



INDEPENDENT LIQUOR AND GAMING AUTHORITY OF NSW

**INDEPENDENT REVIEW OF THE STAR PTY LTD BY ADAM BELL SC
UNDER THE CASINO CONTROL ACT 1992**

**PUBLIC HEARING
SYDNEY**

**FRIDAY, 8 APRIL 2022
AT 10:00 AM**

DAY 17

**MS N. SHARP SC appears with MR C. CONDE, MS P. ABDIEL
and MR N. CONDYLLIS as counsel assisting the Review
MS K. RICHARDSON SC appears with MR T. BOYLE as counsel for The
Star Pty Ltd**

**Star Witness
MR ANDREW ANTHONY POWER**

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to a direction against publication commits an offence against section 143B of the Casino
Control Act 1992 (NSW)*

<THE HEARING IN PUBLIC SESSION RESUMED AT 10:02 AM

MR BELL SC: Yes, Ms Sharp.

5 **MS SHARP SC:** I call Andrew Power.

MR BELL SC: Mr Power, would you prefer to take an oath or an affirmation?

10 **MR POWER:** An affirmation, please.

<ANDREW ANTHONY POWER, AFFIRMED

<EXAMINATION BY MS SHARP SC:

15 **MS SHARP SC:** What is your full name, please?

MR POWER: Andrew Anthony Power.

20 **MS SHARP SC:** Your work address is known to those assisting this inquiry?

MR POWER: I believe so, yes.

25 **MS SHARP SC:** It's correct that you have provided two statements to this inquiry?

MR POWER: That's correct.

MS SHARP SC: The first of those statements is dated 7 February 2022?

30 **MR POWER:** I believe so, yes. Yes.

MS SHARP SC: Did you tell the full truth in that inquiry, Mr Power?

35 **MR POWER:** In that statement, yes, I did.

MS SHARP SC: Did you endeavour to answer the questions posed of you to the best of your ability?

40 **MR POWER:** I did.

MS SHARP SC: And did you ensure that you provided all information that you considered responded to those questions?

45 **MR POWER:** I believe so, yes.

MS SHARP SC: And is everything in that statement correct, to the best of your knowledge?

MR POWER: Well, I believe we made a secondary statement on 7 April, just addressing one matter. But outside of that issue, yes, I believe it was true and correct.

5 **MS SHARP SC:** And yesterday you made a second statement which bears the date 7 April 2022?

MR POWER: That's correct.

10 **MS SHARP SC:** And that statement contains the truth, does it?

MR POWER: Yes, it does.

MS SHARP SC: What's your position?

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MR POWER: My current position is group general counsel for The Star Entertainment Group Limited.

20 **MS SHARP SC:** And is it correct you've held that position since 4 November 2019?

MR POWER: That's correct.

MS SHARP SC: How senior is that position within the organisation?

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MR POWER: Well, I guess I report to the chief legal and risk officer, who reports to the CEO of the group.

MS SHARP SC: And the chief legal and risk officer is Ms Martin?

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MR POWER: That's correct.

MS SHARP SC: So when you were appointed group general counsel on 4 November 2019, was that a promotion?

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MR POWER: Yes.

MS SHARP SC: So given that you report to the chief legal and risk officer, who in turn reports to the CEO, it follows, doesn't it, that you occupy a very senior position within the organisation?

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MR POWER: It's a senior role. I'm not part of the ExCo team. But, yes, it's - it's a senior role within the organisation.

45 **MS SHARP SC:** And are you on leave or active duty at the moment?

MR POWER: No, I'm not on leave.

MS SHARP SC: Now, it's correct that you've been at The Star for 14 years?

MR POWER: That's right, yes.

5 **MS SHARP SC:** And you commenced at The Star in 2007?

MR POWER: That's correct.

10 **MS SHARP SC:** And at that time you were a senior lawyer at The Star Pty Ltd?

MR POWER: Yes.

MS SHARP SC: That was your employing entity at that time?

15 **MR POWER:** That's correct.

MS SHARP SC: You remained in that position from 2007 to 2010?

20 **MR POWER:** I believe that's right, yes.

MS SHARP SC: And then from 2010 to November 2019, you were the general counsel for The Star?

25 **MR POWER:** The Star Pty Ltd, yes.

MS SHARP SC: And who was your employing entity during that period?

MR POWER: So that would be the - the licensee in Sydney, so The Star Pty Ltd.

30 **MS SHARP SC:** And you've already mentioned that you're now the group general counsel. Who is your employing entity at the moment?

MR POWER: So it's the group entity, The Star Entertainment Group Limited.

35 **MS SHARP SC:** Now, what was your career history prior to joining The Star?

MR POWER: I was a solicitor at law firm then called Mallesons Stephen Jaques.

40 **MS SHARP SC:** And were you a solicitor or a senior associate, or something else?

MR POWER: I was a solicitor.

45 **MS SHARP SC:** And how long were you employed there?

MR POWER: I think it was approximately five years.

MS SHARP SC: And is it correct that after you left Mallesons Stephen Jaques, you went to work at The Star?

MR POWER: That's correct.

5

MS SHARP SC: And did you have any solicitor legal experience prior to that employment at Mallesons?

MR POWER: I think prior to employment as a solicitor, I was a law clerk and a summer clerk at Mallesons in earlier years while I completed my studies.

10

MS SHARP SC: And what degrees do you have?

MR POWER: I completed a Bachelor of Laws at the University of Sydney as a postgrad degree, and previously I had completed a Bachelor of Agricultural Economics at the University of Sydney.

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MS SHARP SC: Do you hold a current practising certificate in New South Wales, Mr Power?

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MR POWER: I do.

MS SHARP SC: For how many years have you held a practising certificate?

MR POWER: Since approximately 2003.

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MS SHARP SC: Have you held a practising certificate every year since then?

MR POWER: I have, yes.

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MS SHARP SC: Now, have your duties changed in the time that you have been group general counsel as compared with the time that you were the general counsel for The Star?

MR POWER: Yes. My duties have changed.

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MS SHARP SC: And how have your duties changed?

MR POWER: Primarily, the role was broader in the sense that it was a group role. And at that point, I assumed responsibility for functions at a group level, so the regulatory and compliance departments, the licensing departments - sorry, department - and at a point in time, AML team members reported to me.

40

MS SHARP SC: And, sorry, when in time did the AML team members commence reporting to you?

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MR POWER: It would have been from November 2019 until December last year.

MS SHARP SC: And why did they cease reporting to you in December 2021?

MR POWER: I believe it was December, but there was a restructure in around that time.

5

MS SHARP SC: So if I can ask you now about the period 2010 to November 2019 when you were general counsel for The Star. Could you please outline in detail your responsibilities?

10 **MR POWER:** My responsibilities were essentially to provide legal advice to the - the entity, The Star Pty Ltd. I was a member of the general management team at the time. I still --

MS SHARP SC: I will stop you there. Who was the general management team?

15

MR POWER: So it was a team that sort of sat with - or worked closely with the managing director of the property at the time. So --

MS SHARP SC: And who was that?

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MR POWER: There were various managing directors during that period, but I think originally when I first started it was Craig Garvin for a brief period. Following that, there were a couple of acting managing directors. Sid Vaikunta was a managing director. Murray McCall was a managing direct at one point. I think Brett Houldin was a managing director at one point. And then more recently, it was Frederic Luvisutto and Greg Hawkins.

25

MS SHARP SC: And returning to what you were saying about being a member of the management team, who else was a member of the management team?

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MR POWER: So there were general managers of various departments that also attended those GM meetings. So the general manager of hotel, general manager of gaming - they had different titles at various points, but essentially the heads of the various departments of the business. So asset protection - or back then, it was security and surveillance. Someone from finance who represented on that - on that team. CFO or a financial manager or general manager of finance. So key positions within the organisation at the time.

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MS SHARP SC: And when you say you were a member of the management team, does it follow that you had management responsibilities in addition to your legal responsibilities?

40

MR POWER: Yes, I think that's right.

45 **MS SHARP SC:** So you said one of your responsibilities was providing legal advice, and one of your responsibilities was being a member of the management team with management responsibilities. What else were your responsibilities while you were general counsel up to November 2019?

5 **MR POWER:** At the time, regulatory affairs reported to me. So it was dealt with then at sort of a property-based level, not at a group level, and that ultimately changed in November 2019. So I had responsibility for regulatory affairs, and at that point licensing also fell under - under that banner. But my - my responsibilities included providing advice, reviewing contracts for the business, liaising with regulators, and you know, attending various general management meetings and participating in forums with management.

10 **MS SHARP SC:** Are there any other key responsibilities that you need to identify here?

MR POWER: None - none that spring to mind.

15 **MS SHARP SC:** Okay. Well, since November 2019 when you've been the group general manager, have you maintained those responsibilities you just outlined?

20 **MR POWER:** No. So I don't - I'm not a member of general management team for the property level. So my role became a group role. And as part of that, me taking on that position, both the regulatory and compliance functions - rather than being dealt with at the property, it was basically formed into a group function. So regulatory affairs became - we had a single manager for regulatory matters across the group and, likewise, compliance matters across the group then reported to me as well.

25 **MS SHARP SC:** And is it still the case that one of your responsibilities is the provision of legal advice?

30 **MR POWER:** Correct, yes.

MS SHARP SC: And is it still the case that one of your responsibilities relates to what I might describe as management responsibilities and management advice?

35 **MR POWER:** I think so. I think that's right. I - I mean, management responsibilities are very broad. But, yes, I consider myself a manager of the business and, at times, that includes responsibilities of being a manager, yes.

40 **MS SHARP SC:** Now, while you were the general counsel, that is, in the period up to November 2019, who reported to you?

45 **MR POWER:** So at that point, the regulatory affairs department reported to me. So Graeme Stevens was the regulatory affairs manager for The Star Pty Ltd. And he had a number of other reports, but my direct reports would have been Graeme Stevens. I had a paralegal, I think, reporting to me as well, Olive Russell. I would have had a number of lawyers at various stages reporting to me, so senior lawyers reporting to me under that State-based entity.

MS SHARP SC: Did that include Oliver White?

MR POWER: No, it did not.

5 **MS SHARP SC:** And during that time when you were the general counsel, what was the work delineation between you and Mr White?

10 **MR POWER:** Well, Oliver White worked at a corporate level. So I was sort of - my area of responsibilities were really State-based, things that were relevant to the New South Wales operation. Oliver sat in a different area. He sat with the corporate personnel in the head office, if you like. And he reported to the same person as me - so we both reported up to Paula Martin - and we were both general counsel, but we didn't work in the same area. And he had responsibility for corporate-type matters, so things that applied to the group, mergers and acquisitions, banking arrangements, the international business - they were areas of focus for him. And my areas of focus were more issues related to the Casino Control Act and regulatory matters in New South Wales.

20 **MS SHARP SC:** Did you have any responsibilities at that time in relation to the international rebate business?

25 **MR POWER:** There was a brief period when I was still working for the State-based entity - and this would have been, I think, prior to 2010 - where I was charged with trying to obtain legal advice in various jurisdictions in relation to what was permitted in terms of gaming. But I believe that was before Mr White joined The Star Entertainment Group, and at that point I no longer had any responsibilities for international business.

30 **MS SHARP SC:** Did there come a point when Mr White commenced reporting to you?

MR POWER: When I took the position of group general counsel for The Star Entertainment Group Limited, at that point the general counsel for corporate, which was Mr White, and also the general counsel for Queensland reported to me.

35 **MS SHARP SC:** So that was from November 2019?

MR POWER: That's correct.

40 **MS SHARP SC:** Is it correct to say that given your responsibilities as general counsel for The Star, you developed a very detailed understanding of the regulatory regime imposed by the Casino Control Act in New South Wales?

MR POWER: Yes.

45 **MS SHARP SC:** And we may take it that you have a detailed level of familiarity with the requirements of that Act and the regulations that sit underneath it?

MR POWER: Yes.

MS SHARP SC: Is it also correct that you have familiarity with the Anti-Money Laundering and Counter-Terrorism Financing Act of 2006?

5 **MR POWER:** I have familiarity with that, but that's more recent. Yes.

MS SHARP SC: Now, you, for a period of time, were an AML/CTF compliance officer at the time Star Entertainment; is that correct?

10 **MR POWER:** That's correct.

MS SHARP SC: When did you assume that responsibility?

15 **MR POWER:** I assumed that responsibility when the compliance officer at the time left to go on maternity leave.

MS SHARP SC: And that was Ms Skye Arnott?

20 **MR POWER:** That's correct.

MS SHARP SC: When did that happen?

MR POWER: I think it was May/June of 2020.

25 **MS SHARP SC:** And did you assume this compliance officer function by yourself or in conjunction with others?

30 **MR POWER:** No. Thank you. I assumed that role - I think Mr Houlihan, who was the group investigations manager at the time, was also appointed into that role. So we were effectively covering together while Ms Arnott was on leave.

MS SHARP SC: And how long did you remain in that role?

35 **MR POWER:** I believe it was until December last year.

MS SHARP SC: Now, it's right, isn't it, that Ms Arnott returned from parental leave in June of 2021?

40 **MR POWER:** That sounds - that sounds right, yes.

MS SHARP SC: But you continued as the AML/CTF compliance officer for the period June until December 2021?

45 **MR POWER:** Together with Mr Houlihan, yes.

MS SHARP SC: Why did you keep that responsibility in view of the fact that Ms Arnott had returned from parental leave?

MR POWER: There was quite a bit of change going on at the time. So when Ms Arnott returned from leave, the - there were plans to restructure that department, the AML team and the reporting lines. There was a plan to increase the resources within that department but also then try and adopt a - you know, the most
5 beneficial or most suitable model for - for the AML function. And it seemed like an appropriate time, when Skye returned from leave, to have someone actually analyse the best structure for the purposes of performing that function. And as she just returned from leave and that she was working part-time, it seemed - it seemed
10 appropriate for her to take the lead in that project and do an analysis of suitable structures and make recommendations.

MS SHARP SC: When you say she was working part-time, is it correct she was working four days per week?

15 **MR POWER:** I think so. I think that's right. I think it may have initially been three for a period of time and then it increased to four.

MS SHARP SC: And how did you divide responsibilities with Mr Houlihan in respect to the position of AML/CTF compliance officer?

20 **MR POWER:** I'm not sure there was a formal delineation. So we were both compliance officers for the period but, practically, Mr Houlihan probably took care of the bulk of the operational functions of that role. So, you know, we were both performing that role while still fulfilling our duties in our positions. And that
25 was a particularly busy period during the reviews and a number of other regulatory matters that - that I was dealing with at the time. So, practically, Mr Houlihan did the bulk of the heavy lifting, if you like, but I was also participating in some of the decisions and discussions around the AML program.

30 **MS SHARP SC:** And what steps, if any, did you equip yourself in order to be able to adequately undertake the performance of your tasks as the compliance officer?

35 **MR POWER:** I think, primarily, I spent time reviewing the AML program and the standard. So there were a number of changes that had just come into place, and trying to understand what - how the program worked was probably the - the main thing that I did.

40 **MS SHARP SC:** What are the - well, what are the key duties of an AML/CTF compliance officer, so far as you are concerned?

MR POWER: My understanding is that it's to ensure that The Star is complying with its obligations under the AML/CTF Act, and to have decisions - or to make decisions in relation to whether or not to continue to deal with particular
45 individuals when - when a particular trigger occurs requiring that decision to be made.

MS SHARP SC: Any other duties that you can tell us about?

5 **MR POWER:** Historically, that person's also provided, you know, updates to the board, or at least the board risk and compliance committee as it was then called, in relation to AML, and I guess to oversee the program and try and continue to make improvements to the program, to have a more effective, you know, AML framework in place.

10 **MS SHARP SC:** When you use the word "historically", do you mean to suggest that you did not regard that as one of your duties while you occupied the position of compliance officer?

MR POWER: I'm sorry, which - which was the - I wasn't sure what I referenced in terms of historically.

15 **MS SHARP SC:** Yes. You said, historically, one of the duties of the compliance officer was to update the board with respect to AML matters?

20 **MR POWER:** I see. When there was only one compliance officer - so Ms Arnott used to do those updates to the board. When there were two, that was something that Mr Houlihan performed. I may have been present in some of those meetings, but there were not papers that I prepared or delivered to the board.

25 **MS SHARP SC:** But you do accept, do you, that one of the duties of the compliance officer is to report regularly to the board and to senior management about how the board is meeting its obligations under the AML and CTF Act?

30 **MR POWER:** It was certainly to report to the board about matters arising under the program. But I would expect if there were matters that went to the board, you know, not complying, that those matters would be brought forth. So, yes, I accept that.

MS SHARP SC: Well, you were the compliance officer for a period. So did you regard that as part of your duty, Mr Power?

35 **MR POWER:** Yes.

40 **MS SHARP SC:** And do you accept that one of the duties of the compliance officer was to alert the board if there was a non-compliance with AML/CTF program or the AML/CTF Act?

MR POWER: Yes.

45 **MS SHARP SC:** And did you understand that that was one of your duties during the time you occupied the position as the AML/CTF compliance officer?

MR POWER: Yes.

MS SHARP SC: And do you accept that one of the duties of the AML/CTF compliance officer is helping to create, implement and maintain internal policy and procedures to ensure AML and CTF compliance?

5 **MR POWER:** I accept that's a responsibility, yes.

MS SHARP SC: And you understood that was your responsibility while you occupied the position of compliance officer?

10 **MR POWER:** I'm not sure that I can reference where that obligation would sit necessarily, but I accept that that would be something that I would do in the course of performing that function, yes.

15 **MS SHARP SC:** Well, did you have an understanding that that was one of your duties as compliance officer?

MR POWER: Yes, I accept that I would have - that would have been a duty of mine, yes.

20 **MS SHARP SC:** And do you accept that one of the duties of the compliance officer is to take day-to-day responsibility for the administration of the AML/CTF program?

25 **MR POWER:** Yes.

MS SHARP SC: Mr Power, are you aware that The Star has introduced a core value called "do the right thing"?

30 **MR POWER:** I am.

MS SHARP SC: Did you have any role in the introduction of that value at The Star?

35 **MR POWER:** I don't think I had a role in the introduction, no.

MS SHARP SC: When was it introduced?

40 **MR POWER:** It would have been around - this is my best guess, Ms Sharp. I'm guessing it was in - some time in 2020 or - or thereabouts.

MS SHARP SC: And how was it introduced?

45 **MR POWER:** I think there were announcements made through people and performance, our HR department, and then announcements from senior management to the business.

MS SHARP SC: And what does the value "do the right thing" mean, so far as you're concerned?

MR POWER: Well, I think - I mean, there were various values that we had before that remain today. But one that wasn't there, I guess, is guidance around, you know, what was important to us as an entity. I think "do the right thing" meant to me that we needed to stop and - and assess decisions that were being made at the time to work out whether or not - that what we were doing was consistent with, I guess, our values and - and to ensure that, you know, we were aware of the notion that we had a social licence and that there were community expectations, and I think it was reflected in the fact that we wanted to make that one of the values in our key decision-making.

MS SHARP SC: Did you understand - or do you understand that it means acting ethically?

MR POWER: Yes.

MS SHARP SC: And do you understand that it means acting transparently?

MR POWER: It could do, yes.

MS SHARP SC: Well, is that how you understand it?

MR POWER: No, I think it's acting honestly. I'm not sure "transparently" would be a - a way that I would describe it.

MS SHARP SC: Do you understand that it means disclosing answers to regulators when you understand that regulators have asked for answers about those matters?

MR POWER: If it's required to be provided, yes.

MS SHARP SC: Even prior to the introduction of the "do the right thing" value, do you think you at all times conducted yourself in accordance with that value?

MR POWER: I've always tried to, yes.

MS SHARP SC: Does that value mean one should act in accordance with the spirit as well as the letter of the law?

MR POWER: I think they're slightly different concepts, but I think they're - they're probably related.

MS SHARP SC: And do you think that the "do the right thing" value means you should act in accordance with both the spirit and the letter of the law?

MR POWER: I - I'm aware of the notion of acting within the spirit of the law, but I find that a difficult concept to - to put into practice.

MS SHARP SC: Why is that, Mr Power?

5 **MR POWER:** Well, I think it's - it's a notion that - I understand what "do the right thing" means, and I think that is something that is easy to put into practice. I think it's well understood. Acting within the spirit of the law, from a - you know, a perspective of someone who provides legal advice, I - I find that that's - that's - you know, that is a more difficult notion.

10 **MS SHARP SC:** Have you always sought to conduct yourself within the spirit as well as the letter of the law while you've worked at Star and then Star Entertainment?

MR POWER: I've certainly tried to ensure my advice considers that notion, yes.

15 **MS SHARP SC:** Have you been aware of the Code of Conduct at all times while you have been employed by The Star and later Star Entertainment?

MR POWER: I have, yes.

20 **MS SHARP SC:** Can I show you the Code of Conduct as it was at March 2018. If I could bring up, please, operator, part D at tab 7, which is STA.3008.0023.8145. Now, you can see, Mr Power, that this has an effective date, 1 March 2018. At that time, your employing entity was The Star Pty Ltd rather than Star Entertainment. But did you regard yourself as bound by The Star Entertainment Group Code of
25 Conduct at that time?

MR POWER: Yes, I did.

30 **MS SHARP SC:** And did you read that Code of Conduct when it became effective in 1 March 2018?

MR POWER: I'm not sure if I read it at that precise time, but I would have - certainly have read it at some point, yes.

35 **MS SHARP SC:** Are you generally familiar with its terms?

MR POWER: Yes.

40 **MS SHARP SC:** Can I take you, please, to pinpoint 0186. Sorry, I've given you the wrong number. It's - yes, there it is. I've got the number wrong. It's pinpoint 8149. Do you see there's a heading that says We Comply with the Law?

MR POWER: Yes, I do.

45 **MS SHARP SC:** And you understand that at all times while you've been employed at The Star and Star Entertainment, you, as an employee, have been required to comply with the law?

MR POWER: Yes.

MS SHARP SC: And do you see the Code of Conduct specifies how employees are to comply with the law?

5

MR POWER: Yes.

MS SHARP SC: And do you see one of those dot points is:

10 "Immediately reporting any suspicion of unlawful actions."

MR POWER: Yes.

15 **MS SHARP SC:** And did you understand at all times that that obligation applied to you?

MR POWER: Yes.

20 **MS SHARP SC:** And do you see there's another dot point:

"Reporting breaches of policies, laws, rules and standards."

MR POWER: Yes, I see that.

25 **MS SHARP SC:** At all times, did you understand that the Code of Conduct rule applied to you?

MR POWER: Yes.

30 **MS SHARP SC:** And do you see there's another dot point there:

"Reporting illegal and undesirable activities, including but not limited to money laundering."

35 **MR POWER:** Yes.

MS SHARP SC: And did you understand that that rule applied to you at all times you've worked at Star and Star Entertainment?

40 **MR POWER:** Yes.

MS SHARP SC: And do you see there's another heading down the bottom there, 4.4, We Are Ethical?

45 **MR POWER:** Yes.

MS SHARP SC: And did you understand at all times while you worked with The Star and Star Entertainment, you were required to act ethically?

MR POWER: Yes.

5 **MS SHARP SC:** And I will just have that scrolled up a little bit more, if I can, please, operator. And if we go over to pinpoint 8150. Do you see that one component of acting ethically is:

"Providing effective leadership."

10 **MR POWER:** Yes.

MS SHARP SC: And you understand that was a rule that applied to you at all times?

15 **MR POWER:** Yes, I think it's framed as that "SGR will", so Star will. But, yes, I accept that - that that would be expected of me, yes.

MS SHARP SC: That dot point:

20 "Conducting our business in a manner compliant with all applicable laws."

Did you understand that was one component of acting ethically?

25 **MR POWER:** Yes.

MS SHARP SC: And did you understand that at all times while were you employed by both The Star and Star Entertainment?

30 **MR POWER:** Sorry. Would you mind repeating the question, please?

MS SHARP SC: Yes. Did you understand at all times while employed by The Star, and later Star Entertainment, that one aspect of acting ethically was to conduct the business of the organisation in a manner compliant with all applicable laws?

35

MR POWER: Yes.

MS SHARP SC: And do you see there's a heading there Our Employees Are Expected To?

40

MR POWER: Yes.

MS SHARP SC: And do you see there's a dot point down there:

45 "Refrain from behaviours which could bring Star Entertainment into disrepute."

MR POWER: Yes.

MS SHARP SC: And did you understand that that was an expectation of you in terms of behaving ethically at all times when you were employed by Star and later Star Entertainment?

5

MR POWER: Yes.

MS SHARP SC: And do you see that dot point:

10 "Our employees are expected to challenge and report unethical behaviours and practices."

MR POWER: I'm sorry, Ms Sharp. You may need to point me to that. I --

15 **MS SHARP SC:** Yes. Operator, I will have this bit highlighted, please. Operator, if you could highlight the heading Our Employees Are Expected To and then if you could highlight, please, the eighth dot point. Do you see it says:

20 "Challenge and report unethical behaviours or practices."

20

MR POWER: Yes. Thank you. Yes, I see that.

MS SHARP SC: Now, did you understand at all times that you've been employed by Star and Star Entertainment that one expectation of the business in you acting ethically was to challenge and report unethical behaviours and practices?

25

MR POWER: Yes.

MS SHARP SC: And then if you look a little further down, there's another dot point:

30

"Our employees are expected to provide complete, honest and accurate information to any regulator who lawfully requests information."

35 **MR POWER:** Yes.

MS SHARP SC: Now, did you at all times understand that was one aspect of acting ethically that applied to you, Mr Power?

40 **MR POWER:** Yes.

MS SHARP SC: And do you say that at all times you have acted ethically in that way by providing complete, honest and accurate information to any regulator who lawfully requests it - that information?

45

MR POWER: I believe so, yes.

MS SHARP SC: And can you explain to us why, as a casino operator, it is important to provide complete, honest and accurate information to any regulator who lawfully requests information?

5 **MR POWER:** Well, I expect if it's a lawful request, we have obligations to ensure that we respond as required. It's a legal obligation.

MS SHARP SC: Can you elucidate your explanation at all?

10 **MR POWER:** Well, I think it's expected that if a regulator is entitled to receive information that they receive it and they receive it in full.

MS SHARP SC: And they have to receive a complete account; do you agree with that?

15

MR POWER: Depending on the request. But, yes, it shouldn't be an incomplete account.

20 **MS SHARP SC:** And do you agree that it shouldn't be an account which takes technical and sharp distinctions when it is clear to you the information that a regulator is genuinely seeking?

25 **MR POWER:** Yes, I - I accept that it shouldn't take - make sharp distinctions if it's known that they're not - that they're not accurate or - or - or reasonable, yes.

MS SHARP SC: And do you accept that it would be quite unethical to take a sharp and technical approach in answering a regulator when it is perfectly plain the substance of the information the regulator requests?

30 **MR POWER:** If it's perfectly plain and - then I accept that, yes.

MS SHARP SC: And you agree that if it were perfectly plain what information it was that the regulator was seeking and you took a sharp and technical request in answering that request, that would be unethical?

35

MR POWER: It's difficult to say in the general. It would depend on the circumstances. But I accept that it would raise a question as to whether we had met our obligations in responding.

40 **MS SHARP SC:** Well, I'm just wondering about your own ethical obligations here, if you could answer, please, Mr Power.

45 **MR POWER:** Yes. I think if a regulator asks us for information, we should provide it. I - I accept that.

MS SHARP SC: And if you understand that the substance of what it is a regulator is concerned about, do you agree that it is necessary to provide a fulsome answer rather than a technical one that avoids answering the substance of the question?

MR POWER: I think a fulsome answer is preferred, yes. But I think it depends on the circumstances and what's been requested.

5 **MS SHARP SC:** Now, do you agree that holding a casino licence is a special privilege?

MR POWER: I do.

10 **MS SHARP SC:** And do you agree that with that special privilege come commensurate responsibilities?

