
TRANSCRIPT OF PROCEEDINGS

COMMISSIONER: HON. RAY FINKELSTEIN AO QC

**IN THE MATTER OF A ROYAL COMMISSION
INTO THE CASINO OPERATOR AND LICENCE**

MELBOURNE, VICTORIA

10.02 AM, TUESDAY, 8 JUNE 2021

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10:03 1 COMMISSIONER: Okay.
10:03 2
10:03 3 MR BORSKY: Good morning, Commissioner.
10:03 4
10:03 5 COMMISSIONER: Hi, Mr Borsky. I just want to make sure that
10:03 6 everybody can hear.
10:03 7
10:03 8 Mr Kozminsky, can you hear me?
10:03 9
10:03 10 MR KOZMINSKY: I can, Commissioner.
10:03 11
10:03 12 COMMISSIONER: Thank you.
10:03 13
10:03 14 Mr Lawrence, I can hear you, can you see me?
10:03 15
10:03 16 WITNESS: Yes, I can hear you, Commissioner.
10:04 17
10:04 18 COMMISSIONER: Good. Thank you very much.
10:04 19
10:04 20 MR BORSKY: Commissioner, may I begin this morning with
10:04 21 an apology to the Commission in open hearing. The tax issue
10:04 22 that was raised by Counsel Assisting yesterday had not been
10:04 23 disclosed in Crown's response to RFI2, and ---
10:04 24
10:04 25 COMMISSIONER: Can I interrupt. Before you proceed, we
10:04 26 might have this conversation later, not now. The file note that
10:04 27 was sent, which has been briefly glanced at, is in the process of
10:04 28 being sent back or destroyed on the basis that the covering letter
10:04 29 said that the file note is produced under a Notice to Produce,
10:04 30 which ignored a ruling that I made in March saying that you don't
10:04 31 have to produce anything at all that has to do with this
10:04 32 Commission. So you do not get statutory protection, and I was
10:05 33 concerned that you might suffer an argument of common law
10:05 34 waiver, which you will do. So rather than take advantage of
10:05 35 a mistake made by Allens I've asked the Solicitors Assisting the
10:05 36 Commission to write to Allens as sending back the file note or
10:05 37 destroying it. I don't know if you send these things back anymore
10:05 38 electronically, those days seem to have long gone.
10:05 39
10:05 40 There is an open question whether the letter itself constitutes
10:05 41 a common law waiver. Because the letter itself doesn't purport to
10:05 42 be written or provided under a Notice to Produce, claiming
10:05 43 privilege, but likely waive privilege, then I am going to let you
10:05 44 reflect on whether you want --- whether when you look at the
10:05 45 contents of the letter whether you are happy for it to remain with
10:06 46 me, in which case we'll have an argument about how wide the
10:06 47 waiver goes and you will understand I assume that common law

10:06 1 waiver is much broader than waiver under the Evidence Act ---
10:06 2 we're not governed by the Evidence Act, we are governed by the
10:06 3 common law --- so that waives the topic, and the topic from
10:06 4 beginning to end.
10:06 5
10:06 6 So, before I take --- well, the file note has to go back because it
10:06 7 was sent under mistake. The letter itself you will have to
10:06 8 consider yourself what you want to do about it. To be perfectly
10:06 9 frank, it's up to you to decide how to proceed but I don't want you
10:06 10 or your instructing solicitors to proceed under any
10:06 11 misapprehension about what processes should or shouldn't be
10:06 12 employed here. So I think you might want to save your
10:06 13 comments until maybe 2 o'clock or something like that.
10:07 14
10:07 15 MR BORSKY: Yes, I will, and there may need to be
10:07 16 a submission made in closed hearing in view of what's occurred.
10:07 17
10:07 18 COMMISSIONER: You should assume I will resist closed
10:07 19 hearings as much as possible. I will have a closed hearing on this
10:07 20 if I'm required to, otherwise I will not.
10:07 21
10:07 22 MR BORSKY: Very well. We'll have something to say about
10:07 23 the proposition that there has been a waiver on the whole of the
10:07 24 issue in due course.
10:07 25
10:07 26 COMMISSIONER: If you like, you can take back the letter, or
10:07 27 I will treat it as not read. I'm not sure that I'm legally entitled to
10:07 28 send it back under the Inquiries Act and recordkeeping that is
10:08 29 required for these sort of proceedings but I can work out a basis
10:08 30 to sterilise the letter.
10:08 31
10:08 32 MR BORSKY: Yes.
10:08 33
10:08 34 COMMISSIONER: Precisely how that works, I haven't got any
10:08 35 idea. I've never come across this problem before. But it is a
10:08 36 not-insignificant problem from your perspective, not from mine.
10:08 37
10:08 38 MR BORSKY: Just to be clear, when you say "the issue", or "the
10:08 39 whole issue", we accept ---
10:08 40
10:08 41 COMMISSIONER: Tax?
10:08 42
10:08 43 MR BORSKY: Sorry?
10:08 44
10:08 45 COMMISSIONER: The issue is unpaid tax. That's the topic.
10:08 46 The common law says you waive on the topic. We'll have
10:08 47 an argument made ---

10:08 1
10:08 2 MR BORSKY: There may need to be submissions made about
10:08 3 that. It might be possible to characterise the issue as the question
10:08 4 of disclosure to the Commission.
10:08 5
10:08 6 COMMISSIONER: You might want to say that, and we'll have
10:08 7 an argument about that.
10:08 8
10:08 9 MR BORSKY: (Nods head).
10:08 10
10:09 11 COMMISSIONER: I want to make sure that you and your team
10:09 12 and your solicitors are not acting under a misapprehension.
10:09 13
10:09 14 MR BORSKY: Thank you.
10:09 15
10:09 16 COMMISSIONER: Okay, are we ready to go with the witness,
10:09 17 Mr Kozminsky?
10:09 18
10:09 19 MR KOZMINSKY: Yes, Mr Commissioner. I call Peter
10:09 20 Lawrence.
10:09 21
10:09 22
10:09 23 **MR PETER DEREK LAWRENCE, AFFIRMED**
10:09 24
10:09 25
10:09 26 COMMISSIONER: Mr Kozminsky.
10:10 27
10:10 28
10:10 29 **EXAMINATION-IN-CHIEF BY MR KOZMINSKY**
10:10 30
10:10 31
10:10 32 MR KOZMINSKY: Thank you, Commissioner.
10:10 33
10:10 34 Mr Lawrence, can you please tell the Commissioner your full
10:10 35 name?
10:10 36
10:10 37 A. Peter Derek Lawrence.
10:10 38
10:10 39 Q. Thank you. I will be asking you some questions today. If
10:10 40 you can't hear me, especially because of technical issues, please
10:10 41 let me know. If you don't understand something I'm asking, let
10:10 42 me know and I will clarify for you.
10:10 43
10:10 44 A. Thank you.
10:10 45
10:10 46 COMMISSIONER: I should mention, Mr Lawrence, because of
10:10 47 the set up we've got at Mr Kozminsky's end there has been

10:10 1 difficulties with his microphone or whatever is there. You might
10:10 2 not call it a microphone anymore, I guess, but it's not just the
10:10 3 witness, but we've all had difficulty picking up his voice all of the
10:10 4 time. So if there is an issue about that, please raise it. I should
10:10 5 say the way it works is if you find it difficult to hear, it means that
10:10 6 I'm suffering from exactly the same problem. We've tried to
10:11 7 repair it as much as we could overnight. We'll just see how we
10:11 8 go in this imperfect world.

10:11 9
10:11 10 A. Thank you, Commissioner.

10:11 11
10:11 12 MR KOZMINSKY: Mr Lawrence, you've prepared a statement
10:11 13 for the Commission?

10:11 14
10:11 15 A. Yes, I did.

10:11 16
10:11 17 Q. You were careful when you prepared it?

10:11 18
10:11 19 A. Yes, I was.

10:11 20
10:11 21 Q. To the best of your knowledge, its contents are true and
10:11 22 correct?

10:11 23
10:11 24 A. Yes, they are.

10:11 25
10:11 26 Q. Are you aware that on 3 June the Commissioner ordered
10:11 27 that the publication of the individuals' names referred to in
10:11 28 paragraphs 34 to 36 of your statement be prohibited except to
10:11 29 a select group of people?

10:11 30
10:11 31 A. Yes, I am.

10:11 32
10:11 33 Q. Can you please keep that in mind today when giving your
10:11 34 evidence because it is public.

10:11 35
10:11 36 A. Yes.

10:11 37
10:11 38 MR KOZMINSKY: In light of that, what I propose to do,
10:11 39 Mr Commissioner, is this: I will tender Mr Lawrence's statement
10:12 40 in unredacted form as a confidential exhibit and I will tender in
10:12 41 redacted form, along with the exhibits, the statements. So two
10:12 42 separate tenders, if I may.

10:12 43
10:12 44 COMMISSIONER: All right. The statement of Peter Derek
10:12 45 Lawrence dated 22 May 2021 will be Exhibit 171 in unredacted
10:12 46 form. In redacted form it will be Exhibit 172.
10:12 47

1

2 **EXHIBIT #RC0171 - UNREDACTED STATEMENT OF MR**
3 **PETER DEREK LAWRENCE DATED 22 MAY 2021**
4 **(CONFIDENTIAL)**

5

6

7

8 **EXHIBIT #RC0172 - REDACTED STATEMENT OF MR**
9 **PETER DEREK LAWRENCE DATED 22 MAY 2021**
10 **INCLUDING EXHIBITS**

11

12

10:12 12 COMMISSIONER: Can I ask, do we have the unredacted
10:12 13 version --- is the unredacted version the one that will appear on
10:12 14 the screen?

10:12 15

10:12 16 MR KOZMINSKY: Yes, and we are not in any event going to
10:12 17 that paragraphs, so that won't be an issue.

10:12 18

10:12 19 COMMISSIONER: Thank you.

10:12 20

10:12 21 MR KOZMINSKY: Can I just confirm that the open tender
10:12 22 included the exhibits to Mr Lawrence's statement?

10:12 23

10:12 24 COMMISSIONER: Yes, I will include that in the tender.

10:13 25

10:13 26 MR KOZMINSKY: Thank you.

10:13 27

10:13 28 Mr Lawrence, you run the Mahogany Room at Crown Casino?

10:13 29

10:13 30 A. I run the service aspect of the Mahogany Room.

10:13 31

10:13 32 Q. By "service aspect", you mean what precisely?

10:13 33

10:13 34 A. The membership of the room and the members that utilise
10:13 35 the room. I don't oversee the gaming operations of the room.

10:13 36

10:13 37 Q. I understand. And is any aspect of your pay linked to the
10:13 38 operations of the Mahogany Room, turnover, visitation, things of
10:13 39 that nature?

10:13 40

10:13 41 A. Sorry, could you repeat that again, please?

10:13 42

10:13 43 Q. Sure. Is any aspect of your pay linked to the operations of
10:13 44 the Mahogany Room, for example, turnover or visitation?

10:13 45

10:13 46 A. My pay is --- my pay is based on the revenue that is
10:14 47 generated by table games as a business as a whole.

- 10:14 1
10:14 2 Q. The whole?
10:14 3
10:14 4 A. Not specific to the Mahogany Room.
10:14 5
10:14 6 Q. I understand. But I'm right, aren't I, that about 2 per cent of
10:14 7 revenue from loyalty program members is generated by black and
10:14 8 platinum members?
10:14 9
10:14 10 A. Yes.
10:14 11
10:14 12 Q. And black and platinum members play in the Mahogany
10:14 13 Room?
10:14 14
10:14 15 A. In the Mahogany Room and in other areas of the casino,
10:14 16 yes.
10:14 17
10:14 18 Q. Generally the Mahogany Room because ---
10:14 19
10:14 20 A. Yes, a high proportion, yes.
10:14 21
10:14 22 Q. So the turnover at the Mahogany Room is a direct
10:14 23 correlation between the turnover at the Mahogany Room and
10:14 24 aspects of your pay?
10:14 25
10:14 26 A. Yes.
10:14 27
10:14 28 Q. Thank you. I need your assistance understanding the
10:14 29 reporting lines if I could. You've given evidence that the
10:14 30 Mahogany Room manager reports to you. Could you tell us the
10:14 31 role of the Mahogany Room manager, please?
10:15 32
10:15 33 A. The role of the Mahogany Room manager is to oversee the
10:15 34 service team. So the Mahogany executive hosts report through to
10:15 35 the Mahogany service managers who in turn report through to the
10:15 36 Mahogany Room manager.
10:15 37
10:15 38 Q. I understand. And then you sit on the top of that?
10:15 39
10:15 40 A. I do, yes.
10:15 41
10:15 42 Q. Great. And you also talked about two other positions that
10:15 43 report to you. SVP international business? What is that, Mr
10:15 44 Lawrence?
10:15 45
10:15 46 A. That is a position that has just recently become part of my
10:15 47 direct reports. It is a position that oversaw the service aspect of

10:15 1 international business, and as that business is no longer occurring
10:15 2 at Crown that role is now reporting to me.

10:15 3

10:16 4 Q. What does SVP stand for?

10:16 5

10:16 6 A. Senior vice-president.

10:16 7

10:16 8 Q. And then AVP international business. What does AVP
10:16 9 stand for?

10:16 10

10:16 11 A. Assistant vice-president.

10:16 12

10:16 13 Q. And the same sort of role?

10:16 14

10:16 15 A. Generally, yes.

10:16 16

10:16 17 Q. And the AVP reports to the SVP that then reports to you?

10:16 18

10:16 19 A. Yes.

10:16 20

10:16 21 Q. You report to the EGM of table games, is that right?

10:16 22

10:16 23 A. I do.

10:16 24

10:16 25 Q. Is that Tim Barnett?

10:16 26

10:16 27 A. It is.

10:16 28

10:16 29 Q. As I understand your evidence, one of your key
10:16 30 responsibilities is establishing and maintaining strong
10:16 31 relationships with the customers, with the head of services?

10:16 32

10:16 33 A. Correct.

10:16 34

10:16 35 Q. Would it be fair to say that part of your job is making sure
10:16 36 you know who the key clients, high rollers are, in the Mahogany
10:16 37 Room?

10:16 38

10:16 39 A. From a local perspective, yes.

10:16 40

10:16 41 Q. My apologies, I meant local and domestic players?

10:16 42

10:16 43 A. Some domestic players, yes.

10:16 44

10:17 45 Q. So in respect of those players you would know them by
10:17 46 face and name?

10:17 47

- 10:17 1 A. In many cases, yes.
10:17 2
10:17 3 Q. And their game of choice?
10:17 4
10:17 5 A. Yes.
10:17 6
10:17 7 Q. If someone has been on a run lately and they've been
10:17 8 winning a lot or losing a lot, whatever the case may be, you have
10:17 9 records and would be broadly across that sort of topic?
10:17 10
10:17 11 A. Yes.
10:17 12
10:17 13 Q. Would you know a bit about their personal lives, especially
10:17 14 if they're key clients, if they're married, children, anniversaries,
10:17 15 things of that nature?
10:17 16
10:17 17 A. In some aspects, yes.
10:17 18
10:17 19 Q. Yes. Are those patrons had previously been self-excluded
10:17 20 or issued a WOL or if they were behaving in a manner that might
10:17 21 see that happen in the future, would you be broadly across that as
10:17 22 well?
10:17 23
10:17 24 A. Yes, I would.
10:17 25
10:17 26 Q. I want to get your understanding of how people cash in at
10:18 27 the Mahogany Room, if I could. Do you agree with me that
10:18 28 according to Crown, a deposit account is an account established
10:18 29 with Crown into which monies, chips or cheques can be
10:18 30 deposited or withdrawn for the purpose of gambling?
10:18 31
10:18 32 A. Yes.
10:18 33
10:18 34 Q. Before I ask you my questions, can you explain briefly to
10:18 35 the Commissioner in your own words how that account operates
10:18 36 and when it is used?
10:18 37
10:18 38 A. The account is operated for customers who wish to transfer
10:18 39 funds into Crown to play or bring in, for instance, a bank cheque,
10:18 40 and it is a facility that they can --- at the end of their gaming day
10:18 41 they can place the chips and place those funds on deposit, rather
10:18 42 than leave Crown and take a large amount of cash or chips with
10:19 43 them.
10:19 44
10:19 45 Q. I understand. Am I right in saying it is not a separate bank
10:19 46 account, it is a ledger account, a Crown journal ledger; is that
10:19 47 right?

10:19 1
10:19 2 A. No, it's not.
10:19 3
10:19 4 Q. It is a separate bank account so every person with a deposit
10:19 5 account has a separate bank account at Crown?
10:19 6
10:19 7 A. No.
10:19 8
10:19 9 Q. So it is an internal ledger? In other words, if I'm a player
10:19 10 and have a deposit account and give over \$100,000 cash, there is
10:19 11 a ledger entry in Crown's internal ---
10:19 12
10:19 13 A. Correct, yes, there is.
10:19 14
10:19 15 Q. If a customer gives Crown a cheque made out to Crown,
10:19 16 Crown will take the cheque, deposit it, and when the funds clear,
10:19 17 then credit the deposit account; is that how it works?
10:19 18
10:19 19 A. It can do, yes.
10:19 20
10:19 21 Q. When you say "it can do"; is that how it generally works?
10:19 22
10:20 23 A. It generally works like that, or we can early release the
10:20 24 funds of the cheque into the account.
10:20 25
10:20 26 Q. I understand. So, put to one side early release, which we'll
10:20 27 come to, that is how it works?
10:20 28
10:20 29 A. Yes, it is.
10:20 30
10:20 31 Q. And then customers can debit the ledger, or the account, by
10:20 32 withdrawing cash or obtaining a chip purchase voucher?
10:20 33
10:20 34 A. Yes.
10:20 35
10:20 36 Q. Then the account will be credited with either the cheque or
10:20 37 money or chips at the end of a session?
10:20 38
10:20 39 A. Yes.
10:20 40
10:20 41 Q. We'll come later on to the story of Mr Hasna, but what is
10:20 42 evident from that story is that on occasion, it appears that cheques
10:20 43 made out in the name of the customer are deposited into deposit
10:20 44 accounts, and I wondering if you could help us understand how
10:20 45 Crown (inaudible) cheques made out in a customer's name, not
10:21 46 the casino's name.
10:21 47

10:21 1 A. As I understand it, and it has been a practice for a long
10:21 2 time, is that a patron provides a bank cheque, for instance, in
10:21 3 their name. They will sign the back of that cheque with their
10:21 4 patron number, and if it is early release, they are early release
10:21 5 members are identified on the back of the cheque. That cheque is
10:21 6 then paid into their deposit account which then they can draw on.
10:21 7 I believe we have an arrangement with our bank to be able to
10:21 8 bank a cheque that is made payable to a customer, not to Crown.
10:21 9

10:21 10 Q. I understand. So Crown banks cheques made out to the
10:21 11 customer based on arrangements with its bank?
10:21 12

10:21 13 A. Based on, sorry?
10:21 14

10:21 15 Q. An arrangement you have with your bank?
10:21 16

10:21 17 A. I believe so, yes.
10:21 18

10:21 19 Q. And that is a common practice?
10:21 20

10:21 21 A. Yes, it is.
10:21 22

10:21 23 Q. Happens regularly at the casino?
10:21 24

10:22 25 A. It does.
10:22 26

10:22 27 Q. Okay.
10:22 28

10:22 29 COMMISSIONER: Can I ask, Mr Lawrence, what is the
10:22 30 arrangement between Crown and its bank that permits Crown to
10:22 31 pay into a Crown account a cheque payable to someone else?
10:22 32

10:22 33 A. I'm sorry, Commissioner, I don't know the details of the
10:22 34 arrangement between Crown and the bank.
10:22 35

10:22 36 COMMISSIONER: Do you know who knows that arrangement?
10:22 37

10:22 38 A. I would imagine the general manager of cage, Steve
10:22 39 Hancock.
10:22 40

10:22 41 COMMISSIONER: Thank you.
10:22 42

10:22 43 MR KOZMINSKY: I just want to be crystal clear on this --- you
10:22 44 know what, the evidence is fine. I will carry on.
10:22 45

10:22 46 Do you agree that according to Crown, a cheque cashing facility
10:23 47 is a facility for the issuance of gaming chips in exchange for

10:23 1 a cheque of an equal amount?

10:23 2

10:23 3 A. Yes, I do.

10:23 4

10:23 5 Q. Can you once again just briefly explain to the

10:23 6 Commissioner how the cash chequing facility operates and when
10:23 7 it is used?

10:23 8

10:23 9 A. Yes, a patron can request a cheque cashing facility to be set
10:23 10 up at Crown. They will complete an application form. That
10:23 11 application form will then go through to our credit department to
10:23 12 do the relevant checks required so that those that are approving
10:23 13 that are informed of anything that might be outstanding either at
10:23 14 another casino or through a central credit check.

10:23 15

10:23 16 Once that's approved, then the amount is then set up in the
10:24 17 patron's deposit account, and the patron then can draw down on
10:24 18 that amount by signing a Crown cheque. They would need to
10:24 19 provide their own personal cheque so that we know that they
10:24 20 have a current account, and we will use those details and apply
10:24 21 them to the deposit account so that when we do draw the cheque,
10:24 22 the cheque has the patron's account details on and they sign that
10:24 23 cheque.

10:24 24

10:24 25 Q. Sorry, I got lost in that, Mr Lawrence.

10:24 26

10:24 27 A. Sorry.

10:24 28

10:24 29 Q. No, it's all right. It's a bit tricky. So, I come along with the
10:24 30 cheque. Say I've established my chequing facility.

10:24 31

10:24 32 A. Yes.

10:24 33

10:24 34 Q. Come along with a cheque made out to the casino, and I
10:24 35 give it over at the cage. Assume my facility is in place. At that
10:24 36 point can I just get a chip purchase voucher in exchange for the
10:25 37 cheque?

10:25 38

10:25 39 A. Generally what occurs is that we will generate a house
10:25 40 cheque on that cheque cashing facility, so if you came to the cage
10:25 41 and you requested an amount of your facility, then we would
10:25 42 generate a cheque, a house cheque for you to sign.

10:25 43

10:25 44 Q. A counter cheque?

10:25 45

10:25 46 A. A counter cheque.

10:25 47

- 10:25 1 Q. Right, and I sign the counter cheque, and then once I've
10:25 2 signed the counter cheque I get my CPV?
10:25 3
- 10:25 4 A. Yes, you do.
10:25 5
- 10:25 6 COMMISSIONER: Can I ask this question: who is the payee on
10:25 7 the counter cheque?
10:25 8
- 10:25 9 A. The payee is Crown, Crown Melbourne, and the account
10:25 10 details are the patron's account details on the cheque.
10:25 11
- 10:25 12 MR KOZMINSKY: And then what do you do with the personal
10:25 13 cheque; do you hold on to that as well?
10:25 14
- 10:25 15 A. The original personal cheque that they provide, the cage
10:26 16 keeps a copy of that cheque at all times.
10:26 17
- 10:26 18 Q. A copy or the original?
10:26 19
- 10:26 20 A. The original.
10:26 21
- 10:26 22 Q. I see. And can I, using a cash cheque facility, also provide
10:26 23 a cheque made out from the customer, made out to me, can I then
10:26 24 hand that over, sign a counter cheque, if I've got a cash cheque
10:26 25 facility and get a CPV?
10:26 26
- 10:26 27 A. Sorry, could you repeat that again?
10:26 28
- 10:26 29 Q. The examples we've gone to about cash chequing facility
10:26 30 involve me coming along with a personal cheque made out to the
10:26 31 casino. I'm wondering if there is a personal cheque made out to
10:26 32 the customer if the same process operates.
10:26 33
- 10:26 34 A. As I understand it, if a patron came to the cage with
10:26 35 a personal cheque made payable to Crown, they would --- it
10:27 36 would need to be the same details that we have on file where
10:27 37 we've approved the cheque cashing facility.
10:27 38
- 10:27 39 MR KOZMINSKY: Yes. So I suppose --- maybe I will put it
10:27 40 this way --- if you have a cheque cashing facility, can you only
10:27 41 use that facility with cheques made out to the casino?
10:27 42
- 10:27 43 A. Yes.
10:27 44
- 10:27 45 Q. I understand. And, so subject to early release,
10:27 46 a fundamental difference between a deposit account and cash
10:27 47 cheque facility is with that the deposit account, you wait for the

10:27 1 funds to clear, and with the cash cheque facility the casino is
10:27 2 effectively taking on the risk because it is handing over the CPV
10:27 3 before the cheque clears?

10:27 4

10:27 5 A. Yes.

10:27 6

10:27 7 Q. I understand. At paragraph 30 of your statement --- do you
10:28 8 have your statement there, Mr Lawrence?

10:28 9

10:28 10 A. I do, yes.

10:28 11

10:28 12 Q. If you go to paragraph 30, it says:

10:28 13

10:28 14 *From 7 May 2021 Bank Cheques that are presented must*
10:28 15 *be accompanied by the customer's account statement*
10:28 16 *showing the customer's name and the withdrawal amount*
10:28 17 *matching the bank cheque amount.*

10:28 18

10:28 19 You see that?

10:28 20

10:28 21 A. I do, yes.

10:28 22

10:28 23 Q. Help me understand that. Are you saying Crown
10:28 24 effectively needs confirmation the cheque won't bounce, that
10:28 25 there is sufficient funds, is that the idea?

10:28 26

10:28 27 A. Sorry, could you repeat the question again, please.

10:28 28

10:28 29 Q. The idea of the change in paragraph 30, that requirement, is
10:28 30 that to make sure Crown's effectively getting confirmation the
10:29 31 cheque won't bounce?

10:29 32

10:29 33 A. Not confirmation the cheque won't bounce, no.

10:29 34

10:29 35 Q. What is the purpose of the change?

10:29 36

10:29 37 A. (Inaudible) I'm sorry, apologies. The purpose of the change
10:29 38 is to ensure that the funds have been drawn by the patron and the
10:29 39 statement that the patron will provide will show us that the funds
10:29 40 have been withdrawn from their personal account, therefore, we
10:29 41 are comfortable that the funds have come from the patron.

10:29 42

10:29 43 Q. Is that an AML change?

10:29 44

10:29 45 A. That is a Crown change.

10:29 46

10:29 47 Q. I understand, but ---

10:29 1
10:29 2 A. --- (overspeaking) --- yes.
10:29 3
10:29 4 Q. Linked to AML. I see. When was the change in policy first
10:29 5 flagged with you?
10:29 6
10:29 7 A. It was flagged early May.
10:29 8
10:29 9 Q. I see. And were you involved in the policy, the change in
10:30 10 policy?
10:30 11
10:30 12 A. No, I wasn't.
10:30 13
10:30 14 Q. Is the policy documented somewhere?
10:30 15
10:30 16 A. I'm not sure.
10:30 17
10:30 18 Q. You think you might be able to find out for us overnight
10:30 19 and come back to us?
10:30 20
10:30 21 A. Yes, I can.
10:30 22
10:30 23 Q. So just with the deposit account and the CCF (inaudible)
10:30 24 you know what I mean, Mr Lawrence?
10:30 25
10:30 26 A. Yes, I do, yes.
10:30 27
10:30 28 Q. So am I right in saying this: one difference between the two
10:30 29 is whether funds have cleared or not, and with the deposit
10:30 30 account generally ---
10:30 31
10:30 32 A. Yes.
10:30 33
10:30 34 Q. --- and the second is that a CCF is effectively a one-off
10:30 35 transaction; there might be a series of them over time, but
10:30 36 a one-off transaction and a deposit account is effectively
10:31 37 an ongoing running balance?
10:31 38
10:31 39 A. Yes.
10:31 40
10:31 41 Q. Would it come as a surprise to you to know that you are not
10:31 42 allowed, under the Casino Control Act, to deposit a cheque
10:31 43 payable to anyone other than the operator into a deposit account?
10:31 44
10:31 45 A. It does surprise me, yes.
10:31 46
10:31 47 Q. You said it happens commonly, of course, that you deposit

10:31 1 money, cheques to a deposit account made out to a customer.
10:31 2
10:31 3 A. Yes, that happens often, yes.
10:31 4
10:32 5 Q. Which means if what I've asked you about the Casino
10:32 6 Control Act, if the Mahogany Room cage, on a regular basis
10:32 7 (inaudible) has been a breach of the Act. Do you agree with me?
10:32 8
10:32 9 A. I'm not aware of that aspect that a bank cheque made
10:32 10 payable to the customer that we accept is a breach, I ---
10:32 11
10:32 12 Q. I'm asking you to assume that is right.
10:32 13
10:32 14 A. Okay.
10:32 15
10:32 16 Q. Assuming that is right, you accept that that means, on
10:32 17 a regular basis, commonly, frequently, at the Mahogany Room
10:32 18 cage, there are breaches of the Casino Control Act?
10:32 19
10:32 20 A. Yes.
10:32 21
10:32 22 Q. If we could go to the early release of funds, which we've
10:32 23 discussed briefly.
10:32 24
10:33 25 A. Yes.
10:33 26
10:33 27 Q. Am I right that applies to deposit accounts?
10:33 28
10:33 29 A. It applies to whether it be telegraphic transfers or bank
10:33 30 cheques that are presented. Once the early release, then they will
10:33 31 be deposited into the patron's account.
10:33 32
10:33 33 Q. Yes, so if you have a telegraphic transfer or a cheque or
10:33 34 whatever it might be being deposited into a deposit account
10:33 35 before the funds (audio distorted) early release before they go
10:33 36 there.
10:33 37
10:33 38 A. Yes.
10:33 39
10:33 40 Q. But only in the context of a deposit account, it doesn't arise
10:33 41 in any other context?
10:33 42
10:33 43 A. No.
10:33 44
10:34 45 Q. Then you --- and by "you" I mean the casino because you
10:34 46 aren't the only one that can approve it --- but if the casino
10:34 47 approves the early release of funds, what would happen then is

10:34 1 the customer would generally debit the account by getting a chip
10:34 2 purchase voucher?
10:34 3
10:34 4 A. Yes.
10:34 5
10:34 6 Q. Before the funds had cleared they get a chip purchase
10:34 7 voucher and exchange it for chips; is that what happens?
10:34 8
10:34 9 A. Yes.
10:34 10
10:34 11 Q. And then they use the chips to gamble?
10:34 12
10:34 13 A. Correct.
10:34 14
10:34 15 Q. If we could go to CRW.512.097.0062.
10:34 16
10:34 17 That is in tab 4, Commissioner, of your hard copy bundle.
10:34 18
10:34 19 COMMISSIONER: I would like to pause for a minute, if that's
10:34 20 all right, because the sound coming through, I don't know about
10:35 21 you, Mr Lawrence, but it's almost impossible to hear
10:35 22 Mr Kozminsky. I'm just going to stop for a minute and see.
10:35 23
10:35 24 What about you, Mr Borsky? Does the sound come through to
10:35 25 you okay?
10:35 26
10:35 27 MR BORSKY: No, it is intermittent, Commissioner.
10:35 28 Particularly, we can hear emergency vehicle sirens in the
10:35 29 background, and when Mr Kozminsky turns his head to one side
10:35 30 or the other, it becomes much more difficult to hear.
10:35 31
10:35 32 COMMISSIONER: All right. I will just take a break and see if I
10:35 33 can't do some --- I was going to say "I" do running repairs ---
10:35 34
10:35 35 MR BORSKY: The royal "I". It is a Royal Commission.
10:35 36
10:35 37 COMMISSIONER: Yes, all right.
10:35 38
10:35 39
10:35 40 **ADJOURNED** [10.35AM]
10:47 41
10:47 42
10:47 43 **RESUMED** [10.47AM]
10:47 44
10:47 45
10:47 46 COMMISSIONER: What we've done, which may hopefully fix
10:47 47 the problem, is we've shifted Mr Kozminsky from one room to

10:47 1 another which might have faster internet connection, which
10:47 2 seems to be part of the problem. So we'll try this and if this
10:47 3 doesn't work, I don't know what we are going to do next.

10:47 4
10:47 5 Now, sorry, Mr Lawrence, for the interruption. I think you might
10:47 6 have had the same difficulty that I had hearing the questions
10:47 7 properly. We'll give it another go and see if the new equipment
10:47 8 works any better.

10:47 9
10:47 10 Okay, Mr Kozminsky.

10:47 11
10:47 12 MR KOZMINSKY: Thank you, Mr Commissioner. Apologies,
10:47 13 Mr Lawrence.

10:47 14
10:47 15 If we go back to the early release of funds. I think where we got
10:48 16 to was you agree with me that it relates to a deposit account, so if
10:48 17 someone is trying to deposit a cheque or some kind of electronic
10:48 18 transfer, before the funds clear Crown has authority to release the
10:48 19 funds early?

10:48 20
10:48 21 A. Yes.

10:48 22
10:48 23 Q. And, as I understand what you said just before we broke,
10:48 24 what would happen is this: say I'm a customer and I present
10:48 25 a cheque and I have a deposit account. Before the funds clear
10:48 26 you might authorise me to be able to obtain a CPV which I might
10:48 27 exchange for chips to gamble?

10:48 28
10:48 29 A. Yes.

