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# **Margin Improvement Programme Monthly Progress Report**

Thursday 29<sup>th</sup> November 2012  
10:00am Chairman's Office



## Outline

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### Status Report and Program Update

#### Crown Melbourne

- Progress to 31<sup>st</sup> October 2012 –MIP targets and major projects
- Completed projects October

#### Crown Perth

- Completed Projects
- Projects in Progress
- Under Consideration / Formative



## Outline

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# Status Report and Program Update

## Crown Melbourne

- Progress to October 31<sup>st</sup> 2012



## F13 Crown Melbourne Margin Improvement Targets

Margin Improvement Program initiatives with cost savings of \$35 million are being implemented

| In \$'000                 |   | Annualised Improvement<br>(Total Project)<br>\$'000 | F13<br>Contribution<br>Improvement<br>(\$'000) | F13 YTD<br>Implemented<br>Improvement | F13 YTD Implemented<br>and In Progress<br>Annualised<br>Improvement |     |
|---------------------------|---|---|--|---------------------------------------|---|-----|
| Marketing                 | Reduced Complimentary and Loyalty Program | \$18,368  | \$14,303                                       | \$3,240                               | \$9,069   | 25% |
|                           | Back of House Labour                      | \$3,520   | \$2,848  | \$1,033                               | \$2,417   | 7%  |
| Labour                    | Front of House Labour                     | \$12,715  | \$10,746                                       | \$2,893                               | \$10,992  | 31% |
|                           | Other Expenses                            | \$15,804  | \$13,864                                       | \$5,719                               | \$13,371  | 37% |
| <b>Total Cost Savings</b> |   | <b>\$50,407</b>                                     | <b>\$41,760</b>                                | <b>\$12,886</b>                       | <b>\$35,849</b>   |     |
| Revenue                   | Revenue Generating                        | \$4,057   | \$3,401  | \$1,043                               | \$3,623   |     |
|                           | <b>Total MIP</b>                          | <b>\$54,465</b>                                     | <b>\$45,162</b>                                | <b>\$13,929</b>                       | <b>\$39,473</b>   |     |

## Crown Melbourne Summary Projects as at November 2012



| Department                    | Budgeted ('000) | Phase 1 Targets Unbudgeted ('000) | Phase 2 Targets Unbudgeted ('000) | Grand Total MIP Targets | Total MIP Submitted ('000) | Yet to be identified (credit indicates targets exceeded) |
|-------------------------------|-----------------|-----------------------------------|-----------------------------------|-------------------------|----------------------------|--|
| Cage & Count                  | \$48            | \$351                             | \$300                             | \$699                   | \$834                      | (\$135)  |
| Crown Hotels                  | \$170           | \$1,524                           | \$1,500                           | \$3,194                 | \$2,932                    | \$262  |
| Finance                       | \$0             | \$155                             | \$200                             | \$355                   | \$370                      | (\$15)   |
| Food & Beverage               | \$606           | \$5,200                           | \$0                               | \$5,806                 | \$6,281                    | (\$475)  |
| Gaming Machines               | \$4,364         | \$2,041                           | \$4,000                           | \$10,405                | \$9,839                    | \$566  |
| Government & Media            | \$0             | \$13                              | \$10                              | \$23                    | \$22                       | \$2  |
| Human Resources               | \$556           | \$193                             | \$500                             | \$1,249                 | \$1,112                    | \$136  |
| International Gaming          | \$218           | \$2,157                           | \$2,000                           | \$4,375                 | \$4,332                    | \$43   |
| Legal & Compliance            | \$12            | \$171                             | \$130                             | \$313                   | \$1,447                    | (\$1,134)  |
| Marketing                     | \$0             | \$524                             | \$1,000                           | \$1,524                 | \$1,408                    | \$116  |
| MIS                           | \$98            | \$263                             | \$300                             | \$661                   | \$692                      | (\$31)   |
| Property Services             | \$584           | \$2,291                           | \$500                             | \$3,375                 | \$3,658                    | (\$284)  |
| Security                      | \$400           | \$675                             | \$1,000                           | \$2,075                 | \$2,009                    | \$66   |
| Signature                     | \$0             | \$0                               | \$0                               | \$0                     | \$372                      | (\$372)  |
| Supply                        | \$0             | \$138                             | \$60                              | \$198                   | \$95                       | \$103  |
| Surveillance                  | \$0             | \$103                             | \$100                             | \$203                   | \$206                      | (\$3)  |
| Table Games (inc. Interstate) | \$319           | \$5,404                           | \$4,000                           | \$9,723                 | \$9,732                    | (\$9)  |
| Parking                       | \$0             | \$0                               | \$300                             | \$300                   | \$268                      | \$32   |
| Tenancies & Retail            | \$20            | \$475                             | \$200                             | \$695                   | \$1,098                    | (\$403)  |
| <b>Total</b>                  | <b>\$7,394</b>  | <b>\$21,678</b>                   | <b>\$16,100</b>                   | <b>\$45,172</b>         | <b>\$46,707</b>            | <b>(\$1,535)</b>   |

