

**Perth Casino Royal Commission**

**WITNESS STATEMENT OF JANE HALTON AO PSM**

19 October 2021

- 1 I am Jane Halton of c/- Crown Resorts Limited (**Crown Resorts**), Level 3, 8 Whiteman Street, SOUTHBANK VIC 3006.
- 2 This statement is provided in response to:
  - a) the witness summons to give evidence dated 8 October 2021 and issued pursuant to section 9 of the *Royal Commissions Act 1968* (WA), which is directed to me by the Perth Casino Royal Commission; and
  - b) the list of topics to be addressed by me in a written witness statement provided by the Perth Casino Royal Commission on 12 October 2021.
- 3 In this witness statement, I set out matters of fact of which I have personal knowledge. I do not intend to take the Commission through the documents in the case. This witness statement sets out my personal knowledge and recollection.
- 4 I am not authorised to waive legal professional privilege in respect of any communication that may be subject to such a claim by any Crown group entity and nothing in this statement is to be construed as involving a waiver of any such privilege.
- 5 I provided a witness statement to the Royal Commission into the Casino Operator and Licence, established by letters patent on 22 February 2021 (**Victorian Royal Commission**) dated 28 April 2021 (**Previous Statement**). I refer to my Previous Statement in this witness statement.

**QUALIFICATIONS AND EXPERIENCE**

- 6 I am a non-executive director and interim chair of Crown Resorts. I have been a director of Crown Resorts since May 2018 and interim chair since September 2021.
- 7 I am:
  - a) the chair of the Crown Resorts Board's Risk Management Committee (the first meeting of the Risk Management Committee I chaired was in December 2019);
  - b) a member of the Crown Resorts Board's Audit and Corporate Governance Committee (since February 2020); and
  - c) a member of the Crown Resorts Board's People, Remuneration and Nomination Committee, Responsible Gaming Committee and the Safety and Sustainability Committee (since March 2021).

Witness Statement of **Jane Halton AO PSM**

- 8 I am also a director of Crown Melbourne Limited (from August 2021) and a director of Crown Sydney Gaming Pty Ltd (from March 2020).
- 9 Previously, I held a number of senior roles in the Australian Public Service, including Secretary of the Department of Finance, Secretary of the Department of Health (and Ageing) and Executive Co-ordination (Deputy Secretary) of the Department of Prime Minister and Cabinet (**PM&C**).
- 10 I am currently a director of:
- a) ANZ Banking Group Limited;
  - b) Clayton Utz;
  - c) the Institute of Health Metrics and Evaluation at the University of Washington; and
  - d) Naval Group Australia.
- 11 I am also currently:
- a) the chair of the Council on the Ageing, Vault Systems, the Generic and Biosimilar Medicines Association and the Coalition for Epidemic Preparedness Innovations; and
  - b) an Adjunct Professor of the University of Sydney and the University of Canberra and council member of the Australian Strategic Policy Institute.
- 12 My professional experience has exposed me to the gambling or gaming sector, risk management, gambling related harm minimisation and AML/CTF risk. Among other things, I consider that the following qualifications and experience are relevant:
- a) I have an honours degree in psychology;
  - b) while at PM&C, I was responsible for issues related to gambling, including chairing an interdepartmental committee with respect to the harms of gambling;
  - c) harm minimisation and the role of addiction was a critical part of my work at the Department of Health (and Ageing), including in relation to alcohol, tobacco and drugs;
  - d) through my previous roles in the Australian Public Service, and through my various directorships, and in particular through my role at ANZ, I have significant risk management experience; and
  - e) through my role at ANZ I have significant experience with respect to the management of AML/CTF risk.

Witness Statement of **Jane Halton AO PSM****APPOINTMENT**

- 13 **Question 3** asks about the process of my appointment as a director of Crown Resorts.
- 14 In early 2018, I was approached by then Executive Chairman John Alexander about the role. I understand that my name had been identified by the then Board as a potential candidate. I undertook my own due diligence in relation to the role, and then accepted the appointment.

