

**ROYAL COMMISSION
INTO THE CASINO OPERATOR AND LICENCE**

MELBOURNE, VICTORIA

10.00 AM, WEDNESDAY, 24 MARCH 2021

DAY 1

COMMISSIONER: HON. RAY FINKELSTEIN AO QC

**MR ADRIAN FINANZIO SC appears with MS PENNY NESKOVCIN QC, MS MEG
O'SULLIVAN and MR GEOFFREY KOZMINSKY as Counsel Assisting the Commission
(instructed by Corrs Chambers Westgarth as Solicitors Assisting the Commission)**

COMMISSIONER: Good morning. Lily, could you read the Letters Patent please.

MS VADASZ: Letters Patent issued on 22 February 2021 read as follows:

I, the Honourable Linda Dessau AC, the Governor of Victoria, with the advice of the Premier, under section 5 of the Inquiries Act 2014 and all other enabling powers, appoint you Ray Finkelstein AO QC as Commissioner and Chairperson to constitute a Royal Commission to inquire into and report on the matters specified in the Terms of Reference below.

I. BACKGROUND

1. Crown Melbourne Limited (Crown Melbourne) operates the Melbourne Casino under a licence granted under and subject to the provisions of the Casino Control Act 1991 (Casino Control Act) on 19 November 1993. Crown Melbourne is the casino operator under the Casino Control Act and is a wholly-owned subsidiary of Crown Resorts Ltd (Crown Resorts).

2. The aims of the system for the licensing, supervision and control of casinos established under the Casino Control Act include:

A. Ensuring that the management and operation of casinos remains free from criminal influence or exploitation;

B. Ensuring that gaming in casinos is conducted honestly; and

C. Promoting tourism, employment, and economic development generally in the State.

3. Crown Resorts' separate wholly-owned subsidiary, Crown Sydney Gaming Pty Ltd (Crown Sydney), holds a restricted gaming licence in New South Wales.

4. On 1 February 2021, an inquiry conducted by the Hon. Patricia Bergin SC for the New South Wales Independent Liquor and Gaming Authority (Bergin Inquiry), concluded that Crown Sydney was not a suitable person to continue to give effect to the Barangaroo restricted gaming licence and that Crown Resorts was not a suitable person to be a close associate of the person holding that restricted gaming licence.

5. The Bergin Inquiry also found, among other things, that Crown Resorts:

A. Facilitated money laundering through the Southbank and Riverbank accounts unchecked and unchanged in the face of warnings from its bankers;

B. Disregarded the welfare of its China-based staff putting them at risk of detention by pursuing an aggressive sales policy and failing to escalate risks through the appropriate corporate risk management structures; and

C. Entered into or continued commercial relationships with junket operators who had links to Triads and other organised crime groups.

6. Some of the conduct canvassed by the Bergin Inquiry related to the Melbourne Casino operated by Crown Melbourne and other conduct related to the casino in Perth operated by Burswood Ltd (which is also a subsidiary of Crown Resorts).

7. Other law enforcement agencies, including the AUSTRAC, have considered or are considering the conduct of Crown Resorts and/or Crown Melbourne, including allegations of money laundering.

8. The Minister for Consumer Affairs, Gaming and Liquor intends to establish a review into Victoria's casino regulatory framework (Regulatory Review). It is intended that the Regulatory Review will run concurrently with the Royal Commission.

II. DEFINITIONS

9. Defined terms in the Casino Control Act have the same meaning in these letters patent unless the contrary intention appears. In addition:

A. Crown Melbourne Contracts means the documents referred to in s 25(1)(c) of the Casino Control Act.

B. Suitable Associate means a suitable person to be associated with the management of a casino under the Casino Control Act.

III. TERMS OF REFERENCE

10. You are appointed to inquire into and report on the matters set out below.

A. Whether Crown Melbourne is a suitable person to continue to hold the casino licence under the Casino Control Act.

B. Whether Crown Melbourne is complying with the Casino Control Act, the Casino (Management Agreement) Act 1993, the Gambling Regulation Act 2003 (together with any regulations or other instruments made under any of those Acts and any other applicable laws.

