



## Minutes

### VCGLR and Crown Quarterly Licence Management Meeting

TRIM ID: CD/18/28457

Meeting details	
<b>Meeting title:</b>	Licence Management Meeting
<b>Date:</b>	Tuesday 25 September 2018
<b>Meeting #:</b>	12
<b>Time:</b>	2.00pm – 3.30pm
<b>Location:</b>	Room 3.03, Level 3, VCGLR Office, North Richmond

Attendees	Title and Business unit
<b>VCGLR</b>	
Alex Fitzpatrick	Acting CEO
Steve Berriman	Director, Compliance
Jason Cremona	Acting Director, Licence Management and Audit
Steve Thurston	Licence Manager, Licence Management and Audit (Chair)
Rowan Harris	Principal Major Licence Officer, Licence Management and Audit
<b>Crown</b>	
Xavier Walsh	Chief Operating Officer
Joshua Preston	Chief Legal Officer, Australian Resorts
Michelle Fielding	Group General Manager, Regulatory and Compliance
Sonja Bauer	Group General Manager, Responsible Gaming

Apologies	Title and Business unit/Branch
None	

Item	Subject
1.	<p><b>Opening/apologies</b></p> <p>No apologies noted.</p>
2.	<p><b>Minutes of the previous meeting (28 February 2018)</b></p> <p>Accepted. One minor amendment (agenda item 3 bullet point three: insert 'Group' before General Manager, AML).</p> <p><b>Review action items</b></p> <p>Refer to table below.</p>
3.	<p><b>VCGLR Regulatory and Licensing Update</b></p> <p>a) <b>Licensing update</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Licensing is reviewing the level of engagement (frequency of meetings) with the major licensees, including meetings between the Commissioners with licensee senior</li> </ul>

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executives and business as usual operations meetings. The VCGLR has consulted MF on the matter.

- Revocation of section 64 VCGLR Direction re Free Play Vouchers. Refer to agenda item 6.
- Skill Based Gaming. The assessment is ongoing, including responsible gambling considerations.
- VCGLR Disciplinary Action process has been transferred to Legal Services.
- Victorian Appendix. Reference to 'Return to Player' in PID. Must be plural ie. RTPs. Message must be consistent. Crown's view is to apply one statement and apply information from the Government brochure.

#### b) Compliance update

- Steve Berriman raised an incident where a patron believed to be an 'excluded person' entered the casino and won \$21k. The patron was not detected by Facial Recognition Technology (FRT). XW believed that the patron's image was not of sufficient quality to be detected. The person had been WOL'ed (Withdrawal of Licence). However, there was doubt whether the patron had been served with the WOL documentation. Therefore, there was uncertainty about whether the patron was allowed on Crown property. The patron was paid their winnings.
- JP discussed the nature of the FRT system and its level of accuracy which continued to improve based on our testing over a period of time. JP noted that it, like all FRT technology in our experience, is not guaranteed to capture every person it has in its database. Crown is about to roll-out FRT (50 to 80 additional cameras) on Crown Complex perimeter entrances, in addition to the existing cameras on the casino boundary (by Christmas).
- The latest letter on the Crown China matter has been provided to the VCGLR in response to enquiries from VCGLR Compliance.
- Steve Berriman's last day with the VCGLR is 15 October 2018. His replacement is Adam Ockwell.
- The Crown Poker Tax matter is with VCGLR Legal Services. Crown is in the process of writing computer code in an attempt to retrieve a range of historical poker tax information since 2003 from its existing system to assist with this matter.

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#### 4. Sixth Casino Review Recommendations

(Including update on ongoing work with respect to the identification problem gambling)

##### Proposed process for monitoring recommendations

- VCGLR Licensing has oversight of monitoring the recommendations. RH is the central point of contact.
- A paper proposing the process for monitoring the recommendations will be prepared for the October 2018 Commission meeting.
- It is proposed that the recommendations will be monitored principally via the VCGLR/Crown Operations meetings, and the VCGLR/Crown Licence Management meetings. Both meetings will include 'Sixth Casino Review recommendations' as standard agenda items.
- In addition, JC, ST and RH will meet with the Crown Group General Manager,

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Regulatory and Compliance and Group General Manager, Responsible Gaming on a regular basis to track progress of the Responsible Gambling Recommendations (6 to 16). The first meeting is scheduled for early November 2018. These meetings will permit more detailed discussions than might be practical at the operations meetings about the more complex recommendations.

- Crown will be requested to provide regular updates on implementation progress. The updates will be provided in a schedule. New action item 1 (below).
- The first update to the Commission is scheduled for the February 2019 meeting. Recommendations 1, 2 and 8(a) are the first due (ie. 1 January 2019).
- JP provided a status update on each recommendation. The following key points were noted:
  - o Recommendation 2. Antonia Korsanos has replaced Rowena Danziger as chair of Crown Melbourne Audit Committee.
  - o Recommendation 3. Crown is considering appointing PwC to provide the external advice. New action item 2 (below)
  - o Recommendation 5. Crown is seeking guidance from the VCGLR in relation to the VCGLR's risk-based approach. New action item 3 (below).
  - o Recommendation 6. Crown has employed five new Responsible Gambling Liaison Officers (RGLOs). The total number of RGLOs is 12.
  - o Recommendation 10. Crown advised that its current view is that it will keep 'ten year plus exclusions' on the Exclusions Register. It has a better chance of detecting them if they are kept on the Register than not.
  - o Recommendation 11. Policy and procedure is based on Crown Perth's third party application process.
  - o Recommendation 12. Completed. Crown will also be positioning FRT cameras beyond the casino boundary (i.e. at the perimeters of the casino complex).
  - o Recommendations 13 and 14 and 15: Crown has commenced work on Recommendation 14, and is aiming to complete this before starting on Recommendation 13. Recommendation 15 will follow in due course.
  - o Recommendation 16: In addition to reviewing the Charter, Crown is reviewing its overall RSG related committee structures.
  - o Recommendation 17. Crown noted that it had spoken to senior managers from AUSTRAC regarding this recommendation. The VCGLR will provide greater clarity of the recommendation and consult with AUSTRAC. Action item 4 (below).
  - o Recommendation 18: Crown is seeking a discussion at working level with JC to progress how this might be implemented.
  - o Recommendation 19: This matter has commenced and is a work in progress.
  - o Recommendation 20: This is in hand.