**PACKER ASSOCIATION**

- 15 I do not have any current associations with Mr James Packer or companies or people associated with Mr Packer. In my previous roles within the Australian Public Service I have met Mr Packer on a small number of occasions in the ordinary course of performing those roles.
- 16 I have not had any communications in 2021 with Mr Packer or companies or people associated with Mr Packer which related to Crown, other than communications with Mr Guy Jalland and Mr Michael Johnston, former directors of Crown Resorts, which occurred prior to their respective departures from the Crown Resorts Board.

**SKILLS AND COMPETENCIES**

- 17 The Crown Resorts Board has adopted a Board Skills Matrix which sets out the mix of skills and diversity that the Board is looking to achieve in its membership. The matrix identifies 15 different skills and competencies. I consider that I have significant experience or a good understanding in relation to each of those skills and competencies, other than senior executive or equivalent experience in the gaming or entertainment industries and senior executive or equivalent experience in the hospitality and tourism industries to which I have had some exposure.
- 18 During my time as a director of Crown Resorts I have received a number of formal and informal briefings and training on a range of matters, including the operations of Crown Perth, Crown's governance and risk management frameworks, AML/CTF risk management and responsible gaming and gambling related harm.
- 19 I am a Fellow of the Australian Institute of Company Directors and undertake the required Director Professional Development. I also participate in regular training in the course of the various boards I sit on.

**GOVERNANCE AND RISK MANAGEMENT**

- 20 My Previous Statement describes:
- a) Crown's current risk appetite, risk management strategies, risk management frameworks and risk management plans (paragraphs 7 to 33);
  - b) the process for escalating risks through the risk management frameworks (paragraphs 34 to 47);

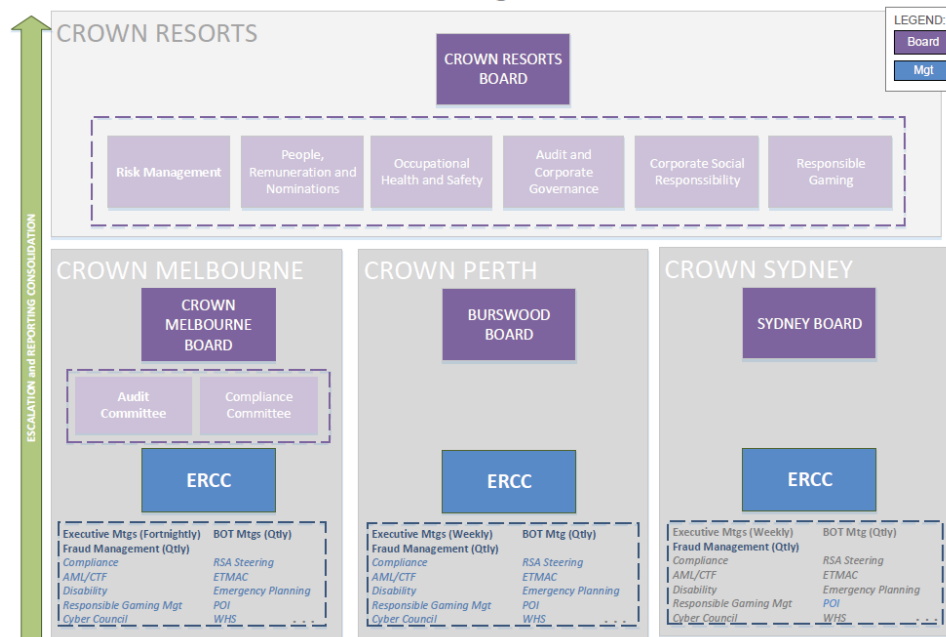
Witness Statement of **Jane Halton AO PSM**

