



Victorian Commission for
Gambling and Liquor Regulation

Minutes of Meeting

VCGLR/Crown Sixth Casino Review Recommendations Meeting

TRIM ID: CD/18/31868

Meeting details		
Meeting title:	Sixth Casino Review Recommendations	Meeting #: 1
Date:	Wednesday, 31 October 2018	Time: 3.00pm – 5:30pm
Location:	Crown Melbourne	
Attendees	Title and Business unit	
Crown:		
Michelle Fielding	Group General Manager, Regulatory and Compliance	
Sonja Bauer	Group General Manager, Responsible Gaming	
VCGLR:		
Jason Cremona	Manager, Licence Management and Audit (Chair)	
Steve Thurston	Licence Manager, Licence Management and Audit	
Rowan Harris	Principal Major Licence Officer, Licence Management and Audit	
Apologies	Title and Business unit/Branch	
None		
Item	Subject	
1.	Opening/apologies	
	RH opened the meeting and outlined purpose.	
2.	VCGLR process for monitoring the Sixth Casino Review recommendations	
	Monitoring the Sixth Casino Review (6CR) recommendations has been allocated to the VCGLR's Licensing Division. RH outlined the proposed process for monitoring implementation of the 6CR recommendations which was endorsed by the Commission at its meeting on 25 October 2018.	
	Key points:	
	a) Monitoring the 6CR recommendations will be a standing agenda item for the VCGLR/Crown operations and Licence Management meetings.	
	b) Dedicated meetings will be held for the responsible gaming recommendations every three months to enable more detailed discussion.	
	c) Crown to provide written updates to the VCGLR every three months, in advance of the dedicated meetings.	

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- d) VCGLR staff to provide updates to the Commission every six months. The first update re recommendations 1, 2 and 8(b) which are due 1 January 2019 will be provided at the February 2019 Commission meeting.
 - e) Tripartite engagement process to be established between Crown, VCGLR and Victorian Responsible Gambling Foundation (VRGF) in relation to recommendations 10 and 11. Crown's engagement of the VRGF would include, but not be limited to:
 - o seeking relevant external stakeholder input into the development of policy settings
 - o seeking relevant external stakeholder input concerning current responsible gambling practises and policy with a view to Crown introducing:
 - short term exclusion orders
 - introducing third party exclusion order applications and other initiatives, including on-line exclusion order applications (which Crown noted is not a requirement of the Recommendations), and
 - o Crown considering revocation of long standing exclusion orders more than ten years old
 - o consulting the VRGF on problem gambling research and case studies.
 - f) Brief to Minister after implementation the final recommendation and interim updates as required.

Crown expressed concern that the VCGLR's proposed process may have increased or expanded the requirements of the 6CR Recommendations (for example, a proposed on-line self-exclusion process and specific alterations to the Junket ICS, both of which are not specified in the Recommendations). VCGLR staff assured Crown this was not the case.

It was agreed the next meeting would be held during the 2nd week of January 2019.

Action item 1: RH to send out a schedule of invitations for future meetings.

3. Update on responsible gambling recommendations (6 to 16)

See attached table for discussion notes and action items arising.

4. Victorian Responsible Gambling Foundation Consultation

SB advised that it has already had a meeting with the VRGF in relation to recommendations 10 and 11. The VCGLR noted that it would prefer if Crown met the VRGF with the VCGLR and not separately. Recommendations 10 and 11 require "in conjunction with the VCGLR, VRGF and other relevant stakeholders". SB will arrange tripartite meeting during November 2018. Refer to Action item 2.

5. Update on other Sixth Casino Review Recommendations

See attached table for discussion notes and action items arising.

6. Review of 6CR action items from 25 September 2018 VCGLR/Crown Licence Management meeting:

- a) Monitoring of 6CR recommendations. VCGLR to advise Crown on frequency of updating

- b) monitoring schedule.

The VCGLR requires a quarterly written update ahead of each quarterly meeting.

- c) 6CR Recommendation 3. VCGLR to consider Crown's proposed engagement of PwC.

