

Monitoring of Sixth Casino Review Recommendations

Licence Management and Audit – September 2018 (CD/18/34146)

Number	Recommendation	Timeframe	Background and requirements of meeting recommendation
	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, 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>	1 January 2019	<p>Background:</p> <p>The recommendation applies to both Crown Resorts and Crown Melbourne independent directors.</p> <p>The 6CR team reviewed the Crown Melbourne Board and board committees, and the administrative structures supporting them. Examination of the formal records made it clear that many of the relevant decisions were made by executives at group (rather than Crown Melbourne) level or by the Crown Resorts Board. The Crown Melbourne Board operates without a majority of independent directors. The duration of the Crown Melbourne Board meetings, the nature of the board resolutions, the frequency of meetings, the majority of directors being senior Crown executives and the replication of information presented in papers to the Crown Resorts Board does not provide evidence that the Crown Melbourne Board has an active role in overseeing the Melbourne Casino. Operation of the Melbourne Board was merely a formal exercise.</p> <p>There is scope for strengthened internal governance in light of recent risk and compliance failings (i.e. blanking button trial and junket documentation). These matters suggest that, despite Crown having extensive documented risk management and compliance processes, the company was not sufficiently capable of anticipating risks and addressing them when they arose. There is scope for strengthened internal governance. This requires those in governance roles, in particular independent directors to be more engaged and advance the best interests of the corporate entity, especially asking questions and having those questions documented and answered. It is a licensing requirement that Crown Melbourne continue to demonstrate that it has a satisfactory corporate</p>

		<p>structure. Prof. Horvath was able to demonstrate awareness of commitment to identification and management of risks at interview, however, did not did not focus on key risks. For example, RG.</p> <p>Having a Charter for the Melbourne Board would enliven governance functions provide greater clarity of board member roles.</p> <p>Given the dominant role of the Crown Resorts board in overseeing the strategic direction and high-level decision making related to the Melbourne Casino and the move to increase the number of various functions to the group level (ie. Michelle Fielding – Compliance; Anne Siegers – Audit, Sonja Bauer – Responsible Gaming and Louise AML), the VCGLR will assess whether to undertake ongoing monitoring of Crown Resorts.</p> <p>Requirements for meeting the recommendation</p> <ol style="list-style-type: none"> 1. Formulate Charter for the Crown Melbourne Board and provide a copy to the VCGLR. The Charter should outline the role of the Crown Melbourne Limited Board, in particular the role of independent directors. 2. Crown to fully document, for visibility to the VCGLR, the reporting and decision-making relationships <u>between all of the boards, committees and executive meetings</u> with responsibility for, or oversight of, Melbourne Casino functions. Requires Crown (Crown Melbourne Limited and Crown Resorts Limited) to undertake a robust review of its governance framework. Crown could choose Crown to do an independent review. The change program should be developed and show how and the extent to which the independent directors are proactively engaged in the strategic oversight of the operations of the Melbourne
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			<p>3. casino.</p> <p>For instance, in light of risk failings, the Crown Melbourne Board could enhance the role of the Compliance Committee to drive awareness of regulatory compliance throughout all relevant departments of Crown Melbourne and provide independent oversight of new Cura Compliance software being rolled out across the Crown Group in 2018.</p> <p>4. Demonstrate elevation of governance to the group board and committees.</p> <p>Submission should identify any changes to regulatory frameworks and how these will be addressed.</p>
<p>2.</p>	<p>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.</p>	<p>1 January 2019</p>	<p>Background:</p> <p>The Audit Committee chair (Rowena Danziger) was considered as not appropriately qualified for the role. As a result, her appointment was not in accordance with requirements of the Charter.</p> <p>Requirements for meeting the recommendation</p> <ol style="list-style-type: none"> 1. Crown has advised that Antonia Korsanos who is appropriately qualified has since replaced Ms Danziger as chair of the Audit Committee. 2. The VCGLR considers Prof. John Horvath, appropriately qualified to chair the Compliance Committee. 3. Crown should also review the qualifications of Crown Resorts Committee chairs. Are they appropriately qualified for their roles in accordance with respective charters?