## Crown Melbourne Projects over \$1m Budgeted



| Department         | Project Name                    | Project Detail / Objective  | Implementation Date<br>(When Benefit is Budgeted From) | Annualized Improvement<br>(Total Project)<br>\$'000 | F13 Contribution<br>Improvement<br>\$'000 |
|--------------------|---------------------------------|---|--|---|---|
| Gaming<br>Machines | <b>Welcome Back Effect</b>      | Amending the Bonusing System to require registration at VIK for each program based bonus offer, this will ensure that members are aware of the benefit not just identify a mystery bonus at a machine on commencement of the play. This initiative will reduce bonusing redemptions thus increase hold rates and in turn revenue. Expected contribution is the additional revenue at \$1.8m less tax. | Jul-2012   | <b>\$1,329</b>                                      | <b>\$1,329</b>                            |
| Gaming<br>Machines | <b>Food Jackpot Initiatives</b> | Amending the Gaming Machines Food Program to be controlled by the Linked Jackpot Equipment to reduce costs and increase profit and margin. The estimated cost for F13 is \$8.4m, revenue will reduce by this amount but is expected to have other benefits.   | Jul-2012   | <b>\$2,461</b>                                      | <b>\$2,461</b>                            |

## Crown Melbourne Projects over \$1m Unbudgeted



| Department      | Project Name                                     | Project Detail / Objective   | Implementation Date (When Benefit Begins) | Annualized Improvement (Total Project) \$'000 | F13 Contribution Improvement (\$'000) |
|-----------------|--|--|---|---|---------------------------------------|
| Table Games     | <b>Complimentary Beverage Review</b>             | Reduce comp outlet costs to Gaming. Project cost savings will be derived from more efficient scheduling of labour in comp outlets, more accurate tracking of supply (swiping), lower COS on comp items (e.g.. change from Mumm champagne to Chandon)   | <b>Aug-2012</b>                           | <b>\$2,363</b>                                | <b>\$2,166</b>                        |
| Table Games     | <b>Mahogany Labour Efficiency</b>                | Reduce disparity between rostered hours in VIP International and significantly lower actual open hours. Focussing on reducing HD shifts, reviewing changes to shift start times, removing under-utilised open hours and removing inefficiencies due to over-rostering.   | <b>Aug-2012</b>                           | <b>\$2,188</b>                                | <b>\$2,006</b>                        |
| Table Games     | <b>Complimentary Beverage - Discount and Pay</b> | Depending on membership tier, discount cost of drinks (Black - 100% free, Platinum 100% free in MR & 50% elsewhere, etc.)  | <b>Dec-2012</b>                           | <b>\$4,052</b>                                | <b>\$2,195</b>                        |
| Gaming Machines | <b>Complimentary Beverages</b>                   | Modifications to complimentary beverage issuance process. Beverages at restaurants will be charged under the daily food offers. Patrons will be asked to use points or cash for pay for beverages at bars. Card swipes will also be introduced for 'at device' drinks to measure the cost effectiveness of drinks. | <b>Aug-2012</b>                           | <b>\$1,261</b>                                | <b>\$1,156</b>                        |
| Gaming Machines | <b>Complimentary Beverage Discount Charging</b>  | Depending on membership tier, discount cost of drinks (Black - 100% free, Platinum 100% free in MR & 50% elsewhere, etc.)  | <b>Dec-2012</b>                           | <b>\$3,500</b>                                | <b>\$2,042</b>                        |