The VCGLR would prefer that Crown does not engage PwC. However, it believes that it is not in a position to direct Crown not to engage PwC. The VCGLR recommends that Crown assess and mitigate potential conflict of interest risks in considering PwC or whomever they engage.

- d) 6CR Recommendation 5. VCGLR to provide advice on its Risk Based approach.

Crown was provided with a hard copy of the VCGLR's Regulatory Approach document which is available on the VCGLR website.

- e) 6CR Recommendation 17. VCGLR to provide its expectations of this recommendation.

Crown noted that AUSTRAC has not expressed concern with Crown's procedures in respect of the Junkets ICS and regulates Crown through its AML Program.

The VCGLR advised that in their view part of this recommendation is about ensuring greater visibility of individual junket players and their gaming activity to ensure that Anti Money Laundering risks are appropriately addressed. Therefore, it is expected that the review of the appropriate ICS, which will include the Junkets and Premium Player Programs ICS, will vary the applicable ICS to enable the same level of transparency for individual junket player activity as there is for premium players. Crown noted that the Recommendations do not specify amendments to the Junket and Premium Player ICS, nor make mention of individual player activity. In reviewing the ICS, Crown would need to seek input from the VCGLR in conjunction with AUSTRAC regarding record keeping in relation to individual junket players (which Crown noted is not required by the Recommendations) and this should inform reporting of any suspicious matters by Crown (which Crown noted is not required by the Recommendations).

7. Close

The meeting closed at 5:35 pm.

The next scheduled meeting will be advised by RH, and is expected to be in the second week of January 2019.

No	Action to be taken	Assigned to	Due date	Status
1.	VCGLR to send out schedule of invitations for future meetings	RH	ASAP	
2.	Crown to schedule tripartite (Crown/VRGF/VCGLR) meeting for November 2018	SB	ASAP	
3.	VCGLR to review Commission documentation to determine if further guidance can be given in respect	RH	ASAP	

of Recommendation 10 (2 nd dot point)			
4.	Crown to check when a report on Recommendation 12 (facial recognition technology) can be prepared to support closure of the recommendation.	MF	ASAP
5.	VCGLR to provide any clarification or contextual information that might be available on Recommendation 14.	RH	ASAP
6.	VCGLR to check reasons for sharing Recommendation 15 information with VRGF	RH	ASAP
7.	Crown to advise JC on details of a recent approval application that contains the new submission template for discussion (Recommendation 18).	MF	ASAP
8.	Crown to re-send section 72 exclusion order policy document to JC. VCGLR to advise if this is likely to meet the requirements of Recommendation 19.	MF	ASAP
9.	VCGLR to clarify with reference to existing policy document what is likely to be addressed in Recommendation 19.	RH	ASAP

6CR Recommendations:

Number	Recommendation	Timeframe	Notes re 31 October 2018 Meeting
	Corporate Governance and Risk		
1.	<p>The VCGLR recommends that, by 1 January 2019, Crown develop, and submit to the VCGLR for approval, a change program to fully engage its independent directors in proactive strategic oversight of the operations of the Melbourne Casino. Particular consideration should be given to:</p> <ul style="list-style-type: none"> • formulating a charter for the Crown Melbourne board • fully documenting, for visibility to the VCGLR, the reporting and decision-making relationships between all of the boards, committees and executive meetings with responsibility for, or oversight of, 	1 January 2019	Crown reported that this recommendation has been largely met.

