees of the Crown Group in China and into any potential effects of those arrests on the ICB or other junket business of the Perth Casino.
71. As discussed below, the response to the China arrests was managed by Crown.

Topics 43-48: AML/CTF

72. I refer to paragraphs 64-72 of my second witness statement to the Bergin Inquiry.
73. On 21 November 2007, the Board of Burswood approved the original AML/CTF program for Crown Perth.⁴
74. The contents of the AML/CTF program for the Perth Casino evolved over time. However, in broad terms, the program addressed transaction monitoring and reporting and other matters relevant to compliance with Crown Perth's AML obligations.
75. During my tenure as Executive Chairman and CEO of Crown, a number of steps were taken to improve the AML/CTF systems, policies and procedures across the Crown Group including at the Perth Casino. These steps are detailed in paragraphs 64-72 of my second witness statement to the Bergin Inquiry. These steps included, for example, establishing the position of Group General Manager, AML, expanding the resources allocated to AML/CTF and engagement with AUSTRAC, engaging Initialism to review and report on Crown's transaction monitoring programs, and aligning the AML/CTF programs for Crown Melbourne and Crown Perth into a joint AML/CTF program.
76. On 8 August 2019:
- (a) Mr Preston presented to the Board of Burswood on the joint AML/CTF program; and
 - (b) the Board resolved to support the adoption of the joint AML/CTF program by Burswood Nominees subject to further comments or views from other relevant companies in the Crown Group.⁵
77. On 20 August 2019:
- (a) Mr Preston presented to the Board of Crown on the joint AML/CTF program; and
 - (b) the Board resolved that the joint AML/CTF program be approved by the Boards of Crown Melbourne and Burswood Nominees.⁶

⁴ CRW.700.022.0154 at 0155.

⁵ CRL.627.001.0550 at 0557-0558.

⁶ CRL.515.001.0001 at 0006-0008; CRL.506.007.8947 at 9082-9088.

78. I recall that, following the resolutions of the Boards of Burswood and Crown, the joint AML/CTF program was adopted by the Board of Burswood Nominees in September 2019.⁷
79. I recall that, after the publication by The Age of an article on 5 August 2019 (discussed below) alleging that bank accounts of Southbank and Riverbank had been used to launder criminal proceeds, Mr Preston, with assistance from Mr Felstead and Ms Louise Lane who was then Group General Manager, AML, investigated the allegations.
80. I am unaware of whether 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. I do not have any specific reason to suspect that this occurred.
81. I am unaware of whether any of Burswood, Burswood Nominees and/or Burswood Resort (Management) 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 card), with the funds received then being made available for gaming.

Topics 49-62: Riverbank

82. I refer to paragraphs 73-76 of my second witness statement to the Bergin Inquiry.
83. As mentioned, shortly after becoming Executive Chairman and CEO of Crown, I signed consents to become a director of about 60 of Crown's subsidiaries. Those subsidiaries included Riverbank.
84. I understand that my responsibilities as a director of Riverbank included the legal duties mentioned in paragraph 35.
85. I was unaware of the existence or activities of Riverbank until around 5 August 2019.
86. On that date, The Age published an article alleging that accounts controlled by Southbank and Riverbank had been used to launder suspected proceeds of crime. The article named me as a current director of Southbank and Riverbank. The names of those companies did not register when I first read the allegations.
87. Shortly after reading the article, I discussed the allegations with Mr Preston. Mr Preston told me that the accounts held by Southbank and Riverbank were

⁷ CRW.510.011.6377, CRW.510.011.6378, CRW.510.011.6384 and CRW.510.011.6436.

longstanding accounts used by Crown and were used by VIP players to provide “front money” in advance of playing at the Crown Casino in Melbourne or the Perth Casino.

88. Mr Preston told me that the accounts were subject to the same AML processes as any other account controlled by Crown.
89. I have since come to understand that:
 - (a) Riverbank’s only business was to hold bank accounts;
 - (b) Riverbank did not have any assets; and
 - (c) Riverbank did not have any employees.
90. In December 2019, the accounts held by Southbank and Riverbank were closed. I was not involved in the decision to close the accounts. I recall hearing about the closure of the accounts after the event when Mr Preston informed me that CBA had withdrawn their support for the accounts. I cannot recall precisely when this conversation occurred.
91. I understand that:
 - (a) in 2013, HSBC decided to close its accounts with Southbank and Riverbank;
 - (b) in 2014, ANZ expressed concerns about, and closed, its account with Riverbank;
 - (c) in 2018, ASB expressed concerns about its account with Southbank, which led ASB to close Southbank’s account in around January 2019.
92. I was not made aware of any of the above matters at the time that they occurred. I only learned of these matters through my involvement in the Bergin Inquiry.
93. I was unaware of how the accounts of Riverbank were opened and operated until those matters came to light in the Bergin Inquiry.
94. I am unaware of the differences (if any) in the way the bank accounts of Riverbank and Southbank were opened and operated.

