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PERTH CASINO ROYAL COMMISSION

PUBLIC HEARING - DAY 47

10.00 AM FRIDAY, 22 OCTOBER 2021

COMMISSIONER NJ OWEN

COMMISSIONER CF JENKINS

COMMISSIONER C MURPHY

HEARING ROOM 3

MS PATRICIA CAHILL SC and MR THOMAS BOYLE as Counsel Assisting the Perth Casino Royal Commission

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

MR PAUL D EVANS as Counsel for the Gaming and Wagering Commission of Western Australia

MR MARTIN CUERDEN SC as Counsel for Consolidated Press Holdings Pty Ltd and CPH Crown Holdings Pty Ltd

MR KANAGA DHARMANANDA SC and MR JESSE WINTON and MS MELANIE JASPER as Counsel for Crown Resorts Ltd; Burswood Limited; Burswood Nominees Limited; Burswood Resort (Management) Limited; Crown Sydney Gaming Pty Ltd; Southbank Investments Pty Ltd; Riverbank Investments Pty Ltd and Crown Melbourne Limited

MR DAVID SHAW as Counsel for Mr Lonnie Bossi

MR ANTHONY POWER as Counsel for Ms Maryna Fewster

MR PETER WARD as Counsel for Mr John Poynton

MS JOANNE SHEPARD as Counsel for Mr Barry Felstead

DR ELIZABETH BOROS as Counsel for Mr Ken Barton

COMMISSIONER OWEN: Please be seated. Thank you for returning, Mr Bossi. Do you wish to affirm or take an oath?

MR BOSSI: I will take an oath.

5

LONNIE BOSSI, SWORN

10 COMMISSIONER OWEN: Thank you very much, Mr Bossi. You may be seated. Mr Shaw.

MR SHAW: My pleasure, Commissioners.

15

EXAMINATION-IN-CHIEF BY MR SHAW

20 MR SHAW: Two things. Could I first of all ask for Mr Bossi's amended witness statement for 30 July, thank you very much. Mr Bossi, can I take you to paragraph 103 of that statement, 026 --- there we are. As I understand, you wish to make an amendment to delete the words in that sentence "or debit".

MR BOSSI: Correct.

25

MR SHAW: And is that because there are EFTPOS machines available at tables and it wouldn't be appropriate for the words "or debit" to remain in there?

MR BOSSI: Correct.

30

MR SHAW: With your leave, I ask that that be ---

COMMISSIONER OWEN: Thank you. Yes, That change will be made on the amended witness statement.

35

MR SHAW: Thank you, Commissioner.

40 With your leave, Commissioners, Mr Bossi was invited by solicitors assisting on Wednesday evening to give evidence to Commissioners about Crown's specific remediation plans and Mr Bossi's part in them. With your leave, I would like him to take that opportunity.

45 COMMISSIONER OWEN: Yes, we will be assisted by Mr Bossi, and all of the other witnesses, giving us their view on the remediation plan and particularly their role in it.

MR SHAW: Grateful, Commissioner.

Mr Bossi, could you please assist the Commissioners by giving an update in relation to the AML and CTF matters at Crown?

MR BOSSI: Okay. In terms of the remediation plan, we have approached that
5 organisationally and locally, so I thought it would be best to focus on what we have
done in Crown Perth, in particular, when it comes to AML and CTF. We have
increased substantial resourcing locally, so we have five dedicated resources that
have come from various law enforcement, as well as we have seconded people from
10 the operations so that we get better engagement across the operation and the AML
skills, supported by some very strong skills centrally. Starting with the recruitment
of Mr Steven Blackburn out of the banking sector, he's been instrumental in setting
up frameworks within which we can work that are far stronger than we've had
previously. A gentleman by the name of John Yates has worked closely with us.
15 He's central. He's come from law enforcement. He's helped assisting us with our
KYC and significant player review processes, and understanding customers and
information we can access beyond what we were aware of.

Danielle Slattery, likely, has been very strong for us as well. So resourcing has come
up substantially. We've introduced communication to customers that is far clearer in
20 simplified form. Many of our customers are not lawyers and technical experts in the
field, so that's assisted in providing them with information understanding what we
are going to do.

We have undertaken incremental information on our customers from a value
25 customer perspective across our Pearl Room membership base. From an AML
perspective, we also implemented cash transaction limits, whereby once these limits
are hit, they get elevated to different members of management, one transaction of
which, in particular I recall, resulted in an individual --- just contextually, the limit
across the organisation was 200,000 for a transaction to get to a CEO level. We
30 implemented a \$20,000 and \$50,000 limit internally in Perth, inferior to the rest of
the company. When the transaction occurred, the individual who we identified was
then --- has been investigated and since been convicted and certainly will be serving
time. There has also been a trial of a \$5,000 limit on a table where customers have to
produce ID. So they are all factors that we have implemented that have certainly
35 been tightened up in the process and given us a better sense of information in the
AML/CTF space.

We also have done some work in the RG space. As we discussed last time I was
here, play limits or player period limits have been reduced, and we rolled out the 12-
40 hour period a few weeks ago. To support that framework, we increased our
resourcing in RG from 13 staff to 16 staff, plus we have added a response team
specifically dedicated to play periods across the gaming floor, a further 12 staff, so
that brings the total to 28, and we are currently looking at expanding that by another
10.

45 So were are in that process. The engagement with customers is having a three and a

half hours, six, eight, 10 and 12. So we are operationalising it. We are going to keep evolving that process to make sure we get it working as effectively as we can. We have also done a little bit of a --- a fair bit of analysis in terms of play periods and understanding what those are and the details thereof. The work between the RG team and the analytical team has increased. I intimated that last time, but it has increased further. From an RG perspective, we have also undertaken RG manager training, which is face-to-face training led by our senior RG people, our operations manager primarily, with assistance from the general manager of Responsible Gaming. Again, it's heightened our awareness and a number of pieces of communication have also gone out.

In terms of culture, we have looked at it on a number of levels but a key area has been at a senior leadership level, both corporately with the leadership team across the country as well as the leadership team in Perth, we have had a number of meetings about that, a number of discussions which I have led to ensure that we are dealing with the findings that have come out of the research that we've seen. But also in updating our values, evolving them, in essence, to ensure that we have further focus on that within the team on the ground.

MR SHAW: Thank you, Mr Bossi. In relation to AML, can you tell us a little bit about resourcing of AML and perhaps a little bit about training

MR BOSSI: The AML training, again, has taken a number of levels. Face to face training at the manager level and key gaming areas. We have had, I think, about 600 or 700 direct staff that have been trained in the face to face training element.

We have had online training, but that's been in place for a little bit longer, also some training at board level. From my perspective, my engagement with those leadership teams has been frequent. I speak with Danielle Slattery, for argument's sake, in Perth two to three times a week. That is all manner of elements from the rollout of the Sentinel real time tracking system to the take-up of our portals and how our staff are utilising those, which digitalised a lot of the AML processes, engaging with, as I said earlier, John Yates in terms of understanding not only building the PDA tool that we use to assess people from a significant player respects the risks they provide, but also understanding the content of that and the way we go about it to understand the risk of the player, and all the factors that go through that.

So there's a lot of engagement in that space. Obviously with the legal team on multiple times a day. I'm fortunate those teams are about 30 metres from my office, so I have --- I walk over there and have a chat to them, and work through the systems with them face to face, not just emails and texts, which seems to be the common way of communicating nowadays. It gets me a real understanding of what they go through and the way they are communicating with our operations. So one of the key elements of bringing in one of our middle managers from tables in that team is to actually get the AML team to understand what the operational team face and how they can better engage both areas in terms of how we deliver the AML framework. One of the key elements I found out just Wednesday night when I was at our

employee of the year, a lot of the table team really engaged with that team member and now really understand the frameworks that we are putting behind them. They don't feel isolated. They actually see the team we have got sitting in AML, sitting in
5 RG actually work together with them and provide them a level of support, which is exactly what a second line of defence team should be doing as distinct from a first line of defence solely. And that's highlighted the fact for us that we probably need to spend a little more time communicating those frameworks and getting the teams to understand the depth and capability we now have within our teams in those
10 frameworks.

MR SHAW: Again, in respect to AML, you've talked about transaction limits. What about dealing with third-party transfers?

15 MR BOSSI: Third party transfers seized some time ago. We had some policies there, obviously with the removal of the International Business and Junket activity some months ago. And for us it's almost a year ago as an operation to do that. In fact, the last time we had an international play, I have to go back to pre-COVID, but the removal of third-party transactions obviously is part of that process to constrain
20 possible avenues where AML may be occurring, or ML may be occurring.

MR SHAW: Thank you, Mr Bossi. In respect to the remediation plan in general, is the local remediation plan being documented and is progress on the remediation being documented.

25 MR BOSSI: Yes, it is. There's a weekly meeting on that matter to which I participate. A number of factors we go through in terms of improving the frameworks. They go to where we are in terms of casino manuals, standard operating procedures, as well as looking at possible framework enhancements we can
30 put in place. I think there's a lot of areas we are working at. Part of the other discussions is the new RG centre that we are building at the moment. It's about a \$600,000 project. It's triple the size of the previous centre with far more technical capability within the room and normal meeting rooms. It's located in a --- an improved area in terms of visibility and access for customers, although it has also
35 discrete access for those customers who are limited and we are expecting that to be completed by the end of the month. That's a major project for us and we have only just recently obviously got ministerial approval because we are unable to build without that. So there's a fair bit of work in that space as well and that goes hand in hand with the resourcing and some of the technical work we are doing in that area.

40 MR SHAW: Thank you, Mr Bossi. Just one more area, if I could ask you to address --- help the Commissioners with and that is morale at Crown Perth?

45 MR BOSSI: Morale --- the team is holding up remarkably well considering what we are going through, organisationally, media wise. The last round of interviews we had a group of senior managers in that group so that really hit home for a lot of the team. The support mechanisms are there. From our perspective, we are using support services such as Benestar to help all those staff that have been challenged in that

space.

5 I know I spent a lot of time dealing with the direct team that were involved in the inquiry. I probably spent two and six hours with each of them over the last month just purely relating to that fact. Some of them are really struggling. It's not something that they thought they were going to face, but they are holding together and what impressed me a lot was the way the leadership team pulled together at that point to support each other. But on the front line, a lot of the team are facing --- you
10 know, they go home and they are having barbecues, they are having those discussions, people are asking the questions. They can't get away and relax at home like they used to at the moment. So the morale is holding up I would say okay, considering that.

15 Having said that, without doing a detailed analysis from where morale is, it's hard for me to give you a clinical assessment of where that's at, but there's certainly some pressures facing our team.

MR SHAW: Mr Bossi, I don't have any further questions.

20 COMMISSIONER OWEN: Mr Bossi, just one thing arising from that. Mr Shaw asked you whether the local remediation plan, whether it was being documented. You'll be aware, no doubt, of the --- it has no doubt come up later in the day, that the overall remediation plan was about 70-odd pages. You are aware of that document?

25 MR BOSSI: Yes.

COMMISSIONER OWEN: Is there a separate document that addresses remediation matters for Crown Perth?

30 MR BOSSI: Yes, there is. It is a subset to a degree of that document. That's the parent document, so to speak, where all the key areas are outlined. With the Perth team working on remediation, we take it to the next level of detail in terms of how we can support the overall framework we are trying to get to organisationally. Those
35 documents are --- they don't tell the story of how much work there really is to get these frameworks up and running. This is hundreds and hundreds of people across both sides of the country doing a lot of different projects to get to that point. A line that says we have rolled out sentinel doesn't go to the detail of the IT team working with the operational team, working with HR to train the teams on this matter. We
40 have just implemented it. So for us a lot of the Perth documentation, it as a separate document. It goes into a little more detail on the operational teams on how we are supporting that and in some elements how we may broaden that at a local level so we cover the ground we need to.

45 COMMISSIONER OWEN: You mentioned the casino's operations manual and the standard operating procedures. Are changes being made to those documents as you go or are you approaching it as a sort of catalogue of changes that will have to be made?

MR BOSSI: As we go. When I think about our internal policies, they are getting updated as we go and streamlined. We are learning lessons on the way through. This process takes time. We are not finished. There's a bit of time left to go. If we
5 waited until the end, we don't know how long that line is, and different parts get to completion much earlier than others. So we update them as we go. If that means standard operating procedures get changed every six months, there are going to be updates every six months to make sure we are operating as effectively as we can, to make sure that we are following those procedures that we have identified and those
10 frameworks that were enhanced, effectively.

COMMISSIONER OWEN: Thank you.

15 **CROSS-EXAMINATION BY MS CAHILL**

MS CAHILL: I would like to begin by clarifying some matters the subject of evidence that you gave on the last occasion you were here in August. In your
20 original witness statement --- I will call up the amended one, CRW.998.002.0247, paragraph 20, page 0250, you refer to an expectation of the understanding that you had about your appointment as a director to the various companies that are set out at paragraph 18 of your statement here.

25 MR BOSSI: Yes.

MS CAHILL: If you would just let Mr Bossi see paragraph 18.

30 MR BOSSI: 18, sorry.

MS CAHILL: Essentially, what you say there is that the appointments were for an interim period while CRL undertook to replenish the board positions?

35 MR BOSSI: Yes.

MS CAHILL: You remain a director of each of those companies, do you?

MR BOSSI: I do.

40 MS CAHILL: On your understanding, do each of those appointments remain interim or have they been made permanent?

MR BOSSI: I understand I will be shortly removed from Burswood Ltd board. That's the first one and only one that we are involved in discussions at this point.
45 That's been brought to my attention in discussions with Mr Bruce Carter and Mr Steve McCann in the last week.

10:18AM

MS CAHILL: Can I just come back to that in a moment and ask you about the other companies. Are you able to say whether your position as a director of those other companies is still interim or has it been made permanent?

5

MR BOSSI: I haven't had advice either way, as per Burswood Ltd. That's the first one that's come up, so I'm not sure.

10 MS CAHILL: Just in relation to Burswood Ltd, you had recent discussions with Mr McCann and Mr Carter, who either is or is about to be the chairman of Burswood Ltd. Is that right?

MR BOSSI: Yes, that's right.

15 MS CAHILL: Those discussions are to the effect that you should step off the Burswood Ltd board?

MR BOSSI: Yes.

20 MS CAHILL: And that came from Mr McCann and Mr Carter, did it?

MR BOSSI: Yes.

25 MS CAHILL: And did they explain to you their thinking in relation to that?

MR BOSSI: Yes --- as best I understood it, it is not to do with performance; it's about the requirement to have three directors and they are the proposed three directors with Ms Fewster.

30 MS CAHILL: So no more than three directors, is that ---

MR BOSSI: Well, that's the starting point. From there, I haven't had any further discussions. At this point, that's what I'm advised. It's a minimum requirement of the board.

35

MS CAHILL: Let me just understand that. It's a minimum requirement to have three directors on the board?

MR BOSSI: Yes.

40

MS CAHILL: So you could have three or more is what's been explained to you?

MR BOSSI: Correct.

45 MS CAHILL: Mr Carter, Mr McCann and Ms Fewster?

MR BOSSI: Yes.

10:20AM

MS CAHILL: Did they explain to you why you were not to remain on the board and could have four directors?

5 MR BOSSI: No, the position was we are choosing to have those three senior people on the board and I was going to step down as I noted in line 20.

MS CAHILL: So you are the CEO of Crown Perth?

10 MR BOSSI: Yes.

MS CAHILL: Do you think you should be the most senior executive on the board of Burswood Ltd?

15 MR BOSSI: My position is I believe I am a representative of management. I report to Burswood Ltd board. I provide managerial advice to that board and the --- by not being on the board, any potential decision-making conflicts of a board member may have with the CEO may be removed. So I'm comfortable stepping off that board.

20 MS CAHILL: In answer to some questions by Commissioner Owen on the last occasion, you were asked about discussions you may have been involved in in your capacity as director of Burswood Ltd, about the type of board that would be most appropriate for the circumstances of Crown Perth, and you answered by saying that you'd had a number of conversations with Ms Fewster about what the board should
25 look like in terms of composition skills and domicile. Have you had any more conversations with Ms Fewster about that topic since you last gave evidence?

MR BOSSI: We may have. I'm not sure whether it would have changed from that position, from discussions.
30

MS CAHILL: Have you had any more conversations on that topic with --- sorry, have you had any conversations on that topic with anyone else since you last gave evidence?

35 MR BOSSI: Yes.

MS CAHILL: Who's that?

MR BOSSI: Mr Carter and Mr McCann.
40

MS CAHILL: Mr Carter and Mr McCann, neither are domiciled in Western Australia?

MR BOSSI: Yes.
45

MS CAHILL: Were you involved in any discussions leading to their appointments?

MR BOSSI: I can't recall. Mr --- sorry, I take that back. There was a discussion

5 prior to Mr Carter's appointment with respect to what I thought about that as an appointment, and I thought Mr Carter brought very strong risk and resort skills, having been on the board of SkyCity previously, so would have some understanding of the operational challenges of an operation the scale of ours may have. So I recall that conversation.

10 I believe it was Mr Nigel Morrison, one of our other board members - Crown Resorts' board members, I should say.

MS CAHILL: So you supported the appointment of Mr Carter?

MR BOSSI: Yes, I thought he brought very strong skills for us.

15 MS CAHILL: Did you have any decision-making role in relation to these new appointments to Burswood Ltd board?

MR BOSSI: We ultimately approved it in a board meeting we had.

20 MS CAHILL: Just coming back to the discussions that you had with Mr Carter and Mr McCann about the topic of composition skills and domicile of board members, can you relate that to me, please?

25 MR BOSSI: Can you repeat that?

MS CAHILL: You said a little while ago that you had conversations with Mr McCann and Mr Carter about this topic of what the board should look like in terms of composition skills and domicile.

30 MR BOSSI: Yes.

MS CAHILL: Tell me about those conversations.

35 MR BOSSI: My view was that skills around legal and risk are --- I'd like to have those. Obviously financial skills, skills in board members with respect to major resorts would be handy, or similar kind of operations, which have large staff bases, and multiple responsibilities. In terms of domicile, my position was to have additional Western Australian representation.

40 MS CAHILL: That was something that you said on the last occasion you were here, that you and Ms Fewster had both discussed you would like some more Western Australian representation?

45 MR BOSSI: Yes.

MS CAHILL: How did Mr Carter and Mr McCann respond to that?

MR BOSSI: Mr Carter appeared to be comfortable with that position.

MS CAHILL: Comfortable?

5 MR BOSSI: Yes, and Mr McCann asked further questions about what that would look like, and when we spoke about Western Australian representation, the additional director I was contemplating was a further director that could also potentially sit on the Crown Resorts board, to provide great coverage for Western Australian at the Crown Resorts level as well, so sitting on both those boards from that perspective, and he acknowledged that.

10 MS CAHILL: So is this topic of potentially recruiting a locally based board member for Burswood Ltd and/or for CRL still something that's the subject of discussion at Burswood Ltd board level?

15 MR BOSSI: Yes. I understand that that is the case. I have certainly put quite a number of possible candidates up and I understand all of the board members have put possible candidates up.

20 MS CAHILL: You said in August that some names of potential people had been presented?

MR BOSSI: Yes.

25 MS CAHILL: What's happened about those candidates?

MR BOSSI: There's been a further and far more enhanced candidates that have been presented.

30 MS CAHILL: So that's still a work in progress?

MR BOSSI: I believe so.

35 MS CAHILL: We'll come to your current role as CEO that you've held since December 2020. Is that on your understanding an interim appointment or a permanent appointment?

MR BOSSI: It's a permanent appointment.

40 MS CAHILL: Was it a permanent appointment at the time you gave evidence in August this year?

MR BOSSI: Yes, it was.

45 MS CAHILL: Who do you acknowledge within the Crown Group decided to appoint you as CEO of Crown Perth?

MR BOSSI: I believe it was Ken Barton, CEO of Crown Resorts at the time.

10:27AM

MS CAHILL: Is it fair to say that you had effectively been groomed for that role in any event prior to Bergin?

5 MR BOSSI: I don't know.

MS CAHILL: Were you a logical successor to Mr Felstead?

MR BOSSI: I was --- of the internal candidates, I was the probable successor, yes.

10

MS CAHILL: I want to ask you some questions about organisational structure relevant to Crown Perth, just to clarify what the position is currently. Can I first do that by going back in time to February 2020, and looking at the organisation chart then, which is CRW.700.002.0290. At that time --- if we pull that up --- Mr Felstead was the CEO of Australian resorts, that's Crown Melbourne and Crown Perth together, COO, chief operating officer of Crown Perth reporting directly to him in that organisational chart. Now, if we go to the current one, which is October 2021, CRW.701.009.5021, you're CEO of Crown Perth. So it's the case now that each of the properties, Crown Perth and Crown Melbourne, have their own CEO instead of one spanning both properties?

15

20

MR BOSSI: Yes.

MS CAHILL: And there's a CEO for Crown Sydney as well, is that right?

25

MR BOSSI: I believe Sydney and Melbourne are in the process of recruitment, but the role is there.

MS CAHILL: Mr McCann's the CEO of Crown Melbourne at the moment, isn't he?

30

MR BOSSI: Yes.

MS CAHILL: As well as the CEO of the group?

35

MR BOSSI: Yes.

MS CAHILL: And is it Mr Peter Crinis who is currently in the position of CEO of Crown Sydney?

40

MR BOSSI: I don't believe so. Peter's in the process of transitioning away from the business and alternatively placed as interim whilst the CEO recruitment is under way.

MS CAHILL: For Sydney?

45

MR BOSSI: Yes.

MS CAHILL: Understand. Now, coming back to this chart that's on the screen for

10:30AM

you, Mr Bossi, you'll see there that third box underneath yours, Mr Hill in it, there COO for food and beverage and entertainment who reports directly to you?

5 MR BOSSI: Yes.

MS CAHILL: You recall that role existed in February 2020 and reported to Mr Felstead?

10 MR BOSSI: Yes.

MS CAHILL: But there is no COO position in this new chart equivalent to the position that you held in the prior organisational chart; is that right?

15 MR BOSSI: Correct.

MS CAHILL: Has that position been made redundant or is there an intention to recruit somebody into that COO role?

20 MR BOSSI: The position has not been made redundant. Currently with all the transitions that are occurring across the organisation and the current state of centralised support versus localised requirements, I have taken a decision to hold off on whether that job gets filled. Depending on how the structure settles down, as you can tell, the number of names we have in the operating team here has increased and
25 changed quite noticeably between those two periods. So I was of the opinion that we hold on that appointment and implement a leadership team, which Mr Hill is chairing, which lifts a number of our senior members of this team up to manage the property, and that gives me a better understanding of various skill sets that are more broad within the organisation, and allows me to assess that team, which will further
30 assist any decisions to be made at a senior level once this process starts to stabilise across the entire organisation.

MS CAHILL: Touching on that point about you being there to assist this enlarged team, do you retain the responsibilities you previously had as COO in your new role
35 as CEO?

MR BOSSI: No, some of the responsibilities of that role have been delegated to Mr Blake and Ms Cairns in their elevated titles and elevated responsibilities.

40 MS CAHILL: Do you mind if I just pause? I'm not --- I don't want you to lose thread of what you wanted to say, but you used that word "delegated" and I want to clarify what you saying there. Do you mean the responsibilities are still yours but you've delegated them to somebody else, or the responsibilities have been transferred to somebody else?
45

MR BOSSI: During the course of the process of the Royal Commission, they have been delegated across as a starting point when we began this process months and months ago. They will be transferred as we settle down.

10:33AM

MS CAHILL: I hope you haven't lost the thread of what you were about to say, but you were explaining that those ---

5 MR BOSSI: I have, actually.

MS CAHILL: Shall I ask you the question again?

MR BOSSI: Yes.

10

MS CAHILL: I was asking you whether you retained all the responsibilities of COO and then you were describing that certain of the responsibilities had been delegated?

15 MR BOSSI: They were the primary ones that I'm talking to. The support work required of some of the other teams has changed, but that's not through courses.

MS CAHILL: We might come back to your old role and to what extent it continues for you as CEO in a moment, but can I just have you look back again at this October chart, please. Although the COO role doesn't exist in this chart for Perth, if you have
20 a look over to Mr Cairns on the right-hand side, you'll see he reports into Mr Crinis, who is designated as the COO of Crown Melbourne. Do you see that?

MR BOSSI: Yes.

25 MS CAHILL: So they have got one over there, but not here?

MR BOSSI: Yes.