## Crown Melbourne Projects over \$1m Unbudgeted continued



| Department | Project Name                                 | Project Detail / Objective   | Implementation Date (When Benefit Begins) | Annualized Improvement (Total Project) \$'000 | F13 Contribution Improvement (\$'000) |
|------------|--|--|---|---|---------------------------------------|
| F&B Admin  | <b>Labour Efficiencies</b>                   | Labour review and development of a revised recruitment strategy for food & beverage to ensure a flexible and efficient workforce is provided. Savings are expected in all F&B areas - this project will be implemented progressively throughout the financial year.  | <b>Sep-2012</b>                           | <b>\$2,400</b>                                | <b>\$2,000</b>                        |
| F&B Admin  | <b>Purchasing Review</b>                     | Comprehensive Purchasing review to ensure: <ul style="list-style-type: none"> <li>Existing SKU's / catalogues are rationalised</li> <li>A strategic approach to procurement and tendering is in place i.e. open process, removal of limitations such as controlled contracts, more robust spec'ing</li> <li>Processes are in place (in Purchasing and F&amp;B) for continual review and monitoring of external pricing benchmarks and seasonal trends</li> <li>Key considerations are leveraged in contracts such as early payment discount, pricing for volume</li> </ul> | <b>Sep-2012</b>                           | <b>\$1,800</b>                                | <b>\$1,500</b>                        |
| F&B Admin  | <b>Cost of Sales - Beverage Wine Tenders</b> | Implementation and monitoring of wine offer across all F&B outlets to ensure appropriate match with food offer at casual end and distinction of wine lists at premium end. Engagement of new wine manager to implement purchasing efficiencies and alignment of offer along with management of property wine tender and associated rebates for marketing.  | <b>Jul-2012</b>                           | <b>\$1,600</b>                                | <b>\$1,600</b>                        |



## Crown Melbourne Projects between \$500k - \$999k



| Department  | Project Name   | Project Detail / Objective  | Implementation Date (When Benefit Begins) | Annualized Improvement (Total Project) \$'000 | F13 Contribution Improvement (\$'000) |
|-------------|--|---|---|---|---------------------------------------|
| Table Games | <b>Direct to Table</b>                               | Deliver cards direct to table - removal of card shuffling room  | <b>Jan-2013</b>                           | <b>\$500</b>                                  | <b>\$250</b>                          |
| Table Games | <b>Labour Efficiencies</b>                           | Identify further labour efficiencies - draw down as projects identified   | <b>Jan-2013</b>                           | <b>\$600</b>                                  | <b>\$300</b>                          |
| F&B Admin   | <b>Menu Engineering</b>                              | Review of menu engineering process and execution of price changes to drive margin   | <b>Oct-2012</b>                           | <b>\$700</b>                                  | <b>\$525</b>                          |
| Hotels      | <b>Operating Expenses</b>                            | Various expense accounts have been identified that will provide savings   | <b>Jul-2012</b>                           | <b>\$798</b>                                  | <b>\$798</b>                          |
| Hotels      | <b>Revised FTE levels</b>                            | Run under budgeted FTE levels in several FOH areas. Achieved via periods of recruitment and general rostering.  | <b>Jul-2012</b>                           | <b>\$715</b>                                  | <b>\$715</b>                          |
| Security    | <b>Operational Labour Review - MSS - First Round</b> | Labour Review - realignment based on operational requirements and business demand.  | <b>Aug-2012</b>                           | <b>\$574</b>                                  | <b>\$486</b>                          |
| Security    | <b>Operational Labour Review - Crown Roster</b>      | Roster Review - implementation of new Crown Labour Security Roster. Roster will need to be "voted in" by EA Employees.  | <b>Nov-2012</b>                           | <b>\$729</b>                                  | <b>\$486</b>                          |
| Int. Gaming | <b>Mahogany Room FOH - Open Hours Efficiency</b>     | Reduce open hours from 17.3% budgeted to 13%. This aims to increase the product efficiency by way of increasing patron density i.e. improving rated hours/open hours ratio. | <b>Aug-2012</b>                           | <b>\$567</b>                                  | <b>\$520</b>                          |