- c) the changes to the risk management framework since 2018, including some of the drivers for these changes (paragraphs 48 to 70);
  - d) the metrics the Board uses for measuring compliance with the risk appetite statement, and the nature of the material risks identified in the relevant risk registers (paragraphs 71 to 88);
  - e) recent reviews of the risk framework (paragraphs 89 to 95);
  - f) the roles and responsibilities of the Crown Resorts Risk Management Committee (paragraphs 96 to 103); and
  - g) the organisational structure, and roles and responsibilities of the risk management team (paragraphs 110-117).
- 21 There is continual review and ongoing work to improve Crown's approach to risk management. This includes work being done as part of Crown's engagement with Kroll, the independent monitor appointed by the NSW Independent Liquor and Gaming Authority, as well as work to continue to embed risk practices in all areas of the business.
- 22 Mr Peter Deans provided a report to the Victorian Royal Commission that included 22 recommendations in relation to Crown's approach to risk management. As at 27 September 2021, seven of the recommendations had been implemented, and work was underway to implement the remaining 15 recommendations. A recent update to the Risk Management Committee (**CRW.701.009.3889**) sets out further detail in relation to the ongoing work to implement these recommendations.
- 23 In relation to Crown Perth:
- a) Crown Perth adopts the risk management framework of Crown Resorts.
  - b) Risk is dealt with by the Executive Risk and Compliance Committee (**ERCC**).
  - c) The ERCC is a management committee that assists the Chief Executive Officer – Crown Perth and Board of Burswood Limited in assessing and providing oversight for the identification and evaluation of material risks involved in the business operations of the Crown Perth entities.
  - d) The ERCC Charter provides that the ERCC will assist the Board of Crown Resorts in meeting its responsibilities in relation to recognising and managing risk.
  - e) Members of the ERCC include the Chief Executive Officer - Crown Perth, Chief Financial Officer – Australian Resorts, Chief Operating Officer – Food, Beverage and Entertainment, Group Chief Compliance and Financial Crime Officer, Group General Manager Legal and Compliance and the Chief Risk Officer.
  - f) The ERCC reports to the Board of Burswood Limited.

## Witness Statement of Jane Halton AO PSM

- 24 The diagram below (Figure 1) shows the range of board and management fora that deal with specific or broader reporting mechanisms.

**Figure 1: Entities with reporting responsibilities**



- 25 **Question 10** asks that I describe how in my role as a director of Crown Resorts I currently or will:
- demonstrate leadership;
  - instil Crown Resorts' values and performance;
  - challenge management and hold management to account;
  - satisfy myself that Crown Resorts has in place an appropriate risk management framework for both financial and non-financial risk;
  - satisfy myself that an appropriate framework exists for relevant information to be reported by management to the Board; and
  - monitor the effectiveness of Crown Resorts' governance practices.
- 26 As interim chair of Crown Resorts I am responsible for the running of the Crown Resorts Board. This has included chairing meetings of the Board, working directly with senior management, and communicating with all staff in relation to Crown's change agenda.
- 27 As interim chair and as a director, I am committed to ensuring that the Board operates consistently with Crown's values.