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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	<p>Background:</p> <p>The required assessment is a broad extension of the targeted and time-limited review of Crown’s risk management framework conducted by PwC in light of recent disciplinary action for risk and compliance failings.</p> <p>PwC identified that a potential area in improvement is to establish “risk appetite” for material risks and to report risk performance measures relative to appetite on a regular basis.</p> <p>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.</p> <p>Requirements for meeting the recommendation</p> <ol style="list-style-type: none"> 1. Demonstrate robustness and effectiveness of its risk framework and systems, including reporting lines in the chain of command. Provide evidence of upgrades where required. 2. Provide evidence of external provider’s assessment.
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	<p>Background:</p> <p>This recommendation is in the light of disciplinary action taken for compliance failings referenced in the Report. For example, Crown commenced the button blanking trial without the required approval of the VCGLR.</p> <p>The VCGLR is concerned that Crown’s collective conduct failed to demonstrate a culture conducive to compliance by failing to understand the regulatory structure, internal controls, practices and obligations.</p>

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			<p>Requirements for meeting the recommendation</p> <ol style="list-style-type: none"> 1. Demonstrate that it has undertaken a robust review of internal controls. Provide scope and methodology. 2. What was the outcome of the review? Identify strengths and weaknesses. Recommendations?
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 focus on how that approach relies on the integrity of Crown's internal processes.	Annual	<p>Background</p> <p>The VCGLR's risk-based regulatory risk-based approach requires there to be trust in the casino providing assurance as to how it will conduct itself. The current regulatory model is significantly less prescriptive than at earlier stages in the history of the casino, and with that comes the obligation upon the casino operator to understand the community's regulatory expectations and deliver against them.</p> <p>Crown has been provided with a copy of the 'VCGLR's Regulatory Approach' document which is available on the VCGLR website.</p> <p>Requirements for meeting the recommendation</p> <p>Provide evidence, including details of meetings that Crown has convened annual roundtable sessions briefing key internal staff on the VCGLR's risk based approach.</p>
	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	<p>Background</p> <p>The VCGLR is not confident, on the information provided that Crown has sufficient staff resources to proactively intervene early and offer assistance to persons at potential risk of gambling harm. Having more staff skilled in identifying and communicating with at-risk patrons in appropriate circumstances would enhance the ability of Crown to engage in proactive harm minimization for more patrons in a timely and effective manner.</p> <p>Requirements for meeting the recommendation</p>

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			<ol style="list-style-type: none"> 1. Provide evidence of the increase in the number of hours actually available to responsible gambling and intervention with patrons (extra RGLOs and or existing gaming staff hours). 2. Achieve by allocating and training more gaming staff to undertake assessments. May also want to consider whether security staff are managing persons in breach of exclusion orders, rather than RGLOs, to free up RGLO time for proactive harm minimization activities. See commentary in the report about RGLO time being spent on managing excluded persons in the casino. 3. Crown has chosen to employ more RGLOs (extra five). 4. Establish baseline hours before additional RGLOs were employed. Need to measure the increase in the number of hours. Request Crown to provide rosters, evidence of hours worked. 5. In addition, suggest that VCGLR undertake regular monitoring of the Responsible Gambling Register. The Register details all RSG activities. The VCGLR can assess the number of activities, the types of activities, who is undertaking the activities and the outcomes of activities. This can be compared with the analysis in the report about RSG activity in the 2013 – 2017 period based on the responsible gambling register. The VCGLR would be looking to see an increase in proactive activity to minimise harm to patrons. (This analysis could also be used to assess the success of
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			<p>6. the new Crown strategy and suggestion of increased focus on driving harm minimization).</p> <p>7. VCGLR may also want to look at Crown’s Responsible Gaming VIP Committee minutes – to assess if Crown staff are approaching more persons or taking no further action where “at risk” patron behaviour is identified.</p>
<p>7.</p>	<p>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.</p>	<p>Ongoing</p>	<p>Background Crown’s approach to harm minimization (except for those who rely on voluntary exclusion orders) relies almost exclusively on persons seeking assistance or casino staff identifying persons who display “observable signs” of potential harm from gambling. The VCGLR considers that monitoring observable signs is accepted practice as part of a harm minimization strategy. However, the VCGLR is concerned that the primary reliance on a policy of observable signs with the current service delivery model may not be the most effective approach to assisting patrons at risk of harm. Therefore, Crown could use other harm minimization measures to identify problem gamblers.</p> <p>How is the “observable signs use” being recorded in the Responsible Gambling Register? What are the trends in relation to observable signs activity by Crown staff?</p> <p>Requirements for meeting the recommendation A new data analytics trial has commenced in relation to carded players.</p>
<p>8.</p>			<p>Background</p>