## Crown Melbourne Projects Completed in October over \$50k



| Department           | Project Detail / Objective  | F13 Contribution Improvement (\$'000) |
|----------------------|---|---------------------------------------|
| Table Games          | Review morning shift spreads for savings including close L1 WE (Mon - Fri)  | \$217                                 |
| Tenancies / Retail   | The 3 Crown Retail shops have been outsourced to City Convenience from 1 July. Rent-free for 3 months   | \$105                                 |
| Marketing            | Revised approach to Riverwalk Activation. As an alternative of 6 months continuous activity on Riverside as proposed during F13 BP, revert back to 3 periods of activity over the Summer period (Nov to Mar). These events being SRC live site (Nov), Australian Open/CNY (Jan/Feb), MFWF/GP (Mar). Proposed reduction in F13 budgeted Opex: \$350k   | \$350                                 |
| Events & Sponsorship | Revised approach to River walk Activation. A further reduction to our Riverside Activations by relocating the Spring Racing live site to The West End and Atrium Bar. The funds will be used to theme the spaces over the Caulfield and Flemington Carnivals and elevate the 'content' during these periods. The new Masters Golf activation on the River walk would be cancelled.<br><br>Business Impact/Risks: Low business impact and risk as we believe that this change will allow us to build visitation to these new assets and generate more on spend to gaming. Recommendation is to reinstate for F14 in line with our marketing strategy to activate the Crown River walk. | \$ 200                                |
| Cage & Count         | Close level 1 Cage on dayshift 7 days a week. - 64 hours - \$115,000 pa. Service impact to customers in this area - Customers would have to travel down a level to Main or Western Cages for service  | \$86                                  |

## Crown Melbourne Projects Completed in October over \$50k continued



|   |   |                 |
|---|---|-----------------|
|   |   |                 |
| <b>MIS</b>  | Alter the maintenance arrangement with Micros Fidelio for point of sale terminals and printers from a contracted service to a Time and Materials agreement. To minimise the cost utilise some of the current FY13 PC replacement budget to replace older Work Station 4 units (planned for replacement in FY14) which have significant estimated repair costs. Seek alternate lower cost repair options for the printers. | <b>\$113</b>    |
| <b>MIS</b>  | Reduce the external monitoring of the network by taking the Metropol & Promenade switches off external monitoring. Reduce number of switches monitored by 64 (45 + 19). Increase in system outages and longer timeframes for restoration; potential patron impact   | <b>\$68</b>     |
| <b>Int. Gaming</b>                                | Decision to cancel Golden Week Baccarat Tournament (Burswood are hosting \$1m tournament around same time)  | <b>\$200</b>    |
| <b>Various</b>                                    | Other Minor Projects  | <b>\$78</b>     |
| <b>Total Projects Completed In OCTOBER 2012</b>   |   | <b>\$1,791</b>  |
| <b>Total Projects Completed IN SEPTEMBER 2012</b> |   | <b>\$1,713</b>  |
| <b>Total Projects Completed IN AUGUST 2012</b>    |   | <b>\$1,223</b>  |
| <b>Total Projects Completed IN JULY 2012</b>      |   | <b>\$11,885</b> |
| <b>Total Projects Completed YTD</b>               |   | <b>\$16,612</b> |
| <b>Other Projects in Progress</b>                 |   | <b>\$19,237</b> |
| <b>TOTAL COST SAVING PROJECTS F13</b>             |   | <b>\$35,849</b> |



## Outline

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### Status Report and Program Update

- Progress to 31<sup>st</sup> October 2012 –MIP targets and major projects
- Completed projects October

### Crown Perth

- Completed Projects
- Projects in Progress
- Under Consideration / Formative

## Crown Perth Outline – November 2012

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- Completed Projects
- Projects in Progress
- Under Consideration / Formative

## Crown Perth Completed Projects



TOAL ANNUALISED        **\$ 1,725**

TOTAL F13                **\$ 1,725**

| Department  | Project Name             | Project Detail / Objective  | Implementati<br>on Date<br>(When<br>Benefit<br>commences) | Annualised<br>Improvement<br>(Total Project)<br>\$'000 | F13<br>Contribution<br>Improvement<br>\$'000 |
|-------------|--------------------------|---|---|--|--|
| Table Games | Pit Boss Breaks          | Breaks have been reduced from 90 minutes (three half hours) per shift to 45 minutes (one half hour and one 15 minute break) per shift enabling more efficient rostering and improving Pit Boss productivity.  | Apr-2012  | \$300  | \$300  |
| Table Games | Productivity Initiatives | Identification and approval of game variations to improve Table Games performance – Blackjack Plus, Gaming Floor Live, 2:1 Baccarat.  | Nov-2011  | \$1,200  | \$1,200                                      |
| Hotels      | Guest Amenities Program  | Mirror guest amenities and recognition programs at Crown Melbourne pursuant to Perth hotels rebrand - Both hotels have adopted the VIP / Guest Recognition programs when rebranded to Crown. Recognition gifts are based on the number of visitation (not per visit) and complimentary gifts such as fruits and wine are given to hotel guest based on whether the hotel management deems the guest as VIP (was previously given to all Ambassador IHG members each visit). This change has resulted in savings in CMP. However at CPP, complimentary gifts are unbudgeted expenses because according to the old IHG reward program, no recognition gifts were given. | Jul-2012  | \$225  | \$225  |

