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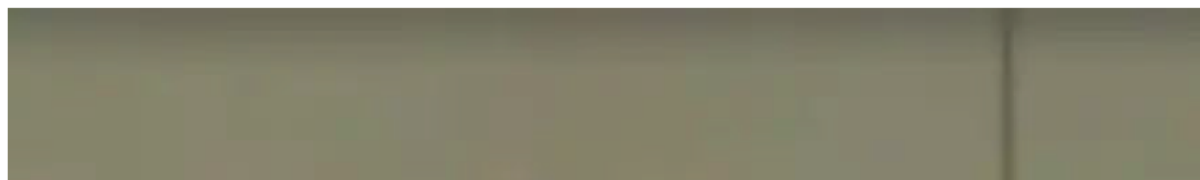
Elouise Fowler *Reporter*

Jun 21, 2021 - 7.00pm



Crown Resorts executive chairman Helen Coonan knew the casino giant might owe millions of dollars in tax to the Victorian government, the royal commission into Crown Melbourne heard on Monday.

In a statement responding to the revelation, Ms Coonan confirmed she had heard about the tax bill for the first time on February 23 this year – two days after the royal commission was called – and this had prompted her to direct Crown Melbourne chief executive Xavier Walsh to “give it to the lawyers for advice and disclosure to the commission”.



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Crown's executive general manager of gaming machines, Mark Mackay.

This month it was revealed Crown failed to disclose it potentially had underpaid the state government by claiming the perks it doled out to punters from its poker machine loyalty program as losses to reduce its tax bill.

This happened despite the commission specifically requesting the casino giant point to any possible violations of Victoria's Casino Management Agreement Act, which includes Crown's tax obligations to the state.

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Counsel assisting the commission Geoffrey Kozminsky said at the time that there was no excuse for the failure.

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Crown executive chairman, Helen Coonan. **Jessica Hromas**

Crown's executive general manager of gaming machines, Mark Mackay, was recalled on Monday to give further evidence about his involvement in examining the size of the potential tax liability, which the inquiry heard could be \$270 million – about \$100 million more than previously thought.

The inquiry was told Mr Walsh said to Mr Mackay in a meeting on February 24 this year that Ms Coonan was “reviewing” the “latent issue” of possible tax underpayments, two days after the royal commission into Crown's suitability to run its flagship Melbourne casino was announced.

“When Mr Walsh said there was a ‘latent’ issue, he meant ‘taxation’, which at that point had been concealed?” Mr Kozminsky asked.

“Yes,” Mr Mackay replied, but later clarified that the word “concealed” was not used.

“What aspects of the tax issue did Mr Walsh say Ms Coonan was reviewing?” Mr **Kozminsky** asked

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KOZMINSKY ASKED.

“If I recall correctly ... I believe he had already spoken to Helen about the bonus jackpots and the concerns of them being deductions from gross gaming revenue. I can't recall much more than those comments,” Mr Mackay answered.

Ms Coonan said in a statement: “On 23 February, 2021, Xavier Walsh raised with me a legacy issue of a potential problem with state casino tax.

“This was the first I had heard of it.

“I directed him to get the information together and give it to the lawyers for advice and disclosure to the commission.”

Earlier evidence

Mr Kozminsky questioned Mr Mackay's failure to recall Ms Coonan's involvement during his first round of evidence in which the potential tax rort was revealed.

“It's just extraordinary that if you're being told about this tax issue, days after the commission's been announced, knowing about the concealment, knowing about the concern, and knowing that the chairperson's involved – it's the sort of thing in the ordinary course that someone would remember. Don't you agree with me?” Mr Kozminsky said

“My evidence is I can't recall it, so I can't recall it,” Mr Mackay said.

However, he agreed with Mr Kozminsky's characterisation that Ms Coonan “was reviewing it [the tax issue] so she knew about it [legal risks associated with the different deductions]“.

The James Packer-backed group prepared the spreadsheet calculating “potential

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underpayments in gambling tax” on February 26 – four days after the [royal commission](#) was announced – but failed to disclose it to the inquiry.

Commission extended

Crown [faces an extra 11 weeks of heat](#) from the royal commission after the first phase of public hearings exposed troubling evidence that cast further doubt over the group’s suitability to run its Southbank casino.

Victoria’s freedom of information chief, Sven Bluemmel, wrote in a submission to the inquiry that the state’s secrecy and confidentiality provisions that governed Crown and the regulator must be scrapped to improve accountability and transparency.

“As a result of these broadly defined terms, the secrecy provision prevents regulated persons from releasing to the public any and all information relating to the affairs of any and all persons involved in the gambling industry that fall within the ambit of government regulation,” he wrote.



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“This includes all information relating to business entities, such as Crown Melbourne, irrespective of whether the information is innocuous, relates to the regulation of the business entity, or is in the public interest to disclose.”

Public hearings will end on July 9, with counsel assisting giving closing submissions almost two weeks later on July 19. Crown and all other parties will

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give closing submissions on August 2. The final report is due on October 15.

Crown director Nigel Morrison will appear before the commission on Tuesday. The executive director of security and surveillance, Craig Walsh, is due to appear later in the week.

Elouise Fowler is a journalist for The Australian Financial Review based in the Sydney office. Connect with Elouise on [Twitter](#). Email Elouise at elouise.fowler@afrr.com.au



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