C. Whether Crown Melbourne is complying with the Crown Melbourne Contracts.

D. Whether it is in the public interest for Crown Melbourne to continue to hold the casino licence in Victoria.

E. If you consider that Crown Melbourne is not a suitable person, or that it is not in the public interest for Crown Melbourne to hold the casino licence in

Victoria, what action (if any) would be required for Crown Melbourne to become a suitable person, or for it to be in the public interest for Crown Melbourne to continue to hold the casino licence in Victoria.

F. Whether Crown Resorts is a Suitable Associate of Crown Melbourne.

G. If you consider that Crown Resorts is not a Suitable Associate of Crown Melbourne, what action (if any) would be required for Crown Resorts to become a Suitable Associate of Crown Melbourne.

H. Whether any other existing associates of Crown Melbourne are not Suitable Associates of Crown Melbourne.

I. If you consider that any other existing associates of Crown Melbourne are not Suitable Associates of Crown Melbourne, what action (if any) would be required for those persons to become Suitable Associates of Crown Melbourne.

J. Whether you consider changes to relevant Victorian legislation, including the Casino Control Act and the Victorian Commission for Gambling and Liquor Regulation Act 2011, as well as the Crown Melbourne Contracts, are necessary for the State to address your findings and implement your recommendations.

K. Whether there are any other matters necessary to satisfactorily resolve the matters set out in paragraphs A to J, above.

IV. RECOMMENDATIONS

11. You may make any recommendations that you consider appropriate arising out of your inquiry.

12. In formulating your recommendations you should have regard to the most practical, effective and efficient way to address the matters arising out of your inquiry and the financial impact of your recommendations on the State.

V. REPORT

13. You are required to report your findings and any recommendations to the Governor as soon as possible, and in any event, no later than 1 August 2021 or a later date agreed between the Commission and the Premier.

VI. CONDUCT OF YOUR INQUIRY

14. Without limiting the scope of your inquiry, or the scope of any recommendations that you may wish to make, you are directed to conduct your inquiry:

A. As you consider appropriate;

B. Without incurring unnecessary cost or delay;

C. Without unnecessarily duplicating the Regulatory Review, or any other investigations or recommendations of inquiries or investigations into these or related matters that are described in the background above, or that otherwise come to your attention during your inquiry;

D. Without prejudicing the Regulatory Review, or any other inquiries and investigations into any matters relevant to your inquiry;

E. By working cooperatively, as appropriate, with the Regulatory Review, or any other relevant inquiries or investigations;

F. In a way that does not prejudice any current or future criminal or civil proceedings;

G. So as to promptly bring to the attention of the Regulatory Review, relevant law enforcement agencies, or regulators, any information or documents that you consider to be relevant to their functions; and

H. In accordance with these letters patent, the Inquiries Act 2014 and all other relevant laws.

15. You may also consult with experts and engage persons to provide relevant advice and assistance.

These letters patent are issued under the Public Seal of the State.

Amended letters patent issued on 25 February 2021 are issued as follows:

After paragraph 15 inserting:

VII. EXPENSES AND FINANCIAL OBLIGATIONS

16. You are authorised to incur expenses and financial obligations to be met from the Consolidated Fund up to \$10,000,000 in conducting this inquiry.

These amended letters patent are issued under the Public Seal of the State.

COMMISSIONER: Thank you. As the Terms of Reference indicate, the key aspect of this inquiry is to determine whether Crown Melbourne is a suitable person to continue to hold its licence for the Melbourne Casino. To answer this question, it will be necessary to determine, among many other things, whether Crown Casino is currently complying with the obligations imposed upon it by particular laws of Victoria that regulate the conduct of casinos. It will be also necessary to determine whether Crown Melbourne is meeting its commitments under the several agreements it entered into with the State of Victoria when it first obtained the casino licence.