	<ul style="list-style-type: none"> Melbourne Casino functions, and elevation of governance to the group board and committees. <p>The submission should identify any changes to regulatory frameworks and how these will be addressed.</p>		
2.	The VCGLR recommends that, by 1 January 2019, Crown undertake a review of the required qualifications for committee chairs set out in the charters, and ensure that the appointees' actual qualifications match.	1 January 2019	<ul style="list-style-type: none"> a) Review completed b) One change made – replacement of Rowena Danziger c) Letter expected from Crown to VCGLR soon.
3.	The VCGLR recommends that, by 1 July 2019, Crown assess the robustness and effectiveness of its risk framework and systems, including reporting lines in the chain of command, and upgrade them where required. This assessment should be assisted by external advice.	1 July 2019	Crown is currently in discussion with a third party to assess this.
	Regulatory Compliance		
4.	The VCGLR recommends that, by 1 July 2019, Crown undertake a robust review of internal controls to ensure that Crown's regulatory and compliance department is aware of all projects and works in progress for which regulatory approvals might be relevant.	1 July 2019	Progress has been made. Crown has implemented its gaming initiatives form, and this is pending a review.
5.	The VCGLR recommends that Crown convene annual roundtable sessions briefing key internal staff on the VCGLR's risk-based approach to regulation, with a particular	Annual	Discussions have been held but clarification is sought on this deliverable.

	focus on how that approach relies on the integrity of Crown's internal processes.		
	Responsible Gambling		
6.	The VCGLR recommends that, by 1 January 2020, Crown Melbourne review its allocation of staffing resources to increase the number of work hours actually available to responsible gambling and intervention with patrons. This might be achieved by training more gaming staff to undertake assessments and then approach patrons identified as at risk, without the need to contact a RGLO. However, this will only be effective if those staff have sufficient time aside from their gaming duties.	1 January 2020	<ul style="list-style-type: none"> a) Extra five RGLOs already hired. The number of RGLOs has increased from 7 to 12. b) RGLOs are on site 24/7 and work 12 hour shifts. c) More RGLOs present per shift on average and there are more RGLO hours of engagement. Beforehand, there were one to two RGLOs per shift. Now there are two to three per shift. There is a minimum of two per shift (barring unforeseen circumstances). ^[RH1] d) Some discussion about how to report outcomes to the Commission, with a view expressed that there are a number of statistical measures that could be included in a report to demonstrate the outcome of additional RGLOs. ^[RH2] e) Crown is still reviewing the ^[RH3] additional components of that part of the recommendation.
7.	The VCGLR recommends that Crown Melbourne use observable signs in conjunction with other harm minimisation measures such as data analytics to identify patrons at risk of being harmed from gambling.	Ongoing	<ul style="list-style-type: none"> a) Crown suggested that the data analytics model would address one half of this recommendation. b) RH confirmed that the Commission did not have any particular strategy in mind in relation to the "other harm minimisation measures".

Page 6 Comments

- RH1 **Accept**
Rowan Harris, 12/13/2016 02:02 AM
- RH2 **Accept**
Rowan Harris, 12/13/2016 04:09 AM
- RH3 **Accept**
Rowan Harris, 12/13/2016 02:03 AM

			<p>c) There was discussion about how to address Recommendations 6, 7 and 8 with a suggestion that a single report/submission might well address these three recommendations together.</p>
<p>8.</p>	<p>The VCGLR recommends that Crown Melbourne proceed with development and implementation of comprehensive data analytics tools for all patrons, to proactively identify for intervention patrons at risk of harm from gambling. These tools would utilise both historical data (with parameters developed from the second player model), and real-time monitoring of play periods. Crown Melbourne should look to models in other jurisdictions, and consult with external data analytics experts, with a view to implementing world-class, proactive approaches with real-time (or near-real time) operational effectiveness. In particular—</p> <p>(a) for carded play (that is, player activity which can be systematically tracked), Crown Melbourne will have in operation a comprehensive real-time player data analytics tool by 1 January 2020, and</p> <p>(b) for uncarded play (that is, all other player activity), Crown Melbourne will, by 1 January 2019, commence a comprehensive study of all the practical options for a real time player data analytics tool, with a view to</p>	<p>1 January 2020</p> <p>1 January 2019</p> <p>1 January 2020 and 1 July 2022</p>	<p>a) Data analytics model started its 12 month trial in June 2018.</p> <p>b) Discussion was held about how soon Recommendation 9 could be addressed given that the model has already started, albeit in trial mode. If the trial is successful, the model will be implemented 12 months after June 2019.</p> <p>c) In relation to (b) SB said that there have been some “plug and play” software solutions trialled overseas and this is something Crown might look into.</p> <p>d) SB asked whether the Commission had anything in mind for the uncarded play, in particular if the Review Director was aware of anything being used in South Australia, but RH confirmed this was not the case.</p>

