



Crown Melbourne Limited

Memorandum

To: Crown Melbourne Limited

From: Joshua Preston

Date: 26 November 2019

Subject: **Crown Melbourne – Sixth Review of Casino Licence under Section 25 of the *Casino Control Act 1991 (Vic)* – Update Report**

Dear Board Members,

During the period, Crown has lodged responses to the following recommendations contained within the Section 25 Review Report:

- Recommendation 15, response dated 1 October 2019: within three months of implementing the new responsible gambling strategy (Recommendation 14), commence regular reporting to the Crown Resorts Responsible Gambling Committee;
- Recommendation 16, response dated 1 October 2019: within three months of implementing the responsible gambling strategy (Recommendation 14), a charter is developed for the Crown Melbourne Responsible Gambling Management Committee;
- Recommendation 18, response dated 11 October 2019: in all future submissions by Crown Melbourne to the VCGLR for approvals under the Casino Control Act or Gambling Regulation Act, that Crown document a number of matters to better explain the purpose etc. of the submission.

We understand the VCGLR is currently assessing our responses in the usual manner and we will be advised in due course of any comments they may have.

To date Crown has filed its responses by the due dates for each of the following Recommendations: 1, 2, 3, 4, 5, 10, 11, 12, 13, 14, 15, 16, 17, 18 and 19. Recommendations 6, 8 and 9 are due in the New Year (and other future dates). We also note that Recommendation 7, which has no due date will be responded to in the New Year. Recommendation 20 concerns a meeting between the Commission and the Crown Resorts Board, which is to be scheduled for between November 2019 and March 2020.

Further detail regarding each recommendation, including those which have previously been responded to, and those which are in progress/not yet due, are included in the attached updated Section 25 Recommendations Table (as at 1 November 2019).

Regards



Joshua Preston
Chief Legal Officer – Australian Resorts



Section 25 – Recommendations Table At 27 November 2019

Recommendation	Crown's Response	Proposed Action/Progress Update	Target/Action Dates	Completed Yes/No	VCGLR Outcome
<p><u>Recommendation 1</u></p> <p>The VCGLR recommends that, by 1 January 2019, Crown develop, and submit to the VCGLR for approval, a change program to fully engage its independent directors in proactive strategic oversight of the operations of the Melbourne Casino. Particular consideration should be given to -</p> <ul style="list-style-type: none"> • formulating a charter for the Crown Melbourne board • fully documenting, for visibility to the VCGLR, the reporting and decision-making relationships between all of the boards, committees and executive meetings with responsibility for, or oversight of, Melbourne Casino functions, and • elevation of governance to the group board and committees. <p>The submission should identify any changes to regulatory frameworks and how these will be addressed.</p>	<p>Recommendation Accepted</p> <p>Crown will, in conjunction with its parent company, review its governance framework, taking into account the matters recommended by the Commission for consideration. A new framework for reporting has already been designed and is being worked through. Crown will continue to review its corporate structure moving forward with any proposed changes brought to the attention of the Commission.</p> <p>We also note that the current Crown Melbourne Framework has been considered by the Commission in times past, with some of the current structures in place as a result of regulatory obligations.</p>	<ul style="list-style-type: none"> • A submission addressing all points referenced in Recommendation 1 was submitted to the VCGLR on 24 December 2018. The submission included a Crown Melbourne Board Charter. • Although not specifically related to Recommendation 1, Crown is drafting a new updated Company Constitution, which will require the approval of the Commission in due course. 	1 January 2019	Yes	The VCGLR noted Crown's undertaking of the Recommendation by letter dated March 2019.
<p><u>Recommendation 2</u></p> <p>The VCGLR recommends that, by 1 January 2019, Crown undertake a review of the required qualifications for</p>	<p>Recommendation Accepted</p>	<ul style="list-style-type: none"> • Review undertaken and letter outlining actions taken by Crown submitted to the VCGLR on 24 December 2018. 	1 January 2019	Yes	The VCGLR noted Crown's undertaking of the Recommendation by letter dated March 2019. It was further