MS CAHILL: So what's ---

30

MR BOSSI: Okay, a couple of pieces in that. Mr Crinis ran hotels. So you would have seen in the previous document, Andrew Cairns still had the reporting line through him. In his process of departure, he's moved to COO in Melbourne prior to leaving, I think, it's at the end of the year. Melbourne will have a COO. A function
35 of that is the scale of the operation in Melbourne, and, secondly, with Mr McCann being COO in both Melbourne and Crown Resorts, the COO is --- my expectation is the CEO steps into that to allow him to perform those two functions as well.

MS CAHILL: So there will be some CEO aspects to the COO role in Melbourne?

40

MR BOSSI: Possibly, I don't know. That's a matter that the Melbourne team are working through, but, again, it's quite a disruptive period for the organisation. I think from a structural perspective, I would say we are probably another 12 months before we settle down organisationally. It may even be longer than that, but I'm guessing by
45 this time next year.

MS CAHILL: Just while we are on the organisation chart, the current one, can you

help me to understand how it should be read? Do you see that large box towards the bottom right-hand side of the page, the first page, which has listed your direct reports. Do you see that?

5

MR BOSSI: Yes.

MS CAHILL: Just to understand what that means, direct reports are accountable to you directly for their performance of their role?

10

MR BOSSI: For the purpose of their role in Perth, yes. I will give you an example. Andrew Cairns is a good example. He has a reporting line currently to Peter Crinis. Upon Peter's departure, the anticipation is Mr Cairns reports to me. One of the hotels in Perth reporting through to the CEO of Perth.

15

Whilst the direct reporting line isn't there, and I think Mr Cairns would also agree, we spend most of the time working through the strategies for Perth together. The role he plays is significant with respect to the Perth operation. A good example is last week in telephone and what his team did in terms of executing that. So, from my perspective, he imminently reports to me, but when it comes to assessing his work effort and what he does on the ground and how he supports the team, he and I work extremely closely together.

20

MS CAHILL: If we just pop that back, please, so I can understand what you are saying here. You were talking about Andrew Cairns on the right-hand side of the top row underneath you which is a dotted line report?

25

MR BOSSI: Yes.

MS CAHILL: What you've just explained to the Commissioner is a dotted line reporting structure?

30

MR BOSSI: Correct. That's imminently to transition.

MS CAHILL: To a solid line?

35

MR BOSSI: Yes.

MS CAHILL: Right.

40

MR BOSSI: Upon Mr Crinis's departure, which I think is at the end of this year.

MS CAHILL: As COO of Crown Melbourne?

MR BOSSI: Yes.

45

MS CAHILL: But there still will be a COO of Crown Melbourne?

MR BOSSI: Yes, there will. His expertise is in hotels. His career has largely been hotels. So his level of expertise previously was deemed to have been the best way to manage hotels across the group that shares brands, customers, positioning,
5 restaurants, brands. His skill set departing the expectation is the COO has that role has a completely different skill set, is our anticipation of an organisation, and Andrew Cairns subsequently will report through me. That's the expectation.

MS CAHILL: Let's take a solid line, Shannon Blake. You have direct oversight and
10 responsibility for that person's performance?

MR BOSSI: Yes.

MS CAHILL: Do you have the power to terminate their employment?
15

MR BOSSI: Yes.

MS CAHILL: The text box that I took you to does not mention Brian Lee or Matt Dreyer. They appear to be direct reports to you as well.
20

MR BOSSI: Yes, they are. They are in the bigger picture, but they are not on the executive team.

MS CAHILL: I see.
25

COMMISSIONER OWEN: Sorry, I missed that?

MR BOSSI: The text box in the bottom right, they are the executive team. They are my total direct reports.
30

MS CAHILL: Mr Dreyer and Mr Lee are also direct reports?

MR BOSSI: Yes, as depicted.

MS CAHILL: Right. So they are --- they should also be in the box?
35

MR BOSSI: No, the team --- that's the Perth executive team, that box.

MS CAHILL: Similarly, you have direct oversight and responsibility for the performance of Mr Lee and Mr Dreyer.
40

MR BOSSI: Yes.

MS CAHILL: And have the power to terminate their employment?
45

MR BOSSI: Yes.

MS CAHILL: Now, do you see the two boxes for Mr Herring and Mr Christie, they

10:40AM

are shaded, therefore group roles, and they have this dotted green line outlined, the box?

5 MR BOSSI: Yes.

MS CAHILL: They are not mentioned as direct reports but they are executive functions, aren't they?

10 MR BOSSI: No, they are not on the executive team.

MS CAHILL: They are not?

MR BOSSI: No.

15

MS CAHILL: Just going back to Mr Dreyer, can you tell me what design and construction strategy and development is about?

20 MR BOSSI: The example of the Responsible Gaming centre, he's responsible for approvals, developing designs, engaging contractors and building the facility. Last time I was here, I touch on the Pearl Room for a non-smoking perspective and that project. He's the construction guy.

MS CAHILL: Right.

25

MR BOSSI: His predecessor would have built the Crown towers.

MS CAHILL: On this front page, if it's a pink box, it's a group role and a white box is a Crown Perth role; is that right?

30

MR BOSSI: Yes.

MS CAHILL: And exclusively ---

35 MR BOSSI: I understand the confusion. There is lots going on, yes.

MS CAHILL: And the exclusively Crown Perth roles, the white boxes, are those people employed by Burswood Resort (Management) Limited?

40 MR BOSSI: Just going through the list. I believe so. I can't see anyone that shouldn't be.

MS CAHILL: What about you?

45 MR BOSSI: Yes.

MS CAHILL: If we go to the next page ---

COMMISSIONER OWEN: Just before you do, you mentioned earlier Mr John Yates. If he were on this chart, which line would he be in?

5 MR BOSSI: He may well appear on the other side of this table. There are two sides to this.

MS CAHILL: In we go there directly, 5022, and we'll see him, fingers crossed, Mr Bossi. Let's have a look.

10

MR BOSSI: This is where it starts getting interesting.

MS CAHILL: It doesn't look like he is there on a quick look, but no doubt someone will point it out to us if we are wrong, or I'm wrong. First of all, can you explain to the Commissioners the fundamental difference between this page and the first page I took you to?

15

MR BOSSI: So this page here are disproportionately or a substantial section of group roles, and domiciled out of the state.

20

MS CAHILL: But they are still part of the Perth executive team?

MR BOSSI: Yes, they are. From our perspective the Perth executive team needs to have senior people with the right skill sets to operate the business. Our chief risk officer, for example, Anne Siegers is on --- reports through to Mr McCann, who is on the --- reports into the resorts risk committee. She's on all the subboards as well. She's our most senior person on risk, from our perspective, and risk is a substantial important framework for us. Tony Weston is the chief people and culture officer for us. We are going through a process of restructuring the HR team, so we'll see in time whether he remains on this team or we step up somebody else into that role.

25

30

Nic Emery, chief marketing officer, Melbourne, domicility, most of the team there is --- three out of the five are likely domiciled in Perth.

35 MS CAHILL: I understand what you are saying.

MR BOSSI: So there's a few --- quite a few different people.

MS CAHILL: Yes. Can I just ask you this: is the main difference between this page and the page before that none of these people report to you?

40

MR BOSSI: Yes, I believe so.

MS CAHILL: Can I ask you about the red and green outlining in the shaded boxes? We still observe the --- the unshaded box is a locally based role and a pink shaded box is a group role based outside of Perth; is that right?

45

MR BOSSI: Yes.

MS CAHILL: In relation to those shaded boxes, what's the difference between a box with a green dotted outline and a box with a red dotted outline?

5 MR BOSSI: My understanding of this is from where they are paid, whether they are paid through a Crown Resorts entity or the Crown Melbourne entity.

MS CAHILL: So if it's a red box, they are paid by Crown Melbourne and if it a green box, they are paid by CRL, is that the way it works?

10 MR BOSSI: The other way around. Red is resorts, green is Melbourne and, by way of example, if you look at the second box down underneath Andre Ong and Nic Emery, being Mr Harris-Jelley and Ms Reynolds, they are both domiciled in Perth, by way of example, but by function of group role, they are paid out of Melbourne.

15 MS CAHILL: Right.

MR BOSSI: So don't read the green and red box meaning where they are domiciled. It's where they get paid from.

20 MS CAHILL: How is it decided ---

MR BOSSI: Is my understanding.

25 MS CAHILL: How is it decided which role gets paid by CRL and which group gets paid by Crown Melbourne?

MR BOSSI: That, I must say, I'm not exactly sure of. When I look at the red boxes, a lot of those are executive positions or positions at some point that report to the board, but I couldn't tell you exactly how that's decided.

30 MS CAHILL: Here's a small thing I just want you to clarify for me. If we just go back to the first page, 5021, and we look for Cori Cairns --- I'm just trying to think --

35 MR BOSSI: She's at the top second right.

MS CAHILL: Yes, thank you. Executive general manager table games reporting directly to you.

40 MR BOSSI: Yes.

MS CAHILL: He's there, assuming it's a man, an unshaded Perth executive team member. So that's a local role, because it's a white box?

45 MR BOSSI: Cori, yes.

MS CAHILL: If we go over to page 5022, go down to the second-last row in from

the left one, you'll see Tim Barnett?

MR BOSSI: Yes.

5

MS CAHILL: Who is also an executive general manager table games but Melbourne-based and a group role?

MR BOSSI: His role is a Melbourne role. He's a legacy person that will getting removed; he shouldn't be on that team. He was there because his previous role was that of --- if you go to the previous page, his previous position was that of Matthew Christie. He's been now made EGM, so he's on the box for that reason. As he's made EGM, the team --- our systems must have removed him from the box. But he's the EGM of tables for Melbourne.

15

MS CAHILL: So he shouldn't be there?

MR BOSSI: He shouldn't be there, no.

MS CAHILL: Back to 5022, if we stay with 5022 blown up please, thank you. I put to you before and you agreed that these roles do not report to you. There is not even a dotted line reporting of any of the unshaded positions. Take, for example, Vasula Kessell and Jarrod Campbell, is that right?

MR BOSSI: Correct, because they are reporting to Mr Salomone.

MS CAHILL: So those white roles on this page are not accountable to you in any way?

MR BOSSI: In my current role, I can certainly --- you could equally have a dotted line through to me with the hardline. That's the hardline reporting in your previous question. Who would remove these staff members? John Salomone would do that, but I speak to Ms Kessell two to three times a week.

MS CAHILL: I thought you just said there wasn't a dotted line report?

MR BOSSI: No, there isn't a dotted --- in this structure, your question was previously, one of the comments made was, would you remove this person as your definition of dotted line and hardline. So, in that sense, the hard line is correct. I deal with these people on a daily basis, or certainly a weekly basis --- Jarrod Campbell less so now because of the earlier comment with respect to delegating peripheral levels to Ms Cairns. But they do --- that is the reporting structure.

MS CAHILL: Do you oversee the work of the unshaded box positions on page 5022?

MR BOSSI: What's your definition of "oversee"?

10:50AM

MR BOSSI: Oversee the work of Jarrod Campbell?

MR BOSSI: No, that comes through John Salomone.

5

MS CAHILL: Or Vasula Kessell, you don't oversee her work?

MR BOSSI: Any form of review is done through John Salomone.

10 MS CAHILL: Mark Hall?

MR BOSSI: Mark Hall reports into the compliance team of Steve Blackburn. However, Mark Hall worked substantially in our communications team with the Gaming and Wagering Commission in his function, so we work closely together in terms of ---

15

MS CAHILL: Do you oversee his work, to make sure he's performing it properly?

MR BOSSI: Yes, I do.

20

MS CAHILL: And you manage his performance ---

MR BOSSI: Performance will be managed centrally. I will have input into his performance.

25

MS CAHILL: I see. So not in relation to Vasula Kessell and Jarrod Campbell but yes, in relation to Mark Hall?

MR BOSSI: There is quite a variety of interpretation we have on this. Will John Salomone speak to me about Vasula and Jarrod and how they are going, how they are working? Yes, he will. And that will be the case on all of the unshaded people. In terms of how much engagement we have with these teams, in some of the people that are unshaded, I will have more engagement than their direct reports.

30

35 MS CAHILL: Which ones?

MR BOSSI: Kelly Townson in marketing, Mel Strelein in Responsible Gaming. If you go down the marketing list, Danielle Reynolds, I would have; Alex Smith, I would expect to. There are a number of these roles that I have a lot of engagement with.

40

MS CAHILL: So you engage with them but you don't manage them?

MR BOSSI: Ultimately a decision --- if you did a Tokyo review at the end of the year, their direct lines of report will do that review, and they will contact me in terms of their performance levels.

45

MS CAHILL: There is no executive position in respect of AML or financial crime

physically based in Perth, is there?

MR BOSSI: No.

5

MS CAHILL: Is there a reason why not?

MR BOSSI: That team is currently in the process of recruiting a number of people. Part of the reason is there's a lot of them on these teams were in the process of
10 recruitment. As discussed earlier, once this structure settles down, we'll be able to identify who is the best person to put on that.

MS CAHILL: It's just that when you look at this page 5022, there are executive
15 positions, are there not, for Cage & Count, for regulatory and compliance, and marketing. They were all Perth based. You have an executive level position there, but not for AML?

MR BOSSI: Who is the --- Cage & Count is not an executive position.

20 MS CAHILL: It's a general manager position. You don't regard that as executive?

MR BOSSI: Well, the executive team for us is the next layer up. This is the
business operating team. So the representative of Cage & Count is John Salomone. From an AML perspective, currently Steve Blackburn and I on the corporate resorts
25 executive team speak frequently, and I deal directly with his teams on the ground. He hasn't completed his recruitment process. He has some senior people still to recruit and once they --- when that process is closer to completion, we can make a determination on who should be on that executive team.

30 MS CAHILL: This chart is described here on this page as Perth group executive team. Are not all of the people the executive team?

MR BOSSI: No, the yellow section relates to the executive team. The header on the
35 top, which is the Perth business operations team, is the entire chart.

MS CAHILL: I see, thank you. If we return to page 5021 and we look at your main
reports, or, yes, your main reports, they lie in areas predominantly of the actual
gaming operations of the casino and food and beverage security and surveillance.
That's really your remit, isn't it?

40

MR BOSSI: From a ground operational perspective, that's the remit. This is
effectively the first line of operation. The second line team is part of a national
framework. We are building frameworks that are effective across the jurisdictions,
(a) because we have skills across multiple jurisdictions; (b), many of those areas
45 have a national responsibility. But that does not minimise the level of interaction they have with these people.

MS CAHILL: Well, I'll ask you some questions so you can elaborate on that. So

you'll have the opportunity to elaborate on that so the Commission understands how it works. Just in terms of your executive function as CEO, that executive function is focused primarily at Crown Perth on the actual gaming operations, table games,
5 electronic games, the food and beverage that's supplied, the security and surveillance that operates around that ---

MR BOSSI: And every other area. My responsibility as CEO is also to look at AML, also to look at RG. The fact that they have not been the direct reporting lines
10 is a different question.

MS CAHILL: Let me give you the opportunity to elaborate on that. If we go back to your original witness statement, CRW.998.002.0247, paragraph 47, you describe the operations of Crown Perth and that's essentially what I was endeavouring to put to
15 you a moment ago, that the executive function as CEO focuses on those operations, but you also sit on a number of committees, don't you, as well?

MR BOSSI: Yes.

MS CAHILL: You've set those out at paragraph 23. This is where your involvement in AML and Responsible Gaming and the like takes place; would you agree with that, through these committees?
20

MR BOSSI: Part of, yes.
25

MS CAHILL: Let's go through this in order. If we take Responsible Gaming and the Responsible Gaming management committee for Crown Perth as an example, Responsible Gaming as an area of operation, if you will, for Crown, is primarily operated at group level, isn't it?
30

MR BOSSI: I'm not sure. I think it's operated ---

MS CAHILL: Mr Blackburn has a group role?

MR BOSSI: He does, but Ms Strelein, who works on the ground here, spends her time purely on Crown Perth.
35

MS CAHILL: But she reports not directly to you, but through a group role ultimately up to Mr Blackburn?
40

MR BOSSI: She does report there, yes.

MS CAHILL: Doesn't report directly to you?

MR BOSSI: Doesn't mean there's no engagement at that level.
45

MS CAHILL: I'm not suggesting that, Mr Bossi. So what I am putting to you is Responsible Gaming is essentially operated and managed out of the group --- a group

position?

MR BOSSI: We probably have different definitions of "operated".

5

MS CAHILL: Well, the Responsible Gaming management committee in Crown Perth still operates, doesn't it?

MR BOSSI: Yes.

10

MS CAHILL: And it has the primary function of monitoring and reviewing gaming at Perth Casino to ensure that Crown Perth provides a safe and responsible gaming environment (audio distorted)?

15 MR BOSSI: Yes.

MS CAHILL: That's its charter, in effect, isn't it?

MR BOSSI: Yes.

20

MS CAHILL: And you're required to be a member of that committee in your role as CEO?

MR BOSSI: Yes.

25

MS CAHILL: But it's in your capacity as a member of that committee rather than in your capacity as CEO that you exercise some oversight of responsible service of gaming at Crown Perth; is that right?

30 MR BOSSI: Some of the oversight, yes.

MS CAHILL: How does that oversight function that you have as part of that committee intersect with the oversight function and responsibilities of the group general manager of Responsible Gaming at group level, how do they intersect?

35

MR BOSSI: We don't have a group general manager anymore.

MS CAHILL: In Melbourne?

40 MR BOSSI: Correct.

MS CAHILL: Somebody in Melbourne is responsible for Responsible Gaming, isn't there?

45 MR BOSSI: Currently I think it's Steve Blackburn.

MS CAHILL: And that's who Ms Strelein reports to?

11:00AM

MR BOSSI: Yes.

5 MS CAHILL: How does the committee here in Crown Perth have as their role intersect with the work that Ms Strelein is doing reporting through to Melbourne?

10 MR BOSSI: We have worked together in terms of the frameworks we roll out, developing those. The way we do our audits, the models that we operate in terms of our predicted modelling. Many of those relate back to the Perth operation. They are not necessarily identical to what occurs in Melbourne.

MS CAHILL: So is there a clear division of responsibility between what the committee here in Perth is doing and what the group role is doing.

15 MR BOSSI: Well, the team here in Perth are responsible for executing our Responsible Gaming strategy.

20 MS CAHILL: Is there a clear division between the work done at group level and the work done at Perth level, or do they overlap?

MR BOSSI: Oh, there is overlap, yes.

25 MS CAHILL: Is there a demarcation where, to the extent there might be an extended overlap, but there's some things that definitely Perth does and some things that are exclusively a group role?

30 MR BOSSI: There are differences between the respective jurisdictions. In an ideal world the framework is similar; however, that is not necessarily able to be done at all times.

MS CAHILL: Is the demarcation between the committee and the group roles set out in writing anywhere?

35 MR BOSSI: I'm not sure.

MS CAHILL: The membership of the local committee includes both local Crown Perth positions and group positions, doesn't it?

40 MR BOSSI: Yes.

45 MS CAHILL: If we have a look at the charter CRW.700.010.0182 at the top of 0184, this is designating who the members of the local committee are. There are a couple I wanted to have you explain. The general manager of gaming machines and commercial strategy, who is that?

MR BOSSI: Mr Blake, who is now the EGM. This is an older chart. It hasn't been updated with new position titles.

MS CAHILL: So is there a later version of this or it just hasn't been updated yet? Do you need to have a look at the date?

5 MR BOSSI: I'm not sure.

MS CAHILL: We'll just see if we can find that on the first page. April 2021.

MR BOSSI: It may not have been updated since then.

10

MS CAHILL: If we go back to 0184.

MR BOSSI: There have been a number of changes.

15 MS CAHILL: So the general manager regulatory and corporate projects, was that a still existing role?

MR BOSSI: Change in title, but yes.

20 MS CAHILL: What's the new title?

MR BOSSI: General manager executive services, I think.

MS CAHILL: Who is the director of premium gaming table games?

25

MR BOSSI: Mr Litner. MS CAHILL: What's their current title?

MR BOSSI: I think that's the same.

30 MS CAHILL: In terms of the committee as a whole, in practical terms on your understanding, do its present responsibilities include monitoring whether responsible service of gaming is managed effectively at Perth Casino?

MR BOSSI: I would expect so.

35

MS CAHILL: And, in practical terms, do its responsibilities include ensuring that any concerns or issues are in relation to Responsible Gaming at Crown Perth are appropriately escalated to the group general manager of Responsible Gaming, or the executive general manager?

40

MR BOSSI: They should be escalated, yes.

MS CAHILL: And that would include not only issues about the effectiveness of Crown Perth's RSG systems and procedures, but also resourcing; is that right?

45

MR BOSSI: I would expect so, yes.

MS CAHILL: And the performance of Responsible Gaming staff in Perth?

MR BOSSI: That will come through the general manager of Responsible Gaming.

5

MS CAHILL: The hire and fire of Responsible Gaming staff in Perth goes through Ms Strelein and up through the group role; is that right?

MR BOSSI: Yes.

10

MS CAHILL: How have you gained that understanding of how the structure works as between the committee and the group role, in practical terms?

MR BOSSI: Over time. The committee has been in operation for quite some time.

15

MS CAHILL: Would it be fair to say that in terms of the members of the committee who are based in Perth, you understand that effectively the local members, including you, are intended to be the eyes and ears on the ground to see whether, in practice, the RSG system is effective?

20

MR BOSSI: I will be the eyes and ears, supported by some of the technological enhancements and work they do, essentially.

MS CAHILL: As the CEO member of the committee, do you see yourself as having a particular role to be the eyes and ears on the ground in Perth to monitor the effectiveness of the RSG system in practice?

25

MR BOSSI: Yes.

30

MS CAHILL: And I have used responsible service of gaming as an example, but this concept of you sitting on a committee in your capacity as CEO to be the eyes and ears on the ground in Perth to escalate issues appropriately to the relevant group role, that applies equally to the management of AML risk, doesn't it?

35

MR BOSSI: Yes, although in this committee, you've got the group chief compliance (inaudible) officer sitting on the committee, so he's sitting alongside me.

MS CAHILL: But just coming back to that idea, you've got group --- members from the group sitting on the committee?

40

MR BOSSI: Yes.

MS CAHILL: But in terms of people on the ground who are actually seeing what's happening on a day-to-day basis, reliance is placed on the local members of the committee to be those eyes and ears, and to escalate issues to the committee, or further up the group line, if they are of concern; you'd agree with that?

45

MR BOSSI: Yes, the majority of members on this committee are local.

MS CAHILL: Now, just asking you a couple of things that came out of your evidence-in-chief that you gave at the beginning of the day about RSG and then to an extent AML, you were talking about, in particular in relation to RSG, the player limits that have been modified. You gave some evidence about that on the last 5 occasion, do you recall, the 12 hours with the interventions at different stages along the way to the 12 hours?

MR BOSSI: Yes.
10

MS CAHILL: That was actually --- that 12-hour player limit was something that was actually introduced and approved at CRL board level, wasn't it?

MR BOSSI: Yes.
15

MS CAHILL: Although you were involved in suggesting that as a proposal, it actually was implemented via a CRL board approval; would you agree?

MR BOSSI: Yes.
20

MS CAHILL: Commissioner Owen, I think it was, asked you some questions about standard operating procedures in relation to AML, I think in particular, asking you whether standard operating procedures were being modified as you went along, or were you waiting for them to be done as a batch at the end?

MR BOSSI: Where we can't keep pace, we'll pick it up at the end but, you know, our endeavour is to update as we go.
25

MS CAHILL: A couple of questions coming out of that. When you amend an SOP, standard operating procedure, as you go along, do you need to do that through a group line of reporting and get approval from somebody in a group position to do that?
30

MR BOSSI: That depends on which SOP you're talking about.
35

MS CAHILL.

MR BOSL, we will have --- that will be drafted through a number of people, because of the different levels of expertise. Part of those people involved in the drafting are centralised.
40

MS CAHILL: Can you implement an SOP without getting it approved by somebody from a group position?

MR BOSSI: I can, but I'm going to engage with the expert in the field in order to do that.
45

MS CAHILL: To be specific, in relation to an SOP that concerns the mitigation of money laundering risk, you can make a change to an SOP without reference to or approval from somebody in a group role dealing with AML?

5

MR BOSSI: In that example of money laundering, I would absolutely engage the best experts I have got internally, which includes Mr Blackburn. He's got to get a level of comfort with it.

10 MS CAHILL: He has to get a level of comfort with it?

MR BOSSI: Yes.

15 MS CAHILL: By which you mean you wouldn't be prepared to amend an SOP without his be imprimatur?

MR BOSSI: Well, I believe at the moment, because we going through structural changes, the AUSTRAC compliance officer, that's not a permanent state; it's part of the transitional state we have, and so as a result he engages with organisations and law enforcement at a national level. AML is bigger than just Western Australian, so, from my perspective, I would engage with him, yes.

