

## Royal Commission into the Casino Operator and Licence

### STATEMENT OF BRUCE CARTER

**Name:** Bruce Carter  
**Address:** [REDACTED]  
**Occupation:** Company Director  
**Date:** 12 June 2021

1. I make this statement in response to the letter of 8 June 2021 from Corrs Chambers Westgarth on behalf of the Royal Commission into the Casino Operator and licence (***Request for Statement***).
2. On 12 April 2021 Crown Resorts Limited (***Crown***) announced that I had been invited to join their board subject to the clearances of the various jurisdictions that I am a Fit and Proper Person to occupy such position. The documentation to support that assessment has been lodged in each jurisdiction. As yet the clearance has not been received.

### **Background**

#### **1. Briefly outline your background and any tertiary or professional qualifications.**

3. From 1979 to 1988 I was employed by Ernst & Young (or its predecessor firms) in Adelaide, South Australia. During that time I spent approximately 3 years on secondment to their offices in London, Toronto, New York and Hong Kong.
4. My professional work was in restructuring, insolvency and turnaround, predominantly of corporations.
5. In March 1988 I became a Partner at Ernst & Young and remained there until October 1992.
6. In 1992 I established the South Australian office of Ferrier Hodgson where I practiced as the Managing Partner until June 2012.
7. From July 2012 to June 2019 I remained as a Consultant to Ferrier Hodgson until that firm was sold to KPMG.
8. Since July 2012 my primary occupation has been as a non-executive company director.

9. I hold a Bachelor of Economics from the University of Adelaide and a Masters of Business Administration from the Heriot Watt University, Edinburgh Business School Scotland.
10. I am a Fellow of the Institute of Chartered Accountants, a Fellow of the Institute of Company Directors and a Life Member of the Australian Restructuring Insolvency & Turnaround Association (**ARITA**).
11. During my time as a Partner of Ernst & Young and then Ferrier Hodgson I was an Official Liquidator in the Supreme and Federal Courts and a Trustee in Bankruptcy.

### ***Experience***

#### **2. Outline your work and employment history, with particular attention to any experience in the gaming and casino sectors, or any related business sector.**

12. During my professional career I was involved with numerous corporate restructurings, insolvencies and turnarounds of all scales. My work involved financial reengineering and restructuring, sale of assets, detailed investigations and complex litigation. Many of the matters involved operating businesses and overseeing , managing , directing and effecting operational and cultural change to effect successful turnaround.
13. In 2010 following a referral from the Treasurer of the State of South Australia I was appointed as a Director of Skycity Entertainment Group Limited, a company that operated, inter alia, casinos in Auckland, Hamilton, Christchurch, Queenstown in New Zealand and Adelaide and Darwin in Australia. I became Chair of the Audit Committee which later became the Audit & Risk Committee. I also became Deputy Chairman. Skycity is listed on the New Zealand Stock Exchange and is one of the country's largest companies. It is co-listed on the Australian Stock Exchange. I resigned from the Skycity board in March 2021.
14. In 2003 I was appointed by the State Government as Chair of Workcover Corporation Limited to oversee a corporate restructuring and turnaround which finished in 2008 following my appointment to a more senior position for the South Australian Government. In 2006 I was appointed to the Territory Insurance Office by the Northern Territory Government to oversee a corporate restructuring and turnaround. I subsequently became Chair and finished in 2015 following a successful sale to Allianz Australia Insurance Ltd. In 2019 I was appointed a Director of AIG Australia Limited, the Australian subsidiary of the US Global Insurer where I Chair the Audit and Risk Committees.

15. In 2014 I was appointed as a Director of the Bank of Queensland Limited (BoQ) and subsequently as Chair of the Risk Committee.
16. My involvement with the financial institutions detailed in 14 and 15 together with the gaming experience in 13 provides experience in dealing with gaming, financial and non financial risk, financial crimes, including anti money laundering and counter -terrorist financing (AML) at BoQ , and all other matters relating to financial services and gaming.
17. My other directorships and roles are detailed on my CV and provide wide and varied experience in public companies in Australia, New Zealand and the United States and experience in dealing with government business enterprises and government reviews.

