

Monitoring of Sixth Casino Review Recommendations - Crown progress update as at 18 January 2019

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Number	Recommendation	Timeframe	Crown Update	VCGLR comment
	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>A submission addressing all points referenced in Recommendation 1 was submitted to the VCGLR on 24 December 2018. The submission included a Crown Melbourne Board Charter.</p> <p>Although not specifically related to Recommendation 1, Crown is drafting a new updated Company Constitution (Memorandum and Articles of Association), which will require the approval of the Commission in due course.</p>	<p>Recommend that the Commission approves the change program and completion of the recommendation.</p> <p>Clause 22.2(k) of the Casino Agreement requires that the Constitution (Memorandum and Articles of Association) of the company must not be amended without the prior written approval of the Authority (Commission).</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	Review undertaken and letter outlining actions taken by Crown submitted to the VCGLR on 24 December 2018.	Recommend Commission notes partial completion. Crown has completed a review of the Crown Melbourne committee chairs but not Crown Resorts committee chairs.
3.	The VCGLR recommends that, by 1 July 2019, Crown assess the robustness and	1 July 2019	The Group General Manager Risk & Audit has reviewed Crown's risk	Implementation is on track.

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	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.		<p>framework and commenced enhancements to the framework and systems in early 2018. In this respect the enhanced risk framework has started to be rolled out across the business and is being embedded into work processes and systems.</p> <p>A new "Risk Appetite" was presented to, and ultimately approved, in December 2018 by the relevant Crown Boards and Committees.</p> <p>An external firm has also been engaged to carry out a review of the risk framework.</p>	
	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>A Gaming Initiatives Form was developed and implemented into processes in the business and is the key action in satisfying this recommendation; along with the new Regulatory and Compliance Requirements Policy.</p> <p>A submission was made for an amendment to the Electronic Gaming Machine Internal Control Statement to provide for the Gaming Initiative Form – VCGLR approval has been received.</p> <p>Review being undertaken to determine whether additional Internal Controls require amendment.</p> <p>Although not specifically in response</p>	Implementation is on track.

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			<p>to this Recommendation, a new business wide compliance framework has been developed and rolled out to the business (75% of departments are now integrated into the new framework). This included the commissioning of a reporting system (known as CURA) to support the new compliance framework.</p> <p>A detailed submission on the Compliance Framework was sent to the Chairman of the Commission on 24 December 2018, related to the Blanking Buttons matter.</p>	
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	An annual briefing will be provided to Management at the Crown Melbourne Executive Risk and Compliance Committee meeting on the VCGLR's risk-based approach and its impact on Crown and its processes.	Provided Crown with 'VCGLR's Regulatory Approach' document from VCGLR website. Implementation is on track.
	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 Responsible Gaming Liaison Officer (RGLO). However, this will only be effective if those staff have sufficient time aside from their gaming duties.	1 January 2020	<p>The recruitment of 5 extra Responsible Gaming Liaison Officers has been completed. Crown now has 12 RGLOs which has assisted in having a greater presence on the gaming floor.</p> <p>The roles and responsibilities of RGLOs are being reviewed to accommodate new Responsible Gaming (RG) initiatives.</p>	Implementation is on track.

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			Currently reviewing the concept of gaming staff undertaking some RG specific activities.	
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	<p>Crown has developed a data analytics program called the "Crown Model", which has been developed from data and behaviours of former patrons who have self-excluded from Crown Melbourne. The Crown Model is designed as a predictive tool to assist in proactively identifying patrons who may be gambling in a manner which could be an indicator of potential harm.</p> <p>The trial of the Crown Model commenced on 25 June 2018 with operational procedures developed to respond to players of interest that are identified.</p> <p>The Crown Model is in its early stages with processes being adjusted as we learn from outputs.</p> <p>The first six month review will be completed in early February 2019.</p>	Implementation is on track.
8.	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		<p>Recommendation 8(a)</p> <p>Crown Melbourne has commenced its Crown Model trial.</p> <p>Crown has commenced its review of relevant literature and other jurisdictional experiences.</p> <p>The "real time monitoring" of play periods is currently under consideration and development</p>	Implementation is on track.