Topics 63-65: Taxes and Fees

95. I am unaware of any investigations or enquiries that have been undertaken by the Board of Burswood, Burswood Nominees or Burswood Resort (Management) as to any underpayment of:

- (a) the tax payable under s 20 of the *Casino Control Act 1984* (WA) to the State of Western Australia by Burswood Nominees with respect to the operation of the Perth Casino; or
 - (b) casino gaming licence fees by Burswood Nominees with respect to the operation of the Perth Casino.
96. I am unaware 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.

Topics 66-70: Response to public allegations and regulatory investigation

Four Corners allegations

97. I do not recall any response by Crown, Burswood, Burswood Nominees and/or Burswood Resort (Management) to the allegations made by Four Corners in September 2014.

Wilkie allegations

98. The allegations made by Mr Andrew Wilkie in October 2017 were responded to by Crown. Crown’s response included the publication of an advertisement refuting Mr Wilkie’s allegations.⁸

Guardian allegations

99. I do not recall any response by Crown, Burswood, Burswood Nominees and/or Burswood Resort (Management) to the allegations made by The Guardian in April to July 2019 in relation to EGM tampering.

60 Minutes and Fairfax allegations

100. I discussed Crown’s response to the allegations made by 60 Minutes and Fairfax Media in paragraphs 15-42 of my second witness statement to the Bergin Inquiry.
101. At a high level:
- (a) the allegations were investigated by Mr Felstead and Mr Preston (with the assistance of Minter Ellison);

⁸ CRW.526.007.2022 at 2022-2023.

- (b) Mr Felstead and Mr Preston's findings were set out in an internal report that was provided to Crown's directors;
- (c) Crown's directors met on 30 July 2019 to discuss the allegations and the internal report;
- (d) at the same meeting, Crown's directors resolved that:
 - (i) management, in consultation with the Board, be authorised to prepare a full page advertisement responding to the allegations; and
 - (ii) following publication of the advertisement, further consideration be given to engaging a third party to assist Crown with its communication strategy regarding the allegations;⁹ and
- (e) the advertisement was published in newspapers and uploaded to the ASX platform on 1 August 2019.

102. The advertisement was authorised and published in circumstances where I believed Crown needed urgently to issue a public response to the allegations. As I said in my evidence to the Bergin Inquiry, in hindsight, instead of issuing this advertisement, a better approach might have been to issue a statement that refuted the allegations based on the internal report but indicated that an external investigator would be appointed to examine the allegations and report back.

Operation Angove

103. I am unaware of any response by Crown, Burswood, Burswood Nominees and/or Burswood Resort (Management) to the release by the Australian Commission of Law Enforcement Integrity of the Operation Angove report. That report was released after I had stepped down from the Boards of Burswood, Burswood Nominees and Burswood Resort (Management) and shortly before I stepped down from the Board of Crown.

China arrests

104. I am unaware of any response by Burswood, Burswood Nominees and/or Burswood Resort (Management) to arrest of Crown employees in 2016. This was a matter that was managed by Crown as the ultimate parent company.

⁹ CRL.506.006.5574 at 5574-5575.

105. As noted in paragraph 63 of my second witness statement to the Bergin Inquiry, when I became Executive Chairman of Crown in February 2017, Crown employees were still being detained in China. I prioritised getting those employees released. In addition, in consultation with senior management and the Board of Crown, I took steps to restructure the VIP business in Asia. Those steps included:
- (a) establishing a regional hub in Hong Kong;
 - (b) closing other Asian offices and relocating staff;
 - (c) developing detailed operating protocols (with appropriate training); and
 - (d) appointing a dedicated compliance officer in Hong Kong.

VCGLR Sixth Review Report

106. I refer to paragraphs 65-66 of my second witness statement to the Bergin Inquiry.
107. Crown and Crown Melbourne accepted the recommendations made in the VCGLR's report entitled "Sixth Review of the Casino Operator and Licence" (**VCGLR Report**). My recollection is that, by the time I retired from the Board of Crown, most of the recommendations had been enacted, with the remaining recommendations timetabled for implementation.
108. I do not recall any separate response by Crown Perth to the VCGLR Report. However, I do recall that Mr Preston was invited to present to the Gaming and Wagering Commission (**GWC**) on the recommendations in the report and which of them were relevant to the Perth Casino.¹⁰
109. Crown and Crown Melbourne accepted the VCGLR's disciplinary actions to impose a \$150,000 fine for non-compliance with the internal process for documenting junket arrangements and a \$300,000 fine for unauthorised variations to gaming machines.

Bergin Inquiry

110. I recall that, during the Bergin Inquiry, the Board of Crown took steps to address matters raised during the inquiry relating to criminal infiltration,

¹⁰ CRL.627.001.0529 at 0534.

commercial relationships with junkets and money laundering through bank accounts.