**3. Please annex a current CV to your statement.**

18. My CV is attached.

***Relationship with James Packer, Kerry packer and/or CPH***

**4. Outline:**

- a. any prior or current association or relationship with Mr James Packer and/or CPH;
- b. any communications with James Packer or CPH or any officer of CPH prior to the time of your appointment to Crown;
- c. any prior association or relationship with Mr Kerry packer.

19. I have had no prior or current association with James Packer or Kerry Packer. I have not met or interacted with either man.
20. As far as I am aware I have never met any officer of CPH.
21. I have had no communications with James Packer or CPH.

***Committees***

**5. Which Crown board committees are you presently a member of?**

22. I am not a member of any committees as my appointment to the main board has not yet been confirmed through the Fit and Proper approval process.

***Skills***

**6. What skills do you bring to the Crown board or board committee of which you are a member?**

23. My experience in the gaming and financial services industry is detailed above including dealing

with AML obligations is detailed above

24. My experience in overseeing operational turnaround, cultural change, organisational reorganisation and repositioning of large companies is detailed in my CV .
25. My experience in dealing with Federal and State Governments both in working for them and with them provides an appreciation of dealing with public obligations and responsibilities.
26. My role as an insolvency practitioner and as a former President of ARITA has provided experience in dealing with regulators.
27. My role as the President and board member of the National Heart Foundation, my role in dealing with numerous schools both as an adviser and board member, my role as Chairman of the Premier's Climate Change Council and various other roles provides me a balanced experience in interacting with the community at large and appreciating and understanding community expectations .

<b>7. How are those skills relevant to Crown's present circumstances?</b>
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28. As detailed above, these skills plus my general experience in bringing change to corporations across a long career are relevant to Crown's present circumstances.
29. My professional career as an insolvency practitioner and subsequent varied non executive director career provides to me independence of thought and position and a requirement to protect the integrity of my reputation as strongly independent.

***Request to join the Crown board***

<b>8. How did you come to be a member of the Crown board?</b>
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30. Korn Ferry were retained to recruit new board members following the resignation of numerous existing Crown board members. Korn Ferry contacted me as a referee for Nigel Morrison who was the Skycity Managing Director for the time that I was on that board until the first half of 2016. Since Nigel's departure I have not seen him but I held him in high regard and my reference reflected that position accordingly.
31. I understand that Nigel Morrison, following his appointment as a Director, recommended to Korn Ferry that I be considered as an additional director. Nigel was aware that my term at SkyCity was shortly to finish and we had discussions generally as to whether I may interested in the Crown board

**9. Were you approached? If so, by whom?**

32. I was then approached by Korn Ferry and had a general discussion as to whether I was interested in considering a position on the board. I also had an initial meeting with Helen Coonan and Toni Korsanos. Following these initial discussions I resigned as a Director of Skycity where my term was shortly to finish to enable proper discussions with Korn Ferry and Crown to occur.

**10. Describe the circumstances of any approach, and any selection process involved in your selection and/or approval by the Crown board.**

33. The selection process was conducted by Korn Ferry in the normal manner, including referee checking.

***Consideration to joining the Crown board***

**11. What due diligence did you undertake before agreeing to accept a position on the Crown board?**

34. I had a good general knowledge of the Crown business given my involvement in the industry. I had considered the findings of the Bergin Inquiry and I reviewed publicly available information, including financial statements. I had discussions with the existing directors and Korn Ferry as detailed above.

**12. Did you meet with existing directors of the Crown board?**

35. As detailed above, I met with the Chair and Acting CEO, Helen Coonan and Toni Korsanos once in Sydney. I had general discussions with Nigel Morrison. I had a short discussion with Jane Halton. Jane was known to me as the previous Secretary of Finance for the Federal Government. In my role as Chair of ASC Pty Ltd (Australian Submarine Corporation) I reported through Finance to the Minister to Finance and thus had previously dealt with Jane.

36. I spoke to no other existing or prior Crown board members.

**13. Did you interview any of the management of Crown?**

37. Other than Helen Coonan, in her capacity as Acting CEO, I spoke to no other members of management. In all other board appointments it would be unusual for me to speak to members of management, other than the CEO.