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	<p>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>including the recent adjustment of Crown's own "Play Periods" whereby RG, in conjunction with IT, is developing a reporting system, that identifies if a carded patron has been on the property for 12 hours or more and play has been recorded.</p> <p>Recommendation 8(b)</p> <p>We refer to our letter dated 24 December 2018 and subsequent email correspondence with Rowan Harris dated 18 January 2019.</p>	
9.	<p>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.</p>	<p>12 months after implementation of the tool</p>	<p>Will be progressed in due course.</p>	
10.	<p>The VCGLR recommends that, by 1 July 2019, Crown Melbourne undertake a</p>	<p>1 July 2019</p>	<p>Literature review commenced internally.</p>	<p>Implementation is on track.</p>

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	<p>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 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. 	<p>1 July 2019 and 30 June 2020</p>	<p>The VCGLR, VRGF and Crown had their first meeting on 29 November 2018 to commence discussions on this recommendation.</p> <p>The VCGLR, VRGF and Crown met for the second tripartite meeting on 18 December 2018, with undertakings to provide further material for the literature review.</p>	
<p>11.</p>	<p>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</p>	<p>1 July 2019</p>	<p>The Crown Perth Third Party Exclusion Policy and Procedure has been reviewed and adjusted, in draft, to suit Crown Melbourne.</p> <p>The VCGLR, VRGF and Crown had their first meeting to commence</p>	<p>Implementation is on track.</p>

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	<p>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 publications, website and regularly provide information to relevant stakeholders, such as Gambler's Help and other similar organisations, about this option.</p>		<p>discussions on 29 November 2018 regarding this recommendation.</p> <p>Crown provided the draft of the Crown Melbourne Policy and Procedure adapted from the Crown Perth Policy and procedure to the group.</p> <p>The VCGLR, VRGF and Crown met for the second tripartite meeting on 18 December 2018, with undertakings to provide further material for the literature review. The VCGLR requested that Crown Melbourne provide Third Party Exclusion statistics from Crown Perth.</p> <p>The VCGLR is scheduling a tripartite meeting with the South Australian Regulator to discuss its processes.</p>	
12.	<p>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.</p>	1 July 2019	<p>Facial recognition cameras are now operating on all entrances to the casino.</p> <p>Crown to formally write to the VCGLR confirming that all entrances to the Casino are now covered by facial recognition cameras and to notify a commencement date for quarterly reporting on the effectiveness of the system.</p>	Implementation is on track.
13.	<p>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</p>	1 July 2019	<p>To be progressed upon finalisation of the RG Strategy (see recommendation 14).</p> <p>Initial drafts of new logo being developed.</p>	Implementation is on track.

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	gambling messages throughout the casino, in all Crown Melbourne publications, including online and social media platforms.			
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> <ul style="list-style-type: none"> • early proactive intervention initiatives • player data analytics • proactive engagement with pre-commitment • intervening with local players with continuous play based on shorter timeframes which are more reflective of responsible gambling • the role of all staff in minimising harm • the effective use and monitoring of exclusion orders • internal reporting arrangements • integrating responsible gambling into proposals for trialling or introduction of new products and equipment • performance measures to assess the performance of the RGLOs, RGSC and casino staff in relation to harm minimisation • the roles of the Crown Resorts Responsible Gaming Committee and the Responsible Gambling Management 	1 July 2019	<p>A draft RG Strategy has been developed by the Crown Melbourne and Crown Perth RG leadership teams, which has been reviewed by representatives from the Crown Resorts Limited RG Committee and Australian Resorts Executive representatives.</p> <p>Revised draft Strategy currently being considered.</p> <p>Various elements of each specific point referred to by the VCGLR are currently being progressed (see commentary on recommendations above) or will be addressed in due course.</p>	Implementation is on track.

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	<p>Committee in driving harm prevention strategies based on world's best practice</p> <ul style="list-style-type: none"> • the objectives of the RGSC in relation to minimising harm to patrons, and • the responsible service of gaming as a fundamental core business consideration when making strategic decisions regarding casino operations. 			
15.	<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 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>	<p>Within three months of implementing the new responsible gambling strategy</p> <p>Regular reports every two months</p>	<p>Revised reporting to be developed in due course.</p>	<p>Implementation is on track.</p>
16.	<p>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</p>	<p>Within three months of implementing the strategy</p>	<p>Management is currently reviewing all Australian Resorts RG Committees to align processes where appropriate.</p>	<p>Implementation is on track.</p>

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	the role and responsibility of driving a harm minimisation 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	Crown has met with AUSTRAC to discuss this recommendation. A new joint AML Program across Crown's Australian Resorts is being developed and will be reviewed by an external party. AUSTRAC is being kept informed of progress. Internal controls are being reviewed.	Implementation is on track.
	Applications for approvals			
18.	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: <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 	Ongoing	A new template for submissions to the VCGLR for seeking approvals has been drafted and in use since July 2018. Crown Management and VCGLR Officers will continue dialogue on the form of the submission and develop it where required.	Implementation is on track.

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	<ul style="list-style-type: none"> • 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	The existing 'Unacceptable Behaviour' policy statement has been reviewed and amended to strengthen the use of exclusion orders either instead of or as well as withdrawal of licences (in appropriate cases). Policy is currently under review by management.	Implementation is on track.
	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	To be actioned in due course.	