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	<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 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.</p>	<p>1 January 2020</p> <p>1 January 2019</p> <p>1 January 2020 and 1 July 2022</p>	<p>Crown has commenced a data analytics trial in relation to carded players. Further, work will be undertaken on systems to explore and implement real-time concepts.</p> <p>Requirements for meeting the recommendation</p> <ol style="list-style-type: none"> 1. Develop and implement comprehensive data analytics tools using historical and real-time data. 2. Crown to look at models in other jurisdictions and consult with external data analytical experts. 3. Is a real-time player data analytics model in operation? How effective is the model? Provide sample results. 4. For uncarded play, provide evidence that Crown has commenced a comprehensive study of all the practical options for a real-time player data analytics tool. 5. Provide comprehensive study. 6. Is the model in operation by the due date? Provide sample results.
9.	The VCGLR recommends that Crown Melbourne	12 months	Background

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	<p>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.</p>	<p>after implementation of the tool</p>	<p>An independent assessment of the effectiveness of player data analytics model for carded play will benefit the Commission.</p> <p>Requirements for meeting the recommendation</p> <ol style="list-style-type: none"> 1. Independent assessment to be undertaken by a person approved by the Commission, after consultation with Crown. 2. Review assessment methodology. 3. Review results of the assessment.
10.	<p>The VCGLR recommends that, by 1 July 2019, Crown Melbourne undertake a <u>comprehensive review of its policy for the making and revocation of voluntary exclusion orders under section 72(2A) of the Casino Control Act.</u> The comprehensive review should be undertaken <u>in conjunction with the VCGLR, VRGF and other relevant external stakeholders.</u> The review should be undertaken with a view to <u>implementing policies</u> 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 matters (such as obtaining treatment), and 	<p>1 July 2019</p>	<p><i>Crown sought clarity at meeting on 31 October 2018</i></p> <p>Background</p> <p><i>Short term exclusions</i></p> <p>On reviewing Crown Melbourne records, it was notable that a number of persons identified as at risk of harm from gambling and who met with RGLOs to discuss voluntary exclusion, were reluctant to apply for a voluntary exclusion order due to its indefinite nature. Crown has recognized this preference for shorter time periods of exclusion by trialling a new approach with short term (three month “time out” agreements that have features common to the voluntary exclusion order.</p> <p>Time-limited voluntary exclusion orders are common in other casinos and online gaming venues around the world. Similarly, the VCGLR has approved voluntary exclusion programs for other gambling venues in Victoria that involve periods from six months to two years. Further, Crown already makes involuntary exclusion orders under section 72 of the CCA for finite periods, such as five years.</p>