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Recommendation	Crown's Response	Proposed Action/Progress Update	Target/Action Dates	Completed Yes/No	VCGLR Outcome
committee chairs set out in the charters, and ensure that the appointees' actual qualifications match.					<p>requested that Crown should undertake the same review for Crown Resorts' Committees.</p> <p>Although not a requirement of the recommendation to carry out a review of the Crown Resorts Limited Committees, Crown responded by sending two letters outlining the review of the Crown Resorts Committees on 3 June 2019.</p> <p>The VCGLR noted Crown's response to the Recommendation by letter dated 6 August 2019.</p>
<p>Recommendation 3</p> <p>The VCGLR recommends that, by 1 July 2019, Crown assess the robustness and effectiveness of its risk framework and systems, including reporting lines in the chain of command, and upgrade them where required. This assessment should be assisted by external advice.</p>	<p>Recommendation Accepted</p> <p>It should be noted that the risk framework has already been reviewed and an enhanced framework is currently being implemented, which is supported by an IT based reporting, recording and management framework.</p> <p>Also, a Group General Manager – Risk and Audit was appointed in 2017 to oversee the group function of risk and audit. Additional resources have also been committed to support the enhanced framework.</p>	<ul style="list-style-type: none"> The Group General Manager Risk & Audit has reviewed Crown's risk framework and commenced enhancements to the framework and systems in early 2018. In this respect the enhanced risk framework has started to be rolled out across the business and is being embedded into work processes and systems. A new "Risk Appetite" was presented to, and ultimately approved, in December 2018 by the relevant Crown Boards and Committees. The supporting Risk Matrix was revised, approved by the business and embedded into the risk system to ensure the capture of Risk Profile data. Risk reporting has been restructured, and organised around seven risk categories, including the development of a key risk indicator (KRI) dashboard. An external firm was engaged to carry out a review of the risk framework elements. The relevant observations provided by the external firm have been included in the Risk Management Strategy document, which was presented to the relevant Crown Boards and 	1 July 2019	Yes	<p>By letter dated 3 September 2019, the VCGLR deferred its consideration of the Recommendation until the Deloitte Report was provided.</p> <p>Crown sent a copy of the Deloitte Report to the VCGLR by letter dated 13 September 2019.</p> <p>On 14 October 2019, the VCGLR wrote to Crown making further enquiries as to the status of each recommendation in the Deloitte Report.</p> <p>Crown responded to the VCGLR's further enquiries by letter dated 28 October 2019.</p> <p>By email on 15 November 2019, the VCGLR queried detail of Crown's letter of 28 October 2019, which Crown responded to on 18 November 2019.</p> <p>No further response has yet been received from the VCGLR.</p>

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		<p>approved.</p> <ul style="list-style-type: none"> The risk system has been updated to reflect the updated framework elements, and implemented across Crown Melbourne. Letter outlining actions taken by Crown in accordance with the recommendation submitted to the VCGLR on 1 July 2019. A request was made by the VCGLR on 3 September 2019 for Crown to provide a copy of the Deloitte Report, which was provided on 13 September 2019. On 14 October 2014, the VCGLR emailed Crown requesting further detail on the status of each recommendation in the Deloitte Report which Crown responded to on 28 October 2019. 			
<p><u>Recommendation 4</u></p> <p>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 relevant.</p>	<p>Recommendation Accepted</p> <p>In this respect, a new business-wide compliance framework has been designed and the roll out has commenced across the business. Further a new process has been implemented to address any proposed changes to the regulatory environment.</p>	<ul style="list-style-type: none"> A Gaming Initiatives Form was developed and implemented into processes in the business and is the key action in satisfying this recommendation; along with the new Regulatory and Compliance Requirements Policy. A submission was made for an amendment to the EGM ICS to provide for the Gaming Initiative Form – VCGLR approval has been received. Review was undertaken to determine whether additional Internal Controls are required or existing controls require amendment. Although not specifically in response to this Recommendation, a new business wide compliance framework has been developed and rolled out to the business (95% of relevant departments are now integrated into the new framework). This included the commissioning of a reporting system (known as CURA) to support the new compliance 	<p>1 July 2019</p>	<p>Yes</p>	<p>The VCGLR noted Crown's undertaking of the Recommendation by letter dated 3 September 2019.</p>

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Recommendation	Crown's Response	Proposed Action/Progress Update	Target/Action Dates	Completed Yes/No	VCGLR Outcome
		<p>framework.</p> <ul style="list-style-type: none"> • A detailed submission on the Compliance Framework was sent to the Chairman of the Commission on 24 December 2018, related to the Blanking Buttons matter. • Review undertaken and letter outlining actions submitted to the VCGLR on 1 July 2019. • Following the review of internal controls, Crown will include a reference in relevant ICSs to Compliance being consulted prior to new initiatives being implemented (this will be done in conjunction with the changes required for Recommendation 17 once closed by the VCGLR). 			