10:48 30
10:48 31 Q. And so the way the deposit account would work is this: let's
10:48 32 say my balance at the beginning of the session of the day was
10:48 33 zero dollars in my deposit account and I come along with
10:48 34 a cheque for \$100,000, my deposit account would be in
10:49 35 a negative balance because the funds hadn't cleared and you had
10:49 36 withdrawn it so it would be minus \$100,000; do you agree with
10:49 37 me?

10:49 38
10:49 39 A. It wouldn't show minus \$100,000. The deposit account
10:49 40 would show the amount of the cheque that has been early
10:49 41 released.

10:49 42
10:49 43 Q. But it would show the funds hadn't been cleared yet or
10:49 44 hadn't been (inaudible) than a different entry had I given
10:49 45 \$100,000 cash and the funds were cleared, wouldn't it?

10:49 46
10:49 47 A. As far as the deposit account goes, it would seem that it

10:49 1 would be cleared.
10:49 2
10:49 3 Q. I see. So from the perspective of the deposit account, the
10:49 4 funds would appear to be cleared --
10:49 5
10:49 6 A. Yes.
10:49 7
10:49 8 Q. --- notwithstanding they are not cleared?
10:49 9
10:49 10 A. Correct.
10:49 11
10:49 12 Q. Would there be any notation in the deposit account that
10:49 13 would make clear that the funds had not cleared?
10:49 14
10:49 15 A. There would be, in the comments aspect of the SYCO
10:49 16 system. There would be comments to that effect.
10:49 17
10:50 18 Q. In other words, if I read the entire entry it would be clear
10:50 19 that in respect of my (inaudible) using the hypothetical example,
10:50 20 that there were no funds as yet standing to my credit, they would
10:50 21 come once the cheque cleared?
10:50 22
10:50 23 A. In the aspect of presenting a cheque and having that early
10:50 24 released, we would consider that the funds are clear, even though
10:50 25 they haven't cleared through the early release of funds approvals
10:50 26 process.
10:50 27
10:50 28 Q. When you say "you would consider them to be cleared", it
10:50 29 is an objective fact that they have either cleared or not. You
10:50 30 agree with me?
10:50 31
10:50 32 A. Yes.
10:50 33
10:50 34 Q. You agree they are not cleared that's why you are early
10:50 35 releasing them?
10:50 36
10:50 37 A. Yes.
10:50 38
10:50 39 Q. And you agree there is a notation in the system that makes
10:50 40 it clear the funds have not cleared?
10:50 41
10:50 42 A. Yes.
10:50 43
10:51 44 Q. And you agree with me that if you or your colleagues, all
10:51 45 no doubt highly intelligent individuals, if you read the entirety of
10:51 46 the notes, it would be clear the funds have not yet cleared?
10:51 47

10:51 1 A. Correct.
10:51 2
10:51 3 Q. And then what happened in due course, assuming the
10:51 4 cheque clears, the notation that the funds had been early released
10:51 5 and were not yet cleared would be removed?
10:51 6
10:51 7 A. I don't believe it would be removed. There would be
10:51 8 a notation to say the funds had been received.
10:51 9
10:51 10 Q. I understand. Thank you.
10:51 11
10:51 12 If you, Mr Operator, just scroll down --- pausing there.
10:51 13
10:51 14 Mr Lawrence, can you see the document on the screen, the early
10:51 15 release of funds?
10:51 16
10:51 17 A. Yes, I can.
10:51 18
10:51 19 Q. You see your name as five rows down as someone who can
10:51 20 sign off on the early release of funds?
10:51 21
10:51 22 A. Yes.
10:51 23
10:52 24 Q. And ---
10:52 25
10:52 26 COMMISSIONER: Can I just interrupt you for a minute. Is this
10:52 27 document displayed publicly? It's got a lot of names on it.
10:52 28
10:52 29 MR KOZMINSKY: I don't believe it is. I'm being told by
10:52 30 Solicitors Assisting it has been shown in the hearing room.
10:52 31
10:52 32 COMMISSIONER: I will just check that.
10:52 33
10:52 34 MR BORSKY: Thanks, Commissioner, because I'm instructed
10:52 35 that an application for a non-publication order has been made in
10:52 36 respect of these documents.
10:52 37
10:52 38 COMMISSIONER: I've made the order. I just want to make sure
10:52 39 that there is no slip-up. That's all.
10:52 40
10:52 41 MR BORSKY: Thank you.
10:53 42
10:53 43 MR KOZMINSKY: Mr Commissioner, while we are checking
10:53 44 this, I only want to go to the bottom of the page with where there
10:53 45 are no names, the operator can zoom in and then we can take it
10:53 46 down. Probably the easiest course.
10:53 47

10:53 1 COMMISSIONER: It was not being livestreamed. We'll take it
10:53 2 down. If it is not being livestreamed I can leave it on the screen.
10:53 3 If it is --- it's not being. Thank you. I think we are all right.
10:53 4 Sorry for the delay.
10:53 5
10:53 6 MR KOZMINSKY: For the benefit of everyone, everything
10:53 7 subject to a NPO will only be shown in the private hearing room.
10:53 8
10:53 9 If you scroll to the bottom of the document, to the footer, do you
10:53 10 see there, Mr Lawrence, that this document is effective 24
10:54 11 February 2021; do you see that?
10:54 12
10:54 13 A. I do, yes.
10:54 14
10:54 15 Q. Do you see it is version 40?
10:54 16
10:54 17 A. Yes.
10:54 18
10:54 19 Q. Given it is version 40, I take it there has been an early
10:54 20 release of funds matrix in place for as long as you can remember?
10:54 21
10:54 22 A. Yes.
10:54 23
10:54 24 Q. That is because an early release of funds in respect of
10:54 25 a deposit account is common?
10:54 26
10:54 27 A. Yes, it is.
10:54 28
10:54 29 Q. We can take that off the screen, Mr Operator.
10:54 30
10:54 31 Do you agree that according to Crown, Mr Lawrence, a counter
10:54 32 cheque is a Crown-issued document which states the patron's
10:54 33 bank account details and is a bankable document?
10:54 34
10:55 35 A. Yes.
10:55 36
10:55 37 Q. Is it your evidence that a counter cheque is used by a patron
10:55 38 in case of --- Mr Commissioner, I've been reminded by Solicitors
10:55 39 Assisting, can I tender the document we were at a moment ago?
10:55 40
10:55 41 COMMISSIONER: Yes, That will be exhibit 173. Rather than
10:55 42 call it back up, can you give me the document heading so I can
10:55 43 properly describe the exhibit.
10:55 44
10:55 45 MR KOZMINSKY: Early release of funds approval matrix.
10:55 46
10:55 47 COMMISSIONER: Okay, with that description, that will be

10:55 1 Exhibit 173.

10:55 2

3

4

**EXHIBIT #RC0173 - EARLY RELEASE OF FUNDS
APPROVAL MATRIX**

5

6

7

10:55 8 MR KOZMINSKY: Thank you.

10:55 9

10:55 10 Before I come to counter cheques, let me ask you one other thing,
10:55 11 Mr Lawrence: the 40 versions of that matrix are substantially the
10:55 12 same idea? They may have differences but are substantially the
10:55 13 same idea in respect of each of the earlier versions, that is to say
10:55 14 cheques for a deposit account being released early before the
10:55 15 cheque clears?

10:55 16

10:55 17 A. Correct.

10:55 18

10:56 19 Q. We were discussing counter cheques, and I think you
10:56 20 agreed with me about the definition. I was going to ask you if
10:56 21 your evidence is that a counter cheque is used by the patron in
10:56 22 place of their own personal cheque; is that right?

10:56 23

10:56 24 A. Yes, it is.

10:56 25

10:56 26 Q. Can you explain to the Commissioner what you mean by
10:56 27 that?

10:56 28

10:56 29 A. Rather than a patron using their own personal cheque every
10:56 30 time they wish to draw down on their CCF, it is more convenient
10:56 31 for them to draw down on a counter cheque. So if a customer
10:56 32 comes to Crown, rather than having to remember every time to
10:56 33 bring their own personal cheque, the convenience is that we
10:56 34 would use a Crown counter cheque.

10:56 35

10:56 36 Q. Yes, I understand. I think I understand. We'll come to it in
10:56 37 a bit more detail.

10:56 38

10:56 39 I just was hoping, Mr Operator, we could go to
10:57 40 CRW.512.097.0121.

10:57 41

10:57 42 Mr Commissioner, tab 5 of your hard copy.

10:57 43

10:57 44 Can you see that, Mr Lawrence?

10:57 45

10:57 46 A. Yes.

10:57 47

10:57 1 Q. Is it clear? Maybe we'll blow each one up.
10:57 2
10:57 3 A. That's better.
10:57 4
10:57 5 Q. That document at the top, that is a test counter cheque; is
10:57 6 that right?
10:57 7
10:57 8 A. It is, yes.
10:57 9
10:57 10 Q. When someone signs a counter cheque, I sign a counter
10:57 11 cheque and have a CCF in place, I then effectively get chips in
10:57 12 exchange for signing that counter cheque, CPV?
10:57 13
10:57 14 A. Yes, you do, yes.
10:57 15
10:57 16 Q. And if you scroll down, Mr Operator, to the second
10:58 17 document.
10:58 18
10:58 19 Once I sign the counter cheque, I receive the receipt; is that right?
10:58 20
10:58 21 A. Yes, you do.
10:58 22
10:58 23 Q. Then the third document, just so we can see, that is
10:58 24 an example of a chip purchase voucher?
10:58 25
10:58 26 A. Yes, it is.
10:58 27
10:58 28 Q. Does a customer take that voucher to a table and then is
10:58 29 able to exchange the amount of the voucher for chips at the table?
10:58 30
10:58 31 A. They can cash that at the cage and get the chips at the cage
10:58 32 or take it to a gaming table and get the chips at the table.
10:58 33
10:58 34 Q. I understand.
10:58 35
10:58 36 Mr Commissioner, can I tender that document, please.
10:58 37
10:58 38 COMMISSIONER: Exhibit 174 will be sample counter cheque,
10:58 39 receipt for counter cheque and voucher.
10:58 40
41
42 **EXHIBIT #RC0174 - SAMPLE COUNTER CHEQUE,**
43 **RECEIPT FOR COUNTER CHEQUE AND CHIP**
44 **PURCHASE VOUCHER**
45
46
10:59 47 MR KOZMINSKY: Thank you.

10:59 1
10:59 2 So it is clear in my mind, Mr Lawrence, a counter cheque, as
10:59 3 we've just discussed, can be used if I have a CCF in place, but can
10:59 4 I use a counter cheque to deposit funds in my deposit account?
10:59 5
10:59 6 A. I don't believe so, no.
10:59 7
10:59 8 Q. I want to show you a file note written by the VCGLR. Do
10:59 9 you know who the VCGLR is, Mr Lawrence?
10:59 10
10:59 11 A. Yes, I do.
10:59 12
10:59 13 Q. Mr Commissioner, it is behind tab 6 of your bundle.
10:59 14 Mr Operator, VCG.0001.0001.1274. Have a read of that and tell
11:00 15 me when you are done.
11:00 16
11:00 17 A. Yes, I've read that.
11:00 18
11:00 19 Q. Mr Lawrence, is the file note an accurate description of
11:00 20 what happens at the Mahogany Room?
11:00 21
11:00 22 A. Yes.
11:00 23
11:00 24 MR KOZMINSKY: Mr Commissioner, can I tender the file note,
11:00 25 please.
11:00 26
11:00 27 COMMISSIONER: File note by Paul Noblett, 29 January 2018,
11:01 28 Exhibit 175.
11:01 29
30
31 **EXHIBIT #RC0175 - FILE NOTE BY PAUL NOBLETT**
32 **DATED 29 JANUARY 2018**
33
34
35 MR KOZMINSKY: Thank you.
36
11:01 37 Just so we're clear, Mr Lawrence, for a domestic player
11:01 38 effectively paying funds or chips through the various series of
11:01 39 documents, the CCV or whatever it might be, immediately on
11:01 40 signing a counter cheque?
11:01 41
11:01 42 A. Yes.
11:01 43
11:01 44 Q. And then Crown will present the counter cheque --- let's
11:01 45 assume the patron loses their chips when they are gambling that
11:01 46 day. Crown will then present the cheque five days later unless it
11:01 47 is redeemed by the customer?

11:01 1
11:01 2 A. Yes.
11:01 3
11:01 4 Q. And the customer can redeem the cheque effectively by
11:01 5 paying back what they've lost?
11:01 6
11:01 7 A. Correct.
11:01 8
11:01 9 Q. If I'm a customer and I happen to win on the day, I can just
11:01 10 cash in some chips and redeem the cheque back that way, can't I?
11:01 11
11:01 12 A. Yes, you can.
11:01 13
11:02 14 Q. Mr Lawrence, you've worked at Crown for a long time;
11:02 15 would that be fair to say?
11:02 16
11:02 17 A. Yes, at this occasion I've been at Crown for nine years.
11:02 18
11:02 19 Q. Before that, between 1994 and 1998 you were the
11:02 20 vice-president of the Mahogany Room?
11:02 21
11:02 22 A. Yes.
11:02 23
11:02 24 Q. So, you are part of the furniture, you've been there a long
11:02 25 time, you know the staff, you know the management, you know
11:02 26 what is happening at the casino?
11:02 27
11:02 28 A. Yes, it would be fair to say.
11:02 29
11:02 30 Q. I want to ask you this question: who is known as Darth
11:02 31 Vader at the casino?
11:02 32
11:02 33 A. I don't know.
11:02 34
11:02 35 Q. Take a moment to think about it and see if it jumps into
11:02 36 your head.
11:02 37
11:02 38 A. I'm sorry, Mr Kozminsky, I don't know.
11:02 39
11:02 40 Q. We might come back to it. But if the answer does pop into
11:03 41 your head while we are chatting today, shout out.
11:03 42
11:03 43 We have evidence that local customers are able to exchange chips
11:03 44 in exchange for blank cheques; are you aware of that?
11:03 45
11:03 46 A. Sorry? In exchange for?
11:03 47

11:03 1 Q. Blank cheques. Are you aware that evidence has been
11:03 2 given to the Commission?
11:03 3
11:03 4 A. No, I'm not.
11:03 5
11:03 6 Q. Do you agree it is a practice that occurs at the Mahogany
11:03 7 Room?
11:03 8
11:03 9 A. No.
11:03 10
11:03 11 Q. You don't agree it is a practice that occurs at the Mahogany
11:03 12 Room?
11:03 13
11:03 14 A. I don't agree.
11:03 15
11:03 16 COMMISSIONER: Do you understand what the question
11:03 17 involves when Mr Kozminsky asks you about a blank cheque?
11:03 18
11:03 19 A. I understood it to be a cheque that had no writing on it.
11:04 20 Blank cheque.
11:04 21
11:04 22 COMMISSIONER: Assume that by blank cheque
11:04 23 Mr Kozminsky meant everything is filled in except the amount of
11:04 24 the cheque.
11:04 25
11:04 26 A. Yes.
11:04 27
11:04 28 COMMISSIONER: In other words, the date, the cheque, the
11:04 29 signature, it's all there, but the amount itself is left blank so that
11:04 30 you or somebody else at Crown can fill it in when appropriate.
11:04 31
11:04 32 A. I'm not aware of that.
11:04 33
11:04 34 MR KOZMINSKY: Not aware of that. Okay. Could the
11:04 35 operator please open up COM.0004.0002.0102.
11:04 36
11:04 37 Tab 7, Commissioner, of your bundle.
11:04 38
11:05 39 Turn to page 152 in the top right-hand corner. I am going to take
11:05 40 you to the evidence of a few Mahogany hosts.
11:05 41
11:05 42 A. Yes.
11:05 43
11:05 44 Q. Scroll down to line 26. I will go through this together
11:05 45 slowly, Mr Lawrence. Are --- this is a question I asked:
11:05 46
11:05 47 *Are you aware of any circumstances where people at the*

11:05 1 *Mahogany Room, and I'm talking about locals, so*
11:05 2 *Australians, are extended any form of credit?*
11:05 3
11:05 4 *Answer: Yes.*
11:05 5
11:05 6 And if you scroll to line 36:
11:05 7
11:05 8 *If you wanted a cash cheque facility, you would basically*
11:05 9 *use the casino's money. So you would have to give your*
11:05 10 *driver's licence, business background, details of what you*
11:05 11 *did and a business card, and you would apply for a cash*
11:06 12 *facility. That could be up to 25K, 100K, could be 500K and*
11:06 13 *they have million-dollar lines there as well. Basically*
11:06 14 *after you draw down from that cash facility you would*
11:06 15 *have, I think, five business working days to pay it back.*
11:06 16
11:06 17 Just pausing there, I think you largely agree with everything so
11:06 18 far?
11:06 19
11:06 20 A. Yes, I do.
11:06 21
11:06 22 Q. Then at line 44:
11:06 23
11:06 24 *..... so say you had a 50K cash facility and drew down 10K*
11:06 25 *one night and lost the 10,000, you could transfer the*
11:06 26 *money back in the next day and clear that line off.*
11:06 27
11:06 28 You agree with that?
11:06 29
11:06 30 A. Yes.
11:06 31
11:06 32 Q. And:
11:06 33
11:06 34 *Otherwise you were also asked, on application, to give*
11:06 35 *a blank cheque --- which I'm not 100 per cent on this, but*
11:06 36 *you were given a blank cheque to the cage and every time*
11:06 37 *that say your time was to pay back that money that you*
11:06 38 *had drawn down, they would go and bank that cheque.*
11:06 39 *Now, I'm not too sure if they used the same cheque many*
11:06 40 *times or if it was ---*
11:06 41
11:06 42 **COMMISSIONER:** *Can you slow down? The operator is not*
11:06 43 *keeping up with you and he is not moving to the next page.*
11:06 44
11:06 45 **MR KOZMINSKY:** *Sorry, can we move to the next page,*
11:06 46 *Operator.*
11:06 47

11:07 1 COMMISSIONER: Can we have the bottom of the previous
11:07 2 page, just the last two or three lines, because it is an incomplete
11:07 3 sentence.

11:07 4
11:07 5 If you start with "Otherwise", Mr Lawrence.

11:07 6
11:07 7 A. Yes.

11:07 8
11:07 9 MR KOZMINSKY: Have you read to the end of line 5,
11:07 10 Mr Lawrence?

11:07 11
11:07 12 A. Yes, I have.

11:07 13
11:07 14 Q. Then if you drop down to line 16, the Commissioner asked
11:07 15 that:

11:07 16
11:07 17 *That's really a straight loan from the casino ---*

11:07 18
11:07 19 And then the answer is:

11:07 20
11:07 21 *Answer: It's a short-term loan. Yeah, it is a five-day*
11:08 22 *loan.*

11:08 23
11:08 24 So scroll down, Mr Operator, line 40:

11:08 25
11:08 26 *Answer: We could do it on the spot. So given --- again,*
11:08 27 *given who they were, if they had been a customer again*
11:08 28 *for many years and if they were a signature black*
11:08 29 *customer and said, "Look, I'm out of cash tonight, I need*
11:08 30 *a 20K on the spot, you know, CCF, can you do it for me",*
11:08 31 *they would fill out the details, "That's fine", because we*
11:08 32 *knew a bit about them so we could sort of justify that*
11:08 33 *transaction.*

11:08 34
11:08 35 That is one host's evidence.

11:08 36
11:08 37 A. Yes.

11:08 38
11:08 39 Q. Before you reflect on the evidence you've given about
11:08 40 blank cheques, I want to take you to a second host. This is
11:08 41 evidence of a host in the Mahogany Room who is currently
11:08 42 employed by Crown that we're going to go to.

11:08 43
11:08 44 Tab 8 for you, Mr Commissioner.

11:08 45
11:08 46 Operator, COM.0004.0008.0001. Page 0110. If we could have
11:09 47 0110 and 0111 at the same time.

11:09 1
11:09 2 Starting at line 38, can you see that, Mr Lawrence? Is the text
11:09 3 large enough for you?
11:09 4
11:09 5 A. Yes.
11:09 6
11:09 7 Q. It should be "am I right"; I'm not sure that this is the right
11:09 8 --- Mr Operator, is this COM.0004.0008.0001? There we are.
11:09 9 They are the right pages, thank you. Line 38, you see there that I
11:10 10 asked this question of a current Mahogany Room host:

11:10 11
11:10 12 *Question: And am I right that for certain black*
11:10 13 *cardholders, so people that are turning over a lot, they*
11:10 14 *can get credit from the cage at the Mahogany Room?*

11:10 15
11:10 16 *Answer: Credit in regards to?*

11:10 17
11:10 18 *Question: Let's say I've got a blank cheque. I can sign*
11:10 19 *a blank cheque and give it to the cage and get chips and*
11:10 20 *net it off depending on how I go?*

11:10 21
11:10 22 *Answer: Yes.*

11:10 23
11:10 24 *Question: Thank you. And that is something that*
11:10 25 *happens for important customers?*

11:10 26
11:10 27 *Answer: Yes.*

11:10 28
11:10 29 *Question: As a matter of course?*

11:10 30
11:10 31 *Answer: Yep.*

11:10 32
11:10 33 Now, just take a moment to reflect on that evidence, then I will
11:10 34 ask you this: local customers at the Mahogany Room are able to
11:11 35 obtain chips or chip purchase vouchers in exchange for blank
11:11 36 cheques, "yes" or "no", Mr Lawrence?

11:11 37
11:11 38 A. No.

11:11 39
11:11 40 Q. Should the Commission be concerned about the disconnect
11:11 41 between your evidence and the evidence of the hosts?

11:11 42
11:11 43 A. Looking at the evidence that you provided on the host, in
11:11 44 principle most of it is correct except where they state that
11:11 45 a customer can go to the cage, present a blank cheque and receive
11:11 46 chips. We need to go through the process of establishing
11:11 47 a cheque cashing facility.

11:11 1
11:11 2 Q. I understand the disconnect between the evidence. But this
11:11 3 host, who is a current host. And there are only 18 Mahogany
11:11 4 Room hosts, aren't there, Mr Lawrence?
11:11 5
11:12 6 A. Correct.
11:12 7
11:12 8 Q. One of them is saying, a current host, that it happens as
11:12 9 a matter of course. We're not talking as a one-off incident. As
11:12 10 a matter of course. That is his evidence. So what I'm asking you
11:12 11 is, should the Commission be concerned about what seems to be
11:12 12 a very significant disconnect between your evidence and the
11:12 13 evidence about what actually happens on the ground?
11:12 14
11:12 15 A. You should be concerned of what has been stated here by
11:12 16 the host, but that is not the practice, that is not what how we
11:12 17 operate.
11:12 18
11:12 19 Q. Okay. Well, I want to run through with you what the
11:12 20 possibilities are for the disconnect. A possibility is you don't
11:12 21 know what is happening on the ground; do you accept that is
11:12 22 a possibility?
11:12 23
11:12 24 A. No, I don't. I don't accept that.
11:12 25
11:13 26 Q. You don't accept that it is a possibility?
11:13 27
11:13 28 A. No, I don't accept it is a possibility.
11:13 29
11:13 30 Q. Okay. Well, if it's not a possibility, then do you accept
11:13 31 another possibility is the evidence you are giving isn't truthful?
11:13 32
11:13 33 A. I don't accept it is not truthful.
11:13 34
11:13 35 Q. Right. So how do you explain the disconnect?
11:13 36
11:13 37 A. Looking at what the host has stated, a customer can arrive
11:13 38 at the cage with their personal cheque and apply for a cheque
11:13 39 cashing facility. That cheque cashing facility can be approved in
11:13 40 a very quick time, it may not need to go through a process of
11:13 41 credit check and the cage can perform that task. The cage can
11:13 42 make calls to other casinos if the customer has identified they
11:13 43 have a cheque cashing facility, say, with another Australian
11:14 44 casino, we will make that call to check, and if that is confirmed,
11:14 45 we may establish the check cashing facility on the spot. But we
11:14 46 would never issue chips in exchange for a personal cheque
11:14 47 without going through that process and then setting up a deposit

11:14 1 account.
11:14 2
11:14 3 Q. Do you accept that hosts that have given evidence to the
11:14 4 Commissioner about this issue, including a current host, have no
11:14 5 motivation whatsoever to not be truthful about this topic?
11:14 6
11:14 7 A. Yes, I agree. Agree.
11:14 8
11:14 9 Q. And both of the Mahogany Room hosts we've spoken to
11:14 10 have given the same evidence, that you can cash blank cheques?
11:15 11 You agree with that as well?
11:15 12
11:15 13 A. On what you've shown me, yes.
11:15 14
11:15 15 Q. I can assure you I'm showing the complete content.
11:15 16 Nothing has been decontextualised. Do you agree with me?
11:15 17
11:15 18 A. Yes.
11:15 19
11:15 20 Q. Mr Lawrence, I don't want to have to put things about
11:15 21 evidence people have given being untruthful or otherwise. I want
11:15 22 you to think about the discussion we've had over the last five
11:15 23 minutes and I want you to just take one more moment to consider
11:15 24 whether or not you want to change the evidence you've given
11:15 25 about people being able to cash in blank cheques at the cage in
11:15 26 the Mahogany Room.
11:15 27
11:15 28 A. I don't want to change my evidence.
11:15 29
11:16 30 Q. Mr Lawrence, at the end of this Commission, Counsel
11:16 31 Assisting will make a submission that the evidence you've just
11:16 32 given on this topic shouldn't be accepted, and that the evidence of
11:16 33 the hosts about the practice of cashing blank cheques in the
11:16 34 Mahogany Room should be accepted. If there is anything you
11:16 35 want to say about that topic to the Commissioner, now is your
11:16 36 opportunity to do so.
11:16 37
11:16 38 A. On what I'm seeing, as far as the hosts' statements, I can't
11:16 39 imagine or believe that we would cash a cheque for chips without
11:16 40 setting up a deposit account and going through a cheque cashing
11:16 41 facility approval process.
11:16 42
11:17 43 Q. So you accept it is possible in light of the evidence?
11:17 44
11:17 45 A. I don't think it is possible.
11:17 46
11:17 47 MR KOZMINSKY: Mr Commissioner, I have nothing further on

11:17 1 that topic unless you have any questions. Otherwise I'm going to
11:17 2 move on.

11:17 3

11:17 4 COMMISSIONER: Is it possible, Mr Lawrence, that the hosts
11:17 5 were speaking not about a blank cheque from a customer on his
11:17 6 own account, or on a third-party account if you like, but the issue
11:17 7 of counter cheques by your staff, the cage staff, or whoever hands
11:17 8 over the counter cheque and supervises it being filled in, that the
11:17 9 blank is the non-filling in of the amount that would otherwise
11:17 10 appear in the amount part of the counter cheque or any cheque?

11:17 11

11:18 12 In other words, you can fill it in, or the cage staff can fill it in
11:18 13 later on when you work out how much money the customer, the
11:18 14 patron, owes to the casino that needs to be drawn from his or her
11:18 15 account, which is not the same as what you were addressing
11:18 16 earlier.

11:18 17

11:18 18 A. I guess at a settlement point there could be a replacement
11:18 19 cheque provided by the customer to finalise any outstandings.
11:18 20 That would be completed and signed by the patron. That could
11:18 21 happen. But generally all transactions are through the system and
11:18 22 system generated.

11:19 23

11:19 24 COMMISSIONER: I was asking specifically about once
11:19 25 a customer has an account opened in the way that you've
11:19 26 described ---

11:19 27

11:19 28 A. Yes.

11:19 29

11:19 30 COMMISSIONER: --- and then wants to draw on that account
11:19 31 and hasn't got his or her own chequebook, and might not even
11:19 32 have a chequebook with them and needs access to a counter
11:19 33 cheque ---

11:19 34

11:19 35 A. Yes.

11:19 36

11:19 37 COMMISSIONER: --- is it possible that what the hosts are
11:19 38 speaking about, because they are speaking about blank cheques,
11:19 39 that is some detail on a cheque not filled in, it wouldn't be
11:19 40 surprising, would it, for the amount payable to Crown on
11:19 41 a Crown counter cheque --- really it's a counter cheque for the
11:19 42 issuing bank, I guess ---

11:19 43

11:19 44 A. Yes.

11:19 45

11:19 46 COMMISSIONER: --- but the counter cheque that is provided
11:19 47 by the Crown staff is not filled in until an appropriate time when

11:19 1 it is worked out how much the patron actually owes to make good
11:19 2 his gambling for the day or evening or whatever it might be ---
11:20 3
11:20 4 A. Yes.
11:20 5
11:20 6 COMMISSIONER: --- and then the amount is filled in?
11:20 7
11:20 8 A. Yes.
11:20 9
11:20 10 COMMISSIONER: So that is quite possible, isn't it?
11:20 11
11:20 12 A. That's possible, yes. A consolidation, perhaps, as ---
11:20 13
11:20 14 COMMISSIONER: At the end of the day or end of a period of
11:20 15 whatever it might be?
11:20 16
11:20 17 A. Yes. Yes.
11:20 18
11:20 19 MR KOZMINSKY: Mr Lawrence, I will move on to another
11:20 20 topic.
11:20 21
11:20 22 I think you've agreed with me that the Mahogany Room is open
11:20 23 to black and platinum members?
11:20 24
11:20 25 A. Yes.
11:20 26
11:20 27 Q. It is also open to some interstate and international patrons?
11:20 28
11:20 29 A. Yes.
11:20 30
11:20 31 Q. Members are entitled, on occasions, to bring guests to the
11:20 32 Mahogany Room?
11:20 33
11:20 34 A. Yes, they are.
11:20 35
11:20 36 Q. Focusing on black and platinum members, they generally
11:20 37 will gamble in the Mahogany Room because it is a superior and
11:20 38 more exclusive experience than the main gaming floor; you agree
11:20 39 with that?
11:20 40
11:20 41 A. Yes, I do.
11:20 42
11:21 43 Q. Mr Emery gave us evidence. He said that the theoretical
11:21 44 revenue, so the win, for rewards program members over the five
11:21 45 years to FY20 was about \$2.9 billion. Does that figure sound
11:21 46 more or less right to you?
11:21 47

- 11:21 1 A. Turnover figure?
11:21 2
11:21 3 Q. Theoretical revenue.
11:21 4
11:21 5 A. Over a period of how many years, sorry?
11:21 6
11:21 7 Q. From the five years end FY20? I can show you the
11:21 8 statement if you would like to read it.
11:21 9
11:21 10 A. Yes, please.
11:21 11
11:21 12 Q. Sure. Mr Operator, please bring up CRW.998.001.0271
11:22 13 and go to page 0283.
11:22 14
11:22 15 Read to yourself, Mr Lawrence, paragraphs 82 and 83.
11:22 16
11:22 17 A. Yes.
11:22 18
11:22 19 Q. I will ask again. According to Mr Emery, the theoretical
11:22 20 revenue, that is according to him winnings, from rewards
11:22 21 programs over five years to FY20 was \$2.9 billion?
11:22 22
11:22 23 A. Yes.
11:22 24
11:22 25 Q. Are you happy to accept Mr Emery's figures as being more
11:22 26 or less accurate?
11:22 27
11:22 28 A. Yes.
11:22 29
11:22 30 Q. He also says in paragraph 83 that 36 per cent of that comes
11:23 31 from platinum members and 26 from black tier members?
11:23 32
11:23 33 A. Yes.
11:23 34
11:23 35 Q. And my maths isn't great, but you've also got international
11:23 36 customers, you've got guests, also got some gold plus members
11:23 37 who gamble in the Mahogany Room; don't you?
11:23 38
11:23 39 A. Yes, we do.
11:23 40
11:23 41 Q. So over the course of the five years to FY20, plainly in
11:23 42 excess of a billion, maybe \$1.5 billion of theoretical win at the
11:23 43 casino? From the Mahogany Room?
11:23 44
11:23 45 A. Yes.
11:23 46
11:23 47 Q. Or whatever the number is, 1 billion, 2 billion, 1.5 billion,

11:23 1 it is an immense number, do you agree with me?
11:23 2
11:23 3 A. Sorry, can you repeat that?
11:23 4
11:23 5 Q. Whatever the precise number, it is a bit of an estimate,
11:23 6 a billion, 1.5 billion, 2 billion, whatever the number is over that
11:23 7 period, it is an immense amount of money?
11:24 8
11:24 9 A. Yes.
11:24 10
11:24 11 Q. Now, we've heard evidence from people who previously
11:24 12 gambled and currently gamble in the Mahogany Room. And
11:24 13 we've heard evidence from people who previously worked in and
11:24 14 currently work in Mahogany Room.
11:24 15
11:24 16 Mr Operator, you can take down that document.
11:24 17
11:24 18 Given the evidence has been fairly consistent, and I will tell you
11:24 19 where it hasn't been, given it has been fairly damning, and given
11:24 20 you are in charge of service in the Mahogany Room, in fairness to
11:24 21 you, I want to tell you what has been said and I want to give you
11:24 22 an opportunity to respond. We are going to go through some
11:24 23 propositions.
11:24 24
11:24 25 A. Yes.
11:24 26
11:24 27 Q. Tell me if you agree with me with them. Mahogany Room
11:24 28 hosts proactively contact clients and entice them to come to the
11:24 29 casino to gamble; "yes" or "no"?
11:24 30
11:24 31 A. Yes.
11:24 32
11:25 33 Q. You agree that Mahogany Room hosts arrange for
11:25 34 customers to collect gifts, like tickets, from the casino, "yes" or
11:25 35 "no"?
11:25 36
11:25 37 A. Yes.
11:25 38
11:25 39 Q. And you agree that the hosts invite clients to dinners at the
11:25 40 casino?
11:25 41
11:25 42 A. Yes.
11:25 43
11:25 44 Q. And you agree the reason dinners are at the casino and
11:25 45 tickets are picked up from the casino and cash draws are held at
11:25 46 the casino is because the hope is that when the customer enters
11:25 47 the complex, the customer will gamble?