20 MS CAHILL: You are also aware, aren't you, that Mr Blackburn is, as part of his remediation program that he's proposing, envisaging a policy uplift where the policies and procedures in relation to mitigating money laundering and terrorism financing risks are basically uplifted or enhanced?

MR BOSSI: Yes.

30 MS CAHILL: That's going to happen at a group level?

MR BOSSI: Yes.

35 MS CAHILL: And those will filter down to procedures, standard operating procedures, and other documentation that will be implemented in Perth, yes?

MR BOSSI: Yes.

40 MS CAHILL: But that will be primarily driven out of Melbourne, will it?

MR BOSSI: That's where the resource --- the skilled resources are currently in the organisation, so yes.

45 MS CAHILL: Just in relation to a couple of other things you mentioned in your evidence-in-chief in relation to AML, you mentioned, for example, the prohibition on third-party transfers and the cessation of Junkets was another one?

MR BOSSI: Yes.

11:11AM

MS CAHILL: Those are all things that were decreed from Melbourne, weren't they?

MR BOSSI: Yes, they were, at the time through Mr Felstead who was the CEO of
5 Australian resorts.

MS CAHILL: That's probably a convenient point.

COMMISSIONER OWEN: Mr Bossi, we will take a break and come back at 11.30.
10

ADJOURNED **[11:12A.M.]**

15 **RESUMED** **[11:28A.M.]**

COMMISSIONER OWEN: Please be seated. Thank you very much, Mr Bossi.

20 MS CAHILL: Mr Bossi, before the break I was asking you about the role of the
local Crown Perth committees in respect of RSG and AML. What I want to ask you
now about is risk management generally. On the last occasion do you recall I asked
you some questions about the ERCC. Do you recall that?

25 MR BOSSI: Yes --- you probably did, I don't know.

MS CAHILL: You might recall ERCC, maybe not the questions.

MR BOSSI: Yes.

30 MS CAHILL: If we go to your primary witness statement, which is
CRW.998.002.0247 at 0258, paragraph 65. You gave this evidence-in-chief about --
- between 65 and 69 what the ERCC is and the role to provide risk and compliance
oversight for Crown Perth. During your examination in August, you answered a
35 question I asked you about the demarcation of responsibilities between risk
management oversight at CRL level, and then at ERCC level. You gave an answer
that explained that the ERCC has a distinct local focus. I will take you to that,
transcript day 21, hearing room 3, page 2028 at line 40. That's an earlier reference.
Maybe on 2626, page 2626. I will leave that, Mr Bossi, but what you were
40 describing in your evidence was the way in which the ERCC was --- sorry, the
Crown Perth was transitioning to a more robust national framework from one that
had been disproportionately Perth-based, and that the focus was moving away from a
framework that was purely Crown Perth. Do you recall that evidence?

45 MR BOSSI: I sort of do. My context would have been a loft the frameworks
commenced in Perth in the first instance and then got pushed out to the rest of the
organisation, potentially.

11:31AM

MS CAHILL: There is a national group level framework in existence now, isn't there?

5 MR BOSSI: Yes.

MS CAHILL: The first is the CRL risk management policy of March 2021, that CRW.512.003.0051. You are familiar with that document?

10 MR BOSSI: Yes.

MS CAHILL: And the CRL risk management of April 2021, CRW.512.041.0055. You are familiar with that document?

15 MR BOSSI: I believe so.

MS CAHILL: Now ---

20 MR BOSSI: I'd have to look at the inside of them. They are policies, but that's fine.

MS CAHILL: There are other documents that constitute the group framework for risk management, but these are the two primary documents; is that right?

25 MR BOSSI: Sounds about right, yes.

MS CAHILL: The strategy document on the right, has that replaced the Crown Perth enterprise risk management policy at 2014?

30 MR BOSSI: To the right or the left?

MS CAHILL: The right one. Do you want me to show you that 2014 document?

MR BOSSI: Yes, if you don't mind.

35 MS CAHILL: CRW.512.026.0007. The Crown Perth policy document for enterprise risk management. Is that still operative?

MR BOSSI: I think we are working to the other model --- the strategy.

40 MS CAHILL: Is this document still operative?

MR BOSSI: I'd have to look at it more closely with the other document to compare the two.

45 MS CAHILL: What do you mean?

MR BOSSI: Well, the contents will have a lot of similarities between the two of

them. We had moved to the larger document, which is the other document that you had, but I'd have to look at the differences to see where it sits.

5 MS CAHILL: When you say you've moved to the other document, do you follow this document at all, the 2014 policy document, in managing risk at Crown Perth?

MR BOSSI: Well, the management of risk leads to --- the areas we look at is, if we think about our risk appetite, risk matrixes and the processes we go through, they
10 have evolved over time.

MS CAHILL: So this policy document, was this still relevant for you in managing risk at Perth Casino?

15 MR BOSSI: Can you please roll through further pages?

MS CAHILL: You had a look at this in preparation for giving evidence today, haven't you?

20 MR BOSSI: I'd like to refresh. Next page, please. Can you go back a page? This is encapsulated by the other two documents.

MS CAHILL: Is this document still operative?

25 MR BOSSI: This is out of date, looking at job responsibilities and titles.

MS CAHILL: So you don't follow this document anymore?

MR BOSSI: I work through the strategy document.
30

MS CAHILL: Do you follow this document presently?

MR BOSSI: I work consistently with this document, yes.

35 MS CAHILL: So you do follow it, or only to the extent that what the contents of that are comprised within the CRL risk management strategy dated (inaudible).

MR BOSSI: Those two documents are broader than this document, yes.

40 MS CAHILL: So you follow those two documents, not this one?

MR BOSSI: Yes, because these are encapsulated within that. So am I working consistently with this? Yes.

45 MS CAHILL: So the two CRL documents, the policy and the strategy that are the primary documents for the risk management framework that applies to Crown Perth is predicated on the three lines of defence risk governance model, isn't it?

MR BOSSI: Correct.

5 MS CAHILL: You can see that in the strategy document CRW.512.041.0055 at page 0061. If we just blow up the diagram, please, so that Mr Bossi can see it. You've got in a sort of diagrammatic form the three lines of defence there, and that's the governance model that applies to Crown Perth's risk management, is it, presently?

10 MR BOSSI: Yes.

MS CAHILL: Now, the ERCC has no role in the third line of defence, which is internal and external audit; is that right?

15 MR BOSSI: Yes, that's an external function that oversees the first and second lines.

MS CAHILL: Sorry, I can't hear you.

20 MR BOSSI: The internal --- the internal audit team oversees what we are doing in the first and second line of defence and the representative of that team reports directly to the Crown Resorts board.

25 MS CAHILL: Is internal audit --- is there any element of the internal audit function that is Perth-based?

MR BOSSI: We have teams on the ground that function to undertake the audits that are required as part of our audit plans (inaudible).

30 MS CAHILL: Are they Perth-based or do they just come in and do the audits and then go back to where they came from in a non-pandemic context?

35 MR BOSSI: The responsibility is central. I believe we have got local people, because people from the east coast haven't been able to get into the state and we are running audits at the moment, so I presume we have people on the ground.

MS CAHILL: Well, do you know?

40 MR BOSSI: We have people working in the audits. Do I know specifically, I'm not sure at the moment.

MS CAHILL: Do you know who they are? Can you name them?

MR BOSSI: Maria was working within that team.

45 MS CAHILL: Maria?

MR BOSSI: Yes, I think so. I think Panzani is her surname. She was working with the audit team. However, think she's recently moved to risk, so we have this separation (inaudible).

MS CAHILL: How many people are in internal audit based in Perth, though?

MR BOSSI: I don't know.

5

MS CAHILL: And do you know at what level, whether they are managerial level or executive level, or lower?

MR BOSSI: My dialogue with internal audit is with Ms Jessica Ottner, the group
10 general manager of audit.

MS CAHILL: Did you say "your dialogue"?

MR BOSSI: I discussed with Jessica Ottner, who is group general manager, she is
15 east-coasted based, we have conversations by phone and WebEx. Part of the
challenge is how we manage in the current environment and we are going through
internal audit processes currently, and that's who I speak with.

MS CAHILL: But you don't know whose doing those internal audits?
20

MR BOSSI: I haven't asked for the detail of who is doing the audits as she gives me
updates and we go through the projects. That's ---

MS CAHILL: Just to be clear, are there people in Perth who are based permanently
25 there, who have an internal audit function?

MR BOSSI: We have --- what I can talk to is where we are heading. We are
currently --- our teams in the second and third line of defence are currently being
30 recruited. Whether they have physically started or not, we will have people on the
ground. At the current stage of recruitment, I'm not keeping up to speed with all of
those because there are a lot of people currently being recruited across the
organisation.

MS CAHILL: So it is in a state of flux and you don't know specifically ---
35

MR BOSSI: Specifically now, yes.

MS CAHILL: Specifically now yes, what? There are people Perth-based ---

MR BOSSI: We are in the process of recruitment.
40

MS CAHILL: Sorry, I will just get the question out. As we are sitting here today,
are there people based in Perth who perform an internal audit function?

MR BOSSI: I am not sure at what stage of recruitment we are at. I'm not sure.
45

MS CAHILL: Now, the second line on the left-hand side is described as an
oversight

function, the second line of defence. Is the ERCC involved in that function?

MR BOSSI: The ERCC looks at those functions, yes.

5

MS CAHILL: Well ---

MR BOSSI: As part of its process.

10 MS CAHILL: You say "looks at those functions"?

MR BOSSI: It's included in terms of the ERCC, in terms of what we look at. We do consider risk as part of that committee.

15 MS CAHILL: Is the ERCC part of the second line of defence?

MR BOSSI: The ERCC has membership in first and second line of defence, so we'd look at --- the ERCC and its papers does have a --- we talk about risk. We talk about our frameworks.

20

MS CAHILL: Well, does it oversee the first line of defence, if it's also part of ---

MR BOSSI: Yes.

25 MS CAHILL: It does?

MR BOSSI: Yes.

30 MS CAHILL: If we go to page 0065, the second line of defence is explained in a little more narrative detail. Do you see at 6.5, it's describing there an independent risk management function that's responsible for assisting executive senior management. Do you see there?

MR BOSSI: Yes.

35

MS CAHILL: Do you see in the second sentence, it's talking about the --- second paragraph, I beg your pardon, the chief risk officer is designated as being the person responsible for the risk management function for Crown. So that's a group role, not a Crown Perth role; is that right?

40

MR BOSSI: Yes.

45 MS CAHILL: To ensure that the risk management function has the appropriate authority and operational independence, and it goes on to talk about how the reporting structure is set up and how practically the architecture of the system is established.

Now, do you understand that it's important for the second line of defence to be

independent of the first line?

MR BOSSI: Yes.

5

MS CAHILL: But the ERCC at Crown Perth, I think you previously explained to us, is comprised of senior management from the Crown Perth business unit in whole or in part, including you?

10 MR BOSSI: Yes.

MS CAHILL: Therefore, you are part of the first line of defence in your role as ---

MR BOSSI: Yes.

15

MS CAHILL: --- CEO, so primary responsibility for directly identifying and managing risk at Crown Perth?

MR BOSSI: Yes.

20

MS CAHILL: And then in your capacity as a committee member of the ERCC, you are part of the second line to oversee what you are doing; is that how it works?

25 MR BOSSI: Yes, part of the executive risk compliance committee is to identify areas that need to be reviewed, undertaken --- issues that occur across the property.

MS CAHILL: If we just be clear about this, if we go up to 0064 and look at this first line of defence explained in a little more detail, you understand that essentially you and your senior management team are the first line of defence?

30

MR BOSSI: Yes.

35 MS CAHILL: So is there a problem with you being on the ERCC to the extent that it comprises a second line of defence, because you're overseeing your own identification and management of risk?

MR BOSSI: No, this --- in this instance, the chief risk officer is not a member of the ERCC. The chief risk officer reports to the CEO of Crown Resorts.

40 MS CAHILL: Sorry, you're misunderstanding my question. I'm talking about you.

45 MR BOSSI: Yes, no, I'm getting to that. When we separate what the objective of risk is, as I see it, my function as CEO whilst I lead the operation, I also need to have an understanding of risk. Hence on that committee, we have got myself and Steve Blackburn, also the second line of defence on that committee to ensure our teams understand how those two lines need to also work together to get to an appropriate outcome.

11:45AM

MS CAHILL: So Mr Blackburn is a member for ERCC?

MR BOSSI: I believe so.

5

MS CAHILL: You believe so? Well, is he?

MR BOSSI: Yes.

10 MS CAHILL: But just to be clear, you don't have ---

MR BOSSI: Actually, sorry, no, no, I recall that. I was getting confused with the RGC that Mr Blackburn was on.

15 MS CAHILL: I can't quite hear what you are saying.

MR BOSSI: Sorry, I have my committees confused. That was the RGC that I was talking about, Mr Blackburn was on.

20 MS CAHILL: We are talking about the ERCC for Crown Perth and Mr Blackburn is not a member of that?

MR BOSSI: No.

25 MS CAHILL: But there are you and other Perth executives who are on the ERCC?

MR BOSSI: Yes.

MS CAHILL: Are there any group executives on the ERCC?

30

MR BOSSI: I think Nic Emery from marketing is.

MS CAHILL: Sorry, have you finished that answer?

35 MR BOSSI: Yes.

MS CAHILL: You think Nic Emery from marketing is but otherwise, it is all local executives.

40 MR BOSSI: Executives, yes.

MS CAHILL: So the local executives are effectively overseeing their own discharge of responsibilities under the first line of defence, is that how it works?

45 MR BOSSI: The ERCC, we --- the ERCC is engaged to understand the operational challenges of the operation, and we have a series of compliance teams that come through. We also have a series of senior members that are on there, and the process of that is to deliver an outcome of clarity in terms of what we are doing as an

operation.

MS CAHILL: Clarity?

5

MR BOSSI: Yes. The process commences at the front line. We have monthly compliance meetings. Team members elevate from there primary issues that we have to deal with at the ERCC from an organisational perspective, and that team's a broad based team. It then raises up to the ERCC, who then looks at those matters.

10

MS CAHILL: Is that the first line or second line?

MR BOSSI: ERCC.

15

MS CAHILL: When those issues are being escalated up to the ERCC and it's looking at those issues, is the ERCC, when looking at those issues, performing the first line of defence or the second line of defence in the risk governance model?

20

MR BOSSI: My understanding --- in terms of the structure of that model, it's a first line of defence team providing --- reviewing their performance.

MS CAHILL: That's second line, isn't it?

25

MR BOSSI: First line of defence is the team membership that's in there. I'm just trying to recall the membership of that committee.

30

COMMISSIONER JENKINS: It isn't a memory test, Mr Bossi, so if there is a document that you know that will contain that membership, we are happy to show it to you.

MR BOSSI: Do you have the ERCC minutes from the last meeting?

35

MS CAHILL: Not readily to hand, might be the answer to that question, Mr Bossi, but we can find that maybe over the break and then let you see it.

MR BOSSI: If you don't mind, it will help me answer the question and give you the insight in terms of how we operate.

40

MS CAHILL: I wasn't really concerned with the membership; it's really just what the ERCC does. Are you able to answer that question for me?

45

MR BOSSI: The committee itself reviews key areas of the operation that have escalated through from the compliance committee, so that will be the monthly compliance meetings. So that will be a report of any breaches we have, any issues we have, whether that be from a security perspective, from a health perspective or any other matter such as that.

MS CAHILL: What I want you to answer is whether that is first line or second line.

11:50AM

Is it first line or second line?

5 MR BOSSI: ERCC, it's blended in that it's a first line team looking at the risks that we are encountering.

MS CAHILL: First line team looking at the risks --- it's blended. So it is also second line?

10 MR BOSSI: No, I believe there is some second line. I would like to see them so I can confirm that.

MS CAHILL: If I show you the ERCC charter from July 2021?

15 MR BOSSI: That might help.

MS CAHILL: CRW.700.094.0323. Do you have the composition there?

20 MR BOSSI: Yes.

MS CAHILL: Does that help?

MR BOSSI: Yes, it does.

25 MS CAHILL: What did you want to say about that? Just see if it goes over on to the next page, there might be more people on the committee. We'll put them side by side, thank you. There we go.

30 MR BOSSI: So there is both operational and second line defence people on the committee.

MS CAHILL: So it's first and second line?

35 MR BOSSI: Yes.

MS CAHILL: Do you say that makes sense in terms of the risk governance model blending first and second lines of defence in the ERCC?

40 MR BOSSI: Well, part of the process we go through is wanting to understand the matters that are raised from our various feeding teams to this, such as the compliance committees and the operational members of that committee have an ability to elaborate on what those issues are. And they have an ability to elaborate on the process that is undertaken from which the second line of defence can evaluate how we performed in that scenario, and in terms of future reference, are there changes we
45 need to make in terms of how we deal with these matters.

MS CAHILL: Can I ask you moving from the second line to focus more particularly on the first line and look at the CRL risk management policy of March 2021 just in

5 general terms, CRW.512.043.0051, section 2, at 0053. We see in section 2 there, if we just blow that up, it's clear there that each Crown business has got the responsibility --- do you see in the second --- sorry, first paragraph, responsible for implementing the risk management framework. So you understand Crown Perth locally has got that responsibility in respect of Perth Casino?

MR BOSSI: Yes.

10 MS CAHILL: And you as the CEO lead that implementation of the risk management framework; is that right?

MR BOSSI: Yes.

15 MS CAHILL: And then if we go to the next paragraph, Perth Casino, interpolating where it says Crown business, and we just blow up section 2 again, please:

20 shall be responsible for maintaining and reviewing the risk profile of its *business and reporting in to the CRL risk management committee at least four times per year.*

So do you understand that there is a risk profile that's been set at CRL level and then that's effectively given to Crown Perth who then maintains that risk profile and modifies it as appropriate on a periodic basis through the year?

25 MR BOSSI: Yes.

MS CAHILL: And that's the responsibility of the Crown Perth executives?

MR BOSSI: Yes.

30 MS CAHILL: And primarily you, or ultimately you, as the CEO; is that right?

MR BOSSI: Yes.

35 MS CAHILL: If we go to page 0054, section 4, in terms of the identification of risks, Crown Perth's responsible for identifying, assessing and managing material risks. You understand that's the responsibility of Crown Perth executives and you primarily as the CEO?

40 MR BOSSI: Yes.

MS CAHILL: And ensuring effective internal controls across Crown Perth, yes?

MR BOSSI: Yes.

45 MS CAHILL: Is there any part of those functions that I have taken you to implementing the group level framework, maintaining and reviewing the risk profile,

identifying and assessing and managing material risks and ensuring effective internal controls, that the ERCC discharges?

5 MR BOSSI: Members of that team, yes.

MS CAHILL: Well, no, as a committee.

10 MR BOSSI: That committee oversees all of its work. Members of the committee have responsibility for rolling out and assessing, depending on what the function is.

MS CAHILL: So not so much the committee, but coming back to Crown Perth executives have that responsibility as part of the first line of defence?

15 MR BOSSI: Yes.

20 MS CAHILL: I'll just clarify this then with you. If we go into the board pack --- this is not for the public screens, please --- for Burswood Ltd, 23 August 2021, that's CRW.701.005.1004. You see in the agenda index, item 6, there is a risk update presented by Ms Siegers. Not by you. It follows your CEO report. Do you present on risk at all typically to Burswood Ltd or do you leave that to Ms Siegers?

MR BOSSI: She's been a recent addition to the board.

25 MS CAHILL: The question is do you present on risk at all?

MR BOSSI: Ms Siegers does.

30 MS CAHILL: Not you?

MR BOSSI: I will talk to matters that may relate to risk, the fundamental risk report is provided by a chief risk officer, yes.

35 MS CAHILL: If we go to page 9120 --- Ms Siegers is a group position, of course, isn't she?

MR BOSSI: Yes.

40 MS CAHILL: 9120, please. This is part of Ms Siegers' presentation proposing an adjustment to Crown Perth's risk profile, which we then see in tabular form at 9121. Maybe if we just blow that up. So she is proposing that to the Burswood Ltd board for approval. Did you have any involvement in developing this proposed amended risk profile?

45 MR BOSSI: Yes, we do have discussions about what items are deemed --- where they should be in terms of the likelihood and consequence.

MS CAHILL: Did you contribute -

11:58AM

MR BOSSI: --- may tricks.

MS CAHILL: --- to the production of this proposal?

5

MR BOSSI: The physical production is centralised but in terms of the content and where items sit, yes, I have a discussion with a chief risk officer on those.

MS CAHILL: Did you have a discussion around the contents of this document?

10

MR BOSSI: Yes, earlier in the piece. But prior to the --- this is in July and the board meeting was in August.

MS CAHILL: Before it was presented, you contributed to the contents, yes?

15

MR BOSSI: Yes.

MS CAHILL: And did Ms Siegers require your approval before she put this in the board paper and presented it to the Burswood Ltd board?

20

MR BOSSI: It comes through our office and we look at it before we put it into the papers, yes.

MS CAHILL: So I'm asking about you. Did you need to approve it before she could present it?

25

MR BOSSI: If I --- well, approval is acceptance. If I had an issue with it, I could have changed it, yes.

30

MS CAHILL: I beg your pardon?

MR BOSSI: If I had an issue with it, I could have changed it, yes.

MS CAHILL: Over her objection?

35

MR BOSSI: Yes, well, I would have had a conversation, together with the team, what the appropriate outcome was.

MS CAHILL: What I'm getting at is the policy designates it as the local Crown Perth responsibility of the executive team to maintain and review the risk profile.

40

MR BOSSI: Yes.

MS CAHILL: Yet this seems to be being proposed through a group role, not a local Perth role?

45

MR BOSSI: I understand that. But the conversation --- we have conversations at

leadership levels, we have conversations one on one with people in group functions. The fact that it's a group function doesn't mean it operates independently of the localised function. So we do have conversations about what gets presented and what's in this matrix.

MS CAHILL: In practical terms, who do you see as having the responsibility for maintaining and reviewing Crown Perth's risk profile?

MR BOSSI: The executives on the ground will be --- will get asked about this, will manage this in terms of how we execute it, prior to it getting to a board document.

MS CAHILL: If we just go to 9119, this is enigmatically named a risk appetite dashboard which basically sets out new and existing risk events against the CRL board's risk appetite thresholds. You've seen a document like this before, haven't you?

MR BOSSI: Yes.

MS CAHILL: The pink shaded boxes represent new or existing events which are reportable through to the CRL group risk management committee; is that right?

MR BOSSI: Yes.

MS CAHILL: Did you or the ERCC have any involvement in the preparation of the contents of this dashboard?

MR BOSSI: The dashboard is set up centrally to have some structure across the three businesses. It is something we would discuss at the ERCC, yes.

MS CAHILL: The ERCC would contribute to the contents of this dashboard, would it?

MR BOSSI: The physical document or the discussion that leads to the physical document? I think the discussion that leads to the physical document, yes. The content is prepared wherever it's prepared.

MS CAHILL: I'm talking about the contents. The ERCC contributes to the contents of this document, does it?

MR BOSSI: Yes. The discussion that leads to the content.

MS CAHILL: What about the executives separately from the ERCC? Do you, for example, separate from your role on the ERCC contribute to the contents of this document?

MR BOSSI: If required. The ERCC contains the executive team, they are a subset of each other.

MS CAHILL: Coming back to the strategy, please, CRW.512.041.0055, at 0064, looking at you specifically as CEO, the strategy document, CRW.512.041.0055, at page 0064. If we just blow up this first line of defence, where we were before, you'll
5 see it talks in the second paragraph about the CEO --- that's you --- having responsibility of management oversight. Sorry, I beg your pardon, that's the CEO, Mr McCann, having responsibility of management oversight of risk for Crown Resorts and its wholly owned subsidiaries. The CEO in turn has delegated to the CEOs, that includes you --- yes, you understand it --- or equivalent of each wholly
10 owned subsidiary day-to-day management of risk management and it goes on. Down the bottom:

The CEO, executives and senior management assume ownership of material *risks*

15 Et cetera:

Specifically this includes

And then there are a series of dot points that follow. If we put the next page side by
20 side with this one, you understand that you have the day-to-day responsibility to discharge the duties in the dot points that are set out here; is that right?

MR BOSSI: Is that what I'm looking at now?

25 MS CAHILL: Yes.

MR BOSSI: The cut-out? Okay. Yes.