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<p><u>Recommendation 5</u></p> <p>The VCGLR recommends that Crown convene annual roundtable sessions briefing key internal staff on the VCGLR's risk-based approach to regulation, with a particular focus on how that approach relies on the integrity of Crown's internal processes.</p>	<p>Recommendation Accepted</p>	<ul style="list-style-type: none"> An annual briefing will be provided to Management at the Crown Melbourne Executive Risk and Compliance Committee (ERCC) meeting on the VCGLR's risk-based approach and its impact on Crown and its processes. On 21 May 2019 the Chairman presented to the ERCC the VCGLR's risk-based approach and how it relies on the integrity of Crown's internal processes. Each member of the Committee was also provided with a copy of the VCGLR's Regulatory Approach document as well as the summary version, for future reference. The minutes of the ERCC meeting reflect that the VCGLR's Risk Based Approach was presented at this meeting (and will be annually presented thereafter). A letter outlining the actions taken by Crown was submitted to the VCGLR on 28 June 2019. 	<p>Annual, ongoing</p>	<p>Yes</p>	<p>The VCGLR noted Crown's undertaking of the Recommendation by letter dated 29 October 2019.</p>
<p><u>Recommendation 6</u></p> <p>The VCGLR recommends that, by 1 January 2020, Crown Melbourne review its allocation of staffing resources to increase the number of work hours actually available to responsible gambling and intervention with patrons. This might be achieved by training more gaming staff to undertake assessments and then approach patrons identified as at risk, without the need to contact a RGLO. However, this will only be effective if those staff have sufficient time aside from their gaming duties.</p>	<p>Recommendation Accepted</p> <p>Crown has already commenced the process of employing an additional five Responsible Gaming staff members. Additionally, there will be a review of training for gaming and other related staff</p>	<ul style="list-style-type: none"> The recruitment of 5 extra Responsible Gaming Liaison Officers has been completed. There are 12 RGLOs which has assisted in having a greater presence on the gaming floor. The roles and responsibilities of RGLOs are being reviewed to accommodate new Responsible Gaming (RG) initiatives. Currently reviewing the concept of gaming staff undertaking some RG specific activities. The Gaming Machines and Table Games staff training framework has been reviewed - Crown remains of the view that the referral to expert RG staff remains a corner stone of its RG model. However, additional training for relevant gaming staff was reviewed and adjustments will be made. 	<p>1 January 2020</p>	<p>In Progress</p>	

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<p><u>Recommendation 7</u></p> <p>The VCGLR further recommends that Crown Melbourne use observable signs in conjunction with other harm minimisation measures such as data analytics to identify patrons at risk of being harmed from gambling.</p>	<p>Recommendation Accepted</p> <p>A new data analytics trial has commenced in relation to carded players.</p>	<ul style="list-style-type: none"> • Crown has developed a data analytics program called the "Crown Model", which has been developed from data and behaviours of former patrons who have self-excluded from Crown Melbourne. The Crown Model is designed as a predictive tool to assist in proactively identifying patrons who may be gambling in a manner which could be an indicator of potential harm. • The trial of the Crown Model commenced on 25 June 2018 with operational procedures developed to respond to players of interest that are identified. • The Crown Model is in its early stages with processes being adjusted as we learn from outputs. • The first six month review is complete and the team is meeting regularly to discuss refinements. • The 12 month trial has finished with the results being considered by the Responsible Gaming and Data Analytics team. • Crown is also in the process of obtaining a separate external review of the methodology. 	Ongoing	In Progress	
<p><u>Recommendation 8</u></p> <p>The VCGLR recommends that Crown Melbourne proceed with development and implementation of comprehensive data analytics tools for all patrons, to proactively identify for intervention patrons at risk of harm from gambling. These tools would utilise both historical data (with parameters developed from the second player model), and real-time monitoring of play periods. Crown Melbourne should look to models in other jurisdictions, and consult with external data analytics experts, with a</p>	<p>Recommendation Accepted</p> <p>As referenced above, Crown has commenced a data analytics trial in relation to carded players.</p> <p>Further, work will be undertaken on systems to explore and implement real-time concepts by 1 January 2020.</p> <p>Crown also supports reviewing the extent to</p>	<p>Rec 8(a)</p> <ul style="list-style-type: none"> • Crown Melbourne has commenced its Crown Model trial (refer Recommendation 7). • Crown has commenced its review of relevant literature and other jurisdictional experiences. • The "real time monitoring" of play periods is currently under consideration and development including the recent adjustment of Crown's own "Play Periods" whereby RG, in conjunction with IT, is developing a reporting system, that identifies if a carded 	<p>Recommendation 8(a)</p> <p>1 January 2020</p>	In Progress	<p>The VCGLR noted Crown's commencement of the comprehensive study for Recommendation 8(b), by letter dated March 2019.</p>

