

Draft Minutes
**Victorian Commission for
Gambling and Liquor Regulation**
Sixth Casino Review
VCGLR/Crown dedicated meeting

TRIM ID: CD/19/6664

Meeting details		
Meeting title:	VCGLR/Crown dedicated meeting	Meeting: 1
Date:	Tuesday, 12 March 2019	Time: 4.30 pm – 6.45 pm
Location:	Crown Melbourne, Legal Services meeting room	
Attendees		
Title and Business unit/Branch		
Crown:		
Joshua Preston	Chief Legal Officer – Australian Resorts (JP)	
Michelle Fielding	Group General Manager, Regulatory and Compliance (MF)	
VCGLR:		
Jason Cremona	Manager, Licence Management and Audit (JC)	
Steve Thurston	Licence Manager, Licence Management and Audit (ST)	
Rowan Harris (Chair)	Principal Major Licence Officer, Licence Management and Audit (RH)	
Apologies		
None		
Item	Subject	Speaker
1.	Opening/apologies Meeting opened. No apologies.	VCGR

	<p>2. Nine recommendations due 1 July 2019</p> <p>Crown provided progress updates on recommendations 3, 4, 10, 11, 12, 13, 14, 17 and 19.</p> <p><i>Recommendation 3</i></p> <p>1 a) Crown advised that the draft assessment report prepared by Deloitte in relation to formalising the risk framework, including risk appetite, and developing a risk management strategy will be provided to Crown shortly.</p> <p>2 b) The Crown risk matrix was received positively after internal and external consultation. has been approved by the various Crown Boards.</p> <p>3 c) Crown further advised that the draft Deloitte assessment report will pass through the Executive Risk Management and Compliance Committee, Audit Committee and Crown Melbourne Bboard.</p> <p>4 d) Recommendation is on track.</p> <p><i>Recommendation 4</i></p> <p>5 a) JP referred to the Crown Melbourne compliance framework update provided to the VCGLR on 24 December 2018 and the CURA compliance system. CURA focuses on reporting <u>and recording</u> compliance issues as they arise which are then reported into a centralised framework.</p> <p>6 b) CURA and the Compliance Framework <u>assists to identify any weaknesses and assess remedial actions required</u> catches elements of weaknesses' and escalates reporting of them.</p> <p>7 c) The Gaming Initiatives Fform has been implemented. JC enquired whether this Fform could be referenced in other internal control statements (ICSs), as it is only captured in the Gaming Machines ICS. JP advised that this would be considered.</p> <p>8, 9 d) Crown is aiming for end of April 2019 to provide a submission in relation to the recommendation. Recommendation is on track.</p> <p>10 <i>Recommendation 10</i></p> <p>11 First bullet point</p> <p>12 a) JP advised that the submission in relation to the first bullet point is progressing. Tripartite discussion, between Crown, VRGF and VCGLR, on short term self-exclusion orders (SEOs) is going well and work is progressing on 'best fit' re SEO terms. JP further advised that internal discussions are still ongoing re settling appropriate exclusion periods for SEOs.</p> <p>13 b) Crown is seeking external engagement to assist in determining the ideal approach, in particular <u>welcoming regarding</u> patrons subject to SEOs <u>back seeking to revoke their SEO and return</u> to the casino. Expiry of SEO period would not mean patron's automatic return to the casino. A revocation submission and Crown indicated that an assessment <u>assessment would be required before patrons can apply to have their SEO revoked. undertaken.</u> Crown advised that its current SEO re-admission process is robust.</p> <p>14 c) ST enquired whether the external report would be provided to the VCGLR. Crown advised that it will consider whether the report can be circulated, <u>as the experts were being engaged under legal privilege.</u> Crown may rely on legal privilege and not release it.</p> <p>15 d) Timing of engaging the expert <u>and obtaining advices</u> could challenge the <u>timeframe</u></p>	Crown/VCGLR
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d) JP advised that Crown will proactively engage with the VCGLR if the deadline for providing the submission is challenged.

e) Recommendation may not meet deadline.

Second bullet point

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a) Crown advised that it has considered the associated risks with removing SEOs more than 10 years old and its view remains that it is are not is not acceptable. Crown has no interest sees potential harm and no value in removing SEOs that were older than 10 years and intends to articulate this as part of its review of the SEOs, as required under the recommendation wording. Crown also noted that this issue had been raised at the tripartite meetings.

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b) Consequently, the review between 1 July 2019 and 30 June 2020 would not be required.

c) The VCGLR advised Crown that its submission needs to be clear that its view is:

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- there would be no improvement to the administrative process if the 10+ year SEOs were removed, and
- there are legal risks, challenges and concerns in removing SEOs more than 10 years old.

d) Recommendation is on track.

Recommendation 11

a) Tripartite discussion is ongoing.

b) Crown Melbourne policies are being developed in light of Crown Perth's policies and are in progress.

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c) Crown advised of a potential major challenge noted from its experiences at Crown Perth that at times there are challenges in progressing third party SEOs with consideration to consequences for the third party. The potential challenge is if the third party does not want the evidence supplied to the person subject to the SEO, then how to progress?

e) VCGLR commentary is required on Perth Policy Statements (Perth documents) provided to the VCGLR. Refer to action item 1.

f) Recommendation is on track.

Recommendation 12

a) Crown advised that installation of facial recognition technology (FRT) is almost complete and has been rolled out at casino and casino complex perimeter entrances.

b) The "NeoFace" FRT is very effective compared with products tested previously.

c) Crown raised difficulties with ongoing reporting requirements intended to measure effectiveness.

d) JP advised that the first effective quarterly update would be due mid-October 2019, based on the clock starting on 1 July 2019.