While there was controversy about whether there should or should not be a casino in Melbourne, it was anticipated that if established, a casino would, in the words of the

Letters Patent, promote tourism, employment and economic development generally in the State.

The establishment of a casino, here and elsewhere, can be understood against the following background: Australians have always gambled, legally and illegally. The great historian, Russell Ward, writing in 1958, said there is a wealth of testimony to the passion for gambling. Perhaps this passion might explain, at least in part, why Australians have a distinctly liberal and egalitarian gambling culture. The passion might also explain, again in part, why approximately 40 per cent of adult Australians are regular gamblers and why Australians, on average, spend at least twice as much on legal gambling as do people in North America and Europe.

It is accepted, as is recognised in the Letters Patent, that gambling generates benefits. According to the Productivity Commission, many people gamble because of the enjoyment, because of the risk of losing compared with the thrill of winning. Places of gambling, such as casinos, can provide a comfortable and safe place which many people find appealing.

Gambling has significant benefits. The industry generates substantial income and employs many people. Gambling taxation provides a significant and growing proportion of State revenue. It currently accounts for about 12 per cent of State-generated taxes. At the same time, gambling has major adverse impacts on the community. Many observers warn that the gambling industry, particularly at casinos, attracts significant criminal activity. Criminal activity can be grouped in the following categories: petty crime in the gambling venue itself; street crime in the vicinity of the venue; money laundering and the infiltration of organised crime syndicates.

Another adverse consequence and one which may have a far greater social impact is the gambling addict. There are over 300,000 Australians who have problems with their gambling. Gambling addicts are estimated to account for one-third of the total expenditure on gambling. That is around \$3.5 billion a year. The impact of this problem gambling is widespread. It affects not only the gambler but the gambler's family, employers and unrelated third parties.

I want to explain the origins of the Commission by amplifying some of the information that appears in the Letters Patent. Crown Resorts is a public company. Mr James Packer, through a web of companies, is its major shareholder, currently with a stake of about 37 per cent of the capital.

Crown Resorts is a major participant in the gambling industry. Through subsidiaries, it owns the Burswood Casino in Western Australia and Melbourne Casino. Another subsidiary, Crown Sydney, holds a restrictive gaming licence to operate the casino in Barangaroo on Sydney Harbour.

In mid-2019 several events occurred. First, a Packer company, which then held approximately 46 per cent of the shares in Crown Resorts, agreed to sell to Melco Resorts & Entertainment enough shares to give that company a 19.9 per cent holding in Crown Resorts. Previously, Crown Resorts had given an undertaking to the New South Wales Government that it would prevent Stanley Ho, a suspected criminal, and numerous Stanley Ho associates, obtaining any interest in casino resorts. Mr Ho's

son, Lawrence, has significant interest in Melco. The question that arose was whether that relationship or the relationship between Stanley Ho and his son meant that the undertaking had been breached.

Second, the Nine Network, the Sydney Morning Herald and The Age published articles alleging that improper conduct was taking place at both Burswood Casino and the Melbourne Casino. The improper conduct included money laundering at both institutions.

Third, in 2016, 19 Crown staff had been arrested in China as a result of illegally luring Chinese high rollers to gamble at Crown Resorts casinos in Australia. The confluence of these events led the New South Wales Gaming Regulator in August 2019 to appoint the Honourable PA Bergin SC as Commissioner to conduct an inquiry under s.134 of the New South Wales relevant statute.

The questions in which the Commission was asked to inquire included the following: whether Crown Sydney is a suitable person to give effect to the Barangaroo restricted gaming licence, whether Crown Resorts was a suitable person to be a close associate of Crown Sydney and in the event that the answer to either question was no, what was required to make those persons suitable?