MR POWER: I do.

15 **MS SHARP SC:** Is one of those responsibilities ensuring the integrity in casino operations?

MR POWER: Yes.

20 **MS SHARP SC:** And is one of those responsibilities ensuring honesty, integrity and transparency in dealings with the regulator?

MR POWER: I think that's important, yes.

25 **MS SHARP SC:** It's essential, isn't it?

MR POWER: Yes.

30 **MS SHARP SC:** That's because the casino industry is a highly regulated industry; do you agree?

MR POWER: I agree.

35 **MS SHARP SC:** And do you also agree that casinos, of their very nature, are vulnerable to infiltration by crime?

MR POWER: Yes.

40 **MS SHARP SC:** Now, what steps have you taken, Mr Power, to familiarise yourself with the requirements of the Australian anti-money laundering and counter-terrorism financing laws?

45 **MR POWER:** Well, I guess I've reviewed the Act at various points in response to particular issues that have arisen. I believe the obligations, as they relate to the Act, are captured within our program, and so I have familiarised myself with the AML program. And I get the assistance of legal advice from people with expertise in this area as required.

MS SHARP SC: And you have read the AML and CTF Act from time to time, have you?

5 **MR POWER:** Not from front to back, but certainly I have referred to it at various points, yes.

MS SHARP SC: So you've identified the provisions which are relevant to the business of The Star and familiarised yourself with those provisions?

10 **MR POWER:** I have read them. I wouldn't say that I have an intimate knowledge of the AML/CTF Act, but I have a good understanding of the AML program which reflects our obligations from the Act.

15 **MS SHARP SC:** Do you agree that casinos, of their very nature, are vulnerable to money laundering if appropriate safeguards are not instituted?

MR POWER: They can be, yes.

20 **MS SHARP SC:** And why is that?

MR POWER: I think the nature of the business means that there are vulnerabilities. So, you know, aspects of a large business with international clientele and, you know, the acceptance of cash, for example, means there can be vulnerabilities to crime.

25 **MS SHARP SC:** And is the fact that there are large movements of money from overseas jurisdictions into the Australian jurisdiction a particular vulnerability for casinos?

30 **MR POWER:** Yes.

MS SHARP SC: Have you undertaken any formal AML training, Mr Power?

35 **MR POWER:** I have been progressing with the ACAMS course in the last - over the last year, but unfortunately it hasn't taken a priority as it otherwise might have.

MS SHARP SC: What do you mean by that?

40 **MR POWER:** Well, I haven't completed the assessment yet, but I've been attending a number of seminars over the course of 2021.

MS SHARP SC: And when did you enrol in that?

45 **MR POWER:** My best - I could find out, but my best guess would be middle of 2021.

MS SHARP SC: Have you had any AML training within the business?

MR POWER: No.

MS SHARP SC: So you haven't undertaken any online AML or CTF training?

5 **MR POWER:** Apologies. Yes. We do have training through our LMS program that would touch on aspects of the AML program and reflect some of the requirements in AML in various policies. But specific to - you know, when you say AML training and the AML Act, they're not covering off on sections of the Act as such.

10

MS SHARP SC: So what online training have you done at the business which has been relevant to AML and CTF obligations?

15 **MR POWER:** I think there's a few parts of the training that would be relevant to that, but I'm not sure if I've done any specific AML training - none that I can recall offhand, but there's training in illegal and undesirable activity that I could recall, that has case studies that deal with certain AML-type scenarios and what needs to be reported. It may also come up in the Code of Conduct more generally. But in terms of the AML training, I - I believe there is some AML training that talks
20 about the program. I just can't remember what the title it, whether it's specific to AML or it's more general. But there is a training module that deals with the program and some of the key elements of the KYC process and other aspects - operational aspects of the AML requirements for The Star.

25 **MS SHARP SC:** And have you undertaken that training module?

MR POWER: I have.

30 **MS SHARP SC:** And when did you do that?

MR POWER: I - I don't recall the last time I did it, but it's - it has to be undertaken on a fairly regular basis. So I think it's every 12 months or - or two years.

35 **MS SHARP SC:** And are you familiar with the concept of reporting entities for the purpose of the AML and CTF regime?

MR POWER: I am.

40 **MS SHARP SC:** What about the concept of designated services?

MR POWER: I am.

45 **MS SHARP SC:** The concept of "know your customer"?

MR POWER: Yes.

MS SHARP SC: The requirement to understand the source of wealth or source of funds of patrons?

MR POWER: Yes.

5

MS SHARP SC: And junket operators and other participants in junkets?

MR POWER: Sorry. KYC in relation to those people; is that what the question was?

10

MS SHARP SC: Source of funds.

MR POWER: Sorry, Ms Sharp. The question was whether I understand that there's a need to check source of funds for junket operators; is that the question?

15

MS SHARP SC: Yes. I will put it to you again.

MR POWER: Sorry. Apologies.

MS SHARP SC: Are you familiar with the requirement to understand the source of funds of junket operators, junket representatives, junket funders and junket participants?

25

MR POWER: Yes. I have an understanding of that, yes.

MS SHARP SC: Are you familiar with the requirement of enhanced customer due diligence?

MR POWER: Yes, I'm familiar with that.

30

MS SHARP SC: And are you familiar with the requirement of ongoing customer due diligence?

MR POWER: I'm familiar with it, yes.

35

MS SHARP SC: Are you familiar with the requirement to conduct transaction monitoring?

MR POWER: Yes.

40

MS SHARP SC: And do you understand that the AML legal regime in Australia is a risk-based system?

MR POWER: I do understand that, yes.

45

MS SHARP SC: And do you understand that the AML/CTF program at The Star is a risk-based system?

MR POWER: Yes.

MS SHARP SC: And what does that mean, in general terms?

5 **MR POWER:** I guess, in the simplest possible terms, it means focusing controls and attention in areas where risk is the greatest.

MS SHARP SC: Does it mean you need to identify risks accurately in the first place?

10

MR POWER: Yes, it does.

MS SHARP SC: Does it mean you need to evaluate those risks effectively in the first place?

15

MR POWER: Yes.

MS SHARP SC: Do you agree that it's only where you both identify and evaluate risks correctly that you can tailor controls to manage the level of risk presented?

20

MR POWER: I think that - that makes sense, yes.

MS SHARP SC: Do you agree that there are some operations that present too much risk and the only effective control is not to deal with the people who present too much risk?

25

MR POWER: Yes.

MS SHARP SC: And you've always understood that while you've worked at The Star and later Star Entertainment?

30

MR POWER: I'd - I'd certainly say since working for The Star Entertainment Group, yes. I had very little to do with the AML function prior to that time.

35 **MS SHARP SC:** All right. Well, I will focus now on your understanding in 2017 through to late 2019. During that period, did you understand there were some things were just too risky and the only appropriate response was to cease dealing with the people who presented those risks?

40 **MR POWER:** Yes.

MS SHARP SC: Now, do you recall that in 2016, Dr Jonathan Horton QC conducted a suitability review on The Star's casino licence?

45 **MR POWER:** I do.

MS SHARP SC: Did you participate in that review?

MR POWER: Yes, I did.

MS SHARP SC: How did you participate in that review?

5 **MR POWER:** Well, I - I had dealings with Dr Horton, and counsel assisting him, in responding to requests and trying to provide information and coordinate the relevant people from within Star to meet with Dr Horton to provide information and - and the like. So I assisted with the - the conduct of that review.

10 **MS SHARP SC:** And did you understand it was necessary to adopt a transparent approach in your dealings with Dr Horton?

MR POWER: Yes.

15 **MS SHARP SC:** Did you read Dr Horton's report of his review when it was made available?

MR POWER: I did.

20 **MS SHARP SC:** Can I take you to his report, please, which is part B at tab 146. This is INQ.016.001.0050. And, operator, could I ask you to go to point 0132. Could I ask that paragraph 254 be highlighted for Mr Power? Now, what is said here, Mr Power, is that:

25 "Junkets present a risk to the integrity of the casino, by virtue of the very large amounts of money involved, the potential illicit sources of those funds, and issues relating to junket promoters and the nature of their business."

Now, did you understand that concern - that risk to integrity as at 2016?

30

MR POWER: Yes.

MS SHARP SC: Did you - well, I withdraw that. Do you agree with the view that Dr Horton has set out here?

35

MR POWER: Yes.

MS SHARP SC: And did you understand that matter in late 2016?

40 **MR POWER:** Yes.

MS SHARP SC: Operator, could you please scroll that page to the bottom of that page and the top of the next. Can I take you, please, to paragraph 257. Do you see Dr Horton says:

45

"One of the most obvious risks that attend junkets is money laundering."

MR POWER: Yes.

MS SHARP SC: Did you agree with that observation at the time you read the report?

5 **MR POWER:** Yes.

MS SHARP SC: It's right, isn't it, that you have a general familiarity with the objects of the Casino Control Act?

10 **MR POWER:** Yes.

MS SHARP SC: And it's right that you're aware that one of the primary objects of the Act, as stated in section 4, is to ensure that the management and operation of the casino remain free from criminal influence or exploitation?

15 **MR POWER:** Yes.

MS SHARP SC: And do you agree that one of the reasons why that is a primary object of the Act is because there is a real risk that management and operation of the casino may be exposed to criminal influence or exploitation?

20 **MR POWER:** Yes.

MS SHARP SC: And that has been your understanding at all times since you read Dr Horton's report, has it?

25 **MR POWER:** Yes.

MS SHARP SC: And do you agree that the fact of this risk means that at all times the casino operator must be vigilant to ensure the risk is not realised?

30 **MR POWER:** Yes.

MS SHARP SC: Do you agree that a casino operator may only obtain and continue to hold the licence so long as it remains a suitable person?

35 **MR POWER:** Yes.

MS SHARP SC: May we take it that you have had a general understanding of what the requirements of being a suitable person are?

40 **MR POWER:** Sorry. Would you mind just repeating the start of that question, please?

MS SHARP SC: Yes. May we take it that you understand what the general requirements of being a suitable person are?

45 **MR POWER:** Thank you. Yes.

MS SHARP SC: And that has certainly been the case since November 2016?

MR POWER: Yes.

5

MS SHARP SC: And do you agree that for the casino licensee to remain a suitable person, it must be a person of good repute having regard to character, honesty and integrity?

10 **MR POWER:** Yes.

MS SHARP SC: And do you agree that this is a requirement both at the time of the initial grant of the licence and for the duration of the period for which the licence remains held by the operator?

15

MR POWER: Yes, that's my understanding now.

MS SHARP SC: Well, when did that start to be your understanding?

20 **MR POWER:** I'm not sure if it was a point that I had ever turned my mind to previously, but it was certainly something that was made clear during the course of the Bergin Inquiry.

25 **MS SHARP SC:** But are you saying that prior to the Bergin Inquiry, you never gave specific consideration to the fact that the licensee had to remain a suitable person to hold the licence while it continued to hold the licence?

30 **MR POWER:** I don't think I would say that. I think there are other agreements outside of the Act that require The Star to remain a suitable person. So I accept that it's an ongoing obligation. But I think the nature of section 12 and that it imposes an obligation to continue to do so was really highlighted during the Bergin Inquiry.

35 **MS SHARP SC:** But surely, in the position that you occupy within the organisation, you understood that before the Bergin Inquiry?

40 **MR POWER:** I - I understood that The Star had an obligation to remain suitable in order to hold the licence. So, yes, the answer to your question is yes. I think the point I was trying to make was just that that was a point that was stressed during the Bergin Inquiry, and I think it was detailed at some length as to how it's an ongoing obligation. So that was the certainly the point at which it was made abundantly clear to me, yes.

45 **MS SHARP SC:** All right. But to be clear, prior to the Bergin inquiry, you were aware that the casino operator was required to remain a suitable person for the duration of the period it held the licence?

MR POWER: Yes.

MS SHARP SC: Were you aware that one aspect of suitability related to the casino operator ensuring that it only had business associations with people or companies who were of good repute?

5

MR POWER: Yes.

MS SHARP SC: And have you been aware of that at all times since 2016?

10 **MR POWER:** Yes.

MS SHARP SC: So we may take it you understood that it was not a good idea, for example, for the casino operator to have a business relationship with somebody suspected of being a triad?

15

MR POWER: That would be something that would need to be considered, certainly.

MS SHARP SC: Well, is that all, just considered?

20

MR POWER: Well, it would be - it would certainly be a matter going to their repute, yes.

MS SHARP SC: And do you agree that it would not be a good idea for the casino operator to have a business relationship with somebody that you suspected was engaging in money laundering at the casino?

25

MR POWER: Sorry. Do you mind repeating that question again? Apologies.

30 **MS SHARP SC:** Certainly. Do you agree that it would not be a good idea for the casino operator to have a business relationship with somebody who you, in your position, suspected had engaged in money laundering?

MR POWER: I - I agree it would not be a good idea.

35

MS SHARP SC: And do you agree that that may well put the casino operator at jeopardy with respect to its licence?

MR POWER: It could, yes.

40

MS SHARP SC: So you do agree that at all times the casino operator needs to keep firmly in mind that it needs to deal with people and businesses who are of good repute?

45 **MR POWER:** I think that's a relevant consideration, yes.

MS SHARP SC: And at all times, do you agree that the casino operator needs to ensure that it does not have business associations with people who are of bad repute?

5 **MR POWER:** Yes.

MS SHARP SC: Has that always been your understanding?

MR POWER: Yes.

10

MS SHARP SC: Now, another matter that a casino operator must keep in mind when dealing with a patron is, when it advances credit to that patron via a cheque cashing facility, the need for that patron to be creditworthy; do you agree?

15 **MR POWER:** I think that that's - that's sensible, yes.

MS SHARP SC: And you, therefore, agree it's sensible to conduct some due diligence on that patron to understand if they're capable of meeting their debts?

20 **MR POWER:** Yes.

MS SHARP SC: So I might call that a credit concern, and you will know what I mean?

25 **MR POWER:** Okay. I understand, yes.

MS SHARP SC: And you've also understood, haven't you, that a casino operator should not deal with a person who presents a risk of money laundering unless the casino is confident that it can effectively eliminate that risk?

30

MR POWER: I'm not sure about "effectively eliminate", but I accept that it is a concern, and The Star needs to take responsibility to take steps to - to mitigate that risk.

35 **MS SHARP SC:** Well, I might test it this way: if you are aware that a patron presents a money laundering risk and you are also aware that steps or controls imposed by The Star have not been effective in eliminating that risk, do you agree that the casino operator ought not deal with that patron?

40 **MR POWER:** I think that goes too far. I don't agree with that.

MS SHARP SC: You don't agree with that?

45 **MR POWER:** To eliminate the risk of money laundering - I don't believe it's possible to eliminate a risk of money laundering.

MS SHARP SC: What about effectively manage the risk of money laundering?

MR POWER: I agree with that.

5 **MS SHARP SC:** What about a situation where you realise that The Star has not been effectively managing a risk of money laundering? What should happen there?

10 **MR POWER:** Well, The Star should assess the situation and look at whether there's other controls that could be introduced to effectively manage that risk. Or otherwise, depending on whether or not the program requires it, consideration should be whether to continue to deal with that person under the AML program.

15 **MS SHARP SC:** So do you agree there are some circumstances where the only appropriate decision, in view of money laundering risks, is to decide not to deal with a person?

MR POWER: Yes.

20 **MS SHARP SC:** So I've discussed a number of considerations with you. One of them is a consideration as to the suitability of people and companies with which the casino operator deals, and I will call that a suitability consideration.

MR POWER: Yes.

25 **MS SHARP SC:** And another is a credit consideration, and another is a money laundering risk consideration. Do you agree that at all times the casino operator must be mindful of all three of these considerations when it deals with patrons?

MR POWER: Yes.

30 **MS SHARP SC:** And do you agree that while there is an overlap between those considerations, there are also distinct features associated with each of those considerations?

35 **MR POWER:** Yes, I agree.

MS SHARP SC: So to take one example, it may be considered that a patron presents a money laundering risk which can be effectively managed, but they nevertheless are not a suitable person. Do you agree?

40 **MR POWER:** I agree.

45 **MS SHARP SC:** And if that is the case and the casino cannot be assured that the patron is a suitable person, the only correct decision is to cease dealing with that person. Do you agree?

MR POWER: I agree.

MS SHARP SC: Are these considerations that I have just raised with you ones that you have always had firmly in mind in your performance of your duties since 2016?

5 **MR POWER:** I think they've had different relevance at different points. So when you were talking about - let's do credit risk first. That's not really something that I've had responsibility for or in any way been involved with. As it relates to the AML risk, that was really something that only became relevant to me from - from about November 2019. So I didn't play a function prior to that in the AML aspect
10 or consideration of the AML risk.

MS SHARP SC: Well, can I just stop you there. You did play a role prior to that time in the compliance space, didn't you?

15 **MR POWER:** Sure, yes.

MS SHARP SC: Well, how do you think that had --

20 **MR POWER:** Sorry.

MS SHARP SC: -- no relationship with AML risk?

25 **MR POWER:** Apologies. Sorry. I misspoke, Ms Sharp. I - I didn't have a specific responsibility for compliance prior to November '19, but I accept more broadly that all employees of The Star have obligations in relation to compliance and some of the matters you've raised with me already this morning. So - but I wasn't responsible for compliance prior to November 2019.

30 **MS SHARP SC:** Are you familiar with sections 74 and 75 of the Casino Control Act?

MR POWER: Broadly familiar, yes.

35 **MS SHARP:** Well, aren't you familiar with those in detail since they regulate the provision of credit by the casino operator?

40 **MR POWER:** They're not things that, historically, I have had to advise on in any great detail. They've sort of been matters that have been dealt with by others within the legal team. But I'm familiar with them. I - I accept is that.

45 **MS SHARP SC:** I'm sorry. Didn't you say that Mr Stevens reported to you while you were the general counsel prior to November 2019?

MR POWER: He did.

MS SHARP SC: From that perspective, didn't you have some responsibility with respect to ensuring the casino complied with the rules around the provision of credit?

MR POWER: Yes. If I had - yes. Yes, I did.

5 **MS SHARP SC:** So you did understand at that time, didn't you, that subject to certain limited exceptions, the casino and its agents could not provide credit --

MR POWER: Yes.

10 **MS SHARP SC:** -- in relation to gaming in the casino?

MR POWER: Yes.

15 **MS SHARP SC:** And you did understand, didn't you, that, practically speaking, the provision of a cheque cashing facility was one exception to that prohibition against providing credit?

20 **MR POWER:** Yes, I'm - I'm not quite sure how I would characterise it, as to whether it's an exception or a form of credit. But I accept that it is a permitted - that is a permitted process under the Casino Control Act. Yes.

25 **MS SHARP SC:** Now, I'm going to show you a document that I understand to be confidential, so we will be circumspect when we speak about it. Could I please call up STA.3001.0001.1359. Now, I will just - operator, I'm wondering if we can have the front page of this document shown to Mr Power, so he knows what it is. Now, this is shaded in blue because it's a confidential document, Mr Power.

MR POWER: I understand. Thank you.

30 **MS SHARP SC:** So you've seen this document before, I take it?

MR POWER: I have, yes.

35 **MS SHARP SC:** And you are pretty familiar with what the requirements are that are set out in here, are you?

MR POWER: Yes.

40 **MS SHARP SC:** Could I take you, please, to pinpoint 1359. Now, I might - in fairness, I might need to take you back to the previous page, Mr Power, so you can see the context. Again, I will have to be somewhat circumspect in the way I do this. Can you have a look at the heading at the bottom that's numbered 5.2?

MR POWER: Yes.

45 **MS SHARP SC:** Could you just read what appears there, and then read over to the top of pinpoint 1359. And you understand from that there's a requirement to collect information in certain circumstances referred to there?

MR POWER: Sure. Can I just have a moment just to finish reading that paragraph, please?

5 **MS SHARP SC:** Yes. Take your time.

MR POWER: Okay. Thank you. Sorry. Do you mind asking the question again, please?

10 **MS SHARP SC:** Yes. In relation to the matter specified there, you understand that when certain circumstances as are there set out occur, you are required to collect more of that information?

MR POWER: Yes.

15 **MS SHARP SC:** And could I just take your attention to the third dot point.

MR POWER: Yes.

20 **MS SHARP SC:** Now, you agree what that dot point refers to is a trigger for collecting further information?

MR POWER: Yes, I understand.

25 **MS SHARP SC:** Because that is a matter of concern?

MR POWER: Yes.

MS SHARP SC: All right. That matter is a red flag for money laundering, isn't it?

30 **MR POWER:** Yes.

MS SHARP SC: And this standard was effective from 1 June 2021, but did you understand even before that time that the matter specified in this dot point was a red flag for money laundering?

35

MR POWER: Certainly the examples provided, yes.

MS SHARP SC: Yes. So with those examples, say, from 2016 onwards, did you understand these examples were red flags for money laundering?

40

MR POWER: Yes.

MS SHARP SC: Is it right that in your role, you have had occasion to engage with external due diligence providers?

45

MR POWER: Not personally, no.

MS SHARP SC: Are you ever provided with the reports of external due diligence providers?

5 **MR POWER:** Not as a - not in the general course, no.

MS SHARP SC: Are you sometimes provided with the reports of external due diligence providers?

10 **MR POWER:** Yes. I have been in the course of, I guess, the Bergin Inquiry and - and some other matters more recently, yes.

MS SHARP SC: And why is it that you are sometimes provided with the reports of external due diligence providers?

15 **MR POWER:** I think I've requested them at various points to understand what's contained within them.

MS SHARP SC: And who do you request them from, when you request them?

20 **MR POWER:** For the most part, they've been requests made to Mr White.

MS SHARP SC: Is there anybody else you request them from?

25 **MR POWER:** I don't believe so, no.

MS SHARP SC: And do you sometimes keep a copy of reports when you have requested them?

30 **MR POWER:** Potentially, yes.

MS SHARP SC: And where do you keep them?

35 **MR POWER:** It would depend. It would either be in my email account or it may be saved on to a file somewhere.

MS SHARP SC: And if you have the need to refer to an external due diligence report, how do you know if the business has, in fact, obtained one?

40 **MR POWER:** I would only have to ask people in the AML team.

MS SHARP SC: So who are the people you would ask?

45 **MR POWER:** Normally, with questions like that, I would go to Mr Houlihan if that was to happen right now and, historically, it would be - I would ask Ms Arnott, or I would go directly to Mr White or, I guess, Ms Martin.

MS SHARP SC: And did you understand Ms Martin to be one of the people in the business to have access to due diligence reports?

MR POWER: She may have had access, yes.

MS SHARP SC: Well, did she or not?

5

MR POWER: I don't know what Ms Martin had access to.

MS SHARP SC: All right. But she would be one of the people you could ask about it if you happened to look at one?

10

MR POWER: Correct. Yes.

MS SHARP SC: Is it right that external due diligence reports are not stored within TrackVia?

15

MR POWER: I don't think I could comment on that.

MS SHARP SC: What, do you not know?

20

MR POWER: I do not know.

MS SHARP SC: Are you generally familiar with the laws of legal professional privilege?

25

MR POWER: Generally familiar, yes.

MS SHARP SC: And do you understand there's a difference between litigation privilege and advice privilege?

30

MR POWER: I do, yes.

MS SHARP SC: Can you tell us what your understanding is of when the advice privilege can be claimed.

35

MR POWER: I think advice privilege can be claimed when a document is created for the purpose of the lawyer providing advice.

MS SHARP SC: Is it the dominant purpose?

40

MR POWER: Yes, the dominant purpose.

MS SHARP SC: And have you at all times understood that advice privilege can only be claimed where the dominant purpose of the communication is the provision of legal advice?

45

MR POWER: Yes.

MS SHARP SC: So do you agree that where there are two purposes for which advice is provided and neither of them is dominant, you cannot claim legal professional privilege?

5 **MR POWER:** Yes, that's my understanding.

MS SHARP SC: And do you also understand that for legal professional privilege to be claimed - or, that is, the advice privileged - the communication needs to be a confidential communication?

10

MR POWER: Yes.

MS SHARP SC: And do you agree that for advice to be legal advice, it must, in some way or other, relate to the law?

15

MR POWER: Yes.

MS SHARP SC: Do you agree that not all advice provided by lawyers is legal advice?

20

MR POWER: Yes.

MS SHARP SC: And do you agree that in the case of in-house counsel, not all advice they provide to the business is legal advice?

25

MR POWER: Yes.

MS SHARP SC: And, indeed, have you understood in your role that not all advice you provide to the business is legal advice?

30

MR POWER: Yes.

MS SHARP SC: And in particular, when you are performing a management function rather than a legal function, you are not necessarily providing legal advice, are you?

35

MR POWER: I think that's correct, yes.

MS SHARP SC: And do you agree that for legal advice to be provided which attracts the privilege, there must be at least a degree of professional independence of the lawyer from the business?

40

MR POWER: Yes.

45 **MS SHARP SC:** And that has been your understanding at all times while you have worked at The Star and later Star Entertainment?

MR POWER: Yes.

MS SHARP SC: And what does the dominant purpose test mean, Mr Power?

5 **MR POWER:** I think you touched on it before. When there's multiple purposes, the dominant purpose is the main purpose - the primary purpose.

10 **MS SHARP SC:** And do you agree that if a document was brought into existence irrespective of any intention to obtain legal advice, then the purpose of obtaining legal advice cannot be the dominant purpose for which the document was created?

MR POWER: I apologise, Ms Sharp. Would you mind, please, repeating the question?

15 **MS SHARP SC:** Yes. Do you agree that if a document is brought into existence irrespective of any intention to obtain legal advice, then the provision of legal advice cannot be the dominant purpose for which that document was created?

20 **MR POWER:** I think I'm just a little bit confused about what you mean by "irrespective". If you're asking me - if a document is created not for the purpose of legal advice but then legal advice is given, that where that privilege - is that the question you're asking me, whether privilege then exists in that document?

MS SHARP SC: Yes. What do you say to that?

25 **MR POWER:** Then I say if it was prepared at the time and it was not for the purpose of legal advice, then it's not privileged.

30 **MS SHARP SC:** And do you agree that when one assesses whether privilege can be claimed when in-house counsel is providing the advice, it is necessary to consider whether in-house counsel was providing legal advice or some other kind of advice?

MR POWER: I accept that, yes.

35 **MS SHARP SC:** And do you agree that where the business has provided a copy of a document to a lawyer for the purpose of providing advice, then that copy of the document is subject to legal advice, but the original document is not - I put the question incorrectly. I will withdraw it. Do you agree that if a document is provided to a lawyer for the purpose of obtaining legal advice, the copy of that
40 document provided to the lawyer is privileged, but the original document held by the business is not privileged?

MR POWER: It may not be privileged, yes. I accept that.

45 **MS SHARP SC:** To put the matter another way: do you agree that a non-privileged document cannot become privileged simply because a copy of it is provided to a lawyer?

MR POWER: The non-privileged copy, yes. I agree.

MS SHARP SC: And do you agree that it is important for a lawyer to be familiar with the laws of legal professional privilege?

5

MR POWER: Yes.

MS SHARP SC: Do you agree that it would be unethical for a lawyer to claim a document is privileged when the lawyer does not have a proper basis for advancing that claim?

10

MR POWER: It could be, yes.

MS SHARP SC: Well, it is, isn't it?

15

MR POWER: If they don't have a proper basis, I expect that it would be, yes.

MS SHARP SC: Mr Power, have you had a general practice of marking your documents and communications with others within The Star with the words "confidential and privileged" even though you did not understand you were being called upon to provide legal advice with respect to those documents?

20

MR POWER: There could be occasions, yes, where I've done that.

MS SHARP SC: On how many occasions do you say you've done that?

25

MR POWER: Well, if I take emails as - as an example, I - I don't have contained within my email signature block or anything like that a - a phrase "privileged and confidential". But when I'm writing emails, if the matter seems to me to, you know, potentially be privileged, I would mark it "privileged and confidential". I don't give detailed thought as to whether, in fact, it does contain legal advice. It's really just a mark I would put on to note the sensitivity and flag the potential for - that it may contain advice.