	reporting in detail (including legal, technical and methodological issues) to the VCGLR by 1 January 2020 and the tool being in operation by 1 July 2022.		
9.	The VCGLR recommends that Crown Melbourne arrange, at its expense, for an independent assessment of the real-time player data analytics tool for carded play (see Recommendation 8(a)), to be completed 12 months after implementation of the tool. The independent assessment is to be undertaken by a person approved by the VCGLR, after consultation with Crown.	12 months after implementation of the tool	Refer to comments above regarding discussion about when the "implementation of tool" is measured from.
10.	<p>The VCGLR recommends that, by 1 July 2019, Crown Melbourne undertake a comprehensive review of its policy for the making and revocation of voluntary exclusion orders under section 72(2A) of the Casino Control Act. The comprehensive review should be undertaken in conjunction with the VCGLR, VRGF and other relevant external stakeholders. The review should be undertaken with a view to implementing policies that facilitate:</p> <ul style="list-style-type: none"> • Crown Melbourne issuing short term exclusion orders for 3, 6, 12 or 24 months under section 72 of the Casino Control Act, considering the specific circumstances of the person and their preferred time period for exclusion, and conditional on the person undertaking to comply with the order and with other 	<p>1 July 2019</p> <p>1 July 2019</p>	<p>a) Crown met with VRGF (Brett Hetherington, Tony Phillips and Lindsay Shaw) last week to discuss this recommendation.</p> <p>b) VCGLR requested tripartite meetings. Crown/VCGLR/VRGF needs to be clear that VRGF is a subject matter expert offering input.</p> <p>c) Crown queried what the process would be where the Commission and Crown held a different view/position from the ^[RH4] VRGF in the Review.</p> <p>d) VCGLR made the point that Crown must satisfy the Commission when addressing the Recommendations, albeit with consultation with stakeholders such as ^[RH5] VRGF where stated.</p> <p>e) Point a) above was discussed with VRGF in</p>

Page 8 Comments

RH4 **Accept**

Rowan Harris, 12/13/2016 02:03 AM

RH5 **Accept**

Rowan Harris, 12/13/2016 02:04 AM

	<ul style="list-style-type: none"> • matters (such as obtaining treatment), and • Crown Melbourne reviewing voluntary exclusion orders which are more than 10 years old to consider whether the continued operation of these orders serves a useful purpose, with a view to retaining only those orders that are beneficial to the persons who are subject to them, and can be adequately enforced. The VCGLR further recommends that the review of such orders occurs in an orderly manner between 1 July 2019 and 30 June 2020. 	and 30 June 2020	<p>) the context of Rec. 10.^[RH6]</p> <p>g) Action Item 2: SB to schedule Crown/VCGLR/VRGF meeting during November 2018.</p> <p>h) Crown queried the ^[RH7] basis for the second dot point in the recommendation.</p> <p>i) Action Item 3: Crown asked whether the purpose of the second dot point could be explained. RH to review Commission documentation to determine if further guidance can be provided.</p> <p>j) VRGF has offered to do a literature review on this topic.</p> <p>k) RH referred to page 111 of the Report.</p> <p>l) Crown issues include excluded person addresses being out of date and the possibility that contact will lead to a relapse for the person.</p>
11.	The VCGLR recommends that, by 1 July 2019, Crown Melbourne develop and implement a policy and procedure to facilitate Crown Melbourne issuing involuntary exclusion orders under section 72(1) of the Casino Control Act at the request of family members and friends in appropriate cases. The policy and procedure should be developed in conjunction with the VCGLR, VRGF and other external stakeholders. Crown Melbourne should include information about this option in all its responsible gambling	1 July 2019	<p>Crown noted:</p> <p>a) Patrons can currently exclude “remotely” but not online. Crown advised that it does not support on-line exclusion order applications.</p> <p>b) Previous investigation resulted in on-line option not being used due to issues (identification, pranks, vindictive impersonation).</p>