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<p>view to implementing world-class, proactive approaches with real-time (or near-real time) operational effectiveness. In particular—</p> <p>(a) for carded play (that is, player activity which can be systematically tracked), Crown Melbourne will have in operation a comprehensive real-time player data analytics tool by 1 January 2020, and</p> <p>(b) for uncarded play (that is, all other player activity), Crown Melbourne will, by 1 January 2019, commence a comprehensive study of all the practical options for a real time player data analytics tool, with a view to reporting in detail (including legal, technical and methodological issues) to the VCGLR by 1 January 2020 and the tool being in operation by 1 July 2022.</p>	<p>which further data analytics tools might enhance the framework into the future. In this respect, the use and reliability of data from uncarded play is new ground for the land based gaming industry which is not yet supported by reliable research and evidence.</p> <p>Crown will commit to carrying out a study of the options available and assess and analyse the research and expert evidence available with a view to exploring appropriate tools and options available to it for uncarded play.</p>	<p>patron has been on the property for 12 hours or more and play has been recorded.</p> <ul style="list-style-type: none"> A tool for monitoring Play Periods has been developed. A phone alert has been developed <p>Rec 8(b)</p> <ul style="list-style-type: none"> We refer to our letter dated 24 December 2018 and subsequent email correspondence with Mr Rowan Harris dated 18 January 2019. Undertaking regular meetings with Gaming senior management to discuss possible approaches. Crown has held discussions with external parties regarding possible solutions. 	<p>Recommendation 8(b)</p> <p>Commence study by 1 January 2019</p> <p>Report to the VCGLR by 1 January 2020</p> <p>Commence operation by 1 July 2022</p>		
<p>Recommendation 9</p> <p>The VCGLR recommends that Crown Melbourne arrange, at its expense, for an independent assessment of the real-time player data analytics tool for carded play (see Recommendation 8(a)), to be completed 12 months after implementation of the tool. The independent assessment is to be undertaken by a person approved by the VCGLR, after consultation with Crown.</p>	<p>Recommendation Accepted</p>	<ul style="list-style-type: none"> Will be progressed in due course 	<p>1 January 2021</p>	<p>No</p>	
<p>Recommendation 10</p> <p>The VCGLR recommends that, by 1 July 2019, Crown Melbourne undertake a</p>	<p>Recommendation Accepted</p>	<ul style="list-style-type: none"> Literature review completed. The VCGLR, VRGF and Crown had their first meeting on 29 November 2018 to commence 	<p>1 July 2019</p>	<p>Yes</p>	<p>On 16 September 2019, the VCGLR wrote to Crown in response to its submission, asking for further</p>