30

MS SHARP SC: Well, isn't it inappropriate for you to mark a document as privileged if you don't think there is a proper basis for asserting the privilege?

35

MR POWER: I - I - I don't agree with that, no.

MS SHARP SC: Well, isn't that unethical?

40

MR POWER: I don't believe it's unethical, no.

MS SHARP SC: So is it right that you have a general practice of marking your documents and communications with others with the words "confidential and privileged" even though you have not considered whether, in fact, there is a proper basis to claim privilege?

45

MR POWER: Yes. From time to time that is a practice, yes.

MS SHARP SC: Well, isn't that an unethical practice?

5 **MR POWER:** I don't believe so, no.

MS SHARP SC: Have you put that marking on the documents to shield your communications from production to regulators?

10 **MR POWER:** No.

MS SHARP SC: Have you been directed by anybody at The Star to engage in that practice?

15 **MR POWER:** I don't believe so, no.

MS SHARP SC: Do you have a practice of inviting your colleagues to preface their communications with you with words to the effect that they are seeking legal advice even when you do not understand you are being called upon to provide legal advice?

MR POWER: I don't think if I'm not being called on to provide legal advice. No.

25 **MS SHARP SC:** So you dispute that you have that practice?

MR POWER: There - there may be times when someone asks me a question and they're seeking some guidance or advice from me, and in those preliminary discussions I may say to them, "Well, can you please send me the document or the issue in an email and can you mark it privileged and confidential." I may direct them to do that.

MS SHARP SC: Isn't that unethical of you, to request those people to mark their communications privileged and confidential if you have not satisfied yourself that there is a basis for that claim?

35 **MR POWER:** I do not believe it's unethical, no.

MS SHARP SC: Have you done that in order to shield communications from production to the regulator?

40 **MR POWER:** No, I haven't.

MS SHARP SC: What involvement, if any, did you have in commissioning the KPMG audit of the AML/CTF program in 2018?

45 **MR POWER:** I don't believe I had a role.

MS SHARP SC: Did you, at any time, meet with KPMG representatives in relation to that audit?

5 **MR POWER:** Not that I recall, no.

MS SHARP SC: Can I go to paragraph 52 of your first statement please, Mr Power.

10 **MR POWER:** Excuse me, Ms Sharp. Will that be brought up on screen, or should I go to the hard --

MS SHARP SC: Yes. I'm happy for it to be brought up. I will just need to get the exhibit number, pardon me.

15 **MR POWER:** I do have a hard copy here if - it's okay. It's up.

MS SHARP SC: Thank you. Operator, could you please turn to paragraph 52. You're there providing an answer to a question about the KPMG report; do you agree?

20 **MR POWER:** I'm asked to provide comments, yes.

MS SHARP SC: And what you say is, about halfway down:

25 "However, I can say that in my opinion The Star takes independent reports like the KPMG report seriously."

MR POWER: Yes.

30 **MS SHARP SC:** I'm just wondering, what do you mean by "independent report"?

MR POWER: It's a report that was conducted by someone other than The Star and it's the report - the requirement under the AML Act is to have an independent review of the program, so I'm - I'm referring to the fact that they undertook an independent review.

35 **MS SHARP SC:** Do you agree that if The Star was requesting somebody to undertake an independent review of the AML program, it would be inconsistent to say that the review was convened for the purpose of providing legal advice?

40 **MR POWER:** Are you talking about in this instance or generally?

MS SHARP SC: I'm talking about generally, and then we will return to this instance.

45 **MR POWER:** Okay. I think it depends on the circumstances.

MS SHARP SC: All right. Well, let's now look at the situation. Now, you - a specific situation. You understand that it's a requirement of the AML/CTF framework in Australia for reporting entities to retain advisory firms to provide independent reports on the AML/CTF program adopted by the reporting entity?

5

MR POWER: I agree, yes.

MS SHARP SC: So you understand that requirement of independence, do you?

10 **MR POWER:** Yes.

MS SHARP SC: Given that requirement for independence in that particular context, do you say that when commissioning such a report, such a report is commissioned for the dominant purpose of providing legal advice?

15

MR POWER: Well, I think it could be, yes.

MS SHARP SC: Are you sure about that?

20 **MR POWER:** I think we discussed this before. There may be multiple purposes for that review to be undertaken. But if the dominant purpose was for the provision of legal advice, I think it - it could be privileged, yes.

25 **MS SHARP SC:** All right. Well, we'll step through the process again. You understand that the AML/CTF regulatory regime requires reporting entities to commission independent reports of reporting entities' AML/CTF programs?

MR POWER: I understand they have to do that from time to time, yes.

30 **MS SHARP SC:** All right. And in view of that legal requirement, can it be said that the dominant purpose of commissioning that report is to provide legal advice to the business?

MR POWER: I think it would depend on the circumstances.

35

MS SHARP SC: Well, I'm asking whether that can ever be said.

MR POWER: I - I think it would depend on the circumstances. Yes, I think it could ever be said.

40

MS SHARP SC: Well, isn't the correct position that if you are commissioning an independent report that the law requires you to commission, it can never be commissioned for the dominant purpose of providing legal advice?

45 **MR POWER:** I don't think I can say that it would never be. So if the requirement is to undertake the review from time to time or periodically, and we are - and the dominant purpose is to satisfy that requirement, then I agree it's not privileged. But if a report is being commissioned and it is for the purpose - the dominant purpose

of legal advice, the fact that there is an obligation to do those reviews from time to time I don't think would mean you could say there is never a case when the dominant purpose could be for the provision of legal advice.

5 **MS SHARP SC:** But if you're legally obliged to commission an independent report, how can that ever be for the dominant purpose of providing legal advice to the business?

10 **MR POWER:** Well, I - I think I've just tried to explain that, but perhaps if I answer it in another way. I accept that if the dominant purpose was to satisfy the requirement under the AML Act to undertake an independent review, I accept that it would not be privileged in those circumstances.

15 **MS SHARP SC:** And could I just ask you this- you say:

"I can say that in my opinion The Star takes independent reports like the KPMG report seriously."

20 What do you mean there?

MR POWER: Well, I was asked to provide any other comments about The Star's response to those reports, and I think my comment was directed to the fact that, you know, I was aware of updates given to the board and measures that had been taken to respond to that report and to action items that were arising out of it.

25 **MS SHARP SC:** I see the time, Mr Bell. Would this be a convenient time for the mid-morning adjournment?

30 **MR BELL SC:** Yes. I will adjourn for 15 minutes.

<THE HEARING ADJOURNED AT 11:28 AM

<THE HEARING RESUMED AT 11:47 AM

35 **MR BELL SC:** Yes, Ms Sharp.

MS SHARP SC: You have some level of familiarity with the AML/CTF rules made under the AML/CTF Act of 2006?

40 **MR POWER:** Some familiarity, yes.

MS SHARP SC: Are you aware that part 9.6 deals with the joint AML/CTF program?

45 **MR POWER:** Not off the top of my head, no.

MS SHARP SC: Clause 9.6.1 of those rules provides that part A of a joint AML/CTF program must be subject to regular independent review. Were you aware of that rule?

5 **MR POWER:** I was aware of the obligation broadly, yes. I wasn't - I couldn't have referenced it to the particular rule.

MS SHARP SC: So is it right that you are aware that it is a legislative - I withdraw that - a regulatory requirement that part A of a reporting entity's
10 AML/CTF program be subject to regular independent review?

MR POWER: Yes. I believe that's repeated in The Star's AML program as well.

MS SHARP SC: All right. And given there is that regulatory requirement, how
15 can it be that an independent review document is brought into existence for the dominant purpose of providing legal advice to the reporting entity?

MR POWER: I think - if I can just repeat what I said before. I think it would
20 come down to what was the dominant purpose of that review being undertaken. If it was for the purpose of satisfying the requirement under that regulation you've just pointed to, then I accept it may not be privileged. But if it's for the dominant purpose of obtaining legal advice in addition to, or separate to, the legislative obligation, then in those circumstances it - it may attract legal professional
25 privilege.

MS SHARP SC: So how can the dominant purpose of bringing that report into
existence ever be the provision of legal advice when there is a regulatory requirement that an independent review take place?

30 **MR POWER:** Well, I guess the - the point I'm trying to make is if it was undertaken independently of that obligation to undertake a regular review, then it would attract legal professional privilege.

MS SHARP SC: Are you just wrong about this point, Mr Power?

35 **MR POWER:** I don't believe so.

MS SHARP SC: Does it suggest you don't have a good understanding of when
40 something can be said to be for the dominant purpose of providing legal advice?

MR POWER: I'm - I'm not sure how to answer that question, whether I think that
that's wrong or not.

MS SHARP SC: Can I take you to a document, please. This is
45 STA.3412.0004.6632. Do you see this is an email that you've sent to yourself on 15 May 2018?

MR POWER: Yes.

5 **MS SHARP SC:** It's exhibit B787. Now, at this time, that is, back in May of 2018, you were being provided with certain information about the occurrences in Salon 95, which at that time was for the exclusive use of the Suncity junket. Do you remember that?

MR POWER: I do.

10 **MS SHARP SC:** Now, at that time, were you providing any legal advice to the business about anything?

MR POWER: I expect that I would have been, yes.

15 **MS SHARP SC:** And what was that?

MR POWER: Well, I think, broadly, whether or not The Star was meeting its obligations in circumstances that you've described.

20 **MS SHARP SC:** And who asked you to provide that legal advice?

MR POWER: I'm not sure if I would have been specifically directed by anyone or whether, in the context of what was occurring, in discussions with the business, it became necessary for legal advice to be given.

25 **MS SHARP SC:** And, sorry, you say that legal advice was whether The Star was meeting its obligations?

MR POWER: Correct.

30 **MS SHARP SC:** And what obligations were they?

MR POWER: Obligations to report matters to regulators, to AUSTRAC, and whether or not any of the conduct in the room suggested that The Star had breached any of its obligations under the Casino Control Act.

35 **MS SHARP SC:** And who did you provide that advice to?

40 **MR POWER:** I think it was in the course of general discussions with the business. So, you know, I would have discussed the matter with Ms Martin. I believe I discussed the matter with the then - I believe it was maybe chief casino officer, Mr Hawkins. I think I also had discussions with Mr McWilliams, who was the chief risk officer in and around this time. So in the course of those discussions, I would have been providing advice as to whether or not The Star had met its obligations or whether there were issues that needed to be addressed.

45 **MS SHARP SC:** And what advice did you provide to those people?

MR POWER: Well, it would have been - in May, there would have been numerous conversations where I gave advice. But the advice would have been whether or not --

5 **MS SHARP SC:** Well, hang on, I will just stop you there. You've said "would have been". I'm asking you for your recollection about the advice and what it was. What advice did you provide?

10 **MR POWER:** Okay. I did provide advice, as far as I can recall, to Mr Hawkins. So he was made aware of the conduct that occurred in that room, and advice was given about the nature of that conduct and whether or not The Star had obligations - what risk it - it presented to The Star.

15 **MS SHARP SC:** Okay. So what was that advice you did provide to Mr Hawkins?

MR POWER: I believe I sent him an email in relation to the conduct and an outline of what I saw to be the potential risks and steps that needed to be taken.

20 **MS SHARP SC:** All right. So could you tell us what risks you advised you saw and what steps you recommended be taken.

25 **MR POWER:** The risks, primarily - I mean, the advice was contained - or at least my emails contained - contained the information that I gave to Mr Hawkins. But as I saw it, when the information was first presented to us, the first concern for me --

30 **MS SHARP SC:** If I could just interrupt you there, Mr Power. The question I asked you - and if you could just attend to that - is what risks did you advise Mr Hawkins that you saw.

35 **MR POWER:** Okay. Apologies. I believe the risks that I advised in relation to were whether or not the Casino Control Act had been breached; whether or not any AML obligations arose out of the conduct in that room; and whether the actions that needed to be taken by The Star - any obligations arising on The Star as a result of that.

MS SHARP SC: And you say this was in an email?

40 **MR POWER:** Yes.

MS SHARP SC: And do you still have a copy of that email?

MR POWER: Yes.

45 **MS SHARP SC:** I call for that email.

MS RICHARDSON SC: I will provide an exhibit number. It's in the bundle.

MS SHARP SC: And what steps did you advise should be taken?

5 **MR POWER:** I'm not sure if I advised the steps. It will be contained within the email, but I certainly outlined steps that were going to be taken that had been discussed with people within the business. So I was summarising those for Mr Hawkins.

MS SHARP SC: So could you just tell us what those steps were?

10 **MR POWER:** As I - I can't recall off the top of my head what those steps were.

MS SHARP SC: No idea?

15 **MR POWER:** I - I believe I may have said that I would go and review the footage, or I may have already done so at that point. I believe - whether it's - yes, I - I can't recall what was put in the email, no, off the top of my head.

MS SHARP SC: Did you review the footage?

20 **MR POWER:** I did.

MS SHARP SC: When did you do that?

25 **MR POWER:** In and around that May period that - around - I think it was the 12th to the sort of 15th of May, in and around that period.

MS SHARP SC: And did you review one piece of footage or more than one piece of footage?

30 **MR POWER:** I don't recall specifically what footage I reviewed, but I believe it would have been more than one piece of footage, yes.

MS SHARP SC: And you're sure you were providing legal advice, are you?

35 **MR POWER:** I believe I was, yes.

MS SHARP SC: Not just advice in the nature of business advice?

40 **MR POWER:** I believe at the time I thought I was providing legal advice, yes.

MS SHARP SC: If we go to this --

MS RICHARDSON SC: Sorry. If I could assist, I have that exhibit number.

45 **MS SHARP SC:** I think I do too now.

MS RICHARDSON SC: It's C53.

MS SHARP SC: I'm so sorry. Could I just ask Ms Richardson to repeat that exhibit?

MS RICHARDSON SC: C53.

5

MR BELL SC: Just before we leave that document, Mr Power, I take it "AP" is yourself?

MR POWER: That's correct.

10

MR BELL SC: And what did you mean:

"AP to communicate with investigators that no further emails -"

15

Etcetera?

MR POWER: I don't recall what I meant precisely by that, Mr Bell. I believe there was a number of times - I worked fairly closely with the investigators in those - in that time in around 2018, and I believe it was an instruction that I had given on a number of occasions which was for investigators not to sit back in - in - at their desk and to get up and speak to the business as much as possible.

20

MR BELL SC: I see. Thank you.

25

MS SHARP SC: Did you tell the investigators not to put things in email because you did not want documents that could be made available to the regulators about this matter?

MR POWER: No.

30

MS SHARP SC: Are you sure that wasn't one of your motivations?

MR POWER: I'm sure it wasn't one of my motivations, yes.

35

MS SHARP SC: Could I take you, please, to document STA.3427.0 - well, before that, wouldn't it be important to obtain as much detail as possible from the investigators?

MR POWER: Yes.

40

MS SHARP SC: Well, surely the best way to ensure that you have all the detail is to ask them to commit that detail to writing; don't you agree?

MR POWER: I believe I did that.

45

MS SHARP SC: Well, I'm just understanding, why are you telling investigators "no further emails"?

5 **MR POWER:** I said already I don't recall why I put that in that note. It was a very rough note. I believe it related to them going and speaking to people. It's evident - in and around this time, I received numerous emails from the investigators, as well as reports and documents in writing about the conduct. So I don't believe there was anything - any suggestion that I was telling investigators not to document things.

10 **MS SHARP SC:** So you deny that you were telling investigators not to commit things to emails to avoid a paper trail being created at this time, do you?

MR POWER: I do.

15 **MS SHARP SC:** Can I take you to STA.3427.0018.4222, which is exhibit C53. And take your time to read this email.

MR POWER: Would you - would someone please increase the size of that document, please. Thank you. Okay. Can you please scroll down for me? And can you scroll down further, please? Yes. Thank you.

20 **MS SHARP SC:** Just a few questions about this. By the time you wrote this 15 May 2018 email to Mr Hawkins, you had viewed footage of events occurring in Pit 95?

25 **MR POWER:** It certainly appears that way. It says that in the - in the - in the note.

MS SHARP SC: And did those - that footage you had viewed involve certain cash dealings taking place?

30 **MR POWER:** Yes, it did.

MS SHARP SC: And you considered at that time that the junket group's conduct had exposed The Star to an unacceptable level of risk?

35 **MR POWER:** Do you mind if we just scroll up? Thank you. Yes.

MS SHARP SC: And what was that unacceptable level of risk?

40 **MR POWER:** Well, I think it - the way that it was expressed in the email there, it's a risk around AML; it was a risk around the Casino Control Act and what constitutes "casino operations"; and then there was an element of whether or not it was a breach of the agreement or not.

45 **MS SHARP SC:** When you say "a breach of the agreement", do you mean an agreement with the Iek junket or the agreement with Suncity in relation to Salon 95?

MR POWER: I'm not sure which agreement I was referring to or whether I would have had clear visibility of them at that point. I believe I may have been referencing more broadly the agreement with - with Iek that was documented just days prior to this that set out what they could and couldn't do in that room. I think
5 it was more broadly that, rather than specifically an agreement with Iek or an agreement with Suncity as such.

MS SHARP SC: So is it more likely it was the agreement relating - or what is sometimes called the service desk protocol?
10

MR POWER: Yes. The arrangements that had been put in place in relation to that service desk, yes.

MS SHARP SC: Now, when you referred in this email to the "unacceptable level of risk", was that an unacceptable level of money laundering risk?
15

MR POWER: I think it was - it referenced all those risks, that the conduct included a risk around money laundering, yes.

MS SHARP SC: And why did you think it was unacceptable?
20

MR POWER: Just because it was a serious matter, and that sort of conduct couldn't be allowed to continue.

MS SHARP SC: Well, not in a casino, could it?
25

MR POWER: No, not in a casino.

MS SHARP SC: And you also go on to say that:
30

"Equally, concerns are also held around -"

Two:

"Source of funds and presentation of large quantities of cash into Salon 95."
35

MR POWER: Yes.

MS SHARP SC: Now, were you concerned about money laundering in this respect?
40

MR POWER: Certainly.

MS SHARP SC: So what was your view at the time about whether there was a possibility that money laundering was occurring in Salon 95?
45

MR POWER: Look, at this point in time, which is in the days that followed the initial report, I think the way that you've just described it - they were concerns that the conduct we'd observed could be money laundering.

5 **MS SHARP SC:** And these concerns were very serious concerns on your part, were they?

MR POWER: Yes, they were.

10 **MS SHARP SC:** And did you have a conversation with Mr Hawkins following this email you sent to him on 15 May 2018?

MR POWER: I - I don't recall specifically, no.

15 **MS SHARP SC:** Do you expect that given you had advised him of these unacceptable risks, it is likely you did --

MR POWER: Yes.

20 **MS SHARP SC:** --have a conferral with him in the days that followed?

MR POWER: Yes, I think that's likely.

25 **MS SHARP SC:** Well, do you have any recollection at all of what he discussed with you?

MR POWER: No, I don't.

30 **MS SHARP SC:** Can I take you now, please, to STA.3412.0004.6634. Now, I'm taking you further in time to an email you sent on 8 December 2020. Do you see it's marked "privileged and confidential"?

MR POWER: Yes.

35 **MS SHARP SC:** Do you see it says:

"Please see attached, as discussed. For the purpose of undertaking further enhanced customer due diligence and allowing me to provide legal advice on The Star's obligations arising."

40

MR POWER: Yes.

45 **MS SHARP SC:** Now, at this time, had anybody asked you to provide legal advice on The Star's obligations in respect of anything to do with Mr Chau?

MR POWER: I can't recall a specific request for advice, but certainly in my discussions with Ms Martin I was trying to provide advice on what The Star's

obligations were in relation to decisions in relation - not just Mr Chau, but the high-risk customers more generally.

5 **MS SHARP SC:** Were you providing legal advice?

MR POWER: I believe I was, yes.

10 **MS SHARP SC:** Can I take you to STA.3412.0151.0097. Now, I'm taking you back in time here to an email you sent on 20 April 2016.

MR POWER: Yes.

MS SHARP SC: And this email relates to China UnionPay; do you see there?

15 **MR POWER:** Amongst some other things, yes.

MS SHARP SC: All right. This is exhibit B117, by the way, Mr Bell.

20 **MR BELL SC:** Thank you.

MS SHARP SC: Now, it's marked "privileged and confidential" and the subject is also Privileged. Had anyone asked you to provide legal advice at this time?

25 **MR POWER:** I don't recall whether I received a specific request, but I was certainly - in the course of a discussion with Mr Hawkins, I believe he wanted me to document some of the legal issues and communicate those to Mr Quayle. So I'm not sure if you would call that a request for legal advice as such, but that was certainly my understanding, that I was giving advice in relation to these issues.

30 **MR BELL SC:** Mr Power, would it be fair to say that you marked your communications to the business as privileged and confidential as a matter of routine?

35 **MR POWER:** I think it's fair to say, Mr Bell, if the matter related to something that might contain legal advice, I would do it. If - if it was an email that - so those words "privileged and confidential" at the top, I've actually written those in. So if it was an email about something inconsequential, I wouldn't write that in my email. I - I - that wouldn't be my practice. But if I was dealing with something sensitive or may later be looked at or - or reviewed, then, yes, I would mark it as
40 privileged and confidential, just to flag the sensitivity of it and the importance of it. And - and it's a flag, as much as anything, Mr Bell, that the business doesn't forward it on.

45 **MR BELL SC:** Yes. Thank you.

MS SHARP SC: And given that practice, is it right that you would mark it "privileged" even though you had not considered whether, in fact, there was a proper basis for claiming advice privilege in relation to the communication?

5 **MR POWER:** I think that's true. At the time when I would type that in - it was the first line of the email - I would not be considering the matter and giving detailed thought to whether, in fact, it was privileged or whether my email would ultimately contain legal advice. It was really, I guess, you know, a practice that I did so that it was at least flagged that it could be.

10 **MS SHARP SC:** Did you engage in this practice in order to shield your communications from production to the regulators?

MR POWER: No, I did not.

15 **MS SHARP SC:** Did you ever turn your mind to that being an effect of your practice of marking these communications "privileged"?

MR POWER: No, I don't believe I turned my mind to that. No.

20 **MS SHARP SC:** Wouldn't it be better, then, to simply label the communication "confidential"?

MR POWER: Well, I think there might even be a footer at the bottom of some of our emails that actually contain wording around confidentiality. I think this was more a flag that - to anyone who may be reading it down the track that it was drafted by a lawyer and that it may have contained legal advice. I think that was the point of it.

30 **MS SHARP SC:** Do you see that a consequence of you marking these communications "confidential" is that they could later be said to be privileged and not be made available to regulators seeking the document?

MS RICHARDSON SC: I object to that question and ask to be heard in the absence of the witness.

35 **MR BELL SC:** Yes. Operator, please move us into private mode in the absence of Mr Power.

<THE HEARING IN PUBLIC SESSION ADJOURNED AT 12:12 PM

40 **<THE HEARING IN PRIVATE SESSION RESUMED AT 12:12 PM**

<THE HEARING IN PRIVATE SESSION ADJOURNED AT 12:14 PM

<THE HEARING IN PUBLIC SESSION RESUMED AT 12:14 PM

45 **MR BELL SC:** Yes, Ms Sharp.

MS SHARP SC: Mr Power, from time to time, were you involved in collecting documents to produce to regulators in answer to requests for information, including but not limited to coercive requests?

5 **MR POWER:** Yes.

10 **MS SHARP SC:** If you saw that a document that fell within the scope of the request was marked "privileged and confidential", would you, as a matter of course, treat that document as being subject to legal professional privilege, or would you independently interrogate that document and the circumstances in which it was brought into existence for the purpose of satisfying yourself that it was indeed a privileged document?

15 **MR POWER:** I will try and answer both parts of that question. In marking it "privileged and confidential", I don't believe that that made the document privileged. So it was a notation only that it would need to be looked at carefully and considered at that time. I don't think it was done for any other reason than to flag, and I think you could say that is a practice that we had to try and at least flag, potentially to people that aren't myself and others that may be reviewing these documents down the track, to at least turn their minds to the question of whether it was, in fact, privileged. So I do not - I do not believe that marking something "privileged and confidential" makes it so, but I believe it was a notation that - that consideration should be given to whether it was, in fact, privileged. And then the second part of the question, I believe, related to whether or not - sorry. Perhaps, 25 Ms Sharp, if you wouldn't mind taking me to the second part of that question.

MS SHARP SC: Yes. Did you have a practice when you were gathering together documents in response to requests from regulators, be they coercive or voluntary, of reviewing documents which answered those requests but which were marked 30 "privileged" of interrogating those documents and the circumstances in which they were brought into existence to satisfy yourself that there was an appropriate basis upon which to claim privilege and resist providing them to the regulator?

35 **MR POWER:** If they were my documents that were marked "privileged and confidential", I think I would turn my mind to whether or not there was a basis for the document not to be provided on the basis that it was privileged. And if it was someone else's document that was marked "privileged", I believe I would have made inquiries from that person in relation to the document and whether or not it - whether or not it was a document created for the dominant purpose of legal 40 advice or in response to anticipated litigation.

MS SHARP SC: Have you told other people within your organisation that when you are the author of documents and mark them "privileged", that does not necessarily mean that they are validly the subject of a claim for privilege? 45

MR POWER: I don't - I don't believe I've - I don't recall ever saying that specifically, no.

MS SHARP SC: Well, can I put a hypothetical question to you, please. Do you see that there is a risk that when other people within your organisation are producing documents to the - or seeking to determine whether to produce documents to the regulator and see a document from you marked "privileged" that they will conclude that they are privileged without making further inquiries and refrain from producing them to the regulator?

MR POWER: Is there a risk of that? There could potentially be a risk of that. I believe that if ever there was a document that fell within a notice and there was some doubt, that a decision or a call would be made. Otherwise, advice from external lawyers might be sought.

MS SHARP SC: And is that last answer entirely speculative?

MR POWER: I think we - we're dealing about a hypothetical question. So that's my - that would be my expectation, yes.

MS SHARP SC: All right. I'm just asking you; do you see there's a risk there, Mr Power?

MR POWER: There - there could be a risk, yes, if the person doesn't undertake sufficient inquiries, yes.

MS SHARP SC: Well, there's an obvious risk there, isn't there?

MR POWER: I don't know if I would call it an obvious risk, but I accept that there's a risk.

MR BELL SC: Mr Power, if you hadn't, in fact, formed a conclusion as to whether a communication was privileged when you mark it as such, wouldn't the right practice have been to say it may be privileged?

MR POWER: Mr Bell, I could only say in terms of the practice of doing that, it's not a practice that I've independently invented. I mean, that is a practice that I've heard discussed in CLEs on privilege and indicators to give to private practice lawyers. I don't believe I've ever heard of anyone or been told to consider writing "possibly privileged". I take your point and I accept the risk that I'm being drawn to, but that certainly wasn't the practice and it wasn't a risk I was particularly concerned about. I - I felt that an assessment would be made in each instance.

MR BELL SC: Yes. Thank you.

MS SHARP SC: Could I show you document STA.3402.0008.1057. Now, I will ask you to have a read of this document, please. It's a communication from you to Ms Martin dated 28 July 2017 which has been marked "privileged and confidential". Once you've read that, could you ask me whether you were requested to provide any legal advice on these topics.

MR POWER: Could I just get that expanded slightly, please? That's fine. Thank you.

5 **MS RICHARDSON SC:** While that is happening, could I raise a short matter in the absence of the witness? I apologise.

MR BELL SC: Yes, of course. We will move into private mode in the absence of Mr Power.

10 <THE HEARING IN PUBLIC SESSION ADJOURNED AT 12:22 PM

<THE HEARING IN PRIVATE SESSION RESUMED AT 12:22 PM

15 <THE HEARING IN PRIVATE SESSION ADJOURNED AT 12:25 PM

<THE HEARING IN PUBLIC SESSION RESUMED AT 12:25 PM

MR BELL SC: Yes, Ms Sharp.