Witness Statement of **Jane Halton AO PSM**

- 28 In my role as a director of Crown Resorts I have and will continue to interact with staff at all levels to understand and discuss issues of relevance to them.
- 29 The Board has been and continues to be very engaged in advancing Crown's work with respect to culture reform and the broader remediation plan.
- 30 The Board is also focused on:
- a) accountability;
  - b) ensuring Crown has frameworks, policies and operations with respect to remuneration, diversity and performance management appropriate to a listed and highly-regulated company;
  - c) ensuring that any deficiencies identified by Kroll, the independent monitor appointed by the NSW Independent Liquor and Gaming Authority, are addressed;
  - d) ensuring that reviews, such as those conducted by Deloitte, are appropriately considered and reflected in Crown's remediation plans;
  - e) seeking feedback from staff through the culture survey and taking the necessary action to respond to that feedback;
  - f) the continued development and implementation of the risk framework, including the three lines of defence model and risk escalation protocols; and
  - g) ensuring that there is a proper process in place to review Board performance.
- 31 **Question 14** asks for my views on the adequacy and effectiveness of various aspects of the meetings of the Crown Resorts Board.
- a) The Crown Resorts Board is currently meeting every week, sometimes more than once a week, in order to ensure that all matters relevant to the suitability of Crown and the management of the Crown businesses are being addressed.
  - b) In my role as interim chair of the Crown Resorts Board, it has been my strong preference that management provide papers regarding issues coming before the Board. I consider that these papers enable management to frame discussions in a way that facilitates Board deliberation and decision-making.
  - c) An inevitable consequence of the current frequency of Board meetings is that papers are often provided at short notice. This is in part because there is a need for timely information in circumstances where the operating environment is changing rapidly, and in part because papers are being requested at short notice.
  - d) I consider that papers and presentations by management to the Crown Resorts Board are effective.

Witness Statement of **Jane Halton AO PSM**

- e) Board meetings are currently chaired to ensure that all directors have an opportunity to raise and discuss matters that are of importance to them. All issues are properly ventilated and all views considered appropriately. Management are also given an opportunity to ensure that the Board is apprised of their views on issues. I consider that there is currently full participation among all of the directors.

32 In relation to **questions 24** and **25**, I consider that:

- a) the current size of the Risk Management Committee is adequate;
- b) the combination of skills and competencies of the members is adequate; and
- c) I, and other members of the Risk Management Committee, have the required level of technical knowledge and understanding of the casino and gaming industry in which the Crown Group operates.

33 The current members of the risk management team and their physical location is set out below:

- a) Anne Siegers, Chief Risk Officer (Melbourne);
- b) Vi Pham, Group Manager Risk Analytics (Melbourne);
- c) Nelly Niawati, Group Risk Analyst (Melbourne);
- d) Stacey Conlin, Group General Manager Risk (Melbourne);
- e) Chantal Hillman, Risk Manager Sydney (Sydney);
- f) Maria-Luisa Pansini, Risk Manager Perth (Perth);
- g) Suzanne Roth-Abubakar, Risk Advisor (Perth);
- h) Solange Pivan-Petit-Galland, Risk Manager Melbourne (Melbourne); and
- i) Sarina Persall, Head of Business Resilience (Melbourne).

34 I consider that the risk management team has the skills mix and composition required to be effective.

**INTERNAL AUDIT**

35 Paragraphs 118 to 125 of my Previous Statement describe the structure, roles and responsibilities of the internal audit team, and the process for reviewing the internal audit framework and internal audit plan.

36 Since making my Previous Statement, Jessica Ottner has commenced as Group General Manager – Internal Audit. I understand that the Commission has asked Ms Ottner to provide a written statement addressing, among other things, policies, procedures and practices governing internal audit. I have therefore limited my responses to **questions 33 to 36**, which seek my views on the independence, adequacy and effectiveness of the internal audit function.

Witness Statement of **Jane Halton AO PSM**

- 37 In December 2020, Crown separated the risk and audit functions. This had the effect of making the audit function (being the third line of defence) independent from the risk function.
- 38 This separation was implemented to ensure increased independence of both the second and third lines of defence. It enables proper focus to be given to the risk and audit functions, respectively. As part of this separation process, additional resources have also been invested in each area.
- 39 This separation is consistent with APRA governance standards as they apply to the financial services sector to ensure better segregation of duties and the avoidance of conflicts of interest.
- 40 In recruiting for the role of Group General Manager – Internal Audit we sought out, and ultimately selected, a candidate that could bring a strong independent approach to the role.
- 41 I have met individually with Ms Ottner, and she has attended a number of Crown Resorts Board and Board Committee meetings where she has addressed internal audit functions, consistent with Ms Ottner having a direct line and access to the Crown Resorts Board.
- 42 In light of the above, I consider that the internal audit function is independent, adequate and effective. This will be kept under constant review and if there are any concerns, they will be addressed.