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e) JC advised that Crown should consider reporting prior to the 1 July 2019 deadline to enable the Commission to accept the effectiveness of the reporting thus enabling the recommendation to be closed at this point in time. The risk is that the Commission does not close the recommendation if effectiveness reporting is not included - effectiveness reporting must be "in place". JP noted this perspective and agreed to consider this

Page 3 Comments

A1

Should this be assess?

Author, 12/30/1899 10:00 AM

<p>44, 46</p> <p>47, 48</p> <p>49</p> <p>50</p> <p>51</p> <p>52</p> <p>53</p> <p>54, 55, ...</p> <p>57</p> <p>58</p>	<p>f) MF raised the concern about the number of quarterly reports required. JC acknowledged that ceasing the quarterly reports would likely be considered after several quarters of reporting and they would be presented to the Commission for consideration.</p> <p>g) RH requested Crown to provide what information / statistics are available for the VCGLR to assess effectiveness. This changes action item 1 from VCGLR/Crown Operations meeting held on 27 February 2019. Refer to action item 2.</p> <p>h) Recommendation is on track.</p> <p><i>Recommendation 13</i></p> <p>a) Contingent on completion of recommendation 14.</p> <p>b) Crown is making “solid” progress. Development of policy with procedures is in progress.</p> <p>c) Crown Melbourne staff have spent time with Crown Perth staff developing policy.</p> <p>d) Crown has settled on ‘the vision’ (about 14 words) <u>with the meetings of in consultation with representatives of the Crown Resorts RG Committee RSG Sub-Committee.</u> A strategy <u>has been is being</u> developed underneath this.</p> <p>e) Recommendation is on track.</p> <p><i>Recommendation 14</i></p> <p>a) MF advised that this recommendation is ‘a big piece of work’. The recommendation is progressing well, even though there are challenges in meeting the deadline. Crown is confident it can meet the deadline.</p> <p>b) JP noted ‘should’ rather than ‘must’ in the recommendation wording.</p> <p>c) JP advised that Crown will look to develop ‘the strategy’ and make a submission to address the recommendation. Implementation will be planned to happen post addressing the submission.</p> <p>d) Recommendation is on track.</p> <p><i>Recommendation 17</i></p> <p>a) JP advised that Crown has had ongoing meetings with AUSTRAC over the past two years <u>that he has been in the Crown Melbourne role (and prior to that with his predecessor)</u> and has had positive AML/CTF assessments and outcomes.</p> <p>b) Crown has been working closely with AUSTRAC <u>in keeping it informed of Crown’s initiative</u> to develop a joint AML program across the Crown Melbourne and Perth casinos. There is also a transaction monitoring program in place. JP referred to the 2017 VIP International framework – AUSTRAC Assessment, <u>which raised no material issues, only minor recommendations which were accepted and implemented.</u></p> <p>c) JP advised that the joint (Crown Perth/Crown Melbourne) AML program will be reviewed by an external party and is a ‘significant piece of work’ which may not be completed by 1 July 2019. The VCGLR believes that the joint AML <u>p</u>Program is not linked to recommendation 17.</p> <p>d) <u>JP advised that Crown consults with AUSTRAC on its ICSs and that the strongest control over AML is the joint AML program, which is regulated by AUSTRAC as the relevant statutory body.</u> In addition, the strengthening of internal controls would be somewhat limited to the AML internal program/processes and ‘framework documents’. JP <u>believes stated that the fundamental issue re relevant control for AML/CTF is the</u></p>	<p>Page 4 6</p>
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59, 60	e) internal AML/CTF program, not the ICSs. <u>This is the statutory requirement.</u>	
61	f) JC enquired if 'suitability of control statements' has been discussed with AUSTRAC, as required by the recommendation. JP advised that it has not been discussed, and is of the view that the suitability of the AML/CTF program was more important than the ICS suitability in relation to Crown's approach to AML. JC advised that although the AML/CTF program was important, it was not the key consideration in line with the recommendation.	
	g) JC advised that the ICSs should support the AML program, and the ICS review as required by the recommendation, in particular the Junkets and Premium Players ICS, needed to be subject to Crown's review and AUSTRAC's input re its suitability.	
62 64, 64	h) RH referred to the central issue of lack of transparency of individual junket players and referred to page 138 of the Sixth Casino Review report which states "mitigating the risks associated with junkets could be strengthened with the inclusion of more robust controls in relation to the identification of individual junket players and their associated gaming transactions when participating in junkets". JP noted that this was an observation and would not 'drive' the recommendation review outcomes. <u>JP noted that this issue was not discussed with Crown at all during the s 25 review process and, that the s 25 project team did not discuss AML in any meaningful way at all. Further the 2 case studies were not relevant to Recommendation 17. The VCGLR advised that its comments were based on</u> Commonwealth secrecy provision	
	i) The VCGLR made clear its expectations re consultation with AUSTRAC and the review of the ICS for junkets.	
	j) JC advised of his concern that Crown's response and the discussion in the meeting does not appear to specifically address the recommendation. <u>JP responded that the recommendation did not specify what outcome was to be formed.</u>	
67	k) Crown is progressing its response to the recommendation. <u>Recommendation is on track.</u>	
68	<i>Recommendation 19</i>	
	a) The policy already exists, but some minor tweaks are <u>requiredbeing made.</u>	
	b) The submission is in progress.	
	c) Recommendation is on track.	
3.	Other business • None.	Crown/VCGLR
4.	Next scheduled meeting • To be advised.	Crown/VCGLR

No	Action to be taken	Assigned to	Due date	Status
1.	Recommendation 11 – VCGLR and VRGF to review draft policy statements.	RH	Tripartite meeting no.4	Open
69	Recommendation 12 – Crown to advise what type of statistics/information is available for assessing effectiveness of the quarterly written updates.	MF		Open

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