

Royal Commission into the Casino Operator and Licence**STATEMENT OF PETER HERRING**

Name: PETER HERRING
Address: Crown Towers, Level 3, 8 Whiteman Street, SOUTH BANK VIC 3006
Occupation: Group General Manager, Product, Strategy & Innovation
Date: 30th June 2021

"Commission Based Players' Gaming Revenue" has the meaning given to it in the Management Agreement.

"Crown" means Crown Resorts Limited and any subsidiary of Crown Resorts Limited including Crown Sydney Gaming Pty Ltd, Crown Melbourne Limited or Burswood Limited.

"GGR" means Gross Gaming Revenue, as defined in the Management Agreement.

"Tax Impact" has the same meaning as in CRW.510.059.0594.

"Management Agreement" means the Management Agreement dated 20 September 1993, as amended from time to time, and ratified by the Casino (Management Agreement) Act.

"Super Tax" means the additional tax payable under clause 22.2 of the Management Agreement, and which has been calculated in CRW.512.156.2466.

1. I make this statement on behalf of Crown Resorts Limited and Crown Melbourne Limited (together **Crown**) in response to the Royal Commission's Request for Statement – RFS-Crown-021-Tax Issue (**Request for Statement**), questions 1 to 4 and 9 to 12.
2. This statement has been prepared on the basis of my own knowledge and enquiries I have made of various employees within the Crown Resorts Group.
3. My education and qualifications are Bachelor Computer Science Monash University.
4. I commenced employment with Crown Melbourne Limited (**CML**) on 18 April 1994 as IT Information Officer in the CML IT Department

1. Does CRW.510.059.0594 contain a complete and comprehensive list of all loyalty program promotion expenses in respect of which Crown makes deductions for purposes of calculating GGR? Please provide a comprehensive list of all loyalty program promotions (Promotions) in respect of which Crown makes deductions for purposes of the calculation of GGR.

5. Yes CRW.510.059.0594 does contain a complete and comprehensive list of all loyalty program promotion expenses in respect of which Crown makes deductions for purposes of calculating GGR for Gaming Machines.

The attachment <Statement-RFS-21-Q1-Q2> (CRW.512.191.0036) contains the list of all loyalty program promotions (Promotions) in respect of which Crown makes deductions for the purposes of the calculation of GGR for Gaming Machines.

For clarity some promotional categories may have many instances of the same or similar events.

2. Explain how each Promotion operates.

6. The attachment <Statement-RFS-21-Q1-Q2> (CRW.512.191.0036) explains how each promotion category operates, the category names used are as stored and reported from the approved Electronic Monitoring System (DACOM).

For clarity some promotional categories may have many instances of the same or similar events.

3. Identify, and annexe to your statement, one example of marketing material for each Promotion.

7. Attachment <Statement-RFS-21-Q3> (CRW.512.191.0004) has one example of marketing material for each Promotional Category.

4. In respect of each Promotion, for each financial year since the 2012 financial year (inclusive) identify the terms and conditions relevant to each Promotion as at the beginning of the financial year and any material changes to the terms and conditions during the financial year (and annexe a copy of each of those terms and conditions to the statement).

8. Attachment <Statement-RFS-21-Q4> (CRW.512.191.0001) has the terms and conditions for each of the financial years since 2012 and identifies any material changes to the terms and conditions during the course of the financial year.

Note there are some promotional categories where the Crown Marketing/Loyalty teams have been unable to find to date the earlier versions of the terms and conditions.

9. In each financial year since the 2012 financial year (inclusive), where and how could a loyalty program member redeem or use Crown rewards points? In answering that question, please identify whether Crown rewards points can be used at any outlets in the casino complex which are not owned by Crown?

9. Attachments <Statement-RFS-21-Q9-Crown Owned> (CRW.512.191.0029) and <Statement-RFS-21-Q9-Non Crown Owned> (CRW.512.191.0018) identify by year all of the locations/outlets where a loyalty program member could use or redeem Crown rewards points, note outlets not owned by Crown are specified separately.

For clarity Crown Rewards points earned via play on gaming machines are stored and referred to as Pokie Points.

Pokie Points cannot be used / redeemed for Table Play Vouchers.

Crown Rewards Points cannot be used / redeemed on Electronic Tables Games.

10. In each financial year since the 2012 financial year (inclusive), where and how could a loyalty program member redeem or use pokie points? In answering that question, please identify whether pokie points can be used at any outlets in the casino complex which are not owned by Crown?

10. Attachments <Statement-RFS-21-Q10-Crown Owned> (CRW.512.191.0026) and <Statement-RFS-21-Q10-Non-Crown Owned> (CRW.512.191.0002) identify by year all of the locations/outlets where a loyalty program member could use or redeem pokie points, note outlets not owned by Crown are specified separately.

For clarity Crown Rewards points earned via play on gaming machines are stored and referred to as Pokie Points.

Pokie Points cannot be used / redeemed for Table Play Vouchers.

Crown Rewards points cannot be used / redeemed on Electronic Tables Games.

11. In respect of each Promotion,¹ for each financial year since the 2012 financial year (inclusive), identify whether there were any restrictions on the use of the pokie points related to the Promotion (e.g. if they could only be used for purposes of gambling on an electronic gaming machine).

11. As per the response to question 10 and attachments <Statement-RFS-21-Q10-Crown Owned> (CRW.512.191.0026) and <Statement-RFS-21-Q10-Non-Crown Owned> (CRW.512.191.0002) Pokie Points can be used / redeemed across the complex at the majority of outlets.

Pokie Points cannot be used / redeemed for Table Play Vouchers.

Crown Rewards points (inc Pokie Points) cannot be used / redeemed on Electronic Table Games.

As additional clarity Pokie Credits and Bonus Pokie Credits issued or converted as part of any Promotion can only be played on gaming machines.

¹ The Commission's understanding is that this question will not apply to "Bonus Jackpots" within the meaning of CRW.510.059.0594.

- 12. In each financial year since the 2012 financial year (inclusive), identify (or if that is not possible, then estimate) the monetary value (as a dollar figure, or dollar range) of:**
- a. Crown Rewards point; and**
 - b. a pokie point.**

12. Each Crown Reward Point or Pokie Point does not have a monetary value as they cannot be redeemed for cash. Crown Reward Points and Pokie Points have nominal value of 1 point equalling 1 cent and this has not changed in the time 2012 to current.

Noting for clarity a Pokie point is a Crown Reward point earned via play on a gaming machine.

Signed:



Date: 30th June 2021