**GOVERNANCE OF CROWN PERTH**

- 43 As part of ongoing work to consolidate the number of subsidiary entities in the Crown Group, I am generally aware of the various entities that are involved in Crown's Perth operations, and I have some understanding of their respective purposes. I understand that the current structure of the Crown Perth entities is in part a historical function of the various historical ownership structures of the Perth casino, and in part a function of regulatory requirements in Western Australia. However, I do not have an intricate understanding of how those various entities interact and are related to one another. I have not considered the terms of the trust deed of the Burswood Property Trust in detail.
- 44 **Question 39** asks for a description of my knowledge and understanding of the degree of influence or direction (a) Crown Resorts or (b) Crown Melbourne has in the governance or operations of each of the Crown Perth entities.
- 45 To my knowledge, although Burswood Limited (**BL**) is a subsidiary of Crown Resorts, it has its own Board, which includes an independent director, that is responsible for the governance of Crown Perth in the way you would expect a Board of a subsidiary of an ASX listed company to be.
- 46 The involvement of Crown Resorts in the governance or operations of the Crown Perth entities includes:



Witness Statement of **Jane Halton AO PSM**

- a) consideration and, where applicable, approval by the Crown Resorts Board of capital expenditure by the Crown Perth entities;
  - b) consideration of papers from the senior management, management committees or Boards of the Crown Perth entities that are presented to the Crown Resorts Board. Reporting from the Crown Perth entities to the Crown Resorts Board includes reporting in relation to decisions made by management or the Board, progress against particular projects, operational updates and issues that have been identified and how those issues are to be addressed or managed; and
  - c) overseeing a number of functions at a group level, including in relation to risk management, compliance, financial crime and IT. For these functions, the overarching framework is developed at a group level, but those frameworks are implemented, and obligations are discharged, at a property level. There are some differences in the regulatory frameworks for each property, and these need to be accounted for in any group level frameworks.
- 47 The Crown Resorts Board has also recently considered matters regarding a proposed charter for the BL Board, which has now been referred to the BL Board for its consideration.
- 48 To my knowledge, Crown Melbourne has not had any role in the governance or operations of Crown Perth.
- 49 There are a number of legacy subsidiary companies in the Crown Resorts group structure. There is an ongoing review of these entities with a view to consolidating the number of companies in the group structure. Other than this consolidation work, to my knowledge, there have not been any discussions within the Crown Group about proposals to alter the structure of the Crown Perth entities. Crown recognises that matters relating to the corporate structure have been raised in this Royal Commission and in the Victorian Royal Commission. The Crown Resorts Board is vitally interested in the views of the Royal Commissions regarding these issues and is not intending to make any material changes to these structures until after the findings of this Royal Commission and the Victorian Royal Commission have been delivered.
- 50 Set out below are the current members of the respective Boards of BL, Burswood Resort (Management) Limited (**BRML**) and Burswood Nominees Limited (**BNL**):
- a) BL: Maryna Fewster, Steve McCann, Lonnie Bossi;
  - b) BRML: Bruce Carter, Lonnie Bossi, Alan McGregor; and
  - c) BNL: Bruce Carter, Lonnie Bossi, Alan McGregor.
- 51 I understand that Bruce Carter will be appointed to the Board of BL once he has cleared the probity clearance processes. The Crown Resorts Board is not proposing to appoint additional directors to these entities at this stage. The Board is also mindful of the ongoing work of this Royal Commission.

