

To: Tracy Shen [REDACTED]
From: Jason Cremona [/O=VCGLR/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=2FBCB8D9EE27401BACBE41B25672219F-JASON CREMONA]
Sent: Tue 2018/05/29 1:45:52 PM (UTC+10:00)
Subject: FW: Crown

Jason Cremona CPA
Manager, Licence Management & Audit

Licensing Division

Phone: [REDACTED]

Mobile: [REDACTED]

From: Jason Cremona

Sent: Tuesday, 29 May 2018 1:45 PM

To: Catherine Myers [REDACTED]

Cc: Alex Fitzpatrick [REDACTED]

Subject: RE: Crown

Catherine,

I will need to look into this a little further before coming back to you.

Crown do have capacity to deduct 'bonuses' from the tax calculation, which is quite different to bonus jackpots. An example of a 'bonus' is a welcome back promotion, whereby a player is given a number of credits for returning to the Casino after a recent visit, or on their birthday. Such bonuses are deducted from taxable revenue.

There are also points based jackpots approved for operation at the Casino. Such jackpots award points rather than cash, and these points are also deducted as bonuses from the tax calculation when used throughout the Casino complex.

So, unless the 'concept' falls outside the above, I am unsure what the issue may be, but will look into it further.

Can I get back to you next week?

regards

Jason Cremona CPA

Manager, Licence Management & Audit

Licensing Division

Phone: [REDACTED]

Mobile: [REDACTED]

From: Catherine Myers

Sent: Tuesday, 29 May 2018 9:01 AM

To: Jason Cremona [REDACTED]

Cc: Alex Fitzpatrick [REDACTED]

Subject: Fwd: Crown

Hi Jason

As discussed this is the information Cate sent through to me. Can you please review and provide me with some advice?

Thanks

Catherine

Begin forwarded message:

From: [REDACTED]
Date: 28 May 2018 at 5:44:41 pm AEST
To: [REDACTED]
Cc: [REDACTED]
Subject: Crown

Catherine

Further to our telephone conversation this evening, I think it goes like this:

Crown wants to give a benefit to a high value gaming machine player. They award them "free loyalty points", which can then be converted by the player into gaming machine credits when the player inserts his or her card into an

EGM.

Crown accounts for this as a "bonus jackpot" - see below - even though the amount is not related to gaming machine play as would be the case with other jackpots (which are 'won' at the gaming machine - I don't see how it could be considered to be a "prize")

Because it is deemed a 'bonus jackpot' the amount is not taxable as "Gross Gaming Revenue" under the Casino Management Agreement because jackpots are considered winnings (ie total revenue minus winnings = taxable GGR)

I think this is worthy of investigating.

Technical Requirements for Gaming Machines
and Electronic Monitoring Systems
in the Melbourne Casino

7.1.5 Bonus Jackpot

A Bonus Jackpot is one where an EGM is instructed by an external device to pay additional bonus prizes where the amount/multiplier, bonus eligibility criteria and time period are specified by the external device.

Cate Carr
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