## Crown Perth Projects in Progress



TOTAL ANNUALISED \$10,650

TOTAL F13 \$2,380

| Department  | Project Name                             | Project Detail / Objective  | Date When Benefit expected to begin | Annualised Improvement (Total Project) '\$000 | F13 Cont'n Improvem't (\$'000) |
|-------------|--|---|-------------------------------------|---|--------------------------------|
| Table Games | Review and amend FATG supervision levels | Currently Table Games Inspectors are approved to service hand pays to the FATG customer. We have provided a submission to the Regulator to have Ticket capability made available on FATG's thereby removing the requirement for labour attendance at hand pays. <a href="#">Awaiting feedback from the Regulator following a meeting in late October.</a>   | Mar-2013                            | \$300   | \$100                          |
| Table Games | Review and amend supervision levels      | Enabling Inspectors to be able to supervise more than two game types which will assist with improved game layout and operational efficiencies. <a href="#">Have had positive feedback from the Regulator and a submission is currently being prepared.</a>  | Jun-2013                            | \$400   | \$0                            |
| Table Games | DEQ Review                               | DEQ – a system to execute Table Games jackpots is currently under review. Crown Perth has submitted an alternative jackpot configuration for review and potential development by DEQ. We are also awaiting a performance review from Crown Melbourne.   | TBC                                 | TBC   | TBC                            |
| Table Games | Labour Efficiencies                      | Review of labour spreads for MGF subsequent to opening of new expanded floor. Initial approach to opening was tables in new area were opened aggressively to ensure any excess visitation was able to find a game, especially during ongoing existing floor refurbishment. <a href="#">A concerted effort to identify opportunities to productively reduce table open hours is underway following the opening of the casino expansion. To date, 4,000 hours per month have been taken out of the expansion roster (approx \$200k per month). This review is continuing.</a> | Nov-2012                            | \$1,800                                       | \$750                          |
| Table Games | Temporary Table Close (Atom)             | Currently when we close a table, which occurs any time a patron leaves the table, an audit of the entire chip tray takes place. It takes approximately 20 minutes each to close and reopen a table. A temporary close eliminates down time and labour cost with the proposal to only close a table at the end of a patron's trip or upon settlement. <a href="#">Received positive feedback from Regulator and are currently preparing a formal proposal.</a>   | TBC                                 | TBC   | TBC                            |

## Crown Perth Projects in Progress



| Department                    | Project Name                      | Project Detail / Objective  | Date When Benefit expected to begin | Annualised Improvement (Total Project) \$'000 | F13 Cont'n Improvem't (\$'000) |
|-------------------------------|-----------------------------------|---|-------------------------------------|---|--------------------------------|
| Table Games                   | Automated Sicbo (Aruze)           | Traditional Sicbo (Big & Small) is currently cost prohibitive due to labour requirements. This automated product will solve this issue. <a href="#">We presented a proposal to the Regulator in October 2012 and have now received in principle approval. Currently awaiting Aruze to be an approved supplier.</a>  | Apr-2013                            | \$100   | \$25                           |
| Table Games                   | Cage Buy Ins                      | To actively promote large buy ins at the Cage rather than at the table to increase game speed. <a href="#">In progress in the Pearl Room. Current patron take up is minimal.</a>  | TBC                                 | TBC   | TBC                            |
| Table Games & Gaming Machines | Change in Pearl Room Guest Policy | Change to customer guest policy for access to Pearl Room to increase guests allowed from one to three starting with Platinum tier. Submission tabled with Regulator. The matter is presently on hold.   | Mar-2013                            | \$250   | \$80                           |
| Gaming Machines               | Cashless Gaming                   | To allow account based gaming on machines, uploading and downloading cash and credit balances onto card for ease of transfer across machines thereby increasing transactional efficiency at the machine for VIP customers. <a href="#">Software complete and approved. Support servers are in transit from Melbourne. Expected trial in the Pearl Room in February 2013.</a>            | Mar 2013                            | \$500   | \$150                          |
| Gaming Machines               | TITO                              | Revenue uplift and labour efficiency opportunities. Enables the customer to have the ability to more frequently change machines creating less down time and increasing the length of play and average bet and reducing the Attendant service requirement. <a href="#">Currently awaiting full Regulator approval, hopeful to commence implementation by 4<sup>th</sup> quarter F13.</a> | May-2013                            | \$5,000                                       | \$500                          |
| Gaming Machines               | Hold Management                   | Introduction of Wild Swan Poker to replace the existing game of Black Swan Poker at an improved RTP from 93.5% to 92%. <a href="#">Game approved and to be rolled out progressively over the next three months.</a>   | Feb-2013                            | \$1,000                                       | \$200                          |