	<ul style="list-style-type: none"> • <u>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.</u> 	<p>1 July 2019 and 30 June 2020</p>	<p>Requirements for meeting the recommendation</p> <p>Crown to undertake a comprehensive review of its policy for the making and revocation of voluntary exclusion orders under section 72(2A) of the CCA in conjunction with the VCGLR, VRGF and other stakeholders with a view to implementing policies that facilitate Crown issuing short term exclusion orders.</p> <p>Background</p> <p><i>Voluntary exclusion orders more than 10 years old</i></p> <p>As at 24 July 2017, there were more than 4,500 current voluntary exclusion orders. Many of these exclusion orders are extremely old (more than five years) and they have been issued for an indefinite period with some dating back to 1996. This imposes an unrealistic burden on Crown to ensure those persons do not enter the casino gaming areas and the associated costs in maintaining the list of excluded persons, some of whom may be deceased or moved overseas. It is inevitable that persons' circumstances have changed and the exclusion order may no longer be applicable. Moreover, the photographs are out of date and likely to be of little utility in identifying an excluded person in order to prevent them from re-entering the casino.</p> <p>Crown issues include excluded person addresses being out of date and the possibility that contact will lead to a potential relapse for the patron.</p> <p>As noted in the Report – More than 500 self-exclusion orders were issued before 1 Jan 2000 (ie. more than 18 years old).</p> <p>Under federal privacy legislation, Crown must take reasonable steps to ensure that personal information it collects is accurate, up to date and complete (see APP 10, <i>Privacy Act</i></p>
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		<p>1988).</p> <p>It is interesting that in contrast, Crown has an up to date casino initiated exclusion order list for excluded persons on security grounds – and this type of exclusion order generally is issued for 5 years. Jarrod Wolfe is able to show the different lengths adopted by Crown. The list for security exclusion orders is much shorter and the orders have end dates. There are no old exclusion orders in this group. As at 23 February 2018, there were 182 current Crown initiated exclusion orders most of which were issued in 2013 or later.</p> <p>The purpose of the recommendation is for Crown to have a current and up to date list of self exclusion orders which is manageable and that the orders in place are capable of being enforced. Consequently, under this recommendation Crown should review the historic self-exclusion orders and assess whether they are enforceable and appropriate. This initiative forms part of the policy transition to moving to shorter self-exclusion orders. Crown has numerous self exclusion orders for persons but they are unenforceable as the photo is so old or not of sufficient quality to use for FRT. In this context, FRT is the only reliable mechanism to actually enforce these orders, as it is unlikely any security or other Crown officer would be able to identify a person the subject of a self-exclusion order who has not been there for 10 years or more. Further, persons may have died or have moved overseas or circumstances have changed such as the self-exclusion order is no longer applicable. Therefore, in consultation with the VCGLR, VRGF Crown has to look at developing a policy to have an up to date self-exclusion list.</p> <p><u>It is up to Crown how they approach this task and it is not for the VCGLR to tell Crown when it should revoke self-exclusion orders or the policy that it determines to adopt.</u> However, Crown could consider the following policy options, in consultation with stakeholders:</p>
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			<ul style="list-style-type: none"> • For self exclusion orders more than 10 years – Crown could consult with police or the Register of Births, Deaths and Marriages to clarify if any persons the subject of an order are deceased, with a view to revoking any such self exclusion orders. (Crown police liaison minutes indicate that Crown and police have previously worked and co-operated on this approach). • For self exclusion orders more than 10 years – where a person has not been detected in the casino for the last 10 years and who's photo is not of a quality that can be used for FRT purposes; or there is no photo then Crown could consider revocation of these orders. • This could occur by firstly, writing to the person directly and/or, publishing a general warning notice in local newspapers (eg Herald- Sun, The Age) and Crown's and VRGF website giving notice that within 28 days Crown propose to revoke self-exclusion orders made more than 10 years ago, where a person has not been detected in that period in the casino and no current reliable identification information (ie. photo) is available to Crown. If the person wishes to retain the self exclusion order or has a query then the person can contact the RGSC by email. An offer for the person to provide Crown with an updated photograph and particulars could also be made for those persons who contact Crown. • For self-exclusion order more than 10 years old – where a person was last detected in the casino more than five years but less than 10 years ago – then Crown might consider writing to them and state that Crown intends to revoke the self exclusion order after 45 days unless the person contacts Crown in writing
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			<ul style="list-style-type: none"> • by email within 28 days requesting the self exclusion order remain in place. • For self-exclusion orders more than 10 years old – where a person has been last detected in the casino in the last five years – then Crown could write to the person and state that the self exclusion order will remain in place, although in future the person can apply to Crown to revoke the self-exclusion order. • Crown might have an ongoing policy that once a self-exclusion order reaches its 10th anniversary that Crown will review whether to revoke it and follow its policy approach above. • If an order is revoked and a person attends the casino and there is evidence of gambling harm being suffered by the person – then Crown can make a new exclusion order under s72(1) for a defined period (with a self-executing revocation clause) and Crown do not need to wait for the person to apply for a self exclusion order. • In addition, Crown has multiple self-exclusion orders for the same person. Why? At law, a person can only be subject to one self-exclusion order in force (not multiple orders which currently appear on the list), Crown could review the list of self exclusion orders and remove multiple listings for the same person. <p>Crown's issue with revoking voluntary exclusion orders exceeding 10 years is that address details would most likely be out of date, therefore making contact difficult, and that contact could may lead to a problem gambling relapse for the person concerned.</p>
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			<p>Requirements for meeting the recommendation As discussed above, the VCGLR suggests a review be undertaken to canvass the options available to resolve the problem identified in the review – unenforceable self-exclusion orders. Once an option has been selected, consultation with VCGLR, VRGF should occur.</p>
11.	<p>The VCGLR recommends that, by 1 July 2019, Crown Melbourne <u>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.</u> The policy and procedure should be developed in <u>conjunction with the VCGLR, VRGF and other external stakeholders.</u> Crown Melbourne should include information about this option in all its responsible gambling publications, website and regularly provide information to relevant stakeholders, such as Gambler’s Help and other similar organisations, about this option.</p>	1 July 2019	<p>Background</p> <p>Inquiries from family members and friends who may be concerned about a person’s gambling or the effects of their gambling on others are referred to the RSGC and their enquires are recorded in the Responsible Gambling Register. RGLOs usually respond to such approaches by providing voluntary information exclusion program, other gambling support services, and details of the chaplaincy service. According to the Register, the RGSC responded to the following number of enquiries from third parties during the Review period: 98 in 2013; 54 in 2014; 88 in 2015; 42 in 2016 and 23 between 1 January and 30 September 2017.</p> <p>At Crown Perth, third party exclusion orders are issued in response to requests from concerned family members or friends. In addition, there is substantial experience in South Australia with third party instigated exclusions and related interventions.</p> <p>The VCGLR is aware of examples where persons may not be capable of making an application for a voluntary exclusion order, for example, due to a medical condition, but are at risk of gambling related harm. In such instances, alternative process could be to put in place to minimize the harm caused by issuing an exclusion order, noting it is open to Crown to verify third party concerns with their own records regarding frequency of play, length of play, spend etc.</p>

