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31 May 2021

Mr Craig Phillips  
Ms Abigail Gill  
The Solicitors Assisting the Royal Commission  
Into the Casino Operator and Licence  
Level 25, 567 Collins Street  
Melbourne VIC 3000

**By Email**

Dear Mr Phillips and Ms Gill

**Royal Commission into the suitability of Crown Melbourne Limited to hold a Casino Licence (Commission)**

We refer to your letter of 18 May 2021 and the enclosed Notice to Produce with reference NTP-099, and to our letter dated 25 May 2021.

Crown has identified a further document that is responsive to NTP-099. This document will be produced by way of secure file transfer link – to be sent to the Commission separately. Crown reserves its position in respect of any personal identifying information or other information in the document it has produced which may be the subject of an application for a non-publication or restricted publication order.

Crown has further considered the scope of NTP-099. As stated in our 25 May letter, that Notice would require the identification, collation and production of a significant volume of documents. The majority of these documents comprise insubstantial communications that are not directly relevant to Crown's current plans for cashless gaming alternatives at its Australian casinos. Crown has already produced the documents most directly relevant to its plans for cashless gaming. Crown respectfully requests that the Commission does not press for further production of documents responsive to NTP-099, particularly in light of the matters set out in this letter.

Crown's position on cashless gaming is that, subject to the direction of the respective State governments and the development of appropriate technology solutions, it is Crown's intention to move to cashless gaming utilising digital payment technology over time. Crown is not yet in a position to determine how and when that move will occur. This will be informed by the timing of any regulatory change and Crown's ongoing evaluation of various technological and commercial considerations. Further detail on Crown's position on cashless gaming is set out below.

***Crown's reasons for the introduction of cashless gaming***

In an environment where the use of cash is rapidly diminishing across society, Crown recognises the need to provide its patrons with the choice and convenience of transacting at Crown without cash. There are also broader benefits associated with digital payment technology in a gaming context, including:

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- increased transparency regarding the source of patrons' funds which can assist in mitigating the risk of money laundering and other financial crime occurring through financial transactions at Crown's casinos – in particular by reducing a key vulnerability in cash transactions; and
- enhancing Crown's Responsible Service of Gaming and Harm Minimisation framework using new technology and processes to minimise the potential for harm to patrons who are at risk of problem gambling.

These rationales are set out in further detail in Crown's Digital Payments White Paper (CRW.512.077.0075), produced to the Commission on 25 May 2021. A copy of Crown's White Paper was provided to the Victorian State Government in August 2020, as part of Crown's regulatory engagement on this issue.

### **Crown's plans for the introduction of cashless gaming**

Before 2020, Crown considered various proposals for the introduction of cashless gaming alternatives at Crown's casinos. As the Commission is aware, Crown, with regulatory approval, has made available the use of EFTPOS facilities for the purchase of chips for table games at its Perth casino. Crown is continuing to work through the implementation of EFTPOS facilities for the purchase of TITO tickets for gaming machines at its Perth casino.

Crown's work investigating cashless gaming alternatives gained momentum in 2020 following the impact of COVID-19 (and a related shift to electronic forms of payment by consumers) and in recognition of the broader benefits digital payments provide from a responsible gaming and anti-money laundering perspective.

A Crown Digital Payments Steering Committee was formed in early May 2021 to progress Crown's plans for the development of cashless gaming at its casinos.

Crown's current plans for the introduction of cashless gaming alternatives contemplate two methods of transacting with patrons.

The primary way to fund gaming activity over certain thresholds would be via the introduction of a digital wallet (or eWallet) for use by Crown members with smartphone devices, which would be funded by non-credit based digital payment methods. Patrons would be required to sign-up and complete a satisfactory level of know your customer (or 'KYC') certification before being able to access the eWallet. The eWallet would include enhanced responsible gaming functionality, including enhanced data analytics (to identify patrons at risk of harm from gambling), self-imposed 'top-up' limits and delayed payment timeframes to mirror existing ATM breaks-in-play.

It is also contemplated that non-member customers would be able to transact using EFTPOS facilities to purchase chips and TITO tickets, similar to the current model adopted at Crown's Perth casino. This form of transaction would be appealing to the 'casual customer', but transaction limits would apply (per transaction and within a 24 hour period). Credit cards would not be permitted.

Crown continues to assess various product and technological options as part of its cashless gaming plans. Substantial further work and time is required to develop the eWallet application. Crown has commenced work on a 'proof of concept' for the eWallet application. A status of this development work is set out in the Crown eWallet Technology Evaluation Status update dated May 2021 (CRW.512.077.0040), produced to the Commission.

From a regulatory perspective, Crown considers that there are a number of State-based legislative obligations that, effectively, preclude Crown's introduction of cashless gaming. In Victoria, these include provisions of the *Casino Control Act 1991* (Vic) prohibiting the use of debit (and credit) cards in connection with gaming,<sup>1</sup> and restrictions concerning the provision of 'alternative cash facilities' on the gaming floor.<sup>2</sup> Similar provisions are contained in the *Casino Control Act 1992* (NSW).<sup>3</sup>

<sup>1</sup> Section 68.

<sup>2</sup> Section 81AAA.

<sup>3</sup> Section 74.

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In addition, Crown is also considering the application of the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (Cth) and provisions of the *Corporations Act 2001* (Cth) concerning the provision of financial services and associated licensing obligations, particularly in relation to Crown's potential rollout of an eWallet for cashless gaming. Crown expects that these regulatory obligations will necessitate some changes to Crown's compliance systems and processes.

***Proposed timeframe for cashless gaming***

Crown does not yet have a timeframe for the continued roll-out of cashless gaming across its Australian based casinos. Crown continues to evaluate the timeframes involved to implement further cashless gaming alternatives at its venues.

***Communications between ILGA and Crown regarding the introduction of cashless gaming and/or a cash ban at Crown Sydney***

Crown has produced to the Commission a letter dated 7 May 2021 evidencing communications with ILGA relating to cashless gaming. A further letter dated 1 April 2021 from ILGA is included in today's production. There are no further documents to produce, at this stage, in respect of this request.

Crown has also flagged its intentions with the VCGLR and is committed to working with the VCGLR on this issue.

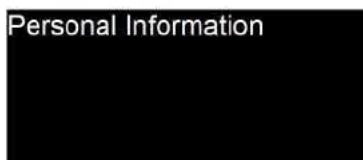
***Decision to introduce cashless gaming at any Crown casino in Australia***

As noted above, Crown's intention is to move to cashless gaming over time. However, Crown is not yet in a position to determine how and when that move will occur. A number of issues, including legislative and technological considerations, are being worked through as part of Crown's planning. Crown currently anticipates that a transition period would be required where both cash and digital payment methods would be accepted.

Crown would be pleased to discuss these initiatives further with the Commission.

Yours sincerely

Personal Information



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