## Crown Perth Projects in Progress



| Department | Project Name  | Project Detail / Objective  | Date When Benefit expected to begin | Annualised Improvement (Total Project) \$'000 | F13 Cont'n Improvem't (\$'000) |
|------------|---|---|-------------------------------------|---|--------------------------------|
| Gaming     | Keno self-service kiosks                                  | Increase exposure and ability for patrons to play Keno throughout the gaming floor whilst maintaining labour levels. Contract negotiation well advanced, anticipate increased ticket sales per year. <a href="#">Anticipate roll out in March 2013.</a>   | Mar-2013                            | TBC   | TBC                            |
| F&B        | Operational & Labour review                               | Critical review of operating hours in all outlets with initial actions to close Market & Co restaurant for lunch Monday – Thursdays from January 2013. Concept change in Market & Co to reduce food cost has been implemented.<br>Menu reviews to consolidate seasonal and purchased items across outlets. Critical review of rostering and labour efficiencies, particularly in newly opened outlets, to reflect current trading conditions (FOH, BOH and Stewarding focus). | Sep-2012                            | \$250   | \$200                          |
| F&B        | Procurement   | Review F&B and procurement (particularly food) practices and opportunities with a view to reducing cost of sales. <a href="#">Currently sharing learnings with Melbourne re PIP (Partners in Performance) process and recent tender outcomes to leverage savings in Perth.</a><br><a href="#">A number of supplier contracts have recently expired (particularly F&amp;B related) and are currently under review / tender consideration.</a>                                  | Mar-2013                            | \$500   | \$125                          |
| F&B        | Food Court Tenancy Opportunities                          | <a href="#">Leases have been secured with McDonalds and Subway to replace underperforming Food Court tenancies. Tenant fit out currently underway with the new Food Court to be opened in December 2012.</a>  | Dec-2012                            | \$300   | \$150                          |
| Security   | Reduction in Security numbers monitoring casino entrances | Submission to the Regulator to amend the requirement to have three Security officers man casino entrances 24/7. <a href="#">We have received initial indications that the Regulator is comfortable to reduce the mandated Security numbers at casino entrances by one down to a quota of two officers. We are awaiting formal notification before changes to the roster can be made.</a>  | Feb-2013                            | \$250   | \$100                          |

## Crown Perth Projects in Progress



| Department | Project Name                | Project Detail / Objective   | Date When Benefit expected to begin | Annualised Improvement (Total Project) \$'000 | F13 Cont'n Improvem't (\$'000) |
|------------|-----------------------------|--|-------------------------------------|---|--------------------------------|
| Cage       | Drop Box Collection Process | Obtain approval from the DRGL to only collect drop boxes from tables which have been opened during the day, so that unused / empty boxes do not have to be collected and counted. <a href="#">Currently under review in conjunction with monthly count process and the use of metered revenue.</a>   | TBC                                 | TBC   | TBC                            |
| Cage       | Monthly Count Process       | Currently monthly count must be completed within the first three days of the following month. Due to expansion and additional product this requirement impacts upon labour rostering (overtime and penalty rates) and causes customer disruption at peak times. <a href="#">Currently preparing draft presentation for Regulator. Change will require a change to legislation (Burswood Island Agreement).</a> | TBC                                 | TBC   | TBC                            |
| General    | Cross Property Review       | <a href="#">Review of functional areas across the Melbourne and Perth properties to determine opportunities for streamlining tasks and effort. First area of review is Finance with workshops planned in Perth in December 2012.</a>   | TBC                                 | TBC   | TBC                            |