Page 9 Comments

RH6 **Accept**

Rowan Harris. 12/13/2016 02:04 AM

RH7 **Accept**

Rowan Harris. 12/13/2016 02:05 AM

	publications, website and regularly provide information to relevant stakeholders, such as Gambler's Help and other similar organisations, about this option.		
12.	The VCGLR recommends that, by 1 July 2019, Crown Melbourne expand facial recognition technology to cameras on all entrances to the casino and that Crown Melbourne provide written updates on a quarterly basis on its effectiveness to the VCGLR.	1 July 2019	<p>Crown noted that this recommendation has already been completed, and they will be able to provide a report to the Commission. FRT is being extended beyond the casino floor to the casino complex perimeter entrances. Security are trialling a number of security officers at the doors being sent smart phone alerts re excluded persons approaching casino.</p> <p>Action Item 4: MF to investigate how soon a report can be prepared for the Commission on this recommendation.</p>
13.	The VCGLR recommends that, as part of developing a new responsible gambling strategy, by 1 July 2019, Crown Melbourne rebrand or refresh its responsible gambling messaging and publish new responsible gambling messages throughout the casino, in all Crown Melbourne publications, including online and social media platforms.	1 July 2019	<p>a) This recommendation is about activities over and above implementation of the Minister's Player Information Standards.</p> <p>b) Crown expects to start quarterly reports before July 2019.</p>
14.	<p>The VCGLR recommends that, by 1 July 2019, Crown Melbourne develop and implement a responsible gambling strategy focusing on the minimisation of gambling related harm to persons attending the casino. The strategy should address:</p> <p>(a) early proactive intervention initiatives</p>	1 July 2019	<p>Crown noted:</p> <ul style="list-style-type: none"> • (a) overlaps with Rec. 6, 7 and 8. • (b) seems to relate to Rec. 8 • (c) can only be PlaySafe data as Crown does not have access to YourPlay data • (h) might be satisfied by the new "gaming initiatives

Page 10 Comments

RHB

Accept

Rowan Harris, 12/13/2016 02:05 AM

	<ul style="list-style-type: none"> (b) player data analytics (c) proactive engagement with pre-commitment (d) intervening with local players with continuous play based on shorter timeframes which are more reflective of responsible gambling (e) the role of all staff in minimising harm (f) the effective use and monitoring of exclusion orders (g) internal reporting arrangements (h) integrating responsible gambling into proposals for trialling or introduction of new products and equipment (i) performance measures to assess the performance of the RGLOs, RGSC and casino staff in relation to harm minimisation (j) the roles of the Crown Resorts Responsible Gaming Committee and the Responsible Gambling Management Committee in driving harm prevention strategies based on world's best practice (k) the objectives of the RGSC in relation to minimising harm to patrons, and (l) the responsible service of gaming as a fundamental core business consideration when making strategic decisions regarding 		<ul style="list-style-type: none"> • form” • (j) needs further thought and overlaps with Recs 13 & 16 • (k) has elements of Rec 13. <p>Action Item 5: RH to clarify this recommendation as far as possible, based on Commission working papers.</p>
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	(m) casino operations.		
15.	The VCGLR recommends that, within three months of implementing the new responsible gambling strategy (Recommendation 14), there is regular reporting to the Crown Resorts Responsible Gaming Committee for it to maintain oversight of Crown Melbourne's harm minimisation strategy for responsible gambling. Regular reports every two months should include numbers and types of interventions and other harm minimisation activities of RGSC and other staff, details of the number and nature of referrals to external service providers, exclusion orders, breaches, revocation and appeals, as well as results from player data analytics and other initiatives to minimise gambling related harm. These reports should also be made available to the VCGLR for monitoring purposes. (The VCGLR intends to share this information, as appropriate, with the VRGF.)	Within three months of implementing the new responsible gambling strategy Regular reports every two months	Crown noted that the RGSC does not meet every 2 months, but at least 6 times a ^[RH9] year. ^[RH10] Crown queried why the data would be shared with VRGF. Action Item 6: VCGLR to follow-up purpose of sharing Recommendation 15 with VRGF.
16.	The VCGLR recommends that within three months of implementing the strategy, a charter is developed for the Crown Melbourne Responsible Gaming Management Committee (staff committee) which includes reference to the role and responsibility of driving a harm minimisation culture.	Within three months of implementing the strategy	
	Money laundering		
17.	The VCGLR recommends that, by 1 July 2019, Crown undertake a robust review (with external assistance) of relevant internal control statements,	1 July 2019	a) RH provided background to the recommendation and referred to the Commonwealth secrecy provision

