



Contact: Barry Felstead / Joshua Preston
Direct Line: [REDACTED]
E-mail: [REDACTED]
Document No: COMPLIANCE_492306.3

1 July 2019

Ms Catherine Myers
Chief Executive Officer
Victorian Commission for Gambling and Liquor Regulation
Level 3, 12 Shelley Street
RICHMOND VIC 3121

cc: Rowan Harris

By Email

Dear Ms Myers

Sixth Review of the Casino Operator and Licence (Sixth Review) - Recommendation 4

I refer to Recommendation 4 of the Sixth Review and our response dated 2 July 2018. Recommendation 4 provides:

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 required.

To ensure both ownership of new gaming related initiatives and formal consultation with the Regulatory & Compliance Department, a 'Gaming Initiatives Form' (**Form**) was implemented in 2018, to obtain and record sign-off from the Regulatory & Compliance Department (along with the Responsible Gaming, AML, Security, IT and Surveillance Departments), for all new gaming initiatives.

The Form must be completed and approved in advance of any proposed gaming initiative being introduced at Crown Melbourne, and must be completed for any new (or approved variation to existing) gaming initiatives, games, technology, programs or procedures, to ensure any requirements of, or risks to: regulatory requirements, RSG, gaming integrity and social responsibility (along with anti-money laundering and counter terrorism financing regulation and security and surveillance) can be identified, assessed, mitigated and managed appropriately. The Forms, including all sign-offs (final sign-off being from the Regulatory & Compliance Department) are stored in Crown Melbourne's electronic filing system. A copy of the Gaming Initiative Form is attached for your information at **Appendix A**.

Another important element which supports our awareness of projects that require regulatory consideration and/or approval, is Crown's business wide Compliance Framework. In this respect, please find attached for your ease of reference at **Appendix B**, our Compliance Framework

submission dated 24 December 2018, which outlines the structure and robustness of the framework, which continues to be embedded within our business units.

Compliance System

As previously reported, as part of the Compliance Framework, a new system based compliance recording and reporting tool (known as CURA) was implemented at Crown Melbourne in January 2018, in support of the Compliance Framework.

The main function of CURA is to automate self-assessment surveys for departments, create a documented log of compliance related obligations and provide a system based tool to monitor issues, trends and progress. For key high priority compliance obligations, departments are required to confirm compliance on either a: monthly, quarterly, six monthly or annual basis. For example, the Gaming Machines Product department's Compliance Officer now completes a periodic (monthly) survey, which includes the following questions:

- *Confirm that all gaming machine types have not been varied from the approval.*
- *Confirm that no game has been varied from the approval.*
- *Have all gaming machines purchased during the period been of a type approved by the Commission?*
- *Have any new (or variation to existing) initiatives, games, technology, programs or procedures been incorporated without a Gaming Initiatives Form being completed and approved in advance?*

The use of such a system ensures there is clear accountability on confirmation of compliance, and allows the Regulatory & Compliance Department to easily monitor and track the completion of surveys, as well as monitor rectification of issues that arise.

Further, the system acts as a health check of compliance, the process also continuously reminds each department of what their compliance and regulatory obligations are, which is essential to such a complex and highly regulated business. Further, the surveys can continue to evolve as new compliance related issues arise, that is, if an issue arises, the survey can be adjusted to add a specific compliance question, which is to be considered each month when the Compliance Officers are completing the surveys.

The Compliance Framework now enhances the structure, education processes and accountability of Crown's overall compliance process and culture. In addition to the overall Compliance Framework implementation, as required by Recommendation 4, Crown has completed its robust review of its internal controls, a summary of which is attached at **Appendix C**.

For each relevant ICS where a change has been proposed, amended versions will be submitted to the VCGLR in the usual manner, seeking approval.

Crown considers that the completion of its 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 required, has been completed, in satisfaction of Recommendation 4 of the Sixth Review.

Please do not hesitate to contact me or Joshua Preston if you have any queries.

Yours sincerely



Barry Felstead
Chief Executive Officer – Australian Resorts

Encl