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<p>comprehensive review of its policy for the making and revocation of voluntary exclusion orders under section 72(2A) of the <i>Casino Control Act</i>. The comprehensive review should be undertaken in conjunction with the VCGLR, VRGF and other relevant external stakeholders. The review should be undertaken with a view to implementing policies that facilitate:</p> <ul style="list-style-type: none"> • Crown Melbourne issuing short term exclusion orders for 3, 6, 12 or 24 months under section 72 of the <i>Casino Control Act</i>, considering the specific circumstances of the person and their preferred time period for exclusion, and conditional on the person undertaking to comply with the order and with other matters (such as obtaining treatment), and • Crown Melbourne reviewing voluntary exclusion orders which are more than 10 years old to consider whether the continued operation of these orders serves a useful purpose, with a view to retaining only those orders that are beneficial to the persons who are subject to them, and can be adequately enforced. The VCGLR further recommends that the review of such orders occurs in an orderly manner between 1 July 2019 and 30 June 2020. 		<p>discussions on this recommendation.</p> <ul style="list-style-type: none"> • The VCGLR, VRGF and Crown held six tripartite meetings to discuss Recommendation 10. • Crown has obtained external opinion on its proposals for recommendation 10. • Crown considered voluntary exclusion orders, which are more than 10 years old and determined not to revoke them. • Crown has amended its Self-Exclusion Program to allow patrons to determine the number of years they will be Self-Excluded for (minimum of 12 months) and has amended its Time-Out Program to include a 3 and 6 month Agreement. • A letter outlining the actions taken by Crown was submitted to the VCGLR on 28 June 2019. • Further inquiries were made by the VCGLR on 16 September 2019 in relation to the benefits of the Time Out program and its comparison to the Exclusion Program, which were answered by Crown on 26 September 2019. 			<p>clarifying information.</p> <p>Crown responded to the VCGLR's requests on 26 September 2019.</p> <p>By letter dated 13 November 2019, the VCGLR noted Crown's undertaking of the Recommendation. The letter further requested data from Crown's 12 month trial of the Time Out Program. Crown has not yet provided the data.</p>
<p><u>Recommendation 11</u></p> <p>The VCGLR recommends that, by 1 July 2019, Crown Melbourne develop and implement a policy and procedure to</p>	<p>Recommendation Accepted</p>	<ul style="list-style-type: none"> • The Crown Perth Third Party Exclusion (TPE) Policy and Procedure was reviewed and adjusted, in draft, to suit Crown Melbourne. • The VCGLR, VRGF and Crown at their 	<p>1 July 2019</p>	<p>Yes</p>	<p>On 16 September 2019, the VCGLR wrote to Crown in response to its submission, asking for further clarifying information.</p>

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<p>facilitate Crown Melbourne issuing involuntary exclusion orders under section 72(1) of the <i>Casino Control Act</i> at the request of family members and friends in appropriate cases. The policy and procedure should be developed in conjunction with the VCGLR, VRGF and other external stakeholders. Crown Melbourne should include information about this option in all its responsible gambling publications, website and regularly provide information to relevant stakeholders, such as Gambler's Help and other similar organisations, about this option.</p>		<p>tripartite meetings (refer Recommendation 10) considered the draft TPE Policy and Procedure.</p> <ul style="list-style-type: none"> At the second tripartite meeting on 18 December 2018 the VCGLR requested further material for the literature review and that Crown Melbourne provide Third Party Exclusion statistics from Crown Perth. The VCGLR also indicated that it proposed to meet with the South Australian Regulator to discuss its processes. Various versions of the TPE Program were reviewed, amended and settled by the Tripartite group. A letter outlining the actions taken by Crown was submitted to the VCGLR on 28 June 2019. Further inquiries were made by the VCGLR on 16 September 2019 in relation to the methods of contact with Crown regarding Third Party Exclusions, which were answered by Crown on 26 September 2019. 			<p>Crown responded to the VCGLR's requests on 26 September 2019.</p> <p>By letter dated 13 November 2019, the VCGLR noted Crown's undertaking of the Recommendation.</p>
<p>Recommendation 12</p> <p>The VCGLR recommends that, by 1 July 2019, Crown Melbourne expand facial recognition technology to cameras on all entrances to the casino and that Crown Melbourne provide written updates on a quarterly basis on its effectiveness to the VCGLR.</p>	<p>Recommendation Accepted</p> <p>Crown notes that it has already expanded its facial recognition capabilities and proposes to continue to do so in FY20.</p>	<ul style="list-style-type: none"> Facial recognition cameras are now operating on all entrances to the casino. A letter to the VCGLR confirming that all entrances to the Casino (including salons) are covered by facial recognition cameras was sent to the VCGLR on 28 May 2019 to close out the Recommendation. Crown commenced providing quarterly updates from October 2019 (which covered the period 1 July 2019 to 30 September 2019) on the effectiveness of its Facial Recognition Technology. 	<p>1 July 2019 (and ongoing quarterly reports)</p>	<p>Yes</p>	<p>On 24 June 2019 the VCGLR emailed Crown to arrange an inspection of the cameras at each entrance to ensure compliance. The audit was arranged for Wednesday 3 July 2019 and proceeded as scheduled.</p> <p>The VCGLR noted Crown's undertaking of the Recommendation by letter dated 6 August 2019.</p> <p>By email dated 22 November 2019, the VCGLR sought clarifying information regarding Crown's first provision of the Quarterly Update. The queries largely concerned whether an over-reliance on</p>

