

15 June 2018

Our ref: CD/18/13728

Mr Barry Felstead  
CEO—Australian Resorts  
Crown Melbourne Limited  
8 Whiteman Street  
SOUTHBANK VIC 3006

Dear Mr Felstead

### **Sixth Review of the Casino Operator and Licence**

Please find enclosed:

- revised draft Executive Summary, Conclusions and Recommendations (front section), and
- revised draft China section.

The revisions to the Executive Summary, Conclusions and Recommendations take into account the contents of your letter dated 5 June 2018 and the representations made in Josh Preston's meeting with Robert Chappell and Miriam Holmes on 31 May 2018. These sections are unlikely to be further revised.

The changes to the China section reflect changes to the status of the VCGLR's investigation regarding the matter and a concern raised by Crown to more fully articulate the basis on which the VCGLR proposed to conclude that the detentions were foreseeable. I request that Crown provide its draft response to the draft China section by **the close of business on Tuesday 19 June 2018**.

I expect that the VCGLR will consider your response to the China section and then provide the final draft and request Crown's formal response for publication by Friday 22 June 2018.

#### *Revisions to Recommendations*

The revisions to recommendations include—

- Recommendation 1: clarification of the intended role of directors
- Recommendation 3: the date for completion is to be 1 July 2019
- Recommendation 4: date for completion is to be 1 July 2019
- Recommendation 8: the treatments for carded and uncarded play are to be decoupled—retaining the implementation obligation for carded play and substituting, in relation to uncarded play, an obligation to undertake a comprehensive study

- Recommendation 9: there will be consultation with Crown on the approval of the independent evaluator, and
- Recommendation 15: the VCGLR will receive the proposed reports and will share them with the Victorian Responsible Gambling Foundation as appropriate.

*Other revisions to the report*

**Future suitability**—The Executive Summary wording has been clarified to explain why further work is required to ensure that Crown will remain suitable in five years.

**Money laundering**—The VCGLR referred Crown's comments back to AUSTRAC. As a result the final text will not refer to non-compliance, although all references to areas for improvement will be retained. There is no longer a reference to AUSTRAC findings in the Executive Summary.

**24/7 availability**—The report continues to reference the 24/7 availability of the Responsible Gaming Support Centre but this is not identified as a performance indicator. The report now states that there are no quantified performance indicators for the Centre.

**Systemic weakness**—The reference to systemic weakness has been replaced by a reference to organisational weakness in gambling compliance.

**Perimeter control**—The report now describes a soft, rather than weak, perimeter.

**Interviews**—The recorded interviews with directors and senior executives are now described as formal interviews.

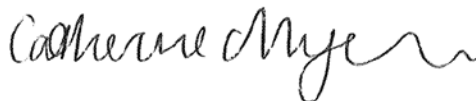
**YourPlay**—The report now contains an observation that staff could be directed to gaming machines where a carded player is no longer accumulating loyalty benefits.

**Profitability of the wagering segment**—This is unchanged, as the observation about wagering being loss-making references net profit after tax.

**Fact checking generally**—The final draft will include all necessary changes arising from incomplete or inaccurate facts (as pointed out), with descriptors being modified as required to ensure consistency and compatibility of information.

If you have any queries, please do not hesitate to contact me on [REDACTED] or Robert Chappell on [REDACTED]

Yours sincerely



Catherine Myers  
**Chief Executive Officer**

Encl.