Witness Statement of **Jane Halton AO PSM****CROWN MELBOURNE AND CROWN PERTH**

- 52 **Question 46** asks about my understanding of what is required by Article 3.12 of the Constitution of BL. I understand that this requires that senior management responsible for the operation and control of the business are located in Western Australia. I understand that all of the senior management undertaking these roles at Crown Perth currently reside in Western Australia and operate out of the Crown Perth premises. On that basis, my understanding is that Crown Perth is currently complying with this requirement and I expect that it will continue to do so.
- 53 **Question 48** asks about my understanding of what is required by clauses 22.1(r) and 22.1(ra) of the Casino Agreement between Crown Melbourne and the Victorian Commission for Gambling and Liquor Regulation. I understand that this requires, among other things, that the corporate office functions of Crown Melbourne be predominantly located in Victoria. I do not understand this to mean that some of those roles cannot be located outside of Victoria. In a group structure like Crown, there can be efficiencies and economies of scale by having some functions at a group level.
- 54 I do not consider that the operation of gaming business in multiple locations, such as Melbourne and Perth, is detrimental to one or other of those businesses. On the contrary, my understanding is that this approach is beneficial to the entire business. This is because patrons, and particularly international visitors, tend to move across the different properties, and so having gaming businesses in multiple locations is beneficial to each property, and to the business overall.

**GAMBLING RELATED HARM MINIMISATION**

- 55 Crown recognises that responsible gaming is a critical cornerstone of its social license to operate a gaming business in Australia, and that Crown has an obligation to its customers to minimise and prevent gambling related harm.
- 56 Crown takes a consistent approach to issues of responsible gaming across each of its properties, and the Responsible Gaming Policy applies to all employees and contractors in Melbourne, Perth and Sydney.
- 57 Crown is committed to providing services, programs and initiatives to minimise harm and problem gaming behaviours through the provision of timely and effective assistance for our customers.
- 58 The following examples demonstrate this commitment:
- a) the implementation of cross-property and property-specific policies in relation to play periods, 'Time Out' and self-exclusion, compulsory exclusion and third-party exclusion;
  - b) the use of 'play safe limits', where Crown Rewards members can set money limits and time limits to apply to their gaming;

Witness Statement of **Jane Halton AO PSM**

- c) the provision of responsible gaming information and messaging on the casino floor;
- d) the 24/7 rostering of Responsible Gaming Advisors, who assist customers with strategies to manage their gaming behaviours and facilitate referrals to government funded problem gambling and financial counselling support services and other welfare services where required; and
- e) the re-training of all staff members in relation to responsible gaming issues.

59 At the same time, although we can design our properties and train our staff in a way that mitigates and / or minimises harm, Crown acknowledges that it is not possible to completely prevent or eliminate these issues in respect of each individual player, especially when such matters are complex and can be difficult to recognise and must be balanced, in certain situations, against not intruding on the enjoyment of our customers.

60 Crown also has a responsibility to respond to concerns raised by members of staff or management around incidences of harm or areas of ongoing concern in relation to these issues, and to engage proactively with regulators, the police force, and other relevant parties to facilitate a coordinated and effective response to gambling related harm.

61 The adequacy of Crown's response to these issues is a matter which is under constant review, and at the forefront of decisions made by the Crown Resorts Board. As part of this, the Crown Resorts Responsible Gaming Committee has appointed a Responsible Gaming Advisory Panel (**Panel**), which was formally constituted in 2019. The Panel is chaired by Emeritus Professor Alexander Blaszczyński, who I have met with personally, with additional members Professor Lia Nower and Professor Paul Delfabbro. The Panel has reviewed Crown's Responsible Gaming framework and provided a report, including recommendations, on how to improve Crown's Responsible Gaming framework. This report is at **CRW.526.007.7005**. The Responsible Gaming Operations Working Group (comprising the General Managers for Responsible Gaming at each property and two Responsible Gaming Psychologists) is carrying out the implementation of these recommendations, with oversight by the Group General Manager Responsible Gaming and regular reporting to the Responsible Gaming Committee.

62 In addition, in May this year, the Crown Resorts Board endorsed a set of recommendations in relation to responsible gaming enhancements proposed by the Group Chief Compliance and Financial Crime Officer. A copy of the memorandum to the Board and its appendices is at **CRW.512.081.1748** and **CRW.512.081.1744**.