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					Neoface could reduce Crown's regular efforts at detecting breaches or attempted breaches. Crown responded no, as no existing processes were altered as a result of the implementation of Neoface. No further response concerning the Quarterly update has yet been received from the VCGLR.
<p>Recommendation 13</p> <p>The VCGLR recommends that, as part of developing a new responsible gambling strategy, by 1 July 2019, Crown Melbourne rebrand or refresh its responsible gambling messaging and publish new responsible gambling messages throughout the casino, in all Crown Melbourne publications, including online and social media platforms.</p>	<p>Recommendation Accepted</p>	<ul style="list-style-type: none"> To be progressed upon finalisation of the RG Strategy (see recommendation 14). Initial drafts of new logo being developed. Marketing has been briefed regarding a refresh and a new logo has been developed – ready for internal review/approval. Strategy will be set by 1 July 2019 and roll-out will commence at that time. Crown finalised the new marketing design and refresh (including logo). Nomenclature changed from Responsible Gambling Support Centre to Responsible Gaming Centre and Responsible Gambling Liaison Officer to Responsible Gaming Advisors. Brochures and on-line material have been refreshed. A letter outlining the actions taken by Crown was submitted to the VCGLR on 29 June 2019. 	<p>1 July 2019</p>	<p>Yes</p>	<p>The VCGLR noted Crown's undertaking of the Recommendation by letter dated 3 September 2019.</p>
<p>Recommendation 14</p> <p>The VCGLR recommends that, by 1 July 2019, Crown Melbourne develop and implement a responsible gambling strategy focusing on the minimisation of gambling related harm to persons attending the casino. The strategy should address:</p> <p>(a) early proactive intervention initiatives</p> <p>(b) player data analytics</p>	<p>Recommendation Accepted</p>	<ul style="list-style-type: none"> A draft strategy was prepared and ratified by the Crown Resorts Limited Responsible Gaming Committee and is being implemented. A letter outlining the actions taken by Crown was submitted to the VCGLR on 29 June 2019. 	<p>July 2019</p>	<p>Yes</p>	<p>On 20 August 2019, the VCGLR wrote to Crown in response to its submission, asking for further clarifying information.</p> <p>Crown responded to the VCGLR's request on 26 August 2019.</p> <p>By letter dated 13 November 2019, the VCGLR noted Crown's undertaking of the Recommendation.</p>

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(c) proactive engagement with pre-commitment					
(d) intervening with local players with continuous play based on shorter timeframes which are more reflective of responsible gambling					
(e) the role of all staff in minimising harm					
(f) the effective use and monitoring of exclusion orders					
(g) internal reporting arrangements					
(h) integrating responsible gambling into proposals for trialing or introduction of new products and equipment					
(i) performance measures to assess the performance of the RGLOs, RGSC and casino staff in relation to harm minimisation					
(j) the roles of the Crown Resorts Responsible Gambling Committee and the Responsible Gambling Management Committee in driving harm prevention strategies based on world's best practice					
(k) the objectives of the RGSC in relation to minimising harm to patrons, and					
(l) the responsible service of gambling as a fundamental core business consideration when making strategic decisions regarding casino operations.					
<p>Recommendation 15</p> <p>The VCGLR recommends that, within three months of implementing the new responsible gambling strategy</p>	<p>Recommendation Accepted</p>	<ul style="list-style-type: none"> Revised reporting developed. A letter was sent to the VCGLR to close the Recommendation off on 1 October 2019, notifying that reporting would commence at 	<p>1 October 2019</p>	<p>Yes</p>	<p>By email on 12 November 2019, the VCGLR requested a copy of the RG Report that was provided to the Crown Resorts Limited RG</p>