MS CAHILL: The ERCC has no role in this, I take it. This is just something that
30 devolves upon the executive exclusively?

MR BOSSI: As a single meeting point, but the executives that are on the ERCC, which is all of them, even the centralised executives, talk about this and discuss this outside the ERCC as well.
35

MS CAHILL: These responsibilities aren't ERCC responsibilities; they are executive responsibilities, aren't they?

MR BOSSI: Yes.
40

MS CAHILL: In the first dot point, what do you do to establish, maintain, champion an effective risk cultural throughout Crown Perth?

MR BOSSI: With respect to how we engage on a weekly basis with the leadership
45 team. We reinforce risk; we reinforce our frameworks and discuss progress with them. Talking independently to those leaders.

MS CAHILL: Who are you referring to there?

MR BOSSI: The business operations team, the chart that we had up earlier.

5

MS CAHILL: So you speak to them ---

MR BOSSI: On a weekly basis. On a weekly basis. And we will highlight certain key matters as they occur on that weekly update, whether that be AML processes, internal audit, risk items that are coming up as well as updates on what's happening across the operation. Then I'll speak with those respective leads as required, and in getting an environment where they communicate together so that they are working together on risk culture. We talk about training in that space and what training we need to do.

10
15

MS CAHILL: Now, what specifically have you done to ensure that policies, processes, systems and internal controls are developed for Crown Perth in a manner that's consistent with the national framework?

20 MR BOSSI: Can you rephrase that?

MS CAHILL: What specifically have you done to ensure that policies, processes, systems and internal controls are developed in Crown Perth in a manner consistent with the Crown framework?

25

MR BOSSI: In my discussions with various people in the second line of defence on the ground, in terms of ways we can enhance, particularly in the space of processes and systems within that framework. We consider what our training modules look like. We have reset structures. I have taken decisions on enhancing systems we have got in place, whether that be hardware or software of those systems. And working with the team in terms of what training we need to do in those new systems. In terms of the decision-making process, calling together leaders in the respective teams and areas of responsibility to facilitate those actions occurring. A number of factors.

30
35 MS CAHILL: What do you do to make it consistent with the national framework? How do you ---

MR BOSSI: Well, in a world of --- we are looking to minimise areas of risk framing (inaudible), and in that sense getting those two lines, in particular, the first and second line, engaging to develop a better framework sitting behind it.

40

MS CAHILL: Local framework, are you talking about?

MR BOSSI: We have made changes locally that then feed into a national position and vice versa. When we change things, you do it at one property or the other so that you learn a lesson where it works with.

45

12:09PM

MS CAHILL: If we return to the current organisation chart, CRW.701.009.5021.

5 COMMISSIONER OWEN: Ms Cahill, whilst that's coming up, can you give me the identifying number for the dashboard, please, I missed it.

10 MS CAHILL: The Bates number is CRW.701.005.9004, and then the risk appetite dashboard is at 9119, and it relates to the risk appetite thresholds which are extricated at 9115.

COMMISSIONER OWEN: Thank you very much.

15 MS CAHILL: Just looking at the current organisation chart, Mr Bossi, it doesn't appear from this that you have any risk management personnel within the Crown Perth structure reporting to you or working under you to assist you with the risk identification and management function; is that right, or have I misunderstood it? There's no dedicated risk management support staff?

20 MR BOSSI: Not reporting to me directly.

MS CAHILL: Can I come back to the ERCC charter, CRW.700.094.0323, dated July 2021. This document was prepared by Crown Perth executives, was it?

25 MR BOSSI: I believe so.

MS CAHILL: It was Crown Perth executives who established the purpose of the ERCC as we see there on the front page?

30 MR BOSSI: Yes.

MS CAHILL: When it was prepared, did you and the other Crown Perth executives, to your knowledge, who established these purposes have regard to the group or national framework when articulating those purposes?

35 MR BOSSI: When you look at the composition of the ERCC and the people involved, yes.

MS CAHILL: What do you mean when you have a look at the people involved?

40 MR BOSSI: Well, it's the executive team that's involved in creating this charter, which includes the second line of defence Crown Resorts leaders as well.

MS CAHILL: I see. Has this charter been approved at CRL board level?

45 MR BOSSI: I'm not sure.

MS CAHILL: You're not sure?

12:13PM

MR BOSSI: No.

5 MS CAHILL: Has it been approved at Burswood Ltd level, by the board of Burswood Ltd?

MR BOSSI: I can't confirm at the moment.

10 MS CAHILL: This is only back in July, Mr Bossi, and the charter was obviously prepared for a purpose?

MR BOSSI: Yes.

15 MS CAHILL: What was the purpose?

MR BOSSI: To clarify the role of the ERCC.

MS CAHILL: Do you think it achieves that purpose?

20 MR BOSSI: From the perspective of where the ERCC to provide the appropriate information to the board, I think we have a strong group of people and purpose to achieve that.

25 MS CAHILL: Do you think that this charter adequately clarifies the role of the ERCC?

MR BOSSI: It could be improved.

30 MS CAHILL: In what way?

MR BOSSI: From our perspective, beyond what's detailed in this section here, we could have a little more discussion around --- can you please roll forward on this page?

35 MS CAHILL: Mr Bossi, just wants to see the next page, thank you.

MR BOSSI: I'm comfortable with the charter.

40 MS CAHILL: You are comfortable with the charter?

MR BOSSI: Yes.

MS CAHILL: It adequately clarifies the role of the ERCC, do you say?

45 MR BOSSI: From my perspective. (Inaudible). It looks okay to me.

MS CAHILL: In your view it conforms to and is not inconsistent with the group or national risk management framework; is that right?

MR BOSSI: I think it fits within it.

MS CAHILL: It's not inconsistent with it; is that right?

5

MR BOSSI: I think it fits within it.

MS CAHILL: Do you think it's inconsistent or not inconsistent? I'll put it differently. Do you think it's consistent with the national framework?

10

MR BOSSI: It fits within it.

MS CAHILL: You're passing words. Does that mean something different from consistent to you?

15

MR BOSSI: Well, consistent in a broader framework, this sits within what that framework is.

MS CAHILL: Is it consistent or not with the framework?

20

MR BOSSI: My opinion, it is.

MS CAHILL: In an answer you gave me a minute ago, you were talking about the way the ERCC was providing information or views up to the board. Which board were you referring to there?

25

MR BOSSI: Burswood Ltd board coming out of the ERCC.

MS CAHILL: Does the ERCC have a role in reporting to the CRL board or, more specifically, the CRL risk management committee?

30

MR BOSSI: It absolutely provides information to that committee. It also provides context around what the Burswood Ltd board receives in the board papers.

35

MS CAHILL: Does it report directly into the CRL risk management committee?

MR BOSSI: It provides information to the committee.

MS CAHILL: Just answer my question, please. Does it report directly into the CRL risk management committee?

40

MR BOSSI: I'm not sure if it does.

MS CAHILL: The risk appetite dashboard that I took you to a little while ago and that proposed amended risk profile were part of the agenda papers for a Burswood Ltd board meeting. The ERCC reports directly to the Burswood Ltd board, does it?

45

MR BOSSI: Yes.

MS CAHILL: Is that limited to a reporting function?

5

MR BOSSI: It reports to the board, yes.

MS CAHILL: What I mean by that --- or is it just reporting this is what's happened, or does it escalate issues of concern to the Burswood Ltd board for consideration and action?

10

MR BOSSI: It reports --- it reports to the board. To the extent there's significant issues to escalate, I will do that, and not necessarily at the board meeting. Also independently talking to the board members.

15

MS CAHILL: What's the point of your reporting --- is it just so that the Burswood Ltd board can note those matters or is it expected that the Burswood Ltd board will consider what you're saying and then respond or react in some way?

MR BOSSI: Both, depending on the issue. I have raised matters where an opinion has been shared and guidance has been given in terms of what I can do.

20

MS CAHILL: Guidance? But is there any sort of resolutions passed by the Burswood Ltd board? Do you put things up for ---

25

MR BOSSI: As part --- in terms of some of the risk matters that I'm thinking about at the moment, I will raise the matter of risk. They will be either take it on board and then ask what we are doing about it. Whether that be engaging with the regulator, the processes we are putting in place to overcome those risks. They provide me with some insight as to alternatives that I can pursue to deal with the matters.

30

MS CAHILL: But is it written down anywhere what you need to report up to the Burswood Ltd board and for what purpose?

MR BOSSI: In terms of the detail of the risks, or ---

35

MS CAHILL: On a day-to-day basis, you're identifying and managing risk in the Crown Perth operations.

MR BOSSI: Yes.

40

MS CAHILL: Is there a document that tells you when something happens whether it's something that needs to be escalated to the board and, if so, for what purpose?

MR BOSSI: In some instances where it sits neatly within the risk matrix, we will escalate it, but there's other matters that don't ---

45

MS CAHILL: I'm just asking you about whether there's a written procedure that tells

you when to escalate and for what purpose to the Burswood Ltd board?

MR BOSSI: There's a lot of matters that sit outside of anything you can write.

5

MS CAHILL: Is there anything, any piece of paper that talks about it even in the most general terms, of the relationship between the ERCC and the Burswood Ltd board?

10 MR BOSSI: I'm not sure.

MS CAHILL: I'm changing topics, Mr Bossi. I said I would come back to the issue of responsibility you previously had of COO. The purpose of these questions is to understand how many of those responsibilities that you had as COO that you
15 continue to retain as CEO. Are you with me?

MR BOSSI: Yes.

MS CAHILL: When you were COO, Cori Cairns, general manager of table games
20 and general manager gaming machines and commercial strategy were both direct reports to you?

MR BOSSI: Yes.

25 MS CAHILL: And they remain direct reports to you?

MR BOSSI: Yes.

MS CAHILL: So that responsibility remains the same?
30

MR BOSSI: Yes.

MS CAHILL: Now, if we go back to your ---

35 MR BOSSI: But their responsibility has increased. So when we talk about the level of responsibility around their --- not only the way their business operates but how they engage across the executive team to deliver outcomes is something that I would have done that they currently do. To that extent, I have moved from engaging those teams in certain areas to monitoring it as the CEO and they are doing that work. So
40 to the extent that responsibility has shifted, the reporting line may not have, but certainly the work they are doing is more.

MS CAHILL: So it may be the case that they have taken at least some of the
45 responsibility?

MR BOSSI: That's right.

MS CAHILL: So it's the case that those direct reports, Cairns and Blake, may have

taken at least some of your previous COO responsibilities?

MR BOSSI: Yes.

5

MS CAHILL: But you may have retained some of them?

MR BOSSI: Some I would have, yes.

10

MS CAHILL: Do you remember you had a --- you gave some evidence around your position description as COO when you changed from COO gaming to just COO without the gaming destination in 2013 through the job description document CRW.700.045.0198, and if we go to page 199, do you see the position purpose, if we can just blow that up, where it described as COO, you were responsible for the overall strategic direction of the Crown Perth gaming business to ensure its continued viability, et cetera. Do you retain that responsibility as CEO?

15

MR BOSSI: It's --- my responsibility is to the entire property. That is a subset of the strategic direction of the broader organisation.

20

MS CAHILL: I'm not suggesting this is your only responsibility?

MR BOSSI: No.

25

MS CAHILL: But is this one of your responsibilities that you retain as CEO?

MR BOSSI: The primary strategic direction of the gaming businesses sit with the respective gaming heads. My responsibility is how we pull that --- each of those business unit strategies together in an overarching strategy of the business. So, to that extent, I can have input or guidance to the team, but they are developing the strategies.

30

MS CAHILL: Is there somebody else who has the responsibility for the overall strategic direction, the establishment of the overall strategic direction of the Crown Perth gaming business, is there anybody else who has that responsibility primarily, presently?

35

MR BOSSI: I'd have to separate them out to gaming machine and table games.

40

MS CAHILL: But there have always been people who have had responsibility for the individual gaming machines, table games, et cetera.

MR BOSSI: Yes.

45

MS CAHILL: As CEO, you had the overall strategic direction responsibility for the whole of the gaming business?

MR BOSSI: Yes.

MS CAHILL: That's a responsibility you retain, isn't it? There's nobody else that's come in who is responsible for the strategic direction of the gaming business as a whole; you still have people dedicated to table games, dedicated to EGMs?

5

MR BOSSI: I --- well, it happens in a couple of parts, if I can just have a moment. The machine business and the table business, their strategies are not developed in complete isolation. They are developed together, because they occupy the same space with the same frameworks, whether that be surveillance, the technology they use. We have systems that go across both businesses. They will work together to develop that strategy. My function is how that then gets developed together with food and beverage, which also occupies the same space. Our hotel functionalities. So that specific requirement of a gaming business is a subset that we don't think about in that form. We think much broader and what each of the functions are as a collective unit.

10

15

MS CAHILL: So when you were COO there was someone, which was you, who just thought about gaming as a whole but not food and beverage together with gaming; is that right?

20

MR BOSSI: No, I worked with my colleagues at a similar level.

MS CAHILL: My question, Mr Bossi, is do you still do this role, in the first bullet point? If not, does anybody and who are they?

25

MR BOSSI: No, that role --- again, we work as an executive team very differently today than 2013 and '14, whenever this was written. It's a very different process. They are not the same function and that function has evolved, so --- when was this sent to the regulator? '13, I think it was, yes. So that was a document in 2013. It has evolved over time.

30

MS CAHILL: Well, the document --- are you saying there was a later job description that was written down?

35

MR BOSSI: I can't recall having a later version of the document, but the job role evolves in terms of where you are in a particular place, where the economy is, how the market's going. It's --- that's a job description that exists. The function inevitably in our business is quite broad and unpredictable based on what's happening.

40

MS CAHILL: So this job description doesn't accurately describe what your role as COO was in, say, 2018, 2019, and 2020 before you were appointed CEO, is that what you're saying?

45

MR BOSSI: Largely correct.

MS CAHILL: Largely I'm correct, or largely the job description is correct?

MR BOSSI: Largely the job description is correct. Over time, a lot has changed. The way technology works, the way organisations are structured, the way the marketplace works. So these things morph.

5

MS CAHILL: Have you retained any of the responsibilities set out in the first three dot points, Mr Bossi? Bearing in mind, there is no CEO of Australian resorts now, but you could substitute CEO of CRL for that.

10 MR BOSSI: Well, that --- that would remain. We have got rid of that layer of the organisation. Otherwise, it would have changed.

MS CAHILL: The second dot point, do you retain any part of that responsibility?

15 MR DHARMANANDA: Can I just raise to indicate that clearly that particular document refers to position purpose. It doesn't necessarily demarcate particular activities. It describes the purpose.

COMMISSIONER OWEN: I understand.

20

MS CAHILL: Do you retain any part of the responsibility described in the third dot point?

MR BOSSI: I take responsibility for Crown Perth's operation ultimately as CEO.

25

MS CAHILL: In the first dot point, do you retain any part of that responsibility?

MR BOSSI: The majority I would say no. Some element of it because the gaming business forms a subset of all the businesses I need to look after. So, to that extent, the important part for me on the gaming business, that it integrates people across the entire resort, all of our staff, all of our operation, dealing with customers that go across all elements of our business. A customer is not just a gaming customer, they are an F&B customer, they are a hotel customer, they are a theatre customer.

30

35 My objective is for the greater good of an operation in total, of which the gaming business is a subset. So what we have is with the removal of that role, you have got this middle ground. I'm looking at the overarching position and my respective gaming heads worked together to develop a consolidated strategy in the first instance. My view is then to sit over the top and say how does that fit with a much broader strategy, which has materially changed over the last four years.

40

MS CAHILL: Is it any part of the purpose of your role as CEO to do the things set out in the second dot point?

45 MR BOSSI: Yes, part of it. I also need my teams to lead their teams. Every head of every business unit are required to motivate their teams. Mine is to get a team to come together in a much broader sense to provide the network of offerings that we do. The team do get some guidance and development from (inaudible). So, yes, I

would take responsibility for doing that (inaudible), particularly the leadership team, (inaudible) team, they report into me, largely, through my executive teams. We meet on a weekly basis. I have to lead, I have to motivate, I have to develop the team.

5

MS CAHILL: Towards the end of this page, "Key Activities and Tasks", you can see that there. Do you retain any aspect of the activities and tasks under the heading "Financial" set out there at the bottom of the page?

10 MR BOSSI: An element of those.

MS CAHILL: Over the page at 0020, under the heading "People" --- if you just blow that up for Mr Bossi.

15 MR BOSSI: Can we have the two pages side by side, please?

MS CAHILL: I'm just going to show you the people first. If you need to look at the other page, we will. I want you to go first of all to "People". There's seven key tasks and activities set out there in relation to the management of the Crown Perth workforce. When you were in your role as COO, did you understand that the responsibilities nominated here under "People" extended to the whole of the workforce physically located at Perth Casino or just the gaming staff?

20 MR BOSSI: Under this function --- as CEO, the --- it was to the broader term, in terms of setting direction, relying on business unit heads to support their respective areas.

MS CAHILL: Do you need to look at the --- do you want to go back and look at that first page?

30

MR BOSSI: Yeah, I was just going to say something as we moved on.

MS CAHILL: What would you like to say?

35 MR BOSSI: Again, not dissimilar to the position purpose, a lot of those areas, in terms of financial responsibility, there is a --- there's multiple steps in those processes that a chief operating officer would have. In this, as CEO, I don't cover as much ground as that. I'm at the tail end of the approval process and business performance process.

40

When you look at the details of measures, monitors, I'll critique --- measures and monitors is a lot of teams working up to me to do those. I will oversee how we're going. When you think about critiquing and endorsing proposals of expenditure, the larger capex items I will certainly get involved with and some of the strategic operating resources, but the majority of those areas I leave to the executive team who have taken on the responsibilities that were previously in the COO role.

45

Hence I'm in a place, as I said earlier, that we're developing whether that function is

required. Part of the process is to see how the teams have developed, how they make those decisions.

5 MS CAHILL: Just coming back to the people side of things and the people responsibilities you had and tasks that you had as COO, in your role as COO, did you understand you had responsibility for developing and maintaining an appropriate organisational culture for the Perth Casino operations?

10 MR BOSSI: From my perspective, I was a leader in that space, but in terms of primary responsibility for that, that was a shared responsibility across the executive team.

COMMISSIONER OWEN: Across the?

15

MR BOSSI: Executive team. So led by Mr Felstead as the CEO of resorts, we worked together with that. In terms of values and culture, I worked more closely with our head of HR at the time. He built a lot of the frameworks and how we get there, and I worked closely with him to develop the work we had there.

20

Culture is an evolving work experience, but there's no end game to culture. It constantly evolves based on place, individuals and where you are.

MS CAHILL: You were the COO between 2011 to December 2020; is that right?

25

MR BOSSI: 2013.

MS CAHILL: 2013 ---

30 MR BOSSI: Yeah. Late '13 to December 2020.

MS CAHILL: You were the COO of gaming before then?

MR BOSSI: Yes.

35

MS CAHILL: Let's take it from when you just became COO, not limited to gaming.

MR BOSSI: Yes.

40 MS CAHILL: You would accept that between 2013 and December 2020, you at least contributed to the culture of Perth Casino as it was in that period?

MR BOSSI: Contributed, yes.

45 MS CAHILL: How would you describe the culture at Perth Casino during your time as COO?

MR BOSSI: I --- there are stages. I have to go through the stages. I thought the

period '13 to about '16 or '17, it needed a bit of work.

MS CAHILL: I beg your pardon?

5

MR BOSSI: It needed a bit of work. It was very siloed in terms of the structure and therefore how people engaged. Over the course of that time period, there were some changes, but a lot of direction we were getting was from a centralised structure and leadership format.

10

MS CAHILL: How did the siloing, as you call it, affect the culture?

MR BOSSI: Culture because it was the operational units that were focused on individual unit success more than group success. The sum of the parts doesn't necessarily exceed the sum of a well-managed toll. We've had to try to describe it. A common phrase would be a team of champions can get beaten by a champion team. It is very much about team development. What we had in the first few years were a series of departments trying to get independent best results without thinking about the broad picture.

20

If I go towards '17, as the economy started to soften and weaken, there was a greater push to collectivise that process, bringing the teams together, greater good scenario, because as independent work streams, you don't understand --- they don't understand well enough what each of the contributing parts can bring to the process. So for us was a time where we started with leadership, bringing the leadership teams together. That was such a change from where historically people in the industry sat. That took some time.

25

At the front line there is a place for siloed activity --- well, silo activity. When you're dealer, you deal cars. When you are a chef, you're cooking meals. When you are a waiter, you have to serve at the restaurant. They are performance-based particular areas. But as you go up the management stream, you have to bring them together.

30

So the culture started to shift in that space, but interrupted by COVID, and then post-COVID, we had quite --- a lot of disruption --- this process is an example --- in terms of structure and where we were going as a team and an organisation, and that scenario and the lead-up to that scenario was quite disruptive to the team. So we have gone through stages.

35

MS CAHILL: Well, after 2016/17, that greater collectivism, how did that affect the culture? It improved it?

40

MR BOSSI: The engagement at a leadership level improved.

45

MS CAHILL: So how would you describe the culture from 2016/17 through to the end of your term as COO?

MR BOSSI: I think the culture --- in my mind, "culture" is a difficult word to define,

to be fair. I think it worked better at a leadership level. I think within the business units, there was some work left to do. I think ---

5 MS CAHILL: What do you mean by that?

MR BOSSI: Well, I think the clarity of roles that people had in terms of what their responsibility was and what they needed to succeed in their functions. I think we significantly improved in the communication of that and understanding those
10 functional roles. I think we had a leadership team that were working.

When you develop culture, it's a top-and-bottom scenario that ultimately gets to the middle, so your two pieces are you can lose your team or together communicate and understand the greater goal. Then the front line teams understand their function and
15 purpose in that responsibility that you have as an organisation.

And then as you get in the middle, that's where the disruptive area sits, because part of change is getting that communication link stronger. There's are a large number of people in our organisation in multiple areas that you have to transition from a siloed
20 mentality to a group mentality. So that comes with better communication and better leadership. That's the piece that typically is the most challenging piece to transition in those disruptive times. So we're in that --- that's how I would describe where we were to where we are.

25 MS CAHILL: What about Crown values? Do you think they were clearly understood during your time as COO?

MR BOSSI: I think --- I think they were understood across the team.

30 MS CAHILL: How did you understand Crown's values in your time as COO? What would you say those values were?

MR BOSSI: From our perspective, we act respectfully. We are passionate as an organisation. We do the right thing and we work together --- were our values, but
35 that is ---

MS CAHILL: Can I just pause there. They sound very much like the sorts of values we hear Crown espousing now. Do you say that they were always the values that Crown had?
40

MR BOSSI: We were talking about that period as we were transitioning at the end of my ---

45 MS CAHILL: This is 2017 through to the end of 2020?

MR BOSSI: Yes, those values were launched in 20 --- officially launched across the organisation, they started here, but they were launched across the organisation in 2019. We started working on them in 2018. That was part of the process of

transition from where we were in '16 to where we are today. Those values were well-communicated, were reinforced.

5 So the period where they impacted --- started to impact the business --- again, when you think about launching in May '19 and you've got COVID hitting in March '20, it's probably not enough time to embed those as effectively as you could. But were they understood? They were understood, but it takes time to get culture change.

10 MS CAHILL: Between 2013 and 2019, when the values were introduced, what were the values of Crown?

MR BOSSI: At the moment I can't remember, because we are focused on all of the changes that we have got at the moment.

15

MS CAHILL: Just in the broadest of senses of your understanding of what Crown's values were between 2013 and 2019, how would you describe them?

20 MR BOSSI: They were --- I can't give you the exact words, because it is quite some time since we rolled them out and we didn't communicate them as effectively as we could have. But they weren't dissimilar to these values.

MS CAHILL: Generally what?

25 MR BOSSI: About how we behave, in terms of --- and that's why I can't remember the exact words. I wish I could give you the words, but it's how we behave with each other and working as a team, in that sort of sense. And from our perspective, it's, you know, about trying to do the right thing.

30 Again, I can't recall the words, and the depth of how they were explained to the team was not as effectively done as it should have been, particularly if you're going to try and get into the front of house terms --- the operational terms. They commenced prior to my arrival, so I never got to see their launch, but the process of that is the first iteration --- I don't know which iteration we are looking at, there's been a few.

35

MS CAHILL: And that "trying to do the right thing" was a value that you lived by in your role as COO?

MR BOSSI: I'd like to think so, yes.