		<p>Crown has the option to issue an exclusion order to a person under section 72 of the CCA, if family and friends provide reliable information regarding the risks of gambling activities associated with a person, such as financial or health issues. Offering third party exclusion orders would be a positive show of support to concerned family and friends. Crown's own records suggest that the volume of third party exclusion orders would likely be small in number and unlikely to place a burden on Crown. Crown executives have indicated recently that they are considering issuing third party exclusion orders.</p> <p>Crownbet (another Crown company) had a process for online exclusion on its website.</p> <p>Crown Perth offers third party exclusion orders. Part of a nationally consistent approach to responsible service of gambling would see Crown Melbourne have the same approach. What are the processes in WA? The VCGLR may wish to confer with the WA Regulator about this.</p> <p>Requirements for meeting the Recommendation</p> <p>The key requirements are:</p> <ul style="list-style-type: none"> • develop and implement a policy and procedure to facilitate involuntary exclusion orders at the request of family members and friends in appropriate cases • Develop in conjunction with VCGLR, VRGF and other external stakeholders, and • include information about this option in all its responsible gambling publications, website. <p>Whether on-line exclusion orders can be made? Page 88 – In the Six Review, Crown has introduced the concept of the remote exclusion order, under which a person can seek exclusion without having to attend the casino. Only one person has taken up this option. This option is not mentioned</p>
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		<p>in the self-exclusion brochure or on its webpage referring to self-exclusion. Crown has advised that to access this option the person must first contact the RGSC. I note this was not a recommendation but a suggestion.</p> <p>The VCGLR considers it appropriate for a person to obtain a voluntary exclusion order without the need to attend or contact the RSGC, particularly as doing so requires attendance at the casino. Many services are now accessible on-line, for example, a person can apply online for a liquor licence. Similarly, members of the Australian community can make online applications to Centrelink, Border Force and the ATO. A passport application can be done remotely.</p> <p>Crown does not support on-line exclusion orders. Crown noted:</p> <ul style="list-style-type: none"> a) Patrons can currently exclude “remotely” but not online. <i>What is the process?</i> b) Crown advised that it does not support on-line exclusion order applications. <i>What is the rationale for Crown’s view?</i> c) Previous investigation resulted in on-line option not being used due to issues (identification, pranks, vindictive impersonation). <i>(Query – can these issues can be resolved and/or minimized with appropriate procedures and policies?)</i> <p>Other: There is a right of appeal to the VCGLR if a person disputes the making of an exclusion order – so there can be an independent assessment.</p> <p>Where family and friends make an application, Crown can establish a clear policy about when it will make an exclusion</p>
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			<p>order. The policy can include reference to independent verification such as - review by Crown of its player data (if a Crown Rewards member) to assess playing activity, evidence from an independent third person eg medical practitioner or financial counsellor. Crown might want to introduce a requirement that the person (ie family member) apply in written form setting out reasons for application. This application could be witnessed by a person Crown considers appropriate (eg a person on the authorized persons list) – this would be a policy approach (not legal requirement).</p> <p>Crown Perth offers third party exclusion orders. Part of a nationally consistent approach to responsible service of gambling would see Crown Melbourne have the same approach – see the Sixth Review report. What are the processes in WA? The VCGLR may wish to confer with the WA Regulator about this.</p>
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>Background</p> <p>The purpose of FRT is to strengthen perimeter control (ie. to identify breaches of exclusion orders).</p> <p>Requirements for meeting the Recommendation</p> <ol style="list-style-type: none"> 1. Provide details of FRT cameras on all entrances to the casinos (and now casino complex perimeters). 2. VCGLR to monitor quarterly the results of FRT to detect excluded persons. We already have data for first three months of 2018 (in the report), we should ask for regular reporting on the FRT and detection rates. 3. Topics for further discussion with Crown – to be kept for ongoing monitoring and Seventh Review - What are the trends? Who is responsible for enforcing the detection of FRT? Is there any delay from person