11:25 1
11:25 2 A. Yes.
11:25 3
11:25 4 Q. Thank you. You agree that Mahogany Room staff do not
11:25 5 speak to clients about the amount of money they are gambling or
11:25 6 if they can afford it?
11:25 7
11:25 8 A. I'm sorry, I missed that.
11:25 9
11:25 10 Q. You agree with me that Mahogany Room staff do not speak
11:25 11 to clients about the amount of money they are gambling or if they
11:25 12 can afford it?
11:25 13
11:25 14 A. No.
11:25 15
11:26 16 Q. Do you agree with me that save for the rarest of
11:26 17 circumstances, that is the case?
11:26 18
11:26 19 A. I'm sorry, Mr Kozminsky, I missed that.
11:26 20
11:26 21 Q. You agree with me that save for the rarest of circumstances,
11:26 22 that is the case?
11:26 23
11:26 24 A. The volume has reduced significantly.
11:26 25
11:26 26 Q. I'm sorry, Mr Lawrence. Can you hear me?
11:26 27
11:26 28 A. It's still quite low.
11:26 29
11:26 30 MR KOZMINSKY: Mr Commissioner, I don't know what to do.
11:26 31
11:26 32 MR BORSKY: You are now on mute, Commissioner.
11:26 33
11:26 34 COMMISSIONER: Can you hear me now?
11:27 35
11:27 36 MR BORSKY: Yes, we can.
11:27 37
11:27 38 COMMISSIONER: Sorry. I said we might have a break and see
11:27 39 what is going on and see if we can't fix the problem. I get
11:27 40 Mr Lawrence's difficulty because from time to time in the last
11:27 41 few minutes I've had the same issues. So we'll just have to try
11:27 42 and work on it. If I take a break, say for 10 minutes and I'll see
11:27 43 what kind of technical alterations can be made. 10 minutes.
11:27 44 Thanks. I'll adjourn now.
11:27 45
11:27 46
11:27 47 **ADJOURNED** **[11.27AM]**

11:42 1
11:42 2
11:42 3 **RESUMED** [11.42AM]
11:42 4
11:42 5
11:42 6 COMMISSIONER: I'm not sure that much was able to be done
11:42 7 over that break, but we might be able to fix it over lunch or in the
11:43 8 evening. So you might have to keep suffering, Mr Lawrence, if
11:43 9 there is a hiccup with the sound at all. Sorry about that. It should
11:43 10 be slightly better, but it won't be as clear as I think I can hear
11:43 11 Mr Borsky and likely you both can hear me.
11:43 12
11:43 13 Before we go on, I want to try and clear up in my own mind the
11:43 14 topic that I was asking you about earlier, Mr Lawrence, which is
11:43 15 about the counter cheques and whether they might have ---
11:43 16 whether they might be on occasion as I read the, it's a bit unclear
11:43 17 at the moment, but I think that's the effect of the evidence of the
11:43 18 hosts. Just to make it clear, I think this is both from your
11:44 19 statement and your evidence, but I want to make sure I'm
11:44 20 100 per cent on top of it ---
11:44 21
11:44 22 A. Yes.
11:44 23
11:44 24 COMMISSIONER: --- so I don't walk away with any mistaken
11:44 25 view, the counter cheque is --- the language comes from banking.
11:44 26 Banks keep counter cheques. If I go to a bank and I don't have
11:44 27 a chequebook, I want to draw from my account, the bank clerk
11:44 28 will from under the counter have a cheque which is capable of
11:44 29 being drawn on the bank where I'm attending, and it can be
11:44 30 written up to so as draw from my account made payable to
11:44 31 whomever I like.
11:44 32
11:44 33 I can make it payable to the bank if I owe the bank some money, I
11:44 34 can make it payable to my kids if I want to give my kids some
11:44 35 money, or to a store or anybody. So the counter cheque is
11:44 36 nothing more than a convenience for somebody who does not ---
11:45 37
11:45 38 A. Yes.
11:45 39
11:45 40 COMMISSIONER: --- have a cheque in their pocket and would
11:45 41 like to have a cheque to pay a particular debt.
11:45 42
11:45 43 A. Yes.
11:45 44
11:45 45 COMMISSIONER: And I take it when you have counter
11:45 46 cheques you have them for each of the major trading banks?
11:45 47

11:45 1 A. Sorry, again?
11:45 2
11:45 3 COMMISSIONER: Will the counter cheques that Crown has
11:45 4 available, will there be counter cheques for NAB, counter
11:45 5 cheques for Westpac, a counter cheque for each of the main
11:45 6 trading banks?
11:45 7
11:45 8 A. The counter cheque would I believe be on the bank that
11:45 9 Crown utilises. I think it is ANZ. It is a Crown counter cheque.
11:45 10 Sorry, it is a Crown document. It is a Crown cheque.
11:45 11
11:45 12 COMMISSIONER: And the bank on which it is drawn is the
11:45 13 Crown bank account? A cheque is drawn on some bank.
11:45 14
11:46 15 A. Yes. Yes. It would be the Crown's bank account. Sorry,
11:46 16 the bank that Crown banks with, yes.
11:46 17
11:46 18 COMMISSIONER: And if I --- if a patron comes along, and it is
11:46 19 a patron who you have dealt with a long time and know they have
11:46 20 plenty of money, but they don't have money with them at the
11:46 21 moment ---
11:46 22
11:46 23 A. Yes.
11:46 24
11:46 25 COMMISSIONER: --- they can ask for a counter cheque?
11:46 26
11:46 27 A. No. They would need to provide a blank personal
11:46 28 cheque ---
11:46 29
11:46 30 COMMISSIONER: Sorry, one step at a time. They will have
11:46 31 their personal cheque made payable --- and they will pay it out to
11:46 32 Crown?
11:46 33
11:46 34 A. No. The process would be that they would present with
11:47 35 a personal cheque, that is not filled in or completed, we would
11:47 36 then establish a cheque cashing facility and that cheque would be
11:47 37 kept on file in a blank format and we would draw down on
11:47 38 a counter cheque once the cheque cashing facility has been
11:47 39 established.
11:47 40
11:47 41 So a customer couldn't arrive at the cage with a personal cheque,
11:47 42 complete it, and receive chips without going through that process.
11:47 43
11:47 44 COMMISSIONER: That's still --- let's do it step by step.
11:47 45
11:47 46 I'm the customer and I want some credit. And I go to the cage
11:47 47 and I say "Can I have some credit, how do we do this?" Does the

11:47 1 customer need a cheque drawn on the customer's own account,
11:48 2 which is then made payable to Crown?
11:48 3
11:48 4 A. They provide that personal cheque, they need to complete
11:48 5 a cheque cashing facility application form ---
11:48 6
11:48 7 COMMISSIONER: No, no, I get that, but in the first instance
11:48 8 they have to have their own cheque drawn by them on their own
11:48 9 bank?
11:48 10
11:48 11 A. They have to provide a personal cheque, yes.
11:48 12
11:48 13 COMMISSIONER: Drawn by them on their own bank?
11:48 14
11:48 15 A. As I understand it, the cheque doesn't need to be
11:48 16 completed. They apply for the amount that is set up in the system
11:48 17 and then the counter cheque is drawn for the amount, which they
11:48 18 sign.
11:48 19
11:48 20 COMMISSIONER: So their own cheque doesn't have to be
11:48 21 completed but the counter cheque needs to be completed?
11:48 22
11:48 23 A. Yes.
11:48 24
11:48 25 COMMISSIONER: And the counter cheque needs to be
11:48 26 completed because it has to match up with a voucher so that the
11:49 27 voucher can be taken either to the cage or to the table ---
11:49 28
11:49 29 A. Yes.
11:49 30
11:49 31 COMMISSIONER: --- in exchange for chips, and unless the
11:49 32 counter cheque is completed, you don't know how to complete
11:49 33 the voucher, and if you don't complete the voucher, I don't know
11:49 34 as the patron how much worth of chips I'm going to get?
11:49 35
11:49 36 A. Correct.
11:49 37
11:49 38 COMMISSIONER: Okay. And I can leave my cheque open as it
11:49 39 were, not having the amount filled in, because I might come
11:49 40 along with five requests during the course of a playing session ---
11:49 41
11:49 42 A. Yes.
11:49 43
11:49 44 COMMISSIONER: --- and you square it up at the end of the
11:49 45 day. At the end of the day, you say, "Well, you've got five
11:49 46 counter cheques for \$100,000 each, so we will fill in your cheque
11:49 47 for \$500,000"?

11:49 1
11:49 2 A. Yes. Generally we wouldn't do that. We would have the
11:49 3 five individual cheques and we would hold those cheques for up
11:49 4 to five days and bank all five cheques. We generally don't
11:50 5 consolidate into the customer's personal cheque. That personal
11:50 6 cheque is kept on file at Crown.
11:50 7
11:50 8 COMMISSIONER: I get that. But I'm looking at day one. The
11:50 9 day --- let's say I'm only there for day one and go back home
11:50 10 wherever it might be, away from Melbourne, but the day I come
11:50 11 in, I'm only gambling for one day so I effectively end up needing
11:50 12 five times \$100,000. I wouldn't have five cheques from me to
11:50 13 Crown, they would be consolidated at the end of the day and
11:50 14 I will get five counter cheques during the course of the
11:50 15 afternoon ---
11:50 16
11:50 17 A. Yes.
11:50 18
11:50 19 COMMISSIONER: --- but you will consolidate my cheque at
11:50 20 the end of the day and keep it for five days and give it back to me
11:50 21 if I redeem it or bank it if I don't redeem it?
11:50 22
11:50 23 A. We may consolidate all five cheques into your personal
11:50 24 cheque or we may bank all five cheques.
11:51 25
11:51 26 COMMISSIONER: Sorry, give me the last bit again?
11:51 27
11:51 28 A. At the end, which is very unusual, we may consolidate
11:51 29 those five cheques into your one personal cheque that you've
11:51 30 presented, or, we would just bank, which is the normal process,
11:51 31 we bank all five cheques within the five-day period.
11:51 32
11:51 33 COMMISSIONER: So what part of the cheque is kept open until
11:51 34 the consolidation takes place?
11:51 35
11:51 36 A. The personal cheque is always kept on file as a blank
11:51 37 document, and the five counter cheques that have been drawn,
11:51 38 those are the documents that go to the bank in most cases.
11:51 39
11:51 40 COMMISSIONER: Okay. Thanks. I think I've got it now.
11:51 41
11:51 42 Mr Kozminsky.
11:51 43
11:51 44 MR KOZMINSKY: Yes. I think before we got interrupted,
11:51 45 Mr Lawrence, I had put to you this: you agree that Mahogany
11:52 46 Room staff do not speak to clients about the amount of money
11:52 47 they are gambling or if they can afford it, and you disagreed with

11:52 1 me; do you recall that?
11:52 2
11:52 3 A. They don't. They don't talk to clients about their
11:52 4 win/losses, no.
11:52 5
11:52 6 Q. I'm sorry, you are agreeing?
11:52 7
11:52 8 A. I'm agreeing.
11:52 9
11:52 10 Q. Thank you.
11:52 11
11:52 12 And you agree that casino hosts and Mahogany Room staff do not
11:52 13 check in on the well-being of customers?
11:52 14
11:52 15 A. From time to time they will check in on the well-being of
11:52 16 a customer, yes.
11:52 17
11:52 18 Q. This is what a current black card member said, this is
11:52 19 a quote verbatim --- a former black card member:
11:52 20
11:52 21 *[At no stage was I ever] asked any questions in terms of*
11:52 22 *how I'm feeling, how I'm coping, whether I need any*
11:53 23 *assistance, whether I should possibly take a break,*
11:53 24 *especially after major losses.*
11:53 25
11:53 26 A current black card member said this:
11:53 27
11:53 28 *They don't try to help anybody in there*
11:53 29
11:53 30 That particular black card member said she had never seen
11:53 31 a Crown staff member in the Mahogany Room checking on
11:53 32 anyone who had been gambling for a long time and looked tired.
11:53 33
11:53 34 Having heard that evidence, let me ask you again whether or not
11:53 35 you agree that casino hosts and Mahogany Room staff do not
11:53 36 check in on the well-being of customers.
11:53 37
11:53 38 A. I don't agree with that.
11:53 39
11:53 40 Q. You agree with me that it rarely happens?
11:53 41
11:53 42 A. It would happen at the play period alert points, yes, it
11:53 43 would happen, but prior to that, possibly not.
11:53 44
11:53 45 Q. So you agree with me it would never happen before 12
11:54 46 hours of continuous play?
11:54 47

11:54 1 A. I don't agree that it never happens. But it wouldn't ---
11:54 2 potentially wouldn't happen too often, no.
11:54 3
11:54 4 Q. You agree with me it would rarely happen before 12 hours
11:54 5 of continuous play?
11:54 6
11:54 7 A. I agree with you.
11:54 8
11:54 9 Q. Okay. We just spoke about play periods. I want to ask you
11:54 10 this: you agree that staff rarely ask customers gambling in
11:54 11 Mahogany Room to take a break even during long continuous
11:54 12 periods of gambling; do you agree with that?
11:54 13
11:54 14 A. Prior to the 12-hour period, I agree with that, yes.
11:54 15
11:54 16 Q. But not after?
11:54 17
11:54 18 A. Yes, they do, yes. Have to.
11:54 19
11:54 20 Q. Do you say that has been the practice since you started in
11:54 21 your current role in 2012?
11:54 22
11:54 23 A. No, it hasn't been the practice since then.
11:54 24
11:55 25 Q. When do you say that practice was adopted?
11:55 26
11:55 27 A. It was adopted in 2020, I believe, on the return from
11:55 28 lockdown.
11:55 29
11:55 30 Q. Well, the Play Periods Policy that was adopted in 2020
11:55 31 differed from its predecessor in that the cap on number of hours
11:55 32 in a day dropped from 24 hours to 18 hours.
11:55 33
11:55 34 A. Yes.
11:55 35
11:55 36 Q. Both of them only require an interaction or observation at
11:55 37 12 hours.
11:55 38
11:55 39 A. Yes, that's correct.
11:55 40
11:55 41 Q. Are you saying in the Mahogany Room, as a matter of
11:55 42 course, at 12 hours of continuous play staff approach players?
11:55 43
11:55 44 A. Yes, they do.
11:55 45
11:55 46 Q. Mr Lawrence, take a moment to think about that. I have
11:55 47 the Responsible Gaming Register. It has been tendered in

11:55 1 evidence. I've spoken to hosts. I've spoken to Responsible
11:56 2 Gaming Advisors. They have said their normal practice is not to
11:56 3 interact with customers at 12 hours unless they are displaying
11:56 4 other observable signs. So, bear with me, it is inconsistent with
11:56 5 everything we've heard. Think about it again. Do you want to
11:56 6 change the evidence given?
11:56 7
11:56 8 A. At the 12-hour alert, if there has been continuous play right
11:56 9 through that 12-hour period, I believe that a member of my team
11:56 10 or the Gaming team will speak to the patron. They will check to
11:56 11 see if it has been continuous play. If it hasn't been continuous
11:56 12 play, then they will just observe, they will go and have a look at
11:56 13 the customer from a distance and observe the 12-hour mark.
11:56 14
11:56 15 Q. When you say "continuous play", what do you mean?
11:56 16
11:57 17 A. I mean where we have a rating or ratings that have been
11:57 18 consistently in play for 12 hours. Without a break.
11:57 19
11:57 20 Q. So if someone has gone to the toilet for 15 minutes, is that
11:57 21 a break in play?
11:57 22
11:57 23 A. That could be seen as a break but I wouldn't see it as
11:57 24 a break. A 15-minute bathroom break I wouldn't see as a break in
11:57 25 play.
11:57 26
11:57 27 Q. How long is an appropriate break in play?
11:57 28
11:57 29 A. I think an appropriate break would be an hour, 1.5 hours.
11:57 30
11:57 31 Q. We've heard evidence from both a previous and current
11:57 32 Mahogany Room host who say people are regularly gambling in
11:57 33 that room for more than 12 hours, 14 hours, 16 hours. And we've
11:58 34 heard evidence from a Responsible Gaming Advisor, who walks
11:58 35 the floor, including in the Mahogany Room, and says she has
11:58 36 regularly seen people gambling for more than 12, 14, 16, 18 and
11:58 37 even 24 hours in a row at the casino, and I am asking you if that
11:58 38 is consistent with your experience.
11:58 39
11:58 40 A. It is, yes.
11:58 41
11:58 42 Q. Do you agree with me that if a customer tells the Mahogany
11:58 43 Room host they need to take a break from gambling, the host will
11:58 44 continue to contact the client?
11:59 45
11:59 46 A. Contact the client? Sorry, can you elaborate a little bit
11:59 47 more?

- 11:59 1
11:59 2 Q. Yes. The host will contact the customer, offer them gifts,
11:59 3 benefits, things that involve coming to the casino complex in the
11:59 4 hope that they will start gambling again?
11:59 5
11:59 6 A. After they've taken the appropriate break, yes.
11:59 7
11:59 8 Q. No, no, not after they've taken the appropriate break, if they
11:59 9 say they are going to take a break. The customer says to
11:59 10 a Mahogany Room host, "I'm going to take a break. I might be
11:59 11 away for a few days", and immediately the host will start
11:59 12 contacting them and offer them enticements to get back into the
11:59 13 complex because, as you said to me, when they are back in the
11:59 14 complex they are likely to gamble; do you agree with that?
11:59 15
11:59 16 A. If a customer says that they are taking a break, whether that
11:59 17 be for the rest of the day or for a day or two, yes, the host will
12:00 18 contact the customer the following day or in the coming days to
12:00 19 alert them to any events that might be coming up that they might
12:00 20 have interest in.
12:00 21
12:00 22 Q. So, to answer my question, yes, the host will contact them
12:00 23 and offer them an enticement to get them back to the complex in
12:00 24 the hopes that they start gambling, yes, you agree with me?
12:00 25
12:00 26 A. Yes, I agree.
12:00 27
12:00 28 Q. Do you agree with me it's not part of the Mahogany Room
12:00 29 host's role to suggest self-exclusion to clients?
12:00 30
12:00 31 A. That could be a conversation that the host may have, but we
12:00 32 tend to focus those conversations with a Mahogany Room service
12:00 33 manager or above.
12:00 34
12:00 35 Q. So is the answer to my question, yes, it is not part of the
12:01 36 Mahogany room host's role to suggest self-exclusion to clients?
12:01 37
12:01 38 A. No.
12:01 39
12:01 40 Q. Do you agree that that is so even if the client discloses they
12:01 41 are in serious financial troubles?
12:01 42
12:01 43 A. If a customer brings that to the host's attention, the host will
12:01 44 bring that to the attention of their direct manager's attention,
12:01 45 I believe, in all cases, yes.
12:01 46
12:01 47 Q. You believe that to be so?

12:01 1
12:01 2 A. Yes, I do.
12:01 3
12:01 4 Q. Is that a belief based on anything, personal experience, or is
12:01 5 that just what you hope the process is because we've heard
12:01 6 evidence (inaudible)?
12:01 7
12:01 8 A. I can't think of an instance where that has occurred but
12:01 9 I believe that would be the action of the host.
12:01 10
12:01 11 Q. Well, given you can't think of an instance and the host's
12:01 12 evidence is it's not part of their job to suggest to people that they
12:02 13 self-exclude, are you happy to agree with me that it's not part of
12:02 14 the host's role to get involved in the process even if a client
12:02 15 discloses that they are in serious financial trouble? You agree
12:02 16 with me?
12:02 17
12:02 18 A. The host will become involved in that conversation if the
12:02 19 patron advised the host that they are having financial problems or
12:02 20 they need to self-exclude, they will bring that to the service
12:02 21 manager's attention straight away. I believe that would occur.
12:02 22
12:02 23 Q. We've been through this, Mr Lawrence. You can't think of
12:02 24 a single example and you've been the Mahogany Room host for
12:02 25 nine years; is that right?
12:02 26
12:02 27 A. Yes, it is.
12:02 28
12:02 29 Q. In light of the fact that you can't think of a single example
12:02 30 in nine years, surely you must agree with me that that is not what
12:02 31 actually happens?
12:02 32
12:03 33 A. No. Yes, I would agree.
12:03 34
12:03 35 Q. And you agree with me that you, personally, instruct hosts
12:03 36 to actively discourage customers from self-excluding?
12:03 37
12:03 38 A. No, that's incorrect.
12:03 39
12:03 40 Q. A current Mahogany Room host said this, it would not
12:03 41 surprise him if hosts in the Mahogany Room said this to
12:03 42 customers who want to self-exclude.
12:03 43
12:03 44 *"hey look, instead of just self-excluding, maybe just*
12:03 45 *take some time off, go to the football next weekend, go*
12:03 46 *home, cool your heels and let's speak about it in a few*
12:03 47 *days"*

12:03 1
12:03 2 Does that evidence surprise you?
12:03 3
12:03 4 A. Yes, it does surprise me.
12:03 5
12:03 6 Q. Can you think of any plausible explanation for why hosts in
12:03 7 the Mahogany Room would adopt that practice if it is not coming
12:03 8 from the leaders of the Mahogany Room?
12:04 9
12:04 10 A. No, I can't explain a practice.
12:04 11
12:04 12 Q. So you would accept, wouldn't you, that it was open for the
12:04 13 Commissioner to find on the basis of that evidence that I've just
12:04 14 read out to you that it is a practice that is adopted by hosts
12:04 15 because that is what leaders of the Mahogany Room, including
12:04 16 yourself, encourage?
12:04 17
12:04 18 A. No, I don't encourage that.
12:04 19
12:04 20 Q. You haven't been able to identify another plausible
12:04 21 explanation. I'm asking you if you accept that in the absence of
12:04 22 any other plausible explanation, that is a reasonable conclusion
12:04 23 for the Commission to reach?
12:04 24
12:04 25 A. No, I don't agree. If a customer puts their hand up and says
12:04 26 I need to self-exclude, we would action that immediately.
12:05 27
12:05 28 Q. You've agreed with me you can't provide a plausible
12:05 29 explanation as to why hosts adopt that practice if it is not coming
12:05 30 from the leaders. You've agreed with me about that.
12:05 31
12:05 32 A. Yes.
12:05 33
12:05 34 COMMISSIONER: Hold on, Mr Kozminsky. I've got
12:05 35 Mr Borsky online. I can't hear you, Mr Borsky.
12:05 36
12:05 37 MR BORSKY: Sorry, Commissioner.
12:05 38
12:05 39 COMMISSIONER: Now it's okay.
12:05 40
12:05 41 MR BORSKY: Thank you. I object to this line of questioning.
12:05 42 It is unfair and confusing. It's now been put to the witness that he
12:05 43 can't provide a plausible explanation as to why hosts adopt the
12:05 44 "practice". It is preceded on the basis of evidence given by
12:05 45 a host, not that the practice is adopted, but rather that it would not
12:06 46 surprise that host if some other unidentified host in the Mahogany
12:06 47 Room adopted that practice. So it's entirely hypothetical and

12:06 1 built on chains of hypothetical hearsay which is confusing and
12:06 2 unfair.

12:06 3

12:06 4 COMMISSIONER: There is probably something in that,
12:06 5 Mr Kozminsky. I think you should confine this line of
12:06 6 questioning to the evidence of what actually occurs rather than go
12:06 7 wider than that.

12:06 8

12:06 9 MR KOZMINSKY: Sure.

12:06 10

12:06 11 Mr Lawrence, a former Mahogany Room host gave us that
12:06 12 evidence. In other words, a former Mahogany Room host said
12:06 13 that is what he would say when a customer asked about
12:06 14 self-exclusion. And it was put to another Mahogany Room host
12:06 15 who, while not accepting he would say that, said it wouldn't come
12:06 16 as a surprise to him if another host engaged in that practice. I'm
12:07 17 asking you why one host you said he engaged in that practice and
12:07 18 another host said it wouldn't surprise him if that practice
12:07 19 occurred. I'm asking you if you can provide any plausible
12:07 20 explanation for that occurring.

12:07 21

12:07 22 A. No, I can't. I can't.

12:07 23

12:07 24 Q. We'll leave it there.

12:07 25

12:07 26 Do you agree with me that during the course of the last nine years
12:07 27 you've not, as a matter of course, instructed Mahogany Room
12:07 28 hosts to inquire about the financial position of customers?

12:07 29

12:07 30 A. Over the course of the nine years, yes. As part of my role
12:07 31 I'm the only person that upgrades customers from the platinum
12:07 32 tier to the black tier. During that process I reach out to the hosts
12:07 33 and gather more information on the customer, and that
12:07 34 information can be about the type of work, and just to ensure that
12:08 35 the customer is upgraded safely so that we know that they have
12:08 36 a good business as far as we are aware of, or a good source of
12:08 37 income to support that level of play.

12:08 38

12:08 39 Q. So putting to one side for the purposes of loyalty programs,
12:08 40 and in fairness to you, it was a direct response to my question, but
12:08 41 for purposes of the Responsible Service of Gaming, it's not
12:08 42 something that happens in the ordinary course?

12:08 43

12:08 44 A. No.

12:08 45

12:08 46 Q. Do you agree with me that as a person in charge of the
12:08 47 Mahogany Room, you create the tone and culture for the hosts

12:08 1 and the staff in the Mahogany Room?
12:08 2
12:08 3 A. Yes.
12:08 4
12:08 5 Q. Do you agree for me prior to 24 March 2021, Crown had ---
12:08 6 for people that owed the casino money, it allowed those people to
12:09 7 gamble at the casino?
12:09 8
12:09 9 A. Yes.
12:09 10
12:09 11 Q. And that instance of people gambling while owing debts to
12:09 12 the casino they could not repay, that happened regularly?
12:09 13
12:09 14 A. Yes. Yes.
12:09 15
12:09 16 Q. And you agree with me that someone who owes the casino
12:09 17 a debt and cannot pay it off is likely to be having some financial
12:09 18 difficulties?
12:09 19
12:09 20 A. Yes, I would agree with that.
12:09 21
12:09 22 Q. And you agree with me it is irresponsible to permit
12:09 23 someone to gamble when they cannot pay off their current
12:09 24 gambling debts?
12:09 25
12:09 26 A. Sorry, can you repeat that again, sir.
12:09 27
12:09 28 Q. Do you agree with me it is irresponsible to permit someone
12:09 29 to gamble when they cannot pay off their current gambling debts?
12:09 30
12:09 31 A. I agree with that.
12:09 32
12:09 33 Q. Who was responsible at the casino for allowing people to
12:10 34 continue to gamble when they owed the casino money? Who
12:10 35 made the decision?
12:10 36
12:10 37 A. It would be myself and my direct report.
12:10 38
12:10 39 Q. Who is your direct report, sorry?
12:10 40
12:10 41 A. The Executive General Manager of table games ---
12:10 42
12:10 43 Q. Tim Barnett?
12:10 44
12:10 45 A. --- Tim Barnett, yes.
12:10 46
12:10 47 Q. When you say --- so I understand your evidence, do you say

12:10 1 that you and Mr Barnett make that decision on a case-by-case
12:10 2 basis or you and Mr Barnett implemented a policy that is
12:10 3 documented? How do you make the (audio distorted) decision?
12:10 4

12:10 5 A. It was always common practice wherever I've worked that
12:10 6 if there was a debt, that the customer could continue to game.
12:10 7

12:10 8 Q. Oh, I see. Then when you arrived in 2012 that was just
12:11 9 a policy you implemented informally, you allowed it to happen in
12:11 10 the Mahogany Room?
12:11 11

12:11 12 A. I believe it has always been in place. I recall back in 1994,
12:11 13 1998, that was the practice, yes.
12:11 14

12:11 15 Q. And do you and Mr Barnett, prior to 24 May, did the two of
12:11 16 you or one of you need to tick off allowing someone to gamble
12:11 17 when they owe the casino a debt, or it just happened as a matter
12:11 18 of course?
12:11 19

12:11 20 A. It just happened as a matter of course.
12:11 21

12:11 22 Q. This was well-known by management and staff and
12:11 23 everyone knew this is what happened?
12:11 24

12:11 25 A. Yes.
12:11 26

12:11 27 Q. So I would be correct in assuming that Mr Barnett knew
12:11 28 and Mr Barnett's superiors knew and directors knew, this is just
12:11 29 common knowledge at the casino?
12:11 30

12:11 31 A. I can't vouch for anybody from the board. It was common
12:12 32 practice with Mr Barnett, and also Mr Barnett's --- the person that
12:12 33 was in that role prior to Mr Barnett.
12:12 34

12:12 35 Q. What about Mr Xavier Walsh, when he was the COO of
12:12 36 Crown? Surely he knew what was going on in the Mahogany
12:12 37 Room?
12:12 38

12:12 39 A. Yes.
12:12 40

12:12 41 Q. And he is a current Director of Crown; you know that?
12:12 42

12:12 43 A. Yes.
12:12 44

12:12 45 Q. In response to the Royal Commission, Crown has changed
12:12 46 its practices in that regard; hasn't it?
12:12 47

12:12 1 A. It has, yes.
12:12 2
12:12 3 Q. From 24 May of this year, customers who have returned
12:12 4 cheques or who have a gaming debt with Crown are requested not
12:12 5 to visit the casino until the debt is repaid?
12:12 6
12:12 7 A. Correct.
12:12 8
12:12 9 Q. And that's because any other outcome is irresponsible?
12:12 10
12:13 11 A. Yes.
12:13 12
12:13 13 Q. And likely to encourage gambling harm?
12:13 14
12:13 15 A. Yes.
12:13 16
12:13 17 Q. By allowing people to gamble with money they do not
12:13 18 have?
12:13 19
12:13 20 A. Yes.
12:13 21
12:13 22 Q. When was the change in policy first flagged with you?
12:13 23
12:13 24 A. It was flagged to me just prior to it being implemented but
12:13 25 Mr Barnett, my direct report, has been in the role for around
12:13 26 about, I think, 18 months, and it was certainly his position
12:13 27 several months ago that he thought or believed that allowing
12:13 28 a customer to continue to play while they'd had a debt was
12:13 29 inappropriate, and that was where those (inaudible).
12:13 30
12:13 31 MR KOZMINSKY: Mr Lawrence is frozen on my screen,
12:13 32 Mr Commissioner.
12:14 33
12:14 34 COMMISSIONER: Yes, likewise.
12:14 35
12:14 36 Mr Borsky, can you arrange for somebody to go into
12:14 37 Mr Lawrence's room and reconnect or whatever we do?
12:14 38
12:14 39 MR BORSKY: I can and I suggest again we be patient for half
12:14 40 a minute or a minute.
12:14 41
12:14 42 COMMISSIONER: We'll wait.
12:14 43
12:15 44 (Pause due to technical difficulties)
12:15 45
12:15 46 MR BORSKY: I take it from him disappearing from the screen
12:15 47 that he is reconnecting. Hopefully he will reconnect shortly.

12:15 1
12:15 2 COMMISSIONER: I assume that, but don't ask me a question
12:15 3 like that!
4
5 MR BORSKY: No, not at all!
6
7 COMMISSIONER: I think Mr Lawrence is back online but he is
8 muted.
9
12:15 10 Can you say something, Mr Lawrence?
12:15 11
12:15 12 A. I can hear you, Mr Commissioner.
12:15 13
12:15 14 COMMISSIONER: Okay, thank you very much. This one was
12:15 15 a fault at your end, not at my end.
12:15 16
12:15 17 A. Okay.
12:15 18
12:15 19 COMMISSIONER: All right.
12:15 20
12:15 21 MR KOZMINSKY: Mr Lawrence, I think we were discussing
12:15 22 a change in policy at paragraph 31 of the statement. You recall
12:15 23 that?
12:15 24
12:15 25 A. Yes, I do.
12:15 26
12:15 27 Q. And I asked you when the change in policy was first
12:15 28 flagged with you and you said just before it was implemented,
12:15 29 I think, and then you were explaining to me about Mr Barnett's
12:15 30 role in all of this.
12:15 31
12:16 32 A. Yes. Mr Barnett commenced about 18 months ago in the
12:16 33 role, and this has been something that he had some concern with
12:16 34 at our credit meetings. This topic came up. That was
12:16 35 a few months before the change in policy.
12:16 36
12:16 37 Q. The new change in policy, is that documented somewhere?
12:16 38
12:16 39 A. I don't know.
12:16 40
12:16 41 Q. Can you try and find that out via your lawyers and let us
12:16 42 know?
12:16 43
12:16 44 A. Yes.
12:16 45
12:16 46 Q. Your credit meetings where Mr Barnett raised the issues,
12:16 47 has he been raising the issues since he joined?