40

MS CAHILL: Now, the former chair of CRL, Ms Coonan, gave evidence to this commission on 12 August. So that was after you gave evidence on the 4th, and in substance and effect, she described the culture of Crown, fairly put, would be to say pre-Bergin, as one where management was beholden to the major shareholder, that is
45 CPH, who was involved in the business for a significant period of time. Would you agree with that insofar as it relates to the culture of Crown Perth pre-Bergin?

MR BOSSI: Beholden --- I don't know if I would have described it as beholden to a

single shareholder. If I think about ---

MS CAHILL: Major shareholder?

5

MR BOSSI: No, no, I understand what the meaning is there. From our perspective, I think as an organisation, I would go --- well, before Bergin, I would go back to that 16/17 period where we were organisational. The financial results were a priority to the organisation. I'd go back to '16. I think as we started to work on our processes
10 from '17 and beyond, there was a divergence in culture or elements of culture between Melbourne and Perth --- more so at the leadership level --- and how we communicated and worked together.

15 And whilst I don't have a detailed piece of analysis on that, I'm working off the members of the leadership team that worked in both Melbourne and Perth, when they visited Perth, worked within the leadership team. Far more often than not, they would comment about the differences of the two working environments, which is one element of a culture.

20 MS CAHILL: Just coming back to Ms Coonan's observation or description of the culture of Crown where management was beholden to the major shareholder, pre-2016/17, would you agree or disagree with that view?

25 MR BOSSI: Pre-2016, I would say we were beholden to shareholders, in plural, in the sense of financial performance, but that doesn't remove the responsibility we had to our other stakeholders, which also includes community, the public, our staff ---

30 MS CAHILL: But your point is to say it was, in a negative way, too orientated towards the interests of shareholders and not sufficiently cognisant of those other responsibilities to the community, et cetera?

35 MR BOSSI: I think just --- the most encouraging --- the most encouraging --- one of the most encouraging pieces of what's happened over the last 12 to 18 months is our recruitment of skilled, very capable people in those second line of defence that can help in the area of some of the other stakeholders. That was more often than not driven due to --- from a perspective, it was more driven previously by the challenges in performance that we were facing in poor economic times.

40 If I go back to '16 and '17, we were asked to take a significant number of people and costs out of the business. That is painful even today in terms of who we had to take out and how many people. But that's what financial performance does. That doesn't --- that's distinct from today where our primary motivation, as you heard earlier when I spoke about the remediation plan, is reinforcing those second lines of defence.

45 They assist us as an organisation in terms of how we go forward, how we deliver the experience to the customer, and it sits very well, finally, with the strategy we have been working in Perth, which is broadening the customer base over the last three

years, where our objective is to have more people enjoying themselves in a safe environment. That's absolutely where we are. Our statistics will show that in terms of the breadth of our customer visitor.

5

However, you know, from my perspective, the second line of defence work is progressing very positively, and I'm actually looking forward to how well we can do that.

10 MS CAHILL: Coming back to Ms Coonan, please, Mr Bossi, she also described asymmetrical information --- we're just talking about old Crown now. MR BOSSI: Yes

15 MS CAHILL: --- asymmetrical information where some information was given to some directors and not others. Pre-Bergin, did that occur at Crown Perth in respect of information provided to Burswood Limited board?

MR BOSSI: I don't know the answer to that question.

20 MS CAHILL: Ms Coonan also thought it correct to say there was a concern that the way in which information was presented to the CRL board wasn't necessarily open and balanced to enable it to see the full picture. Are you able to say whether that was something that occurred at Burswood Limited board level in terms of what was presented to (distorted audio) management?

25

MR BOSSI: I can't, because I have not participated in Resort's board meetings. I never attended a board meeting, so I'm not sure what occurred in that sense.

MS CAHILL: Sorry, I'm asking you about Burswood Limited.

30

MR BOSSI: I know, but the reference related to that's her view of what happened in Resorts ---

MS CAHILL: Yes. I'm asking you if that's what happened in Burswood Limited.

35

MR BOSSI: I don't recall --- we spoke about what was going on in Perth when I attended. I don't know if there is a particular reference that we're talking to ---

MS CAHILL: I'm just speaking generally, Mr Bossi.

40

MR BOSSI: Yes, I don't know.

MS CAHILL: In terms your position as CEO, you don't have a written job description, do you?

45

MR BOSSI: Not that I'm aware of. It's all happened pretty rushed for us, and we have had a number of ---

MS CAHILL: It's not that rushed, Mr Bossi. You've been CEO since December 2020. So we are now, what is it, 10 months down the track. Why do you not have a written job description?

5

MR BOSSI: I'm not sure why we don't have one.

MS CAHILL: Have you pressed for one?

10 MR BOSSI: I have asked for one and ---

MS CAHILL: Who did you ask?

MR BOSSI: Ken Barton ---

15

MS CAHILL: Well, that's some time ago now, isn't it?

MR BOSSI: --- who is no longer here.

20 MS CAHILL: That's some time ago?

MR BOSSI: Yes, yes.

MS CAHILL: So when did you last chase that up?

25

MR BOSSI: I'm not sure I've chased that up with Mr McCann.

MS CAHILL: How can you be confident you know what your role is?

30 MR BOSSI: My responsibilities have been outlined to me.

MS CAHILL: Verbally?

MR BOSSI: Yes.

35

MS CAHILL: By?

MR BOSSI: What Mr McCann expects coming out of a CEO and how we manage performance here.

40

MS CAHILL: Did you take a note of what he said?

MR BOSSI: I can't recall. I speak to Mr McCann fairly regularly.

45 MS CAHILL: How do you know if you are discharging your responsibilities fully and appropriately in the absence of a written job description?

MR BOSSI: From my perspective, understanding who people are involved at a

board level, at an executive level, I'm sure they would have told me.

5 MS CAHILL: You spoke earlier, when you were giving your evidence-in-chief, about a local remediation plan. You're leading that local remediation plan preparation and implementation, are you?

MR BOSSI: Yes. We'd have project managers running it, but yes.

10 MS CAHILL: Who do you report to in relation to the contents of the local remediation plan and the progress of implementation?

MR BOSSI: I speak with Mr McCann. I speak with Mr McCann. I speak with ---

15 MS CAHILL: Who do you report to? Who are you responsible to for the preparation and implementation of this local remediation plan?

MR BOSSI: Oh, ultimately I'm responsible to the Burswood Limited board and the Crown Resorts board through Steve McCann.

20 MS CAHILL: Do you need to get that local remediation plan approved by anyone?

MR BOSSI: It's an interesting thing to say "approved". The remediation plan awareness is with many people.

25 MS CAHILL: Sorry, the ---

MR BOSSI: The remediation plan is working with team members of the Crown Resorts executive team.

30 MS CAHILL: Sorry, there is a document, isn't there, that's a local remediation plan?

MR BOSSI: Yes. That's my document.

35 MS CAHILL: Does anyone have to approve that ---

MR BOSSI: No.

40 MS CAHILL: --- before you can implement it?

MR BOSSI: No. No. That's my document, leading my team to deliver the remediation within the framework of the broader ---

45 MS CAHILL: But you keep Mr McCann apprised of its contents?

MR BOSSI: I keep Mr McCann apprised. I keep Mr Carter apprised. I speak with Ms Fewster about it. There are a number of people I keep apprised of where we are going. I speak to Steve Blackburn to make sure that everything's aligned. But, from

my perspective, it's my document. I have responsibility for rolling it out.

MS CAHILL: What's the timeframe for its implementation?

5

MR BOSSI: It's what I term a living document, because as projects --- as part of that process, the remediation plan, as touched on earlier, will take time. Projects are in varying stages of completion, and others are at a starting point of planning.

10 MS CAHILL: Is there a time line for activities that are included in the local remediation plan?

15 MR BOSSI: For some of the activities, yes, but they don't all have a time line because we are still developing elements of that --- so certain elements are already completed. Other elements are in process, and they have time lines related to them, and other elements are in planning because you can't start those until you complete others. So the plan has multiple paths.

20 MS CAHILL: Did you do any reporting into the transition steering committee?

MR BOSSI: I speak to members of it. In terms of formal reporting? No.

25 MS CAHILL: Do you have any work that you are required to complete coming out of the transition steering committee?

MR BOSSI: Yes, there will be.

MS CAHILL: Must there be?

30 MR BOSSI: Yes, because of what we are trying to implement, from my perspective, is consistent with those broader remediation plans.

35 MS CAHILL: The tasks coming out of the transition steering committee for you finally (audio distorted)?

MR BOSSI: In some instances, they can.

40 COMMISSIONER OWEN: Thank you, Mr Bossi. We will break now and come back at 2pm.

ADJOURNED **[1.00PM]**

45 **RESUMED** **[2.00PM]**

COMMISSIONER OWEN: Yes, please sit down, thank you, Ms Cahill.

MS CAHILL: I want to ask you some questions about specific tasks that you undertook in your role as COO, before you were appointed CEO. One was the early release of funds to patrons, where those are being sent by telegraphic transfer to the casino's bank accounts, but there was a request to make the funds available to the patrons before they had cleared in in the casino's bank account or on the same day.

MR BOSSI: Yes.

MS CAHILL: You were one of three people who could approve the early release of funds in those circumstances, weren't you?

MR BOSSI: Yes.

MS CAHILL: The other two were the person who upheld the role of CEO and the other, CFO?

MR BOSSI: Yes.

MS CAHILL: I want to take as an example a series of approvals for an early release of funds that you gave in late 2018/early 2019 in relation to patron AH. Do you see that?

MR BOSSI: Yes.

MS CAHILL: If just have, not on public screen, please, the document CRW.700.010.1421.

MS CAHILL: This is a set of documents that was prepared through the Cage, presumably, for the processing of the release of these funds. You didn't receive a whole bundle of documents, did you? It was usually just an email?

MR BOSSI: No. Typically, it would be a phone call that I would approve, and then I'd get an email at a later point.

MS CAHILL: 1432, please. Here we have an email to you from Jarrod Campbell of 3 January. This is sitting in the bundle of papers for this telegraphic transfer. Is the point you're making there that there would be this email exchange, but it was usually received by (inaudible) for approval?

MR BOSSI: Yes.

MS CAHILL: So the email would be the confirmation of the verbal exchange; is that right?

MR BOSSI: Yes, typically.

MS CAHILL: Now, the email would usually be the only information that you were provided when your approval was sought?

5 MR BOSSI: Yes.

MS CAHILL: What factors did you take into account when deciding whether or not to approve the early release of funds?

10 MR BOSSI: When I received a phone call or the email? Well, I'd get a call at whatever time ---

MS CAHILL: The question is just what factors would you take into account?

15 MR BOSSI: Okay. From my perspective, I would get a call. I'd ask --- I'd be advised who the customer was; is it showing up in the bank account; has the customer provided a receipt and the details associated with that that confirms the transaction occurred. Typically, it would come --- because it's the same day and the bank wouldn't process until the following day, we had to go back sometimes --- it
20 would have taken more than one day --- and just to verify the details.

MS CAHILL: When you say who the customer was was something you were interested in knowing, were these patrons typically known to you individually?

25 MR BOSSI: I may not have met them, but I would know of their --- the reviews we'd undertaken on those players typically and who they were.

MS CAHILL: So then when you went on to describe looking at whether or not the money had shown up in the casino's bank account and evidence of having been
30 deposited to the bank account, that was you were concerned to ensure that the casino was actually going to receive the money ---

MR BOSSI: Yes.

35 MS CAHILL: --- for an early release of funds; is that right?

MR BOSSI: Yes.

MS CAHILL: Did you have regard in deciding whether or not to approve an early
40 release of funds to whether or not a transaction might seem suspicious in terms of possibly facilitating money laundering?

MR BOSSI: I'd like to think that was a consideration, yes.

45 MS CAHILL: The hesitation in your answer. Is that something you took into account or not?

MR BOSSI: Suspicious transaction, yes.

MS CAHILL: And what would you do if you thought it was a suspicious transaction?

5 MR BOSSI: I would --- in the past, I have declined transactions.

MS CAHILL: How many times?

MR BOSSI: Can't recall. Haven't got --- can't recall.

10

MS CAHILL: How far back in the past?

MR BOSSI: It would have been a period of time over the years. It would have gone back a few years. I can't give you a year. I'm not exactly sure.

15

MS CAHILL: Approximately how many times?

MR BOSSI: Not very often.

20 MS CAHILL: Are you talking a handful or less?

MR BOSSI: No, more than a handful over a period of time but not a great deal.

25 MS CAHILL: And your refusal to approve a transaction through because of a suspicious nature, was that usually documented?

MR BOSSI: I don't know whether it was documented in the Cage records.

MS CAHILL: Did you document it?

30

MR BOSSI: No. I've --- I know I've received emails at length that spoke about a decline. I have a --- I can give you a customer recently, but I'm not exactly sure type documentation it was. Typically I would speak to someone.

35 MS CAHILL: You would refuse an approval typically verbally and not in writing?

MR BOSSI: If it didn't come up on the email, I'd have a conversation with the teams involved thereafter to get further --- to follow it up.

40 MS CAHILL: In relation to early release of funds approval, did you ever have regard to whether or not funds should be approved having regard to RSG considerations?

MR BOSSI: Yes.

45

MS CAHILL: Typically?

MR BOSSI: Typically the nature of the transaction, or the time periods between

transactions.

MS CAHILL: But you would refuse, would you, an early release of funds if you
5 thought that a patron was ---

MR BOSSI: I have.

MS CAHILL: --- through this transaction ---
10

MR BOSSI: I have, yes.

MS CAHILL: Just let me finish the question --- exhibiting a problematic
15 relationship with gambling?

MR BOSSI: Yes.

MS CAHILL: How many times?

MR BOSSI: Not many, probably. A handful in that sense. Some may have been
20 documented. I can't recall.

MS CAHILL: Well, I suggest to you that if you were refusing to approve an early
25 release of funds either through a suspicious nature of the transaction or through RSG
considerations, you would have documented it because you would have wanted
somebody else to take other action, such as ---

MR BOSSI: Yes.

MS CAHILL: --- raising an SMR or referring them through to the Responsible
30 Gaming staff.

MR BOSSI: Yes.

MS CAHILL: Is that what happened?
35

MR BOSSI: In the instance of the patron at the top of the list, I have referred that
individual to RG and also the AML team for further review.

MS CAHILL: When approving the early release of funds, did you ever ask for
40 information beyond what was contained in the email or what you were told on the
phone?

MR BOSSI: In some instances --- is there any more to this on the right-hand side of
45 the screen or is that --- I just want to see what's on the ---

MS CAHILL: 1433 side by side with 1432, please. No, other way. It's the last
page, I'm sorry. So that's all there is.

MR BOSSI: On what I said here, I may have asked for further information than what's here.

5 MS CAHILL: Just have a look at the table that you've been sent by Mr Campbell, and for patron AH, we see that there are three entries.

MR BOSSI: Yes.

10 MS CAHILL: Two at the top, 10158 and 10157?

MR BOSSI: Yes.

MS CAHILL: And the second-last one, 10173. Do you see that?

15

MR BOSSI: Yes.

MS CAHILL: It's two transactions, one for \$3,000, one for \$5,000 on 27 December 2018.

20

MR BOSSI: Yes.

MS CAHILL: One transaction for \$5,000 on 3 January 2019. And you gave that approval?

25

MR BOSSI: Yes.

MS CAHILL: Now, I just want to set that out in this document, which is not for displaying on the public screen, CRW.700.080.1652. This is another set of early release documents. At 1654 you were asked to approve two \$5,000 deposits for patron AH on 29 December --- so between those two lots of transactions I just showed you --- and you do. So, in summary, you approved the early release of funds deposited between 27 December 2018 and 3 January 2019 in aggregated amount of \$25,000 by way of five set of deposits of under \$10,000. Do you see that?

35

MR BOSSI: Yes.

MS CAHILL: It must have occurred to you at the time that those deposits were potentially structuring, did it?

40

MR BOSSI: There are two parts to the answer to that question. It was a possibility; however, customer AH, patron AH, that is his typical behaviour in terms of his buy-ins, in the amount of --- say that again --- \$5,000. That's his typical buy-in amount. He played to the conclusion, potentially, of those funds, and then at a later point in time during the course of the evening may request further, depending on when he visited. He --- typically there would be no further releases that I would approved for a customer, as in (inaudible).

45

MS CAHILL: Did it occur to you that these multiple amounts, two lots of \$5,000 rather than one lot of \$10,000, was possible structuring?

5 MR BOSSI: In the case of this individual, no, because of his typical behaviours that he undertook. It was not uncommon gaming buy-in levels. You'll see this as quite a common number. Round numbers is what is used. I would like to relay that to what his playing behaviour may have looked like at the time. That would indicate whether some AML activity may have occurred.

10 MS CAHILL: But what's the rationale for not considering it suspicious where there's two \$5,000 deposits on the same day?

15 MR BOSSI: Well, if the customer then --- if you look at the gaming behaviour, the customer loses somewhere between \$5,000 or \$10,000, then in that instance, that's part of a gaming behaviour. I'm not sure that's an effective AML strategy. What it is, what it can lead to, is a UAR to be raised in today's terms, or an SMR at the time.

20 MS CAHILL: But you were saying earlier that you would actually would have refused the release of funds (inaudible)?

25 MR BOSSI: You said there was consideration. On some instances that occurred. Not in all instances. It depends on the customer involved and my knowledge of their typical behaviours as a customer. These customers have varying ways that they choose to gamble with us. These are frequent high-end customers, so I have some understanding of what their typical behaviour is.

30 I balanced that, understanding also that having engaged with RG and AML with these customers to give me some level of confidence that we've done the reviews we should have. I ask questions of the operational team when approving these releases about the behaviour of the respective customers. So from my perspective, I have a broader view, I think, of what the customer than what we may see in an email.

35 MS CAHILL: So you were aware, were you, that these deposits were being made to the Riverbank Investments account?

MR BOSSI: Not at the time. I was told it's in our bank account. I didn't ask which bank account. We had a number of bank accounts.

40 MS CAHILL: Why didn't you ask about the Riverbank accounts?

MR BOSSI: It was not a question I would ask, what bank account it's gone to. That's not the only location that someone can send money to. We have multiple accounts.

45 MS CAHILL: The bank account didn't have any particular significance to you over and above any other casino bank account?

MR BOSSI: At the time it was one of the accounts that a customer ---

5 MS CAHILL: That's not the question I asked. You didn't see it as any different from any of the other casino bank accounts?

MR BOSSI: That customers use?

10 MS CAHILL: Yes.

MR BOSSI: A bank account is a means for a customer to transfer their money across.

15 MS CAHILL: Back to the question, please. The Riverbank you didn't understand to be any different in nature to any of the other casino bank accounts that patrons deposited money into?

MR BOSSI: In 2018 it was the bank account that money was being transferred into.

20 MS CAHILL: Now, did you have regard to patron AH's AML/CTF risk rating when you were considering whether or not to approve the early release of funds?

MR BOSSI: I wasn't aware of his risk rating. That was ---

25 MS CAHILL: That was something you could have found out, couldn't you?

MR BOSSI: Yes, I could have, having spoken to legal representatives, having spoken to the AML teams, I would have asked for reviews on this customer. I would have thought that that would have been a piece of information that may well have
30 been provided as well.

MS CAHILL: Did you say, "Before I approve any early release of funds, I have got these multiple transactions under \$10,000, I want to know the AML/CTF rating for this patron"?
35

MR BOSSI: Not at the time, no.

MS CAHILL: Why didn't you do that?

40 MR BOSSI: It hadn't been brought to my attention by the team. When I asked for reviews, they undertook reviews. I was comfortable with the player from the reviews. I have to rely on my subject matter experts in the various areas to provide me with information that may make decision-making more effective, including at an executive level.

45 MS CAHILL: What about you being proactive, Mr Bossi? You've got to give an approval for an early release of funds, and you said you took AML considerations

into account when you did, and on occasion you refused to release funds on an early basis. Why wouldn't you proactively say, "Well, I need to know the AML/CTF risk rating for these patrons before I decide whether to approve"?

5

MR BOSSI: At the time, I can't recall whether --- it was --- from my perspective, the concern lay in player behaviour. To the extent I have a concern, I escalate it with the appropriate teams to provide me information. The risk rating, I would have had to review part of that information that I was provided. I can't recall receiving that on customer AH.

10

MS CAHILL: (Audio distorted)?

MR BOSSI: Not at the time, no.

15

MS CAHILL: Coming back to patron AH, you accept, do you, that you were involved in approving early release of funds on multiple occasions to patron AH (audio distorted)?

20

MR BOSSI: Yes.

MS CAHILL: And typically those transactions that you were approving were of the nature of the ones I have shown you, where there were a number of deposits, \$5,000 or under, \$10,000 or under?

25

MR BOSSI: This customer, they largely would have been.

MS CAHILL: There was a similar arrangement in relation to patron AI, wasn't there?

30

MR BOSSI: Yes.

MS CAHILL: The Commission's made up an aide-memoire from the TT documents for patron AI, which is --- we'll just put this on the room screens --- PCRC.0007.0008.0001. You will see there multiple deposits on a single day, \$10,000 or under.

35

MR BOSSI: Which one am I looking at?

40

MS CAHILL: You're looking at the table.

MR BOSSI: Oh, the table, yes.

MS CAHILL: So that was something you routinely did in relation to patron AI?

45

MR BOSSI: Yes.

MS CAHILL: You didn't regard any of these transactions as potentially suspicious?

MR BOSSI: Not dissimilarly to patron AH. The customer had a certain behaviour. We understood who the customer was. We understood ---

5 MS CAHILL: When you say "we", you, you are the one?

MR BOSSI: Yes. We understood the source of wealth of the customer at the time. The KYC component was ---

10 MS CAHILL: What did you understand about the KYC component?

MR BOSSI: The reviews we did on these customers --- I say "we" because it comes under the direction of the --- we had multiple teams to do the reviews, from operational teams to second line of defence teams. We knew who the customers
15 were, in terms of their source of wealth, their general valuation. In some instances, depending on who they are, in some instances, some of their associates --- there was a number of factors that we looked into.

MS CAHILL: It goes over the page, I think. Just keep looking. That goes down to
20 June 2019. There is another page, thank you. Did you ever have regard to RSG considerations in relation to patron AI?

MR BOSSI: I did.

25 MS CAHILL: In what way?

MR BOSSI: When you get a number of these transactions, one of the areas I look at is I speak with the RG general manager.

30 MS CAHILL: Did you do that here in relation to patron AI?

MR BOSSI: I have done it with patron AI. I don't know specifically who. There is a 12-month window of eight transactions or whatever the number is.

35 MS CAHILL: If we have a look at this document --- just not on the public screen --- CRW.700.037.1360 at page 2710. In relation to patron AH that I took you to a moment ago, do you see patron AH gambled for over 24 hours in the Pearl Room?

MR BOSSI: Yes.

40

MS CAHILL: 2018. I think between June 2018 and November 2019, you'd approved early release funds in an amount of about \$348,000 for patron AH. So did it occur to you at the time that you shouldn't be just approving those funds without referring patron AH through to an RSG officer?

45

MR BOSSI: I did refer patron AH a number of times to RG, who did a review on that patron and came back with a satisfactory assessment. In this instance, the patron

had a couple of substantial --- I haven't seen the detail of this particular case, of patron AH. The play period --- again, without going into detail, we've done a number of case studies --- or a number of bits of research on these players, these particular individual players' tables, whereby you may have one card, but you may be rated on more than one product, if he's moving around between tables. So I have to look at the accuracy of the ratings here.

10 MS CAHILL: Did you ever refuse the approval of an early release of funds for patron AH?

MR BOSSI: I believe I have.

15 MS CAHILL: In writing?

MR BOSSI: It would have gone to --- the Cage receives those, and oftentimes they would write that funds weren't early released.

20 MS CAHILL: Aside from approving the early release of funds deposited into Perth's casino bank accounts, looking at your role as COO more generally, would you agree that during your time as COO, in that role you had a responsibility to investigate and address issues of concern (inaudible)?

25 MR BOSSI: Yes.

30 MS CAHILL: For example, if it came to your attention that a patron was regularly attending Perth Casino and was suspected of engaging in money laundering while on the premises, did you consider you had a responsibility to check with the AML team to satisfy yourself that any money laundering risk was being appropriately addressed?

MR BOSSI: Yes, and in that instance it would have also included the legal and security teams.

35 MS CAHILL: That would also include you considering whether or not the patron should be excluded from the casino?

MR BOSSI: Yes.

40 MS CAHILL: If it came to your attention that a patron who regularly attended the casino had criminal associations or a significant criminal history, did you consider you had a responsibility to consider whether that person should be excluded from the casino?