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			<ol style="list-style-type: none"> 4. entering casino to FRT identification and security/RGLO approaching person? What is the standard procedure followed with FRT recognition? 5. Where is Crown documenting the detections and breaches? 6. Is the VCGLR being notified of the detections as required under the Act? Note the first set of FRT detection data Crown provided they later said was wrong.
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>Background</p> <p>The VCGLR is concerned that there has been a significant decrease in patron awareness of responsible gambling information at the casino. Crown Melbourne's responsible gambling logo and branding has been in place since 2007.</p> <p>Requirements for meeting the Recommendation</p> <ol style="list-style-type: none"> 1. Provide evidence of rebranding or refreshing RG messaging. 2. The VCGLR will perform audit of Crown's rebranding or refreshing, including on-line and social media platforms to confirm.
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> <ol style="list-style-type: none"> a) early proactive intervention initiatives b) player data analytics c) proactive engagement with pre- 	1 July 2019	<p><i>Crown sought clarity at meeting on 31 October 2018</i></p> <p>Background</p> <p>Please refer to the commentary before this recommendation under the heading "Effectiveness of the current approach to responsible gambling" on p.120 of the report.</p> <p>It is matter for Crown about how they go about reviewing their strategy – for example engaging an external contractor to review current policies, procedures and data or a review is</p>