12:17 1
12:17 2 A. Mr Barnett joined or moved into the role about 18 months
12:17 3 ago, but given lockdown he's only had probably, from memory,
12:17 4 three or four credit meetings.
12:17 5
12:17 6 Q. Right. When was the first of those, approximately? It's not
12:17 7 a memory test, but just ballpark, beginning of last year?
12:17 8
12:17 9 A. It could have been towards the end of last year.
12:17 10
12:17 11 Q. Are the credit meetings documented? Are there minutes of
12:17 12 the meetings?
12:17 13
12:17 14 A. Yes, there are.
12:17 15
12:17 16 Q. Would we be able to get all --- because it is only three or
12:17 17 four, it won't take long, we'll add it to the list of tasks --- the
12:17 18 minutes of the meetings from the beginning of last year through
12:17 19 to today?
12:17 20
12:17 21 A. I will correct myself. I'm not sure if there is minutes taken
12:17 22 at those meetings. The notes from the meeting relate to what the
12:18 23 next action will be and that's noted, but as far as comments
12:18 24 around customers being able to play whilst having a debt, I don't
12:18 25 believe that is documented.
12:18 26
12:18 27 Q. If Mr Barnett had a concern about people gambling when
12:18 28 they owed the casino money, presumably there will be an action
12:18 29 item how to deal with that. We'll take the action list for each of
12:18 30 the meetings if we could, if that could be arranged.
12:18 31
12:18 32 Is that all right, Mr Lawrence?
12:18 33
12:18 34 A. I'm not sure if there will be a notation of that. It was more
12:18 35 of a high level comment from Mr Barnett about that.
12:18 36
12:18 37 Q. Well, we'll have a look. I suppose the position is this, isn't
12:18 38 it, you agree with me the change has arisen because of the
12:18 39 concerns raised in the Royal Commission?
12:18 40
12:18 41 A. I agree.
12:18 42
12:18 43 Q. That is your understanding?
12:18 44
12:18 45 A. I agree, yes.
12:18 46
12:18 47 Q. And you agree with me that before that, the change would

12:19 1 not have occurred?
12:19 2
12:19 3 A. I believe it would have occurred because certainly
12:19 4 Mr Barnett had a position on it, and he and I had conversations
12:19 5 about that but he was quite firm that he didn't see that as
12:19 6 appropriate and that was prior to this Commission, yes.
12:19 7
12:19 8 Q. Do you know if Mr Barnett took this up with anyone more
12:19 9 senior than him --- take it up before this Royal Commission
12:19 10 started with anyone more senior?
12:19 11
12:19 12 A. I don't know that.
12:19 13
12:19 14 Q. We might make some inquiries.
12:19 15
12:19 16 I want to speak to you, Mr Lawrence, about the example of
12:19 17 Mr Hasna. In the context of your evidence where you agreed
12:19 18 with me the tone and culture for the Mahogany Room, I will put
12:20 19 some propositions to you about it and you tell me if you agree or
12:20 20 disagree with me.
12:20 21
12:20 22 Do you agree with me Mr Hasna was a black cardholder?
12:20 23
12:20 24 A. Yes, I agree.
12:20 25
12:20 26 Q. And he was a frequent member of the Mahogany Room?
12:20 27
12:20 28 A. Yes.
12:20 29
12:20 30 Q. And you agree with me he gambled frequently at the
12:20 31 Mahogany Room for many years?
12:20 32
12:20 33 A. Yes.
12:20 34
12:20 35 Q. And you agree with me that on 9 May 2016 he came to the
12:20 36 casino with a cheque made out to him for \$100,000?
12:20 37
12:20 38 A. Yes.
12:20 39
12:20 40 MR KOZMINSKY: Mr Commissioner, the cheque, for your
12:20 41 benefit, is behind tab 11. CRW.512.297.0057. Is that the
12:21 42 cheque?
12:21 43
12:21 44 A. Yes.
12:21 45
12:21 46 Q. Cheque made out to Mr Lawrence[sic] that Crown
12:21 47 deposited into its bank account and was credited to

12:21 1 Mr Lawrence's debit account in due course?
12:21 2
12:21 3 A. The cheque was made out to Mr Hasna.
12:21 4
12:21 5 Q. My apologies. The cheque was made out to Mr Hasna
12:21 6 and --- I withdraw all those questions.
12:21 7
12:21 8 The cheque was made out to Mr Hasna and that is an example of
12:21 9 the casino seeking to deposit cheques not made out to the casino;
12:21 10 you agree with me?
12:21 11
12:21 12 A. Yes.
12:21 13
12:21 14 Q. And you approved the early release of the cheque?
12:21 15
12:21 16 A. Yes.
12:21 17
12:21 18 Q. And then ---
12:21 19
12:21 20 COMMISSIONER: Early release of the funds, I think.
12:21 21
12:21 22 MR KOZMINSKY: The funds, my apologies.
12:21 23
12:21 24 Then, Mr Commissioner, tab 12, and for the operator,
12:21 25 CRW.512.097.0122 --- oh, I tender the cheque,
12:22 26 Mr Commissioner.
12:22 27
12:22 28 COMMISSIONER: Described as a blank cheque issued by ANZ
12:22 29 drawn on itself, 9 May 2016, payable to Mr Ahmed Hasna,
12:22 30 Exhibit 177.
12:22 31
12:22 32
12:22 33 **EXHIBIT #RC0177 - BLANK CHEQUE ISSUED BY ANZ**
12:22 34 **DRAWN ON ITSELF PAYABLE TO MR AHMED HASNA**
12:22 35 **DATED 9 MAY 2016**
12:22 36
12:22 37
12:22 38 MR KOZMINSKY: Tab 12, CRW.512.097.0122.
12:22 39
12:22 40 At the very bottom of this page, Mr Lawrence, you will see in
12:22 41 a moment --- I hope --- that Mr Hasna was issued a chip purchase
12:22 42 voucher for \$100,000; you see that?
12:22 43
12:23 44 A. Yes, I do.
12:23 45
12:23 46 MR KOZMINSKY: I tender that, Mr Commissioner.
12:23 47

12:23 1 COMMISSIONER: That will be Exhibit 178 and it comprises
12:23 2 a patron receipt --- it starts off with an account deposit and
12:23 3 withdrawal document signed by Mr Hasna, 9 May 2016 and
12:23 4 related documents. Exhibit 178.

12:23 5

6

7

**EXHIBIT #RC0178 - ACCOUNT DEPOSIT AND
WITHDRAWAL DOCUMENT SIGNED BY MR AHMED
HASNA DATED 9 MAY 2016 AND RELATED
DOCUMENTS**

11

12

12:23 13 MR KOZMINSKY: Thank you.

12:23 14

12:23 15 And you approved that series of events, Mr Lawrence? You
12:23 16 approve that series of events, the early release of funds ---

12:23 17

12:23 18 A. Yes, I did.

12:23 19

12:23 20 Q. And Mr Hasna lost the money that he had been gambling?

12:23 21

12:23 22 A. I believe so, yes.

12:23 23

12:23 24 Q. The cheque was ultimately dishonoured?

12:24 25

12:24 26 A. Yes.

12:24 27

12:24 28 Q. You advised Mr Hasna's host to contact Mr Hasna about
12:24 29 the cheque being dishonoured?

12:24 30

12:24 31 A. Yes.

12:24 32

12:24 33 Q. Mr Hasna informed his host that he was in financial trouble
12:24 34 and considering self-excluding?

12:24 35

12:24 36 A. I wasn't aware of that.

12:24 37

12:24 38 Q. You were aware that he was in trouble because he couldn't
12:24 39 repay the debt?

12:24 40

12:24 41 A. I'm sorry, can you repeat that?

12:24 42

12:24 43 Q. You were aware he was in financial trouble because he
12:24 44 couldn't repay the \$100,000?

12:24 45

12:24 46 A. I was aware that there was a problem but I wasn't aware of
12:24 47 what financial or if there was financial problems at that point in

12:24 1 time.
12:24 2
12:24 3 Q. Mr Lawrence, if someone loses \$100,000 at the casino,
12:24 4 a cheque bounces and they can't repay the debt, it is inherently
12:25 5 likely that they are in some financial trouble; do you agree with
12:25 6 that?
12:25 7
12:25 8 A. I agree.
12:25 9
12:25 10 Q. Thank you. So the answer to my question is you knew or
12:25 11 must have suspected he was in financial trouble at the time?
12:25 12
12:25 13 A. Yes.
12:25 14
12:25 15 Q. And it was communicated to Mr Hasna via his host, but
12:25 16 from you, that Mr Hasna could come back to the Mahogany
12:25 17 Room and continue gambling; do you agree with that?
12:25 18
12:25 19 A. I agree.
12:25 20
12:25 21 Q. And that all of his black card benefits would resume at
12:25 22 normal; you agree with that?
12:25 23
12:25 24 A. Yes.
12:25 25
12:25 26 Q. In other words, Mr Hasna would have all the perks of being
12:25 27 a black card member which are designed, as Mr Emery has
12:25 28 explained to us, to encourage people to gamble; you agree?
12:25 29
12:25 30 A. Yes.
12:25 31
12:25 32 Q. And you agree that Mr Hasna was told the \$100,000 did not
12:25 33 need to be paid immediately?
12:26 34
12:26 35 A. He would have been told that we required payment as soon
12:26 36 as possible.
12:26 37
12:26 38 Q. So the answer to my question is, yes, he didn't need to pay
12:26 39 immediately?
12:26 40
12:26 41 A. Yes.
12:26 42
12:26 43 Q. And you agree with me, and I will take you to
12:26 44 Mr Hasna's --- Crown's record of his transaction, but what was
12:26 45 arranged is that Mr Hasna would come back and gamble, and if
12:26 46 and when he had a win he would pay some of the money back?
12:26 47 That was the arrangement; wasn't it?

12:26 1
12:26 2 A. Yes.
12:26 3
12:26 4 Q. Mr Hasna had wins on 2, 3 August, 22 September,
12:26 5 25 September and 26 September 2016? They are the dates in
12:26 6 your statement, Mr Lawrence.
12:26 7
12:26 8 A. Yes.
12:26 9
12:26 10 Q. And he paid back, in instalments, \$100,000?
12:26 11
12:26 12 A. Yes.
12:26 13
12:26 14 Q. After repaying the debt he continued to gamble at the
12:26 15 casino?
12:26 16
12:26 17 A. Yes.
12:26 18
12:26 19 Q. And he lost a significant amount of money. I know there is
12:27 20 a dispute between the two of you as to the amount, but whether it
12:27 21 is millions or hundreds of thousands, it is a lot of money; you
12:27 22 agree with me?
12:27 23
12:27 24 A. Yes.
12:27 25
12:27 26 Q. I want to show you a statutory declaration of the host of
12:27 27 Mr Hasna, and he sits in between you and Mr Hasna speaking to
12:27 28 him. It is short. It is two pages. I want you to read it and tell me
12:27 29 if you disagree with anything in it.
12:27 30
12:27 31 Mr Commissioner, it is behind tab 13.
12:27 32
12:27 33 Mr Operator, it should be --- please check it is redacted before
12:27 34 you bring it up, WIT.0001.0001.0071.
12:27 35
12:27 36 Mr Lawrence, once the document pops up on screen, feel free to
12:27 37 ask us to scroll down as you are reading it so you can read the
12:28 38 two pages at your own pace.
12:28 39
12:28 40 A. Yes. I've read up to 4. Scroll down. Yes, I agree with that.
12:28 41
12:29 42 Q. Okay. Just over the page. It is short.
12:30 43
12:30 44 MR BORSKY: While the witness is reading this to himself,
12:31 45 Commissioner, may I respectfully request that we be sent a copy
12:31 46 of this statutory declaration? I'm instructed that we don't have it.
12:31 47

12:31 1 COMMISSIONER: There might be some slip-up. I thought you
12:31 2 would have the document. I will have inquiries made to see what
12:31 3 has gone wrong. If you haven't got it, it will be sent.
12:31 4
12:31 5 MR BORSKY: Thank you.
12:31 6
12:31 7 A. Mr Kozminsky, yes.
12:31 8
12:31 9 MR KOZMINSKY: Are there any parts you disagree with?
12:31 10
12:31 11 A. Can I just go back to --- I think it was point 5.
12:31 12
12:31 13 Q. Yes, of course you can. Mr Operator?
12:31 14
12:32 15 A. If I can go to point 8 as well, please. Yes, I've read that
12:32 16 now.
12:32 17
12:32 18 Q. Are there any parts of the statutory declaration you disagree
12:32 19 with?
12:32 20
12:32 21 A. In principle, no. I wasn't aware that Mr Hasna had advised
12:32 22 his host that he was experiencing financial and was considering
12:32 23 self-exclusion from Crown. I wasn't aware of that.
12:32 24
12:33 25 Q. Other than that, you agree what is in the statutory
12:33 26 declaration?
12:33 27
12:33 28 A. I believe so, yes.
12:33 29
12:33 30 MR KOZMINSKY: Commissioner, I tender the ---
12:33 31
12:33 32 COMMISSIONER: Before you leave that, can I just get you to
12:33 33 look at the second-last sentence of paragraph 8. That seems to be
12:33 34 inconsistent with what you told me a few minutes ago, which was
12:33 35 that although patrons owed Crown debts for unpaid gambling
12:33 36 losses or unpaid loans, applied to continued gambling and you
12:33 37 said it was a common practice and long standing ---
12:33 38
12:33 39 A. Yes.
12:33 40
12:33 41 COMMISSIONER: --- and the host is saying he understood the
12:34 42 practice to be that that wouldn't be permitted until a debt was
12:34 43 settled. That is different to what you told me ---
12:34 44
12:34 45 A. Yes.
12:34 46
12:34 47 COMMISSIONER: --- so I assume you disagree with that

12:34 1 sentence?
12:34 2
12:34 3 A. Yes, I disagree with that.
12:34 4
12:34 5 COMMISSIONER: Thank you.
12:34 6
12:34 7 MR KOZMINSKY: Thank you. Can I tender that statutory
12:34 8 declaration.
12:34 9
12:34 10 The only point of disagreement, it's not a point of disagreement, it
12:34 11 is just you weren't aware of what Mr Hasna had told the host
12:34 12 about financial difficulty and wanting to self-exclude.
12:34 13
12:34 14 A. Correct.
12:34 15
12:34 16 Q. It is something you say you weren't aware of that point, but
12:34 17 you've agreed with me that you knew at the time it was inherently
12:34 18 likely he was experiencing financial difficulty because he couldn't
12:34 19 repay the debt?
12:34 20
12:34 21 A. Correct.
12:34 22
12:34 23 Q. Really, the only issue between you and the deponent, other
12:34 24 than the point the Commissioner has just made, is you say you
12:34 25 weren't told by the host that the patron was considering
12:35 26 self-excluding?
12:35 27
12:35 28 A. Correct.
12:35 29
12:35 30 COMMISSIONER: Exhibit 179 will be statutory declaration
12:35 31 made on 10 April 2021 by Mr Hasna's host.
12:35 32
33
34 **EXHIBIT #RC0179 - REDACTED STATUTORY**
35 **DECLARATION BY MR AHMED HASNA'S HOST**
36 **DATED 10 APRIL 2021**
37
38
12:35 39 MR KOZMINSKY: You invited, through the host, Mr Hasna to
12:35 40 come back and gamble, notwithstanding you knew the following
12:35 41 matters, first that he had previously self-excluded?
12:35 42
12:35 43 A. I wasn't aware of the first two self-exclusions back in,
12:35 44 I think it was 2001 and 2008. 2003, 2008 I believe. I may have
12:36 45 been aware of the 2012.
12:36 46
12:36 47 Q. (Inaudible) aware that he had at least on one occasion had

12:36 1 self-excluded?

12:36 2

12:36 3 A. I may have been, I'm not 10 per cent sure. If the
12:36 4 self-exclusion occurred in April 2012, which is the month that I
12:36 5 commenced with Crown. So I may have been aware of it at the
12:36 6 point of revocation in 2014.

12:36 7

12:36 8 Q. Yes. I mean, I think it is probably more likely than not you
12:36 9 were aware, because when we started your cross-examination I
12:36 10 asked you --- I don't have the transcript in front of you, but I
12:36 11 asked whether or not when you know the clients were telling you
12:36 12 about their relationship and you would know if they had been
12:36 13 excluded in the past or if it might happen in the future. You said
12:37 14 yes, do you remember that exchange?

12:37 15

12:37 16 A. I do remember, that, yes.

12:37 17

12:37 18 Q. Given it is the general practice, and given Mr Hasna was
12:37 19 a gambler who gambled high stakes at the Mahogany Room and
12:37 20 you knew the key players, it is likely you knew at the time that he
12:37 21 had at least on one occasion previously self-excluded, isn't it?

12:37 22

12:37 23 A. May have on one occasion, yes.

12:37 24

12:37 25 Q. Yes, it is more likely than not that you did know that at the
12:37 26 time?

12:37 27

12:37 28 A. Yes.

12:37 29

12:37 30 Q. Thank you. And you agree with me that that is a sign,
12:37 31 when someone self-excludes, that they are having problems with
12:37 32 their gambling?

12:37 33

12:37 34 A. Yes, it is.

12:37 35

12:37 36 Q. And you didn't know, you say, that he was thinking about
12:37 37 self-excluding, but he had expressed that to staff at the casino, the
12:37 38 host. Mr Hasna has given that evidence and the host has given
12:37 39 that evidence. Are you happy to accept that, in the case?

12:37 40

12:37 41 A. I am happy to accept the host has made that statement but I
12:37 42 wasn't aware of it.

12:37 43

12:37 44 Q. You knew he presented a cheque for \$100,000 that was
12:37 45 dishonoured?

12:37 46

12:37 47 A. Yes.

- 12:37 1
12:37 2 Q. You knew he couldn't repay the debt?
12:38 3
12:38 4 A. Yes.
12:38 5
12:38 6 Q. You agree with me, don't you, that the decision to let
12:38 7 Mr Hasna come back to gamble was predatory and irresponsible?
12:38 8
12:38 9 A. Irresponsible, yes.
12:38 10
12:38 11 Q. You don't accept that it is predatory?
12:38 12
12:38 13 A. Yes, it --- it is a strong word, but possibly yes.
12:38 14
12:38 15 Q. I want to ask you a couple more questions, Mr Lawrence.
12:38 16 I'm hopeful we'll finish before lunch. At paragraph 33 of your
12:38 17 statement you say that Mr Hasna's play periods are not a concern
12:38 18 for you because he generally gambles under five hours. Do you
12:38 19 remember that?
12:38 20
12:38 21 A. I do, yes.
12:38 22
12:39 23 Q. Mr Hasna bet very large stakes. He had a higher bet limit
12:39 24 than most other local patrons, at least for a period?
12:39 25
12:39 26 A. On roulette, yes.
12:39 27
12:39 28 Q. On roulette, which was his game of choice?
12:39 29
12:39 30 A. Correct.
12:39 31
12:39 32 Q. And he gambled \$1,000 or \$2,000 for bet of roulette
12:39 33 depending on the limits that were allowed?
12:39 34
12:39 35 A. Yes.
12:39 36
12:39 37 Q. Just for the Commissioner's benefit, when you gamble on
12:39 38 roulette, it is not a case you bet on one number only; a player can
12:39 39 bet on lots of numbers, can't they?
12:39 40
12:39 41 A. Correct.
12:39 42
12:39 43 Q. And they can bet on different colours, black and red?
12:39 44
12:39 45 A. Yes, it is.
12:39 46
12:39 47 Q. They can bet on thirds of the table, and they can bet on odd

12:39 1 and even numbers, can't they?
12:39 2
12:39 3 A. Yes.
12:39 4
12:39 5 Q. So if someone has a bet limit on \$2,000 per number, they
12:39 6 could be betting tens or even hundreds of thousands of dollars
12:39 7 a spin, couldn't they?
12:39 8
12:39 9 A. They could.
12:39 10
12:39 11 Q. And if someone is gambling that amount of money for five
12:39 12 hours in a row, do you think, on reflection, you might have been
12:40 13 or ought to have been a bit more concerned about the frequency
12:40 14 at which Mr Hasna was playing?
12:40 15
12:40 16 A. There could be concern with the amount that Mr Hasna was
12:40 17 playing. I believe his average bet was around the \$3,000 to \$4,000 as
12:40 18 per our ratings.
12:40 19
12:40 20 Q. My question is do you think on reflection ---I will frame it
12:40 21 in this way if it is easier for you to answer. On reflection, the
12:40 22 casino might have been --- it might have been prudent for the
12:40 23 casino to show a bit more care in watching out for how much he
12:40 24 was gambling?
12:40 25
12:40 26 A. Yes.
12:40 27
12:40 28 Q. You say at paragraph 23 of your statement that because of
12:40 29 his high betting amount, Mr Hasna had greater scrutiny. Do you
12:41 30 remember that?
12:41 31
12:41 32 A. Yes, I do.
12:41 33
12:41 34 Q. Commissioner, if you go to tab 10 of your bundle and,
12:41 35 please, Mr Operator, WIT.0001.0001.0072.
12:41 36
12:41 37 The document that will come up, Mr Lawrence, I think you will
12:41 38 be familiar with. I will wait for it to come up. Are you familiar
12:41 39 with this sort of document, it's a patron detail report?
12:41 40 Mr Lawrence?
12:41 41
12:41 42 A. Yes, I'm just looking at it, Mr Kozminsky. Yes, I believe
12:41 43 I'm familiar with it.
12:41 44
12:41 45 Q. Yes. I want to go to page 0078. If you look at the entry for
12:42 46 5 November 2019, Mr Lawrence, that is an example of Mr Hasna,
12:42 47 according to Crown's records, playing for 12 hours and 35

12:42 1 minutes; do you see that?
12:42 2
12:42 3 A. Yes, I do.
12:42 4
12:42 5 Q. And losing, on your calculations, \$172,900?
12:42 6
12:42 7 A. I believe that's him ---
12:42 8
12:42 9 Q. My apologies, winning. It is a negative.
12:42 10
12:42 11 A. I believe that is him winning \$172,000.
12:42 12
12:42 13 Q. If you go to page 0088, do you see there, there is an entry
12:42 14 for 3 February 2015?
12:43 15
12:43 16 A. Yes.
12:43 17
12:43 18 Q. And you see there according to your records Mr Hasna
12:43 19 played for 26 hours and 23 minutes?
12:43 20
12:43 21 A. Yes, I can.
12:43 22
12:43 23 Q. Should the Commission be concerned that a person under,
12:43 24 in your language, greater scrutiny from staff, was permitted to
12:43 25 play on occasions for such extended periods of time without
12:43 26 intervention?
12:43 27
12:43 28 A. Yes, certainly, I would accept that on that occasion of rated
12:43 29 play.
12:43 30
12:43 31 MR KOZMINSKY: Thank you. Mr Commissioner, I might
12:43 32 tender that. It's not in evidence.
12:43 33
12:43 34 COMMISSIONER: No, it's not. Is there a reason not to describe
12:44 35 whose patron ID report it is? Mr Hasna ---
12:44 36
12:44 37 MR KOZMINSKY: Yes, you can describe it.
12:44 38
12:44 39 COMMISSIONER: So I will describe it as the patron detail
12:44 40 report for Mr Hasna as at 4 March 2021. That will be Exhibit
12:44 41 180.
12:44 42
43
44 **EXHIBIT #RC0180 - PATRON DETAIL REPORT FOR**
45 **MR AHMED HASNA AS AT 4 MARCH 2021**
46
47

12:44 1 MR KOZMINSKY: Mr Operator, that can come off the screen.
12:44 2
12:44 3 Mr Lawrence, before we started with the story of Mr Hasna,
12:44 4 I think you accepted that you set the tone and culture for the
12:44 5 Mahogany Room; do you remember that?
12:44 6
12:44 7 A. Yes, I do.
12:44 8
12:44 9 Q. Do you think that allowing people, as you have done, to
12:45 10 gamble when they owed money to the casino, high roller
12:45 11 gambling for 24 hours, 26 hours in one example, without
12:45 12 intervention are enormous stakes?
12:45 13
12:45 14 A. Yes, I do, on that occasion, the 26 hours, yes, I do.
12:45 15
12:45 16 Q. You are the one that allows the practices to occur at the
12:45 17 Mahogany Room; do you agree with that?
12:45 18
12:45 19 A. Yes.
12:45 20
12:45 21 Q. And you must agree with me, mustn't you, that that is
12:45 22 because what is driving you, your colleagues in the Mahogany
12:45 23 Room, is money. When you are looking at things, you are
12:45 24 motivated by money, above all else. That's the reality of the
12:45 25 situation, isn't it, Mr Lawrence?
12:45 26
12:45 27 A. I would accept that.
12:45 28
12:45 29 Q. And it is your conduct, and some of the examples we've
12:45 30 looked at, and the practices we've discussed, like letting people
12:46 31 gamble when they owe the casino money, that explains some of
12:46 32 the practices we've heard about what happens at the Mahogany
12:46 33 Room? That's why some of the evidence I took you to about
12:46 34 customers saying they don't feel like anyone is looking out for
12:46 35 them in the Mahogany Room, that is why, isn't it?
12:46 36
12:46 37 A. I wouldn't accept that broad statement across all customers
12:46 38 that we don't look after our customers. That could be a small
12:46 39 sample size, but in general we know our customers and we
12:46 40 certainly do make all attempts to look out for them, yes.
12:46 41
12:46 42 Q. A moment ago, question (inaudible) agreeing about money,
12:46 43 that is what drove these practices. With respect, that can't be the
12:46 44 case and also be the case, in the same breath, that you are looking
12:47 45 out for your customers. There is a direct correlation,
12:47 46 Mr Lawrence, between profits and the losses of customers; you
12:47 47 accept that?

12:47 1
12:47 2 A. I accept that.
12:47 3
12:47 4 Q. And the point of all this, the thrust of it, is that when left to
12:47 5 balance the competing interests, profits or the welfare of
12:47 6 customers in the Mahogany Room, you and your colleagues
12:47 7 prioritise money. That is just the reality, isn't it?
12:47 8
12:47 9 A. Certainly revenue is an important part of what we need to
12:47 10 achieve, but ---
12:47 11
12:47 12 Q. Answer my question.
12:47 13
12:47 14 A. --- (overspeaking) --- yes, I agree.
12:47 15
12:47 16 Q. Thank you.
12:47 17
12:47 18 I've only got one more topic, we will finish before lunch,
12:47 19 Mr Commissioner.
12:47 20
12:47 21 Paragraph 18 of your statement you say, you've made some
12:47 22 referrals to Responsible Gaming Officers? Do you remember
12:48 23 that?
12:48 24
12:48 25 A. Yes.
12:48 26
12:48 27 Q. You receive requests each year from customers requesting
12:48 28 to self-exclude, and one request for information, and when that
12:48 29 happens you contact a Responsible Gaming Officer. That is what
12:48 30 your evidence is?
12:48 31
12:48 32 A. Yes, I do.
12:48 33
12:48 34 Q. By Responsible Gaming Officer, do I take you to mean
12:48 35 a Responsible Gaming Advisor who used to be called
12:48 36 a Responsible Gaming Liaison Officer? Is that what you are
12:48 37 referring to?
12:48 38
12:48 39 A. Yes, correct.
12:48 40
12:48 41 Q. I want you to do this for me --- do you have a pen and
12:48 42 paper?
12:48 43
12:48 44 A. I don't have a pen.
12:48 45
12:48 46 Q. I'm hoping we can arrange a pen for you.
12:48 47

12:48 1 A. Thank you.
12:48 2
12:48 3 Q. What I want you to do is write down the names of the
12:48 4 customers who you made those referrals in respect of, and at our
12:48 5 end we'll get the Responsible Gaming Register and we'll match it
12:48 6 up to see those referrals. So if you can just write down the names
12:49 7 --- and we'll wait here while you do it --- and then if you can give
12:49 8 that to someone at Crown, they can scan it and can send it to
12:49 9 Allens, and after lunch we will tender it as a confidential exhibit.
12:49 10
12:49 11 A. Mr Kozminsky, I can't off the top of my head recall a name
12:49 12 that comes to mind. I haven't given that a great deal of thought.
12:49 13
12:49 14 Q. Over the course of the nine years, you have said that you
12:49 15 would receive approximately two requests each year for
12:49 16 self-exclusion and one for information. That is 27 requests. But
12:49 17 have you been overeating the pudding?
12:49 18
12:49 19 A. Possibly, yes.
12:49 20
12:49 21 Q. The number is a lot lower, isn't it, Mr Lawrence?
12:50 22
12:50 23 A. When I thought --- yes, it could be lower than that.
12:50 24
12:50 25 Q. A lot lower? Sitting here today, you can't think of a single
12:50 26 example?
12:50 27
12:50 28 A. Sorry?
12:50 29
12:50 30 Q. Sitting here today, you cannot think of a single example?
12:50 31
12:50 32 A. No, I can't. No, I can't.
12:50 33
12:50 34 Q. Do you want to correct paragraph 18 of your statement?
12:50 35 We've tendered it, but I'm happy for it to be corrected.
12:50 36
12:50 37 A. I would say that I would receive potentially ad hoc
12:50 38 requests, but I would change the two requests each year. I'd
12:50 39 probably change that, yes.
12:50 40
12:50 41 Q. You would change it that you would receive --- what would
12:51 42 you like to change it to? I want to understand what the actual
12:51 43 change is. We know it's not 27. We know it is a lot lower than
12:51 44 that and you can't remember a name now.
12:51 45
12:51 46 A. Yes.
12:51 47

12:51 1 Q. Would you be happy if the evidence changed to "I may
12:51 2 have over the years interacted with customers requesting
12:51 3 self-exclusion or information but I can't now recall ever having
12:51 4 referred any of them to a responsible gaming officer"? Would
12:51 5 that be an accurate statement?
12:51 6
12:51 7 A. I don't think it would be that accurate. But I certainly have
12:51 8 been approached and asked --- a customer has asked me that they
12:51 9 wish to self-exclude. I recall on one occasion walking that
12:51 10 customer down to the Responsible Gaming office personally, I
12:51 11 just can't recall who that is.
12:51 12
12:51 13 Q. So you can recall one occasion. Would you be happy for
12:52 14 paragraph 18 to be changed to reflect that on one occasion you
12:52 15 recalled referring one customer to a Responsible Gaming Officer?
12:52 16
12:52 17 A. Yes.
12:52 18
12:52 19 Q. We'll take that as your evidence. Another question. Where
12:52 20 is the Responsible Gaming Centre, Mr Lawrence?
12:52 21
12:52 22 A. It's down in B1 by the poker room.
12:52 23
12:52 24 Q. Next door to the poker room?
12:52 25
12:52 26 A. Yes, it is.
12:52 27
12:52 28 Q. On the same level just next to the entry?
12:52 29
12:52 30 A. No, the poker room, I think, is the next level down.
12:52 31
12:52 32 Q. In between the poker room and the main gaming floor
12:52 33 between ---
12:52 34
12:52 35 A. Yes, correct.
12:52 36
12:52 37 MR KOZMINSKY: Thank you. Mr Commissioner, there is
12:52 38 nothing further I have for this witness unless you have something.
12:52 39
12:52 40 COMMISSIONER: Mr Borsky, I will ask you last.
12:52 41
12:53 42 Mr Rozen and Mr Gray, do you want to ask any questions?
12:53 43
12:53 44 MR ROZEN: I have no questions for this witness, thank you,
12:53 45 Commissioner.
12:53 46
12:53 47 COMMISSIONER: Thank you. Mr Gray?