45 MR BOSSI: Yes.

MS CAHILL: If it came to your attention that a patron who regularly attended the casino was suspected of being addicted to gambling or suffering harm as a result of gambling at Perth Casino, did you consider you had a responsibility to check with the

RSG team to satisfy yourself that the risk of the patron were being appropriately addressed?

5 MR BOSSI: Yes.

MS CAHILL: And whether the patron should be excluded from the Perth Casino in their own interests?

10 MR BOSSI: Yes.

MS CAHILL: Do you say you discharged those responsibilities during your time as COO?

15 MR BOSSI: I believe I did, where I was informed of them and where I was aware of them. I did engage with RSG regularly. I engaged with AML and the legal team regularly.

MS CAHILL: Did you engage with RSG regularly? Yes or no, I didn't quite hear
20 what you said.

MR BOSSI: Yes.

MS CAHILL: You did?
25

MR BOSSI: Yes. Regularly on players I certainly had issues with. If it was brought to my attention, typically it would be escalated through --- depending on the time period, back in '18 it would have been escalated through the legal and compliance team because AML reported through there, RG reported through there and security
30 reported through there. The fastest way of getting action would be going through that team.

MS CAHILL: Just in terms of things coming to your attention, as COO with overall responsibility for the gaming operations, did you consider it important to liaise with
35 the security and surveillance team on a regular basis?

MR BOSSI: Surveillance team, I did not. Security, I did engage with security.

MS CAHILL: Did you try to ascertain from either security or surveillance on a
40 regular basis whether any regular patrons were frequently or repeatedly being reported as associated with suspected incidents of money laundering or undesirable activity at Perth Casino?

MR BOSSI: Typically that would come through to the executive team directly to
45 security. Back in those days, no, I'd go through the legal lead as the reporting lines.

MS CAHILL: Was there a structure in place so that you would be told if a name was repeatedly coming up as someone who was engaged in suspicious behaviour while

they were at the casino or exhibiting problematic gambling behaviour?

5 MR BOSSI: Was there a structure? Yes. Did it work effectively? Not necessarily.

MS CAHILL: What do you mean by that?

10 MR BOSSI: In preparation for my evidence for the Royal Commission, information was brought to my attention that I did not get to see previously.

MS CAHILL: Commissioner, it would now be necessary for me to ask you to close the hearing room for about 5 to 10 minutes.

15 COMMISSIONER OWEN: Can we stop the live streaming, please.

[HEARING IN CAMERA COMMENCED]

20 COMMISSIONER OWEN: Is this where we need to ask other people to leave the room?

MS CAHILL: Yes, Commissioner.

25 COMMISSIONER OWEN: Now, Mr Shaw ---

MR SHAW: I'm one of the ones that's going to leave, Commissioner.

30 COMMISSIONER OWEN: Are you ---

MR SHAW: I have no issues with that.

COMMISSIONER OWEN: You've spoken with Mr Bossi about that?

35 MR SHAW: Yes, there is no problem with that.

COMMISSIONER OWEN: Is there anyone else in the room not covered by the appropriate, what do we call them, undertakings to a particular regulatory authority? If there is anyone in the room who is not covered by an undertaking to a particular regulatory authority, they must leave the room. The estimate is about 10 minutes.

45 It goes without saying that the orders in place in relation to the restrictions on any publication of the proceedings while we are in this restricted or private session will apply to this.

Mr Bossi, because you are not directly represented, if there is anything that comes up that you want to raise with us, please do so.

02:30PM

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MS CAHILL: We can reopen the hearing now, Commissioner.

40 COMMISSIONER OWEN: If the people who have left the room can be advised that we are now resuming in public session, and you can resume the live streaming.

MR BOSSI: Commissioner, if I accidentally say a name in the live streaming, is that an issue for us, in this case?

45

COMMISSIONER OWEN: We have left this area, so you will be fine once we are live streaming. There is not a problem, because we will be able to edit it out of the transcript.

5 **[HEARING IN CAMERA ENDED]** MS CAHILL: I want to ask you some questions about patron K, Mr Bossi. Patron K came to your attention in 2016 or 2017 - - -

10 COMMISSIONER JENKINS: Sorry, I don't know that we have resumed live streaming.

MS CAHILL: I want to ask you some questions about patron K, Mr Bossi. Patron K came to your attention in 2016 or 2017 as a high turnover player of EGMs, didn't he?

15 MR BOSSI: In '17, yes.

MS CAHILL: If we go to --- not for public screens --- CRW.700.045.6479_R, we see patron K in the number one of the top five EGM players for Crown Perth for September 2016. He has a turnover of \$756,748 for the month. Is that how we read that?

20 MR BOSSI: Yes.

MS CAHILL: You received monthly information of this type in your role as COO, didn't you?

25 MR BOSSI: Yes.

MS CAHILL: Because the top gamblers by turnover were the most valuable to Crown Perth, weren't they?

30 MR BOSSI: Yes.

MS CAHILL: You considered it your responsibility to know who those top gamblers were?

35 MR BOSSI: Yes.

MS CAHILL: And to make sure that they were well looked after?

40 MR BOSSI: Yes.

MS CAHILL: And continue to give their patronage to Crown Perth at that high level of turnover?

45 MR BOSSI: Patronage, yes. We have a much broader customer base, so it doesn't have to remain that way.

MS CAHILL: Patron K was in fact the number one EGM player at Crown Perth between July and December 2017, wasn't he?

5 MR BOSSI: Yes.

MS CAHILL: If we go, not for the public screens, CRW.700.045.6515, top 20 EGM players, 3 July to 3 December 2017, and there is patron K with the turnover of about \$2.5 million in that six-month period.

10

MR BOSSI: Yes.

MS CAHILL: You got this information, and you were aware of it at the time?

15 MR BOSSI: Yes.

MS CAHILL: You were aware of it at the time?

MR BOSSI: Yes.

20

MS CAHILL: And you understood patron K to be a local patron resident in Perth?

MR BOSSI: Yes.

25 MS CAHILL: And it was the case, wasn't it, that the amount he was gambling, and gambling on EGMs, would have raised an immediate question in your mind about potential AML and/or RSG considerations?

30 MR BOSSI: The discussion did occur with patron K during the course of that period.

MS CAHILL: Well, let's be plain. When you have a local individual turning over \$2.5 million at the casino in a six-month period, the question that is front of mind for you is, first, where is he getting his money from to gamble at these levels, and, second, is it causing him harm to gamble at these levels; would you agree with that?

35

MR BOSSI: Yes.

40 MS CAHILL: Did you make any inquiries along those lines, first of all, in 2016 after patron K was identified as the top EGM player for September?

MR BOSSI: Can we go back --- 2016 or 2017?

MS CAHILL: CRW.700.045.6479_R. That's December 2016.

45

MR BOSSI: I would have thought that's December 2017. I may be wrong.

MS CAHILL: Let's go back to the six-monthly figure, CRW.700.045.6515. Did you

make any inquiries about patron K in terms of RSG or AML considerations or concerns when you received this data?

5 MR BOSSI: Prior to receiving that data, this came out in December in the middle of October. I had a conversation with our machine's general manager of premium --- he's now the director of machines local premium --- about Mr Petkov.

MS CAHILL: Patron K?

10

MR BOSSI: Patron K, sorry about that. Patron K. We made some inquiries in terms of obtaining information on what we knew of this player. I'd also received a call --- I can't remember pre or post, a similar time period, from one of the team in Melbourne who was also visiting there, and his level of play there was significant. I then escalated that discussion, again, through our legal head to get to RG and AML to undertake a review of this customer.

15

We then --- I then pursued our --- followed up with our manager to get further information on patron K. We received some information at that point in time of his family and possible wealth that coincided with, or supported, this information.

20

MS CAHILL: Were there any documents, Mr Bossi? Should we have a look at what you are describing by reference to the documents you're referring to?

25 MR BOSSI: Yes.

MS CAHILL: Let's go to CRW.700.072.3121, not on the public screen, please, at 3122. Here we are in October 2017. This email was forwarded to you by Xavier Walsh at Crown Melbourne?

30

MR BOSSI: Yes.

MS CAHILL: And Crown Melbourne is raising the question of looking into patron K. There is a statement about his occupation, and he seems to fly in and only do overnights. Those were Crown Melbourne trips. Were they organised with the assistance of Crown Perth staff?

35

MR BOSSI: No, I don't believe so. This patron, as we found out, lived in Melbourne prior to moving to Perth not long before this.

40

MS CAHILL: Do you say that you made any inquiries about patron K before this email was forwarded to you in October 2017?

MR BOSSI: It did come up in discussion.

45

MS CAHILL: I'm asking if you made any inquiries about patron K --- you did something proactive and initiated something without anyone else telling you to or raising it with you first?

MR BOSSI: Prior to this occurring, I believe I had a discussion with my GM in terms of what he knew about this patron.

5 MS CAHILL: Who was that?

MR BOSSI: The person that's on the next email, Richard.

MS CAHILL: That's Richard Smith?

10

MR BOSSI: Yes.

MS CAHILL: All right. So let's go to 3121. Xavier Walsh has forwarded that email and you flick it on to Mr Smith:

15

Richard, can we see if we have anything on this patron.

I thought you had made inquiries?

20 MR BOSSI: We were discussing this patron previously from a business perspective, so we looked at it from --- a couple of months earlier about who he was from a marketing and business perspective, part of which was to find information. I can't recall the dialogue we had. Once we got to this point, obviously coming in from the Melbourne team and looking at the play behaviour he had in Melbourne in one
25 weekend, that escalated the need for information ---

MS CAHILL: Let me understand this --- sorry, let me understand this. You had previously inquired about this patron for marketing reasons and then Crown Melbourne was raising, "This is a bit unusual. He's spending more. His turnover is
30 markedly higher than previously, and looking at his occupation, these things don't fit". So you had to start from here, looking at it from a different point of view?

MR BOSSI: What I said is a couple of months earlier we spoke about it. I had a different lens on it at that point in time.

35

MS CAHILL: Marketing lens?

MR BOSSI: Well, at that point in time, he was --- I don't believe a few months earlier he was our largest player. In September, it was when his play started to
40 elevate. Then this --- obviously this email triggered a much closer look at what the behaviour was. His play level was substantially different in Victoria than what it was in Western Australia. Hence, he was raised in Melbourne.

MS CAHILL: As of October?

45

MR BOSSI: If you go back, the play level on that weekend was substantial, substantially more than we'd seen.

MS CAHILL: That's the top EGM player in that six-month player?

MR BOSSI: Yes. If you go back to the previous slide ---

5

MS CAHILL: Do you see his occupation?

MR BOSSI: Yes.

10 MS CAHILL: That was \$2.5 million turned over in a six-month period?

MR BOSSI: My understanding when he joined the Pearl Room was that he was a hotel manager. Now, how accurate that information is, (inaudible).

15 MS CAHILL: Well, in late October you were told by Smith what this chap's occupation is, that he's a very private person, talks about his travel patterns, but that doesn't give you enough information to assess AML or RSG risk, does it?

MR BOSSI: That's the point in time --- it gives me some information. What we ---

20

MS CAHILL: It doesn't give you enough, does it? That in itself does not give you enough?

MR BOSSI: That gives --- there's further information you could get on this player.

25 That's very strong information. This player came from a wealthy family. This player had properties. So there was a series of other factors to take into account. I spoke with the head of legal to do a review. At a later point of time, we did do that. Over the course of the coming period, we did that review.

30 MS CAHILL: So let's have a look at that. CRW.700.072.3032, which is not for the public screens, please. If we can put both pages up, please. You'll see in the second half of the page you're now being --- the Melbourne people are now emailing you directly with Xavier Walsh about patron K, giving some previous year's play history and saying, Well, there's a significant increase for this year and in the average bet."
35 That must have alerted you to some concerns at that point?

MR BOSSI: Yes.

40 MS CAHILL: And you then forward that on to Mr Smith. We can see at the top of the left hand page:

Well, let's hasten our review.

This is in late October?

45

MR BOSSI: Yes.

MS CAHILL: But nothing happened at Perth Casino, did it, between late October and mid-December, to hasten the review?

5 MR BOSSI: We were getting extra information on Patron K --- I also raised it with -- we were getting additional information on patron K, and we also had the legal and compliance team doing their AML and associated reviews on that in order to proceed with the next phase of the process, which is a barring process.

10 MS CAHILL: Let's see. The next thing that comes out is Melbourne mid-December 2017, not for the public screens, please, CRW.700.072.3101 at 3103. Here we have got Crown Melbourne describing, while patron K is at Crown Melbourne for the weekend, an attempt to engage patron K in conversation. Had Crown Perth sought to do the same thing at this time?

15

MR BOSSI: Yes.

MS CAHILL: Who precisely?

20 MR BOSSI: We had --- in our --- in our gaming team, we had our gaming people engaging with patron K and obtaining the same information of that sense as well. And a request also to WAPOL around the same time to get information on patron K, if there are any matters outstanding there.

25 MS CAHILL: Let's just try and get this chronology correct. Here we are in late December, and in Melbourne there is this engagement with patron K. The second paragraph, it gives very bare details of being involved in property development, and doesn't even given the name of the development or investment group that he's
30 reliable assessment of his ability to gamble at the levels that he was gambling, you would agree?

MR BOSSI: Yes.

35 MS CAHILL: At the top of 3101, your reaction to this forwarded email is you say to Mr Smith "Please review" --- this is on 19 December:

.... our team may be able to assist.

40 Were you in the dark at this stage about what information, if any, your team in Perth had been able to elicit about patron K?

MR BOSSI: There was further information that was in process. Mr Smith informed me about that. I also had conversations with the legal team, and we had other
45 processes in place there.

MS CAHILL: So let's go to the customer details register for patron K, CRW.700.072.00 --- (audio distorted). This was a database that was maintained by

Crown Perth; is that right?

MR BOSSI: Yes.

5

MS CAHILL: At 0097, do you see here that two days after that email, where you have said:

.... our team may be able to assist.

10

We have an update from the general manager of security and surveillance, Mr Lee:

Police have no information on the patron.

15

And then:

Known to be from a wealthy family.

Did you think that might require a bit more substantiation than that?

20

MR BOSSI: Yes. They had more information than that.

MS CAHILL: Who did?

25

MR BOSSI: Mr Preston had more information than that.

MS CAHILL: Which isn't in the details register?

MR BOSSI: It may be in other parts of it. I'm not sure.

30

MS CAHILL: It notes that the turnover for this patron has effectively trebled from 2016 to 2017. Do you see that?

MR BOSSI: Yes.

35

MS CAHILL: At 0096, you see the yearly loss for 2017 at \$669,000 compared to the previous year of (audio distorted)?

MR BOSSI: Yes.

40

MS CAHILL: So certainly patron K's occupation would suggest that his income from his occupation would not support such losses; you would agree with that? That's obvious?

45

MR BOSSI: From his occupation, yes.

MS CAHILL: So you'd have to know an awful lot more about his wealthy family and his property development before you could make a rushing conclusion that his

financial position justified his very high level of turnover, would you agree?

MR BOSSI: Correct.

5

MS CAHILL: At 0093, we can see here that at the bottom, you have obviously inserted on 22 December this email from Mr Kessler at Crown Perth. Do you see that?

10 MR BOSSI: I didn't insert it. Someone's inserted it.

MS CAHILL: Just referring to the information provided by Lonnie Bossi. Do you see that? MR BOSSI: Yes.

15 MS CAHILL: So you must have provided that to security, something like that?

MR BOSSI: Yes.

20 MS CAHILL: This is on the day that you said you've received the email from Crown Melbourne. You've asked Mr Smith to assist, and Mr Kessler has responded to Mr Smith on that day. This is the information he's been able to collect on patron K. He says he's a very reserved person, et cetera.

25 And then when we go over the page, we get to the numbered paragraphs after it describes his character and personality. Numbered paragraph 1, we get his occupation, which you already knew; numbered paragraph 2, how he feels about his job and how his occupation sits with his family history. Number 4 talks about work in Victoria previously; and then at number 5, trying to get some more information about him because so little is known.

30

Then I think if we go over the page, Mr Kessler's gone on to LinkedIn, and then he's looked him up on Facebook, and happily they have a mutual friend. So he's looking at patron K's pictures on Facebook. Looking at those pictures, he says he's growing up, for lack of a better term, there is just an air of wealth. Was that a sufficient
35 substantiation of his financial position for you?

MR BOSSI: No.

40 MS CAHILL: Then Mr Kessler goes on to say patron K and Mr Kessler's mutual friend on Facebook just happen to be the boyfriend of Mr Kessler's best friend. So then there is this second-hand information about patron K's family background and what one might regard as sort of community gossip about somebody's position financially or otherwise. Surely that could not have satisfied you as to patron K's
45 financial position, would you agree?

45

MR BOSSI: Agree.

MS CAHILL: In fact, Mr Kessler ends the email saying:

A lot of this is speculative.

5

You'd agree with that?

MR BOSSI: Yes.

10 MS CAHILL: And you could not have relied upon this information to satisfy yourself that the source of patron K's gambling funds were legitimate or that he was not gambling more than he could afford to; you would agree with that?

MR BOSSI: Yes.

15

MS CAHILL: And, therefore, in the absence of being able to access any reliable information, you should have simply approached the matter by asking him to require --- requiring him to provide financial documentation to support his gambling position; would you agree?

20

MR BOSSI: Yes.

MS CAHILL: Why did you not do that, then?

25 MR BOSSI: Certainly processes we have got in place are far different at the time. I didn't ask for that information. I could have and should have.

MS CAHILL: Two months later, in February 2018, he was excluded, wasn't he?

30 MR BOSSI: He self-excluded, yes.

MS CAHILL: Self-excluded. CRW.700.072.3179 --- this is not for the public screen --- and if we look at 3180, patron K has attended responsible gambling and self-excluded. If we go back to page 3179, your response at the bottom is to say:

35

Thanks, Richard.

You didn't stop and think, "Oh, my goodness, I've made a terrible mistake here. I've overlooked signs of potential harm to patron K"?

40

MR BOSSI: The discussions I was having was with the legal team on this matter and we should have barred him earlier.

45 MS CAHILL: What's it got to do with the legal team to provide RSG intervention to somebody who you ought to have identified was gambling above their means?

MR BOSSI: Well, I talk about the legal team in a broad aspect. They are --- at the time, they were structured with AML and RG, and the discussions I was having was

at the exec level on that matter. I should certainly have stepped in at an earlier point.

5 MS CAHILL: You became aware later in 2018 that patron K had been charged with a criminal offence, the proceeds of which were likely to have been used for gambling at the Perth Casino?

MR BOSSI: Yes.

10 MS CAHILL: You were involved in the decision to then issue an NRL to patron K in October 2018?

MR BOSSI: I believe that's when it occurred.

15 MS CAHILL: CRW.700.085.4638, not for publication on the public screens, please. You were involved in this decision, yes?

MR BOSSI: Yes.

20 MS CAHILL: The notice is issued for RSG concerns, not on the basis that patron K had been charged with a criminal offence. Can you just explain that reasoning ---

MR BOSSI: I'm not sure.

25 MS CAHILL: --- for the Commissioners?

MR BOSSI: The reasons are placed by the security team that issue these notifications.

30 MS CAHILL: You would have to be consulted in relation to barring notices, don't you?

MR BOSSI: Yes. The question I get asked is typically for barring. The reasoning used is not something I necessarily will get asked.

35

MS CAHILL: Not relevant to you?

MR BOSSI: It's not that it's not relevant. The barring is the relevant component for me.

40

MS CAHILL: Well, there needs to be a jolly good reason to bar somebody, doesn't there, from the casino?

MR BOSSI: Yes.

45

MS CAHILL: And you need to make sure that they are only barred for good reason?

MR BOSSI: Yes.

MS CAHILL: So you need to know the reason?

MR BOSSI: Yes.

5

MS CAHILL: Why did you understand patron K was being barred in October 2018?

MR BOSSI: For fraud with respect to Westpac.

10

MS CAHILL: Do I understand that, although you need to know the reasons why they are being barred and being satisfied about those reasons, you're not necessarily interested to know whether those reasons are accurately conveyed to the patron?

15

MR BOSSI: The reasons why the barring occurred is discussed. I don't see the actual barring notice and what's written in there. That's the responsibility of the security team to issue barring notices. I haven't followed up to see what's recorded in the system. I understand why he got barred. That's discussed.

20

MS CAHILL: Did you consider that the oversight by Crown Perth of patron K's high turnover on EGMs in 2017 was adequate?

MR BOSSI: We should have known better than that.

25

MS CAHILL: Is your answer no?

MR BOSSI: It was ---

30

MS CAHILL: Do you consider that your own oversight of patron K's high turnover of EGMs in 2017 was adequate?

MR BOSSI: I have to take responsibility for that. In my mind, we did go through some processes, but we should have accelerated, in which case he fails the adequacy test.

35

MS CAHILL: You accept, don't you, with hindsight you ought to have been more proactive about ascertaining whether his level of turnover was supported by his income and was not causing him harm?

40

MR BOSSI: In hindsight, yes.

MS CAHILL: And you agree, don't you, that a better approach than the one you took would have been to require patron K to provide financial documentation to support his level of turnover on the EGMs?

45

MR BOSSI: A better process would have been the ones that we have in place today, which is exactly that.

MS CAHILL: At the time, a better process would have been to require him to provide financial documentation to support his spend on the machines?

5 MR BOSSI: It would have been, and it wasn't a process we had in place at the time.

MS CAHILL: In 2017?

MR BOSSI: Yes.

10

MS CAHILL: Also what you should have done is if he'd failed to provide you with adequate financial documentation, then he should have been excluded at that point, would you agree?

15 MR BOSSI: As we would today, yes.

MS CAHILL: Do you agree that Crown Perth should have taken steps to exclude patron K from the casino at an earlier point in time than when he was excluded in October 2018?

20

MR BOSSI: Yes, certainly prior to February.

MS CAHILL: I want to talk to you about patron J, please. You gave some evidence on the last occasion about the cheque-cashing facility that was available to domestic -

25 --

MR SHAW: Can I --- sorry to my friend, I know you don't always take a break in the afternoon. My colleagues and I have had a break outside, but the witness has been going for an hour and a half now. I just wonder whether it might be appropriate to have a short break.

30

COMMISSIONER OWEN: We do need to take a break for the benefit of our transcribers. If Mr Bossi would like it now, we can do that.

35 MR SHAW: Thank you, Commissioner.

COMMISSIONER OWEN: It is 3.32. If we come back at a quarter to 4.

40 **ADJOURNED** **[3.32 PM]**

RESUMED **[3.45 PM]**

45

COMMISSIONER OWEN: Just before we reconvene, the question of non-publication of the name of the patron --- the view we have taken is that if a patron's name is already in the public domain, for other reasons, then there is no point

in the non-publication order being extended to that patron. So patron K is Mr Petkov, and there is no non-publication order in relation to that name. We might continue to call him patron K.

5

MS CAHILL: Mr Bossi no doubt will be very relieved because I think there was a couple of Petkovs rather than patron Ks that slipped out, I think when ---

MR BOSSI: Sorry about that.

10

COMMISSIONER OWEN: I should add in this instance there isn't, what I might term loosely, a regulatory issue.

MS CAHILL: Mr Bossi, you gave evidence on the last occasion, or some evidence, about the cheque-cashing facility that was available to domestic patrons at the Perth Casino, and then you supplemented your evidence on that by way of your supplementary witness statement?

15

MR BOSSI: Yes.

20

MS CAHILL: If we just go to that, CRW.998.002.0614_R at 0615 and following, maybe if we put 615 on the left-hand side following 616. So between 14 and roughly 19, you were explaining the procedure there for the establishing the cheque-cashing facility for the customer, and at 19 you explain about, in relation to temporary increases of a cheque-cashing facility limit, that you were --- it's the case, isn't it, you were one of the authorised company officers to approve it?

25

MR BOSSI: Yes.

MS CAHILL: You recall patron J, don't you?

30

MR BOSSI: Yes.

MS CAHILL: And patron J was a frequent and regular patron of Perth Casino between 2012 and 2019?

35

MR BOSSI: He was about a once-a-week visitor.

MS CAHILL: You regarded him as a high-value gambler?

40

MR BOSSI: Yes.

MS CAHILL: Is he a Crown Perth rewards black card holder from around 2016?

MR BOSSI: I believe that's about the time.

45

MS CAHILL: And black card membership of the Crown rewards program is the highest tier of membership, is it, offered by Crown Perth?

MR BOSSI: Yes.

MS CAHILL: And that tier of membership that he had was a reflection of the
5 amount of money he gambled at the casino?

MR BOSSI: In his instance, yes. He could also get it from high spend in food and beverage and hotels. In his case, it was from gambling.