	<p>d) commitment</p> <p>e) intervening with local players with continuous play based on shorter timeframes which are more reflective of responsible gambling</p> <p>f) the role of all staff in minimising harm</p> <p>g) the effective use and monitoring of exclusion orders</p> <p>h) internal reporting arrangements</p> <p>i) integrating responsible gambling into proposals for trialling or introduction of new products and equipment</p> <p>j) performance measures to assess the performance of the RGLOs, RGSC and casino staff in relation to harm minimisation</p> <p>k) 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</p> <p>l) the objectives of the RGSC in relation to minimising harm to patrons, and</p> <p>m) the responsible service of gaming as a fundamental core business consideration when making strategic decisions regarding casino operations.</p>		<p>conducted internally. The key is the lack of effectiveness of their current strategy to minimizing harm to patrons and how can Crown improve?</p> <p>Requirements for meeting recommendation</p> <p>This recommendation is for Crown to reassess its entire approach to responsible gambling with a view to implementing an objective of harm minimisation for its patrons as central to its decision making and business strategy. Ideally, Crown should adopt a proactive early intervention approach to minimize harm to patrons attending the casino and to operate the business with harm minimization as a key strategic objective. We then list all the matters that could be considered in developing the strategy. Examples would include –</p> <ul style="list-style-type: none"> • the CRL Responsible gaming committee and responsible gambling management committee and RG Support Centre adopting harm minimization as their central goal • developing policy as to when a person is assessed as potentially being at risk or high risk, not just using subjective observable signs, but incorporating information from other sources (eg. data analytics)– time spent playing, volume and frequency of playing, information from family, friends etc • setting out the key approaches to minimize harm eg using data analytics for early identification and interaction with persons who may be at risk and Crown staff engaging with those patrons to provide advice, support and referrals • proactive and regular referrals by Crown to external support agencies (eg gambler's help) where persons at risk are identified
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			<ul style="list-style-type: none"> • regularly proactively promoting and providing information about pre-commitment to customers and external support services – for example regular emails to loyalty club members about pre-commitment programs and external support services, greater advertising in the casino and staff encouraged to promote this option to patrons • Using the data analytic tools to send alerts to staff (not just RGLOS), for staff to engage patrons in continuous play at more frequent intervals, with stepped up responses from reminder about length of play and suggestions to take a break up to, where appropriate, to refuse further gambling services (eg after four hours continuous play) • where appropriate refusing gambling services to persons at risk (eg after specified hours of play, or dramatic escalation in gambling amounts and frequency of attendance to gamble, other types of engagement with staff shows person at high risk – for example, patron falling asleep) • review and revise the policies regarding exclusion orders – including giving short term oral exclusion orders, giving short term self exclusion orders for time out periods etc, giving longer term casino initiated exclusion orders where person at high risk (eg where person has no insight into their risk taking behaviour), policies for exclusion orders at request of third persons (family, friends and financial counsellors), the ability for persons to apply online for exclusion orders for specified periods rather than attend for an interview with staff at the casino, stopping the practice of issuing Welfare WOLs – which are outside the statutory
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			<ul style="list-style-type: none"> • oversight • time taken by staff to respond to requests for assistance from patrons and/or other Crown staff • dealing with high volume periods and identifying persons at risk and providing appropriate supports, • Use of RGLOs to focus on early intervention, with security staff to respond to exclusion order breaches • Harm minimization (ie Responsible service of gaming) being addressed in submissions for approval sent to the VCGLR. • the strategy includes bimonthly reporting back to the CRL Responsible Gaming Committee on effectiveness of the strategy – see below • Publication of effectiveness of new strategy by performance measures to the community • This revised strategy should then be reflected in the responsible code of conduct.
<p>15.</p>	<p>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</p>	<p>Within three months of implementing the new responsible gambling strategy</p> <p>Regular reports every two months</p>	<p><i>Crown seeks clarity.</i></p> <p>Background</p> <p>Refer to above.</p> <p>Requirements for meeting recommendation</p> <ol style="list-style-type: none"> 1. The revised strategy should include bimonthly reporting back to the CRL Responsible Gaming Committee (which meets bi-monthly) on effectiveness of the strategy - including statistics on types of harm minimization <u>engagement by Crown staff with patrons</u> and <u>outcomes of staff engagement</u> with persons identified at risk – for example:

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	<p>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.)</p>		<ul style="list-style-type: none"> - number of patrons identified by data analytics as players at risk or high risk, - number of staff engagements with patrons identified at risk or high risk and outcomes of engagement, - number of referrals to external support agencies, - number of self exclusion orders and period, including any online applications - number of casino initiated exclusion orders and period, - numbers of requests from family and friends for support – outcomes of those contacts, - feedback from external support services about take up of referrals, - numbers of refusal of gambling services and reasons for such refusal, - numbers of patrons engaged for continuous play and the outcomes, - number of persons voluntarily seeking assistance for gambling issues and outcomes of those requests, - number of cases where Crown psychologists are involved and outcomes of intervention, - statistics re follow up calls after self exclusion orders made and outcomes - time taken to respond to request for assistance etc. - Results to be analysed with a view to improving strategies and allocating resources appropriately. <p>This data should all be contained in the Responsible</p>
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			<p>Gambling Register.</p> <ol style="list-style-type: none"> 2. Crown to provide reports to the VCGLR for monitoring purposes. 3. Crown has queried the VCGLR's intention to share this information with the VRGF. What is the purpose?
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	<p>Background</p> <p>The purpose of developing a charter is to enhance and formalize the governance of Crown Melbourne RG Management Committee.</p> <p>Requirements for meeting the Recommendation</p> <ol style="list-style-type: none"> 1. Crown to develop charter and provide to the VCGLR. 2. Review references to the role and responsibility of driving a harm minimization culture.
	Money laundering		
17.	The VCGLR recommends that, by 1 July 2019, Crown undertake a robust review (with external assistance) of relevant internal control statements, including input from AUSTRAC, to ensure that anti-money laundering risks are appropriately addressed.	1 July 2019	<p>Background</p> <p>The VCGLR, other regulators and law enforcement agencies are aware of the significant potential risks of money laundering through casinos, particularly through junket operations.</p> <div style="border: 1px dashed black; padding: 10px; text-align: center;"> <p>Commonwealth secrecy provision</p> </div>