Commissioner Bergin conducted an extensive inquiry over 19 months, though interrupted by COVID-19. The report of Commissioner Bergin's inquiry was published on 1 February 2021. It is over 800 pages in length. It is the culmination of an exhaustive investigation into the issues which the Commissioner was requested to inquire. Commissioner Bergin's conclusions are summarised in the Letters Patent that has just now been read, however it is important to set out the principal conclusions in slightly more detail.

Commissioner Bergin found that between 2014 and 2019 Crown Resorts enabled and facilitated money laundering through the bank accounts of Crown Resorts subsidiaries, one operating in Perth and the other in Melbourne, and that this situation went unchecked and unchanged, despite warnings from Crown Resorts' bankers.

Next, Commissioner Bergin found that between 2014 and 2016, Crown Resorts disregarded the welfare of its China-based staff, putting them at risk of detention by pursuing an aggressive sales policy and failing to escalate risk through the appropriate corporate risk management structure.

Finally, Commissioner Bergin found that between 2014 and 2020, Crown Resorts entered into or continued commercial relationships with junket operators who had links to triads and other organised crime groups and maintained those relationships after becoming aware of the public allegations of connections with organised crime.

In view of these findings, and others, Commissioner Bergin said that Crown Sydney was not a suitable person to hold a restrictive gaming licence and that Crown Resorts was not a suitable person to be its associate.

As Commissioner Bergin's findings made clear, certainly the offending conduct occurred at the Melbourne Casino. The findings also make clear that Crown

Melbourne's company, Crown Resorts, was implicated in that conduct. This then was the effective cause of the establishment of this Commission under the *Inquiries Act*. I should note that a parallel inquiry has recently been commenced in Western Australia.

Following my appointment, I wrote to Crown Melbourne, enquiring whether, first, it accepts that the several findings made by Commissioner Bergin that I have mentioned, whether it accepts those findings and whether it accepts on the material before Commissioner Bergin it was open for her to find that Crown Resorts is not a suitable person to be an associate of Crown Sydney.

There were several reasons for making those enquiries. The first and most obvious is that there is considerable overlap between the inquiry undertaken by Commissioner Bergin and the inquiry I must undertake under the Letters Patent. It would not be an efficient use of resources if I were required to go over the same ground, as did Commissioner Bergin. This is particularly significant in circumstances where both Crown companies and Mr Packer were ably represented during the Bergin Inquiry and had ample opportunity to present evidence and to otherwise contradict or challenge evidence that alleged wrongdoing on their account.

I am of the view that extraordinary circumstances apart, it is not in the public interest to conduct two inquiries into the same subject matter. That is to say, I see no practical utility in taking that course. The opposite is the case.

As things presently stand, I believe that avoiding a second inquiry into the same subject matter but instead, adopting where appropriate, the views of Commissioner Bergin is not unfair, either to the Crown companies or to Mr Packer. But that is not the only reason I wrote to Crown Melbourne, seeking to learn of its attitude regarding Commissioner Bergin's views. I was interested to know whether the current boards of the Crown companies were prepared to accept the seriousness of the conduct which Commissioner Bergin found occurred and against that backdrop, take appropriate action to ensure there is no repetition of that conduct. I am concerned that unless the seriousness of the conduct is recognised, any steps taken to remedy the position might only be half-hearted.

I had another matter in mind as well. For good reason, gambling, especially gambling at casinos, is heavily regulated. In Victoria, as in other State jurisdictions, there is a statutory authority that is responsible to oversee that regulation.

One characteristic of a person that is suitable to hold a casino licence, or is suitable to continue to hold a casino licence may be that the person is open, honest and fully cooperative with the Regulator and I would add, the same candour is required with an inquiry of the type that I am undertaking.

I also sent a second letter to Crown Melbourne. My Terms of Reference, as has been noted, require me to investigate, first, whether Crown Melbourne is complying with the statutes and regulations that impose significant obligations on its casino operations; and second, whether it is in breach of any of the obligations it assumed under the agreement it entered into with the State of Victoria as a condition upon which it was granted a casino licence.