10 MS CAHILL: His game of choice was the table games, was it?

MR BOSSI: Yes.

MS CAHILL: Rather than EGMs?

15

MR BOSSI: Yes.

MS CAHILL: And you recall that patron J, towards the end of 2020, requested
20 information from Crown Perth about transactions on his cheque-cashing facility for the period from 2012?

MR BOSSI: I'm aware of that.

MS CAHILL: If we go to this document, not for the public screens,
25 SIE.0001.0001.0014_R, this is Crown Perth's response, or Crown's response, dated 27 November 2020. Yes, Crown Perth's response.

What's attached to the response is, as patron J requested, a copy of the records of his
30 cheque-cashing facility. If we go to some of those records, it includes his application for the facility in 2010 at 0054. This preceded your involvement, because you weren't there yet, but that's a \$20,000 limit as at 2010. Then if we go to 0057, the facility limit is increased to \$30,000 in March 2015. You approved that increase; is that right?

35 MR BOSSI: I believe so.

MS CAHILL: Then there was a further increase in August 2015 to \$50,000 at 0060. You also approved that increase, didn't you?

40 MR BOSSI: Yes.

MS CAHILL: At 0066, in 2019 --- I don't think you approved this one, but this was a further increase to \$100,000 in 2019. Do you recall that?

45 MR BOSSI: I understand that's his limit.

MS CAHILL: Well, do you recall, because you were there at the time and you were

responsible for the gaming operations of COO of patron J ---

MR BOSSI: Yes, I understand. At the time, yes.

5

MS CAHILL: --- having his cheque-cashing facility limit increased to \$100,000?

MR BOSSI: Yes, that's right.

10 MS CAHILL: These were all permanent increases to the facility, weren't they?

MR BOSSI: At his request, yes.

15 MS CAHILL: You didn't approve this last one, but the ones that you did approve, when you were approving them, did you have regard to RSG considerations?

MR BOSSI: There was a number of factors.

20 MS CAHILL: I'm just asking about RSG considerations. Did you have regard to those when you were approving the permanent increase to his facility limit?

MR BOSSI: Yes.

25 MS CAHILL: Obviously you also approved temporary increases in his facility limit from time to time, didn't you?

MR BOSSI: Yes.

30 MS CAHILL: And at 0069, you see the beginning of the set of transactions, transactions as a whole, on his cheque-cashing facility. Do we read this correctly, on the left-hand side where it says "Type", TTO is a reference to "this time only"?

MR BOSSI: Yes.

35 MS CAHILL: And that reflects a temporary increase to the facility limit?

MR BOSSI: For the day, yes.

40 MS CAHILL: For that particular day, and obviously on the right it says who is the person who has within Crown Perth authorised that this-time-only increase?

MR BOSSI: Yes.

45 MS CAHILL: If we go down to about the fifth entry on this page there is a VTTO. What does that stand for?

MR BOSSI: I'm not sure. I actually haven't seen one of those before.

MS CAHILL: Then if we go down a little bit further, past all the --- there's a whole bunch of TTOs there, and then you see an STTO?

5 MR BOSSI: "V" actually might be "verbal", but I'm speculating.

MS CAHILL: VTTO might be a verbal this time only. Is that possible?

10 MR BOSSI: I wouldn't have --- I mean, in terms of over the phone, getting a call, I'm not on-site 24/7, 365 days, so this is activated via a phone call, but ---

MS CAHILL: By somebody else though, right? Mr Godfrey?

15 MR BOSSI: There's a --- some from me as well. I'm just not sure what the TTO or STTO is.

MS CAHILL: There's actually no amount approved in the VTTO and the STTO entries. Does that assist at all?

20 MR BOSSI: No. This looks right for me.

MS CAHILL: Over the page at 0070, there is a reference to a CTTO. Likewise, you can't help us with that?

25 MR BOSSI: Actually, can you go back to the previous page? I'm just trying to assist here. I don't know what that means. It could be departmental leave. Christian works in the Cage, so ---

30 MS CAHILL: What the Commission has done, Mr Bossi, is we have distilled the data from this in relation to the TTOs, the this-time-only temporary increases, into an aid, which is PCRC.0007.0007.0001. What we have done here is identified where on the right-hand column you've authorised the increase. Where it says "NA" in that right-hand column, that's where you have not authorised, but all the others are where you have.

35

If we just look at the first page beginning in 2012, you can see when the limit was \$15,000, and in that first six-month period, the number of times you approved a temporary increase to \$30,000, how much was drawn in excess of the \$15,000 limit and the loss that patron J incurred as a result of drawing amounts in excess of the

40

Then we can go through to the next page --- that's in the second half of 2012 --- and over into 2013 and we can cursor through 2013, 2014. 2014 on page 4, we'll just keep scrolling through, we see that the vast majority of pre-increases are authorised by you, until we get to the last page with some totals at the bottom for the period of

45

Before we get there and I ask you specific questions about that, it's the case, isn't it,

that you routinely approved significant temporary increases in patron J's facility limit between 2012 and 2019?

5 MR BOSSI: Yes.

MS CAHILL: Did you have regard to RSG considerations when you did so?

10 MR BOSSI: I had regard in terms of the patron understanding --- the patron at the time in terms of people who had given me a call on the ground. I'd asked them to review the patron from signs of RG whilst he's playing. On occasion, I saw him in the room. Also from the perspective of possible RSA.

MS CAHILL: RSA?

15

MR BOSSI: Yes, responsible service of alcohol. So from my perspective, there were those factors that I would typically ask about prior to doing that, and I have also spoken to patron J about this process and his level of comfort with that --- also the financial transactions and if we had any issues with those. We also did a series of
20 reviews on the patron in terms of his business and various matters in terms of his financial interests.

MS CAHILL: Well, Mr Bossi, when at any time you were being asked to approve a temporary increase to a cheque-cashing facility limit, it must have occurred to you
25 that RSG considerations were the most important, or at least one of the most important considerations you should be having regard to; would you agree?

MR BOSSI: Yes.

30 MS CAHILL: And you appreciated, didn't you, that if a patron wasn't seeking to permanently raise their cheque-cashing facility limit, the reason could well be either that they couldn't afford to or they were trying to self-impose a limit on their gambling in a particular session; would you agree with that?

35 MR BOSSI: Yes.

MS CAHILL: So a request for a temporary increase needed to be viewed by the approving party, such as you, with special care and with RSG considerations at the fore; do you agree?
40

MR BOSSI: Yes.

MS CAHILL: If we look at your approvals of temporary increases, as I have just scrolled through this eight-page document with you, we see frequent and regular
45 temporary increases that you approved in significant amounts over the seven-year period between 2012 and 2019; you accept that?

MR BOSSI: Yes.

MS CAHILL: It must have occurred to you, having regard to the frequency and the amount in respect of which temporary increases were sought and the consistency of that conduct over seven years, that patron J may not be able to control his gambling?
5 Yes?

MR BOSSI: Through conversation and his demonstrated behaviours, the way he visited the --- the time of day, his mannerisms when I saw him, there were many factors that we took into account.
10

MS CAHILL: Didn't the actual pattern of temporary increases tell a much clearer story about his inability to control his gambling, Mr Bossi?

MR BOSSI: It can be interpreted that way. Some customers implement a technical limit as a first benchmark in how they play, but in this instance, it was a conversation I had with him about that behaviour, and he did not give me that indication.
15

MS CAHILL: Did you refer him to RSG staff?

MR BOSSI: I have had conversations with the RG team.
20

MS CAHILL: Did you refer him to the RSG staff?

MR BOSSI: Me referring him directly?
25

MS CAHILL: Yes. I certainly had that discussion with him. Whether he took it on on one side of the equation ---

MS CAHILL: When did you do that?
30

MR BOSSI: Later in the piece. It probably would have been about '17 and discussions in '19.

MS CAHILL: Did you document that?
35

MR BOSSI: No, I didn't document it. I was talking to him on-site.

MS CAHILL: Well, it's terribly important to document these things, isn't it? If you have recognised the potential for harm to a patron ---
40

MR BOSSI: Yes.

MS CAHILL: --- and you are trying to minimise the harm, it would be very important to document the procedure to make sure there was a clear record of the steps that had been taken.
45

MR BOSSI: Yes.

MS CAHILL: Did you do that?

5 MR BOSSI: No. I spoke to him on-site, and I spoke to the team. But in terms of documentation, no, I did not see any.

10 MS CAHILL: If we go to the bottom of the document, the totals, we see there that all in all patron J drew and, therefore, gambled \$2.3 million in excess of his permanent limit by way of temporary increases in the seven-year period, and of that \$2.43 million, you were responsible for authorising \$1.685 million. Do you see that?

MR BOSSI: Yes.

15 MS CAHILL: There was a \$700,000 loss, so \$100,000 a year on average, that patron J lost through authorisations by you of temporary increases?

MR BOSSI: Can you repeat that comment?

20 MS CAHILL: Do you see the \$700,000 there?

MR BOSSI: Yes.

25 MS CAHILL: That was a calculation of the losses from gambling in excess of his limit through the temporary increases.

30 MR DHAMANANDA: I wonder whether that's entirely accurate. It's a very round figure. The creators of this document, I'm not sure have gone to the player's record or losses in actuality. So I'm not sure that's a fair question or it's a fair representation of what's occurred.

MR BOSSI: Also, I don't think the player's wins are reflected there as well, because all the areas away from the losses are all equal to precisely zero.

35 MS CAHILL: Were you motivated to approve the temporary increases to patron J's cheque-cashing facility in order to facilitate and encourage patron J to gamble more?

MR BOSSI: No.

40 MS CAHILL: Were you motivated to approve the temporary increases to patron J's cheque-cashing facility so as to benefit Perth Casino's bottom line?

MR BOSSI: No, there is not a customer in the property that is significant enough to risk elements such as licensing, in my concern. So that's not a reason.

45 MS CAHILL: To your knowledge, patron J was given gratuities in recognition of the large amounts of money he spent gambling at Perth Casino?

04:05PM

MR BOSSI: Yes.

MS CAHILL: As rewards for the amount that he gambled?

5

MR BOSSI: Yes.

MS CAHILL: And to encourage him to continue spending on gambling at the Perth Casino at the levels that he was?

10

MR BOSSI: Not necessarily at the levels he was.

MS CAHILL: Well, you wanted him to continue to maintain the high level of turnover that he was engaging in on the tables?

15

MR BOSSI: But equally, if his level of play declined, he would be eligible for rewards. That's part of the loyalty scheme.

MS CAHILL: The rewards are linked to how much you spend. Isn't that right?

20

MR BOSSI: Yes, but everyone in a loyalty scheme gets rewards.

MS CAHILL: This is a loyalty scheme where you can earn rewards through gambling?

25

MR BOSSI: Yes.

MS CAHILL: And the more you gamble, the more rewards you get?

30

MR BOSSI: Well, through gambling, as part of your membership base without doing anything as a member, you get rewards.

MS CAHILL: We have established this is how patron J got rewards ---

35

MR BOSSI: In patron J's instance.

MS CAHILL: In addition to the sort of more formal rewards scheme, you were involved directly, weren't you, in providing benefits to patron J in 2019, which was the year when he gambled the turnover of some \$26 million?

40

MR BOSSI: In what ---

MS CAHILL: You invited patron J to have lunch with you on two occasions that year, one at Rockpool Restaurant and the other at the Guillaume Bistro?

45

MR BOSSI: He actually invited me.

MS CAHILL: He invited you?

MR BOSSI: Yes.

MS CAHILL: Did you not pay for the lunch?

5

MR BOSSI: Ultimately I paid for it. He invited me. He wanted to catch up with me for lunch.

MS CAHILL: And you went?

10

MR BOSSI: Yes.

MS CAHILL: Because it was good for business?

15

MR BOSSI: He was a customer that was very articulate. He provided feedback in our operation more broadly than just in gaming, in our food and beverage operations and others. And I saw that as an opportunity to have multiple discussions with him.

MS CAHILL: So it was sort of market research, was it?

20

MR BOSSI: There was an element of that. There was also an element to talk to him about his gambling.

MS CAHILL: So it was a counselling lunch as well?

25

MR BOSSI: It was --- at lunch, there are numerous topics of discussion with patron J, that included politics, that included the state, that included mining. It included a lot of things.

30

MS CAHILL: You also invited patron J to a group dinner at Silks that year in 2019, didn't you?

MR BOSSI: I don't necessarily recall that.

35

MS CAHILL: Did you have from time to time group dinners you hosted for high-value gamblers?

MR BOSSI: On occasions, yes.

40

MS CAHILL: And that was a reward to those high-valued gamblers or high-volume gamblers and a motivation to encourage them to continue to gamble at that high volume?

45

MR BOSSI: Those dinners, and I had some lunches as well, were more about receiving feedback on what we do and what their perspectives are on how we deliver the experience to the customer and the game to the customer.

MS CAHILL: Really, Mr Bossi?

MR BOSSI: Yes.

5

MS CAHILL: No element of trying to stimulate particular individuals through a reward-style program?

10 MR BOSSI: No. These conversations with our premium customers were often --- how do I put it --- fairly blunt in what they wanted as an experience, typically where we would fail in our processes. So it was a very different type of conversation.

MS CAHILL: Would you accept that, during your time as COO, you prioritised profits from high-value gamblers at Perth Casino above RSG risks?

15

MR BOSSI: I was - I would say profits were important to the business. As I touched on earlier, we were in a position where --- particularly in the mid-term of that period, where the economy wasn't very strong. We had a --- we looked to try and stabilise the business to save jobs. I also worked closely with the RG and the compliance
20 teams to try and create a particular environment that we could fundamentally again broaden the customer base to make it for a more stable and successful business, less reliant on high-end customers, which is where we are today.

MS CAHILL: I'm going to take you to your supplementary witness statement, just
25 on the room screens, please, because I want to take you to a paragraph that's the subject of an NPO, so we need to have that version. It's CRW.998.002.0614, at page 0616.

30 I'm not sure, Commissioners, why this might be the subject of an NPO, as we just (audio distorted) unredacted version.

While the operator is looking for that, I will ask you this, Mr Bossi: Ms Strelein has provided a witness statement to this Commission where, in one paragraph she expresses her understanding that Crown Perth is no longer offering cheque cashing
35 facilities to the patrons. Is that the case?

MR BOSSI: We --- no, we have cheque-cashing facilities available to --- I think it's seven patrons. We are not --- anyone who is requesting it is not --- sorry, is not getting those facilities.

40

MS CAHILL: Sorry, there are seven people who have the facility?

MR BOSSI: That have had the facility for quite some time, and they over the next --
- every two years, we update those --- they have to --- every two years they have to
45 review their application form and they won't be reviewed going forward. So she's correct in saying cheque-cashing facility is phased out, but there are seven people that have currently got it as a result of history.

MS CAHILL: Why is it being phased out?

5 MR BOSSI: Because banks aren't dealing in personal cheques anywhere near they once did, and discussions with banks indicate that personal cheques --- my understanding is that the cheque process will be phased out.

10 MS CAHILL: When was the decision made at Crown Perth to phase out these (audio distorted)?

15 MR BOSSI: We discussed the end to that facility since we had our first instance of banks not accepting some cheques because they were cheques, so we'd been talking about it for quite some time. I'm not exactly sure when we updated the process. It would have been fairly recently.

MS CAHILL: I don't recall you mentioning that on the last occasion. Was it a decision that was taken subsequent to and because of your examination in August when questions were asked of you about the cheque-cashing facility?

20 MR BOSSI: I don't --- I don't know. It was around that time, maybe slightly before or after, but it was more about we'd been discussing the viability of the cheque-cashing facility for some time due to the arrangements with banks.

25 MS CAHILL: Paragraph 24 of your supplementary statement identifies one aspect of the cheque-cashing facility procedure. As I say, I'm not quite sure why that's the subject of an NPO, but let's just move along for the time being --- or an application for an NPO.

30 What is the purpose of that procedure and particularly the time period that has to elapse before the cheque is banked?

MR BOSSI: I don't recall. It's been there since well before I arrived. The five days were, I believe, written into the casino manual. I don't know what the purpose is.

35 MS CAHILL: You don't know.

MR BOSSI: No. That's been in the processes since well before I arrived.

40 MS CAHILL: Now, just the final topic, Mr Bossi. I want to come back to the existing culture, the present culture at Crown Perth. I don't want you to repeat, because you've given quite a deal of evidence today already, both at the beginning and when I was trying to ask you about the previous culture. You gave a lot of evidence about the current day culture at Crown Perth, so I don't want you to repeat anything that you've already said. But you obviously accept, in your role as CEO
45 now, you are primarily and ultimately responsible for Crown Perth's culture?

MR BOSSI: Yes.

MS CAHILL: And it's attitude to risk?

MR BOSSI: Yes.

5

MS CAHILL: When Ms Coonan gave evidence to the commission on 12 August, she testified she thought there had been a huge amount of culture change at Crown to that point, which is to be inferred she means in a positive sense, and in the last year or so?

10

MR BOSSI: Yes.

MS CAHILL: You would agree with that, would you, that there's been a significant improvement in the culture at Crown Perth in the last year or so?

15

MR BOSSI: Yes. It's improved.

MS CAHILL: Significant improvement?

20

MR BOSSI: At particular levels, the definition of what we think "culture" is.

MS CAHILL: You are there on the ground. Do you say that there is a significant improvement at Crown Perth across the board or just in pockets?

25

MR BOSSI: I think at the leadership level, it is --- the improvement continues. I think --- we touched on it earlier, the challenge with cultures in these challenging times, people react in very different ways in what we are going through, so a measurement of culture right now is an interesting time to do one, but --- it's hard to tell. If you look at over time, for me, I'm looking at two to three years, and in that

30

intervening period we have had COVID lockdowns; we have had a whole lot of investigations, a whole series of factors. I think fundamentally we have a positive cultural base to work with.

35

MS CAHILL: Ms Coonan gave evidence that Crown now has a risk aware and compliant culture. Would you say the same thing of Crown Perth specifically?

MR BOSSI: I think we are much better now.

40

MS CAHILL: Would you say that Crown Perth now has a risk aware and compliant culture?

MR BOSSI: We are better, still work to do.

45

MS CAHILL: Ms Coonan said that the prevailing notion now at Crown group level is if you see something, say something; do the right thing. Again, would you say that is the prevailing notion presently at Crown Perth?

MR BOSSI: That's what we are trying to instill in our team, yes.

MS CAHILL: Have you made any significant inroads in that regard?

5

MR BOSSI: Yes, particularly over recent times.

MS CAHILL: Which you describe as what, as recent times?

10 MR BOSSI: Particularly over the last six months as our frameworks and our support
teams have strengthened. That's given our teams greater visibility, support,
understanding, of what risk and compliance is in terms of support and
communication mechanisms. I think we've improved in our communication to our
15 teams, both in the simplicity of that communication to very challenging concepts
through our team.

MS CAHILL: Have you seen any of the Deloitte reports prepared in respect of
cultural surveys undertaken within the Crown group?

20 MR BOSSI: Yes, I've seen some of them.

MS CAHILL: Most recently the report provided that breaks down the survey results
for the individual properties, including relevantly Perth Casino?

25 MR BOSSI: Yes.

MS CAHILL: So if we go to CRW.701.006.3776 and we go to 3795 where the Perth
results begin with summary results at page 3796, and if we blow up 3796, you've
reviewed those, presumably?

30

MR BOSSI: Yes. I have had a look at these.

MS CAHILL: With some care?

35 MR BOSSI: Yes.

MS CAHILL: And some interest, no doubt?

MR BOSSI: Absolutely.

40

MS CAHILL: Do these results align with your perception of the culture at Crown
Perth?

45 MR BOSSI: From my perspective, I look at this as a set of research results, I think
they are from a --- perspective of ranking order. I think that makes sense.

MS CAHILL: In terms of the responses?

MR BOSSI: Yes.

5 MS CAHILL: Now, if we just pick out a couple of particular responses, we just have a look at this first grouping at the top of the page, and inconveniently not entirely in numerical order, but if we pick out item number 9, survey responses from:

Confident I are not be penalised for raising concerns.

10 Only 55 per cent of those surveyed at Crown Perth strongly agreed or agreed with that proposition. Would that response cause you concern?

MR BOSSI: From my perspective, I was --- it was --- I'm looking to get it higher.

15 MS CAHILL: Does that cause you concern?

MR BOSSI: At the current state, it causes me concern, but we're working at developing this. As I said, when I look at these responses here, I start with the highest result, which is compliance is everyone's responsibility. So there is an
20 acknowledgement there of the importance of compliance.

If you look at the next five to six responses, they are all about the confidence that individuals have in their functions, in the rules and regulations they have got to work with. So the individual has got a sound understanding of where their responsibilities
25 are. That goes based on the quantum of the research, which is 2,000 staff to your front line team, so that gives me confidence the front line team understands broadly what they're doing. They understand that compliance is in --- is important to our business.

30 As you go through the organisation, some of these speak-up processes need to get stronger. So where that sits, I acknowledge and accept there is more work to be done. However, on a platform where individuals know what their functions are and they know that compliance is important, the speak-up process is building on something that's got a reasonably solid foundation, I would have thought.

35 MS CAHILL: If you look at item 13:

The people I work with bend the rules when it suits them.

40 I understand the way you read this is that only 40 per cent of respondents strongly disagreed or disagreed with that proposition, which leaves 60 per cent who do not strongly disagree or disagree that the people they work with bend the rules when it suits them?

45 MR BOSSI: I had a meeting when I first saw these --- I had a meeting with my leadership team to go through these results. I asked them about --- bend the rules is one of the phrases I asked them about. Their responses to that included from --- I'll have to go to multiple departments because most of the people here are not in

gaming, in this research.

5 Conventions people, when they were dealing with conventions, if they offered, in
trying to get a convention to book, you escalate to senior managers to offer improved
discount and offers within their authority levels. The junior members of the team
consider that bending the rules because they don't have the same authority levels.
From an F&B perspective, if staff are asked to make cocktails in a particular way ---
10 these are examples they used. If they made them slightly differently because a
customer asked for it, the F&B team said that's a bending the rules concept.

From a gaming perspective, screens recording results, how we dealt with failures of
those screens were deemed bending the rules, because the majority of the staff are
15 aren't in a position to authorise certain elements of how we do that.

MS CAHILL: Mr Bossi, you're giving me these examples, are you, to say that when
you actually drill down to examples of what people are talking about when they
answer the survey in the way in which they have, they are not examples that one
should be overly worried about, particularly in relation to the management of AML
20 risk or RSG risk?

MR BOSSI: No, no, that's not what I'm saying. What I'm providing is framework of
understanding what bend the rules --- how bend the rules may be interpreted. What I
like about this piece of research is that it is very structured; it is reliable; it is
25 repeatable, which gives us an ability to over time assess our progress, focus on the
areas where we need to improve.

That is one of them, absolutely, and I accept - I lead that, in getting that culture and
that response brought forward and fast-tracked, and here I have got some evidence
30 that I can work with and work towards improving that result.

MS CAHILL: Let's look at 3797 in landscape, please. So I understood you to say a
moment ago that some of the examples you were giving were not - or the
respondents were not involved in gaming, but in fact the business units across the
35 board have been surveyed, haven't they?

MR BOSSI: The entire operation's been surveyed.

MS CAHILL: So, for example, in that first left-hand column, we have Cage &
40 Count. It's broken down into their survey results, which gives you a ---

MR BOSSI: Yes.

MS CAHILL: --- measure against the average that you can look at by business unit,
45 and you'll see about two thirds of the way along, you've got executive office?

MR BOSSI: Yes.

MS CAHILL: That's your area, is it? That's where you sit?

MR BOSSI: It's the team there.

5

MS CAHILL: I beg your pardon?

MR BOSSI: Yes.

10 MS CAHILL: If we come down to 13 again and have a look at that just as an example that we have looked at before:

People I work with bend the rules when it suits them.

15 86 per cent of your office disagreed or strongly disagreed with that?

MR BOSSI: I asked them specifically about that question, and their interpretation was that it's positive, that they don't bend the rules.

20 MS CAHILL: Yes. I'm more interested in what Cage & Count thinks about the people that work with them bend the rules when it suits them. Only 41 per cent strongly disagreed or disagreed with that proposition. So it might be a bit of a different situation down there at Cage & Count?

25 MR BOSSI: Yes.

MS CAHILL: Which is a pretty big AML risk, you would think?

30 MR BOSSI: Yes. Part of our exercise at the moment is understanding what causes that response. As I said, I started with the leadership team to get an understanding of what they thought would cause some of these responses because we have got some work to do. I know I've got some work to do.