**14. Describe briefly your reasons for joining the Crown board.**

38. Through my involvement in the industry I had a good general knowledge of the Crown business, its assets and its prospects. It is a large Australian company that has a significant position in the community. My career has been dominated by roles involving corporate restructurings as detailed herein , both in insolvency and outside of insolvency , and it is a field of work that I enjoy and have had success at. Crown has many challenges in front of it and requires a total change to its corporate culture, philosophy and operation. That is a role that I am familiar with and believe are credentialled to fill.

### ***Known Crown failings***

**15. Describe what, if any, briefing you received from Crown in relation to Crown's failings as described in the Bergin Inquiry, or otherwise.**

39. My interactions with Crown are detailed above. In my meeting with Helen and Toni they emphasised their commitment and that of the new management to addressing all of the issues that were raised in the Bergin Inquiry and any issues that were raised in subsequent Royal Commissions or regulatory findings. The commitment to that change was dominant over operational concerns of profit performance and something to which they were dedicated.

**16. Prior to joining Crown, what enquires did you make and/or what advice did you seek, and of whom, regarding Crown's failings?**

40. My enquiries are as detailed in paragraph 34 above.

**17. How do you propose that those failings be addressed?**

41. The failings are company wide ,material and systemic. The reconstituted board will need to be fiercely independent and committed to bringing material cultural, organisational and operational change. New executives with a commitment to this change will be required and personnel who are unable to adapt will need to exit the business. The change will need to be driven from the top down and be uncompromising. It will need to be fair and transparent. Such change is possible and I have overseen , managed and directed corporations to achieve such positions.

### ***Future***

**18. Describe the challenges facing Crown.**

42. The major challenge facing Crown, in my view, is a massive change in culture that recognises

the roles and responsibilities it has in the community as a large corporation. It must recognise the privilege it has, at the regulators and governments discretion and approval, of holding gaming and other licences and must get to a position where it justifies that it is a holder of such responsibility. Controls, systems ,attitudes and commitment to improving policies for financial crime, responsible gaming, responsible service and responsible employment need to be taken to much higher levels and imbedded in the business and realistically will always be required to be continually improving.

**19. How do you propose that Crown respond to those challenges?**

43. I have detailed my position in lines 41 and 42 above. It will require massive change and elimination of any blockages to such change.

***Unpaid gaming tax***

**20. Outline what you know about any potential underpayment by Crown of gaming taxes.**

44. I did not know of the potential underpayment.

**21. When did you first learn of the possibility that Crown may have underpaid gaming taxes?**

45. I became aware of the potential underpayment on 7 June 2021 when I read the article by Lachlan Grey from The Australian online.

**22. Describe what you learnt at the time.**

46. At the time I learnt that Crown had potentially failed to pay up to \$200 million in State gaming taxes . I subsequently read the transcript of the evidence given by Mark Mackay.

***Past and current staff***

**23. Are you aware of any current investigations, including internal investigations or investigations by an investigative authority, into past or current Crown employee?**

47. No.

**24. If yes, please give details.**

48. Not applicable.

**25. Have you received advice concerning any current investigation into past or current Crown employee?**

49. No.

**26. If yes, please give details.**

50. Not applicable

***Good repute – character, honesty and integrity***

**27. Please disclose any matter relevant to a consideration of your good reputation, having regard to your character, honesty and integrity.**

51. I have detailed in this statement and in the attached CV my roles and responsibilities during my career which commenced following graduation from university in 1979. I have filled many roles requiring of them high level fiduciary obligations, including being an officer of the Courts. I have high level clearances from APRA for my roles with AIG and Bank of Queensland. I have one of the highest security civilian clearances for Defence in my role as Chair of ASC. This clearance at the Negative Vetting Level 1 was renewed on 10 March 2021. In my practicing years I had high level clearance from ASIC in providing expert and independent witness work. I have filled numerous roles with various governments both Federal and State. I have had significant charity and community experience which broadens my outlook. I have always had significant interests outside of my professional life including being a life member of the South Australian Amateur Football League as a player and central umpire. I have many outside interests in the arts and outdoor activities. The broad life and professional experiences and responsibilities that I have been fortunate enough to have in my view provides a rounded life experience for roles such as being a director of Crown.

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

Date: June 2021



26. If yes, please give details.

50. Not applicable

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Signed:

Date: 12 June 2021

BRUCE JAMES CARTER.