In my second letter, I enquired of Crown Melbourne, in plain language, whether it was in breach of any of its obligations, whether imposed by statute, regulation, contract or otherwise. The response to this second letter will tell me a number of things. The first and most crucial is that I can find out if there had been any breaches, whether the Crown companies have systems in place that enable them to identify those breaches. If they don't have the required systems, that may have consequences. The second thing it will tell me is whether there are areas of investigation that I would ordinarily undertake but which I need not investigate or might cut short.

Last, the response will give me some understanding, even a clear understanding, of the attitude the Crown companies take towards those who are required by law to look into their affairs.

I have received a response to my first letter, that is the letter seeking acceptance of Commissioner Bergin's findings. In due course, the letter might become public. For now, it is sufficient for me to point out that Crown's response is a little equivocal. The Crown companies do not accept, in terms, the findings made by Commissioner Bergin which I have earlier read out. The disagreement, however, may not be material. The aspect of the findings to which objection seems to be taken goes to the deliberateness or wilfulness of the conduct concerned. On the other hand, the Crown companies do accept that it was open for Commissioner Bergin to conclude that Crown Resorts was not a suitable person to be an associate of Crown Sydney. As to my second letter, I have not yet received a response. I await it with interest.

One important point made by the Crown companies in their letter to me is in effect, whatever may have occurred in the past, Crown Melbourne is a suitable person to continue to hold its licence and Crown Resorts is a suitable person to be its associate. The principal reasons for the position taken by the Crown companies is because of the "Substantial Reform Program" that they have undertaken during and since the Bergin Inquiry. This Substantial Reform Program appears to be a major overhaul of the risk management and governance policies of the two Crown companies. Obviously this program will be a significant area of investigation.

The outcome of this inquiry may well depend on the effectiveness of that program. This is not to suggest, however, that other areas will not be looked at carefully. They will. Those areas will include the following, some of which were not covered by the Bergin Inquiry.

First, whether money laundering is still taking place at Melbourne Casino; second, whether Crown Melbourne is in breach of other legislation or regulations which govern the conduct of its casino operations; third, whether Crown Melbourne is in breach of any contractual obligations under the various agreements with the State; and fourth, most importantly, the manner in which it deals with gambling addiction.

What are the next steps? Notices to produce have been served on a number of persons. Responses are required within the next week or so. As the time in which I must report is short it is incumbent upon those recipients of those notices to act with expedition.

As the investigation has progressed, it has become apparent that further documents

will be required. Notices for their production will be served shortly.

An issue has arisen in respect of one notice for the production of documents, namely my request for legal advice that has been given to Crown Resorts and Crown Melbourne in relation to matters directly relevant to this inquiry. The issue that has been raised is whether the provision of some of that advice might prejudice Crown companies in existing legal proceedings or other regulatory inquiries.

I should point out that problems of this kind, no doubt, can be satisfactorily dealt with by confidentiality orders. Any person seeking particular protection for its documents should, in the first instance, raise that matter with the Commission's solicitors. It has also been suggested that sorting out through all the documents to determine what must be produced is labour intensive and time consuming.

The time within which I must deliver my report to the Government is short. I do not propose to allow any delays that inadvertently or by design might frustrate my duty. To put the matter clearly, as I am able, delays will not be tolerated.

I should also mention that the Commission proposes to gather information by conducting interviews with persons the Commission believes are able to provide it with the relevant information. It is a matter for another day whether and to what extent the information gathered during the course of this part of the investigation will be made public.

I also note that those persons who the Commission will ask to give evidence, most likely at public hearings, will be advised of that fact, will be asked to prepare a written statement and will be guided as to the subject matter with which their written statements should deal. I expect that the statements be prepared by the witnesses themselves, not by their lawyers.

The Commission has a website. There is notice on the website inviting interested members of the public to make submissions on the issues raised by the Terms of Reference. As well, the Commission will write to certain interested groups requesting submissions under discrete areas of interest. Thank you, Mr Finanzio.