111. For example, on 10 August 2020, the Board of Crown resolved to suspend all relationships with junket operators while a comprehensive review of those relationships was undertaken.¹¹ This suspension applied to the Perth Casino. On 10 September 2020, the Board of Crown resolved to extend that suspension until the end of FY2021. At the same meeting, the Board of Crown also resolved to dedicate more resources to the areas of AML/CTF and to create the position of Head of Compliance and Financial Crimes reporting directly to the Board.¹²

Topics 71-75: Problem Gambling

112. I understand that Crown and Crown Perth had systems, policies and procedures to identify and manage the risk of problem gambling at the Perth Casino. Those systems, policies and procedures are reflected in the Crown Perth Responsible Gambling Code of Practice.¹³
113. I understand that the management of Crown Perth and, in particular, Mr Preston were responsible for identifying and managing the risk of problem gambling at the Perth Casino.
114. During my tenure as a director of Crown, the responsible gaming policies for the Crown Group, including at the Perth Casino, were set by Crown's Responsible Gaming Committee (of which I was a member from April 2017 to February 2020).
115. I recall that Crown Perth had its own Responsible Gaming Committee which reported through the ERCC to the Board of Burswood.
116. I am unaware of any investigations or enquiries that have been undertaken by the Board of Crown, Burswood, Burswood Nominees or Burswood Resort (Management) to ascertain the nature and extent of problem gambling at the Perth Casino.
117. However, throughout my time with the Crown Group, Crown set out to better understand and address the risk of problem gambling at its properties, including the Perth Casino. For example, in September 2018, at the invitation of the Deputy Secretary of the NSW Department of Liquor, Gaming & Racing,

¹¹ CRW.507.005.2226 at 2228.

¹² CRL.711.001.0001 at 0002-0003.

¹³ CRW.700.025.3081.

Mr Felstead and I attended a conference of the International Association of Gaming Regulators in Copenhagen. On the back of what was learnt at the conference, Crown established a Responsible Gaming Advisory Panel comprised of independent experts to advise the Responsible Gaming Committee on how to improve responsible gaming practices.

118. I am unaware of any third party requests to Crown, Burswood, Burswood Nominees or Burswood Resort (Management) to research on problem gambling at the Perth Casino.

Topics 76-83: Electronic Gaming Machines

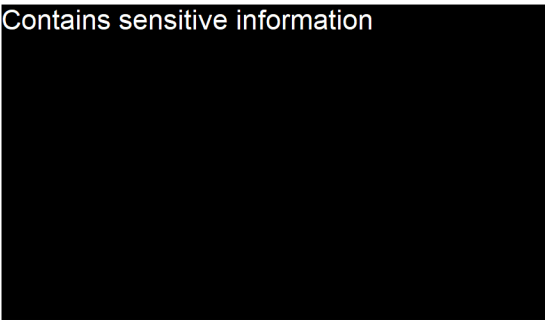
119. During my tenure as a director of Burswood, through meetings of the Boards of Burswood and Crown and discussions with the management of Crown Perth, I obtained an understanding of the operation and financial performance of the EGM business at the Perth Casino. My understanding during this time was that Mr Felstead and Mr Bossi were responsible for the EGM business at the Perth Casino.
120. Management provided updates to the Boards of Burswood and Crown on the EGM business at the Perth Casino.
121. I am aware that authorisation was required from the GWC for EGMs. The procedures or process by which Crown Perth sought such authorisation from the GWC was dealt with by management.
122. As noted, I understand that Crown Perth had systems, policies and procedures to identify and manage the risk of problem gambling at the Perth Casino. Those same systems, policies and procedures applied to the EGM business. My recollection is that many of the responsible gaming measures related to EGMs because it was recognised that EGMs are a major source of problem gambling.
123. I am unaware of any investigations or enquiries that have been undertaken by the Board of Crown, Burswood, Burswood Nominees and/or Burswood Resort (Management) to ascertain whether there has been any tampering with or adjustments of EGMs at the Perth Casino to unfairly disadvantage patrons or to increase the risks of problem gambling associated with such machines. That said, I recall that, following an enquiry from the GWC, management identified a number of EGMs at the Perth Casino that enabled continuous play.

These machines had been approved at a time when continuous play was permitted.¹⁴

Topics 84-94: Gaming and Wagering Commission and the Department

124. The management of Crown Perth and, in particular, Mr Felstead, Mr Preston and (to a lesser extent) Mr Bossi were responsible for communicating with the GWC and the Department of Local Government, Sport and Cultural Industries (or its predecessors) (**Department**).
125. During my tenure as a director of Burswood, the management of Crown Perth would from time to time provide the Board of Burswood with updates about their communications and/or interactions with the GWC or the Department. I do not recall the Board of Burswood or any other entity in the Crown Group ever directing management about when and how to communicate with the GWC or the Department.
126. There was no practice of management asking the Board of Burswood to review and/or approve the contents of communications to the GWC or the Department. I do not recall having ever been asked to do so.
127. During my tenure as a director of Burswood, I was unaware of:
 - (a) any gifts or benefits provided by officers or employees of the Crown Group to officers and employees of the Department or members of the GWC; or
 - (b) any personal relationships and friendships between officers and employees of the Crown Group (on the one hand) and officers and employees of the Department or members of the GWC (on the other).
128. I have since become aware of instances of the above matters as a result of evidence given by other witnesses to the PCRC.

Contains sensitive information



16 August 2021

¹⁴ CRL.627.001.0537 at 0541.