63 I am confident that the people and processes we have in place in relation to these issues are aligned in their approach and well-equipped to continue to improve our response to these issues.

Witness Statement of **Jane Halton AO PSM****CULTURE**

- 64 Crown is currently undergoing significant change across all aspects of its business, and the implementation of the Culture Reform Program is ongoing.
- 65 It is my experience that the changes that have taken place over the last 12 months have had a positive impact and that Crown's culture has significantly improved over that period.
- 66 In my direct discussions with casino staff I have witnessed a genuine investment in our purpose and values. These were developed in partnership with the Crown Melbourne and Crown Perth Human Resources teams, and it is my experience that they have been well received at both properties. Although it has not been possible to travel to Crown Perth to meet with staff personally because of Covid-19 travel restrictions, we have engaged with Crown Perth staff about our purpose and values via staff communications and with Crown Perth management.
- 67 It is also my experience that employees feel empowered to "speak up" on issues that are important to them, and that our new leadership teams are encouraging a culture of open communication at all levels of the organisation.
- 68 In addition, we have centralised functions to ensure cultural cohesion between properties, for example by recruiting a Chief People and Culture Officer who is responsible for the oversight of culture at a group level.
- 69 I have read the Deloitte Culture Review, and consider it to be a useful and informative tool for our ongoing program of cultural change. The Board has also considered and discussed the report in great detail. We are still considering its findings but we are committed to progressing the implementation of each of the measures identified by Deloitte, including by devoting the resources required to implement such measures.
- 70 The work we are conducting to embed our values within the organisation and progress our roadmap for change will take time. However, I believe that we have the right settings in place to achieve our target state culture in the medium term and that we have made significant advances towards that target state already.

**ANNUAL REPORT 2021**

- 71 The matters identified in the Crown Resorts Annual Report as having created material uncertainties surrounding going concern are under active and constant consideration and discussion by the Crown Resorts Board. While developments in relation to Covid-19 restrictions are beyond Crown's control, the Crown Board is otherwise focused on taking action to mitigate those risks that are contributing to the material uncertainties.

Witness Statement of **Jane Halton AO PSM****CONTINUING EDUCATION OF DIRECTORS**

- 72 In August 2021, the Crown Resorts People, Remuneration and Nominations Committee approved a 3 year director training and development program. A copy of that program is at **CRW.700.103.7311** (at .7382).

**BOARD APPOINTMENTS AND SENIOR MANAGEMENT RENEWAL**

- 73 The process of Board and senior management renewal is ongoing.
- 74 In relation to Board appointments, the Crown Resorts Board is aiming to have between 7 and 8 directors and is currently pursuing a recruitment process for further directors. In considering suitable nominations and appointments, the Crown Resorts Board recognises that there is a need for geographic and gender diversity in its Board, as well as a need for an appropriate mix of skills and diversity, as set out in the Board Skills Matrix.
- 75 In relation to senior management appointments, there has been a very significant change in the senior management of Crown in the past 10 months. Whilst this was both necessary and desirable, the Board is mindful of the need for some level of continuity and corporate knowledge in order to manage the business effectively.
- 76 Whilst I am not aware of any specific consideration currently being given to senior management appointments, we will continue to monitor whether we have the right people in those positions.

**REMUNERATION**

- 77 The approach that Crown previously adopted to remuneration was out of step with normally accepted remuneration practices of a listed entity like Crown. Following a recent review of Crown's remuneration framework by Mercer, Crown is developing a remuneration structure which will introduce values-based gatekeeper provisions and mandatory compliance and risk key performance indicators for the purposes of assessing entitlements to incentive-based remuneration.
- 78 These changes are intended to normalise Crown's values, align Crown's remuneration structures with shareholder and regulator expectations, and be consistent with Crown's social licence to operate and the fact that its gaming licences are a privilege and bring specific obligations which are taken seriously.

Contains sensitive information



**Jane Halton**

Dated: 19 October 2021