20 **MS SHARP SC:** Mr Power, do you accept that whilst not necessarily decisive, one consideration in determining whether advice privilege applies is a consideration of whether somebody has requested that legal advice be provided?

25 **MR POWER:** I think we're talking generally not about the document that I was reviewing before that short break? Sorry, Ms Sharp. If I can just clarify, you're saying, generally speaking, do I agree that whether a request was made for the advice is relevant to the question - it's a relevant consideration to the question of whether privilege, in fact, exists? Is that what the question was?

30 **MS SHARP SC:** Yes. It's a relevant but not decisive consideration.

MR POWER: I agree. Yes.

35 **MS SHARP SC:** Now, in the context of this particular email - did you have the opportunity to read it just then?

MR POWER: I didn't. It came off the screen when we went into the - to that mode. Do you - do you mind if I take a moment?

40 **MS SHARP SC:** Yes, please do.

MR POWER: I've actually read to the bottom of that page. Do you want me to scroll down? Is there further content?

45 **MS SHARP SC:** Operator, could you scroll down, please.

MR POWER: Thank you.

MS SHARP SC: And you are most welcome to read the email to which it responds, if that assists. That's at the bottom.

5 **MR POWER:** Sure. Okay. Can we scroll down? I've just read that email. So that doesn't assist me with the request; it's just a follow-on from an earlier email I sent. But I see it relates to compliance assurance. Are we able to scroll down just to the bottom of the email, please? Okay. Apologies, Ms Sharp. I've read that. Would you mind - I haven't read the content of the below email, but I understand the content of the email to Ms Martin. Would you mind repeating the question,
10 please?

MS SHARP SC: All right. Whilst it is not a determinative consideration but merely a relevant consideration in assessing whether advice privilege may be claimed, were you requested to provide any legal advice in this top email that you
15 provided to Ms Martin?

MR POWER: Perhaps if I can just try and explain the management compliance assurance, I don't believe is a request for legal advice. That's a request to provide information to the business about compliance risks that exist in the business. But I
20 believe that in the course of providing that response, I am including material that constitutes legal advice or a summary of legal positions. So while not a specific request for legal advice, I believe it does contain material that would be the subject of a claim for privilege.

25 **MS SHARP SC:** Well, my - what I'm interested in, Mr Power, is could it be the case that you were merely providing business advice rather than legal advice?

MR POWER: It - well, I don't believe that's the case here. But, yes, I accept that there would be occasions where I'm providing business advice. The request itself
30 didn't request legal advice. I wasn't giving legal advice to Ms Martin. But in the course of responding about compliance risks, I've certainly summarised a number of advices given to the business, and this would be an example where marking it "privileged and confidential" is critically important because anyone looking at this document down the track needs to be alerted to the fact that it may
35 actually - because it's an email from me, it may actually disclose the content of legal advice.

MS SHARP SC: Well, is the dominant purpose for which this communication between you and Ms Martin occurred for the purpose of providing legal advice?
40

MR POWER: The document as a whole, no.

MS SHARP SC: But as you say, you just marked communications "privileged" as a matter of course where you thought they were confidential; is that right?
45

MR POWER: That's not what I said, no.

MS SHARP SC: Well, what did you say?

5 **MR POWER:** I said they were marked "privileged" in circumstances where an assessment may need to be made at some point whether or not a privilege claim exists. So in this case, I think I saw four or five occasions where a legal position was summarised in the response to Ms Martin that did constitute a summary of legal advice and, in my view, would be privileged.

10 **MS SHARP SC:** Now, what was your involvement in 2018 in relation to Salon 95 which, at that time, was operated by Suncity?

MR POWER: What was my involvement with it?

MS SHARP SC: Yes.

15 **MR POWER:** I - I didn't really have involvement with the operation of Salon 95.

MS SHARP SC: Did you have any involvement in assessing occurrences in Salon 95 in 2018?

20 **MR POWER:** Yes. When I became aware of matters in that salon, I certainly became involved.

MS SHARP SC: And what was your involvement there?

25 **MR POWER:** Well, I think I was working alongside investigators to try and ascertain what had actually taken place in the room and what The Star needed to do in response to it.

30 **MS SHARP SC:** So were you performing an investigatory role?

MR POWER: No, I don't believe I was investigating the matter. I think that the investigators were looking into the matter, and I was simply trying to advise on what course of action was needing to be taken in those circumstances.

35 **MS SHARP SC:** Could I show you a document, please, which is STA.3427.0018.3096. Do you see this is an email from Mr McGregor to you and others of 14 May 2018?

40 **MR POWER:** Yes, I see that.

MS SHARP SC: And Mr McGregor and Ms Judd were investigators at The Star?

MR POWER: They were, yes.

45 **MS SHARP SC:** And Mr Houlihan is the head of the investigations team?

MR POWER: Yes.

MS SHARP SC: Or was at that time. This is exhibit C49, Mr Bell. Could I take you to the email which precedes this one underneath. And you're also a recipient of that email?

5 **MR POWER:** Yes, I am.

MS SHARP SC: Now, given you were assisting and providing some advice to the investigators in 2018, do you expect you read this email at about the time it was sent to you?

10

MR POWER: I believe I read the email at the time, yes. Just a point of clarification, I'm not sure I was advising the - the investigators as such. But, yes, I - I would have read this email at the time.

15 **MS SHARP SC:** And do you see it says in that second-last paragraph of the second page of the email that:

20 "Today's activities with Suncity have been very strange, we have an entity within our four walls which is totally non-compliant to reasonable requests for basic information. I'm going to call it out early, Suncity is operating a business model under our noses which is problematic for The Star Entertainment Group with regards to AML/CTF laws."

25 **MR POWER:** Yes, I see that.

MS SHARP SC: Now, this must have been an extremely concerning piece of information to you, given that it was a statement made by a senior investigator?

30 **MR POWER:** Yes. Would you mind scrolling to the top just so I can get the date of that email again, please?

MS SHARP SC: It's 14 May, if you would like to have a look.

35 **MR POWER:** Thank you. Yes, it was a concerning email.

MS SHARP SC: It was extremely concerning information to you, wasn't it?

MR POWER: Yes.

40 **MS SHARP SC:** And do you see it's also asserted that Suncity has been totally non-compliant to reasonable requests for basic information?

MR POWER: Yes.

45 **MS SHARP SC:** Was that your understanding as at around May 2018, that investigators had been seeking information from Suncity representatives and they had not been prepared to provide those answers to the investigators?

MR POWER: I think this was in the few days that followed the activity that had been identified, and I believe that was what investigators had - had reported to me and others, yes, that they had been unhelpful and non-responsive to basic requests, yes.

5

MS SHARP SC: And that must have been quite concerning to you, wasn't it?

MR POWER: It seemed unusual, yes.

10 **MS SHARP SC:** All right. Well, it wouldn't give you any confidence that Suncity was, in fact, complying if its representatives would not give you basic information requested?

MR POWER: Yes, I accept that.

15

MS SHARP SC: And isn't it right that the events in Suncity became so concerning that a meeting was called between the investigators and the AML representatives and yourself in May of 2018?

20 **MR POWER:** I think - I believe that's right, yes.

MS SHARP SC: Well, let's go to your email, which is exhibit B at 787, STA.3412.0004.6632.

25 **MR POWER:** Yes.

MS SHARP SC: You see this is your email to yourself dated 15 May 2018?

MR POWER: Yes.

30

MS SHARP SC: So this has basically functioned as a file note you made on 15 May 2018?

MR POWER: A very rough one, yes.

35

MS SHARP SC: And was that your practice at the time, when you were making file notes, that you would just email messages to yourself?

MR POWER: From time to time, yes.

40

MS SHARP SC: And if I could take you to the bottom of the first page underneath the line. When you say:

45 "KH called it to get everyone in a room to understand who controlled what part of it."

Does that mean that Kevin Houlihan requested the meeting?

MR POWER: It looks that way. Yes.

MS SHARP SC: And is it right that the meeting was in relation to cash transactions occurring at the Suncity service desk?

5

MR POWER: Yes. That would be my understanding.

MS SHARP SC: And you see it says that:

10 "Skye believed Suncity in breach of the agreement."

MR POWER: I see that, yes.

MS SHARP SC: What agreement were you referring to there?

15

MR POWER: I think this - well, I'm not sure what Skye would have been referring to, but I believe it would be sensible that she is referring to the arrangements with the Iek junket in relation to that service desk, similar to what we discussed about an hour ago.

20

MS SHARP SC: And you see there's a reference to a police investigation? Were you aware in May 2018 that there was a police investigation in relation to events occurring in Salon 95 or in relation to Suncity representatives?

25

MR POWER: At this point when this email is sent, I am not sure I would have been aware that police were investigating anything.

MS SHARP SC: Well, can you explain why you've referred to a police investigation in your file note?

30

MR POWER: I believe I was taking a note of what someone would have - would have said.

MS SHARP SC: If I can take you over the page, please, to pinpoint 6633. Now, if I direct your attention to the top half of that note that you made, does that refresh your memory about a police investigation?

35

MR POWER: Yes. I'm not sure if there is a specific reference to an investigation as such. I know that - that we were certainly liaising with police in relation to these matters, but I - characterising it as a police investigation may be overstating it. Here it says that the police are interested in a particular individual. So I think they are wanting to know more from us, and I certainly think we were facilitating their inquiries at the time.

40

MS SHARP SC: So you did know that police were investigating something at the time, did you?

45

MR POWER: Well, again, I guess I'm just trying to be clear. I'm not sure they were investigating something. They certainly - we were certainly trying to bring these matters to their attention so that they could decide whether or not further action had to be taken.

5

MS SHARP SC: One of the things you say in this file note is:

"They're looking at Suncity as a junket and looking at some of their dealings."

10

Now, this is your file note. Are you recording information here that the police were looking at Suncity as a junket and looking at some of their dealings?

MR POWER: Again, this - it's a - it's a file note that was recording various bits of information that were coming to me at various points. I believe this part of the note related to a conversation that I was having with Amanda Judd, the investigations manager at the time. And so I believe these would have been her words. So I was taking a note of something that she may have told me, but it is difficult to tell. It is - it is not a well drafted file note.

15

MS SHARP SC: Well, do you agree that it's most likely at the time you took this file note that you were aware that the police were interested in Suncity as a junket?

MR POWER: Yes. I think - I think that's right.

20

MS SHARP SC: If I take you a little bit further down your file note, Mr Power, you say:

"So, I went up and spoke to gaming managers in Sovereign. Asked if had any concerns. GM -"

25

I take it that's general manager:

"Said they're running a cage back there and 'it's out of control'."

30

MR POWER: I believe "GM" would be reference to gaming manager. And, yes, I see that.

MS SHARP SC: And what you're recording is that the gaming manager told you in Suncity - I beg your pardon - in Salon 95 Suncity was running a cage and it's out of control?

35

MR POWER: Look, to the best of my recollection, it's not a file note of what was told to me; it would have been a file note of what I was told by the investigations manager.

40

MS SHARP SC: Well, yes, that's clear because you say:

"So, I went up and spoke to gaming managers. Gaming manager said they're running a cage back there and 'it's out of control'."

That's what you were told, wasn't it?

5

MR POWER: It is what I was told. Sorry, Ms Sharp. I think you said it recorded what I did.

MS SHARP SC: Right. So --

10

MR POWER: That's what I was told. I believe that's an accurate record of what I was told by the investigations manager at the time based on the inquiries that she had made.

15 **MS SHARP SC:** Well, that must have been an extremely concerning piece of information to you, wasn't it?

MR POWER: It was certainly concerning. I'm not sure at this point in time whether we knew what we were dealing with. But, yes, I - I accept it was concerning. If they were running a cage, that was certainly concerning.

20

MS SHARP SC: And particularly if you put that together with the piece of information that the police are interested in Suncity as a junket; do you agree?

25 **MR POWER:** Yes.

MS SHARP SC: And particularly if you also put it in the mix of the information you were aware of, of concerning cash transactions occurring in Salon 95 at that time; do you agree?

30

MR POWER: I agree.

MS SHARP SC: And then --

35 **MS RICHARDSON SC:** Sorry. Could I just point out to my friend, there's a date at the top of this file note which records a date when a meeting was - occurred. I think my learned friend might have the slightly wrong date. It's at the top.

MR POWER: Well, I think perhaps if I can just comment on that. I don't believe that that date is - is correct, the date of the file note at the top.

40

MS SHARP SC: Well --

MR BELL SC: Can I see the top of the page, please.

45

MR POWER: It was something I noticed in the course of reviewing this document. The news in relation to what happened in Salon 95 was only communicated to me on the weekend - I think it was on 12 May. So I believe,

again, it is not a - it is not a very good file note, and I believe that that date is incorrect.

5 **MS SHARP SC:** Right. But I've been asking you about a file note that you agree was made on 15 May 2018?

MR POWER: Yes.

10 **MS SHARP SC:** All right. So I will return to my question now. If we can go to pinpoint 6633. And do you see it says:

"I told Kev I think we've got a problem here."

15 **MR POWER:** Yes.

MS SHARP SC: And that's you recording that you said to Mr Houlihan, "I think we've got a problem here"?

20 **MR POWER:** No.

MS SHARP SC: No? What are you recording here?

25 **MR POWER:** I believe I'm recording what the investigations manager said to me. So she is relaying to me the series of events, the inquiries she has made and her concerns. So she is telling me that she went to her boss and has already said, "I think we've got a problem here."

30 **MS SHARP SC:** And did you agree with her sentiment that you think you've got a problem here?

MR POWER: Yes.

MS SHARP SC: All right. And is that why you made the file note?

35 **MR POWER:** Look, again, I think it's a - not a very good note. At the time, things were happening very fast. But it was important enough for me to jot down some of these key points because I thought they were concerning and I would need to communicate those in other discussions that I was having at the time.

40 **MS SHARP SC:** And just to return to the first page of your email to yourself dated 15 May 2018, you refer to the top of:

45 "Privileged file note of conversation with Greg Hawkins, Paul McWilliams and Micheil Brodie of 11 May 2018."

MR POWER: Yes.

MS SHARP SC: Is that the date you think you've got wrong?

MR POWER: Yes, I don't believe it was 11 May. I think that's wrong. I apologise.

5 **MS SHARP SC:** Right. Did you have a conversation with Gregory Hawkins, Paul McWilliams and Micheil Brodie at around 15 May 2018?

MR POWER: I believe I would have, yes.

10 **MS SHARP SC:** And did you say during that conversation that cash was being exchanged for chips in the Suncity - I beg your pardon - in the Salon 95 room?

MR POWER: I think I would have communicated that at that point I understood that that's what had happened, yes.

15

MS SHARP SC: And are you able to tell us what else you discussed with Gregory Hawkins, Paul McWilliams and Micheil Brodie at that time?

20 **MR POWER:** Again, my note is extremely brief and not that helpful. But I think I've started a sentence - which I would have been jotting down in the course of the meeting, and I would have been talking during part of it as well. But I've jotted down here:

"Reports that staff have observed."

25

And that would have been a lead-in to me communicating to them the material noted below that the investigations team had communicated to me.

30 **MS SHARP SC:** So is it right that by the time you write this file note on 15 May 2018, you are aware of the following matters: first of all, there is police interest in the Suncity junket?

MR POWER: Yes.

35 **MS SHARP SC:** Secondly, it would appear that Suncity have breached the service desk protocols in relation to Salon 95?

40 **MR POWER:** At this stage, I would say potentially. I don't think we knew whether they had breached or not, but I - I accept that that was a possibility. Yes, we were concerned about that.

MS SHARP SC: Thirdly, your investigators had reported to you that when asked about transactions, Suncity staff were being uncooperative?

45 **MR POWER:** Yes.

MS SHARP SC: Fourthly, that there were cash transactions of concern from a money laundering perspective?

MR POWER: Yes.

5 **MS SHARP SC:** And fifthly, that gaming managers considered that Suncity was operating a cage in Salon 95?

10 **MR POWER:** That was certainly something that was communicated to me. I'm not sure if that conforms with my understanding. It was really passed on to me. That was a fact. Yes, it had been communicated to investigators that that was the case.

MS SHARP SC: Well, this was all very, very worrying at this time to you, wasn't it, Mr Power?

15 **MR POWER:** Yes, it was.

20 **MS SHARP SC:** Wasn't the appropriate step at this time, in view of each of those matters made known to you, to recommend that Salon 95 cease to be operated by Suncity?

MR POWER: I'm not sure that was a decision or a recommendation that - that I was required to make.

25 **MS SHARP SC:** And you didn't make that recommendation; is that right?

MR POWER: I don't believe so, no.

MS SHARP SC: What did happen after this?

30 **MR POWER:** In 2018, to the best of my recollection, the investigators took a course of action to ensure that we worked out what had happened in that room. So Mr McGregor was actively going about getting answers to his questions and trying to get to the bottom of what had occurred.

35 **MS SHARP SC:** What had occurred?

MR POWER: Well, I think some transactions had taken place that were suspicious.

40 **MS SHARP SC:** So did you get to the bottom of it?

MR POWER: I believe the investigators got to the bottom of it, yes.

45 **MS SHARP SC:** And so what was the bottom of it? What had occurred?

MR POWER: Well, I - I mean, I think the investigators would be able to answer that. But as I recall it, there were some suspicious matters that took place in that room. That led to a series of events, including further engagement with law

enforcement to provide them more detail. I believe that a review was done of available CCTV footage to identify any other instances of conduct of this nature. I believe that we checked in with the AML team to ensure that all relevant notifications had been given to AUSTRAC in relation to the matter. And I believe we continued to liaise with law enforcement to try and get to the bottom of, and identify, the source of funds in relation to some of those cash presentations.

MS SHARP SC: Did you think there was a real risk that money laundering had occurred in Salon 95 at this time?

MR POWER: I believe that's what we were concerned about, yes.

MS SHARP SC: Well, was that your concern?

MR POWER: I don't believe I had responsibility necessarily for AML.

MS SHARP SC: What was your concern, Mr Power?

MR POWER: Sorry. I beg your pardon. I couldn't --

MS SHARP SC: What was your concern at that time?

MR POWER: Well, first and foremost, I wanted to make sure that The Star had met all of its obligations and that we hadn't been remiss in doing what we need to do.

MS SHARP SC: Well, wasn't your obligation to ensure that money laundering didn't occur in your casino?

MR POWER: Wasn't that my obligation?

MS SHARP SC: Wasn't that the obligation of the organisation you worked for?

MR POWER: Yes.

MS SHARP SC: Did you have a concern that money laundering had occurred in Salon 95 at this time?

MR POWER: Yes.

MS SHARP SC: And did anything give you any comfort that money laundering had not occurred in Salon 95 at this time?

MR POWER: I'm - I'm not sure if this is the answer to your question, but was it possible that it was not money laundering? Yes. In my mind, we still didn't know what we were looking at.

MS SHARP SC: Did anything give you any comfort that money laundering had not occurred in that room at that time?

5 **MR POWER:** Yes. The transactions themselves, you know, weren't - they - they were also transactions that could be explained by legitimate practices that weren't money laundering.

10 **MS SHARP SC:** You're aware, aren't you, that Suncity staff were charged with money laundering offences in relation to events in Salon 95 in 2018, aren't you?

MR POWER: I'm not aware of the specific charge that related to that, but I'm aware that police took action in relation to the matters that occurred in that room, yes.

15 **MS SHARP SC:** Well, that couldn't have given you any comfort that money laundering hadn't occurred in the room, could it?

20 **MR POWER:** Did it give me comfort that it hadn't occurred? No, it didn't give me comfort that it hadn't occurred.

MS SHARP SC: Wasn't the only appropriate thing for the business to do at this point in time is shut down that room and not let Suncity use it?

25 **MR POWER:** That - that was certainly - that would have been considered. It was certainly something that needed to be considered, but there may have been other actions that could be taken in relation to the matter.

MS SHARP SC: Wasn't that the only appropriate action to take?

30 **MR POWER:** At that point in time, I'm not sure - I'm not sure that it was the only appropriate action.

35 **MS SHARP SC:** All right. Well, now I will ask you from your perspective as group general counsel today: wasn't that the only appropriate action to take in response to these circumstances?

MR POWER: No, I don't believe it was the only appropriate action to take.

40 **MS SHARP SC:** Now, were you made aware that a risk assessment was undertaken in 2019 in relation to Salon 95?

MR POWER: Am I aware of that now? I believe that I've - I've seen that before, but I'm not sure if I was aware of it at the time.

45 **MS SHARP SC:** When do you say you first became aware of it?

MR POWER: I don't recall when I first became aware of it.

MS SHARP SC: Can I take you to STA.3427.0018.3537. Operator, I will read out that number again. STA.3427.0018.3537. Now, can you see this is an email from Andrew McGregor to Kevin Houlihan and yourself, copied to Paula Martin, on 5 June 2019?

5

MR POWER: I see that, yes.

MS SHARP SC: You see that it states that it attaches an information report on Salon 95 of May 2019?

10

MR POWER: Yes, I see that.

MS SHARP SC: Mr Bell, this is MFI29.

15 **MR BELL SC:** Thank you.

MS SHARP SC: Could I take you, please, to STA.3427.0018.3538. Do you see that this document is dated 5 June 2019?

20 **MR POWER:** Would someone please be able to increase the size of that? Yes, 5 June. Thank you. Yes.

25 **MS SHARP SC:** This is the document that was attached to that email I just showed to you. Do you think it's most likely you read that email and the attached document at the time?

MR POWER: I believe I would have, yes.

30 **MS SHARP SC:** Can I just review this attached information note with you. If can I just - operator, just have the top of the document scrolled up. Now it refers to Operation Lunar 2019, which deals with LEA interest?

MR POWER: Yes.

35 **MS SHARP SC:** Now, "LEA" stands for law enforcement agency?

MR POWER: Yes, it does.

40 **MS SHARP SC:** And the Operation Lunar is expressed to relate to Salon 95 and involve Suncity's operations?

MR POWER: Yes.

45 **MS SHARP SC:** Were you aware of Operation Lunar 2019 at the time?

MR POWER: I believe I would have been, yes.

MS SHARP SC: All right. Now, could I ask you to treat the information confidentially that's in that box.

MR POWER: I understand.

5

MS SHARP SC: It's a summary box.

MR POWER: Yes.

10 **MS SHARP SC:** Can you read it to yourself?

MR POWER: Do you mind if we increase the size of that page, please? And scroll up to the box - thank you. Yes. I've read that.

15 **MS SHARP SC:** Now, you're aware - I withdraw that. In June of 2019, you were aware, weren't you, that there were further incidents of concern occurring in Salon 95?

MR POWER: I believe so, yes.

20

MS SHARP SC: And could I take you to the heading Background, please?

MR POWER: I see the heading, yes.

25 **MS SHARP SC:** And what is being advised in this note is that last year, that is, in 2018, several individuals from Suncity, including their staff and customers, were interviewed by the police?

MR POWER: Yes, I see that.

30

MS SHARP SC: So you agree you knew that in 2019?

MR POWER: Yes.

35 **MS SHARP SC:** And you agree you were also made aware that police had previously seized cash and chips from a few people within the casino and preferred charges in accordance with the Proceeds of Crime Act and anti-money laundering legislation?

40 **MR POWER:** Yes.

MS SHARP SC: And you will agree that you were aware that six people linked to the Suncity operation in Sydney are on a list of people being considered by the New South Wales Police Commissioner for exclusion?

45

MR POWER: Yes, I see that.

MS SHARP SC: So you agree that there were pretty significant law enforcement concerns in relation to Suncity staff by June of 2019?

5 **MR POWER:** Certainly in relation to six of them, yes.

MS SHARP SC: Isn't that enough?

MR POWER: Yes.

10 **MS SHARP SC:** I suggest it would be very concerning that it was six people - six separate people in the one junket that the police are concerned with.

MR POWER: Yes. I accept that.

15 **MS SHARP SC:** May we take it you reviewed this note fairly carefully at the time?

20 **MR POWER:** I don't recall whether I reviewed it carefully. Certainly being a note from investigators, it would have caught my attention. But I - I can't say how closely I reviewed it.

MS SHARP SC: Well, you were concerned the previous year that there was an unacceptable risk in the Salon 95 room, weren't you?

25 **MR POWER:** I was, yes.

MS SHARP SC: In view of the concern you then had that it was an unacceptable risk, surely this would have been of particular interest to you the following year?

30 **MR POWER:** Yes, certainly that investigators were looking at matters still in relation to that room. Yes.

35 **MS SHARP SC:** Did this do anything at all to allay your concern that there was an unacceptable risk in Salon 95 in respect of criminal activity and/or money laundering?

MR POWER: Only insofar as that the police were clearly looking at these matters closely.

40 **MS SHARP SC:** Well, just because the police were looking at the matters, did that mean it was appropriate for the casino to continue dealing with Suncity?

MR POWER: I don't think that made it appropriate, no.

45 **MS SHARP SC:** So it's not a get out of jail free pass that you have the police looking at for you to continue dealing with Suncity, it is?

MR POWER: No. I certainly think it helps us understand what we were dealing with, though.

5 **MS SHARP SC:** Well, didn't it help you to understand that you were dealing with criminals?

MR POWER: I think some people had been charged at this point.

10 **MS SHARP SC:** I think you mentioned six.

MR POWER: Well, six people had - had been - it doesn't say how many people were the subject of charges. Six person - six persons were the subject of an exclusion order, and exclusion orders by the police can be issued for a number of reasons. But it certainly doesn't reflect well on them, no.

15 **MS SHARP SC:** Can I take you to pinpoint 3540. Here is the postscript:

20 "It appears that Suncity associates bring cash into Salon 95, concealing it in a few ways, and that this concealment has thwarted casino surveillance efforts to track its source or arrival time."

Was that information of concern to you?

25 **MR POWER:** Yes.

MS SHARP SC: And do you see a few paragraphs down, it says:

30 "It appears that as newer people have moved into roles within Suncity Sydney that behaviours discouraged during last year's review period are returning."

MR POWER: Yes, I see that.

35 **MS SHARP SC:** And can I take you over the page to pinpoint 3541. And do you see a heading Follow-Up Recommendations? Do you see it's stated:

"The CCTV footage has been retained and Ian Tomkins is currently reviewing a month's worth of additional CCTV footage."

40 **MR POWER:** Yes, I see that.

MS SHARP SC: Did you follow up on the results of his review?

MR POWER: I don't believe I did, no.

45 **MS SHARP SC:** Why not?

MR POWER: I don't believe he was reviewing it for me. I think this is just a note within the investigator's report.

MS SHARP SC: Well, weren't you working quite closely with Kevin Houlihan in relation to Salon 95 at this time, Mr Power?

5 **MR POWER:** Yes.

MS SHARP SC: All right. Well, why didn't you follow up on Ian Tomkins' review of a month's worth of additional CCTV footage?

10 **MR POWER:** I think he was reviewing it for Mr Houlihan. I'm not sure he was reviewing it for me or at my request. So I don't recall having conversations with Ian Tomkins about it or following up.

15 **MS SHARP SC:** Do you expect it most likely that Mr Houlihan would have made you aware of the outcome of Mr Tomkins' review?

MR POWER: He may well have, yes.

20 **MS SHARP SC:** And do you see a few further paragraphs down, it says:

"Several Suncity staff are presently being considered for section 79 non-voluntary exclusion orders or withdrawal of licence due to their involvement in -"

25 The transactions described there:

"And that New South Wales police have furnished a list of Suncity associates that they are considering section 81 directions for."

30 **MR POWER:** I see that, yes.

MS SHARP SC: That must also have been concerning information to you, was it?

35 **MR POWER:** It was - it meant the matter was serious, but I think it was information that was appreciated. I think that goes to the fact that action was being taken in relation to those matters.

40 **MS SHARP SC:** But there was a very serious problem here at the time, wasn't there?