12:53 1
 12:53 2 MR GRAY: I have no questions either.
 12:53 3
 12:53 4 COMMISSIONER: Thank you. Now to you, Mr Borsky.
 12:53 5
 12:53 6 MR BORSKY: Thank you. No re-examination, Commissioner.
 12:53 7
 12:53 8 COMMISSIONER: Thank you very much, Mr Lawrence. Thank
 12:53 9 you for coming along this morning. You are excused from
 12:53 10 further attendance.
 12:53 11
 12:53 12 A. Thank you.
 12:53 13
 12:53 14
 12:53 15 **THE WITNESS WITHDREW**
 12:53 16
 12:53 17
 12:53 18 MR KOZMINSKY: Can I flag something. I think that is the last
 12:53 19 of the Crown witnesses on the Responsible Service of Gaming. I
 12:53 20 just wanted to flag so that everyone was aware, this week or very
 12:53 21 early next week we will circulate a list to be tendered of
 12:53 22 documents where witnesses have made admissions and we
 12:53 23 haven't gone to the underlying documents, but we will tender
 12:53 24 them all. So we will circulate that list to our friends later this
 12:54 25 week or early next week and then arrange for a tender at some
 12:54 26 point, but I just wanted to flag that now, the last Crown witness
 12:54 27 on the Responsible Service of Gaming has been called.
 12:54 28
 12:54 29 COMMISSIONER: All right. Thank you, Mr Kozminsky. I will
 12:54 30 adjourn until 1.45.
 12:54 31
 12:54 32
 12:54 33 **ADJOURNED** [12.54PM]
 13:50 34
 13:50 35
 13:50 36 **RESUMED** [1.50PM]
 13:50 37
 13:50 38
 13:50 39 COMMISSIONER: Okay, we are all online I think. Mr Borsky,
 13:50 40 you can hear me. Mr Finanzio, you can hear me. Good.
 13:50 41
 13:50 42 I think we have Ms Billi as the next witness; is that right?
 13:50 43
 13:50 44 MR FINANZIO: We do.
 13:50 45
 13:50 46 COMMISSIONER: She's not on the screen.
 13:50 47

13:50 1 MR FINANZIO: Yes, can you hear me, Commissioner?
13:50 2
13:50 3 COMMISSIONER: Yes, I can.
13:51 4
13:51 5 MR FINANZIO: I saw Ms Billi onscreen during the break but I
13:51 6 can't see her on screen just yet.
13:51 7
13:51 8 COMMISSIONER: There she is.
13:51 9
13:51 10 Just checking, Ms Billi, can you hear me?
13:51 11
13:51 12 WITNESS: Yes, I can.
13:51 13
13:51 14 COMMISSIONER: You are very faint when you speak, so either
13:51 15 louder or into the speaker as much as you can.
13:51 16
13:51 17 WITNESS: Yes, I can.
13:51 18
13:51 19 COMMISSIONER: Much better, thank you.
13:51 20
13:51 21 MR FINANZIO: I call Ms Rosa Billi. Wait there, Ms Billi, and
13:51 22 the associate will swear you in.
13:51 23
13:51 24
13:51 25 **MS ROSA BILLI, AFFIRMED**
13:52 26
13:52 27
13:52 28 **EXAMINATION-IN-CHIEF BY MR FINANZIO**
13:52 29
13:52 30
13:52 31 MR FINANZIO: Ms Billi, is your full name Rosa Billi?
13:52 32
13:52 33 A. Yes, it is.
13:52 34
13:52 35 Q. What is your current occupation?
13:52 36
13:52 37 A. I am Branch Head, Research and Evaluation at the
13:52 38 Victorian Responsible Gambling Foundation.
13:52 39
13:52 40 Q. Can you tell the Commission your professional address,
13:52 41 please?
13:52 42
13:52 43 A. 16-20 Blackwood Street, North Melbourne.
13:52 44
13:52 45 Q. You've prepared a statement in response to a request from
13:52 46 the Commission, dated 10 May 2021. Is that right?
13:52 47

13:53 1 A. Correct.
13:53 2
13:53 3 Q. I understand that there are two corrections you wish to
13:53 4 make to the statement; is that right?
13:53 5
13:53 6 A. Yes, please.
13:53 7
13:53 8 Q. Is the first correction you wish to make at paragraph 34?
13:53 9
13:53 10 A. Yes, it is.
13:53 11
13:53 12 Q. Is the correction you want to make in paragraph 34 of "0.9"
13:53 13 to be changed to "0.7"?
13:53 14
13:53 15 A. Yes, it is.
13:53 16
13:53 17 Q. All right. The second correction is a strange one. At the
13:53 18 end of your statement you include a series of references that
13:53 19 you've referred to during the course of your statement, each of
13:53 20 them numerated in Roman numerals, and each of them with web
13:53 21 links to the articles that are referred to; is that right?
13:53 22
13:54 23 A. That's correct.
13:54 24
13:54 25 Q. xxv has a web link that no longer functions; is that correct?
13:54 26
13:54 27 A. That web link is incorrect. The correct web link is xxii?
13:54 28
13:54 29 Q. xxii?
13:54 30
13:54 31 A. Yes.
13:54 32
13:54 33 Q. So we should delete what is there at xxv?
13:54 34
13:54 35 A. Just the web link.
13:54 36
13:54 37 Q. Just the web link.
13:54 38
13:54 39 A. Yes.
13:54 40
13:54 41 Q. And perhaps insert there "see web link at xxii"?
13:54 42
13:54 43 A. Correct. Thank you.
13:54 44
13:54 45 Q. With those corrections, does the statement contain evident
13:54 46 which you regard as true and correct?
13:54 47

13:54 1 A. Yes, it is.
13:54 2
13:55 3 Q. Do you adopt it as your evidence in these hearings?
13:55 4
13:55 5 A. Yes.
13:55 6
13:55 7 MR FINANZIO: I would like to tender the statement.
13:55 8
13:55 9 COMMISSIONER: Statement of Rosa Billi, 10 May 2021, will
13:55 10 be Exhibit 181.
13:55 11
13:55 12
13:55 13 **EXHIBIT #RC0181 - STATEMENT OF MS ROSA BILLI**
13:55 14
13:55 15
13:55 16 MR FINANZIO: Thank you.
13:55 17
13:55 18 Ms Billi, you also prepared a supplementary statement; is that
13:55 19 correct?
13:55 20
13:55 21 A. Yes.
13:55 22
13:55 23 Q. That's dated 2 June 2021?
13:55 24
13:55 25 A. Yes.
13:55 26
13:55 27 Q. That statement was prepared by you voluntarily after you
13:55 28 had had the opportunity to read the witness statements of Mr
13:55 29 Emery and Mr Mackay who are both Crown employees; is that
13:56 30 correct?
13:56 31
13:56 32 A. Yes.
13:56 33
13:56 34 Q. Are there any corrections you wish to make to that
13:56 35 statement?
13:56 36
13:56 37 A. No.
13:56 38
13:56 39 Q. Does that statement --- do you adopt that statement as your
13:56 40 evidence, as your supplementary evidence in these hearings?
13:56 41
13:56 42 A. Yes.
13:56 43
13:56 44 MR FINANZIO: I tender that statement as well.
13:56 45
13:56 46 COMMISSIONER: I will mark Ms Billi's supplementary
13:56 47 statement of 2 June 2021 as Exhibit 182.

13:56 1

2

3

**EXHIBIT #RC0182 - SUPPLEMENTARY STATEMENT
OF MS ROSA BILLI DATED 2 JUNE 2021**

5

6

13:56 7 MR FINANZIO: Thank you, Ms Billi.

13:56 8

13:56 9 I am going to keep asking you some questions. If you have
13:56 10 difficulty hearing me, just let me know. It could be a function of
13:56 11 any number of things.

13:56 12

13:56 13 Let's start at the beginning. You've been employed at the
13:56 14 Foundation since 1 July 2021; that is so?

13:56 15

13:56 16 A. Correct.

13:56 17

13:56 18 Q. So, effectively, since the commencement of the Foundation
13:57 19 itself?

13:57 20

13:57 21 A. Yes.

13:57 22

13:57 23 Q. Your current role is as Branch Head of Research and
13:57 24 Evaluation ---

13:57 25

13:57 26 A. Yes.

13:57 27

13:57 28 Q. --- where you are responsible for the research and
13:57 29 evaluation functions of the Foundation; is that correct?

13:57 30

13:57 31 A. Yes.

13:57 32

13:57 33 Q. Can you explain to the Commissioner broadly what that
13:57 34 involves?

13:57 35

13:57 36 A. So we have a research function and we have an evaluation
13:57 37 function. The evaluation function pertains to the programs that
13:57 38 we fund in the Foundation, and these are evaluated by external
13:57 39 evaluators, and we have the research function which looks at ---
13:57 40 which responds directly to the objectives in the Act. In other
13:57 41 words, to reduce the prevalence of problem gambling, to reduce
13:57 42 severity in harm, and to foster Responsible Gambling. So ---
13:57 43 would you like a little bit more information?

13:58 44

13:58 45 Q. No, I think that is adequate for now. We might come back
13:58 46 to some of those matters in due course. I just wanted to touch
13:58 47 upon your academic qualifications set out at paragraph 9 of your

13:58 1 statement. Most relevantly, you have a Master of Public Health
13:58 2 and Master of Health Sciences from La Trobe University, is that
13:58 3 correct?

13:58 4

13:58 5 A. Correct.

13:58 6

13:58 7 Q. Is it correct that those masters degrees were obtained in the
13:58 8 field of study concerning gambling addiction?

13:58 9

13:58 10 A. No, they were very broad public health masters. They
13:58 11 weren't specific to gambling addiction at all.

13:58 12

13:58 13 Q. Thank you. Also, at the back of your statement at appendix
13:58 14 A there are a series of publications on gambling that include you
13:58 15 either as a co-author or contributor. I think I count ten of them
13:59 16 there; is that right?

13:59 17

13:59 18 A. Yes, that is correct.

13:59 19

13:59 20 Q. One of the ones that features, or seems to feature
13:59 21 frequently, is one that bears the title "The Victorian Gamble
13:59 22 Study: a Longitudinal Study of Gambling and Health in Victoria".

13:59 23

13:59 24 A. Yes.

13:59 25

13:59 26 Q. That is one that you've been involved in over a number of
13:59 27 years?

13:59 28

13:59 29 A. Yes, it is.

13:59 30

13:59 31 Q. Could you just explain to the Commissioner the nature of
13:59 32 that longitudinal study?

13:59 33

13:59 34 A. So longitudinal studies, or this particular longitudinal study
13:59 35 looked at gambling and health over a number of years. It
13:59 36 commenced with considerable planning and a wave of 15,000
13:59 37 Victorians in 2008, and we followed those Victorians for four
13:59 38 years, the Victorians who agreed to be followed for four years.
14:00 39 This was done on an annual basis via a survey, a telephone
14:00 40 survey, and we tracked, if you wish, their gambling behaviour,
14:00 41 their health, social capital measures, et cetera. So we followed
14:00 42 a group of people known as a prospective cohort study which
14:00 43 gave us some really information about gambling.

14:00 44

14:00 45 Q. You seem to have been a contributor or an author in
14:00 46 relation to each of those. What was your involvement in that?

14:00 47

- 14:00 1 A. Okay, so this study commenced when I was in the
14:00 2 Department of Justice and I was one of the project managers and
14:00 3 was also one of the investigators on the project. And there was
14:00 4 an expert panel with a number of people, researchers from around
14:00 5 Australia who have expertise in gambling, and also a couple of
14:00 6 researchers from overseas, and epidemiologists who helped guide
14:01 7 the study.
14:01 8
- 14:01 9 Q. Thank you. One of the things that your statement does is
14:01 10 set out at paragraph 14 and following under the heading "research
14:01 11 program", the work within the research function of the
14:01 12 Foundation, is that right?
14:01 13
- 14:01 14 A. Yes. I can't see paragraph 14, but, yes.
14:01 15
- 14:01 16 Q. Have you got a hard copy of your statement?
14:01 17
- 14:01 18 A. I have, I have.
14:01 19
- 14:01 20 Q. If I were you I would focus on the hard copy and trust less
14:01 21 the technology.
14:01 22
- 14:01 23 A. I understand.
14:01 24
- 14:01 25 Q. Am I right to say that the way that the Foundation attacks
14:01 26 the research function is to establish strategic agendas for
14:01 27 particular periods and then deploy its resources within those
14:02 28 periods to the strategically identified targets for those periods?
14:02 29
- 14:02 30 A. Yes, that is correct. We have a series of themes with
14:02 31 a variety of subthemes under those major themes, and over the
14:02 32 three-year period we fund research under those themes.
14:02 33
- 14:02 34 Q. At paragraph 16 you set out the different themes that have
14:02 35 been prevalent since 2012?
14:02 36
- 14:02 37 A. Correct.
14:02 38
- 14:02 39 Q. I'm right in saying, aren't I, that we are presently in the
14:02 40 middle of the "Monitoring and Surveillance, Harm, Gambling
14:02 41 Products, Gambling Environment, Recovery and Support"?
14:02 42
- 14:02 43 A. Correct.
14:02 44
- 14:02 45 Q. You say the research by the Foundation is peer reviewed?
14:02 46
- 14:02 47 A. Yes.

- 14:02 1
14:02 2 Q. You were going to say something?
14:02 3
14:02 4 A. Yes, I was going to say it's peer reviewed at the
14:02 5 methodology stage, so when the submissions come in and they
14:02 6 are advertised by public tender and they come in, we have
14:02 7 an expert panel or we go through a peer review process --- there
14:03 8 are two types of research projects that we Commission under
14:03 9 these themes: one is a series of annual grants which are
14:03 10 investigator-led and the investigators design the question to be
14:03 11 answered under the theme. Or if we know the question, the
14:03 12 research question that we want to be answered, we go through
14:03 13 a public tender that isn't necessarily a grants process. With
14:03 14 a grants process, we have an expert panel at the methodology
14:03 15 stage. With the Commission's research we (inaudible) the
14:03 16 methodology and then we peer review it again at the final draft
14:03 17 stage.
14:03 18
14:03 19 Q. Right. Thank you. From paragraph 23 and onwards you
14:03 20 describe the substance --- well, you describe under that heading
14:03 21 "Evolution of Research and the Concept of Gambling Harm", and
14:04 22 I'm right in saying, aren't I, that the focus of the study --- the
14:04 23 focus of the research over that period has been to move through
14:04 24 a series of phases focusing on different aspects of gambling harm;
14:04 25 is that correct?
14:04 26
14:04 27 A. Yes. So the research initially was focused on learning
14:04 28 about the individual and why the individual gambles, the
14:04 29 psychology of gambling et cetera. Then it moved through to
14:04 30 where we are now looking at gambling harm more broadly.
14:04 31 Rather than focusing just on individual, we are looking at the
14:04 32 concept of harm broadly at a population level.
14:04 33
14:04 34 Q. That looks at gambling harm as a, if you like, public health
14:04 35 issue rather than necessarily a more individual-based question?
14:04 36
14:04 37 A. Yes, it looks at --- it considers --- the Foundation has
14:05 38 adopted a public health framework so we are looking at the
14:05 39 health of populations. Of course that includes the health of
14:05 40 individuals, but it includes much more than just the health of
14:05 41 individuals, it includes the health of populations and the
14:05 42 subpopulations and communities.
14:05 43
14:05 44 Q. Yes. What I would like to do is to, because I'm conscious
14:05 45 of the fact that the Commissioner has had the opportunity to read
14:05 46 the statement and it is relatively short, I would like to take you to
14:05 47 the part of the statement which deals with what the research

14:05 1 shows in relation to problem gambling and gambling harm.

14:05 2

14:05 3 I would like, in particular, to go to each of those headings. So

14:05 4 under the heading "problem gambling", I'm right in saying, aren't

14:06 5 I, that the evolution of the research in that space has been to assist

14:06 6 to define the nature of problem gambling and also its extent and

14:06 7 reach?

14:06 8

14:06 9 A. Yes.

14:06 10

14:06 11 Q. Then under the heading "Gambling harm", what you

14:06 12 described at paragraph 35 is a series of things that the

14:06 13 Foundation-funded research has, if you like, unearthed. I would

14:06 14 like to take you to each of those matters in turn, or to have you

14:06 15 expand upon them in turn. At 35.1, can you just describe there

14:06 16 what you mean by "any initial or exacerbated adverse

14:07 17 consequence due to an engagement with gambling that leads to

14:07 18 a decrement"? Can you explain to us how that determination

14:07 19 came to be found?

14:07 20

14:07 21 A. That particular definition of gambling harm was as a result

14:07 22 of a Commission piece of research that we commissioned around

14:07 23 2013. It took a few years to complete and it was titled "Assessing

14:07 24 gambling related harm in the community" --- in Victoria, sorry.

14:07 25 That piece of research has been peer reviewed at the

14:07 26 methodology stage and also at the final conclusion stage. So

14:07 27 there was a methodology worked out to determine what

14:07 28 a definition of harm should be.

14:07 29

14:07 30 Q. Now, the next one talks about harms that can occur without

14:07 31 a person satisfying the PGSI or clinical criteria of problem

14:07 32 gambling. Can you explain the concepts underpinning that

14:08 33 finding?

14:08 34

14:08 35 A. So there are screening instruments, or diagnostic

14:08 36 instruments that can define a person who gambles as a problem

14:08 37 gambler or perhaps a disordered gambler, and much of the

14:08 38 evidence that has been in this hearing in this last week or so is

14:08 39 referring to the definition of "problem gambler" or "disordered

14:08 40 gambler" or "gambling addict", whichever term you wish to use.

14:08 41 However, the harms are far greater than just to the person who is

14:08 42 a problem gambler. The harms may ripple out to family, friends,

14:08 43 to children, to the next generation, depending on the severity of

14:08 44 the harms, to the community, to the whole of Victoria. It refers

14:08 45 to harms at a population level.

14:08 46

14:08 47 Q. The next one refers to the outcome of a study where

14:09 1 gambling harms are divided into seven broad categories and you
 14:09 2 say there that the harms range in their severity. Is there broad
 14:09 3 consensus about the list of seven?

14:09 4

14:09 5 A. This is from the same study that we funded, same piece of
 14:09 6 research that was funded by the Foundation, and we requested
 14:09 7 a taxonomy of harms, we wanted a classification of harms.
 14:09 8 Gambling harms, I'm referring to. There hadn't been one prior to
 14:09 9 this in Victoria for use. So, once again, there are seven types of
 14:09 10 harms. Some of the harms can be fairly minor, some of the
 14:09 11 harms can be extremely severe. Does that answer your question?

14:09 12

14:09 13 Q. Yes, it does. At 35.4 you say there that:

14:09 14

14:10 15 *..... SGHS for the first time in the 2018/2019 population*
 14:10 16 *study to provide a base level of harm information about*
 14:10 17 *the Victorian community which the Foundation can*
 14:10 18 *measure in subsequent population studies.*

14:10 19

14:10 20 Can you just explain the genesis of that and what that study
 14:10 21 produced?

14:10 22

14:10 23 A. Okay, so, as I mentioned earlier, we've been tasked with
 14:10 24 reducing harm in the population. So firstly, we had to research
 14:10 25 what harms were, hence we developed the taxonomy. From that
 14:10 26 stage we provided some funding towards an instrument that can
 14:10 27 measure harm and the SGHS is an instrument, the Short
 14:10 28 Gambling Harm Scale that measures harms. So we included that
 14:10 29 in the 2018/2019 population study to provide a level of harm at
 14:10 30 the Victorian community, which can then be replicated every four
 14:11 31 or so years so we can actually measure what is --- have
 14:11 32 an estimate, anyway, of what is happening in the Victorian
 14:11 33 community, the Victorian population.

14:11 34

14:11 35 So the second sentence in paragraph 35.4:

14:11 36

14:11 37 *This study found that PGSI 'problem gamblers' accounted*
 14:11 38 *for 30 per cent of the total count of harms in Victorian*
 14:11 39 *gamblers.*

14:11 40

14:11 41 The other 70 per cent were attributed to gamblers defined as
 14:11 42 moderate risk on the PGSI or low-risk on the PSGI. In other
 14:11 43 words, they were gamblers who may have scored much less than
 14:11 44 the PGSI scoring threshold, and they were also harmed. So
 14:11 45 70 per cent of the harms are in the community --- outside of the
 14:11 46 problem gambling defined status.

14:11 47

14:11 1 Q. So, can I clarify that if I meet the definition of a problem
14:12 2 gambler on the PGSI, that is tending towards a conclusion that
14:12 3 I'm clinically a problem gambler, I have a gambling problem like
14:12 4 addiction?

14:12 5
14:12 6 A. Yes, it could be. The PGSI isn't a diagnostic tool, but, yes,
14:12 7 you could say that.

14:12 8
14:12 9 Q. Am I right in saying, you tell me if I'm wrong about this,
14:12 10 am I right in saying that the outcome of this research to date
14:12 11 demonstrates that I don't necessarily, in fact, 70 per cent of the
14:12 12 harm caused in Victoria by gambling is attributable to moderate
14:12 13 gamblers rather than people who might be clinically addicted to
14:12 14 gambling?

14:12 15
14:12 16 A. It's attributed to moderate and low-risk gamblers, and
14:12 17 possibly some gamblers who really don't even meet the threshold
14:12 18 of low or moderate. But, yes, you are right, it's just not only
14:12 19 moderate risk gamblers.

14:12 20
14:13 21 Q. I see.

14:13 22
14:13 23 COMMISSIONER: Can I ask a question or two about that, just
14:13 24 on the terminology that you are using, Ms Billi. A low-risk
14:13 25 gambler. A low risk to what danger?

14:13 26
14:13 27 A. The PGSI measures the risk of developing problem
14:13 28 gambling. So a low-risk gambler would be at low risk of
14:13 29 developing problem gambling but would still be harmed.

14:13 30
14:13 31 COMMISSIONER: I see. And moderate means the next stage
14:13 32 up.

14:13 33
14:13 34 A. Yes.

14:13 35
14:13 36 COMMISSIONER: But does the scale include problem gambler
14:13 37 at the top, moderate risk, low risk and no risk? Or do the three
14:13 38 categories cover the field of gamblers?

14:13 39
14:13 40 A. So the PGSI has problem gambling, at moderate risk of
14:13 41 developing problem gambling, low risk of developing problem
14:13 42 gambling and non-problem gambler, so someone who gambles
14:13 43 and scores zero on that particular screening instrument.

14:14 44
14:14 45 COMMISSIONER: I understand. Thank you.

14:14 46
14:14 47 A. Thank you.

14:14 1
14:14 2 MR FINANZIO: At 35.5 you indicate the estimated social cost
14:14 3 of gambling to Victoria there at \$7 billion in 2014, with the
14:14 4 highest cost to family and relationships. Can you explain the
14:14 5 underlying basis of those conclusions?
14:14 6
14:14 7 A. So this is a piece of study that followed from the taxonomy
14:14 8 and measuring of harm. We wanted to quantify the cost of
14:14 9 gambling harm to the Victorian community.
14:14 10
14:14 11 The researchers who undertook this study used, amended, if you
14:14 12 like, or used the Productivity Commission 1999 and the
14:14 13 Productivity Commission 2010 and also the V-CHECK(?), how
14:15 14 they measured problem gambling and the cost of problem
14:15 15 gambling. However, this particular study looked at gambling
14:15 16 harm rather than just measuring the cost of problem gambling to
14:15 17 the community.
14:15 18
14:15 19 COMMISSIONER: What is the difference?
14:15 20
14:15 21 A. What I was referring to before. Harm is much greater than
14:15 22 just to those people who have been defined as problem gamblers.
14:15 23 We know that moderate risk gamblers are at harm or can be
14:15 24 harmed, and families and communities can be harmed. So the
14:15 25 original Productivity Commission, the 1999 and the 2010, when
14:15 26 they did their measurements they used only problem gamblers.
14:15 27 So we wanted to have an estimate of the cost of gambling harm to
14:15 28 the Victorian community. So it's all the harms as listed in the
14:15 29 taxonomy, and they have magical ways, economists and
14:15 30 researchers, of calculating this --- I'm not an economist --- and this
14:16 31 is the figure that they came up with in using the 2014/15 data.
14:16 32
14:16 33 COMMISSIONER: Do you know whether there has been any
14:16 34 further research so that I might have a better understanding of the
14:16 35 cost of --- the social cost of gambling, the aggregate of the harms
14:16 36 as at now or last year or the year before? I know that the
14:16 37 Victorian Auditor-General in his report on the Foundation this
14:16 38 year repeated the \$7 billion figure and seemed to accept that as
14:16 39 accurate, no doubt on the basis of the costings that were done
14:16 40 eight years ago or so, seven years or so. I wonder if there was
14:16 41 any research or work done which is more up to date?
14:16 42
14:16 43 A. To the best of my knowledge, no. I believe this is the first
14:16 44 cost of gambling harm --- certainly the first we've done in
14:17 45 Victoria, and the only one I know of in Australia, and this hasn't
14:17 46 been replicated in Victoria since that period. So the short answer
14:17 47 is no.

14:17 1
14:17 2 COMMISSIONER: Am I right in thinking that the difference
14:17 3 between the Productivity Commission's assessments or
14:17 4 determinations, which might have been one of the first done in
14:17 5 Australia, and the 2014/2015 work, the difference between the
14:17 6 two is the nature of the harms that were taken into account to
14:17 7 work out the cost?
14:17 8
14:17 9 A. Yes. And the Productivity Commission also refers to
14:17 10 Australia. This is for Victoria. So we looked only at Victoria
14:17 11 and not at the Australian impact.
14:17 12
14:17 13 COMMISSIONER: Yes, some of the information in the
14:17 14 Productivity Commission report is broken down into
14:17 15 a state-by-state basis. I can't remember whether ---
14:18 16
14:18 17 A. Yes, it is.
14:18 18
14:18 19 COMMISSIONER: --- that calculation of harm is by a state or
14:18 20 national basis, I have to look at it again.
14:18 21
14:18 22 A. The Productivity Commission does break it down
14:18 23 state-by-state because they are looking at problem gambling,
14:18 24 rather than gambling harm.
14:18 25
14:18 26 COMMISSIONER: Correct. Thank you.
14:18 27
14:18 28 A. Thank you.
14:18 29
14:18 30 MR FINANZIO: Just to pick up that point, am I right in saying
14:18 31 that the other difference between the Productivity Commission
14:18 32 report and these studies is the focus is on harm to problem
14:18 33 gamblers as opposed to moderate gamblers and others that are not
14:18 34 problem gamblers by definition?
14:18 35
14:18 36 A. Could you please repeat that?
14:18 37
14:18 38 Q. Sure. The way I understood you before, the most recent
14:18 39 work looks at gambling harm caused by Victorian gamblers that
14:19 40 are not problem gamblers by definition, but are gamblers who
14:19 41 might fall into the category of moderate or low --
14:19 42
14:19 43 A. Yes.
14:19 44
14:19 45 Q. --- whereas the Productivity Commission report focused on
14:19 46 problem gamblers by definition?
14:19 47

14:19 1 A. Yes. That's correct.
14:19 2
14:19 3 Q. So the pool of gamblers from which harm is generated in
14:19 4 the more recent work is greater.
14:19 5
14:19 6 A. Yes.
14:19 7
14:19 8 Q. And one of the conclusions reached in the more recent
14:19 9 study is that in fact 70 per cent of gambling harm is generated by
14:19 10 people who are not by definition problem gamblers but might be
14:19 11 moderate or low gamblers?
14:19 12
14:19 13 A. It is apportioned to them, yes.
14:19 14
14:19 15 Q. All right. At paragraph 36 you make reference to the
14:20 16 World Health Organisation Forum on Alcohol, Drugs and
14:20 17 Addictive Disorders, which concluded that gambling harm or a
14:20 18 gambling disorder is of a similar nature to alcohol misuse and
14:20 19 other types of addictive behaviour?
14:20 20
14:20 21 A. Yes, that is in my paragraph 36.
14:20 22
14:20 23 Q. Then at 37 you then list a series of factors which have
14:20 24 higher associations with a risk of harm: continuous forms of
14:20 25 gambling, complex products, frequency of betting, and illusions
14:20 26 of control. I wanted to draw those to the Commissioner's
14:21 27 attention. I don't propose, Commissioner, unless you would be
14:21 28 assisted, getting Ms Billi to explain those concepts in more detail?
14:21 29
14:21 30 COMMISSIONER: I don't think, no.
14:21 31
14:21 32 MR FINANZIO: At 38 and following you deal with electronic
14:21 33 gaming machines, and one of the points you make is that
14:21 34 electronic gaming machines have the strongest association with
14:21 35 problem gambling. Am I right in you making that statement that
14:21 36 the factors that you list at 37.1 are almost all present in relation
14:21 37 to, if not --- I'm suggesting to you that they are all present, in
14:21 38 relation to EGMs; is that right?
14:21 39
14:21 40 A. Yes. Perhaps the complexity of the products refers to table
14:22 41 games, like roulette.
14:22 42
14:22 43 Q. Yes.
14:22 44
14:22 45 A. There is complexity in them, but they do refer to them,
14:22 46 EGMs, yes.
14:22 47

14:22 1 Q. Most certainly frequency of betting, illusions of control and
14:22 2 continuous forms of gaming ---
14:22 3
14:22 4 A. Yes.
14:22 5
14:22 6 Q. --- are all present there?
14:22 7
14:22 8 A. Yes.
14:22 9
14:22 10 Q. There is, I think you describe at 39 some of the structural
14:22 11 characteristics, of EGMs, they have a rapid speed of play, there
14:22 12 are no natural breaks, and there are --- first of all, those two
14:22 13 things, I think, are referred to. I just want to draw your attention
14:22 14 to 39.3, though, "variable and unpredictable outcomes"; can you
14:23 15 explain what you mean by that?
14:23 16
14:23 17 A. So when a person who gambles on an electronic gaming
14:23 18 machine makes his or her bet, the outcome is variable. There is
14:23 19 no pattern to the outcome, it is unpredictable. So over a long
14:23 20 period of time, the longer you gamble, it is just variable, it is
14:23 21 random.
14:23 22
14:23 23 Q. Yes, I see. Is that such that sometimes you can't tell
14:23 24 whether you've actually won or lost?
14:23 25
14:23 26 A. Yes, I mean ---
14:23 27
14:23 28 Q. Let me be clear. For example, I hear a musical tone which
14:23 29 sounds triumphant and I have graphics which indicate
14:23 30 celebration, but I've actually lost in that spin?
14:23 31
14:23 32 A. Yes. So in that particular --- yes, it does, but in that
14:24 33 particular case a person who is gambling on a poker machine
14:24 34 would be probably gambling more than one line, and so one line
14:24 35 you may have all the figures and all the symbols aligned, but you
14:24 36 don't in the other three, so you've actually gambled four lines, and
14:24 37 the bells and whistles and the graphics and the signs all happen as
14:24 38 if you have won, but you've actually lost over the whole stake
14:24 39 because it's not just one line.
14:24 40
14:24 41 Q. So you might be playing four lines, you win one, but
14:24 42 overall it is a net loss --
14:24 43
14:24 44 A. Yes.
14:24 45
14:24 46 Q. --- but the machine is still telling you that you've had a win?
14:24 47

14:24 1 A. Yes.
14:24 2
14:24 3 Q. I see. And you mentioned rapid speed of play. I'm
14:24 4 assuming --- do you know what the term "unrestricted EGMs"
14:24 5 means?
14:24 6
14:24 7 A. Yes, I do.
14:24 8
14:24 9 Q. You are familiar with the fact that Crown has a thousand
14:24 10 unrestricted EGMs?
14:24 11
14:24 12 A. Yes, I am.
14:24 13
14:24 14 Q. Is it true that the rapidity or the rapid nature of the speed of
14:25 15 play is exacerbated in unrestricted machines?
14:25 16
14:25 17 A. Yes.
14:25 18
14:25 19 Q. At paragraph 38 you set out some figures there. In the past,
14:25 20 you say --
14:25 21
14:25 22 among Victorians who gambled in the past 12 months:
14:25 23 *21 per cent experience at least one gambling harm....*
14:25 24
14:25 25 That is one of the seven types of gambling harm you described
14:25 26 before?
14:25 27
14:25 28 A. It falls within the categories of one of the seven types of
14:25 29 gambling harms.
14:25 30
14:25 31 Q. 46 per cent of those, I'm assuming that is 46 per cent of the
14:25 32 21 per cent?
14:25 33
14:25 34 A. No, it's 46 per cent of those people who gambled on EGMs
14:25 35 more than once a month.
14:25 36
14:25 37 Q. I see. Pardon me. I misread that. "Experienced at least
14:25 38 one harm", and then 17 per cent of those who gambled on EGMs
14:26 39 less than once a month experienced at least one harm.
14:26 40
14:26 41 Can you describe the source of that most recent data? Where
14:26 42 does that come from?
14:26 43
14:26 44 A. That comes from the Victorian population gambling and
14:26 45 health study that was taken in 2018/2019 and published in 2020,
14:26 46 I think.
14:26 47

- 14:26 1 Q. So when you say in the last 12 months, that is for data
14:26 2 collected in the 2018/19 period? I wanted to check that.
14:26 3
- 14:26 4 A. Correct.
14:26 5
- 14:26 6 Q. At paragraph 40 you say that the research shows that:
14:26 7
14:26 8 *People who experience problems with gambling are more*
14:26 9 *likely to gamble out of a desire to escape or alter mood*
14:26 10
14:27 11 *Faster, more continuous gambling activities are more*
14:27 12 *conducive to potentially harmful patterns of gambling*
14:27 13 *behaviour*
14:27 14
14:27 15 *Research suggests that increased EGM play speed may be*
14:27 16 *associated with higher spending, greater underestimates*
14:27 17 *of the amounts spent*
14:27 18
- 14:27 19 A. Yes.
14:27 20
- 14:27 21 Q. All of those come from --- those conclusions, do they all
14:27 22 come from the same study?
14:27 23
- 14:27 24 A. No, they are from --- there is a lot of evidence that would
14:27 25 back up those, 40.1, 40.2 and 40.3. There is a lot of evidence
14:27 26 about electronic gaming machines and the research supports
14:27 27 those three. They don't --- those particular three don't all come
14:27 28 from the same study.
14:27 29
- 14:27 30 Q. Okay. And am I right in saying that those conclusions that
14:27 31 are set out in part 40 of your statement are conclusions that would
14:28 32 be even more strongly expressed in relation to EGMs that operate
14:28 33 in unrestricted mode?
14:28 34
- 14:28 35 A. Yes.
14:28 36
- 14:28 37 Q. That's not to diminish the force of the conclusions in
14:28 38 relation to restricted mode?
14:28 39
- 14:28 40 A. Agree.
14:28 41
- 14:28 42 Q. I want to now explore this next topic in your report where
14:28 43 you describe the relationship of gambling harm with time and
14:28 44 monetary limits. You make reference to 19,000 Canadians who
14:28 45 gambled during a period and the relationship between gambling
14:28 46 behaviours and risk of gambling related harm. Can you just
14:28 47 explain to us, explain to the Commission, the nature of that study,

14:29 1 and the relationship between gambling harm and time and money
14:29 2 limits that you explore there?