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(Recommendation 14), there is regular reporting to the Crown Resorts Responsible Gambling Committee for it to maintain oversight of Crown Melbourne's harm minimisation strategy for responsible gambling. Regular reports every two months should include numbers and types of interventions and other harm minimisation activities of RGSC and other staff, details of the number and nature of referrals to external service providers, exclusion orders, breaches, revocation and appeals, as well as results from player data analytics and other initiatives to minimise gambling related harm. These reports should also be made available to the VCGLR for monitoring purposes. (The VCGLR intends to share this information, as appropriate, with the VRGF).		<p>the next meeting of the Crown Resorts Responsible Gaming Committee, dated 9 October 2019.</p> <ul style="list-style-type: none"> New reporting on statistics provided to CRL Responsible Gaming Committee. 			<p>Committee on 9 October 2019.</p> <p>Crown provided the Report with a covering letter concerning its confidentiality, on 26 November 2019.</p> <p>No response regarding the RG Report has yet been received.</p>
Recommendation 16 The VCGLR recommends that within three months of implementing the strategy, a charter is developed for the Crown Melbourne Responsible Gambling Management Committee (staff committee) which includes reference to the role and responsibility of driving a harm minimisation culture.	Recommendation Accepted	<ul style="list-style-type: none"> Management is currently reviewing all Australian Resorts RG Committees to align processes where appropriate. A Charter has been developed. A letter was sent to the VCGLR attaching the Charter to close the Recommendation off on 1 October 2019. 	1 October 2019	Yes	No response has yet been received to Crown's 1 October 2019 letter.
Recommendation 17 The VCGLR recommends that, by 1 July 2019, Crown undertake a robust review (with external assistance) of relevant internal control statements, including input from AUSTRAC, to ensure that anti-money laundering risks are appropriately addressed.	Recommendation Accepted	<ul style="list-style-type: none"> Crown met with AUSTRAC to discuss this recommendation. A new joint AML Program across Crown's Australian Resorts is being developed and will be reviewed by an external party. AUSTRAC is being kept informed of progress. Internal Controls have been reviewed, preliminary discussions with AUSTRAC have taken place and draft changes have been 	1 July 2019	Yes	<p>On 21 August 2019, the VCGLR wrote to Crown noting its intention to conduct its own independent review of the ICSs for risk mitigation opportunities with regard to AML (was not part of the Recommendation).</p> <p>The VCGLR noted Crown's undertaking of the</p>

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		<p>made for management review.</p> <ul style="list-style-type: none"> • In addition to a review of the ICSs, Crown also reviewed the primary tool to manage the risks associated with anti-money laundering, being the AML/CTF Program; • Crown has performed an extensive review of its corporate risk management framework, ensuring its relevance and effectiveness to Crown. An extensive alignment effort was also undertaken, to ensure consistency across all key areas of the business, including the AML program. • In March – May 2019, Crown conducted its annual ML/TF Risk Assessment of the designated services it provides, its delivery methods, the technology used and its customers. The ML/TF Risk Assessment includes a consideration of Junket Operators and Junket Players, and potential ML/TF risks arising in respect thereof. • Crown examined all relevant Internal Control Statements and Standard Operating Procedures, in light of the ML/TF Risk Assessment above, to ensure that we reflect in the relevant ICSs, the seriousness with which Crown focuses upon, and addresses, potential ML/TF risks that might be presented by its business. • We have also had regard to the language adopted for the Internal Control Manuals in NSW, which were accepted and approved by Liquor & Gaming NSW. • We further examined ancillary documentation (policies, procedures, training) to ensure that AML risks are appropriately addressed by Crown. • Since the last update, Crown has had further 			<p>Recommendation by letter dated 29 October 2019. The letter further noted again, the VCGLR's intention to conduct its own independent review of the ICSs, with external assistance.</p>

Section 25 – Timeline – Implementation of Recommendations

Recommendation	Crown's Response	Proposed Action/Progress Update	Target/Action Dates	Completed Yes/No	VCGLR Outcome
		<p>conversations with AUSTRAC regarding Recommendation 17.</p> <ul style="list-style-type: none"> • Crown has packaged the extensive work it has undertaken over the past 6 months and sent it to AUSTRAC during the week commencing 27 May 2019, seeking its input. • Crown also sent the packaged to an external AML expert during the week commencing 27 May 2019, seeking its input. • Crown received input/responses from both AUSTRAC and the independent expert, which it incorporated into proposed ICS changes, which will be submitted to the VCGLR for approval once their letter closing the Recommendation is received. • A letter outlining the actions taken by Crown was submitted to the VCGLR on 1 July 2019. • On 21 August 2019 the VCGLR wrote to Crown requesting a copy of the export report from Initialism Pty Ltd. Additionally, the letter noted that the VCGLR would conduct its own review of the relevant ICSs. Crown provided the Initialism Report on 28 August 2019. 			
<p>Recommendation 18</p> <p>The VCGLR recommends, in all future submissions by Crown Melbourne to the VCGLR for approvals under the <i>Casino Control Act</i> or <i>Gambling Regulation Act</i>, that Crown document:</p> <ul style="list-style-type: none"> • the purpose • obligations under relevant provisions of legislation, the Transaction Documents, and existing approvals • what changes the grant of the approval would make to products, 	<p>Recommendation Accepted</p>	<ul style="list-style-type: none"> • A new template for submissions to the VCGLR for seeking approvals was drafted and has been in use since July 2018. • A letter was sent to the VCGLR to close the Recommendation off on 11 October 2019. 	<p>Immediate effect</p>	<p>Yes</p>	<p>No response has yet been received to Crown's 11 October 2019 letter.</p>