MR POWER: Yes, I think it was.

45 **MS SHARP SC:** And you understood at this time that there was a very serious problem?

MR POWER: Yes.

MS SHARP SC: Would this be a convenient time, Mr Bell?

MR BELL SC: Yes. I will adjourn until 2 pm.

<THE HEARING ADJOURNED AT 1:08 PM

5

<THE HEARING RESUMED AT 2:04 PM

MR BELL SC: Yes, Ms Sharp.

10 **MS SHARP SC:** Mr Power, could I take you to a document, please - pardon me for one moment. It's exhibit B773, which is STA.3008.0003.0049. Now, if I just ask the operator to show you the top of this document. Do you see it's one dated 10 May 2018, and it's addressed to Mr Iek Kit Lon? And then if I take you to the next page, you will see it's authored by Greg Hawkins?

15

MR POWER: Yes, I see that.

MS SHARP SC: Now, did you see this document at around the time it was sent and bearing in mind the advice that you provided to Mr Hawkins on 16 May of 2018?

20

MR POWER: I believe I did see this document at around this time, yes.

MS SHARP SC: All right. Did you see a draft before it was sent?

25

MR POWER: I believe I may have been copied on correspondence where drafts were exchanged. I'm not - I don't recall whether I viewed the draft.

MS SHARP SC: All right. Did you understand that this was a warning letter to the Suncity junket in relation to events in Salon 95?

30

MR POWER: I'm not sure if I would say it was a warning letter. I wasn't involved in some of the dealings with the junket at this time. But when I've reviewed my files, it looks like this may be a letter responding to a request from that junket to try and offer particular services.

35

MS SHARP SC: Well, if I could just direct your attention, please, to 0050. Do you see it says:

40 "Compliance with the points above is extremely important and non-compliance will result in The Star, Sydney terminating your use of the service desk."

MR POWER: I see that. I think the point I'm just trying to make is that I'm not sure this is a letter that can be linked to the activity that we discussed earlier.

45

MS SHARP SC: No. Well, this pre-dated it, didn't it?

MR POWER: Yes.

MS SHARP SC: Yes. All right. And then just to remind you - and I will bring the email up again. On 16 May 2018, you emailed Mr Hawkins - and I will bring that
5 email up, STA.3411.0010.3560. And do you see this is the one where you said:

"The junket group's conduct has exposed The Star to an unacceptable level of risk."

10 **MR POWER:** Yes, I see that.

MS SHARP SC: So that was your opinion in light of the fact that Mr Hawkins had earlier sent the 10 May 2018 letter to the junket operator?

15 **MR POWER:** Yes.

MS SHARP SC: Now can I show you another document, please, which is exhibit B863. And this is STA.3008.0004.0199. Do you see that letter dated 5 June -

20 **MR POWER:** Can I just have that expanded a little, please? That's fine. Thank you. Yes, I see that letter.

MS SHARP SC: Now, did you see that letter at about the time it was sent?

25 **MR POWER:** I believe I would have, yes.

MS SHARP SC: All right. And this was shortly after you sent your email to Mr Hawkins?

30 **MR POWER:** Yes.

MS SHARP SC: What was your view of this letter and whether it was an appropriate response to the events that you understood had taken place in Salon
35 95?

MR POWER: Do you mind if I just read the letter quickly?

MS SHARP SC: Yes, please do.

40 **MR POWER:** Thank you. Sorry. And the question was, what was my view of this letter at the time?

MS SHARP SC: Yes. Did you think this was an appropriate response to the events that you understood had taken place in Salon 95?

45 **MR POWER:** I certainly thought it was a necessary letter. Did I think it was appropriate? It's certainly an escalation, but - I certainly thought an escalation was appropriate, yes.

MS SHARP SC: Well, did you think it was a very effective response, Mr Power?

MR POWER: I wouldn't call it a very effective response, no.

5

MS SHARP SC: Well, how do you describe it?

MR POWER: Well, I think it's a warning - it's a warning letter to say that they need to get their house in order, that there are to be no more transactions that weren't permitted under the - the processes that had been communicated to them.

10

MS SHARP SC: Did you think this was a weak response in view of the events that you were aware of?

MR POWER: I think it could be characterised as a weak response, yes.

15

MS SHARP SC: Well, is that what you thought at the time?

MR POWER: I'm not sure I thought about it in that way at the time, but dealings with the junket weren't my primary sort of concern. I was trying to make sure that we adequately notified AUSTRAC in accordance with our obligations and that the investigators, were, you know, chasing matters down and ensuring that it didn't happen again.

20

MS SHARP SC: Well, surely, given the advice that you had sent to Mr Hawkins on 15 May that you thought that the junket's conduct had exposed The Star to an unacceptable level of risk, you formed a view about the adequacy or otherwise of this letter?

25

MR POWER: Sorry. I - I apologise. Can you please - what was the question?

30

MS SHARP SC: Yes, sure. Surely, in view of the 15 May 2018 email you sent to Mr Hawkins stating the junket group's conduct has exposed The Star to an unacceptable level of risk, you had a view about the appropriateness or otherwise of this letter sent to the junket on 5 June 2018?

35

MR POWER: Yes.

MS SHARP SC: And tell us what that view was.

40

MR POWER: I think at the time, in my mind, it was serious conduct, as we discussed earlier. I think that the letter was warranted in providing a - a final warning and putting them on notice that if they didn't comply with those processes that had been agreed and at that point, I think, communicated to their staff in clear terms, that - that it would be taken very seriously.

45

MS SHARP SC: Was it a weaker response than you would have preferred?

MR POWER: I think the letter itself is probably okay. It was more to do with what other controls that we had in place in relation to the conduct in that room.

5 **MS SHARP SC:** But Mr White gave evidence yesterday to the effect that the team considered that this was a weak and inappropriate response. Is that a view you shared at the time?

10 **MR POWER:** I don't think it's a view I had at the time. I think - certainly that was a view expressed by Mr Buchanan at one point. But I'm not sure it's something I turned my mind to at the time.

MS SHARP SC: Despite the fact that you recommended to - well, you said to Mr Hawkins that Suncity presented an unacceptable risk?

15 **MR POWER:** I thought that in those discussions we had around this time, it was certainly considered the type of response that was needed. I think it was a firm letter. I think there were other controls and measures being taken. But I - I accept that it could be viewed as a weak letter - a weak response.

20 **MS SHARP SC:** Well, is that how you viewed it at the time?

MR POWER: I don't think I viewed it that way at the time, no.

25 **MS SHARP SC:** Now, I will return us to STA.3427.0018.3537. And you see this is an email of 5 June 2019, and you're one of the recipients of it?

MR POWER: Yes.

30 **MS SHARP SC:** And I will take you again to the attachment, which is STA.3412.0042.8585. Now, we discussed this before lunch. In view of the information outlined in that information note, do you think that letter that Mr Hawkins sent to Mr Iek on 5 June 2018 had been very effective in managing the risk presented by Suncity?

35 **MR POWER:** The letter on its own, I'm not sure, managed the risk in relation to that room. I didn't review the rest of this information note. I'm not sure if that would assist. But I take - well, I can - would you like me to review that information note?

40 **MS SHARP SC:** Well, I've reviewed it with you in detail before lunch. Do you remember that?

45 **MR POWER:** I think we went to concern parts of it, but I don't think we scrolled through the rest of the report.

MS SHARP SC: Well, I will take you again. You can take it from me that we did go through it in some detail, but I will remind you. If we go to pinpoint 00 - I

withdraw that. If we go to pinpoint 8586. And then if we go to pinpoint 8587. You recall we discussed these pages before lunch?

5 **MR POWER:** We discussed a few of the references on these pages, yes.

MS SHARP SC: All right. Well, it's right that significant new information was made available to you in June 2019 regarding occurrences in Salon 95?

10 **MR POWER:** Yes.

MS SHARP SC: And is it right that you had a concern at that time that concerning cash transactions continued to occur in Salon 95?

15 **MR POWER:** Yes.

MS SHARP SC: And did you provide any assistance to Mr Houlihan, Ms Arnott or anyone else in reviewing the incidents in around June of 2019?

20 **MR POWER:** I don't believe I provided assistance to them, no.

MS SHARP SC: Are you aware that investigations of the money laundering team and the investigations team were continuing in relation to Suncity and Salon 95 in June of 2019?

25 **MR POWER:** I'm not sure if I was aware of that at the time. I think that I would have expected it to have been, yes.

MS SHARP SC: And Mr Stevens reported directly to you at that time, didn't he?

30 **MR POWER:** He did.

MS SHARP SC: It would be your expectation, wouldn't it, that if he was involved in an investigation into potential money laundering in Salon 95 in June 2019, he would make you aware of that?

35 **MR POWER:** I don't believe he was involved in any investigation in relation to money laundering.

40 **MS SHARP SC:** Do you - well, what do you say he was involved in?

MR POWER: If we are talking about Mr Stevens, I understood that he had undertaken a regulatory review of the processes in that room relating to the operation of the service desk.

45 **MS SHARP SC:** And are you aware that he was involved in any other kind of review at that time, subsequent to his audit of service desk operations?

MR POWER: Yes, I'm - I'm - at the time, he was in - he was the regulatory affairs manager. I wouldn't characterise it as an audit, but he did a review. Am I aware of any subsequent reviews? I don't believe so. I can't recall any.

5 **MS SHARP SC:** Well, I will take you to STA.3418 - I'm sorry. I have to mark this document for identification, apparently, Mr Bell.

MR BELL SC: The information note, Ms Sharp?

10 **MS SHARP SC:** Yes, the information note and I'm told the covering email as well. So the information note is STA.3412.0042.8585.

MR BELL SC: Yes. So --

15 **MS RICHARDSON SC:** Sorry, I thought that was MFI29.

MS SHARP SC: Yes. I think it already is marked.

MR BELL SC: Good. Thank you.

20 **MS SHARP SC:** Can I take you now to document STA.3418.0035.8175. Now, you're not a party to this document, but you agree, don't you, that it's a meeting appointment for June 2019?

25 **MR POWER:** It appears to be, yes.

MS SHARP SC: And do you see that attendees at this meeting were proposed to be Skye Arnott, Kevin Houlihan, Graeme Stevens, Ian Tomkins and Micheil Brodie? And what Ms Arnott says is:

30 "I have set up this meeting to get an understanding of what came out of the Suncity footage and discuss next steps."

MR POWER: I see that, yes.

35 **MS SHARP SC:** Now, it's most likely, isn't it, that you were made aware of the Suncity footage at this point and the fact that all of these officers, one of whom directly reported to you, were having a meeting?

40 **MR POWER:** I don't recall whether I was made aware of it or not.

MS SHARP SC: Can I take you, please, to pinpoint STA.3418.0011.0621. Now, again, this is not your document, but I want to review the contents of this document with you. Do you see it's copied to Graeme Stevens?

45

MR POWER: Yes.

MS SHARP SC: And you will note he reported to you directly at this time?

MR POWER: He did. Apologies, Ms Sharp. Would you mind - if you can just get that document expanded, please? Thank you. That's fine.

5 **MS SHARP SC:** And, Mr Bell, this is exhibit B1437. In this email, Mr Tomkins is setting out his observations regarding a number of pieces of CCTV footage?

MR POWER: Do you mind - do you mind if I have a quick read of this email, please?

10

MS SHARP SC: Yes, go ahead and read it.

MR POWER: Thank you. Sorry. Can you just scroll down, please, operator? Okay. Thank you. Yes, I've seen that.

15

MS SHARP SC: Are you suggesting that none of this information was made known to you at around this time, that is, 24 June 2019?

20 **MR POWER:** I'm not suggesting that. I just don't recall it being made known to me.

MS SHARP SC: So you're saying that you don't recall anyone making known to you that there were a series of CCTV pieces of footage capturing transactions of concern?

25

MR POWER: I believe Mr McGregor would have made me aware of that.

MS SHARP SC: Yes. Well, surely it's a matter you have some memory of?

30 **MR POWER:** Not a specific memory of, no, but I believe that I was aware generally that there were some issues in and around this time.

MS SHARP SC: Well, it's unusual activity to be occurring in the casino, isn't it?

35 **MR POWER:** I wouldn't say it's unusual activity, but it's certainly suspicious.

MS SHARP SC: All right. Well, is it the kind of activity that you think you would have a memory of?

40 **MR POWER:** I'm not sure I would say I would have a memory of it. I think if activity is suspicious, it would give rise to a suspicious matter report being lodged with AUSTRAC, and I - it looks - it appears on the face of this email that that's what it was being provided to the AML team for.

45 **MS SHARP SC:** Would you expect that if Mr Stevens were aware of a number of concerning transactions occurring in Salon 95, he would report those to you?

MR POWER: I expect that's right, yes.

MS SHARP SC: And Ian Tomkins was a senior regulatory affairs adviser. Did he report to you?

5 **MR POWER:** Yes, at - at one point. I also recall he did a stint with the investigators. He was someone with previous law enforcement background. So I'm not sure of the timing of this, but - yes, at - at this stage, it - it looks like he may be reporting to Graeme Stevens.

10 **MS SHARP SC:** All right. Well, Mr Tomkins also reported to you in his capacity as the senior regulatory affairs adviser, didn't he?

MR POWER: He would have if that was the role he was performing, yes.

15 **MS SHARP SC:** All right. So this email involves two people who report to you directly; do you agree?

MR POWER: There's, yes, two people on this email that I have dealings with, yes.

20 **MS SHARP SC:** All right. And in view of its contents, is it most likely that this information was communicated to you in around June of 2019?

25 **MR POWER:** It is likely. I'm not sure about the level of detail or what would have been communicated to me, but I'm - I think it is likely that someone would have alerted me to the fact that there was some activity going on in the room.

MS SHARP SC: And could I take you, please, to exhibit B1491.

30 **MR POWER:** Could I just get that enlarged, please?

MS SHARP SC: This is STA.3009.0004.0003. Could I draw your attention to the email from Graeme Stevens dated 27 May 2019 which is addressed to you?

35 **MR POWER:** Sorry. Yes, I see that.

MS SHARP SC: So you agree you were being kept in the loop about some aspects of Salon 95 --

40 **MR POWER:** Yes.

MS SHARP SC: -- in May of 2019?

MR POWER: Yes.

45 **MS SHARP SC:** All right. So now can we return, please, to exhibit B1437. Operator, could we go to exhibit B1437, which is STA.3418.0011.0621. Now,

you've read this email, Mr Power. Do you see that there are seven different instances referred to there?

5 **MR POWER:** Yes.

MS SHARP SC: And those instances have each occurred in March of 2015?

MS RICHARDSON SC: I think 2019.

10 **MS SHARP SC:** I beg your pardon. 2019?

MR POWER: And I believe it's May.

15 **MS SHARP SC:** I will withdraw that and put it again.

MR POWER: Yes.

20 **MS SHARP SC:** Do you agree each of these seven instances occurred in May of 2019?

MR POWER: Yes.

MS SHARP SC: They were all unusual transactions?

25 **MR POWER:** Some of them certainly are, yes.

MS SHARP SC: And they all relate to Salon 95?

30 **MR POWER:** Yes.

MS SHARP SC: And you can see the descriptions in blue shade applied to some of them? Don't repeat those.

35 **MR POWER:** Yes.

MS SHARP SC: It's most likely these concerns were made known to you in around June of 2019, isn't it?

40 **MR POWER:** I think it's likely, yes.

MS SHARP SC: Well, it's most likely, isn't it?

MR POWER: Sure. It's most likely, yes.

45 **MS SHARP SC:** Well, Mr Power, there was a really serious compliance concern here in June 2019, wasn't there?

MR POWER: Yes.

MS SHARP SC: You would have been made aware of that; you're the general counsel.

5 **MR POWER:** I certainly would have been aware of the concerns around the operation of the service desk, but I don't think it would be a matter of course that I would be notified about every suspicious matter.

10 **MS SHARP SC:** These matters being reported are extraordinary, aren't they? All occurring in the same room?

MR POWER: I think they are extraordinary. They're not common matters. They relate to the operation of the service desk. So, yes, I agree.

15 **MS SHARP SC:** Yes. And most likely, you were aware of them in June of 2019?

MR POWER: Yes, I accept that.

20 **MS SHARP SC:** And, really, something would have gone really wrong with Star's processes had you not been made aware of these matters in 2019; do you agree?

25 **MR POWER:** I don't think I would go that far. My role was not one related to AML. My role - I was not in charge of compliance. I think the people that were included on that meeting request were people that absolutely had to be made aware of it. But I certainly had an interest in the operation of the service desk and was wanting to ensure that appropriate action was being taken in relation to that. But it certainly wasn't something that fell within my area of responsibility.

30 **MS SHARP SC:** Well, it fell within your responsibility sufficiently that you wrote to Greg Hawkins in May of 2018 and told him you considered it presented an unacceptable risk to the casino, didn't you?

35 **MR POWER:** Yes.

MS SHARP SC: This was in your area of responsibility, wasn't it?

40 **MR POWER:** It's certainly something that I was watching and - and paying attention to, yes, the operation of that service desk.

MS SHARP SC: When did you first become aware of the existence of the Hong Kong Jockey Club report?

45 **MR POWER:** I don't recall when I first became aware of its existence.

MS SHARP SC: When did you become aware that a copy of it was held by The Star?

MR POWER: I'm not sure when I learnt that. I recall that it was referred to in the media, but I don't - I don't know when I learnt that Star had a copy. It wouldn't have been at the time.

5 **MS SHARP SC:** Well, let me take you to exhibit C, tab 78. Can you see - this is STA.3427.0037.3869. Do you see there's an email there dated 12 June 2019?

MR POWER: I can. Would you mind if I just had that increased in size? I'm sorry.

10

MS SHARP SC: Well, we will just ask about that date first.

MR POWER: Yes.

15 **MS SHARP SC:** It's in June 2019 --

MR POWER: Yes.

20 **MS SHARP SC:** -- that you agree Mr Tomkins sent that email setting out seven different incidents of a concern happening in Salon 95 in May of 2019?

MR POWER: Yes.

25 **MS SHARP SC:** And do you see this document is sent to two of your colleagues in the legal office, Ms Martin and Mr Oliver White?

MR POWER: This email is, yes.

30 **MS SHARP SC:** Yes. And you reported directly to Ms Martin at this time?

MR POWER: I did, yes.

MS SHARP SC: And do you see it's also sent to Kevin Houlihan?

35 **MR POWER:** Yes.

MS SHARP SC: And what this email says is that:

40 "Please find attached a copy of the 2018 Suncity report my intelligence team conducted whilst I was with the Hong Kong Jockey Club. It is a comprehensive report and was prepared due to the potential threat Suncity poses/posed to the integrity of racing in Hong Kong."

MR POWER: Yes.

45

MS SHARP SC: It is most likely, isn't it, that you were made aware - I withdraw that. It is most likely, isn't it, that you provided with a copy of this report at around the date it was sent to your colleagues. Do you agree or disagree?

MR POWER: I disagree.

5 **MS SHARP SC:** Even though you were the general counsel with responsibility for compliance at The Star in Sydney?

10 **MR POWER:** That's not correct. At this time, I did not have responsibility for compliance. I was the general counsel for The Star Pty Ltd. I had no function or official capacity related to AML. I was certainly interested in conduct that was happening in Salon 95 because I worked closely with the investigators, but it was not part of my function at this time.

15 **MS SHARP SC:** Wasn't one of the investigators you worked closely with Kevin Houlihan?

MR POWER: Yes.

20 **MS SHARP SC:** And that organisation you worked for, that was the holder of the casino licence in New South Wales?

MR POWER: Yes, that's correct.

25 **MS SHARP SC:** Are you seriously suggesting that a copy of this report was not provided to you by either Angus Buchanan, Paula Martin, Oliver White or Kevin Houlihan in around June 2019?

MR POWER: Yes, that's what I'm suggesting.

30 **MS SHARP SC:** Well, isn't that remarkably surprising to you?

MR POWER: No, I don't believe it is.

35 **MS SHARP SC:** Well, isn't this - don't you agree that this report was of direct relevance to your functions?

MR POWER: No, I don't.

MS SHARP SC: When do you say you first became aware of this report?

40 **MR POWER:** I don't recall when I first became aware of it. I have a recollection - vague recollection that there was references to it in the media at some stage. But whether I became aware of it at the time it was referenced in the media or whether I read that in various reports later on, I can't - can't say when I first became aware of it. But I certainly - I don't believe I've ever read the Hong
45 Kong Jockey Club report.

MS SHARP SC: Are you telling the truth about what you're saying at the moment, Mr Power?

MR POWER: To the best of my recollection, yes. I don't think I've ever received a copy of the Hong Kong Jockey Club report.

5 **MS SHARP SC:** Are you saying you've never read it?

MR POWER: I don't believe I have ever received a copy of it.

10 **MS SHARP SC:** Are you saying you've never read it?

MR POWER: If I've never - I'm saying I've never read it, yes.

15 **MS SHARP SC:** Weren't you involved in assisting briefings of the board in relation to media allegations in July of 2019?

MR POWER: I don't believe so.

MS SHARP SC: You say you had no involvement in that?

20 **MR POWER:** Well, I'm not sure which briefing you're referring to, but I don't recall being involved in a briefing to the board about media in July 2019.

25 **MS SHARP SC:** Is it right that you had some role in gathering together information for the board in July 2019 arising from media allegations made against Crown Resorts?

MR POWER: I don't know. I - I think I'd have to see the board paper to give you --

30 **MS SHARP SC:** Well, I'm asking what your recollection is. Can you tell me?

MR POWER: I don't recall having any - any role in - or any principal role in providing updates to the board at that time, no.

35 **MS SHARP SC:** Can I show you exhibit B1505, please. Do you see there's an email from Graeme Stevens to you dated 9 August 2019?

MR POWER: Yes.

40 **MS SHARP SC:** So you agree that you were keeping some kind of eye on Salon 95 in August of 2019?

45 **MR POWER:** Do you mind if we just scroll down on that email, please? And a bit further. Sorry. Do you mind if we just get that increased in size, please?

MS SHARP SC: Now, can I draw your attention, please, to the email in the middle from Skye Arnott to you and others dated 9 August 2019? Do you see that?

MR POWER: I do see that.

MS SHARP SC: And do you see it's forwarding an email from her dated 30 July 2019?

5

MR POWER: I see that.

MS SHARP SC: Now, it's most likely you read that email at the time, isn't it?

10 **MR POWER:** It's most likely, yes.

MS SHARP SC: All right. And do you see her email dated 30 July 2019 refers to a joint risk assessment meeting where:

15 " We discussed the possibility of conducting a risk assessment on Suncity and Salon 95."

MR POWER: I see that.

20 **MS SHARP SC:** And we:

"Would recommend that consideration be given to -"

One:

25

"Conducting a risk assessment of the Suncity arrangements. Kevin and I have agreed to work together to build a scope for this work and would suggest that Angus may be a useful resource to complete it."

30 **MR POWER:** I see that.

MS SHARP SC: So you were being made aware, on 9 August 2019, that people were considering undertaking a risk assessment on Suncity and Salon 95?

35 **MR POWER:** Yes.

MS SHARP SC: But is it your evidence that at this point in time, none of Angus Buchanan, Paula Martin or Oliver White made you aware of the fact that they held a report of direct relevance to the assessment of risk that Suncity posed to the casino operator?

40

MR POWER: Yes, I don't believe that I was made aware of that report at the time.

45 **MS SHARP SC:** Well, that's just completely unbelievable, isn't it?

MR POWER: I disagree.

MS SHARP SC: Now, let me take you to STA.3402.0003.5109. Do you see there's an email from Peter Jenkins dated August 10, 2019?

5 **MR POWER:** Do you mind if we just increase that a little bit, please? Yes, I see an email from Peter Jenkins.

MS SHARP SC: And do you agree that you're one of the recipients of that email?

10 **MR POWER:** Yes, I see that.

MS SHARP SC: And do you expect that you read that email at the time?

MR POWER: I expect that I would have, yes.

15 **MS SHARP SC:** And was that a matter of considerable interest to you at the time, that Star's competitor was the subject of an inquiry of the New South Wales Independent Gaming and Liquor Authority?

20 **MR POWER:** That would have been of some interest to me, yes.

MS SHARP SC: Considerable interest?

MR POWER: Sure. Would you like me to read that article, Ms Sharp?

25 **MS SHARP SC:** Not at this stage. Thank you, Mr Power. Could I take you now, please, to exhibit B, tab 1515. This is STA.3402.0007.8390. Do you see this is a letter from Natasha Mann at ILGA, dated 29 July 2019, to Damian Quayle at The Star?

30 **MR POWER:** Yes, I see that.

MS SHARP SC: And you're copied into that; do you agree?

35 **MR POWER:** I can't see that on the face of the document, but I've certainly seen a copy of this. Yes.

MS SHARP SC: All right. Do you see it says "cc Andrew Power"?

40 **MR POWER:** My apologies. Yes, I see that.

MS SHARP SC: All right. May we take it you read this letter from Liquor and Gaming at the time?

45 **MR POWER:** Yes.

MS SHARP SC: All right. And do you see that the reference is made in that letter to:

"The allegations raised in media reports over the weekend about connections between Crown Resorts and criminal figures."

5 **MR POWER:** Yes.

MS SHARP SC: And that:

10 "The media reports raised allegations relating to suspicious junkets in China and Australia, and questioned the suitability and conduct of some junket operators and their representatives."

MR POWER: I can see that. Would you mind if we just increased the size slightly, please?

15 **MS SHARP SC:** Well, just before you go ahead and read it. You agree, don't you, that New South Wales Liquor and Gaming was making inquiries about the junkets with which The Star engaged at that time?

20 **MR POWER:** Yes.

MS SHARP SC: Right. And you told us one of your responsibilities at this time was dealing with the regulator; that's right, isn't it?

25 **MR POWER:** Yes, that's right.

MS SHARP SC: This email - or this letter would have been of considerable interest to you, would it not?

30 **MR POWER:** Yes.

MS SHARP SC: And you understood, didn't you, that New South Wales Liquor and Gaming would be interested to know what was happening with Suncity?

35 **MR POWER:** Amongst other junkets - I think it was more general than that, but yes.

40 **MS SHARP SC:** All right. Now, could I take you to exhibit B1501. Can I direct your attention, please, to the email in the middle of the page from Micheil Brodie dated 8 August 2019? Do you see you're copied into that email?

MR POWER: Yes.

MS SHARP SC: And do you see that there's a request for a board paper?

45 **MR POWER:** Yes.

MS SHARP SC: So you were aware, weren't you, that a board paper was being prepared in relation to the media allegations?

MR POWER: I can't say whether I was aware of that or not.

5 **MS SHARP SC:** Well, what do you think in light of the fact that there's an email to you about it?

MR POWER: Well, it's an email that's copied to me. I'm not sure if this is an email I would have responded to at the time.

10 **MS SHARP SC:** Would you have read it?

MR POWER: I'm - I'm not sure.

15 **MS SHARP SC:** Do you ordinarily read emails if they relate to board requests?

MR POWER: I would try and read emails that relate to board requests. I'm not sure if an email that's copied to me is one that I would have read or actioned.

20 **MS SHARP SC:** Can I take you to the next page of this document, which refers to a separate email. Do you see there's an email from Ms Paula Martin?

MR POWER: Sorry. Do you mind if we just get that increased please? And a little bit more, please. Thank you. That's perfect.

25 **MS SHARP SC:** And do you see that it is also dated 8 August 2019?

MR POWER: Yes, I see that.

30 **MS SHARP SC:** And you're copied into it?

MR POWER: I am, yes.

35 **MS SHARP SC:** Do you think the fact that Ms Martin sent it and that it was titled Request for Board Paper means it's most likely you read it at the time?

MR POWER: I think that would mean that I would have read it, yes.

MS SHARP SC: And what it says is:

40 "As discussed with Micheil last night, at yesterday's board audit committee meeting the directors also had a brief session regarding media reports on Crown and related matters."