MR FINANZIO: If it please the Commission, I appear with Ms Neskovicin, Ms O'Sullivan and Mr Kozminsky.

Pursuant to s 9(3) of the *Inquiries Act* and by letter dated 5 March 2021, the Premier of Victoria approved our appointment as Counsel Assisting this Commission. Corrs Chambers Westgarth have been appointed as the Solicitors Assisting the Commission. Together we are charged with the responsibility of assisting you in addressing the range of matters on which you are asked to report.

At the outset it's worth observing, as you just did, that the Letters Patent envisage a report by 1 August 2021. You have made clear that it is your intention to meet that deadline and work has begun in earnest with that objective in mind.

Historically, whether there was to be a casino at all in the State of Victoria was the subject of much public debate. In 1983, a Board of Inquiry chaired by the Honourable Xavier Connor QC concluded there should be no casino in Melbourne

because the negative effects of a casino would outweigh the benefits that might be produced. Among the negative effects identified by the Connor Report was a concern that the prospect of criminal activity infiltrating the workings of the casino would be too hard to control and that the potential harm to the community from the effects of gambling and in particular, gambling addiction to which you have referred would, among other things, outweigh whatever benefit might be said to flow from the positive aspects of allowing a casino to be established.

As history records, ultimately the State of Victoria permitted the establishment of a single casino but it didn't do so lightly. In establishing the legislative framework regulating the single casino, both sides of the political divide were concerned to ensure that any licensee would be the subject of the highest standards of performance and the highest levels of scrutiny.

The right to conduct a casino in this State confers upon the licensee, whoever that might be, a unique and significant economic privilege, namely to make money from an activity which has the well-recognised potential to cause harm - and in some cases very significant harm - to the members of the community in which it is located.

The legislative framework makes clear that this privilege does not come obligation-free. By combination of legislation, agreements and regulations, the price of this privilege is set, namely that the casino licensee in effect covenants with the State to deliver a casino which is not only compliant with the letter of the law but is also conducted by individuals and corporate entities who are suitable for the role and conducted in a manner which minimises, to the extent possible, the negative effects of a casino's existence, fulfilling the social responsibility of the licensee. It is the assumption of that responsibility which is a necessary precondition to the conferring of the privilege to conduct a casino in Melbourne.

A casino in this State can only be operated by a licensee who satisfies strict suitability criteria, can only be operated (transmission interruption) also satisfy those criteria and can only continue to be operated by that licensee while those suitability criteria continue to be met and while it remains in the public interest for the licensee to continue as such, or in other words and in the words of the statute, "while the licensee is able to maintain public confidence and trust in the credibility, integrity and stability of the casino operations".

The nature and breadth of the obligations imposed upon the casino operator under Victorian law are together intended to give effect to the important social responsibilities imposed upon and borne by a casino licensee.

The Bergin Inquiry, as you have identified, highlighted behaviour and practices in Melbourne and in relation to the operation of the Melbourne Casino, not consistent with operations that would inspire public confidence. In fact, the opposite is true.

The express objective of this Commission's Terms of Reference is for it to report on whether Crown Melbourne is a suitable licensee, having regard to all aspects of its operation, including its associates, and guided by the legislative framework which describes the criteria for suitability, defines the public interest to be served and prescribes the conditions which regulate the operation of the casino.

Reflected in the Terms of Reference and in the legislation, there is an expectation on the part of the Victorian community that the casino licensee is operating at all times consistently with both the letter and spirit of that regulatory framework. Counsel Assisting assume the task of testing whether that is so.

You have noted in your opening remarks Crown's response to the Commission's first letter, to the effect that the Crown companies accept that it was open for Commissioner Bergin to conclude that Crown Resorts was not a suitable person to be an associate of Crown Sydney. Crown is right to make that concession. Counsel Assisting acknowledge Crown's position, that notwithstanding the findings, Crown has started to implement a significant program of reform to address the findings of the Bergin Inquiry, such that it should now be regarded as suitable.