14:29 3

14:29 4 A. Okay. So this study was statistical in nature. So it was
14:29 5 a statistical study. It looked at data from 19,000 Canadians, and
14:29 6 it looked at the relationship between the people who gambled,
14:29 7 their behaviours in terms of gambling, and their risk of
14:29 8 developing harms or developing a problem with their gambling.
14:29 9 And they found that the more frequently you gambled and the
14:29 10 greater you spent on gambling was linked with an increased risk.
14:29 11 And in this particular study they identified low risk participation
14:29 12 was gambling no more than two to three times per month,
14:29 13 spending no more than X number of Canadian dollars and
14:30 14 income.

14:30 15

14:30 16 Q. In your statement you describe optimal limits for low-risk
14:30 17 participation identified. Is that what you are describing there?

14:30 18

14:30 19 A. Yes.

14:30 20

14:30 21 Q. That people gamble no more than two to three times
14:30 22 a month and spend between \$500 and CA\$1,000 annually, and no
14:30 23 more than 1 per cent of the gross family income on gambling?

14:30 24

14:30 25 A. (Nods head). Correct.

14:30 26

14:30 27 Q. You then go on to say that the modelling confirmed
14:30 28 a significant increase in the risk of gambling related harm where
14:30 29 these limits were surpassed. Are you able to precis or explain
14:30 30 what the nature of those increased risks were?

14:30 31

14:30 32 A. Not without going back to the actual article and the data,
14:30 33 but it would be the increase of gambling harms.

14:30 34

14:31 35 Q. You say at paragraph 42 that a study of people who had
14:31 36 been treated for problem gambling, the following indicators of
14:31 37 problem-free gaming were identified. I found that --- can you
14:31 38 explain how that study worked? What was the focus there?

14:31 39

14:31 40 A. I have to go back to my reference to have a look at the
14:31 41 authors.

14:31 42

14:31 43 Q. I will tell you. Hang on. Footnote 27, Weinstock,
14:31 44 Ledgerwood & Petry, "Association between posttreatment
14:31 45 gambling behaviour and harm in pathological gamblers".

14:31 46

14:31 47 A. I would need to go back --- to give you a considered

- 14:32 1 response, I would need to go back and look at that and provide
14:32 2 you with a written response.
14:32 3
- 14:32 4 Q. Okay. Thank you. It says there that gambling no more
14:32 5 frequently than once a month, gambling no more than 1.5 hours
14:32 6 per month and spending no more than 1.9 per cent of monthly
14:32 7 income; is that derived from that study?
14:32 8
- 14:32 9 A. Yes, it is. That is from a separate study than the earlier
14:32 10 one, yes.
14:32 11
- 14:32 12 Q. I'm most interested in the next one:
14:32 13
14:32 14 "Using population representative samples, an Australian
14:32 15 *study*
- 14:32 16
14:32 17 Which you have referred to in the footnotes. Can you take us
14:32 18 through this one?
14:32 19
- 14:32 20 A. Okay, this is a similar study to the earlier ones, there are
14:32 21 a number of researchers looking at this around the world. This is
14:32 22 statistical in nature, it is looking at data and --- the survey data at
14:32 23 how much people spent or how much they report they spend, how
14:32 24 often they report they gamble, their income, and how often they
14:33 25 gamble.
14:33 26
- 14:33 27 So this particular study was funded by the Foundation, the
14:33 28 Victorian Responsible Gambling Foundation, and it indicated, as
14:33 29 I mentioned in that paragraph, that limits should be two gambling
14:33 30 activities, no more than two activities, an expenditure of
14:33 31 approximately 1.7 per cent of gross personal income, an amount
14:33 32 to be spent per year and per month in brackets, and the number of
14:33 33 times, the frequency of gambling, in order to, if you wish, gamble
14:33 34 responsibly. It's empirically derived.
14:33 35
- 14:33 36 Q. Okay.
14:33 37
- 14:33 38 COMMISSIONER: If each of those limits was put in place, what
14:33 39 would be the intended objective; to have a gambler who suffers
14:33 40 no harm or is at no risk of becoming a problem gambler? Is that
14:34 41 what this sets out?
14:34 42
- 14:34 43 A. It is the latter. It is not --- it is intended to reduce your risk
14:34 44 if you follow these guidelines of increasing your harm and/or
14:34 45 becoming a problem --- developing problem gambling.
14:34 46
- 14:34 47 Q. So this is directed at people who are not problem gamblers

14:34 1 and if they keep their gambling habits within these limits, they
14:34 2 will not or are unlikely to become problem gamblers?

14:34 3

14:34 4 A. It was intended to perhaps educate and raise awareness in
14:34 5 the general public about these limits. So a public campaign of
14:34 6 sorts or social media, whatever a public campaign comprises of,
14:34 7 to raise awareness for the general public, to educate general
14:35 8 public that if you gamble on more than two activities you are at
14:35 9 increased risk. If you spend X amount of your gross personal
14:35 10 income, you are at risk. This is early work and there is more
14:35 11 work coming out later this year which will provide more
14:35 12 evidence and fine-tune this early research that is happening.

14:35 13

14:35 14 COMMISSIONER: And this is done on, I don't know whether
14:35 15 this is the right expression, but the average member of the
14:35 16 community?

14:35 17

14:35 18 A. This particular research study at 43 used data from two
14:35 19 jurisdictions in Australia, so it was a statistical study, it looked at
14:35 20 the data that was collected in population surveys --- I think from
14:35 21 memory, Tasmania and the ACT --- and they just calculated from
14:35 22 what was reported, you know, at what stage could you
14:35 23 recommend perhaps for the general public not to overreach or go
14:36 24 over these thresholds or you may be at increased risk.

14:36 25

14:36 26 COMMISSIONER: But in each individual case, it would be
14:36 27 dependent upon the individual characteristics and circumstances
14:36 28 of the person to decide whether or not these limits are reasonable
14:36 29 or unreasonable, or would work or not work?

14:36 30

14:36 31 A. Yes, however, that is why we need an education campaign
14:36 32 and a community awareness campaign. We feel people have no
14:36 33 idea. Certainly ---

14:36 34

14:36 35 COMMISSIONER: I get the educational function. I'm just
14:36 36 looking at it from --- what this data tells me, I don't want to
14:36 37 denigrate it in the slightest, but is it saying much more than "If
14:37 38 you don't gamble a lot and don't gamble for much money, you are
14:37 39 not a problem gambler and not likely to ever become a problem
14:37 40 gambler"?

14:37 41

14:37 42 A. I don't think it says that. I think there is simply empirical
14:37 43 guidelines or empirical limits to provide to the general public. It
14:37 44 is not saying that you will never become a problem gambler or
14:37 45 you will become a problem gambler, they are guidelines.

14:37 46

14:37 47 COMMISSIONER: I see. Thank you.

14:37 1
14:37 2 MR FINANZIO: Can I suggest that these guidelines, if you like,
14:37 3 are an amber light for people to use as a guide, suggesting that if
14:37 4 you gamble beyond these limits you may be at risk of becoming
14:37 5 a problem gambler?
14:37 6
14:37 7 A. That's one way of putting it, yes.
14:37 8
14:38 9 Q. But they don't necessarily suggest that if you gamble above
14:38 10 the limits, you will become a problem gambler or that you are
14:38 11 a problem gambler?
14:38 12
14:38 13 A. As I said, they were based on statistical analyses. So they
14:38 14 are a guide only.
14:38 15
14:38 16 MR FINANZIO: I see. And I was going to move on from there,
14:38 17 Commissioner.
14:38 18
14:38 19 COMMISSIONER: That's okay. I will come back to some of
14:38 20 these questions later on.
14:38 21
14:38 22 MR FINANZIO: Thank you. At 45 you make reference to the
14:38 23 observable signs work of Thomas et al, and then you move into
14:38 24 the territory of discussing the Melbourne casino research. And,
14:38 25 broadly speaking, you make the point that the Foundation's work
14:38 26 has focused on gambling harm and prevalence in the broader
14:39 27 population. Is that so?
14:39 28
14:39 29 A. Yes.
14:39 30
14:39 31 Q. And that you are aware of only limited research in relation
14:39 32 to Crown, if I were summarising it, incidental search or research
14:39 33 that might have touched upon Crown in broad terms; is that
14:39 34 correct?
14:39 35
14:39 36 A. That would be correct.
14:39 37
14:39 38 Q. You do set out though, at paragraph 52, how some of that
14:39 39 research has given an insight into who gambles at Crown and
14:39 40 what the implications of that might be. So can we just touch on
14:39 41 that?
14:39 42
14:39 43 At 52 you say that the study shows that 7.4 per cent of the
14:39 44 Victorian adult population gambled at Crown in the last
14:40 45 12 months. Can I be clear, when we say the "last 12 months"
14:40 46 there, that is the last 12 months as at the date of the study; is that
14:40 47 right?

14:40 1
14:40 2 A. Yes.
14:40 3
14:40 4 Q. That study, I'm checking now, that study was conducted
14:40 5 in ---
14:40 6
14:40 7 A. 2018/19.
14:40 8
14:40 9 Q. 2018/19, yes. So that is really the last year before the
14:40 10 pandemic, the last unconstrained year before the pandemic
14:40 11 struck?
14:40 12
14:40 13 A. Correct.
14:40 14
14:40 15 Q. So we should read those figures in that light. You then say
14:40 16 that the study reveals 18 per cent of Victorians aged 18 to 24 and
14:40 17 9 per cent of Victorians aged 25 to 44 gambled at the casino.
14:40 18 There seems to be a higher percentage of younger people in that
14:41 19 cohort.
14:41 20
14:41 21 A. Yes.
14:41 22
14:41 23 Q. Any clue as to why or what the issues there are?
14:41 24
14:41 25 A. Not referring specifically to this study because the
14:41 26 questions weren't asked, but in general young people are, shall we
14:41 27 say, risk-takers, they can be risk-takers and do partake in lots of
14:41 28 risky activities, drinking, gambling.
14:41 29
14:41 30 Q. All right. Then you say at 52.3, more broadly, almost
14:41 31 one-third or 29.9 per cent of Victorian gamblers aged 18 to 24
14:41 32 and 16.4 per cent of those aged 25 to 35 years had gambled on
14:41 33 casino table games within the past year. That is a higher
14:41 34 percentage. Does that reflect ---
14:41 35
14:41 36 A. (Nods head).
14:41 37
14:41 38 Q. --- that younger people are less likely to be interested in
14:41 39 poker machines?
14:41 40
14:41 41 A. There are young people who are interested in poker
14:41 42 machines but there is also a cohort of young people who are,
14:42 43 particularly young males, who are interested in table games.
14:42 44
14:42 45 Q. I see. The next figure, 27 per cent of Victorian EGM
14:42 46 gamblers gambled at Crown. Can I ask you a question about that
14:42 47 figure, unpacking it a little bit. There are EGM venues all across

14:42 1 the State.

14:42 2

14:42 3 A. (Nods head).

14:42 4

14:42 5 Q. 27 per cent of Victorians is a percentage of the total

14:42 6 number of Victorians but presumably the number of Melburnians

14:42 7 is higher?

14:42 8

14:42 9 A. Okay, so that figure is 20 per cent of Victorians who

14:42 10 gambled on EGMs also gambled at Crown. The study does break

14:42 11 down into the Victorian population and gambling study --- the

14:42 12 Victorian population gambling and health study does look at

14:43 13 regions and local areas. I cannot recall the figure exactly for each

14:43 14 region.

14:43 15

14:43 16 Q. Okay. Perhaps we can look at the study for that.

14:43 17

14:43 18 The next point:

14:43 19

14:43 20 people who gamble at Crown are three times more likely

14:43 21 *to experience problem gambling when compared to all*

14:43 22 *[other] Victorian adults*

14:43 23

14:43 24 And:

14:43 25

14:43 26 just over one third of all Victorians experiencing problem

14:43 27 *gambling and nearly one third of all Victorians at*

14:43 28 *moderate risk of developing gambling harm gambled at*

14:43 29 *Crown.*

14:43 30

14:43 31 I think at 52.7:

14:43 32

14:43 33 *25 per cent of those who gambled at Crown in the past*

14:43 34 *12 months experienced harm.*

14:43 35

14:43 36 *compared to the broader population of Victorians who*

14:44 37 *gambled on table games, electronic gaming machines,*

14:44 38 *bingo, and Keno, those gambling at Crown are more*

14:44 39 *likely to report having experienced at least one harm*

14:44 40

14:44 41 Each of those are one of the seven categories of harm you

14:44 42 described earlier?

14:44 43

14:44 44 A. Yes.

14:44 45

14:44 46 COMMISSIONER: Does that tell me, especially what is in ---

14:44 47 the figure that is in paragraph 52.7 that one quarter of patrons at

14:44 1 Crown, are not patrons that are at risk but are patrons that have
14:44 2 actually suffered gambling harm?
14:44 3
14:44 4 A. That figure tells us that 25 per cent of people in Victoria
14:44 5 who gambled at Crown, in the previous 12-month period when
14:44 6 the study was experienced at least one harm, yes.
14:45 7
14:45 8 COMMISSIONER: Do you want to tell me that again? So
14:45 9 25 per cent of Victorians?
14:45 10
14:45 11 A. Yes, 25 per cent of Victorians who gambled at Crown in
14:45 12 that period where the survey was asked in 2018/19 and
14:45 13 completed --- they completed the Short Gambling Harm Scale,
14:45 14 they experienced --- from that scale we can tell that they
14:45 15 experienced, we can report they experienced at least one harm.
14:45 16 They experienced harm.
14:45 17
14:45 18 COMMISSIONER: Can I translate that into how many people?
14:45 19 So if I have, say, 10,000 patrons visiting Crown in a year, or in
14:45 20 the relevant year to which this study relates, if 10,000 people
14:45 21 gambled at Crown, what percentage of that number who attended
14:46 22 Crown in that year are problem gamblers?
14:46 23
14:46 24 A. That figure at 52.7 doesn't refer to problem gambling.
14:46 25
14:46 26 COMMISSIONER: Suffers harm.
14:46 27
14:46 28 A. Oh, so you are ---
14:46 29
14:46 30 COMMISSIONER: Suffered gambling harm. I was being a bit
14:46 31 loose in my language.
14:46 32
14:46 33 A. Okay, can you please repeat that question again?
14:46 34
14:46 35 COMMISSIONER: Yes. Assume that 10,000 patrons attend at
14:46 36 Crown Casino in a particular year. What number of those patrons
14:46 37 according to this current survey, what number or how many of
14:46 38 those patrons will suffer some gambling harm?
14:46 39
14:46 40 A. Well, according to this, 25 per cent you would extrapolate
14:46 41 25 per cent out of 10,000. For harm, not problem gambler
14:46 42 gambling.
14:46 43
14:46 44 COMMISSIONER: And if I go to the next step, can I work out
14:46 45 from these statistics or percentages how many --- again let's
14:47 46 assume 10,000 gamblers in a particular year. Not gamblers,
14:47 47 10,000 people go to the casino to gamble.

14:47 1
14:47 2 A. Yes.
14:47 3
14:47 4 Q. How many of those 10,000, they are all Victorians, we will
14:47 5 take them all to be Victorians, what percentage or how many of
14:47 6 that 10,000 group of gamblers in a year will be problem
14:47 7 gamblers?
14:47 8
14:47 9 A. That is quite a difficult question. The problem gambling
14:47 10 prevalence rate for Victoria is 0.7 per cent --
14:47 11
14:47 12 COMMISSIONER: I saw that.
14:47 13
14:47 14 A. Yes, but at Crown the problem gambling prevalence rate
14:47 15 was found to be 3.3 per cent. So you are asking me a different
14:47 16 question and I'm giving you a different answer.
14:47 17
14:47 18 COMMISSIONER: Yes.
14:47 19
14:47 20 A. The problem gambling estimate for all Victorians is
14:47 21 0.7 per cent, but the estimate we found in 2018/19 was
14:48 22 3.3 per cent, I think, and similar in 2014 and similar in 2008, so
14:48 23 around --- say around 3-point-something per cent. So I don't
14:48 24 know whether you can extrapolate that to say, you know,
14:48 25 3.3 per cent of gamblers who gambled at Crown in the past
14:48 26 12 months are --- were found to be problem gamblers.
14:48 27
14:48 28 COMMISSIONER: That is a rational extrapolation or not?
14:48 29
14:48 30 A. I'm not sure, but we know in 2018 /19, 3.3 per cent of
14:48 31 gamblers who gambled at Crown were problem gamblers.
14:48 32
14:48 33 COMMISSIONER: Okay.
14:48 34
14:48 35 MR FINANZIO: On 52.7 and the questions asked by the
14:49 36 Commissioner, you can experience gambling harm without being
14:49 37 a problem gambler?
14:49 38
14:49 39 A. Correct.
14:49 40
14:49 41 Q. And really, that is to the point of the earlier research which
14:49 42 you described ---
14:49 43
14:49 44 A. (Nods head).
14:49 45
14:49 46 Q. --- which was to the effect that 70 per cent of gambling
14:49 47 harm in Victoria was attributed to people who were not

- 14:49 1 necessarily problem gamblers but instead, moderate or low on the
14:49 2 spectrum of gambling --- on the spectrum of the PGSI?
14:49 3
14:49 4 A. It is actually apportioned to.
14:49 5
14:49 6 Q. Apportioned to?
14:49 7
14:49 8 A. "Apportioned to" is the correct language and that would
14:49 9 include non-problem gamblers in that 70 per cent because we
14:49 10 know one problem gambler who scores zero can still experience
14:49 11 harm.
14:49 12
14:49 13 MR FINANZIO: Yes. I was going to move now, Commissioner.
14:49 14
14:49 15 COMMISSIONER: Okay, that's fine.
14:49 16
14:49 17 MR FINANZIO: Just on paragraph 53, what you there talk about
14:50 18 is EGMs in unrestricted mode, and you make the point there that
14:50 19 in the prevalent study, the prevalent study found that 61 per cent
14:50 20 of people gambling on EGMs at Crown were experienced
14:50 21 problem gambler gambling --- who were experiencing problem
14:50 22 gambling, pardon me, had used an unrestricted EGM in the
14:50 23 previous 12 months.
14:50 24
14:50 25 A. Yes. This is the 2014 study.
14:50 26
14:50 27 Q. Yes.
14:50 28
14:50 29 A. We didn't ask that question in 2018/19. We asked it in
14:50 30 2014, so we included it in here to provide some information.
14:50 31
14:50 32 Q. Right. I see. But just taking that figure, because you do
14:50 33 note that it is the 2014 study, but just taking that figure on the
14:50 34 data that was then available, am I right in drawing the inference
14:51 35 that these figures statistically bear out the relationship between
14:51 36 problem gamblers and EGMs, specifically operating in
14:51 37 unrestricted mode?
14:51 38
14:51 39 A. This figure does, yes.
14:51 40
14:51 41 Q. It's almost like people who have a problem gambling are
14:51 42 drawn to unrestricted mode EGMs?
14:51 43
14:51 44 A. That could be one conclusion, yes.
14:51 45
14:51 46 Q. All right. Now, the last part of your statement sets out the
14:51 47 research and evaluation projects since the commencement of the

14:52 1 Foundation that might have involved Crown in some way; is that
14:52 2 right? 54.1 deals with one research piece that Crown participated
14:52 3 in?

14:52 4
14:52 5 A. Yes, that's correct.

14:52 6
14:52 7 Q. The next part deals with evaluations. And I think you make
14:52 8 the point in relation to each of them that Crown was not invited
14:52 9 to participate in the evaluation programs for each; is that right?

14:52 10
14:52 11 A. Yes, because it wasn't relevant to Crown in the sense that it
14:52 12 was about programs that the Foundation works with, the venue
14:52 13 support worker program, and the Responsible Service of Gaming
14:52 14 that the Foundation is involved in.

14:53 15
14:53 16 Q. Right. I take you now to the supplementary statement.

14:53 17
14:53 18 COMMISSIONER: Before you do that, that is on the loyalty
14:53 19 programs. Before you do that, can I ask Ms Billi a couple of
14:53 20 questions? I'm keen to ask you something. Back at paragraph 43
14:53 21 of your statement, and a gambling expenditure limit, 43.2. If
14:53 22 I was running my own casino, and just assume I only had
14:53 23 electronic gaming machines at the casino, does the research to
14:53 24 which you've referred, or any other research, suggest to me what I
14:54 25 might impose as a limit on the gamblers who come to my casino
14:54 26 to, I suppose, to avoid gambling harm from occurring or to
14:54 27 prevent the gambler becoming a problem gambler, at least
14:54 28 stopping me contributing to that?

14:54 29
14:54 30 A. That is a very difficult question because I don't believe that
14:54 31 the expenditure of 615 per year or \$51 per month was designed as
14:54 32 an imposition, as a figure to be imposed, it was designed really to
14:54 33 look at how we can guide, as I mentioned before, the public and
14:54 34 community awareness, to start educating people about how much
14:54 35 you should or shouldn't gamble, and how many products you
14:54 36 should and shouldn't gamble on, to avoid getting yourself into
14:55 37 trouble. So it is tricky because \$51 a month doesn't sound like
14:55 38 much.

14:55 39
14:55 40 COMMISSIONER: And for some people it is not very much?

14:55 41
14:55 42 A. That's correct.

14:55 43
14:55 44 COMMISSIONER: So coming back to my question, I'm starting
14:55 45 my casino, I'm going to put in 1,000 electronic gaming machines,
14:55 46 and I've got a social conscience which tells me I should, to the
14:55 47 extent reasonably practicable, prevent my gamblers becoming

14:55 1 problem gamblers. I take it you would suggest that, if possible, I
14:55 2 should put a cap on their expenditure or not?

14:55 3

14:55 4 A. I would suggest looking at perhaps 43.3, and looking at the
14:56 5 percentage of gross personal income. That would answer your
14:56 6 question in terms of if you earn more money than someone else
14:56 7 and you can afford to spend \$51, so there may be a sliding scale,
14:56 8 there may be another way of getting this information across.

14:56 9

14:56 10 COMMISSIONER: I think, Ms Billi, there would be no doubt at
14:56 11 all that there would be a sliding scale. I think that goes without
14:56 12 saying. And part of the problem is my gross personal income
14:56 13 might be minuscule when compared with the value of my capital
14:56 14 assets. I might have tens of millions of dollars invested in shares
14:56 15 on the stock exchange that might only be producing 1.5 per cent
14:56 16 return a year by way of dividend income, or --- BHP didn't return
14:56 17 a dividend income for 20-odd years but the shares were going up
14:57 18 in value on each of those years. I'm trying to work out if there is
14:57 19 some rational basis for imposing a money cap. Even if it means
14:57 20 making inquiries of one sort or another, is there some rational
14:57 21 basis upon which I can impose a cap, sliding scale, whatever it
14:57 22 might be, to prevent my gamblers becoming problem gamblers?

14:57 23

14:57 24 A. I am afraid that I cannot inform the answer to that question.
14:57 25 I would suggest ---

14:57 26

14:57 27 COMMISSIONER: Is there any research that would help me?

14:57 28

14:57 29 A. We are looking at additional research coming in later this
14:57 30 year, and I think there is research that needs to look at all the
14:57 31 evidence that is available and work out how you can translate
14:57 32 that, if it is at all possible to impose a monetary limit, as you
14:57 33 suggest, on a sliding scale or not a sliding scale.

14:58 34

14:58 35 COMMISSIONER: Even if it's not a fixed cap, but I can impose
14:58 36 a cap --- say I start out, I get you and work out what your net
14:58 37 income is, and I impose a percentage cap based on --- I don't
14:58 38 know, it could be anything, 1.7 per cent of your gross income,
14:58 39 what it might be. Let's say I follow that, but give you the right to
14:58 40 come along and say, "No, I have \$3 million invested in the stock
14:58 41 exchange, take that into account as well." In other words, vary
14:58 42 my cap. So when I'm asking about a cap, I don't mean a fixed cap
14:58 43 permanently, just to start off, a base cap which can then be
14:58 44 adjusted by reference to particular circumstances. Is there any
14:58 45 research which would guide me into a direction that allows me to
14:58 46 do that rationally?

14:58 47

14:59 1 A. Off the top of my head I cannot think of any research in the
14:59 2 area that you are wishing to go to. However, that does not mean
14:59 3 that this particular research we can do a bit more with --- have
14:59 4 further research. I sound like a researcher, "more research is
14:59 5 needed" ---
14:59 6
14:59 7 COMMISSIONER: You do!
14:59 8
14:59 9 A. --- "more research is needed". So the answer to your
14:59 10 question is I don't know.
14:59 11
14:59 12 COMMISSIONER: And you can't help me?
14:59 13
14:59 14 A. And I can't help you. I'm sorry.
14:59 15
14:59 16 COMMISSIONER: I will take the apology! Thank you.
14:59 17
14:59 18 Mr Finanzio.
14:59 19
14:59 20 MR FINANZIO: We'll go to your supplementary statement.
14:59 21 When you prepared your statement, you hadn't seen the statement
14:59 22 of Mr Emery and Mr Mackay. In particular, Mr Emery addressed
14:59 23 loyalty programs in his statement, parts of which you set out in
15:00 24 paragraph 4 of your supplementary statement. And at paragraph
15:00 25 5 you describe the statement of research in relation to loyalty
15:00 26 programs. I'm right in saying, aren't I, that the study that you
15:00 27 refer to in paragraph 5 being the WOL study of 2018 concluded
15:00 28 that there was limited research about loyalty programs in the
15:00 29 gambling industry?
15:00 30
15:00 31 A. Yes.
15:00 32
15:00 33 Q. That research is necessary for harm minimisation public
15:00 34 policy?
15:00 35
15:00 36 A. Yes.
15:00 37
15:00 38 Q. And that the researchers have not had access to loyalty data
15:01 39 to investigate the link between problem gambling and loyalty
15:01 40 membership?
15:01 41
15:01 42 A. Yes.
15:01 43
15:01 44 Q. That is the principal, in a sense, problem, isn't it, in relation
15:01 45 to loyalty programs and the absence of research?
15:01 46
15:01 47 A. I understand that to be the case from the evidence, yes.

15:01 1
15:01 2 Q. And it's now proposed by Crown --- have you been shown
15:01 3 a copy of the letter of 24 May?
15:01 4
15:01 5 COMMISSIONER: That is a letter from Crown.
15:01 6
15:01 7 MR FINANZIO: Pardon me, a letter from Crown's lawyers ---
15:01 8
15:01 9 A. To?
15:01 10
15:01 11 Q. --- to the Commission ---
15:01 12
15:01 13 COMMISSIONER: I don't think Ms Billi has that.
15:01 14
15:01 15 MR FINANZIO: You don't have that?
15:01 16
15:01 17 A. If I know what it was about, I might know whether I've seen
15:01 18 it.
15:01 19
15:01 20 Q. Sorry, let me describe it to you. It is a letter where Crown
15:01 21 proposes a number of enhancements to its Responsible Gaming
15:01 22 product.
15:01 23
15:01 24 A. (Nods head). Yes.
15:01 25
15:01 26 Q. There is a table attached to that letter.
15:01 27
15:02 28 A. Yes, I have seen that letter.
15:02 29
15:02 30 Q. The letter addresses the loyalty program question by
15:02 31 suggesting that in relation to the loyalty program, there would be
15:02 32 some review and research which will be to determine if there are
15:02 33 any aspects of the loyalty program that may be causing harm, and
15:02 34 what measures can be put in place, put into place to control those
15:02 35 risks. Have you reviewed that part of the letter?
15:02 36
15:02 37 A. I have had a look at it, yes.
15:02 38
15:02 39 Q. The proposal contemplates engagement of an external,
15:02 40 independent researcher. Is that something you regard as
15:02 41 an appropriate thing?
15:02 42
15:02 43 A. Well, yes, with provisos. So the independent researchers,
15:03 44 the methodology has to be assessed to make sure it is the best
15:03 45 possible way of answering particular questions, the association
15:03 46 and link between loyalty programs and harm or problem
15:03 47 gambling, that the research is transparent, the whole process is

15:03 1 transparent, that it is peer reviewed at the final stage, and that the
15:03 2 findings can be --- can contribute to the greater body of
15:03 3 knowledge about this so it is public.

15:03 4
15:03 5 Q. One of the things it describes is, and I will read those words
15:03 6 to you, "a reliable read on the extent of the causal direction
15:03 7 between the association of elements of the loyalty program and
15:03 8 problem gambling". It notes that this is complex as has been
15:03 9 noted in academic research, and it then goes on to identify
15:03 10 another consideration, "establish a way to ensure the research can
15:04 11 provide direction on any causal relationship to problem
15:04 12 gambling".

15:04 13
15:04 14 It makes this observation about the complexity having been noted
15:04 15 in the research. What do you understand to be the causal
15:04 16 relationship between or the possibility of a causal relationship
15:04 17 between loyalty programs and problem gambling?

15:04 18
15:04 19 A. I don't think there is a very clear --- any clear research that
15:04 20 can definitively state there is a causal relationship. The research
15:04 21 is showing --- a lot of the research out that is there is showing
15:04 22 that there is a link, there is a link that loyalty programs are
15:04 23 somehow facilitating gambling, and that more problem gamblers
15:04 24 are members of loyalty programs or rewards programs, et cetera.
15:05 25 So we know there is an increase in the PGSI, it goes up in level as
15:05 26 does loyal program membership or rewards programs
15:05 27 memberships.

15:05 28
15:05 29 So, yes, you could do research on the causal link or you can
15:05 30 accept the fact that there is a strong association there and perhaps
15:05 31 get in early and start doing some work, and having research to
15:05 32 look at how you can address that.

15:05 33
15:05 34 COMMISSIONER: I want to ask you a few questions about that.
15:05 35 I must say I find the discussion at the moment, not yours, but
15:05 36 everything I've heard, and bits that I've read, mystifying.

15:05 37
15:05 38 Am I right in thinking that a principal object of any loyalty
15:05 39 program, Qantas, Shell, Woolworths, whoever has them, and
15:05 40 most people have them, or most large firms have them, is to
15:05 41 encourage the customer to go to the loyalty program supplier and
15:06 42 get goods or services from that supplier?

15:06 43
15:06 44 A. That is my understanding.

15:06 45
15:06 46 COMMISSIONER: At the moment I don't understand what other
15:06 47 objective any loyalty program by any firm can have.

15:06 1
15:06 2 A. I would agree with that.
15:06 3
15:06 4 COMMISSIONER: And is there research, forget about problem
15:06 5 gamblers and gambling aside completely, is there research or
15:06 6 evidence that shows that firms have a form of loyalty program
15:06 7 would increase their custom when compared with them
15:06 8 conducting business with other loyalty programs?
15:06 9
15:06 10 A. I don't know of that research. I don't know the evidence
15:06 11 about what is called uncarded play. I'm not sure about that.
15:06 12
15:06 13 COMMISSIONER: No, no, forget about uncarded play. I want
15:06 14 you to put out of your mind completely, gambling.
15:06 15
15:07 16 So, I'm Coles. I'm on a loyalty problem. I get a 5 per cent
15:07 17 discount off my petrol --- I don't know what they do nowadays, it
15:07 18 used to be petrol. Flybuys. If they give me a loyalty card, is
15:07 19 there any evidence that suggests I'm more likely to shop at Coles
15:07 20 than Woollies because I have a Coles loyalty card from which I
15:07 21 get some benefit?
15:07 22
15:07 23 A. I do not know. I know what you are asking me ---
15:07 24
15:07 25 COMMISSIONER: Would you prepared to accept that it is
15:07 26 almost a self-evident truth?
15:07 27
15:07 28 A. I would be inclined to think that, but I don't have the
15:07 29 evidence to support that.
15:07 30
15:07 31 COMMISSIONER: My shopping habits might be evident,
15:07 32 Ms Billi.
15:07 33
15:07 34 A. And probably mine!
15:07 35
15:07 36 COMMISSIONER: Yes, and I suspect everybody else's in the
15:07 37 country. But put that aside. What I can't understand is --- just
15:08 38 assume that I'm right and I can find a piece of evidence
15:08 39 somewhere, outside gambling, that suggests that loyalty cards and
15:08 40 the benefits that loyalty cards provide is good for the business, it
15:08 41 increases custom for the goods or services on offer by the firm.
15:08 42
15:08 43 A. That seems reasonable.
15:08 44
15:08 45 COMMISSIONER: Well, sometimes I think there are some
15:08 46 propositions thought which need no evidence, they are just --- it
15:08 47 is self-evident.