45 Now, it was a matter of considerable interest to Star at this time that all of these allegations had been made in the press about Crown Resorts, wasn't it?

MR POWER: I would expect it was.

MS SHARP SC: Well, I'm asking for your recollection, Mr Power.

5 **MR POWER:** I don't know if I could answer what was of particular interest to The Star. I expect if there's a board paper being requested that that would indicate that it was.

MS SHARP SC: Was it of particular interest to you?

10 **MR POWER:** I think the fact that there were allegations made in relation to junket operators, yes, I think I was interested in that.

MS SHARP SC: Well, do you have a recollection of it?

15 **MR POWER:** Not a specific recollection, no.

MS SHARP SC: It was a matter of considerable concern, wasn't it, that there were all these media allegations that junkets, with which both Crown and Star had business dealings, were connected to triads, wasn't it?

20 **MR POWER:** I didn't read the article from before. But, yes, I accept that that was the nature of the media and I think that would have been of concern to us and to me, yes.

25 **MS SHARP SC:** All right. Do you remember there was an exposé on 60 Minutes on 28 July 2019 about that very topic?

MR POWER: I do, yes.

30 **MS SHARP SC:** And then there was a wave of media reports about it in the press in the coming days, wasn't there?

MR POWER: There was, yes.

35 **MS SHARP SC:** May we take it that you watched that 60 Minutes program at the time?

MR POWER: I believe I did.

40 **MS SHARP SC:** And you read those media reports in subsequent days?

MR POWER: I believe so, yes.

45 **MS SHARP SC:** And you were well aware, weren't you, that those allegations related in part to Suncity, weren't you?

MR POWER: Yes.

MS SHARP SC: And you were well aware, weren't you, that the board wanted a briefing on the merit of those allegations, weren't you?

5 **MR POWER:** I believe so. Based on this email, I would have been aware, yes.

MS SHARP SC: And yet you say none of your colleagues - Ms Martin, Mr Houlihan or Mr White - made you aware that they were in possession of the Hong Kong Jockey Club report about Suncity?

10 **MR POWER:** I don't believe so, that they made me aware. That's right.

MS SHARP SC: You were aware, weren't you, that the media made a specific allegation about the Hong Kong Jockey Club report?

15 **MR POWER:** I don't recall them making an allegation about the report. I think they may have referenced the report.

MS SHARP SC: And you knew that at the time, didn't you?

20 **MR POWER:** I would have read it at the time, yes.

MS SHARP SC: Yes. Well, the 60 Minutes program specifically referred to the Hong Kong Jockey Club report, didn't it?

25 **MR POWER:** I don't recall, but I expect it may have.

MS SHARP SC: Now, did you play any role at all in collecting together for the board information in relation to the media allegations?

30 **MR POWER:** Not that I recall.

MS SHARP SC: So you can't exclude the possibility that you did?

35 **MR POWER:** I can't exclude the possibility. Correct.

MS SHARP SC: Did any of your colleagues ask you about what had been going on in Salon 95 during May and June of 2019?

40 **MR POWER:** I don't believe so. I don't think they would have asked me.

MS SHARP SC: Were you making any inquiries about junkets at that time for any reason, Mr Power?

45 **MR POWER:** I - I may have been making inquiries at the time.

MS SHARP SC: Well, weren't you collecting information for the regulator about the junkets?

MR POWER: I think I was assisting with a response to the regulator, yes.

MS SHARP SC: So weren't you collecting information about those junkets for the regulator?

5

MR POWER: Yes. Some information on those junkets, yes.

MS SHARP SC: So what was the assistance you were providing?

10 **MR POWER:** I don't recall now what assistance I was providing.

MS SHARP SC: Can you try your best to recall, please?

15 **MR POWER:** My recollection is that in response to that first letter from Liquor and Gaming, we provided a - an email response and I would have had a hand in preparing that response. And I think, then, there was some further correspondence received and information sought, which I think I helped coordinate. But - so if that means collecting, yes. I was involved in - in - I had a role to play in communicating that information to the regulator.

20

MS SHARP SC: And precisely what was your role, Mr Power?

25 **MR POWER:** Well, I think the letter might have even come from - from me in response to the regulator's request. Precisely - well, I was one of the people that was preparing the response and getting senior management and senior executives to review that response before sending it.

MS SHARP SC: All right. So you did tell your colleagues that you were responding to requests from the regulator about junkets?

30

MR POWER: I believe - yes, I would have done so.

MS SHARP SC: And you did tell your colleagues that you were responding to requests from the regulator about the Suncity junket?

35

MR POWER: Yes.

MS SHARP SC: And you still maintain that none of your colleagues provided you with a copy of the Hong Kong Jockey Club report at that time?

40

MR POWER: Yes.

45 **MS SHARP SC:** And what is your view today about the fact that none of your colleagues provided you with a copy of the Hong Kong Jockey Club report at the very time you were providing an answer to the regulator about the Suncity junket?

MR POWER: I believe, based on what you showed me before, that the Hong Kong Jockey Club had been given to the person dealing with AML.

MS SHARP SC: I don't think that answered my question, so I will ask it again. What is your view today about the fact that none of your colleagues provided you with a copy of the Hong Kong Jockey Club report at the very time you were
5 providing an answer to the New South Wales regulator about the Suncity junket?

MR POWER: Do you mean that The Star was providing a response or that me personally?

10 **MS SHARP SC:** Does that make any difference?

MR POWER: I think it does. The Hong Kong Jockey Club was not provided to me at the time because I don't know that I really had a role that required me to have that report.

15 **MS SHARP SC:** Well, I will stop you there. Wasn't your role communicating to the regulator about allegations made with respect to the Suncity junket?

20 **MR POWER:** Yes. Assisting with the response on behalf of The Star, yes.

MS SHARP SC: All right. What's your view about the fact that none of your colleagues provided you with a copy of the Hong Kong Jockey Club report at the very same time you were providing a response to the regulator about its queries in relation to the Suncity junket?

25 **MR POWER:** I - I don't really have a view. I think the people that you're referring to that had the Hong Kong Jockey Club report assisted with those responses to the regulator. So the fact that I didn't - I wasn't provided with a copy of it, I don't find completely surprising.

30 **MS SHARP SC:** So I'm asking you to take a minute now and reflect on the propriety or otherwise of your colleagues not providing you with a copy of that report at the time. What's your view?

35 **MR POWER:** I don't think it reflected an impropriety.

MS SHARP SC: Is that because you already had a copy of the document?

40 **MR POWER:** I don't believe I've ever had a copy of the document.

MS SHARP SC: So you've never read it?

MR POWER: No.

45 **MS SHARP SC:** Mr Buchanan has never made it available to you?

MR POWER: No.

MS SHARP SC: Mr Houlihan has never made it available to you?

MR POWER: I don't believe so.

5 **MS SHARP SC:** And Mr White has never made it available to you?

MR POWER: No.

10 **MS SHARP SC:** Is today the first time you became aware that The Star has a copy of it?

MR POWER: No.

15 **MS SHARP SC:** When did you first become aware of that?

MR POWER: I can't recall when I first became aware of that, but I believe it would have been in the course of one of Mr Buchanan's reports in relation to Suncity.

20 **MS SHARP SC:** So when did you get those reports?

MR POWER: At the end of 2020, beginning of 2021.

25 **MS SHARP SC:** Mr Bell, can we just have a five-minute adjournment?

MR BELL SC: Yes. I will adjourn for five minutes.

<THE HEARING ADJOURNED AT 2:54 PM

30 **<THE HEARING RESUMED AT 2:59 PM**

MR BELL SC: Yes, Ms Sharp.

35 **MS SHARP SC:** In 2019, was Mr Houlihan based in Sydney?

MR POWER: Yes, he was.

MS SHARP SC: And was he based in the same building as you?

40 **MR POWER:** As in, his office?

MS SHARP SC: Yes.

45 **MR POWER:** No, I don't believe so.

MS SHARP SC: And where was he based?

MR POWER: At that time, the investigators had offices that were located away from the corporate offices.

MS SHARP SC: But in the same building?

5

MR POWER: No, no, not - well - okay. Investigations' offices were over in a different building, the other side of the casino. Mr Houlihan used to work in that office, and at some point he separates from the rest of the investigations team. And then he had an office in an adjacent building, I believe, but not in the building that I'm in, in the corporate offices.

10

MS SHARP SC: Did he make you aware that he went to visit the Hong Kong Jockey Club in July of 2019?

15

MR POWER: I would have been made aware of that, yes, at some stage.

MS SHARP SC: When were you made aware of that?

MR POWER: I - most likely at the time, but I don't recall exactly when.

20

MS SHARP SC: Right. And were you aware that Mr Buchanan visited the Hong Kong Jockey Club in 2019?

MR POWER: I think I may have been aware of that, but only recently.

25

MS SHARP SC: All right. So is it your evidence that while you were made aware in around July 2019 that Mr Houlihan visited the Hong Kong Jockey Club, you weren't made aware that he, in fact, possessed a copy of the Hong Kong Jockey Club report?

30

MR POWER: I'm not sure if I was made aware at that time, no.

MS SHARP SC: Well, what's your best recollection?

35

MR POWER: I - I said earlier I don't recall when I became aware that The Star had access to the Hong Kong Jockey Club, but I - I don't believe it was around this time.

MS SHARP SC: Did you ask him why he had bothered to go to the Hong Kong Jockey Club?

40

MR POWER: No, I did not ask him that.

MS SHARP SC: Did Ms Martin tell you anything about why Kevin Houlihan had visited the Hong Kong Jockey Club in July of 2019?

45

MR POWER: I don't believe so, no.

MS SHARP SC: Can I take you to your statement, please, at paragraph 9.

MR POWER: Sorry --

5 **MS SHARP SC:** Operator, can you have paragraph 9 enlarged. It there - you say in January 2020, you had:

10 "A discussion with Oliver White and Angus Buchanan in which either Mr White or I requested that Mr Buchanan assist with compiling a detailed chronology outlining The Star's relationship with Suncity."

MR POWER: Yes.

15 **MS SHARP SC:** And neither Mr White nor Mr Buchanan made you aware at that time that they had a report of the Hong Kong Jockey Club in relation to Suncity?

MR POWER: I don't believe so, no.

20 **MS SHARP SC:** Did you know that Angus Buchanan used to work at the Hong Kong Jockey Club?

MR POWER: I did, yes.

25 **MS SHARP SC:** And what did you understand that he did at the Hong Kong Jockey Club?

30 **MR POWER:** I don't think it had ever been explained to me exactly what his role was, but I understood that he was involved in a similar type role that he had at The Star, undertaking due diligence and matters of that nature dealing with intelligence.

MS SHARP SC: Were you aware that while he worked at the Hong Kong Jockey Club, he had undertaken some investigations in relation to Suncity or Alvin Chau?

35 **MR POWER:** Yes, I believe - I am aware of that, yes.

MS SHARP SC: How did you become aware of that?

40 **MR POWER:** I don't recall. It would have been in discussions at some point in relation to Angus. I didn't know him particularly well at this point in January 2020, but I would say it was some point after this stage.

45 **MS SHARP SC:** And is it your evidence that at no point while Mr Buchanan was preparing this detailed chronology for you, he made you aware that he had been involved in the preparation of a report on Suncity while he worked at the Hong Kong Jockey Club?

MR POWER: I don't think Angus ever - sorry, Mr Buchanan ever raised that with me, but it was probably said to me by other people.

5 **MS SHARP SC:** So other people made you aware that Mr Buchanan had been involved in the preparation of a due diligence - I withdraw that – a preparation of an assessment of Suncity, did they?

MR POWER: Yes, I believe so.

10 **MS SHARP SC:** When did other people make you aware of that?

MR POWER: At some stage after January 2020. I don't recall the exact time.

15 **MS SHARP SC:** And who do you think made you aware of that?

MR POWER: Look, I don't recall the conversation, but I think it was most likely Mr Houlihan.

20 **MS SHARP SC:** And did he tell you at that time that he, in fact, had a copy of the Hong Kong Jockey Club report?

MR POWER: I don't recall.

25 **MS SHARP SC:** Don't you find it remarkable that Mr Houlihan didn't provide you a copy with the report at that time?

MR POWER: Are we in January 2020?

30 **MS SHARP SC:** Yes.

MR POWER: I don't find it remarkable, no.

35 **MS SHARP SC:** So is it your evidence that you have asked Mr Buchanan to provide a detailed chronology outlining The Star's relationship with Suncity, but at no point during that process any one of your colleagues actually provided you with a copy of the Hong Kong Jockey Club Suncity report?

MR POWER: I'm sorry, Ms Sharp. Was the question do I find that remarkable?

40 **MS SHARP SC:** Yes.

MR POWER: I don't find it remarkable, no.

45 **MS SHARP SC:** Why not?

MR POWER: Because the request for the chronology related to the conduct of the Bergin Inquiry at the time, and it related to The Star's dealing with Suncity. I

don't believe that a report relating to the relationship with the Hong Kong Jockey Club was necessarily relevant to that.

5 **MS SHARP SC:** It's right, isn't it, that in around March of 2020, you were involved in a request that enhanced customer due diligence be conducted on Suncity?

MR POWER: I was aware of it. I wouldn't say that I was involved.

10 **MS SHARP SC:** Well, didn't you receive draft reports from Mr Buchanan about an enhanced customer due diligence on Alvin Chau?

MR POWER: Not - not at this time, no.

15 **MS SHARP SC:** Well, you were provided with a draft report on enhanced customer due diligence into Alvin Chau by October of 2020, weren't you?

20 **MR POWER:** I think that was a different - sorry, I might be confusing the matter. But if we were talking about the enhanced due diligence project that Mr Buchanan was working on in March, which I think you referred to originally, I was not involved in that. In relation to reports - I - I think I received a copy of that later that year, in about August. But it wasn't a project that I was directly involved in. In relation to due diligence reports that Mr Buchanan did in relation to Suncity and
25 reports.

MS SHARP SC: And is it your evidence that at no point during that process Mr Buchanan gave you a copy of the Hong Kong Jockey Club report on Mr Chau?

30 **MR POWER:** That's correct.

MS SHARP SC: And is it your evidence that during that process, Mr Houlihan did not give you a copy of that Hong Kong Jockey Club report on Mr Chau?

35 **MR POWER:** I don't believe so. I don't believe it was given to me, no.

MS SHARP SC: And is it your evidence that neither of those men made you aware that The Star was in possession of that report?

40 **MR POWER:** I believe at some point I knew that we were in possession of it, but it may not have been at that time. I can't recall --

45 **MS SHARP SC:** All right. When did you know that Star was in possession of that report?

MR POWER: I think you've asked me that a number of times now and I can only say that I don't recall specifically when I became aware that The Star had the Hong Kong Jockey Club report. It wasn't provided to me at the time, as far as I can

recall, and - and - I was aware that Angus was the author of that report but that he didn't provide me with a copy of it.

5 **MS SHARP SC:** Surely you understood that the contents of that report would have a direct bearing upon the exercise in which you were engaged with Mr Buchanan and Mr Houlihan?

10 **MR POWER:** Well, insofar as it would have a direct bearing, I think that would be a matter for Mr Buchanan to assess.

MS SHARP: I'm asking for your understanding. Surely that was your understanding?

15 **MR POWER:** I can't comment because I have not read the Hong Kong Jockey Club report.

20 **MS SHARP SC:** Well, I'm asking for your understanding. You understood, didn't you, that Mr Buchanan had played a role while he was at the Hong Kong Jockey Club in assessing the probity of Alvin Chau?

25 **MR POWER:** I can't say that that's - I don't have an understanding that that's the nature of the report that he did. I understood that he did a report for the Hong Kong Jockey Club in relation to Mr Chau. The exact nature of that report, I couldn't say.

MS SHARP SC: Are you telling truth in your answers here at the moment, Mr Power?

30 **MR POWER:** Yes, I am.

MS SHARP SC: Could I take you, please, to exhibit B at tab 1514. This is STA.3402.0007.8388. Do you see this is an email from Ms Martin to you and to Mr Houlihan and Mr White?

35 **MR POWER:** Yes, I see that's an email to us.

MS SHARP SC: And it's dated 13 August 2019?

40 **MR POWER:** Yes.

MS SHARP SC: And it relates to board papers?

MR POWER: Yes, I see that.

45 **MS SHARP SC:** And it relates to ILGA announcements?

MR POWER: I - on my screen, I have the enlargements. Perhaps it's in the email.

MS SHARP SC: Operator, could you show the whole document, please? Do you see the attachments there?

5 **MR POWER:** Yes, I do see that.

MS SHARP SC: Given that this was directly sent to you by your boss and referred to a board paper as well as an ILGA announcement, do you expect you read this at the time?

10 **MR POWER:** I expect I would have, yes.

MS SHARP SC: And do you expect you read the attachments at the time?

15 **MR POWER:** I couldn't say for certain, but I - I may well have, yes.

MS SHARP SC: Well, I will take you to those attachments. If we could go to exhibit B at tab 1515. Now, that's the letter I've previously taken you to, being the letter from New South Wales Liquor and Gaming dated 29 July 2019, and you're copied into that letter?

20 **MR POWER:** Yes.

MS SHARP SC: So you understood that one of the attachments provided to you at the time was this letter?

25 **MR POWER:** I see that, yes.

MS SHARP SC: Could I take you - and you understood at this time, didn't you, that the board wanted information about the recent media allegations?

30 **MR POWER:** I expect that that's the case, yes.

MS SHARP SC: Because Ms Martin wanted your input into that matter, didn't she?

35 **MR POWER:** She's sending it to me so that I'm aware of it, yes.

MS SHARP SC: Well, it's most likely she was seeking your input into the matter, wasn't it?

40 **MR POWER:** I - well, that I'm aware what's being reported to the board, yes.

MS SHARP SC: Well, it's most likely she is seeking your input into what is going to be reported to the board; do you agree or disagree?

45 **MR POWER:** I think it's difficult to say on the basis of that email. I think she said --

MS SHARP SC: Well, what's your recollection, Mr Power?

MR POWER: I don't have a specific recollection of that email and - and my thoughts on receiving it.

5

MS SHARP SC: Well, can I take you now, please, to exhibit B at tab 1518. This is an attachment to that email. Did you have any role in compiling this document?

MR POWER: I don't believe so, no.

10

MS SHARP SC: Did you review this document at the time?

MR POWER: I may have if it was sent to me in Paula's - sorry, Ms Martin's email.

15

MS SHARP SC: Well, do you think it's most likely you did since Ms Martin sent it directly to you in that email?

MR POWER: I think it is most likely I did, yes.

20

MS SHARP SC: Well, if we look at the document, which is dated 29 July 2019, do you see it lists a series of allegations?

MR POWER: Yes, I see that.

25

MS SHARP SC: Now, do you see one of those allegations is:

"Crown was willfully blind to the source of funds and the source of wealth of junkets and key people."

30

MR POWER: I see that.

MS SHARP SC: And do you see that there's a risk/vulnerability:

35

"A money laundering method applied cash raised from drug dealing in Australia to facilitate gambling with associated debts being paid in China. This allows crime proceeds to be moved to China without any trace in the banking or financial system."

40

And do you see under the heading Star Existing Process, it says:

"The Star reports large buy-ins to local police."

MR POWER: I see that.

45

MS SHARP SC: Do you think you were consulted in any way in the preparation of this attachment?

MR POWER: I don't recall being consulted, no.

MS SHARP SC: Do you agree that you would have been an obvious person to consult with for the purpose of preparing this schedule?

5

MR POWER: I think it was sent to me, but I don't think I'm an obvious person. I believe Mr Brodie, who I believe at the time was in charge of compliance and had the AML team reporting through to him - I believe he would have played a significant role in preparing this.

10

MS SHARP SC: Well, did you play a role in preparing it?

MR POWER: Not that I recall.

15 **MS SHARP SC:** Do you see at the bottom of that page, there's a heading Crown Allegation and it says:

"Crown was wilfully blind to criminal activity of key business partners. Particularly junket operators. This claim related to the Hong Kong Jockey Club ban on Suncity."

20

MR POWER: I think it's "this included claims related to the Hong Kong Jockey Club", yes.

25 **MS SHARP SC:** Yes. You see that.

MR POWER: I do.

MS SHARP SC: Now, do you see Star Existing Process states:

30

"The Star has detailed cease to trade policies embedded in the AML/CTF program. These protocols see The Star banning people on a monthly basis."

35 **MR POWER:** I haven't scrolled down to the next page, but I take it from you that that's what it says. Yes.

MS SHARP SC: Well, you agree there's a clear reference there to the Hong Kong Jockey Club ban on Suncity?

40 **MR POWER:** Yes.

MS SHARP SC: Now, it's most likely you read this document at the time, isn't it?

45 **MR POWER:** I think it is, yes.

MS SHARP SC: So it's most likely you were aware that that The Star was proposing to report to the board on the Hong Kong Jockey Club ban on Suncity?

MR POWER: I think they're reporting to the board that includes a reference to the Hong Kong Jockey Club ban on Suncity, yes.

MS SHARP SC: And could I take you over the page, please, Mr Power.

5

MR POWER: Do you mind if we just get this expanded? I'm sorry.

MS SHARP SC: And, operator, if we could go over the page, please, to pinpoint - it's on 8936. Do you see there's a heading "The Star, Allegation":

10

"The Star facilitated a flow of funds from a (later) convicted money launderer to Alvin Chau."

MR POWER: Yes.

15

MS SHARP SC: Do you think you noticed that at the time?

MR POWER: Yes, I would have noticed at the time.

MS SHARP SC: Well, were you aware that the media allegations included an allegation that Mr Chau was involved in money laundering?

20

MR POWER: I'm not sure that is a reference to Mr Chau being involved in money laundering.

25

MS SHARP SC: Well, sorry, I will read it out:

"The Star facilitated a flow of funds from a (later) convicted money launderer to Alvin Chau."

30

MR POWER: Yes. That's what it says.

MS SHARP SC: And do you see that under the heading "Star Existing Process", it says --

35

MS RICHARDSON SC: Sorry. Could I interrupt. I think there's a matter there that should be confidential. Perhaps Ms Sharp could just point the witness to that matter rather than reading it out. Well, there's a reference to as part of --

MR BELL SC: I think we should discuss this in private mode, Ms Richardson. Could we go to private mode for a moment, operator, excluding Mr Power, please.

40

<THE HEARING IN PUBLIC SESSION ADJOURNED AT 3:18 PM

<THE HEARING IN PUBLIC SESSION RESUMED AT 3:20 PM

45

MR BELL SC: Yes, Ms Sharp.

MS SHARP SC: Mr Power, if I direct your attention, please, to pinpoint 8396 in the right-hand column under the heading Star Existing Processes, and there's a little grey row that says The Star - the sentence commencing "The Star"?

5 **MR POWER:** Yes, I see that.

MS SHARP SC: Now, it's most likely, isn't it, that you were consulted in order for this information to be incorporated into this document, isn't it?

10 **MR POWER:** I - I think Mr Houlihan would have been consulted for the purpose of that information, not - not me, no.

MS SHARP SC: Could I take you to another attachment to this email from Ms Martin to you, which is exhibit B, tab 1520. Do you see that's a document dated 15 August 2019 from Ms Martin?

15 **MR POWER:** Yes, I see that.

MS SHARP SC: And it's styled as a board paper?

20 **MR POWER:** Yes.

MS SHARP SC: Did you assist in preparing this document?

25 **MR POWER:** I don't believe so, no.

MS SHARP SC: May we take it that you read their board paper that was attached to Ms Martin's email?

30 **MR POWER:** I believe I would have, yes.

MS SHARP SC: And do you see that this document says under the heading Purpose:

35 "To provide a summary of allegations made in respect of Crown Resorts and to formally brief the board on related risks within The Star Entertainment Group following the recent teleconference held on Tuesday, 30 July 2019."

MR POWER: I do see that, yes.

40 **MS SHARP SC:** Were you involved in that teleconference?

MR POWER: No, I was not.

45 **MS SHARP SC:** Did you understand that it was a fairly significant matter that Ms Martin was involved in at the time to brief the board on these media allegations?

MR POWER: Yes.

MS SHARP SC: And you understood these were fairly explosive media allegations, didn't you?

5

MR POWER: Yes.

MS SHARP SC: And you knew at the time that these allegations related, in part, to Suncity?

10

MR POWER: Yes.

MS SHARP SC: And you knew that the allegation in relation to Suncity was that Alvin Chau had links with criminal organisations?

15

MR POWER: Alleged links, I - I believe, but yes.

MS SHARP SC: Now, can I direct your attention, please, to Background. Do you see there's a reference there:

20

"On Saturday (10 August 2019) The Sydney Morning Herald printed a story that made two claims about potentially undesirable activity by people previously adversely named by Nine Media."

25 **MR POWER:** I see that it says that, yes.

MS SHARP SC: And do you see one of those allegations is that Alvin Chau received a \$403,000 payment?

30 **MR POWER:** Do you mind if I read that point, please?

MS RICHARDSON SC: This is the matter I'm talking about where the person has been named, so perhaps the witness should be instructed to not read out his name.

35

MR POWER: Okay. I understand that and, yes, I have read that.

MS SHARP SC: And do you see Ms Martin is referring about contact from the regulators?

40

MR POWER: Yes.

MS SHARP SC: And she is referring to New South Wales Liquor and Gaming?

45 **MR POWER:** Yes.

MS SHARP SC: And you were the person - or you were one of the people involved in handling the request from Liquor and Gaming New South Wales at the time, weren't you?

5 **MR POWER:** I was, yes.

MS SHARP SC: Do you expect she spoke to you about those dealings at the time when she was preparing this board paper?

10 **MR POWER:** If not when she was preparing it, before that. She would have been aware of the dealings with Liquor and Gaming New South Wales, yes.

MS SHARP SC: And could I take you, please, to pinpoint 8406. And do you see what's set out in this draft board paper is Key Junkets Adversely Named?

15

MR POWER: Yes.

MS SHARP SC: And do you see one of those junkets is Chau Cheok Wah Alvin?

20 **MR POWER:** Yes, I see that.

MS SHARP SC: Who is identified as the chief executive officer of Suncity?

MR POWER: Yes.

25

MS SHARP SC: So you understood, didn't you, that Ms Martin was preparing a briefing paper that would touch upon Alvin Chau and Suncity?

MR POWER: Yes.

30

MS SHARP SC: And did she liaise with you in any way about Mr Chau or Suncity at that time?

MR POWER: Most likely, yes.

35

MS SHARP SC: Did you think it relevant to say, "By the way, there had been a number of concerning transactions in Salon 95 in May and June of 2019"?

MR POWER: I believe that she would have been aware of those.

40

MS SHARP SC: Well, do you think you discussed it with her?

MR POWER: I don't know if we discussed it this time. I believe she would have been aware of them.

45

MS SHARP SC: Well, why do you think she would have been aware of them?

MR POWER: Because I think it was our team that was particularly interested in what was going on in those rooms, and I believe we would have kept Ms Martin informed of that.

5 **MS SHARP SC:** So you were particularly interested in what was going on in that room, were you?

MR POWER: I think we already discussed that morning. Yes, we had concerns around what was going on in that room and we were monitoring it.

10

MS SHARP SC: And you were endeavouring to keep Ms Martin abreast of those concerns at all times?

MR POWER: Yes.

15

MS SHARP SC: And are you saying even though you endeavoured to keep her abreast of those concerns at all times, neither in June, July or August did she make you aware of the fact that she was in possession of the Hong Kong Jockey Club report?

20

MR POWER: I - I don't believe so, no.

MS SHARP SC: Does that concern you in any way?

25 **MR POWER:** It doesn't concern me, no.

MS SHARP SC: Isn't this the siloing of information?

MR POWER: No. I don't believe it is.

30

MS SHARP SC: Why not?

MR POWER: Well, Ms Martin is my boss and she has the benefit of that report according to the email we saw before. So the fact I don't have it, I don't think prevents us acting on the report.