You have set out in your opening statement the principal conclusions of the Bergin Report and the overlap of the inquiry undertaken by Commissioner Bergin in New South Wales and in this Commission. It may serve to add some further context as to the nature and extent of that overlap, more particularly where that overlap ends, defining the areas of investigation which arise on your Terms of Reference and which were not addressed in New South Wales.

Crown was awarded a licence to establish a second Sydney casino in Barangaroo to operate in accordance with restrictions that limit the type of customers it could attract. The building proposed to house the casino at Barangaroo had not been completed when the Bergin Inquiry was established in August 2019 so Crown had not commenced operations at any casino, in its own right, in Sydney.

The activities of Crown Sydney were not in issue. The Bergin Inquiry was concerned with the activities of Crown Resorts as the parent company of Crown Sydney. Having regard to the corporate structure of the Crown group those activities, to a very large extent, concerned the operations of the Melbourne Casino. The Bergin Inquiry began in response to reports which emerged in the media from late July 2019.

Those reports detailed serious allegations as to the conduct of Crown Resorts and also implicated Crown Melbourne. Those media reports were limited to discrete examples of conduct, in summary concerning the way in which Crown subsidiaries were used to launder money by patrons of Crown Casinos in Melbourne and Perth, the arrest of Crown staff in China in connection with organising Chinese gamblers to travel to Australia to gamble at Crown Casinos, contrary to the Chinese law, and the operation of Crown's junket program and in particular, alleged links between junket operators, drug traffickers, money launderers, human traffickers and organised crime groups. As well as the media reports, the Melco transaction to which you have referred was also the subject of the Bergin Inquiry.

In her inquiry, Commissioner Bergin was necessarily led to examine the activities and conduct of Crown Resorts and Crown Melbourne. The Bergin Inquiry did not undertake a detailed review of all the matters which affect whether Crown Melbourne is a suitable person to hold the casino licence.

There are two important aspects of this Commission's Terms of Reference which need to be drawn out. First, this Commission has the responsibility of examining

directly the suitability of Crown Melbourne and its associate, Crown Resorts, unconstrained by reference to specific allegations arising in the media.

Second, while there is a degree of overlap between the matters explored by Commissioner Bergin and those matters set out in your Terms of Reference, there remain many important matters relevant to suitability that were not addressed by the Bergin Inquiry which are open for you to explore.

In your opening, Commissioner, you flagged some areas of inquiry that were not covered by the Bergin Inquiry. It's self-evident for the Terms of Reference for this Commission that you have been asked to undertake a thorough and rigorous inquiry as to the suitability of the Melbourne licensee. This process will necessarily involve the subject matter of the Bergin Inquiry, whether or not the findings are unreservedly accepted by Crown. It will also necessarily require careful examination and consideration of the reform measures which Crown says have been or are being put in place to address the findings of the Bergin Inquiry, as you have said.

Given the seriousness of the matters raised and the findings of the Bergin Inquiry, it will be necessary to test the veracity, effectiveness and adequacy of the measures which Crown says have been taken to address the principal conclusions of Commissioner Bergin but that is only part of the inquiry.

The importance of this task cannot be understated. Neither can the task of examining the suitability of the licensee and its associates more broadly, having regard to the legislative and contractual framework that governs Crown Melbourne's operations here in Victoria.

One further matter warrants attention. Accepting for present purposes that Crown is able to establish to your satisfaction that it is a suitable person to hold the casino licence because it has put in place a comprehensive package of reforms of the kind described, there remains a further and central concern. Crown Resorts is an ASX listed company worth billions of dollars. It is a large organisation with a considerable interest in maintaining the highest standards of governance. Indeed, in many respects its continued existence depends on doing so.