35 Until you understand where that detail is, it's hard to develop a way to respond most effectively with our staff, and part of the process we are currently doing is evaluating the detail behind this.

40 MS CAHILL: You've been in a leadership position since 2013 at Perth Casino, Mr Bossi. Are you telling the Commissioners you don't really have any insight into why the Cage & Count survey would elicit a response like that?

MR BOSSI: When you look at the line across the board, it's fairly consistent in the larger operational areas.

45 MS CAHILL: I'm not sure what you mean by that. 41 per cent of the Cage & Count disagreed or strongly disagreed that the people they work with bend the rules when it suits them. That leaves 60-odd per cent who don't violently disagree with that proposition. That's a worry, isn't it?

MR BOSSI: Yes. I agreed to that previously.

5 MS CAHILL: There seems to be, as you point out, with variations the only sort of anomalies are in executive office and legal and regulatory.

MR BOSSI: And marketing and --- so it's a front of house --- when I said operating teams, that's the first five or six columns.

10 MS CAHILL: Over the page to 3978, and we look at item 27, which is third from the bottom:

My managers and/or supervisors put their own self-interest ahead of that of *Crown and its customers*.

15

Again, you get this anomaly of high numbers strongly disagreeing in executive and legal regulatory and only low numbers disagreeing in the operational areas. That's a concern, isn't it?

20 MR BOSSI: Yes.

MS CAHILL: Then if we go to 3799, at item 42, it's the second-last from the bottom:

25 Executives and general managers at Crown consistently behave in accordance *with Crown values*.

(Audio distorted) per cent executive office, but everybody else --- it's a reasonable response at Cage & Count, but you've still got 40 per cent who are not strongly
30 agreeing or agreeing with the proposition. And it gets down at the gaming machines to 33 per cent. Do you see that?

MR BOSSI: Yes.

35 MS CAHILL: So it suggests, doesn't it, that the executive office has a materially different perception from gaming staff about the behaviour and attitudes of executive staff?

MR BOSSI: There are differences in views.

40

MS CAHILL: So reading from the top, that's not how the boots on the ground are seeing it. You would accept that?

45 MR BOSSI: I'd accept that leading from the top, is --- there is a series of perceptions you can have of leading from the top. Clearly, it could get better.

MS CAHILL: Finally, Mr Bossi, you've been at Crown Perth since 2011 and in a

5 senior executive role since at least 2013. You would accept, wouldn't you, from some of the matters I have raised with you today and on the last occasion that you gave evidence, that you've not done enough in the past in your role as COO in particular to adequately identify and manage material business risks at Perth Casino, particularly AML and RSG risks?

10 MR BOSSI: I think you've identified instances. I have worked closely with those teams to try and develop our processes internally. I have worked with their leaders. Were there instances where I could have and should have done better? Yes. We are working --- and I'm leading with people, and part of our process are human engagements in all aspects, and that is also challenging.

15 MS CAHILL: Would you accept that as COO you did not do enough to establish within Crown Perth an appropriate risk and compliance culture?

MR BOSSI: I think if I take the total body of work, yes, I could have done more.

20 MS CAHILL: Would you accept that as COO you did not do enough to establish within Crown Perth an appropriate culture of integrity and accountability?

MR BOSSI: From my perspective, there was a lot of work that was done. I could have done more.

25 MS CAHILL: What do you say to the proposition that having regard to your past conduct as COO, you are not the appropriate person to lead Crown Perth as COO through this necessary period of cultural change?

30 MR BOSSI: I disagree with that.

MS CAHILL: Because?

35 MR BOSSI: Because to lead people and processes takes many aspects. Our business is material across multiple areas. The communication and engagement with team, as important as it is, can oscillate. It is something that you continuously work at, and from my perspective, you lead by values in a sense of right. That's what I try to do. I'm going to --- I'm going to make mistakes. I accept that. Part of the process is for all of us to move forward, improve and get better at what we do.

40 MS CAHILL: Nothing further, Commissioners.

COMMISSIONER OWEN: Thank you. Are there any applications?

45 MR SARDINHA: Just one brief questions, Commissioner.

CROSS-EXAMINATION BY MR SARDINHA

MR SARDINHA: Mr Bossi, my name is Mr Sardinha. I appear for the Department of Local Government, Sports and Culture Industries. Do you recall in the first 20 minutes of giving evidence about remediation, Commissioner Owen asked you two questions, in particular about the casino manual operations and the standard operating procedures, and you were asked how often they are being amended?

MR BOSSI: Yes.

MR SARDINHA: You were asked in particular whether Crown Perth is amending them in line of the remediation efforts, so whether there is a catalogue of changes you are working towards?

MR BOSSI: Yes.

MR SARDINHA: Can I just clarify, is it your understanding that changes to the casino manual operations have to be submitted to the GWC and approved by that body?

MR BOSSI: Yes.

MR SARDINHA: And ---

MR BOSSI: That's when we do the work. We do the updates, and we send them through. We don't interim change them without appropriate approval.

MR SARDINHA: Yes, so by contrast the standard operating procedures don't have to be submitted to the GWC and they can be changed by Crown?

MR BOSSI: Yes.

MR SARDINHA: Am I correct in understanding that when you said those documents are being amended as Crown goes, the standard operating procedures are being amended but proposals to amend the casino manual operations are submitted to the GWC?

MR BOSSI: Yes, they are. So they're going in a different cadence.

MR SARDINHA: Thank you, no further questions.

COMMISSIONER OWEN: Any application?

MR POWER: I do have an application, Commissioner. Thank you very much.

CROSS-EXAMINATION BY MR POWER

MR POWER: Mr Bossi, I appear on behalf of Maryna Fewster. Earlier today, much earlier today, you gave some evidence about some discussions that you had with Mr McCann and Mr Carter about a decision that you stepped down from the board of Burswood Limited. Do you recall that?

5

MR BOSSI: Yes.

MR POWER: In those discussions, was any decision reached about when you would step down from the board?

10

MR BOSSI: No, I'm not clear on timing.

MR POWER: Do you anticipate that when you will step down will also be the subject of a decision made in consultation with those two gentlemen?

15

MR BOSSI: I --- it would be a broader discussion than that.

MR POWER: I'm instructed by Ms Fewster that you had not told her that you are stepping down from the board of Burswood Limited. Is that correct?

20

MR BOSSI: That process is still to work through. I've only just very recently understood that to be the case.

MR POWER: My question is have you told her about it?

25

MR BOSSI: I don't recall.

MR POWER: If you haven't told her about it, given your position as CEO and as a co-director, is it not something you should have told her about?

30

MR BOSSI: Absolutely.

MR POWER: Can you think of any reason why you have not done that?

35

MR BOSSI: Recency of finding out, and I should have called her last night.

MR POWER: It's not the case that you haven't been told to tell her about it, is it?

40

MR BOSSI: No, no, that's not --- that's not the case. It's a discussion about a future possibility likelihood, so I should have told her that's something that may happen.

MR POWER: When you say "possibility" or "likelihood", which do you mean?

45

MR BOSSI: I'm expecting to. That hasn't been finalised yet.

MR POWER: I want to ask you some questions as well about the local remediation

plan. You gave evidence earlier today that that is a written document. I'm instructed by Ms Fewster that she has not seen that. Have you provided her with a copy?

5 MR BOSSI: I have discussed the remediation plan with her.

MR POWER: Have you provided her with a copy?

10 MR BOSSI: I may --- no, I don't --- I don't --- that sits within the remediation we are doing with the resorts, as Crown Resorts. It's a document that is a working document from the operational team's perspective. I'm not sure whether it was actually passed on to the board because we are using it as an operational document to get work done on the ground.

15 MR POWER: To your knowledge, does Mr McCann and Mr Carter have a copy of it?

MR BOSSI: No.

20 MR POWER: So you're the only one that's seen it?

MR BOSSI: It's the operational model on how we form remediation in support of the broader resorts document that everyone has seen.

25 MR POWER: There would be no harm in providing Ms Fewster with a copy of it?

MR BOSSI: No, not at all. I have no problem with that.

MR POWER: As the commission pleases.

30 COMMISSIONER OWEN: Thank you. Mr Dharmananda.

CROSS-EXAMINATION BY MR DHARMANANDA

35

MR DHARMANANDA: Mr Bossi, you were asked some questions in relation to the internal audit function. Do you recall? That was a long time ago this morning.

40 MR BOSSI: Yes.

MR DHARMANANDA: If we go, please, to CRW.701.005.9004, the board pack of a meeting of Burswood Limited for August of 2021, and if we go, please, to page 9145, on private screens, please. There is a reference to an internal audit update?

45

MR BOSSI: Yes.

MS DHARMANANDA: And there's a reference with respect to the team about the bottom of the page, if that can be blown up. Does that refresh your memory about the circumstances of the development of the team in Perth?

5

MR BOSSI: Yes, it does.

MS DHARMANANDA: So it's the case that (inaudible) has been promoted to that role in Perth, Mr Bossi?

10

MR BOSSI: Yes.

MR DHARMANANDA: You were also then asked some questions during the course of the afternoon about patron AH. Do you recall that?

15

MR BOSSI: Yes.

MR DHARMANANDA: Do you have the list there? You were taken to a series of documents concerning that patron. Can you comment on that page (inaudible) the manner in which he proceeded to play at the casino?

20

MR BOSSI: He has a set --- typical set first stage buy-in. He plays --- either he has his experience, or at the end of that first stage, he'll typically buy-in a smaller or alternate amount --- alternate amount after that. His buy-ins, however, historically, have been 5, 10, 15, in some cases larger than that. So he does oscillate quite actively within that range of buy-ins.

25

MR DHARMANANDA: Thank you. If we go, please, to CRL.563.002.3765, this is an extract for the entirety of the bank statement for 1 January to 31 March for the Southbank Investments bank account. It should be on the private screen because there is patron information in it. You'll see there that the report is from 1 January to 31 March 2018, some of which period covers the period of the examination in respect of patron AH.

30

If you go, please, to page 2791, you'll see at that point 7 of the page it transfers from patron AH and then at about --- there's two of them. Do you know them, Mr Bossi?

35

MR BOSSI: One, yes. I have the two of them.

40

MR DHARMANANDA: What amounts are they for?

MR BOSSI: Two lots of \$10,000.

MR DHARMANANDA: Then if you go, please, operator, to page 3792, about point 8 of the page, there is another entry there --- have you located it, Mr Bossi?

45

MR BOSSI: I have it, yes.

MR DHARMANANDA: What amount is that for?

MR BOSSI: I think that's 50,000, if it's the one we are looking at.

5

MR DHARMANANDA: Yes. If we go, please, to page 3810, again about point 8 of the page, that's another entry for patron AH --- do you have that, Mr Bossi?

MR BOSSI: 20,000.

10

MR DHARMANANDA: That, Mr Bossi, is consistent with what you told us about how this patron behaves. I then ask, please, the operator to go to CRL.701.009.5267. It does have the patron's name on it, so it should be private screens. Shall I say the number again, CRW.701.009.5267.

15

You'll see this is a player trip report for the relevant patron. Can you please assist us, Mr Bossi, with interpreting what is occurring with respect to this patron, working through the columns?

20

MR BOSSI: The first column is a reflection of those individual transactions accumulated, largely. The top --- I'll just put the top line, that's for the full year. The second line is the last seven days. The second column gives you an indication of what the player's average bet is, time spent, then you get to actual and theoretical win. Theoretical is based on an edge in terms of how the patron plays, and actual is his fixed result.

25

MR DHARMANANDA: What does it say about what's occurred with the funds which he has drawn?

30

MR BOSSI: On that basis, he is playing normally in the sense that actual and theoretical are close. He's got significant time, a significant bet. But in my mind, what we are seeing is fairly normal behaviour. If you look at the last seven days, he's had an unlucky run.

35

MR DHARMANANDA: You will recall that one of the transactions that Counsel Assisting took you to this morning was an approval given on 27 December 2018?

MR BOSSI: Yes.

40

MR DHARMANANDA: What's occurred on that, judging from this player trip report, in respect of those funds?

MR BOSSI: Over the time period, he has played significantly, in terms of time period and spent, reflecting his pattern of buy-in.

45

MR DHARMANANDA: Thank you. There's another document, Commissioners ---

MR BOSSI: Just on that, I'd also suggest that the next two days going forward he

used the same chips to play as well.

MR DHARMANANDA: Thank you, Mr Bossi.

5

This document, Commissioners, that probably with retrospective might enable only those who have given the undertaking to examine ---

COMMISSIONER OWEN: Is this the last question you are going to ask?

10

MR DHARMANANDA: No. There are two others, so I will save this one to the end.

COMMISSIONER OWEN: Please.

15

MR DHARMANANDA: Mr Bossi, you were asked certain questions about the cheque-cashing facility and whether there was contemplation of bringing it to an end as a result of the evidence that you gave in August. Do you recall that?

20

MR BOSSI: Yes.

MR DHARMANANDA: If I could please ask you to look at this letter. It is apparently not yet loaded on the system because it's a large document, but for the purpose of the transcript it is CRW.700.074.0345. It's apparently on the system. I don't need to trouble you with a hard copy.

25

If you go, please, to the second page of that letter, this is a letter addressed to Ms Nicola Perry, the chief casino officer, dated 29 July 2021. If you go, please, to the second heading with respect to the cheque-cashing facilities.

30

MR BOSSI: Yes.

MR DHARMANANDA: Does that assist you with respect to your memory concerning the treatment of the cheque-cashing facility, Mr Bossi?

35

MR BOSSI: Yes.

MR DHARMANANDA: So there was consideration being given to its cancellation because a decline of its use?

40

MR BOSSI: Correct. I agree with that.

MR DHARMANANDA: And you gave evidence in August, Mr Bossi?

45

MR BOSSI: Yes, I did.

MR DHARMANANDA: Mr McGregor was asked some questions yesterday concerning EGMs. And the capacity of McCann to continue if there was some

restriction on the ability of the casino to operate EGMs. What's your reaction to that question, Mr Bossi?

5 MR BOSSI: Restriction to operate --- if that's a cessation of operation, then from a --
- certainly from a Crown Perth perspective and beyond, it probably means a loss of a
significant number of jobs. That is a significant business unit in terms of
performance. If I had to describe its impact on our business, it is probably what iron
ore means to BHP or dropping the iron ore price to \$30. It's a material shift in the
10 design in the way the business would operate.

When I say significant job losses, we are talking about through a reduction in
contribution that inevitably occurs and a reduction in the number of patrons that play
15 machines. You will have a reduction in the need and the use of many of our non-
gaming facilities, hotels, restaurants and bars. And the flow-on effect of that, we
have some 850 or 900 local suppliers that have us as a major supplier of goods ---
that have us as a major customer in terms of goods and services. That would
inevitably impact a number of those, to the detriment of the business.

20 From our perspective, I also think that our --- last weekend even with the telethon,
our donations there got to 25 million across the last 12 years, I think. I think we'd
have to reconsider our --- potentially a policy of support for a lot of charitable
support work we do, whether historically we --- food banks.

25 From our staff perspective, we provided them hotel rooms when the fires were on.
We supported Kalbarri and the SES services. A lot of work we do in the market that
would have to be reassessed, excluding the fact that there's potentially certain levels
of debt we need to talk about. So I think there are substantial impacts as a result of
that. The knock-on effects are hard to assess, but they are certainly going to be
30 material.

MR DHARMANANDA: Commissioner, now I'm at the point where ---

35 COMMISSIONER OWEN: This is unusual, but I think the most convenient way for
us to proceed is for us to finish the public session and then go into private session
right at the very end.

MR DHARMANANDA: Thank you, Commissioner.

40 COMMISSIONER OWEN: Are there any other applications? No.

QUESTIONS BY THE COMMISSION

45 COMMISSIONER OWEN: I only have one question for you. We may have to
bring up the executive team chart again, but I want to know where Mr Yates fits.
Which line would he fit? Perhaps we had better bring it up, CRW.701.009.5021. I
got the

impression from what you have said that you have confidence in Mr Yates and he's playing a particular role in the area that was discussed?

5 MR BOSSI: He's assisting us in terms of our reviews of customers. The sources we
have are national and global sources of information as well as local. If you can scroll
to the next page, he will be sitting on the other side. He's in the centralised functions
sitting. I think Simon Wiseman's new, I think he's sitting in that team --- or Shannon
Lindner. They are both new recruits. They sit within Steve Blackburn's team. He's
10 in the investigations area of financial crimes.

He got out here while our borders were open, so I got to spend a fair bit of time with
him when he got out here. He operates out of Melbourne, but his knowledge base
and support has been very helpful in terms of us achieving our objectives.

15 COMMISSIONER OWEN: He would fit in the middle line, in the middle of the
page.

MR BOSSI: He'd be within those teams.

20 COMMISSIONER OWEN: Thank you.

COMMISSIONER JENKINS: I only have a couple of things, Mr Bossi. The first is
about Mr Petkov. After Mr Petkov was arrested, was there any kind of audit or
25 investigation carried out by the Perth Casino to determine how he gambled
approximately \$3 million of stolen funds at the Perth Casino without the illegal
conduct being detected?

MR BOSSI: We were in discussions --- we, Mr Preston and I had a discussion with
30 the team in terms of the timing, firstly, why we didn't pick it up earlier and, secondly,
why we didn't move quicker, from my and his perspectives. Mr Petkov, I think, for a
matter of accuracy, gambled about \$1.2 million in Perth, but we should have --- Mr
Preston and I both agree that we should have moved quicker.

35 COMMISSIONER JENKINS: So apart from a discussion with Mr Preston about
you moving quicker, was there any kind of formal investigation to identify the risk
failures?

MR BOSSI: I don't recall.

40 COMMISSIONER JENKINS: You told us --- or told Ms Cahill --- that in your view
there are now procedures in place that would be better preventing such a failure
occurring again?

45 MR BOSSI: Yes.

COMMISSIONER JENKINS: If such a failure did occur, can you point us to a
document which would say, "This is Crown Perth's response to an identified failure

in risk management and these are the steps that Perth Casino will take to identify why the failure occurred, how the deficits will be plugged, so to speak, so that it doesn't occur again"?

5

MR BOSSI: Currently I can talk to where we are at. At the time, there were --- I can't recall a document. I can recall requests for additional resources that were declined which would have enhanced the AML and the RG teams. There's been --- over time there were some requests for additional resources that, largely given the performance of the property, weren't approved at a senior level beyond where Mr Preston and I sat. If I look at today's framework that we have in place, Mr Petkov would have been identified about 12 months earlier.

10

COMMISSIONER JENKINS: I'm not talking about improved AML procedures or improved RSG procedures; I'm asking is this a document which Perth Casino has which says "This is what we do if we identify a risk fail --- a failure in risk management to ensure we identify why it's occurred and take steps to ensure it doesn't happen again"?

15

MR BOSSI: I'm just trying to recall at a document level. There are processes we undertake rather than documents. I can't think about those --- I can't recall those at the moment, but there are processes.

20

COMMISSIONER JENKINS: I know it's late in the day, Mr Bossi, so perhaps if you identify a document, you can let us know.

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MR BOSSI: I'd certainly like to do that if I can.

COMMISSIONER JENKINS: Thank you, that's fine. I wanted to talk about cheques. I just want to understand what is a house cheque?

30

MR BOSSI: A house cheque is if a customer wants to access a cheque-cashing facility, there is a document that, rather than having a physical cheque of their own, there's a document that can be printed out of our system that inputs the customer details, the bank account that they have relating to the chequing facility, the approval process that we have, and the customer then can sign it. It's effectively got all the same details that a cheque has, but it's just printed out of our system consistent with any patron who has had an approval of a cheque limit.

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COMMISSIONER JENKINS: Has it ever been more than a promise to pay ---

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MR BOSSI: No.

COMMISSIONER JENKINS: --- with some associated bank account details?

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MR BOSSI: My understanding of it is that it's a bankable instrument consistent with a cheque, that is, that a payment is due to be received.

COMMISSIONER JENKINS: The point I'm trying to understand, Mr Bossi, because I understand if you have a cheque book that the bank issues, you sign it, then the bank --- that's a promise to pay, you know, by you and the bank, so to speak. I'm
5 just wondering what on earth a document signed only by a patron with his bank account details on it, how it amounts to a cheque?

MR BOSSI: No, all the details that you'll have on a cheque are replicated in the document that they sign. So it's got all the same details as a cheque, as a chequing
10 facility, and the customer then has a number of mechanisms under which they can either redeem that or claim a payment thereof --- or reclaim a payment thereof.

COMMISSIONER JENKINS: Finally, in answer to a question from Mr Dharmananda, you spoke about the detriments to the Perth Casino and the
15 community if EGMs were not permitted at the Perth Casino. Would you agree with me that there would also be community benefits?

MR BOSSI: Yes, there will be --- there would be potentially elements of community benefit. However, with the appropriate frameworks and structures, I think we can
20 work towards mitigating some of the risks we have discussed in the past where I think ---

COMMISSIONER JENKINS: One of the community benefits would be that your patrons who lose 10 per cent in average of their EGMs would have that money to
25 spend on other things.

MR BOSSI: Possibly, but a large number of those would play lotto and other alternatives.

30 COMMISSIONER JENKINS: Thank you.

RE-EXAMINATION MR SHAW

35 MR SHAW: I have four questions. Before I just come to those, I might try a question Commissioner Jenkins asked about the house cheque. Is this a document --- I think you said that it has all the details that a personal cheque would have on it?

40 MR BOSSI: Correct.

MR SHAW: So it's in effect a negotiable instrument just like a cheque is ---

45 MR BOSSI: Right.

MR SHAW: --- and a negotiable instrument that, when taken to a bank, is paid into a Crown account just the same way?

MR BOSSI: Exactly the same way as a cheque, absolutely.

MR SHAW: Thank you. So it's not just a piece of paper with ---

5

MR BOSSI: No, no, it's ---

MR SHAW: --- it's a negotiable instrument?

10 MR BOSSI: A negotiable instrument.

MR SHAW: You were asked some questions in relation to banning patrons. Now, I'm not going to mention patron names because I don't want you to mention patron names, but is it correct to say that you have banned a number of prominent high-net-
15 worth business people and sportsmen either excluded from the Pearl Room or banned them altogether in the past?

MR BOSSI: Yes, I have had them removed and also large customers as well.

20 MR SHAW: Thank you. In relation to present culture, is it correct that you regularly attend staff forums to listen to concerns of staff?

MR BOSSI: I have a large number of meetings that I attend with staff. We do staff briefings on a regular basis and staff ask me questions. I attend staff briefings in
25 terms of --- sorry, departmental briefings and have conversations with teams in that forum as well, as leadership team meetings.

MR SHAW: Thank you. In relation to COVID restrictions, is it correct that Crown Perth actually imposed tighter restrictions than were permitted under the COVID
30 requirements for the protection of staff and patrons?

MR BOSSI: Yes. Now, we maintained --- so WA had scanning. We maintained sanitisation at significant levels. We restricted the number of devices and seats we made available to customers. Even beyond the time period where we got to phase 5,
35 we had scanning --- thermoscanning of staff as they entered our workplace. There were a number of factors like that that we not only had above and beyond, but maintained them well after we were able to remove them.

MR SHAW: Last question. In relation to Pearl Room members, is it correct that
40 Pearl Room members were required recently to complete customer information forms and those who would not complete those forms were blocked from the Pearl Room?

MR BOSSI: Yes, we did that through the entire Pearl Room membership base. I
45 think it was approximately 15 per cent, 10 to 15 per cent, that sort of range, that didn't fill out the forms. They were removed of their access. That happened in the last period.

MR SHAW: Would that be about 400 patrons?

05:07PM

MR BOSSI: Yes, about 400, yes.

MR SHAW: Commissioners, I have no further questions.

5

COMMISSIONER OWEN: Thank you, Mr Shaw. We will terminate the live streaming for the day, and if I could ask everyone to leave the room other than those who have completed the undertaking to the regulatory authority.

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[HEARING IN CAMERA COMMENCED]

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05:10PM

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35 COMMISSIONER OWEN: Thank you. That completes the private session and we go back now, for the purposes of the transcript, to the public session.

40 **[HEARING IN CAMERA ENDED]**

COMMISSIONER OWEN: Mr Bossi, it's been a long day, thank you very much indeed. It has been of assistance to us. The formalities of the summons have been complied with, so we'll discharge the summons, release you and you are free to
45 resume your normal activities. Thank you once again.

THE WITNESS WITHDREW

COMMISSIONER OWEN: We will adjourn to Monday at 10am.

5 **HEARING ADJOURNED AT 5.16PM UNTIL MONDAY, 25 OCTOBER 2021
AT 10.00 AM**

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