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## 5. Casino licence

a) Overview of casino licence performance, including VIP Gaming:

- Crown has had a strong start to the Financial Year for table games. This upward trend
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reversed in September. EGMs are slightly below the previous corresponding period (PCP).

- Main floor. There has been considerable investment in new product.
- Local and international premium play is not at the same level, and is behind PCP.
- International VIP volumes are buoyant. However, the hold rate is below expectations.
- Overall, casino business is slightly behind PCP.

b) Emerging issues, risks and trends

- AUSTRAC assessment. There were no adverse findings.
- Senator Andrew Wilkie matter from April 2018. Closed out.
- Cyber security.
- Counter terrorism. Crown is seeking to have armed guards (Government PSOs) patrolling the casino complex. This is in response to the 'incident and subsequent evacuation' at Crown on 31 July 2018.
- Black Economy Taskforce – The Hon. Kelly O'Dwyer. Crown has made a submission to Federal Treasury. The Government is looking at introducing an economy wide cash payment limit of \$10k from 1 July 2019.
- Class Action against Crown. The matter is ongoing.
- Gambling Harm Awareness week is being held from 8 October to 14 October 2018 to raise awareness about gambling harm and the supports available. Crown will be operating a YourPlay booth in the afternoon and early evening.

c) Key activities in next quarter

- Internal staff surveys

d) Corporate structures (if any) – Request updated Organisation Chart

- The corporate structure has been expanded, particularly Risk and Audit area. New action item 5 (below).

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6. **Crown's submission to revoke VCGLR Direction pursuant to section 64 of *Casino Control Act 1991***

This matter is with VCGLR Legal Services. The Direction appears to be flawed. The VCGLR is clarifying its position regarding Free Play Vouchers.

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7. **Other business**

a) Crown Melbourne Executive Risk & Compliance Committee and Crown Melbourne Risk Management Committee.

- The Executive Risk & Compliance Committee (ERCC) oversees the overarching governance framework of Crown Melbourne and has its own charter. The former Crown Melbourne Risk Management Committee is no longer required. The ERCC meets before the Crown Melbourne Board Compliance Committee and Audit Committee

meetings.

b) Compliance Framework Update

- The CURA system (a commercially developed off the shelf system from South Africa which can be tailored to needs of the business) has been commissioned to support the business-wide compliance framework. It is a system that is used to record and report on compliance and other governance related matters. It is proposed that in due course it will be rolled out for Risk, Audit and AML to support those frameworks. CURA has been in operation at Crown Perth for many years. At present, more than half of Crown Melbourne business units have been integrated into the CURA system for the compliance framework, including AML, Cage, F&B, Property, RG, EGMs, Security and Surveillance and Credit.
- CURA is still evolving and developing.
- The CURA system assists in distilling compliance related information for the ERCC.
- Compliance officers meet monthly and provide information back to departments. For example, trends and issues.

c) Annual Commission and Crown Executive meeting (propose late November or early December 2018 dates)

- New action item 6 (below)


d) Other matters raised by Crown:

- I. Notification of SOP for front money is with the OLGR
- II. RSA Certificates for casino floor staff. Crown referred to gender option section on the certificate. There are other gender types to consider apart from male and female. Crown suggested that the VCGLR consider a third option to cover other gender types. Mr Berriman raised that he was aware of the matter and had reviewed it, however, there were concerns with permitting additional gender categories on a security basis.
- III. EGM picks. This matter continues to be under investigation.
- IV. Gaming investigation re EGMs able to be played in 'continuous play mode' without YourPlay card functionality. Of the 5 or 6 EGMs under investigation, Crown has discovered 3 had a repeat button and were immediately switched off by Crown. The 3 EGMs have been operating on the floor since 2008. Crown has sought explanation from the relevant Accredited Testing Facility, as Crown is of the view that the EGMs were installed and configured as per correct process, but appear to be faulty.

9. **Next meeting**

The next scheduled meeting is March 2019.

No	Action to be taken	Assigned to	Due date	Status
1.	Monitoring of Sixth Casino Review recommendations VCGLR to advise Crown on frequency of updating monitoring schedule.	RH	31 October 2018	Open
2.	Sixth Review Recommendation 3. VCGLR to consider Crown's proposed engagement of PwC	RH	31 October 2018	Open



3.	Sixth Casino Review Recommendation 5. VGCLR to provide advice on its Risk Based approach.	RH	31 October 2018	Open
4.	Sixth Casino Review Recommendation 17. VGCLR to provide its expectations of this recommendation.	RH	31 October 2018	Open
5.	Crown to provide updated Crown Corporate Structure Chart.	MF	31 October 2018	Open
6.	Suggest and settle on meeting date between Commission and Crown Executives.	RH/MF	31 October 2018	Open