If in that light and after hearing all of the evidence you are able to conclude that Crown has put in place a program of improvements designed to address past failings, the following important questions will remain. How did Crown find itself in this position? What caused the Crown Group to stray so far from its aspirations and the expectations of the community? What lessons can be drawn from Crown's experience?

The answer to these questions will no doubt inform your consideration of the matters raised in the Terms of Reference and in particular, your consideration of reforms which might be appropriate.

I now propose to move to matters of a more administrative nature. Counsel Assisting anticipate that their work will be informed by different streams of information. As you have outlined, over recent weeks and days, Solicitors Assisting have served upon Crown and other persons notices to produce in relation to a wide variety of documents relevant to the Commission's Terms of Reference. Some of those

documents have in fact already arrived. We anticipate tranches of those documents will be available for inspection over the coming days.

Because of the nature of the matters likely to be explored in the hearings, the Commission will engage the assistance of subject matter experts in relation to matters directly relevant to the issues arising under the Commission's Terms of Reference. Further, public notice of this inquiry has been published in nationally circulating news media, inviting members of the public to come forward with information or make submissions relevant to the matters that the Commission is considering.

Insofar as the Commission's Terms of Reference invite your consideration of changes to relevant Victorian legislation, they also invite the Commission to in substance cooperate with a regulatory review of the casino regulatory framework established by the Minister for Consumer Affairs, Gaming and Liquor which is running concurrently with this inquiry. Counsel Assisting are assimilating all of those streams of information with a view to determining the most effective and efficient way to address the matters that you must consider.

It is important to observe that this Commission is not adversarial litigation. Rather, it is an inquiry with wide powers to investigate, to compel the production of documents and the attendance of witnesses and with broad powers to undertake those investigations.

The *Inquiries Act* permitted the gathering of information in a variety of ways. Sometimes that will be by public examination of witnesses who are invited to prepare statements, as you have said, but in other cases there will be closed hearings, interviews and simply document production. It is the intention of Counsel Assisting to conduct as much of that work in public as possible but with the qualification that the overarching objective of the Commission is to efficiently, effectively and fairly get to the truth of the matters upon which you are asked to report.

In due course, a hearing schedule will be published which will set out how the public hearings of the Commission will progress. When public hearings are conducted, as is evident today, consideration will be given to planning for a COVID-safe hearing room setting. This may take a number of different forms. For some witnesses the Commission may conduct hearings online. In cases where it is thought desirable for the evidence to be given in person, limitations on the number of persons able to be present in the room will guide which persons are admitted to entry to the main hearing room and what the seating arrangements will be.

In all cases and subject to ongoing compliance with COVID-safe members, members of the general public including observers and members of the media will not be present in the main hearing room. The media will be located in a separate hearing room with video connection streaming the hearing into that room. Members of the public will be able to watch the proceedings on a streaming service access I believe on the Commission's website and transcript of each day of the public hearings will also be available online.

Counsel Assisting will undertake their task with the help of Solicitors Assisting and with the infrastructure and support provided by the Commission staff, headed by its

CEO, Elizabeth Langdon. The Commission's home will be the offices and hearing rooms of Fair Work Australia, where we appear today. It's appropriate to acknowledge the generosity of Fair Work Australia who, on short notice, have made available its facilities for the conduct of these hearings.

Further information about the Commission can be obtained from the website, including various practice directions and guidance as to how to interact with the processes of the Commission.

I will conclude by saying to the Commissioner that Counsel Assisting are mindful of the importance of our task in assisting the Commission in conducting this inquiry and in ultimately coming to conclusions on matters of significance to the State and we are ready to assist the Commission in that endeavour. If it please the Commission.

COMMISSIONER: Thank you, Mr Finanzio. I propose to adjourn. As Mr Finanzio has said, notice will be published about when we will have public hearings. It probably won't be for a couple of weeks' time but ample notice will be given. Thank you.

HEARING ADJOURNED AT 10.46 AM UNTIL A DATE TO BE FIXED