Page 12 Comments

RHS

Accept.

Rowan Harris. 12/13/2016 02:05 AM

RH10

Accept.

Rowan Harris. 12/13/2016 02:06 AM

	including input from AUSTRAC, to ensure that anti-money laundering risks are appropriately addressed.		<p>b) have identified a greater need for transparency of Australian casino junket operations, in particular of junket player participants. The requirement to identify and record player fund flows within the junket should be considered as a minimum standard in the ICS for Junket and Premium Player Programs to mitigate risk. Crown noted that this is not a requirement of the Recommendation. Junket players and that particular ICS are not called out. Crown further highlighted that the Recommendations should not now be amended. The VCGLR noted ^[RH11] in addition, conducting Know Your Customer due diligence on junket participants and reporting suspicious transactions, which Crown emphasised that it already does as part of its AML obligations. ^[RH12]</p> <p>c) Crown advised that initial discussions between Crown and AUSTRAC are ^[RH13] in hand.</p> <p>d)</p>
	Applications for approvals		
18.	<p>The VCGLR recommends, in all future submissions by Crown Melbourne to the VCGLR for approvals under the Casino Control Act or Gambling Regulation Act, that Crown document:</p> <ul style="list-style-type: none"> the purpose obligations under relevant provisions of legislation, the 	Ongoing	<p>a) Crown has already submitted a new template as part of a product approval application.</p> <p>b) Not yet seen by JC.</p> <p>Action Item 7: MF to email JC with details of product application that contains the new template.</p>

Page 13 Comments

- RH11 **Accept**
Rowan Harris, 12/13/2016 02:08 AM
- RH12 **Accept**
Rowan Harris, 12/18/2016 04:11 AM
- RH13 **Accept**
Rowan Harris, 12/18/2016 04:12 AM

	<ul style="list-style-type: none"> • Transaction Documents, and existing approvals • what changes the grant of the approval would make to products, rules and procedures, etc • risks associated with the approval and how they will be treated • how responsible gambling considerations have been taken into account in the process and the measures Crown will implement to mitigate the risk of gambling related harm, and • which areas of Crown will be responsible for managing implementation. 		
	Integrity exclusion orders		
19.	The VCGLR recommends that, by 1 July 2019, Crown Melbourne implement a policy to make an exclusion order under section 72 of the Casino Control Act in appropriate cases where a person has engaged in significant unacceptable conduct in the casino or is the subject of serious criminal charges.	1 July 2019	<p>Crown has already supplied a policy document to the Sixth Review team but some members of the LMA team have not seen it.</p> <p>Action item 8: MF to re-send the Unacceptable Behaviour policy document.</p> <p>Action item 9: VCGLR to clarify in existing policy document what is likely to be addressed in Recommendation 19.</p>
	Review of implementation of recommendations		
20.	The VCGLR recommends that, between November 2019 and March 2020, VCGLR Commissioners and directors of the Crown Resorts board meet to review the implementation of the recommendations set out in this report.	Between November 2019 and March 2020	

Page 14 Comments

RH14

Accept

Rowan Harris, 12/13/2016 02:16 AM

RH15

Accept

Rowan Harris, 12/13/2016 02:16 AM