35

MS SHARP SC: Don't you think it was relevant for you to know about it?

MR POWER: Not in my role at that time, no.

40

MS SHARP SC: Well, wasn't your role, at least in part, in relation to answering questions from the regulator about the Suncity junket?

MR POWER: About The Star's relationship with the Suncity junket, yes.

45

MS SHARP SC: And Ms Martin knew that you were answering questions about the Suncity junket, didn't she?

MR POWER: She did.

MS SHARP SC: Well, she referred to it in this board paper, didn't she?

5 **MR POWER:** Yes.

MS SHARP SC: And you are not concerned that she had in her possession a copy of a due diligence report on Alvin Chau and didn't make you aware of it at this time?

10

MR POWER: I'm not concerned by that, no.

MS SHARP SC: It doesn't concern you in any way?

15 **MR POWER:** No.

MS SHARP SC: That - I withdraw that. Can I go back to the request now from New South Wales Liquor and Gaming, please. This is exhibit B, tab 1515. Now, may we take it, Mr Power, that you read this request carefully upon receiving it?

20

MR POWER: I would have, yes.

MS SHARP SC: And what it says is:

25

"I refer to allegations raised in media reports over the weekend about connections between Crown Resorts and criminal figures."

MR POWER: Yes.

30 **MS SHARP SC:**

"In particular, the media reports raised allegations relating to suspicious junket arrangements in China and Australia, and questioned the suitability and conduct of some junket operators and their representatives."

35

MR POWER: Yes, I see that.

MS SHARP SC: So what did you understand that New South Wales Liquor and Gaming was concerned with at that time?

40

MR POWER: I think they were concerned about the reports in the media.

MS SHARP SC: And what about the reports in the media?

45 **MR POWER:** Well, links to - to criminals.

MS SHARP SC: And did you understand that New South Wales Liquor and Gaming was concerned with the question of whether The Star was dealing with any junkets where there may have been suitability issues?

5 **MR POWER:** I think they're certainly indicating they wanted us to do a review of the junkets that we were dealing with.

MS SHARP SC: Did you understand that New South Wales Liquor and Gaming was interested to know whether The Star was dealing with any junkets where
10 suitability issues had been raised in the media?

MR POWER: Sorry. Would you mind repeating that question, please? I apologise.

15 **MS SHARP SC:** Did you understand that New South Wales Liquor and Gaming was interested to know whether The Star was dealing with any junkets where suitability issues had been raised in the media?

MR POWER: Yes, I think they were wanting to know that.
20

MS SHARP SC: Yes. Well, that was obvious from the first paragraph of this letter, wasn't it?

MR POWER: I'm not sure if it's obvious from the first paragraph, but perhaps
25 later on down in the letter.

MS SHARP SC: Are you referring to the bit where it says:

30 "I also request that The Star reviews any current associations or arrangements with junket operators or related individuals to ensure the suitability of any existing relationships."

MR POWER: Yes, that's what I was referring to.

35 **MS SHARP SC:** When you read this letter, did you think information you held in relation to Suncity may be of relevance to the regulator?

MR POWER: Of relevance to the regulator, no.

40 **MS SHARP SC:** What, you didn't think that any information you knew about Suncity at that time might be relevant to the regulator's request in this letter?

MR POWER: I think the request was that The Star review its associations and
45 arrangements.

MS SHARP SC: Well, you're part of The Star, aren't you?

MR POWER: Yes.

MS SHARP SC: And you assisted in compiling information to answer this letter, didn't you?

5 **MR POWER:** Yes.

MS SHARP SC: Well, do you want to answer the substance of my question, please.

10 **MR POWER:** Would you mind, please, repeating the question?

MS SHARP SC: Do you think The Star - I beg your pardon. Did you think New South Wales Liquor and Gaming would be interested in information known to you about Suncity?

15

MR POWER: I think you're asking about what the regulator would be interested in. I'm not sure I'm in a position to comment on that. I think what they requested of us is for The Star to review its associations.

20 **MS SHARP SC:** All right. And were you one of the people who was called upon to review those associations?

MR POWER: Not at that time, no.

25 **MS SHARP SC:** Were you one of the people who was helping compile the letter providing information requested by Liquor and Gaming?

MR POWER: I was involved in that, yes.

30 **MS SHARP SC:** Did you think you held any information that was relevant to the suitability of any existing junket operator relationships?

MR POWER: Amongst other people, yes.

35 **MS SHARP SC:** Did you hold information about Suncity that was relevant to assessing its suitability?

MR POWER: Myself and other people, yes, we held information relevant to assessing --

40

MS SHARP SC: And you in particular did, didn't you?

MR POWER: I wouldn't say in particular, but I - I was one of the people who knew of information relevant to that process. Yes.

45

MS SHARP SC: All right. Because you knew of a number of concerning transactions that had occurred in Salon 95 in 2018, didn't you?

MR POWER: I did. That would also be known by the AML team.

MS SHARP SC: All right. And you also knew of a number of concerning transactions that had occurred in Salon 95 in 2019, didn't you?

5

MR POWER: I was aware of that, yes.

MS SHARP SC: And you held a suspicion in 2018 that those transactions involved money laundering, didn't you?

10

MR POWER: A suspicion, yes.

MS SHARP SC: Yes. And you held a suspicion in June 2019 that those transactions in 2019 involved money laundering, didn't you?

15

MR POWER: I believe I would have been aware of them, yes.

MS SHARP SC: And you personally believed that they reflected on the suitability of Suncity as a junket operator, didn't you?

20

MR POWER: I believe they were relevant, yes.

MS SHARP SC: Can I take you to exhibit B, tab 1672. And can I direct your attention to the bottom of the page. Do you see there's an email dated 9 August 2019 from you to Natasha Mann at Liquor and Gaming New South Wales?

25

MR POWER: Yes, I see that.

MS SHARP SC: Do you remember writing that?

30

MR POWER: Not specifically, but I remember I did write an email in response, yes.

MS SHARP SC: And could I take you over the page, please, to pinpoint 668. Do you see halfway down that page there's another email from you to Natasha Mann at Liquor and Gaming dated 31 July 2019?

35

MR POWER: Apologies, Ms Sharp. Would you mind scrolling up? I just wasn't sure what that email above was. I couldn't --

40

MS SHARP SC: And I will come back to that Mr Power. For now, could I direct your attention to your email at the bottom half of that page of 31 July 2019?

MR POWER: Sure.

45

MS SHARP SC: And you're referring to the letter dated 29 July 2019 I've just taken you to?

MR POWER: Yes. Do you mind if we just get that increased a little bit, please?

MS SHARP SC: And what you say is:

5 "We note the broad ranging allegations raised in media reports over the last week directed to Crown Resorts and they did not refer to or relate to Star or any of the casino properties which it operates."

MR POWER: Yes.

10

MS SHARP SC:

15 "However, we would appreciate the opportunity to discuss the most constructive approach to assessing the effectiveness of Star's compliance with regulatory requirements."

MR POWER: Yes.

20 **MS SHARP SC:** Were you trying your best to engage in what you considered to be the most constructive approach in dealing with Liquor and Gaming at this point in time, Mr Power?

MR POWER: Yes.

25 **MS SHARP SC:** And there you state:

30 "As for allegations relating that Crown was wilfully blind to criminal activity of key business partners, we remain comfortable that Star's processes are robust."

30

MR POWER: Yes.

MS SHARP SC: At that time, did you have any level of discomfort at all about the activities of Suncity in Salon 95?

35

MR POWER: Yes.

MS SHARP SC: You didn't mention those in this response, though, did you?

40 **MR POWER:** No, we didn't.

MS SHARP SC: Was that the most constructive approach to take with New South Wales Liquor and Gaming at that time?

45 **MR POWER:** I think my reference to the constructive approach was to meet to discuss the matters openly, as opposed to receiving letters and doing formal correspondence. I believe that's what I was referring to about the most constructive approach.

MS SHARP SC: And what do you mean by "discussing matters openly"?

5 **MR POWER:** Well, I think it would have been easy to have open and frank dialogue with the regulator if we were able to meet and discuss the matters.

MS SHARP SC: And did you think it was important to have a frank exchange with the regulator, Mr Power?

10 **MR POWER:** Yes, I did.

MS SHARP SC: And is that what you tried to do?

15 **MR POWER:** Yes, I believe so.

MS SHARP SC: Is it possible you were seeking to have a meeting with the regulator in lieu of writing to the regulator answering its responses?

20 **MR POWER:** No, I believe we wrote in response to the regulator's request.

MS SHARP SC: After this email, wasn't it?

MR POWER: And - and as part of this email.

25 **MS SHARP SC:** All right. Because is it right that the regulator declined your invitation to attend a meeting?

30 **MR POWER:** I can't recall if it was formally declined or not, but I don't believe any such meeting happened.

MS SHARP SC: Well, I will take you to pinpoint 0669. And you note in the fourth paragraph:

35 "Your letter also requests a review of any current associations with junket operators or related individuals."

That's what you did understand that New South Wales Liquor and Gaming were asking about?

40 **MR POWER:** Yes.

MS SHARP SC: And you then set out your suggested approach which would be to meet first?

45 **MR POWER:** Sorry. Can you repeat that, please?

MS SHARP SC: You then suggest that - your suggested approach would be to meet with Liquor and Gaming first?

MR POWER: Sorry. Is that contained here - in - in this section of the letter? Is that what you mean?

5 **MS SHARP SC:** Yes. Operator, could I have you highlight this for Mr Power, please. It states:

"Our suggested approach would be to meet first."

10 **MR POWER:** Thank you, Ms Sharp. I see that now, yes.

MS SHARP SC: And what you were seeking to do there, obviously enough, was meet before any response was provided in writing?

15 **MR POWER:** I'm not sure - yes, I accept that.

MS SHARP SC: Right. Do you agree that there's nothing at all in this letter which indicates that you held any concerns at all about Suncity or Alvin Chau?

20 **MR POWER:** Sorry. I apologise. Would you mind repeating that question, please?

MS SHARP SC: Do you agree that there is nothing at all in this email to the regulator that discloses that you held any concerns in relation to Suncity or Alvin Chau?
25

MR POWER: I accept that.

MS SHARP SC: But you did hold some concerns at that time, didn't you?
30

MR POWER: Yes.

MS SHARP SC: Could I take you now, please, to exhibit B at tab 1669. Have you got a document in front of you, Mr Power?
35

MR POWER: I do, yes. Sorry. The first page of that letter dated 10 September 2019.

MS SHARP SC: And this is document STA.3002.0009.0298.
40

MR POWER: That's the one, yes.

MS SHARP SC: Now, this is a letter dated 10 September 2019 signed by you?

45 **MR POWER:** It is.

MS SHARP SC: And may we take it that you carefully reviewed this letter before you sent it?

MR POWER: I would have, yes.

MS SHARP SC: You drafted this letter?

5

MR POWER: I - the letter itself, this front page, more than likely, yes.

MS SHARP SC: And you carefully reviewed all information that was contained in this letter before you sent it to the regulator, did you?

10

MR POWER: I believe I would have, yes.

MS SHARP SC: Now, you refer to the letter dated 8 August 2019 that the regulator sent to you?

15

MR POWER: I believe so. Do you mind if we just get that expanded a little bit? Sorry.

MS SHARP SC: Well, what I will firstly do is take you to that letter of 8 August 2019. Operator, could we go to exhibit B at tab 1500. And that's a letter written to you, isn't it?

20

MR POWER: It is.

MS SHARP SC: And did you take steps to carefully understand the request that was being made of you in this letter at the time you received it?

25

MR POWER: I believe I would have, yes.

MS SHARP SC: And do you see that the regulator was asking for your assistance in understanding the issues reported in the recent media reports?

30

MR POWER: Ms Sharp, would you mind if I had an opportunity just to read this letter again, please?

35

MS SHARP SC: Yes.

MR POWER: And could the operator please just increase the size for me? Thank you. That's perfect. Okay. If you could scroll down for me, please.

40

MS SHARP SC: Mr Power, did you tell Ms Martin you had received this letter?

MR POWER: I would have, yes.

MS SHARP SC: Did you show it to her?

45

MR POWER: I would have shown it to her, yes.

MS SHARP SC: And did you show her your response before you sent it?

MR POWER: I would have, yes.

5 **MS SHARP SC:** And did you get her approval to send it?

MR POWER: I would have, yes.

10 **MS SHARP SC:** And could I direct you, please, to the fourth paragraph which says:

"Liquor and Gaming New South Wales seeks to understand what, if any, ongoing association The Star has with those named individuals or entities, and what, if any, ongoing risks may arise as a result of ongoing associations."

15

MR POWER: Yes, I see that.

MS SHARP SC: Now, you understood perfectly well by then that Alvin Chau had been named in the media allegations?

20

MR POWER: Yes.

MS SHARP SC: And you knew that Suncity had been named in the media allegations?

25

MR POWER: Yes.

MS SHARP SC: And you knew that the Iek junket was the Suncity junket at The Star, didn't you?

30

MR POWER: Yes.

MS SHARP SC: And you knew that Alvin Chau was the financial backer of the Iek junket?

35

MR POWER: The funder, yes.

MS SHARP SC: Yes. And you understood, didn't you, that the board had approved a cheque cashing facility with Mr Alvin Chau in relation to the Suncity junket, didn't you?

40

MR POWER: Yes.

MS SHARP SC: All right. So you knew that the Suncity junket operated at The Star in Sydney at the time of this letter, didn't you?

45

MR POWER: I knew that the Iek junket was associated with Suncity and operated at The Star, yes.

MS SHARP SC: All right. You knew that it was basically the Suncity junket operating at The Star, didn't you?

5 **MR POWER:** For all practical purposes, yes.

MS SHARP SC: And the Salon 95 carried Suncity branding, didn't it?

MR POWER: It did.

10

MS SHARP SC: Now, did you have any doubt whatsoever that Liquor and Gaming New South Wales wanted to understand from you what ongoing association The Star had with Suncity and Alvin Chau?

15 **MR POWER:** I believe that's what they were asking, yes.

MS SHARP SC: All right. And did you have any doubt whatsoever that New South Wales Liquor and Gaming was interested in understanding what ongoing risks may arise as a result of ongoing associations with Alvin Chau and Suncity?

20

MR POWER: I see that, yes.

MS SHARP SC: And did you understand that's what they were looking for your assistance with?

25

MR POWER: Yes.

MS SHARP SC: It was pretty clear, wasn't it? Wasn't it?

30 **MR POWER:** Yes.

MS SHARP SC: Can we go back to your letter in reply, exhibit B at tab 1669. Can I direct your attention, please, to the second-last paragraph:

35

"The Star requests that it is notified as soon as practicable in the event that Liquor and Gaming New South Wales receives a request or notice to disclose any information contained herein, so that The Star may consider whether to oppose any notice or request for access."

40 **MR POWER:** I can see that, yes.

MS SHARP SC: Why did you put that in there?

MR POWER: I - I don't recall. I - I suspect it was because the - the letter
45 contained a number of particularly sensitive aspects.

MS SHARP SC: Can I take you to the second page of this letter at pinpoint 0300. And what you there state is that:

"Star Entertainment is a top 100 ASX listed company with a strong culture of compliance, a record of self-reporting and a proactive strategy for engagement with regulatory authorities."

5

MR POWER: I see that. If we could please have that expanded.

MS SHARP SC: And was this an example of your proactive engagement with regulatory authorities, this letter?

10

MR POWER: Not necessarily an example of it, no.

MS SHARP SC: Well, it was far from it, wasn't it?

15 **MR POWER:** Well, it was responding to a request from - from Liquor and Gaming. So I don't think it's an example of proactive engagement.

MS SHARP SC: Can I take you, please, to pinpoint 0302. And I will have this enlarged for you so you can read it. Question 1:

20

"Whether any of the entities or individuals listed at annexure 1 are or have been authorised as junket operators, promoters or representations with The Star."

25 And do you see at points 1 and 2, you refer to Suncity and Mr Chau?

MR POWER: Yes, I see that.

MS SHARP SC: And you say that:

30

"Suncity and its subsidiaries are not junket promoters or junket representatives at The Star."

MR POWER: Yes.

35

MS SHARP SC: And you say that:

"There is an approved junket promoter, Mr Iek."

40 And:

"Mr Iek has a relationship with the Suncity Group."

MR POWER: Yes.

45

MS SHARP SC:

"For example, it's understood that Mr Iek is (or at one point was) an employee of the Suncity Group."

MR POWER: Yes.

5

MS SHARP SC: And at point 2, you say:

"Mr Chau is not a junket promoter or junket representative at Star Sydney."

10 **MR POWER:** Yes.

MS SHARP SC: And you say:

15 "Mr Chau has not engaged in premium play or participated on a junket at The Star Sydney."

MR POWER: Yes.

MS SHARP SC:

20

"Mr Chau holds a cheque cashing facility at The Star Sydney, which is used to fund junket groups organised by junket promoter, Mr Iek."

MR POWER: Yes.

25

MS SHARP SC: Now, you didn't expressly say here that Mr Chau was the junket funder of Suncity, did you?

30 **MR POWER:** We may not have stated it expressly, but that was the intent of the CCF which was used to fund junket groups. That's - that's another way of saying he was the junket funder.

MS SHARP SC: Except you didn't say that?

35 **MR POWER:** I believe it does say that.

MS RICHARDSON SC: Well, I object to that question. It expressly says that a CCF is used to fund junket groups organised by the junket promoter, Mr Iek. The funding relationship was made clear.

40

MS SHARP SC: I will move on, Mr Bell. You don't say here anywhere that it is Mr Chau that Star Entertainment negotiates with in relation to the Iek junket, do you?

45 **MR POWER:** No, we don't say that.

MS SHARP SC: Now, could I take you to the entry for number 6, Tom Zhou. You say here:

"Mr Zhou is not a junket promoter or a junket representative. Mr Zhou has been excluded from The Star Sydney since December 2015. Prior to being excluded, Mr Zhou was a junket participant."

5

MR POWER: Yes, I see that.

MS SHARP SC: You don't say anywhere here Mr Zhou was the junket funder of the Chinatown junket, do you?

10

MR POWER: We don't say that here, no.

MS SHARP SC: Did you know that he was the funder of the Chinatown junket?

15

MR POWER: I don't believe so.

MS SHARP SC: You didn't know that?

MR POWER: I - I don't recall being aware of that, no.

20

MS SHARP SC: What, no one within your organisation made you aware of that fact?

25

MR POWER: No, I mean this response was put to a number of people and that's not a point that came back from anybody who was consulted in relation to the response.

MS SHARP SC: Would it surprise you to know that the Chinatown junket was one of Suncity's largest junkets in the period up to 2016 by way of turnover?

30

MR POWER: Sorry. Would you mind repeating that again?

MS SHARP SC: I withdraw that question. I put it incorrectly. Would it surprise you to know that the Chinatown junket was one of The Star's largest junkets up to the period 2016 by way of turnover?

35

MR POWER: Would it surprise me - I wasn't aware of that fact. Would it surprise me? Not necessarily, no.

40

MS SHARP SC: Do you think if that fact were known, it would have been important to disclose it to the regulator in this letter?

MR POWER: Not - not necessarily. I think it was responding to the question about whether - what was the nature of our dealings with these people.

45

MS SHARP SC: Well, the question was:

"Whether any of the entities or individuals listed at annexure 1 are or have been authorised as junket operators, promoters or representatives with The Star."

5 **MR POWER:** Yes. I believe we've answered that in relation to Mr Zhou.

MS SHARP SC: Well, did you understand that what Liquor and Gaming wanted to know was whether The Star had any relationship with Tom Zhou?

10 **MR POWER:** I think they were wanting to know whether we had any junket relationship with him as a promoter, representative or participant.

MS SHARP SC: Well, if he was the funder of the junket, would that have been relevant for Liquor and Gaming, do you think?

15

MR POWER: Well, we included that as it related to Mr Chau up above, but I don't believe that was what was asked of us.

20 **MS SHARP SC:** Well, did you consider that what New South Wales Liquor and Gaming wanted to know was whether The Star had relationships with any of the individuals adversely named in the media?

25 **MR POWER:** I accept that that's what they were wanting to know. But in response to this question, I believe they asked whether they were a junket promoter, representative or participant.

MS SHARP SC: So - I withdraw that. Could I take you, please, to STA.3415.0001.0410. I will just read that number out again.
STA.3415.0001.0410.

30

MS RICHARDSON SC: Just while that is happening, I note it's nearly 4 o'clock and the witness hasn't had an afternoon tea break.

35 **MR BELL SC:** Yes. I think that is reasonable, Ms Sharp. We have had a five-minute break already, so I will adjourn now for 10 minutes.

<THE HEARING ADJOURNED AT 3:57 PM

40 **<THE HEARING RESUMED AT 4:07 PM**

MR BELL SC: Yes, Ms Sharp.

45 **MS SHARP SC:** Operator, could we please go to exhibit B1477. Now, I will ask you to assume this is a document created by somebody at Star in around August of 2019. Could I take you, please, to pinpoint 0143. Do you see there's a reference here to Tom Zhou? Do you need this enlarged?

MR POWER: Yes, please. I see that it references Tom Zhou though, yes.

MS SHARP SC: And do you see in the third column it also references the Chinatown junket?

5 **MR POWER:** In the final column?

MS SHARP SC: No, in the middle column.

MR POWER: Yes. Sorry. I see that, yes.

10

MS SHARP SC: All right. So you agree there's an association here between Tom Zhou and the Chinatown junket?

MR POWER: This would suggest that, yes.

15

MS SHARP SC: All right. Do you see it says:

"The Chinatown junket had extensive play in 2016. Total turnover of approximately \$209 billion."

20

MR POWER: I see that, yes.

MS SHARP SC: Did no one tell you that Tom Zhou was connected with the Chinatown junket?

25

MR POWER: Do you mean for the purposes of preparing the response to the regulator or ?--

MS SHARP SC: Well, we will take it step by step. Did no one make you aware by August of 2019 that Tom Zhou had a connection with the Chinatown junket?

30

MR POWER: I'm not sure if - at that stage, but certainly - I think it came up during the Bergin Inquiry, so I - I certainly knew it by the time it was considered at that inquiry. I don't believe anyone made me aware prior to - or - or corrected or - or added that information in the letter that went to the regulator, no.

35

MS SHARP SC: And do you see it says in the final column:

"The Chinatown junket arrangement was ceased in December 2016 following concerns re conduct and an assault on staff member."

40

MR POWER: I see that, yes.

MS SHARP SC: Now, you referenced the Bergin Inquiry a moment ago. Did you become aware during the Bergin Inquiry that Tom Zhou had a connection with the Chinatown junket?

45

MR POWER: I think it was during that inquiry that that was made known, yes.

MS SHARP SC: Was it made known to you at that time that Tom Zhou was the funder of the Chinatown junket?

5 **MR POWER:** I don't believe so, that it was made known to me, no.

MS SHARP SC: Right. Well, you followed events of that inquiry pretty closely, didn't you?

10 **MR POWER:** I did.

MS SHARP SC: And you prepared regular reports on the evidence in that inquiry?

15 **MR POWER:** I did.

MS SHARP SC: And you read the report of that inquiry, did you?

20 **MR POWER:** I did.

MS SHARP SC: Surely it was made known to you that Tom Zhou was the funder of the Chinatown junket, wasn't it?

25 **MR POWER:** I'm not sure. I - I don't recall being made aware of that.

MS SHARP SC: Can I take you now, please, to exhibit B1478. Now, I'm not suggesting this is your document, but do you see it's from one of your colleagues, Michael Whytcross? It's an email dated 29 July 2019?

30 **MR POWER:** Thank you. Yes, I see that.

MS SHARP SC: And do you see it has an attachment, Player Profile Summary?

35 **MR POWER:** Yes, I see that.

MS SHARP SC: Can I take you to that attachment, please, to - it's actually a new exhibit, exhibit B1479. Do you see that's a Player Profile Summary, International Rebate Business, Last Updated 29 July 2019?

40 **MR POWER:** Yes, I can see that.

MS SHARP SC: Can I take you, please, to pinpoint 8910. Do you see it says "Tom Zhou, Chinatown"?

45 **MR POWER:** Yes, I see that.

MS SHARP SC: Do you agree that means there is an association between Tom Zhou and Chinatown?

MR POWER: It would appear that way, yes.

MS SHARP SC: And it says:

5

"Chinatown historically held a permanent room at The Star Sydney (Rivers)."

MR POWER: Yes.

10 **MS SHARP SC:** Did you know that, Mr Power?

MR POWER: I don't believe so.

MS SHARP SC: Even though you were general counsel at The Star?

15

MR POWER: Yes.

MS SHARP SC: And do you see that it generated - what it says is:

20

"Chinatown generated business under both the Zhou Qiyun and Yuan Liwen junkets."

MR POWER: Yes.

25 **MS SHARP SC:** Did you know that?

MR POWER: No.

MS SHARP SC: Do you see it says:

30

"The group was one of the largest contributors during financial year 2016/2017."

MR POWER: Yes, I see that.

35

MS SHARP SC: Did you know that?

MR POWER: No.

40 **MS SHARP SC:** And you see here, it does says:

"Tom Zhou was at no stage approved junket operator within the Chinatown group."

45 **MR POWER:** Yes.

MS SHARP SC: And it's clear here that Tom Zhou had some kind of connection with Chinatown, isn't it?

MR POWER: It - this would suggest that there is, yes, an association.

5 **MS SHARP SC:** But you're saying no one in the organisation made that known to you when it came to providing a response to New South Wales Liquor and Gaming in 2019?

MR POWER: Not that I recall, no.

10 **MS SHARP SC:** It would have been pretty important information - well, it was pretty important information in respect of the questions that Liquor and Gaming was asking, wasn't it?

15 **MS RICHARDSON SC:** I object to that question. I will raise the objection in the absence of the witness, if that is fairer.

MR BELL SC: Yes. We will move into private mode, please, excluding Mr Power.

20 <THE HEARING IN PUBLIC SESSION ADJOURNED AT 4:14 PM

<THE HEARING IN PUBLIC SESSION RESUMED AT 4:17 PM

25 **MR BELL SC:** Yes, Ms Sharp.

MS SHARP SC: Mr Power, if I could take you to exhibit B1500.

MR POWER: Yes.

30 **MS SHARP SC:** And I will have the bottom half enlarged for you. The question states:

"Specifically, I request that The Star -"

35 Dot point:

"Advises whether any of the individuals or -"

40 I beg your pardon. I will start that again. :

"Specifically, I request that The Star -"

Dot point:

45 "Advises whether any of the entities or individuals listed at annexure 1 are or have been authorised as junket operators, promoters or representatives with The Star."

MR POWER: Yes.

MS SHARP SC: Now, it's clear that that request relates to both current relationships and previous relationships; do you agree?

5

MR POWER: I agree.

MS SHARP SC: And that is how you understood it at the time?

10 **MR POWER:** Yes.

MS SHARP SC: Now, you understood at the time, didn't you, that there were media allegations in relation to Tom Zhou?

15 **MR POWER:** Yes.

MS SHARP SC: Did you understand at the time that there was a commercial relationship between Tom Zhou and the Chinatown junkets?

20 **MR POWER:** I don't know if I was aware of that at the time.

MS SHARP SC: If there had been a commercial relationship between Tom Zhou and the Chinatown junkets, do you agree that you should have provided information about that in your response to Liquor and Gaming New South Wales' questions?

25

MR POWER: That The Star should have provided that information, yes.

MR BELL SC: Mr Power, you have said, I think, a couple of times that you consulted with others for the purpose of preparing this response to Liquor and Gaming?

30

MR POWER: That's correct.

35 **MR BELL SC:** Can you tell me by who the people you were you consulted with?

MR POWER: I don't have a specific recollection. I think it would be contained within my emails. But certainly - I believe a number of people, including the AML team, but Mr Hawkins and Mr Bekier - or at least Mr Whytcross. I expect they would have been consulted.

40

MR BELL SC: Yes. Thank you.