15:08 1
15:08 2 What is the problem by thinking a loyalty program by a casino is
15:08 3 exactly the same as a loyalty program by anybody else? I don't
15:08 4 have to show a link. I have a loyalty program and it gives free car
15:08 5 parking, or free lunch, or free dinner, or free night at the movies,
15:08 6 or a free ticket to the footy or anything like that, I'm going to
15:09 7 increase custom, I might either have greater number, or the
15:09 8 people who I provide the loyalty benefits to are going to come in
15:09 9 increasing number, amongst other things, to cash in the benefit.
15:09 10 If that's right, what do I care about whether that adds to problem
15:09 11 gambling, or not a link between the loyalty program and problem
15:09 12 gambler gambling? If your figures are right --- if the surveys are
15:09 13 right, not your figures, and I attract the custom and 3.7 per cent of
15:09 14 them are problem gamblers, if I attract them across the board,
15:09 15 even if I don't have any relationship between the loyalty card and
15:09 16 particular problem gamblers but just gamblers generally, I attract
15:09 17 problem gamblers and non-problem gamblers, and problem
15:09 18 gamblers suffer more. In other words, I don't know what this
15:09 19 research is looking for. I've made a speech.
15:09 20
15:09 21 A. Thank you.
15:10 22
15:10 23 COMMISSIONER: Put it into terms of a question, where have I
15:10 24 got it wrong?
15:10 25
15:10 26 A. I'm trying to work out exactly in your speech what you
15:10 27 were saying other than ---
15:10 28
15:10 29 COMMISSIONER: That's fair enough. The proposition is that
15:10 30 a loyalty program will encourage custom. And if a loyalty
15:10 31 program generally, this dog has a tail and this is one of those
15:10 32 syllogisms, if loyalty programs encourage custom and a casino
15:10 33 has a loyalty program, like any other firm, it will encourage
15:10 34 custom?
15:10 35
15:10 36 A. Correct.
15:10 37
15:10 38 COMMISSIONER: Yes? Correct?
15:10 39
15:10 40 A. Yes, correct.
15:10 41
15:10 42 COMMISSIONER: And if it encourages custom, then it
15:10 43 encourages custom from problem gamblers and non-problem
15:10 44 gamblers?
15:10 45
15:10 46 A. One would assume so, yes. Possibly.
15:10 47

15:10 1 COMMISSIONER: Is there any other assumption I can make?
15:10 2
15:10 3 A. You could possibly make the assumption that if you are
15:10 4 a problem gambler --- I don't know, I really don't know. That is
15:11 5 an assumption.
15:11 6
15:11 7 COMMISSIONER: Okay. I give up.
15:11 8
15:11 9 MR FINANZIO: Can I have a go?
15:11 10
15:11 11 A. You have a go, please.
15:11 12
15:11 13 Q. Is it right that loyalty programs might not necessarily cause
15:11 14 someone to become a problem gambler but they might encourage
15:11 15 someone who gambles presently to take on riskier behaviour
15:11 16 based on the inducements that are available through the loyalty
15:11 17 program?
15:11 18
15:11 19 A. Correct. That is what some of the research says.
15:11 20
15:11 21 Q. So whilst the WOL study says that there is a need for
15:11 22 research, it's not like there is no research at all; that's right, isn't
15:12 23 it?
15:12 24
15:12 25 A. That's correct. There is some research, not a lot, but there
15:12 26 is some.
15:12 27
15:12 28 Q. You refer to some of it in your report at paragraph 6. It's
15:12 29 the --- am I pronouncing this person's name correctly --- Hing?
15:12 30
15:12 31 A. Yes, Marylee(?) Hing.
15:12 32
15:12 33 Q. There's the Hing study?
15:12 34
15:12 35 A. Correct.
15:12 36
15:12 37 Q. And where there is an inducement connected to wagering,
15:12 38 there is a conceptual link borne out by some of this work that the
15:12 39 behaviour of the gambler may be riskier?
15:12 40
15:12 41 A. Yes.
15:12 42
15:12 43 Q. And that that riskier behaviour is a step on the pathway to
15:12 44 gambling harm; correct?
15:12 45
15:13 46 A. Correct.
15:13 47

15:13 1 Q. That is whether or not the person is themselves a problem
15:13 2 gambler by definition or someone who might otherwise fall into
15:13 3 the PGSI spectrum as a moderate gambler?

15:13 4
15:13 5 A. Or a low-risk gambler, yes or a non-problem gambler, yes.

15:13 6
15:13 7 Q. And am I to take your evidence to be that research directed
15:13 8 to proving a direct causal link between loyalty programs or
15:13 9 aspects of loyalty programs and problem gambling is pointless,
15:13 10 but rather the effort should be to looking to the possible links
15:13 11 between loyalty programs and gambling behaviour that is riskier?

15:13 12
15:13 13 A. Yes, you've said that far more eloquently than I tried to say.
15:13 14 Thank you.

15:13 15
15:13 16 Q. Okay, well, let's go to the last part of your statement which
15:14 17 deals with some of the evidence of Mr Mackay about the Red
15:14 18 Carpet Program. One of the points that you make in paragraph 7
15:14 19 focuses on Culturally and Linguistically Diverse communities
15:14 20 and their particular vulnerability to being made to feel welcome
15:14 21 in a gambling environment.

15:14 22
15:14 23 A. Yes.

15:14 24
15:14 25 Q. Is that a fair summary?

15:14 26
15:14 27 A. Yes.

15:14 28
15:14 29 Q. And that communities that might be culturally and
15:14 30 linguistically diverse may be more vulnerable to gambling harm
15:15 31 for a variety of reasons.

15:15 32
15:15 33 A. Yes.

15:15 34
15:15 35 Q. I think you make an observation here that some cultures
15:15 36 who are broadly, if I can make this generalisation of the culture,
15:15 37 broadly disinclined to gambling may have members of that
15:15 38 community who, for whatever reason, are more vulnerable to
15:15 39 experiencing higher levels of gambling harm?

15:15 40
15:15 41 A. Yes.

15:15 42
15:15 43 Q. And then there are cultures who are open to the possibility
15:15 44 of gambling who might feel the casino presents as a welcoming
15:15 45 environment to them and for that reason exposes them to a higher
15:15 46 level of gambling harm because they are culturally predisposed to
15:15 47 wagering?

15:16 1

15:16 2 A. Yes.

15:16 3

15:16 4 Q. I think you refer in paragraph 7 to a couple of studies that
15:16 5 were undertaken in relation to this subject area.

15:16 6

15:16 7 A. Yes.

15:16 8

15:16 9 Q. And you identify at paragraph 8 the risks associated with
15:16 10 different cultural communities in the context of that Red Carpet
15:16 11 Program; is that right?

15:16 12

15:16 13 A. In context of gambling in general, yes.

15:16 14

15:16 15 Q. Is there anything else that you want to say about paragraph
15:16 16 7 and 8 that isn't there in the text?

15:16 17

15:16 18 A. No.

15:16 19

15:16 20 MR FINANZIO: Thank you, Commissioner.

15:16 21

15:16 22 COMMISSIONER: Thank you, Mr Finanzio. I will bypass Mr
15:17 23 Rozen and Mr Gray. I will go straight to you, Mr Borsky. No, I
15:17 24 can't. Can I take it you are out, Mr Rozen?

15:17 25

15:17 26 MR ROZEN: No, on this occasion with your leave,
15:17 27 Commissioner, I would like to ask Ms Billi a brief series of
15:17 28 questions. Shouldn't take more than five minutes I would hope.

15:17 29

15:17 30 COMMISSIONER: Okay.

15:17 31

15:17 32

15:17 33 **CROSS-EXAMINATION BY MR ROZEN**

15:17 34

15:17 35

15:17 36 MR ROZEN: As the Commission pleases.

15:17 37

15:17 38 Ms Billi, my name is Peter Rozen, I represent the VCGLR
15:17 39 Victorian Commission for Liquor and Gambling Regulation, the
15:17 40 regulator. I note from your first statement that you have public
15:17 41 health qualifications; is that right?

15:17 42

15:17 43 A. Yes, I do.

15:17 44

15:17 45 Q. And you've also worked within the Government in a public
15:17 46 health capacity?

15:17 47

- 15:17 1 A. Yes, I did.
15:17 2
15:17 3 Q. You would be familiar with the precautionary principle as
15:17 4 it applies in the public health field?
15:17 5
15:18 6 A. Yes.
15:18 7
15:18 8 Q. Would you explain to the Commissioner briefly what the
15:18 9 precautionary principle is?
15:18 10
15:18 11 A. In my words, first do no harm.
15:18 12
15:18 13 Q. Thank you. It is commonly applied in the public health
15:18 14 field; would you agree with that?
15:18 15
15:18 16 A. Yes.
15:18 17
15:18 18 Q. For example, it underlies a lot of the public health orders
15:18 19 that have been applied since the pandemic commenced in
15:18 20 Australia?
15:18 21
15:18 22 A. Without knowing the details, I would say yes.
15:18 23
15:18 24 Q. It finds statutory form in the Public Health and Wellbeing
15:18 25 Act. *I will just read that out, it's a simple thing, section 6 says:*
15:18 26
15:18 27 *If a public health risk poses a serious threat, lack*
15:18 28 *of full scientific certainty should not be used as a*
15:18 29 *reason for postponing measures to prevent or control the*
15:18 30 *public health risk.*
15:18 31
15:18 32 That broadly accords, does it not, with your understanding of the
15:18 33 precautionary principle?
15:18 34
15:18 35 A. Could you please read that again?
15:19 36
15:19 37 Q. Sure:
15:19 38
15:19 39 *If a public health risk poses a serious threat, lack of full*
15:19 40 *scientific certainty should not be used as a reason for*
15:19 41 *postponing measures to prevent or control the public*
15:19 42 *health risk.*
15:19 43
15:19 44 A. Yes, my wording would be "first do no harm".
15:19 45
15:19 46 Q. Same sort of concept. What I'm interested in is whether
15:19 47 you are able to assist this Commission in how the precautionary

15:19 1 principle might potentially be applicable to addressing gambling
15:19 2 harm. And lest that question be a bit ambiguous, what I have in
15:19 3 mind is the evidence the Commission has heard about the gaps in
15:19 4 the research linking particularly loyalty programs with problem
15:19 5 gambling, and you answered some questions about that a moment
15:19 6 ago from Counsel Assisting. I understood from your evidence
15:20 7 that you were --- you considered there is a strong association
15:20 8 between loyalty programs and gambling harm based on the
15:20 9 available evidence?

15:20 10

15:20 11 A. Yes, the evidence suggests there is an association, yes.

15:20 12

15:20 13 Q. There is a question mark about causation as per the
15:20 14 question you were asked by Counsel Assisting; is that right?

15:20 15

15:20 16 A. That's correct.

15:20 17

15:20 18 Q. From your point of view and particularly the Foundation's
15:20 19 perspective, should those gaps in the research prevent action
15:20 20 being taken in relation to harm minimisation as it applies to
15:20 21 loyalty programs?

15:20 22

15:20 23 A. No. I think I tried to say that, but I got a bit twisted. But I
15:20 24 tried to say that the evidence is there, that there is an association,
15:20 25 we should get in there and act. It is good to do more research but
15:20 26 the association is there. We should get in there and try to reduce
15:21 27 the harm before it happens.

15:21 28

15:21 29 Q. Would that approach be consistent with the precautionary
15:21 30 principle?

15:21 31

15:21 32 A. Yes.

15:21 33

15:21 34 Q. I take it from that that you don't see any downside to
15:21 35 adopting such an approach, if I could ask it that way?

15:21 36

15:21 37 A. Look, I'm not an expert on the precautionary principle. I
15:21 38 understand what it is. I'm not an expert in marketing and I'm not
15:21 39 an expert in loyalty cards, whether they be for gaming venues or
15:21 40 for consumers. I do see that there is an association between
15:21 41 particularly problem gambling levels and loyalty cards, and we
15:21 42 can do research for causal links but there --- it may well be
15:22 43 possible to do something, I'm not sure what, to address this issue
15:22 44 while the research is being done or not being done, just to maybe
15:22 45 get on to it, see what we can do.

15:22 46

15:22 47 Q. Yes. And is that particularly the case where one thing we

15:22 1 can be certain of is that the research will conclude that there is
15:22 2 a need for more research; will it not?

15:22 3

15:22 4 A. Well --- I don't know how to answer that.

15:22 5

15:22 6 MR ROZEN: I think you already did. Thank you,
15:22 7 Commissioner.

15:22 8

15:22 9 COMMISSIONER: Okay. I better check with Mr Gray.

15:22 10

15:22 11 MR GRAY: Thank you, Commissioner. I have no questions.

15:22 12

15:22 13 COMMISSIONER: Thank you.

15:22 14

15:22 15 Mr Borsky, your turn.

15:22 16

15:22 17

15:22 18 **CROSS-EXAMINATION BY MR BORSKY**

15:22 19

15:22 20

15:22 21 MR BORSKY: Thank you.

15:22 22

15:22 23 Ms Billi, my name is Borsky. I appear for Crown in this
15:22 24 Commission. Can you hear me clearly?

15:22 25

15:22 26 A. Thank you, I can.

15:22 27

15:23 28 Q. Now, I want to ask you a couple of questions briefly on this
15:23 29 potentially vexed issue of association and causation, just to
15:23 30 clarify your evidence.

15:23 31

15:23 32 In your supplementary statement you refer, in section 5, to
15:23 33 research in relation to loyalty programs and problem gambling,
15:23 34 don't you?

15:23 35

15:23 36 A. Yes.

15:23 37

15:23 38 Q. I take it you've reviewed the research to which you refer in
15:23 39 that section?

15:23 40

15:23 41 A. Yes, I'm not an expert on marketing, but, yes, I have
15:23 42 reviewed it.

15:23 43

15:23 44 Q. So in paragraph 5.5, which is at the foot of page 3 of your
15:23 45 supplementary statement, you refer to what you described as
15:23 46 "recent research on the prevalence of loyalty program use and its
15:23 47 association with higher risk gambling"; do you have that,

15:23 1 Ms Billi?
15:23 2
15:23 3 A. Yes, that is the 2020 one.
15:23 4
15:23 5 Q. I think take your time to check and correct me if I'm wrong,
15:24 6 but I think that is the 2021 Delfabrro and King study, but you
15:24 7 check me, please, in footnote 2.
15:24 8
15:24 9 A. Yes, 2021.
15:24 10
15:24 11 Q. You are familiar with that Delfabrro and King 2021 study
15:24 12 to which you have referred in 5.5?
15:24 13
15:24 14 A. Look, I have read it. I have read it. To say I'm familiar and
15:24 15 intimately familiar with it, as a statistician would or the authors
15:24 16 would, no, but I have read it.
15:24 17
15:24 18 Q. But do you agree with me that you are not --- you're not
15:24 19 telling this Commission that that research, or any other research
15:24 20 of which you are aware, found a causal link between loyalty
15:24 21 program use and higher risk or problem gambling, are you?
15:24 22
15:24 23 A. No, I'm not.
15:24 24
15:24 25 Q. Your evidence is that an association, or perhaps
15:25 26 a correlation, has been demonstrated, but not causation?
15:25 27
15:25 28 A. Yes.
15:25 29
15:25 30 Q. Thank you. And in 5.6.5, over the page, you refer to
15:25 31 another research study. That is the Prentice & Wong 2015 study,
15:25 32 correct?
15:25 33
15:25 34 A. Five?
15:25 35
15:25 36 Q. 5.6.5.
15:25 37
15:25 38 A. Yes.
15:25 39
15:25 40 Q. On your page 4.
15:25 41
15:25 42 A. Yes.
15:25 43
15:25 44 Q. Do you have that?
15:25 45
15:25 46 A. Yes, I do.
15:25 47

15:25 1 Q. There you refer to the Prentice & Wong 2015 study, or at
15:25 2 least the research that was published under Prentice & Wong's
15:25 3 name in 2015; correct?
15:25 4

15:25 5 A. I referred to one aspect of it. I referred to the association,
15:26 6 yes.
15:26 7

15:26 8 Q. Again, you don't suggest that that study, or any other of
15:26 9 which you are aware, finds that loyalty programs are likely to
15:26 10 cause or contribute to problem gambling or disordered gambling;
15:26 11 do you?
15:26 12

15:26 13 A. Could you repeat that sentence, please?
15:26 14

15:26 15 Q. Yes, of course. You don't suggest that that study, or any
15:26 16 other of which you might be aware, finds that loyalty programs
15:26 17 are likely to cause or even contribute to problem gambling or
15:26 18 disordered gambling?
15:26 19

15:26 20 A. Some studies are likely to find that, and some studies are
15:26 21 likely to find the opposite.
15:26 22

15:26 23 Q. When you say some studies are "likely" to find that ---
15:26 24

15:26 25 A. "May". "May". Repeat your question, please, and I will
15:26 26 answer it.
15:26 27

15:26 28 Q. I will do it a bit more slowly. And I will break it down.
15:26 29 You don't suggest that the Prentice & Wong study, to which you
15:26 30 have referred in 5.6.5 finds that loyalty programs are likely to
15:27 31 cause or even contribute to problem gambling or disordered
15:27 32 gambling, do you?
15:27 33

15:27 34 A. No, I don't say that. No. I just pointed out that disordered
15:27 35 gamblers --- the association, the disordered gamblers spend more
15:27 36 money.
15:27 37

15:27 38 Q. Yes. And, in fact, the Prentice & Wong study finds that
15:27 39 loyalty programs and customer loyalty have very little to do with
15:27 40 problem gambling at all, doesn't it?
15:27 41

15:27 42 A. Yes. They also say that gambling frequency --- there is
15:27 43 a sentence in there as well that gambling frequency was not
15:27 44 considered as a factor, yet we know in gambling research that it
15:27 45 is. So this is a business study, this one, not a gambling research
15:27 46 study per se. So her expertise is in, I believe, in business
15:27 47 methods, not necessarily in gambling. So, yes, she did find that

15:28 1 to answer your question.

15:28 2

15:28 3 Q. Did the Prentice & Wong study also find that loyalty
15:28 4 programs have no significant impact on problem gambling?

15:28 5

15:28 6 A. Oh, I cannot --- I would have to have the study and read it
15:28 7 again, to be able to answer that question.

15:28 8

15:28 9 Q. Okay. Could we have brought up, please, for Ms Billi,
15:28 10 operator, CRW.512.107.0001. Thank you.

15:28 11

15:28 12 Do you recognise this as the Prentice & Wong 2015 study about
15:28 13 which I've been asking you questions recently?

15:28 14

15:28 15 A. Yes, I do.

15:28 16

15:29 17 Q. You have read it recently?

15:29 18

15:29 19 A. I read it last week, yes.

15:29 20

15:29 21 Q. So then I will go straight to page 8, if I might, where the
15:29 22 relevant conclusions of the authors are set out. I asked you
15:29 23 whether you agreed that the study found what is recorded in
15:29 24 substance in the second sentence of the first paragraph under 5.3,
15:29 25 do you see that sentence:

15:29 26

15:29 27 Loyalty programs and customer loyalty have very little to
15:29 28 *do with problem gambling.*

15:29 29

15:29 30 A. Yes.

15:29 31

15:29 32 Q. You agree with that finding?

15:29 33

15:29 34 A. Yes, they found that. Yes, that's what they found.

15:29 35

15:29 36 Q. Thank you. And if we could scroll down to the foot of the
15:29 37 page, the second last paragraph in that left-hand column, which
15:30 38 commences "the results from post hoc analyses", the operator has
15:30 39 indicated with a red dot. Do you see that sentence:

15:30 40

15:30 41 *The results from post hoc analyses of the relationship*
15:30 42 *between loyalty membership status and level of gambling*
15:30 43 *problems confirm the finding that loyalty program has no*
15:30 44 *significant impact on problem gambling.*

15:30 45

15:30 46 A. Yes, I see that.

15:30 47

15:30 1 Q. Do you agree with me that that is what the study found?
15:30 2
15:30 3 A. That is what the study found, yes.
15:30 4
15:30 5 Q. And you agree with the finding?
15:30 6
15:30 7 A. Well, I have to, because that is what the study found.
15:30 8
15:30 9 Q. Thanks. I'm finished with that document. I think it has
15:30 10 previously been tendered, if the Commission pleases. I think it
15:30 11 was tendered in Mr Emery's evidence. I'm sorry I don't have the
15:30 12 number but I don't need to tender it.
15:30 13
15:30 14 Now, Ms Billi, I want to ask you some questions about
15:31 15 your first statement then, your principal statement, and
15:31 16 particularly about the evidence you've given in that
15:31 17 statement on page 10 --- sorry, it's page 9, actually,
15:31 18 paragraph 51, yes, and 52.
15:31 19
15:31 20 You gave some evidence orally about paragraph 52 in
15:31 21 particular in answer to some questions from Mr Finanzio
15:31 22 and from the Commissioner as well. You recall that?
15:31 23
15:31 24 A. Yes.
15:31 25
15:31 26 Q. I just want to ask you some questions first about --- well,
15:31 27 the study in question here which you are referring to in 51 and 52,
15:32 28 is the Victorian population gambling and health study of
15:32 29 2018/2019, published in 2020; correct?
15:32 30
15:32 31 A. Correct.
15:32 32
15:32 33 Q. And that's the study authored by Rockloff and others?
15:32 34
15:32 35 A. Correct.
15:32 36
15:32 37 Q. At the Foundation?
15:32 38
15:32 39 A. For the Foundation, yes.
15:32 40
15:32 41 Q. I'm sorry. For the Foundation.
15:32 42
15:32 43 You yourself didn't participate as an author or one of the
15:32 44 researchers conducting the study; am I right about that?
15:32 45
15:32 46 A. No, I did not.
15:32 47

15:32 1 Q. But you've read the study and the report of the study
15:32 2 carefully?

15:32 3
15:32 4 A. I have, yes.

15:32 5
15:32 6 Q. You said in your evidence this afternoon that the study
15:32 7 showed various things. I just want to pick you up on one or two
15:32 8 of them, please. First, could I draw your attention to 52.5 where
15:33 9 you've said:

15:33 10
15:33 11 *people who gamble at Crown are three times more likely*
15:33 12 *to be experiencing problem gambling when compared to*
15:33 13 *all Victorian adults who gamble.*

15:33 14
15:33 15 You see that?

15:33 16
15:33 17 A. Yes, I do.

15:33 18
15:33 19 Q. Now, I want to unpack that a little. I want to do it by
15:33 20 reference to the study to give you an opportunity to explain and,
15:33 21 if possible, justify that statement, Ms Billi. Could we go to the
15:33 22 statement --- sorry, the study, which is at CRW.512.101.0007?
15:33 23 Thank you. I would like first to go to page 2 of the report. So
15:34 24 not the second page in the document, but page 2 down the bottom
15:34 25 right corner. I'm sorry, not (ii), but page 2. I'm being a bit
15:34 26 oblique. If the operator could go to the 11th page in the PDF,
15:34 27 that is page 2. Thanks very much.

15:34 28
15:34 29 Under the heading "Problem gambling (a mental health
15:34 30 condition)", in the second sentence there, Ms Billi, this is
15:34 31 recorded:

15:34 32
15:34 33 *..... the current survey found [like past studies] that less*
15:34 34 *than 1% per cent of the adult population is likely to suffer*
15:34 35 *from a gambling disorder*

15:34 36
15:34 37 That is the 0.7 per cent figure overall and you agree that figure is
15:35 38 accurate, don't you?

15:35 39
15:35 40 A. This is the most robust of studies, yes. This is accurate.

15:35 41
15:35 42 Q. And I think that is one of the figures which you corrected at
15:35 43 the beginning of your oral evidence this afternoon. So you accept
15:35 44 0.7 is the right figure --- the right measure of the proportion of the
15:35 45 adult population likely to suffer from a gambling disorder?

15:35 46
15:35 47 A. Correct.

15:35 1
 15:35 2 Q. Then could we go to page 23, please, again 23 down the
 15:35 3 bottom right corner. If it assists the operator, I think that is
 15:35 4 page 32 of the PDF. Thanks.

15:35 5
 15:35 6 In the text just above table 12, in the second half of the page, the
 15:36 7 study records that in the second sentence:

15:36 8
 15:36 9 *One per cent (1.1%) of gamblers were classified as*
 15:36 10 *problem gamblers*

15:36 11
 15:36 12 That is, correct me if I'm wrong, 1 per cent of all persons in
 15:36 13 Victoria who gamble are classified as problem gamblers as stink
 15:36 14 from the 0.7, which is 0.7 per cent of the overall population,
 15:36 15 correct?

15:36 16
 15:36 17 A. "The proportion of gamblers who gambled at least one
 15:36 18 activity in the 12 months in each PGSI is shown in Table 12." So
 15:36 19 it is the proportion of people who is in Table 12 --- 1 per cent ---
 15:36 20 okay, so that is the proportion of gamblers who gambled in at
 15:36 21 least one activity.

15:36 22
 15:36 23 Q. That is the proportion of gamblers who are problem
 15:37 24 gamblers; correct?

15:37 25
 15:37 26 A. The sentence above says:

15:37 27
 15:37 28 *The proportion of gamblers (who participated in at least*
 15:37 29 *one gaming activity in the last 12 months)*

15:37 30
 15:37 31 Right, just one gambling activity:

15:37 32
 15:37 33 *..... in each PGSI risk category is shown in Table 12*
 15:37 34 *below.*

15:37 35
 15:37 36 So that:

15:37 37
 15:37 38 *..... (1.1%) of gamblers were classified as problem*
 15:37 39 *gamblers, while a further 13.2% had at least some*
 15:37 40 *problem gambling symptoms.*

15:37 41
 15:37 42 That sentence refers to those who participated in at least one
 15:37 43 gambling activity in the last 12 months.

15:37 44
 15:37 45 Q. Yes. So, correct me if this is wrong, but I'm putting to you
 15:37 46 that a gambler, according to this study, is defined as a person who
 15:37 47 participated in at least one gambling activity in the last

15:37 1 12 months; you agree?
15:37 2
15:37 3 A. That is how the questions were asked, yes.
15:37 4
15:37 5 Q. Of those persons who had ---
15:37 6
15:37 7 COMMISSIONER: Can I interrupt.
15:37 8
15:38 9 I am going to ask you, Mr Borsky, are you saying that the whole
15:38 10 study is proceeding on the basis that a person who is described
15:38 11 properly as a gambler is a person who gambles one gamble
15:38 12 a year, or is that sentence really a subset of gamblers? Because
15:38 13 nobody in their right mind would describe a gambler as a person
15:38 14 who has had one gamble a year. I mean, the study might, but
15:38 15 nobody else would.
15:38 16
15:38 17 MR BORSKY: Well, certainly, Commissioner, for the purposes
15:38 18 of the 1.1 per cent finding, that is the definition. As we read the
15:38 19 study.
15:38 20
15:38 21 COMMISSIONER: Yes, fair enough.
15:38 22
15:38 23 MR BORSKY: So ---
15:38 24
15:38 25 COMMISSIONER: I think that is what Ms Billi was saying. She
15:38 26 is saying, for the purposes of the 1.1 per cent, gamblers are not
15:38 27 gamblers but those who gambled once in 12 months. In other
15:38 28 words, I read that as a definition of "gambler" which is different
15:39 29 from what would ordinarily be understood as a gambler. If I have
15:39 30 a drink at Christmas or Passover once a year, you would not
15:39 31 describe me as a drinker.
15:39 32
15:39 33 MR BORSKY: I wouldn't dare!
15:39 34
15:39 35 COMMISSIONER: You know what I mean?
15:39 36
15:39 37 MR BORSKY: I do.
15:39 38
15:39 39 Ms Billi, do you agree that the study which you refer to and
15:39 40 advance as an authoritative piece of work in this area found that
15:39 41 1.1 per cent of persons who participated in a gambling activity in
15:39 42 the past 12 months were problem gamblers?
15:39 43
15:39 44 A. The study found --- the study administered the PGSI to all
15:40 45 people who --- all respondents, and they calculated that
15:40 46 0.7 per cent of the adult population of Victoria were problem
15:40 47 gamblers. So your question about 1.1 per cent of problem

15:40 1 gamblers and a further 13.2 had some problem gambling
15:40 2 symptoms, I'm not sure which table that refers to.
15:40 3
15:40 4 MR BORSKY: It is table 12, Ms Bill. We've moved from the
15:40 5 0.7 per cent, which I think you agree is the overall Victorian
15:40 6 population, or adult population, I should be more precise, who is
15:40 7 likely to suffer from a gambling disorder.
15:40 8
15:40 9 A. Yes.
15:40 10
15:40 11 Q. Right. Now this is zeroing in on a subset of the overall
15:40 12 population, isn't it?
15:40 13
15:40 14 A. Yes. So 1.1 per cent of gamblers are problem gamblers.
15:40 15 Yes.
15:40 16
15:40 17 Q. That's what the study found, you agree?
15:40 18
15:40 19 A. Yes, that's correct.
15:40 20
15:40 21 Q. Now, the study also found, didn't it, that the gambling
15:41 22 activities which individually predicted the most harm were
15:41 23 eSports, informal betting, Keno and EGMs; do you agree?
15:41 24
15:41 25 A. I would have to go back to the sentence but I know that
15:41 26 EGMs were up there. I don't think it was E --- I would have to
15:41 27 get back to you. There were some identified as the most harmful,
15:41 28 and I know that EGMs were there. To confirm all the others I
15:41 29 would have to go back and have a look.
15:41 30
15:41 31 Q. Let me try and help you. Can we go to page 112 in the
15:41 32 report, please, operator.
15:41 33
15:41 34 COMMISSIONER: That's 103.
15:41 35
15:41 36 MR BORSKY: 112, please. Thank you. That's it. And then if
15:41 37 we make legible for Ms Billi the second-last paragraph on the
15:42 38 page.
15:42 39
15:42 40 Why don't you re-read that paragraph to yourself, Ms Billi. Take
15:42 41 your time. See if this refreshes your memory as to what the study
15:42 42 found was the gambling activity or activities that predicted the
15:42 43 most harm.
15:42 44
15:42 45 A. Yes, I remember this.
15:42 46
15:42 47 Q. Have you re-read that paragraph now to yourself?

15:42 1
15:42 2 A. I have, but I haven't re-read this for a good while.
15:42 3
15:42 4 Q. Okay. Well, I can show you, if you would like, Table 44
15:42 5 over the page to which this text refers, if that helps.
15:42 6
15:42 7 A. I understand the text.
15:42 8
15:42 9 Q. Again, I'm suggesting to you, and tell me if you agree or
15:42 10 disagree, the study found that the gambling activities individually
15:43 11 predicting the most harm were eSports, informal private betting,
15:43 12 Keno and EGMs; you agree?
15:43 13
15:43 14 A. Yes, that's what they found.
15:43 15
15:43 16 Q. And in that descending order?
15:43 17
15:43 18 A. Yes, you do need to take into account that very few people
15:43 19 were actually participating in eSports and informal private
15:43 20 betting, and to a degree in Keno, but the harm levels of those
15:43 21 people who participated in eSports were high. However, the
15:43 22 number was small.
15:43 23
15:43 24 Q. I accept that. And I don't mean to challenge you or to
15:43 25 suggest the contrary --
15:43 26
15:43 27 A. Yes.
15:43 28
15:43 29 Q. --- I understand the distinct point about population impact
15:43 30 overall, and public health implications, but in terms of individual
15:43 31 predictions of harm, which is how I hope I put the proposition to
15:43 32 you, eSports is the worst, second worst is informal private
15:43 33 betting, next is Keno and EGMs is fourth worst, do you agree?
15:43 34
15:43 35 A. It depends if you are looking at it, if you are looking at it as
15:44 36 individual, yes, in that case, yes, as an individual activity, yes,
15:44 37 they are there, they are listed.
15:44 38
15:44 39 Q. Thank you. Ms Billi, you are familiar with the report. You
15:44 40 have reviewed it recently before you prepared your statements, I
15:44 41 take it?
15:44 42
15:44 43 A. Yes, in terms of Crown, yes.
15:44 44
15:44 45 Q. Yes.
15:44 46
15:44 47 A. I reviewed the statement for Crown Casino, for Crown

15:44 1 Royal Commission, yes.
15:44 2
15:44 3 Q. I suggest to you that nowhere in this report is there
15:44 4 recorded the problem gambling rate or incidence for people who
15:44 5 specifically gamble at Crown? You won't find that data
15:44 6 anywhere in this report; do you agree with me?
15:44 7
15:44 8 A. That is correct.
15:44 9
15:44 10 Q. Thank you. And so I suggest to you, therefore, that it is not
15:44 11 possible --- that the study does not show, contrary to your
15:44 12 evidence at 52.5, that people who gamble at Crown are three
15:45 13 times more likely to be experiencing problem gambling when
15:45 14 compared to all Victorian adults who gamble. That is nowhere
15:45 15 recorded in this study; you agree with me?
15:45 16
15:45 17 A. That is correct.
15:45 18
15:45 19 Q. Thank you. I want to ask you now about 52.8.
15:45 20
15:45 21 COMMISSIONER: Before you go on to that, Ms Billi, although
15:45 22 your proposition in paragraph 52.6 doesn't appear ---
15:45 23
15:45 24 MR BORSKY: Sorry to interrupt, Commissioner, 52.5.
15:45 25
15:45 26 COMMISSIONER: Sorry about that. 52.5 doesn't appear in the
15:45 27 report itself, is it possible to conclude from the data that does
15:45 28 appear in the report that conclusion of 52.5?
15:45 29
15:45 30 A. Yes, this was an analysis of the data set.
15:46 31
15:46 32 COMMISSIONER: Good. Can you explain to Mr Borsky and
15:46 33 me how that comes about?
15:46 34
15:46 35 A. So every single person who completed the survey indicated
15:46 36 their gambling --- what they participated on, how often they
15:46 37 participated in that particular activity, and where they
15:46 38 participated, whether it was clubs, pubs, online, Crown. So the
15:46 39 statistician and the research team and the Foundation looked at
15:46 40 that data and worked out those participants who indicated that
15:46 41 they had participated in Crown --- sorry, I should say at Crown,
15:46 42 and analysed their PGSI scores according to the number who had
15:46 43 participated in Crown. So if you like, it is an analysis of the
15:46 44 Crown subset, if you like, who had participated in the study, and
15:46 45 that study found --- that analysis found that the rate of problem
15:47 46 gambling was three times higher in the group who indicated in
15:47 47 the study that they had participated in Crown in comparison to

15:47 1 the rest of the Victorian population who indicated they
15:47 2 participated in general, not necessarily at Crown. Just in general.
15:47 3 In comparison to all adult Victorians. Am I making sense?