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Recommendation	Crown's Response	Proposed Action/Progress Update	Target/Action Dates	Completed Yes/No	VCGLR Outcome
<p>rules and procedures, etc</p> <ul style="list-style-type: none"> risks associated with the approval and how they will be treated how responsible gambling considerations have been taken into account in the process and the measures Crown will implement to mitigate the risk of gambling related harm, and <p>which areas of Crown will be responsible for managing implementation.</p>					
<p><u>Recommendation 19</u></p> <p>The VCGLR recommends that, by 1 July 2019, Crown Melbourne implement a policy to make an exclusion order under section 72 of the <i>Casino Control Act</i> in appropriate cases where a person has engaged in significant unacceptable conduct in the casino or is the subject of serious criminal charges.</p>	<p>Recommendation Accepted</p> <p>Crown notes that it has had a policy in place to issue Exclusion Orders for unacceptable behaviour for over ten years and does issue Exclusion Orders for this purpose in appropriate circumstances. Crown also notes that it issues withdrawal of licence notices to persons in appropriate circumstances, as it is entitled to do as a common law right, as those notices cover broader areas of the Crown property than the more limited area covered by Exclusion Orders.</p>	<ul style="list-style-type: none"> The existing 'Unacceptable Behaviour' policy statement has been reviewed and amended to strengthen the use of exclusion orders either instead of or as well as withdrawal of licences (in appropriate cases). Policy is currently under review by management. Management feedback has been received and the policy has been updated. A letter to the VCGLR to close out the Recommendation was sent on 27 May 2019. On 11 June 2019 the VCGLR wrote to Crown asking for further amendments, including explaining to staff when to issue each type of ban order (was not a requirement of the Recommendation). Various discussions and meetings were held between Crown and the VCGLR, including on the difficulty of amending a non-Regulated document, which operates currently effectively and will be amended annually. Crown will respond to the VCGLR's letter. 	<p>1 July 2019</p>	<p>Yes</p>	<p>On 11 June 2019 the VCGLR wrote to Crown asking for further amendments, including explaining to staff when to issue each type of ban order (not a requirement of the Recommendation).</p> <p>A number of meetings and correspondence on the matter have since transpired. Crown last met with the VCGLR to discuss this matter on 24 October 2019 and a draft response has been prepared, which is currently being settled.</p>
<p><u>Recommendation 20</u></p> <p>The VCGLR recommends that, between November 2019 and March 2020,</p>	<p>Recommendation Accepted</p>	<ul style="list-style-type: none"> On 21 October 2019, MF called Alex Fitzpatrick (Director) requesting guidance on suitable Crown Resorts Directors to attend the meeting. Ms Fitzpatrick will consider and 	<p>Between November 2019 and March 2020</p>	<p>In progress</p>	<p>On 28 October 2019 the VCGLR wrote to Crown asking for further clarifying information as to date</p>

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Recommendation	Crown's Response	Proposed Action/Progress Update	Target/Action Dates	Completed Yes/No	VCGLR Outcome
<p>VCGLR Commissioners and directors of the Crown Resorts Board meet to review the implementation of the recommendations set out in this report.</p>		<p>revert.</p> <ul style="list-style-type: none"> Meeting dates and attendees have been proposed and are being reviewed by the Commission. 			<p>and attendee proposals.</p> <p>Crown responded to the VCGLR on 30 October 2019 advising that it is open to any dates whereby the Commissioners and Crown Directors are available (the VCGLR proposed three dates in March) and possible Directors, which was put to the Commission, however the dates were unavailable.</p> <p>On 21 November 2019, Crown further proposed 11 February 2020 at 2pm and is awaiting the VCGLR's response.</p>