## Crown Perth Formative



| Department  | Project  | Objective   | Comments   |
|-------------|--|---|--|
| Table Games | Pit cam in the Pearl Room                              | Install Pit Cam in the Pearl Room to reduce Pit Boss and Inspector supervision levels for Salon and Pearl Room play.  | Regulator approval required.   |
| Table Games | Touchbet tables to be counted as per live gaming table | Currently the 2 touchbet terminals are counted as an additional gaming table. DRGL have indicated that these terminals form part of the "live" gaming table they are attached to. Therefore, there are an additional 2 gaming tables which could be opened during peak times. | Opportunity now that expansion has opened.                               |
| Table Games | Supervisor Point Allocation in Pearl Room              | Move to normal supervisor point allocation in the Pearl Room, currently above MGF levels, not regulated   | Further investigation required, union consultation and agreement issues. |
| Table Games | Triple zero Roulette                                   | To further enhance our low limit Table Games strategy. House edge improved from 2.7% on single zero to 5.3% on double zero to 7.7% on triple zero.  | Regulatory approval required.  |
| Table Games | Complimentary Beverage Review                          | Aligning customer service to the appropriate tiers.   | Beverage policy in the Pearl and Riviera rooms to be reviewed.           |
| Table Games | Direct to Table  | Deliver cards direct to table - removal of card shuffling room. Investigate process further at Crown Melbourne to see whether a similar arrangement could be replicated in Perth.   | To be investigated.  |
| VIP Gaming  | Limousine Services                                     | Current contract expires in February 2013, presenting an opportunity to tender and / or secure more competitive rate structure.   | Tender process to commence in the New Year upon contract expiry.         |

## Crown Perth Formative



| Department                 | Project   | Objective   | Comments  |
|----------------------------|---|---|---|
| Gaming Machines            | Carded Lucky Time   | Introduce a time based jackpot through IGT Advantage whereby a large number of small infrequent jackpots are issued to designated players | Regulatory approval required.   |
| Gaming Machines            | Review Car Jackpot prize  | Adjust increment rate to reduce number of cars given away from average 12 per year to 10 per year   | 2 cars at retail cost. <a href="#">Given the product moves required due to MGF refurbishment, implementation will be delayed until March 2013</a> |
| Hotels                     | Review outsourcing model of Housekeeping                                    | To compare in house costs v outsourced cost.  | Further investigation required  |
| Hotels / Conventions / F&B | Review Credit Card service fees and consolidation of existing fee structure | Consider increasing existing fee from \$1.50 and ensure existing merchant provider fees are consistent across the property                | Under consideration. Working with merchant providers to ensure all existing and new outlets are treated the same.                                 |
| HR & Gaming                | Implementation of 4 Week Roster   | To improve flexibility in rostering   | May form part of CA negotiation   |
| OSH                        | Review Medical Expenses   | Review current annualised outsourced medical expenses for Pearl Room with an internal nurse structure                                     | Further investigation required  |
| Cage                       | Review Cash Holding   | Review level of cash holding in Cage and Cage related areas to identify opportunity to reduce these cash holdings.                        | Pending and also impacted by TITO implementation  |
| Cage                       | ATM Fees review   | Increase ATM transaction fees from \$2.20 to \$2.50 (shared with ATM provider)  | To review in the New Year once rebrand activity settles down  |

## Crown Perth Formative



| Department  | Project   | Objective  | Comments   |
|-------------|---|--|--|
| Procurement | Procurement Process and Service Review including offsite warehousing impacts and opportunities. | The departure of the Purchasing & Supply Manager presents an opportunity to strengthen this role within the business (GM Purchasing & Supply) and to conduct a review of procurement and logistics operations in the business. The timing is also favourable given the recent completion of the casino expansion and additional F&B outlets. | Recruitment process currently underway.  |
| Cleaning    | Outsource vs internal model   | Currently a portion of the cleaning requirements for common areas and operating areas such as the Food court are outsourced . Traditionally we have assessed the preferred cleaning model on a case by case basis but an opportunity exists to review existing cleaning arrangements for the most cost effective and efficient solution.     | Ongoing. Will also complete a complex wide review . Union consultation required and may be something we leave until after the next CA negotiation. |



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**Next Meeting TBC**