15:47 4
15:47 5 COMMISSIONER: Yes. And one last question on that aspect:
15:47 6 was that conclusion drawn solely from the data collected in this
15:47 7 report?

15:47 8
15:47 9 A. In yes.

15:47 10
15:47 11 MR BORSKY: How big was the subset, Ms Billi?

15:47 12
15:47 13 A. The total sample, off the top of my head I can't remember
15:47 14 the particular subset. Off the top of my head, it was
15:47 15 10,600-and-something participants in Victoria, and the subset of
15:47 16 those who said indicated they had gambled at Crown was around
15:48 17 500-and-something.

15:48 18
15:48 19 Q. Around 500-and-something?

15:48 20
15:48 21 A. Or around or just over 500 from memory. I can check up
15:48 22 on that.

15:48 23
15:48 24 Q. Did you do the analysis?

15:48 25
15:48 26 A. The statistician in the team did the analysis.

15:48 27
15:48 28 Q. Did you do the analysis?

15:48 29
15:48 30 A. No.

15:48 31
15:48 32 Q. And you accept that the analysis is nowhere documented in
15:48 33 the report?

15:48 34
15:48 35 A. Not in this report, I believe, no.

15:48 36
15:48 37 Q. Is it documented in some other report that you are aware
15:48 38 of?

15:48 39
15:48 40 A. We have reports --- not public reports, no.

15:48 41
15:48 42 MR BORSKY: We'd call for it, Commissioner.

15:48 43
15:48 44 A. Yep.

15:48 45
15:48 46 COMMISSIONER: I don't think you have power to call for
15:48 47 anything, Mr Borsky. It's not a court case.

15:49 1
15:49 2 MR BORSKY: Ms Billi, I want to ask you next about 52.8.
15:49 3 Have you got 52.8?
15:49 4
15:49 5 A. Yes, I have.
15:49 6
15:49 7 Q. Do you agree with me that the study, as published, does not
15:49 8 show what you say in 52.8 it shows?
15:49 9
15:49 10 COMMISSIONER: Do you mean by that the study doesn't
15:49 11 record it, as opposed to establish it or show it?
15:49 12
15:49 13 MR BORSKY: The study as published, by which I mean the
15:49 14 document bearing ---
15:49 15
15:49 16 COMMISSIONER: I know the report. I'm trying to get to the
15:49 17 bottom of your question. Is it that the report doesn't record that
15:49 18 proposition, it is a different question whether the report shows
15:49 19 that to be true, as opposed to recording it.
15:50 20
15:50 21 MR BORSKY: Okay. Thank you, I will take it in steps. I will
15:50 22 take your first formulation, Commissioner, with respect first.
15:50 23
15:50 24 Do you agree that the study, Ms Billi, and its report, doesn't
15:50 25 record what you say the study shows in 52.8?
15:50 26
15:50 27 A. That is correct. It isn't reported in the study.
15:50 28
15:50 29 Q. Yep. And that the study didn't find that either, did it?
15:50 30
15:50 31 A. It depends what you mean by that question. So, for
15:50 32 example, at 52 I did preface that by saying the data from the
15:50 33 study shows that. So the data from the study shows that. The
15:50 34 study, the report itself might not show that. But the data shows
15:50 35 that.
15:50 36
15:50 37 Q. Okay. And when you say "the data" might show that, is
15:50 38 that on the basis of your review of the data or someone else's, or
15:51 39 have you got some other basis for that?
15:51 40
15:51 41 A. It is a statistical analysis of the database undertaken by the
15:51 42 statistician and reviewed by members of the team.
15:51 43
15:51 44 Q. By you? Have you reviewed it yourself?
15:51 45
15:51 46 A. Inasmuch as --- I'm not a statistician, but inasmuch as I
15:51 47 understand statics and what was done, yes, I reviewed it.

15:51 1
15:51 2 COMMISSIONER: Are you part of the team --
15:51 3
15:51 4 A. I am.
15:51 5
15:51 6 COMMISSIONER: --- that looked at what the statistician had
15:51 7 done?
15:51 8
15:51 9 A. Yes.
15:51 10
15:51 11 MR BORSKY: Well, what is the name of the statistician,
15:51 12 Ms Billi?
15:51 13
15:51 14 A. Can I seek advice about whether or not I can do that?
15:51 15
15:51 16 COMMISSIONER: Why do you --- just wait, Ms Billi. Why do
15:51 17 you need to know his name, Mr Borsky?
15:51 18
15:51 19 MR BORSKY: We want an opportunity to test this evidence ---
15:52 20
15:52 21 COMMISSIONER: How do you propose --- you've got your own
15:52 22 people. You can take advice whether the data --- because that is
15:52 23 what Ms Billi's statement says, not that the report says so,
15:52 24 Ms Billi's statement says that the data in the report establishes
15:52 25 these propositions. Isn't the first step for you to get your people
15:52 26 to look at the data and see whether the conclusions that Ms Billi's
15:52 27 team has drawn from the report are accurate or not, and then we
15:52 28 can take the matter further?
15:52 29
15:52 30 MR BORSKY: We'd be delighted with that course, but we
15:52 31 would need the data in order to do that.
15:52 32
15:52 33 COMMISSIONER: It's in the report. Is that what you are
15:52 34 referring to?
15:52 35
15:52 36 MR BORSKY: No.
15:52 37
15:52 38 COMMISSIONER: I see, sorry.
15:52 39
15:52 40 MR BORSKY: That's why --- I'm confined by the 180 pages of
15:52 41 published report. We don't have the data underlying it, which is
15:52 42 why I'm seeking an opportunity to test it in this way through this
15:52 43 witness.
15:52 44
15:52 45 COMMISSIONER: Okay. We'll speak with Ms Billi, and
15:53 46 somebody will speak to your solicitors later on and we'll work out
15:53 47 how to proceed.

15:53 1
15:53 2 MR BORSKY: Thank you.
15:53 3
15:53 4 COMMISSIONER: There might be a cooperative way of doing
15:53 5 it, bearing in mind that you can't demand anything and I can.
15:53 6
15:53 7 MR BORSKY: Absolutely, and I wasn't --- if I was interpreted as
15:53 8 demanding something, I apologise. I certainly wasn't presuming
15:53 9 to demand anything.
15:53 10
15:53 11 I've got no further questions for this witness, Commissioner.
15:53 12
15:53 13 COMMISSIONER: Ms Findlay, you will have to go last, I think.
15:53 14
15:53 15 MS FINDLAY: Yes.
15:53 16
15:53 17 COMMISSIONER: I withdraw that. You can go now and
15:53 18 Mr Finanzio can go last. If you want to ask questions, please go
15:53 19 ahead.
15:53 20
15:53 21
15:53 22 **RE-EXAMINATION BY MS FINDLAY**
15:53 23
15:53 24
15:53 25 MS FINDLAY: Thank you.
15:53 26
15:53 27 Ms Billi, do you have your first statement dated 10 May there?
15:53 28
15:54 29 A. I have my first statement here, yes.
15:54 30
15:54 31 Q. I want to take you to paragraph 35.5.
15:54 32
15:54 33 A. Yes.
15:54 34
15:54 35 Q. Do you recall that you were asked some questions about
15:54 36 this study, the \$7 billion in the 2014-15 data?
15:54 37
15:54 38 A. Yes.
15:54 39
15:54 40 Q. You were asked about how that compares with the
15:54 41 Productivity Commission's report that had preceded this report.
15:54 42
15:54 43 A. I don't recall being asked how it compares, but yes,
15:54 44 I believe you.
15:54 45
15:54 46 Q. Yes. So can I just check that I have the evidence correct.
15:54 47 You said that the Productivity Commission report looked at the

15:54 1 costs associated with problem gamblers; is that right?
15:55 2
15:55 3 A. Problem gambling, yes, problem gamblers, yes.
15:55 4
15:55 5 Q. Just to be clear, this 2017 report that relies on the 2014/15
15:55 6 data, that looked at costs associated with problem gambling,
15:55 7 sorry, as well as all other people who gambled; is that the
15:55 8 distinction between the two?
15:55 9
15:55 10 A. It's --- yes. It is looking at the cost of not only those who
15:55 11 were defined as problem gamblers by the PGSI but those who
15:55 12 were in other levels of the PGSI who were gamblers, yes.
15:55 13
15:55 14 Q. Great. Okay. Thank you.
15:55 15
15:55 16 If I can take you to paragraph 43, can you recall you were asked
15:56 17 some questions about these proposed limits, I think you used the
15:56 18 word "guidelines" in describing those matters set out in
15:56 19 paragraphs 43.1 to 4?
15:56 20
15:56 21 A. Yes.
15:56 22
15:56 23 Q. Now, that study there, was that derived from population
15:56 24 representative samples? Can you explain what that means?
15:56 25
15:56 26 A. So the authors of --- the researchers of this study used the
15:56 27 Tasmanian prevalence study, that's in common terms, and the
15:56 28 ACT, I believe it was a prevalent study too. Yes.
15:56 29
15:56 30 Q. Are these guidelines set out in 43.1 to 43.4, are they
15:56 31 broadly applicable across the population, would you say?
15:56 32
15:56 33 A. Broadly applicable across the population, yes.
15:56 34
15:56 35 Q. And do those guidelines apply equally to people who are
15:57 36 wealthy as well as people who are not so wealthy?
15:57 37
15:57 38 A. Yes.
15:57 39
15:57 40 Q. If I can take you to paragraph 52.7 ---
15:57 41
15:57 42 A. Yes, I have that.
15:57 43
15:57 44 Q. --- and you will remember you were asked some questions
15:57 45 trying to put these percentages into number terms, and I was
15:57 46 wondering whether I might be able to revisit that with you. If
15:57 47 there were 10,000 people who were patrons of Crown, in

15:57 1 applying that 52.7, how many people would that equate to who
15:57 2 experienced harm?
15:58 3
15:58 4 A. Twenty-five per cent of 1,000. But 25 per cent of those
15:58 5 who gambled at Crown in the past 12 months experienced harm,
15:58 6 you are saying 1,000, is that what you mean, or 10,000, whatever,
15:58 7 1,000 people who gambled at Crown, 25 per cent of those 1,000
15:58 8 people, that would equate to 250, experienced harm?
15:58 9
15:58 10 Q. Yes, okay. I think you said that 3.3 per cent of people
15:58 11 gambling at Crown were problem gamblers; do you recall that
15:58 12 evidence?
15:58 13
15:58 14 A. Yes, over 3 per cent, yes (inaudible) yeah.
15:58 15
15:58 16 Q. So if we applied the name numbers again and had 1,000
15:58 17 patrons, how many of those would be problem gamblers?
15:58 18
15:58 19 A. About 3 per cent, roughly. Roughly 3 per cent. Oh, you
15:59 20 want it in numbers. 30. Yes, 30.
15:59 21
15:59 22 MS FINDLAY: No further questions, Commissioner.
15:59 23
15:59 24 COMMISSIONER: Thank you, Ms Findlay.
15:59 25
15:59 26 MR FINANZIO: I have nothing further, Commissioner. And to
15:59 27 your point earlier, I will take the question of the data
15:59 28 underpinning those statements in paragraph 52, and discuss those
15:59 29 matters amongst ourselves and with Mr Borsky.
15:59 30
15:59 31 COMMISSIONER: Yes, okay. Thank you. Just excuse me one
15:59 32 moment. I was about to work out what to do with you.
15:59 33
15:59 34 MS NESKOVCIN: You are to proceed. Would you like a short
16:00 35 break, Commissioner, and we can make sure the witness is
16:00 36 ready? I'm conscious this is an open hearing witness and the
16:00 37 other parties will want to know how we are proceeding.
16:00 38
16:00 39 COMMISSIONER: All right. I will stand down for 5 minutes
16:00 40 and come back. You want to deal with both witnesses?
16:00 41
16:00 42 MS NESKOVCIN: Yes, please. The second witness is a private
16:00 43 hearing witness.
16:00 44
16:00 45 COMMISSIONER: We will do that last then.
16:00 46
16:00 47 MS NESKOVCIN: Yes, please.

16:00 1
16:00 2 COMMISSIONER: I will stand down for five minutes.
16:00 3
16:00 4 MS NESKOVCIN: Thank you, Commissioner.
16:00 5
16:00 6 COMMISSIONER: Ms Billi, you are excused from further
16:00 7 appearance, you are free to go.
16:00 8
16:00 9
16:00 10 **THE WITNESS WITHDREW**
16:00 11
16:00 12
16:00 13 COMMISSIONER: Okay, stand down for five minutes.
16:00 14
16:00 15
16:00 16 **ADJOURNED** [4.00PM]
16:07 17
16:07 18
16:07 19 **RESUMED** [4.07PM]
16:07 20
16:07 21
16:07 22 MS NESKOVCIN: Thank you, Commissioner. The next witness
16:07 23 is Manorani Guy. Ms Guy is in the waiting room and can be
16:07 24 called into the hearing room, please.
16:07 25
16:07 26 Can you hear me?
16:07 27
16:07 28 WITNESS: Yes, I can. Thank you.
16:07 29
16:07 30
16:07 31 **MS MANORANI GUY, SWORN**
16:07 32
16:07 33
16:07 34 **EXAMINATION-IN-CHIEF BY MS NESKOVCIN**
16:07 35
16:07 36
16:08 37 MS NESKOVCIN: Can you state your full name?
16:08 38
16:08 39 A. My full name is Manorani Guy.
16:08 40
16:08 41 Q. What is your business address?
16:08 42
16:08 43 A. It's 2 Evelyn Street, Brunswick.
16:08 44
16:08 45 Q. And what is your occupation, please.
16:08 46
16:08 47 A. I own an international student accommodation in

- 16:08 1 Brunswick.
- 16:08 2
- 16:08 3 Q. Ms Guy, I understand you are the President of the Victorian
- 16:08 4 Working Group on International Student Employability?
- 16:08 5
- 16:08 6 A. Yes, I'm also the President and co-founder of an NGO
- 16:08 7 called the Victorian Working Group For International Student
- 16:08 8 Employability. It was founded 8 years ago. The NGO is
- 16:08 9 governed by a board and 85 student volunteers that support
- 16:08 10 VicWISE, that's correct.
- 16:08 11
- 16:08 12 Q. Can you explain to the Commission the role of VicWISE,
- 16:08 13 that is the acronym for the Victorian Working Group on
- 16:08 14 International Student Employability?
- 16:08 15
- 16:08 16 A. We help students to find, or connect them to find pathways
- 16:09 17 to employment, because it is a very difficult journey for them
- 16:09 18 when they graduate out of university. It is hard for them to find
- 16:09 19 those entry points, and our job is to try and help them identify and
- 16:09 20 find those pathways and bridge them.
- 16:09 21
- 16:09 22 Q. The NGO that you mentioned, does that also provide
- 16:09 23 similar services to international students?
- 16:09 24
- 16:09 25 A. Could you repeat that again, sorry?
- 16:09 26
- 16:09 27 Q. Could you explain the services again that the NGO
- 16:09 28 provides or what its responsibilities or key role is?
- 16:09 29
- 16:09 30 A. Okay. We --- our key role is on employability and pastoral
- 16:09 31 care, and pathways to find those employment pathways. And we
- 16:09 32 also work with or collaborate with many different organisations
- 16:09 33 out there in various projects. For example, in 2018 to 2020
- 16:09 34 VicWISE was part of a large working group, and we were
- 16:10 35 working closely with the Victorian Responsible Gambling
- 16:10 36 Foundation, ECCV, and the CALD community on gambling
- 16:10 37 harm. That is an example of one of the projects we are working
- 16:10 38 on. That came to a halt when COVID hit our shores in 2020.
- 16:10 39
- 16:10 40 Q. I see. I will come back to that in a moment, Ms Guy. I
- 16:10 41 understand you previously had a role in the Victorian
- 16:10 42 Responsible Gambling Foundation working group between 2018
- 16:10 43 and 2019?
- 16:10 44
- 16:10 45 A. Yes, that's correct.
- 16:10 46
- 16:10 47 Q. Could you elaborate on the role of the working group at

16:10 1 that time and what role you had as well?

16:10 2

16:10 3 A. All the CALD community would meet once a month, and
16:10 4 in that meeting we would discuss on how we could look at
16:10 5 different ways of reaching out to the various groups that were
16:10 6 experiencing gambling harm. And VicWISE represented the
16:11 7 international student sector, and we would work closely to look at
16:11 8 how we could get messaging out to the various cohorts, and how
16:11 9 could they be reached to help them to identify the problems and
16:11 10 issues that they were experiencing, and where to go and get help.

16:11 11

16:11 12 It was a very big group, and the CALD community was very
16:11 13 large. So one of the issues that I experienced was that the
16:11 14 international sector was totally different and separate to the
16:11 15 CALD community. They did not or could not relate to the
16:11 16 Vietnamese group or the Singaporean group or the Malaysian
16:11 17 group, because they came from a background where the identity
16:11 18 was very different to the CALD community that lived in Victoria.

16:11 19

16:11 20 Q. Can I pause there for a moment, Ms Guy. What is the
16:12 21 CALD community ---

16:12 22

16:12 23 A. It is the Culturally and Linguistic Diverse population, so
16:12 24 everyone who sat in this working group were representing
16:12 25 a particular race, so it could be the Hungarian, the Vietnamese,
16:12 26 the Chinese, the Africans. So each of them were there to
16:12 27 represent each of their community.

16:12 28

16:12 29 Q. I see. So with your work in the various organisations,
16:12 30 whether it was part of the working group, part of VicWISE or
16:12 31 otherwise, what are the experiences of the international student
16:12 32 sector when it comes to gambling and gambling harm?

16:12 33

16:12 34 A. Well, one of the things that we identified was that this was
16:12 35 a very vulnerable cohort and many of our international students
16:12 36 come from countries where they've not experienced nor seen
16:12 37 a casino. And for some of the students, it is against their religion
16:13 38 or culture to gamble, so they did not understand the traps when
16:13 39 entering venues like the casino. There were attractive giveaways,
16:13 40 free parking, free meals, access to high roller rooms and being
16:13 41 treated like a celebrity. And also, international students come
16:13 42 from a background where they have entertainment 24/7 in the
16:13 43 country that they come from, and these venues are open with no
16:13 44 gaming attractions attached. But many of our students here had
16:13 45 limited choices in Victoria when it came to looking for
16:13 46 entertainment after classes or after work in the evenings, and so
16:13 47 about 34 --- I would say 35 to 39 per cent of international

16:13 1 students lived in the city, and the city was their background and
16:14 2 Crown Casino was one of their playgrounds.

16:14 3

16:14 4 Q. Can you try to assist the Commission to understand how
16:14 5 many students in your experience are impacted by gambling
16:14 6 harm, including through the Crown Casino? Are you able to
16:14 7 quantify that in any way, either in terms of the number of students
16:14 8 your organisation sees each week or each month?

16:14 9

16:14 10 A. No, I'm unable to quantify because there hasn't been
16:14 11 significant research done in this area. There has been ad hoc
16:14 12 research that has been done.

16:14 13

16:14 14 However, in Victoria, we have around 250,000 students that we
16:14 15 are host to on an annual basis, and they contribute around \$13.7
16:14 16 billion into Victoria and support 79,000 jobs. And 34 to
16:15 17 39 per cent of the students live in the CBD and surrounding
16:15 18 suburbs around the city.

16:15 19

16:15 20 In 2019, these students contributed \$1.18 billion to the
16:15 21 Melbourne CBD and \$586 million in Carlton. So many of them
16:15 22 come from a background where they are very, how will I put it,
16:15 23 they are very protected, and they always have family around
16:15 24 them, and when they came out here they were exposed to
16:15 25 something called "freedom" that they did not know how to
16:15 26 navigate or use, and so going to venues like the casino started
16:15 27 with having fun, you know, having a flutter, getting dressed up
16:15 28 and so it began with that and it became a problem because they
16:16 29 did not know how to navigate this new-found freedom with lack
16:16 30 of parental presence and family presence. So we don't have the
16:16 31 numbers, but we know that our students do go to the casino, we
16:16 32 know that they do experience gambling harm with the ones that
16:16 33 we do deal with directly, or with their peers.

16:16 34

16:16 35 Q. Can you elaborate on the type of gambling harm your
16:16 36 organisation hears about from international students?

16:16 37

16:16 38 A. One of the biggest one that concerns us is stories about loan
16:16 39 sharks at the casino approaching the international students,
16:16 40 approaching them at the casinos when they are at their most
16:16 41 vulnerable. There is no written documentation in place with the
16:16 42 loans, they are all verbal. There is high interest rate repayments,
16:16 43 and sometimes they can even change the interest rate repayment
16:17 44 during the loan period, and students hand over their gold,
16:17 45 jewellery, as guarantee for these loans, and there are times where
16:17 46 there is intimidation and threats, and these loan sharks have come
16:17 47 to the students' homes and taken away their cars and motorcycles

16:17 1 they need for their jobs as Uber drivers and Uber Eats to survive.

16:17 2

16:17 3 So when the students get into a very tight spot and they don't
16:17 4 know how to navigate this and they become extremely fearful,
16:17 5 some of them have packed their bags and gone home to run away
16:17 6 from these loan sharks. And of course they have, in doing that,
16:17 7 they have indirectly given up their career path here. It has been
16:17 8 ruined and their parents are now in a position --- they are not in
16:17 9 a very good position because they took loans to pay for these
16:17 10 students' education, and so they have to repay those loans now
16:18 11 with the student not completing their courses here in Victoria.

16:18 12

16:18 13 Q. Ms Guy, the stories that you hear about loan sharking, are
16:18 14 they isolated or common experiences?

16:18 15

16:18 16 A. It is common experience and this is not widely spoken
16:18 17 about or talked about because it is very shameful, it is a stigma,
16:18 18 so international students will not bring it up, and if they have to
16:18 19 repay then many of them who do not go back have to work even
16:18 20 harder to save the money to pay for these loans. So it is a very,
16:18 21 very secretive thing that is happening, and the students will never,
16:18 22 in any shape or form, come out and be open about it. It is
16:18 23 because we've built a platform of trust within our organisation, or
16:18 24 our tribe, as I call it, the students are willing to come and share
16:18 25 that with us. And so there is a lot of confidentiality in sharing the
16:19 26 story that is required.

16:19 27

16:19 28 Q. Thank you, Ms Guy. What about gambling debts?

16:19 29

16:19 30 A. Yes. We've got students working as a kitchen hand in
16:19 31 a restaurant and they would visit the casino after work to destress,
16:19 32 have fun, and then they start winning, and then from there the
16:19 33 gambling becomes large, and they start playing with large sums
16:19 34 of money, and the next thing is they are treated like a celebrity
16:19 35 and the red carpet is rolled out, they are given free weekends, and
16:19 36 then of course they lose this money. So students borrow from
16:19 37 other students, and this particular student borrowed \$10,000, lost
16:19 38 the lot and could not pay his mates, and that was money that his
16:19 39 mates had for them to pay their school fees, their
16:19 40 accommodation, their living expenses, and this particular student
16:19 41 in the end packed his bags and went back to his home country,
16:20 42 and his mates were left struggling financially unable to pay for
16:20 43 their own tuition fees.

16:20 44

16:20 45 So these sorts of stories are happening a lot, and one of the things
16:20 46 that our students do not understand is they do not know how to
16:20 47 navigate the financial world because where they come from, they

16:20 1 do not have bank accounts, they usually go to mum and dad and
16:20 2 would be given pocket money. But after coming here, they are
16:20 3 suddenly --- they suddenly have a bank account and have this
16:20 4 significant amount of money and lack of financial experience,
16:20 5 and so they don't think carefully when they lend money out to
16:20 6 their friends, or if they were to go and visit the casino and use it
16:20 7 for gambling, one or the other.

16:20 8

16:20 9 Q. I see. Thank you, Ms Guy. And what about stories of
16:20 10 domestic violence or harassment or anything of that kind? Do
16:21 11 you hear stories of that kind?

16:21 12

16:21 13 A. Yes. We have students whose parents had put significant
16:21 14 amount of money into their bank account so that they could pay
16:21 15 their school fees and their living expenses for one or two years,
16:21 16 and they would meet a boy, and then the boy, through the
16:21 17 relationship, finds out that the student has this large sum of
16:21 18 money, and he is a gambler --- he is also an international student
16:21 19 --- borrows the money and spends the money, then is unable to
16:21 20 repay the debt, and then she realises that she has to stop giving
16:21 21 him anymore money or else she is going to be in strife. And he
16:21 22 becomes violent and he starts stalking and threatening her, and
16:21 23 she starts living in fear and doesn't know where to go for help,
16:21 24 how to ask for help and also how to tell her parents that she's lost
16:21 25 the money. So she locks herself and isolates herself and stops
16:21 26 attending classes and becomes depressed, so we also have mental
16:22 27 health issues.

16:22 28

16:22 29 We also have students who are under 18 who know how to have
16:22 30 access to quality fake, IDs and they are quality fake IDs on the
16:22 31 internet. Crown has a very slack security checking system, they
16:22 32 use humans, security guards, they do not use ID scanners nor face
16:22 33 recognition in the gaming venues. However, they have stringent
16:22 34 checks in their clubs and pubs outside the gaming areas. So this
16:22 35 particular under-18 student lost all his school fees and
16:22 36 accommodation money, and the homestay mum only reported
16:22 37 him when he was unable to pay his homestay fees to her. So this
16:22 38 was a real concern because the education provider has a duty of
16:22 39 care for under-18 students under the ESOS Act, and for them to
16:22 40 be out there at the gambling venues gambling all their money
16:22 41 away is really quite serious.

16:22 42

16:23 43 Q. Thank you, Ms Guy. Some of the stories you've recounted
16:23 44 have a background of cultural awareness, cultural issues,
16:23 45 education and the like. Do you feel that there is sufficient
16:23 46 information and education of international students on the topic
16:23 47 of gambling and gambling harm?

16:23 1
16:23 2 A. No. There isn't. And this is where we need to really look
16:23 3 at this really seriously and look at how appropriate messaging
16:23 4 needs to be sent out to our students so that it reaches them. They
16:23 5 are digital natives and the way they adopt and embrace messaging
16:23 6 is different depending on which country they come from and
16:23 7 what platform is used. For instance, Chinese students in
16:23 8 Australia might adopt our local social media, but they still use
16:23 9 WeChat and Weibo and there is no one-size-fits-all for
16:24 10 communication strategies. So we really need to use experienced
16:24 11 researchers like Professor Shanton Chang and Katherine Gomez
16:24 12 who have conducted extensive research on how international
16:24 13 students receive and send information, and tailor specific content
16:24 14 to reach them.
16:24 15
16:24 16 So, at the moment, the answer is no, we are not doing enough and
16:24 17 it is not reaching this cohort. So even if they are in strife, they do
16:24 18 not know where to go for help, and because of the shame and the
16:24 19 stigma, they are not asking for help. We need to change that
16:24 20 mind shift. I think that is critical.
16:24 21
16:24 22 Q. What can be done to assist in changing that mindset,
16:24 23 whether it is research, and if it is research, is the data available to
16:24 24 conduct the research?
16:24 25
16:24 26 A. No. I think that is where we need to do --- more research
16:24 27 needs to be conducted, and I think this is where Crown can come
16:24 28 in to assist, because if they could improve their security and start
16:25 29 bringing in their IDs and photo IDs and scan their IDs, we will be
16:25 30 able to pick up how many international students are actually
16:25 31 visiting the venue, and from there we can also pick up how much
16:25 32 they are spending in the venue, and then that could then help us,
16:25 33 with that data, to look at how could we then design interventions
16:25 34 to protect and help these students. At the moment, doing it the
16:25 35 other way is not going to work.
16:25 36
16:25 37 And, added to it, there is an app called CheckWorkRights which
16:25 38 the casino could take on, because when they scan their passports,
16:25 39 because that is the only --- one of the main IDs that they are
16:25 40 allowed to bring in and it is accepted by the security guard, they
16:25 41 should be able to then link it to their CheckWorkRights to see
16:26 42 which visa they are on, and to see whether they are an under-18
16:26 43 student or an over-18 student. There are things out there that can
16:26 44 capture all this data, and I think Crown has the responsibility,
16:26 45 they've got the money, they can clean up their act and be more
16:26 46 responsible. That is from my point of view. We have a moral
16:26 47 obligation to protect these students. We are the hosts. We've

16:26 1 invited them here, and we need to take care of them.
16:26 2
16:26 3 Q. Thank you, Ms Guy. Was there anything else you wanted
16:26 4 to say to the Commissioner in terms of your experience with
16:26 5 international students and gambling harm and any
16:26 6 recommendations that you would like the Commission to take
16:26 7 into account?
16:26 8
16:26 9 A. There is a lot of money being spent on gambling harm at
16:26 10 the moment out in the community, but I think we really need to
16:26 11 look at where that money is going, who is using it and we have to
16:26 12 make sure that we've got the right people to design the programs
16:27 13 and the apps and whatever support that is required to protect the
16:27 14 correct cohort.
16:27 15
16:27 16 If we're going to be looking at helping international students, the
16:27 17 researchers must be people who know about the sector or
16:27 18 understand, who know how they think, how they reach out, why
16:27 19 they would receive messages and would take it seriously, not just
16:27 20 bring someone from the CALD community because they are
16:27 21 a Vietnamese or a Singaporean or a Malaysian. It has to be
16:27 22 specific so that it will work.
16:27 23
16:27 24 MS NESKOVICIN: Thank you, Ms Guy.
16:27 25
16:27 26 Commissioner, I had nothing further for Ms Guy.
16:27 27
16:27 28 COMMISSIONER: Ms Guy, I don't have any further questions
16:27 29 but thank you very much for coming along and giving evidence.
16:27 30
16:27 31 A. Thank you, Mr Commissioner.
16:27 32
16:27 33 MS NESKOVICIN: Just a moment, Ms Guy.
16:27 34
16:27 35 I'm not sure if anyone else had any questions for Ms Guy,
16:27 36 Commissioner?
16:28 37
16:28 38 COMMISSIONER: Nobody is coming up.
16:28 39
16:28 40 MS NESKOVICIN: Ms Guy, thank you very much for your time,
16:28 41 today.
16:28 42
16:28 43 Commissioner, can Ms Guy be excused?
16:28 44
16:28 45 COMMISSIONER: Yes, you are free to go now, Ms Guy.
16:28 46
16:28 47

16:28 1 **THE WITNESS WITHDREW**

16:28 2

16:28 3

16:28 4 MS NESKOVCIN: Commissioner, we have one further witness
16:28 5 for private hearing.

16:28 6

16:28 7 COMMISSIONER: We have to take a break.

16:28 8

16:28 9 MS NESKOVCIN: I see that Mr Borsky has popped up on the
16:28 10 screen.

16:28 11

16:28 12 MR BORSKY: Thank you. I had no questions or nothing to say,
16:28 13 just I'm presuming that we are to be excused shortly as well, and
16:28 14 we should leave and also be ejected or sent to a waiting room or
16:28 15 something.

16:28 16

16:28 17 COMMISSIONER: Or any combination of that, Mr Borsky. It
16:28 18 will take a couple of minutes to set up the system.

16:28 19

16:28 20 I will stand down for a couple of minutes.

16:28 21

16:28 22 MS NESKOVCIN: Thank you, Commissioner.

16:29 23

16:29 24

16:29 25 **ADJOURNED**

[4.29PM]

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