		<div data-bbox="1157 293 1927 586" style="border: 1px dashed black; padding: 10px;"> <p style="text-align: center;">Commonwealth secrecy provision</p> </div> <p>The structure of junket operation enables opaqueness around the source of beneficial ownership of funds presented as buy-ins and represents a significant money laundering risk.</p> <p>While the casino conducts Know Your Customer (KYC) due diligence on the customer, being the Junket Operator, there are no KYC requirements for participants. This arrangement results in cash or other funds being moved through the junket, where neither the source of funds, the owner of funds nor the identity of the individual conducting the betting transaction or cash deposit is known.</p> <div data-bbox="1157 943 1927 1235" style="border: 1px dashed black; padding: 10px;"> <p style="text-align: center;">Commonwealth secrecy provision</p> </div> <p><i>The VCGLR observes that to assist in mitigating the risks associated with junkets, the current internal control statements for junkets could be strengthened (amended?) with the inclusion of more robust controls in relation to the identification of individual junkets players and their associated gaming transactions when participating in junkets (page 138 of report).</i></p>
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		<p>AUSTRAC has recently established a dedicated Gambling Reporting Team. AUSTRAC has approached Stuart McClelland in relation to Rec. 17 (26 November). He is organizing a meeting with AUSTRAC.</p> <p>Crown noted that AUSTRAC has not expressed concern with Crown’s procedures in respect of the Junket ICS and regulates Crown through its AML Program.</p> <p>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 determine the same level of transparency for individual junket player activity as there is for premium players.</p> <p>Crown has stated that AUSTRAC has not expressed concern with Crown’s procedures in respect of the Junket ICS and regulates Crown through it’s AML program. In addition, Crown has noted that the Recommendations do not specify amendments to the Junket and Premium Player ICS, nor make mention of individual player activity. Crown also, advised that the recommendation does not require Crown to review the Junkets ICS with AUSTRAC’s input.</p> <p>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 Recommendation) and this should inform reporting of any suspicious matters by Crown (which Crown noted is not required by the Recommendations).</p> <p>Requirements for meeting the recommendation</p>
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			<ol style="list-style-type: none"> 1. Review relevant ICS's, including Junket and Premium Player Programs with input from AUSTRAC to ensure that there is the same level of transparency for individual junket activity as there is for premium players. 2. Do the relevant ICSs, including the Junket and Premium Player Programs ICS identify and record the flow of junket player funds within the junket as a minimum standard in the ICS to ensure that AML risks are appropriately addressed?
	<p>Applications for approvals</p>		
<p>18.</p>	<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 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 	<p>Ongoing</p>	<p>Background</p> <p>Talk to Jason Cremona and see Part 4 of the report (p.140) and the commentary under the heading "Games, Internal Controls and other approvals"</p> <p><i>Crown sought clarity at meeting on 31 October 2018</i></p> <p>Requirements for meeting Recommendation</p> <ol style="list-style-type: none"> 1. Test a reasonable sample of Crown submissions to determine whether it is meeting the criteria.

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	<ul style="list-style-type: none"> which areas of Crown will be responsible for managing implementation. 		
	Integrity exclusion orders		
19.	<p>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.</p>	1 July 2019	<p><i>Crown seeks clarity on what is likely to be addressed.</i></p> <p>Background</p> <p>See Part 4 of report (p.158) under heading Persons of Interest Committee</p> <p>Currently Crown prefers to issue WOLs and will on occasion issue exclusion orders. Currently there are 182 casino initiated exclusion orders. There is a concern stated in the report that Crown issues WOLS, which do not have any regulatory oversight, when they should be the subject of Exclusion orders. You might want to look at the Persons of Interest papers and minutes to give you a flavor of the types of instances where WOLs are issued but no exclusion order.</p> <p>VCGLR compliance could ask Crown for details of current WOL data (how many, length and reason for) and then VCGLR can discuss how many WOLs should have been the subject of an exclusion order. Use the POI committee papers to give you examples. Basically – there should be transparency in banning persons and it should be transparent to the regulator and overseen by the regulator (ie via the appeals process). I also have a recent example where a person says they do not know why they have a WOL and requesting VCGLR intervention, but because it is a WOL we have no role.</p> <p>Crown has advised that it has already supplied a policy document to the 6CR Team but some members of the team have not seen it.</p>
	Review of implementation of recommendations		
20.		Between	

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	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.	November 2019 and March 2020	Place reminder in dairy.
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