MS SHARP SC: Could I return now, please, Mr Power, to your 10 September 2019 response in relation to Liquor and Gaming New South Wales' request. It's exhibit B at tab 1669. And if I can just return to your answer in relation to Suncity, which is at pinpoint 0302. And just to remind you, you say those things at point 1 and 2 about Mr Chau and Suncity?

45

MR POWER: Yes, I see that.

5 **MS SHARP SC:** And could I take you over the page, please, to pinpoint 0304. Do you see question 2 is:

"What, if any, steps have been taken to mitigate ongoing risk relating to individuals or entities listed that are authorised as junket operators or junket representatives."

10

MR POWER: I see that is the question, yes.

MS SHARP SC: All right. Do you agree that, here, you say absolutely nothing about Alvin Chau or Suncity?

15

MR POWER: Do you mind if I just read this quickly?

MS SHARP SC: Sure.

20 **MR POWER:** Can I just have it expanded slightly? That's fine. Thank you. Do you mind if we scroll down, please? Thank you. Yes, I agree that that does not mention Mr Chau or Suncity.

25 **MS SHARP SC:** But you well understood at this time that Suncity was a junket that operated at The Star in Sydney?

MR POWER: I don't - I don't think I would characterise it as that Suncity was a junket operator at The Star.

30 **MS SHARP SC:** How would you characterise it?

MR POWER: I would say that Mr Iek was the junket operator at The Star and was approved as a junket operator, and he was associated with Suncity.

35 **MS SHARP SC:** You understood that Alvin Chau was the funder of Mr Iek's junket?

MR POWER: That was my understanding, yes.

40 **MS SHARP SC:** Were you taking a particularly technical reading of question 2 when you set out to answer it?

MR POWER: Is this question 2 that we just looked at?

45 **MS SHARP SC:** Yes.

MR POWER: I don't believe that was the intent, no.

MS SHARP SC: Well, don't you think - wasn't a fair reading of the question that the regulator asked you one that required you to disclose the fact that The Star was dealing with Suncity?

5 **MR POWER:** I don't believe so.

MS SHARP SC: Well, I will ask you that. As you sit here today as group general counsel, in light of that specific question - and let me take you back to the more general question, if I may. And I will take you back there now. This is exhibit B at
10 tab 1500. Do you see that what is stated there is:

"Liquor and Gaming New South Wales seeks to understand what, if any, ongoing association The Star has with those named individuals or entities, and what, if any, ongoing risks may arise as a result of ongoing associations."

15 Do you think, taking together that general statement and question 2, it was relevant to disclose that Suncity was a junket that operated at The Star? And I'm asking you that in your capacity as group general counsel today. I'm asking you about your judgment today.

20 **MR POWER:** I think it would have assisted the regulator if we provided that information. I accept that.

MS SHARP SC: Do you accept that your answer at the time in 2019 was less than
25 fully transparent with the regulator?

MR POWER: I - I don't think I would go that far. I think if the regulator wanted further information about Suncity, then they could have asked for that information.

30 **MS SHARP SC:** Well, they asked you in terms:

"What, if any, ongoing association The Star has with those named individuals or entities, and what, if any, ongoing risks may arise as a result of ongoing associations."

35 Did they need to be any clearer with you?

MR POWER: I think - I accept that that's what's framed in the letter and in the questions that we responded to, I believe, were responsive to the questions that
40 were asked.

MS SHARP SC: This answer that you provided completely lacked transparency about Suncity and Alvin Chau and the concerns you held about them at the time; that's right, isn't it?

45 **MR POWER:** I don't think it lacked - completely lacked transparency about Alvin Chau and Suncity, but I accept that it didn't go into details around concerns we held at the time.

MS SHARP SC: In fact, it did not disclose in any way, shape or form that you had any concerns about Suncity or Alvin Chau at the time, did it?

5 **MR POWER:** I would have to read the rest of the letter, but I - I expect that it did not.

MS SHARP SC: In fact, your response was misleading, wasn't it?

10 **MR POWER:** I don't believe it was misleading, no.

MS SHARP SC: And it's right that you knew that at the time, didn't you?

15 **MR POWER:** No, I - I believe we were responding to the questions that were asked of us at the time.

20 **MS SHARP SC:** You see, you knew at the time that Liquor and Gaming New South Wales wanted to understand if you had - and, that is, The Star had - ongoing associations with individuals or entities named in the media and what ongoing risks they may have presented, and you deliberately elected not to mention the risks that you were aware were apparent in Salon 95 in 2018 and 2019; that's correct, isn't it?

25 **MR POWER:** I accept that we didn't raise in our response matters around suspicious activity in those rooms involving individuals that were physically in those rooms in a response to description of our association with Mr Chau and with Suncity more generally.

30 **MS SHARP SC:** And do you regard the answer that you gave then as in any way appropriate as you sit here today as group general counsel of Star Entertainment?

MR POWER: I think we had a formal response or request from the regulator, and we provided a formal response to them. So I don't believe it to be inappropriate.

35 **MS SHARP SC:** Is that consistent with the value of "do the right thing" that exists today at Star Entertainment?

40 **MR POWER:** I - I don't - I don't believe we were doing the wrong thing at the time, so I don't believe it's inconsistent.

MS SHARP SC: You weren't disclosing in any way, shape or form that there was a risk of money laundering occurring in one of your VIP salons; do you agree?

45 **MR POWER:** Well, there's a risk of money laundering occurring anywhere. I accept that there were concerns that we held around some of those matters. But risks in relation to, you know, suspicious matters that were raised were not things that I believe that we were required to provide to the New South Wales regulator.

MS SHARP SC: See, you don't disclose here that, in fact, the police were involved in matters that had occurred in Salon 95 in 2018, do you?

5 **MR POWER:** We did not disclose that to the regulator, no.

MS SHARP SC: You don't disclose that you personally had a concern that money laundering had occurred in Salon 95 in 2018 and 2019, do you?

10 **MR POWER:** I don't believe we've ever disclosed suspicious matters to the regulator - the State casino regulator, no.

MS SHARP SC: But you understood perfectly well at the time that what the regulator wanted to know from you, the regulated entity, was whether there was an ongoing risk with the persons named in the media with whom The Star continued to deal?
15

MR POWER: Yes, I believe they were asking that.

20 **MS SHARP SC:** This was a completely unsatisfactory response to the regulator's requests, wasn't it?

MR POWER: I - I don't believe it was completely unsatisfactory. We were doing our best to respond to the request at the time.

25 **MS SHARP SC:** You weren't doing your best to respond to the regulator's requests, were you?

MR POWER: Well, The Star - I believe that we were doing our best to respond to those questions.
30

MS SHARP SC: Were you doing your best to conceal from the regulator the responses that you held at that time about the money laundering risks that Alvin Chau and Suncity presented?

35 **MR POWER:** No, we weren't concealing that.

MS SHARP SC: Did anyone at all pull you up on this answer that you proposed to provide to the regulator when you showed them a draft of this response?

40 **MR POWER:** No.

MS SHARP SC: And tell me, in preparing this response did Ms Martin make you aware that she held a copy of the Hong Kong Jockey Club report?

45 **MR POWER:** I don't believe so, no.

MS SHARP SC: You're aware now --

MR BELL SC: What were the nature of your - I'm sorry. What were the nature of your consultations with Mr Bekier and Mr Hawkins about this response?

5 **MR POWER:** Mr Bell, I'm not clear on whether it was this particular response or others. But generally, at this time, there was particular interest in what the regulator was asking of us. I believe that it would have been provided to those people to comment on or at least be aware of the response either before or after - immediately after, but that would be contained within my emails at the time.

10

MR BELL SC: Yes. Thank you.

MS SHARP SC: Can I take you to the 1 March 2018 Code of Conduct, which is exhibit D at tab 7. This is STA.3008.0023.8145.

15

MR POWER: Yes. Thank you. The front page is up on my screen.

MS SHARP SC: Could I take you to pinpoint 8150. Can I ask that the operator enlarge that part of the page that says:

20

"Our employees are expected to."

And then dot point - do you see it says:

25

"Our employees are expected to provide complete, honest and accurate information to any regulator who lawfully requests information."

MR POWER: I see that, yes.

30

MS SHARP SC: You did not do that in your answer to the regulator in 2019, did you?

MR POWER: And I believe that that reference is a response to notices and other things to produce information. But leaving that point aside, did we provide a complete, honest and accurate response? I believe we sought to. That was our intent.

35

MS SHARP SC: You didn't do that when you provided this letter to the regulator in 2019, did you?

40

MR POWER: I believe we were trying to.

MS SHARP SC: And that's your judgment as you sit here today, as group general counsel of Star Entertainment, is it?

45

MR POWER: Yes. And noting the fact that it was reviewed by other people as well. So it wasn't just a matter that was - that - that was within my judgment, but yes.

MS SHARP SC: And tell me, do you think that the New South Wales regulator should have any confidence in your judgment given the view you've just expressed today?

5

MR POWER: I think I've dealt with the regulator for many years and many different people. I would hope the answer to that is yes.

MS SHARP SC: Could I go now to another topic. Tell me this, Mr Power; do you consider that it is important that the board be made aware of risks to the business as and when they arise?

MR POWER: Yes.

MS SHARP SC: And do you consider that it is important that the board is accurately and truthfully briefed on risks to the business?

MR POWER: Yes.

MS SHARP SC: Can I take you now to your dealings with Mr Buchanan in relation to Suncity. Now, you say at paragraph 9 of your statement that you had a discussion with Oliver White and Angus Buchanan in which one of you requested Mr Buchanan to assist in compiling a detailed chronology outlining Star's relationship with Suncity?

25

MR POWER: Yes.

MS SHARP SC: And what was the purpose for doing that at that time?

MR POWER: I believe this was during - or at the very beginning of the Bergin Inquiry, and I think we were wanting to know a clear - clear view - or a complete view of all the interactions with Suncity, the nature of the relationship, what was known at various points in time.

MS SHARP SC: And that's because you wanted a complete view of what was known about Suncity at the time?

MR POWER: Well, we were assisting with witnesses before that inquiry and so on, and we needed to know what the nature of the arrangement was. Yes.

40

MS SHARP SC: Do you now understand that the Hong Kong Jockey Club report contained information that was seriously adverse to Alvin Chau?

MR POWER: I - I believe that's right, yes.

45

MS SHARP SC: And just - I can't remember. Do you say you've read it now or not?

MR POWER: I have not read the Hong Kong Jockey Club report.

5 **MS SHARP SC:** All right. On the assumption that that document contained information that was adverse to Mr Chau, wasn't it important that this chronology disclose that that report was available to The Star?

MR POWER: I believe that relates to the Hong Kong Jockey Club's arrangement with Mr Chau. This was a chronology of The Star's dealings with Mr Chau.

10 **MS SHARP SC:** Well, I want you to assume for a moment, Mr Power, that the report says that Mr Chau is business partners with a man with triad connections. Do you agree that would be significant information about Mr Chau's propriety?

15 **MR POWER:** I agree.

MS SHARP SC: If - well, we know that Star did hold that information. Wasn't it important that that kind of information be recorded in the chronology?

20 **MR POWER:** I don't believe that's information that needed to be recorded in the chronology.

MS SHARP SC: But didn't you just say you asked for the chronology so you could have a complete view of what was known about Mr Chau?

25 **MR POWER:** Perhaps I should have expressed it better. I think we needed to know, for the purposes of the Bergin Inquiry, what had happened at The Star in relation to Mr Chau.

30 **MS SHARP SC:** Well, isn't an important part of what did happen at The Star was it came into possession of a report which cast serious aspersions on the propriety of Mr Chau?

MR POWER: Potentially.

35 **MS SHARP SC:** Why only potentially?

40 **MR POWER:** Well, I think it's - it's matters that are relevant to ascertaining - I think you've said it before, if I can get the words correctly - the - a probative assessment around Mr Chau. I think it is relevant to that. I'm just querying whether it's relevant to a chronology about the nature of The Star's dealings with Mr Chau.

45 **MS SHARP SC:** Well, isn't something that is relevant to the nature of the dealings the fact that The Star came into possession of evidence which cast serious aspersions on him and his suitability?

MR POWER: I'm not sure I would classify it as evidence, but that's the information that could have been included in the chronology. I can't comment on why it was not.

MS SHARP SC: Particularly if that document was the result of the work of your due diligence officer, Mr Buchanan?

5 **MR POWER:** I'm sorry. Would you mind repeating the question, please?

MS SHARP SC: Well, wasn't it particularly relevant information in terms of assessing Mr Chau's propriety or suitability that it was produced by your due diligence officer, Mr Buchanan, when he worked at Hong Kong Jockey Club?

10

MR POWER: I guess I - I don't accept that the chronology's intended purpose was to assess the propriety of The Star's relationship with Mr Chau. I think we were trying to understand a chronology, points in time, agreements that were in place and events that occurred in relation to Mr Chau. I'm - I'm - I don't believe the intent of that chronology was to assess the propriety. I think that was something that was - became relevant later when we were undertaking due diligence in relation to Mr Chau.

15

MS SHARP SC: Is it right that you reviewed various drafts of the chronology?

20

MR POWER: I would have, yes.

MS SHARP SC: Why were you involved in reviewing drafts of the chronology?

25 **MR POWER:** I believe I had some information that was relevant to it, and I would have been the person that passed it on to our legal advisers during the course of the Bergin Inquiry.

MS SHARP SC: And what was the information that you had that was relevant to this chronology?

30

MR POWER: I don't specifically recall now.

MS SHARP SC: Not at all?

35

MR POWER: I believe I may have added some information into it in relation to the service desk and when that arrangement came into place. But other than that, I can't - I can't recall anything specific.

40 **MS SHARP SC:** Now, there came a - and what did you do with that chronology once it was finalised?

MR POWER: I believe it was passed on to our legal advisers for the purpose of preparing and dealing with the matters that were arising in the Bergin Inquiry. I believe it was also a document that was discussed between Mr Houlihan and Ms Martin and myself. I don't - I don't recall at this stage any other - any other actions I took in relation to the chronology.

45

MS SHARP SC: And when did you discuss the chronology with Ms Martin and Mr Houlihan?

5 **MR POWER:** I believe that was when we were starting to look at the AML program generally, and - and that would have been - and improvements that we could make to that program. And I believe that would have been in or around late October 2020.

10 **MS SHARP SC:** Was that the only time you discussed this document with Mr Houlihan and Ms Martin?

MR POWER: I - I doubt it was the only time. I don't recall any other specific times, but that's - that's the time that - that I do recall.

15 **MS SHARP SC:** Can I take you now to paragraph 15 of your statement. And you there say that you attached an expert report of Steve Vickers that had been tendered in the Bergin Inquiry?

20 **MR POWER:** Yes.

MS SHARP SC: Now, how did you come into possession of that expert report?

MR POWER: I don't recall.

25 **MS SHARP SC:** Did you come into possession of that report because you were following the proceedings in the Bergin Inquiry fairly carefully?

MR POWER: Most likely, yes.

30 **MS SHARP SC:** And at paragraph 17, you refer to being sent a draft version of an updated assessment on Alvin Chau?

MR POWER: Yes.

35 **MS SHARP SC:** What was your involvement in this assessment on Alvin Chau at this time?

40 **MR POWER:** I believe it stemmed from discussions that I'd had with Mr Houlihan, following the developments in the Bergin Inquiry, that it seemed to me that we needed to undertake a review about what we knew about Mr Chau and, ultimately, that we would be required to assess that information and work out whether it was suitable for The Star to continue to deal with him.

45 **MS SHARP SC:** And so when did you decide that would be a good thing to do?

MR POWER: I believe it would have been in that period of, you know, late September, early October 2020.

MS SHARP SC: And what was the purpose for undertaking the review at this time?

5 **MR POWER:** I think at the time it was really to keep track of what was unfolding in the Bergin Inquiry, that Mr Chau had been certainly a focus of the review and a focus of questions put to various witnesses. So I believe we wanted to make sure we continued to work out what we knew, that we were tracking information as it came to light and that we would continue to undertake an assessment of Mr Chau.

10 **MS SHARP SC:** And do you agree it was important that you gather together all available evidence that The Star held about Mr Chau?

15 **MR POWER:** I believe it was relevant to have that information incorporated into the thinking - or - or incorporated into the report, yes.

MS SHARP SC: Did you tell Mr Buchanan that you considered it important that you have knowledge of all relevant information that The Star held about Mr Chau?

20 **MR POWER:** I don't believe I said that to him specifically, no.

MS SHARP SC: Did you say that to Mr Houlihan?

MR POWER: I don't recall saying that, no.

25 **MS SHARP SC:** Did you say that to Mr White?

MR POWER: I don't believe so.

30 **MS SHARP SC:** So you had that intention, but you didn't make it known to anyone?

MR POWER: Not by asking them as such. I - I believe that at various points I continued to ask Mr Buchanan to consider information that had come to light.

35 **MS SHARP SC:** Well, how did you expect that Mr Buchanan would be able to uncover all information The Star held about Mr Chau if you didn't tell him to do that?

40 **MR POWER:** Well, I believe that was matters within Mr Buchanan's skill set, that with his experience in due diligence reports and having worked on a project to uplift The Star's ECDD program generally, I thought he was well placed to pull together a report assessing the information in relation to Mr Chau.

45 **MS SHARP SC:** Now, it's right, isn't it, that you received a draft report from Mr Buchanan in October of 2020?

MR POWER: Yes, that's correct.

MS SHARP SC: And we may take it that you read that at the time?

MR POWER: I don't believe I read it at the time, no.

5 **MS SHARP SC:** So let me understand this: you requested Mr Buchanan to prepare a report, but then when he sent you that report, you didn't read it?

MR POWER: At the time, I - I don't believe I read it immediately, no.

10 **MS SHARP SC:** Why?

MR POWER: I think I had - my plate was pretty full at that time dealing with matters coming out of the inquiry. Yes. There was lots happening at the time. I - I - to the best of - I - to the best of my recollection and from what I can see
15 from my emails, I didn't respond to Mr Buchanan for some time.

MS SHARP SC: Wasn't one of the key issues concerned in the - sorry, I withdraw that. Wasn't one of the key issues canvassed in the inquiry Alvin Chau?

20 **MR POWER:** Yes, it was.

MS SHARP SC: Well - and you were following events in the inquiry very closely?

25 **MR POWER:** I was.

MS SHARP SC: And the reason why you were following events very closely is so you could brief the business on developments?

30 **MR POWER:** Yes.

MS SHARP SC: And brief the business so that it may decide what appropriate course it could take in relation to matters arising in the inquiry?

35 **MR POWER:** Yes. As they were unfolding, yes.

MS SHARP SC: All right. Well, surely when you received a report from Mr Buchanan about one of the events you understood to be central to the inquiry, you took the time to read it?

40 **MR POWER:** I'm just not sure if I read it immediately at that time.

MS SHARP SC: Well, is it right that you read it at around the time it was sent to you?

45 **MR POWER:** Look, I - from my records, I can see that I had certainly read and considered it by the end of October. So by 27 October, it was certainly something that I had looked at closely, yes.

MS SHARP SC: So you had read it by the end of October?

MR POWER: Yes, by the end of October.

5

MS SHARP SC: Could I take you, please, to exhibit B, tab 2603. And this is pinpoint STA.3002.0005.001.

MR POWER: Yes, that's on my screen now. Thank you.

10

MS SHARP SC: And do you see it's addressed to you?

MR POWER: I do.

15

MS SHARP SC: And it's copied to Oliver White and Kevin Houlihan?

MR POWER: Yes, I see that.

MS SHARP SC: And it's marked Updated Assessment, Alvin Chau Cheok Wa?

20

MR POWER: Yes.

MS SHARP SC: One of the figures of central concern to the Bergin Inquiry?

25

MR POWER: Yes.

MS SHARP SC: May we take it that when you did read it sometime in late October, you read it carefully?

30

MR POWER: Yes.

MS SHARP SC: Can I take you to paragraph 3 of the document?

MR POWER: And would you mind if we just had that expanded - thank you.

35

MS SHARP SC: And it says:

"Taking cognizance of all available information, it is assessed Mr Chau, as alleged, was indeed a member of the 14K triad group in his youth."

40

MR POWER: Yes, it says that.

MS SHARP SC:

45

"Contemporary information suggests he is no longer an active member and that he has dissociated himself from his triad antecedents as he attempts to 'gentrify' his varied business interests. However, it is suspected Mr Chau, and/or his subordinates, retain close links with triad entities who assist with

certain aspects of his VIP junket business i.e. collecting gambling debts in China."

5 **MR POWER:** Yes, I see that.

MS SHARP SC: This information must have been of considerable concern to you when you read this report?

10 **MR POWER:** It was certainly, yes, information that I thought was concerning.

MS SHARP SC: And could I take you to pinpoint 0002 at paragraph 7? Can you read that, Mr Power?

15 **MR POWER:** I can.

MS SHARP SC: So it says:

20 "Given the serious nature of the non-compliant behaviour, it is surprising that an official audit/review of Suncity's operations did not take place as a matter of urgency."

25 Now, you understand - and I will take you up to the previous paragraph - that that was Mr Buchanan's observation in relation to events that had occurred in Salon 95 in May and June of 2018?

MR POWER: Yes, I see that.

MS SHARP SC: And what he says then in paragraph 7 is:

30 "A review subsequently took place some eight months later. A revised risk assessment should also have been completed as a matter of course."

MR POWER: Yes, I see that.

35 **MS SHARP SC:** Did you understand that Mr Buchanan was somewhat critical of the management of Suncity and Salon 95 in 2018?

MR POWER: Yes, I see that.

40 **MS SHARP SC:** And he also says:

45 "No additional enhanced customer due diligence was conducted on Suncity entities and AML risk ratings remained the same despite the fact suspicious money laundering activity was occurring at Salon 95."

MR POWER: Yes, I see that.

MS SHARP SC: And he goes on to say:

"The response was somewhat weak and not proportionate to the risk."

MR POWER: Yes.

5

MS SHARP SC: And do you accept that's a fair criticism of the response at that time?

MR POWER: Yes.

10

MS SHARP SC: And can you see at paragraph 10, Mr Buchanan is stating in his October 2020 report:

15

"It is recommended that the business undertakes a review as to the appropriateness of continuing to maintain a business relationship with Mr Chau and Suncity."

MR POWER: I see that, yes.

20

MS SHARP SC: So did you understand at the time you read this report in October 2020 that Mr Buchanan considered The Star should review whether it was appropriate to continue maintaining a business relationship with Mr Chau and Suncity?

25

MR POWER: I'm sorry, Ms Sharp. Would you mind repeating the start of that question, please?

30

MS SHARP SC: Yes. Did you understand when you read this report in October 2020 that Mr Buchanan was of the view that The Star should review the appropriateness of continuing to maintain a business relationship with Mr Chau and Suncity?

MR POWER: That's the view that he's expressing here, yes.

35

MS SHARP SC: And you understood that was his view at the time?

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MR POWER: Well, I think it reflects, perhaps, some confusion about the nature of this document because it was my understanding that that was the purpose of this document, that that was this review.

MS SHARP SC: And this review was happening in October of 2020?

MR POWER: That's correct.

45

MS SHARP SC: Can you see there's a heading Background and underneath that there's a reference to:

5 "July 2019, a series of media reports alleged that Crown was willfully blind, or recklessly indifferent, to AML/CTF related risk in their business dealings with Mr Chau's Suncity VIP junket business. The reporting cited a Hong Kong Jockey Club report which suggested key Suncity personalities 'have demonstrated links to numerous triad societies and organised crime figures'."

MR POWER: Yes, I see that.

10 **MS SHARP SC:** Did you accept that that was a fairly significant piece of due diligence information about Mr Chau at that time?

MR POWER: The fact that media reports alleged those things?

15 **MS SHARP SC:** No, the fact that:

"The reporting cited a Hong Kong Jockey Club report which suggested key Suncity personalities have 'demonstrated links to numerous triad societies and organised crime figures'."

20 **MR POWER:** I believe that's relevant, yes.

MS SHARP SC: Well, it's highly relevant that there's a report that says that various Suncity personalities have demonstrated links to numerous triad societies, isn't it?
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MR POWER: I think he's referencing what was reported in the media about the Hong Kong Jockey Club report.

30 **MS SHARP SC:** Regardless of whether it was reported in the media, it was information about what the Hong Kong Jockey Club report contained, wasn't it?

MR POWER: I guess it's a report about what was in the Hong Kong Jockey Club report, yes.

35 **MS SHARP SC:** Now, are you quite clear that by this time, no one had made you aware that Paula Martin, Kevin Houlihan, Oliver White and Angus Buchanan all had a copy of the Hong Kong Jockey Club report?

40 **MR POWER:** I became aware of it at some point. Whether it was in October of 2020, I don't recall.

MR BELL SC: Did Skye Arnott ever tell you that she had read the report?

45 **MR POWER:** No. I - look, I believe Mr Houlihan would have been the one that told me he had access to it at some point, but I - I honestly don't recall when that was. It would have been in or around this time. You know, it was certainly relevant at the time given that is referenced in Mr Buchanan's paper.

MR BELL SC: Yes.

MS SHARP SC: Well, once Mr Houlihan told you he had it, did you ask to read it?

5

MR POWER: No, I didn't.

MS SHARP SC: Why not?

10 **MR POWER:** Well, at that stage, I - I figured that Mr Buchanan and Mr Houlihan had the benefit of it. Mr Buchanan was one of the potential authors of that report, so I figured that the intelligence that was contained within that report was equally being conveyed to us as appropriate or as necessary.

15 **MS SHARP SC:** Did you not want to know what information was in it?

MR POWER: No, I - I believe that the information that was contained in it was being factored into the reporting that was being done by Mr Buchanan.

20 **MS SHARP SC:** Weren't you the AML/CTF compliance officer, together with Mr Houlihan, at this time?

MR POWER: I was, yes.

25 **MS SHARP SC:** Didn't the decision rest with you and Mr Houlihan about whether to continue or cease dealing with Suncity and Alvin Chau?

MR POWER: Yes.

30 **MS SHARP SC:** Well, you understood by this time, didn't you, that the Hong Kong Jockey Club report contained important information about the propriety of Alvin Chau and Suncity?

MR POWER: Yes.

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MS SHARP SC: Well, why didn't you ask Mr Houlihan if you could have a read of the document?

40 **MR POWER:** I don't recall why I didn't ask him for it. I could only suggest that it was known to me at some stage that he had it and that Mr Buchanan, being one of the authors of the report, had the benefit of it. I was interested in Mr Buchanan's report on Mr Chau, and I figured that it would incorporate the intelligence that he had acquired in the course of his time at the Hong Kong Jockey Club.

45 **MS SHARP SC:** Well, weren't you, in fact, interested in the suitability of Mr Chau and Suncity as entities with whom Star Entertainment had a business relationship?

5 **MR POWER:** I believe it was at the end of October that we framed - I guess, proposed a framework - or first proposed a framework whereby that question would be directly put to, firstly, you mentioned earlier today, the AML risk and the decision as to whether to continue to deal under the AML program, and then separately the need for a step that considered specifically suitability. And I believe that that was a decision that was made in late October 2020 with Mr Houlihan and- and Ms Martin.

10 **MS SHARP SC:** Just to be clear: from the point in June 2019 where you had concerns that money laundering had occurred in Salon 95, it's right that the business continued to deal with Suncity and Alvin Chau all the way up till the point where The Star was shut down in March 2020 due to COVID, isn't it?

15 **MR POWER:** Yes.

MS RICHARDSON SC: Well, I object to that question. No, it has a number of rolled-up propositions, one of which is inconsistent with the evidence.

20 **MR BELL SC:** Ms Sharp, I wonder if this is an appropriate time to terminate proceedings for the day and you can reflect upon Ms Richardson's objection.

MS SHARP SC: Yes, I will. Thank you, Mr Bell.

25 **MR BELL SC:** Yes. I will adjourn until 10 am on Monday.

<THE HEARING ADJOURNED AT 5:02 PM