

**ROYAL COMMISSION INTO THE CASINO OPERATOR AND LICENCE**

**Chronology on “Bonus Jackpots”**

#	Date	Description	Document ID
1.	22 April 1994	<p>Victorian Casino Control Authority (VCCA) Agenda Item 13 for Meeting No. 34.</p> <p>Coopers &amp; Lybrand have now submitted their Final Report on their review of Crown's Accounting, Internal Controls and Administrative Procedures. This Report and the 20 part Internal Controls Manual (ICM) prepared by Crown is the product of three and a half months dedicated work by the Authority's audit staff, Casino Inspectorate personnel, Cooper &amp; Lybrand consultants, Crown staff and Gamma consultants.</p> <p>The ICM has been prepared to facilitate approval by the Authority of Crown's system of controls and procedures, as required under s.121 of the Act. Each of the 20 specified requirements contained in s.122 of the Act has been addressed, together with a number of other issues such as Gross Gaming Revenue (GGR). The ICM document, which will also be used for training purposes, will continue to be developed until the opening of the Galleria Casino, in the light of training and operational testing. Any further material changes will be within the framework of the conditional approvals given below.</p>	VCG.0001.0004.7362
2.	26 April 1994	<p>VCCA Minutes of Finance and Audit Committee Meeting No. 17.</p> <p>At paragraph 3.2: “Members instructed management to inform Treasury of the Authority’s proposed approach to the definition of Gross Gaming Revenue, after agreeing a common view with the Director”.</p>	VCG.0001.0004.7346
3.	26 April 1994	<p>Minutes of Meeting No. 34.</p> <p>Paragraph 5.5: “Mr Bosch stated the need for Treasury to be consulted on the definition of GGR. The Director confirmed that the only outstanding matter with Crown was its argument that certain non-cash marketing prizes should be allowable deductions. The Director indicated s 60(2) was unlikely to allow this deduction for GGR purposes. Members did not make a ruling on this issue, suggesting that management seek a legal opinion.”</p> <p>The VCGLR has not presently been able to locate any legal opinion issued around this time.</p>	VCG.0001.0004.7353
4.	16 May 1994	<p>VCCA Minutes of Board Meeting No. 35.</p> <p>At paragraph 2.3: “Members discussed Action Item 5.5, from the Authority Meeting of 26 April 1994, and agreed that the Director should write to Treasury officials informing them of the definition of Gross Gaming Revenue (GGR), which had recently been agreed with Crown”.</p> <p>At paragraph 7.10: “The Director informed Members that, since the last Authority Meeting on 26 April 1994, considerable progress had been made with Crown in resolving the outstanding issues that were preventing the approval of the Internal Controls Manual (ICM), details as follows: 1. The Director’s definition of Gross Gaming Revenue (GGR) had now been accepted, although Crown reserved the right to return to this issue ...”.</p>	VCG.0001.0004.7354
5.	12 May 1994	VCCA Chief Executive Officer (P J Connolly) report.	VCG.0001.0004.7348

		<p>“7.2 <u>DIRECTORS RECOMMENDATION OF INTERNAL CONTROLS</u></p> <p>MANUAL APPROVAL</p> <p>In a separate item of this agenda, the Director Of Casino Surveillance will be recommending that the Authority approves the contents of the Internal Controls Manual (ICM). With the exception of part VIII (Keno Operations).</p> <p>This recommendation is based on Crown implementing the following changes, which were previously conditions that had to be satisfied the ICM would be approved :</p> <p style="padding-left: 40px;">1. Crown agreeing to the Director's definition of Gross Gaming Revenue (GGR) which did not allow for any deduction of marketing expenses, junket commission or outstanding chips”</p>	
<p>6.</p>	<p>13 May 1994</p>	<p>Director of Casino Surveillance Report. At this point in time, the Game Rules for EGMs had not been assessed by the VCCA.</p> <p><b>7. <u>ACCOUNTING AND INTERNAL CONTROL MANUALS</u></b></p> <p><b>7.1 <u>STATUS</u></b></p> <p>The Internal Control Manual (ICM) has continued to be developed by Crown in order to resolve all outstanding matters as reported to the Board on 26 April 1994. A final report has been received from the VCCA consultants, Bellamy Miller, Money Penny, in relation to EGM operations. Based on the contents of this report and an appraisal of the document by staff of the VCCA, I consider that the document has now reached a satisfactory level for approval.</p> <p>Other matters resolved include:</p> <p style="padding-left: 40px;"><b>Gross Gaming Revenue (GGR)</b></p> <p>Crown has amended this section and has agreed to accept the calculation of GGR in accordance with my interpretation.</p> <p>Crown's original complaint about the definition of GGR concentrated on the interpretation of:</p> <p style="padding-left: 40px;">"Less the total of all sums paid out as <u>winnings</u> during that period in respect of such conduct or playing of games".</p> <p>Crown's perception of this latter section of the definition meant that expenses of marketing, commissions paid to junket operators, complimentaries etc. could be offset against GGR calculations. This is not the interpretation by the staff of the VCCA as only prizes (or winnings) calculated in accordance with the approved rules of the games could form part of the calculations. This is consistent with practices in other States and Territories.</p> <p style="padding-left: 40px;">GGR calculates as follows:</p> <p style="padding-left: 40px;"><b>Amounts Received for gaming:</b></p> <p style="padding-left: 80px;">Soft Count Drop Hard Count Drop Keno Gross Sales</p>	<p>VCG.0001.0004.7356</p>

		<p style="text-align: center;"><b>Less Sums paid out as Winnings</b></p> <p>Chips redeemed at Cashier Cages EGM Jackpots Awarded as Winnings, Hand Pays and unredeemed tokens Keno Sums Awarded as Winnings</p> <p style="text-align: right;">Gross Gaming Revenue                      \$ _____</p> <p>Crown has retained a section in the ICM which will enable them to offset other prizes against GGR only if the prizes are paid in accordance with the rules of the games. Only the games of Caribbean Stud Poker, Keno and EGM Jackpots fall within this category.</p>	
7.	23 June 1994	Game Rules for EGMs are gazetted. "Bonus Jackpots" are not mentioned in the rules.	VCG.0001.0005.0651
8.	14 October 1994	<p>Draft Review of Galleria Casino Opening (authored by Director of Casino Surveillance).</p> <p>The section headed "Financial Accounting for Casino Tax" states:</p> <p style="text-align: center;"><b>Financial Accounting for Casino Tax</b></p> <p>135. Gross Gaming Revenue(GGR) is defined in the Casino(Management Agreement) Act 1993. The interpretation of the definition was debated by Crown Casino personnel, the executive management of the old VCCA and Department of Treasury officials.</p> <p>136. GGR and the methods of calculation were approved and incorporated in Part II of the Internal Control Manual based on similar procedures applying at the Adelaide Casino. The method is unique to Crown Casino and the Adelaide Casino and is basically defined as amounts received for gaming less winnings paid out.</p> <p>137. The calculation may be summarised as follows:</p> <p style="text-align: center;"><i>Amounts received for gaming</i></p> <p style="text-align: center;">Proceeds of gaming table drop boxes; Proceeds of gaming machine drop buckets; Keno sales</p> <p style="text-align: center;">Less</p> <p style="text-align: center;"><i>Winnings paid out</i></p> <p style="text-align: center;">Chips redeemed by patrons at cash desks Gaming machine manual payments and jackpot payments Keno prizes awarded</p> <p>138. Crown Casino also uses a conventional method of calculation of GGR for table games which is used as a comparison to the approved method</p> <p style="text-align: center;">Total proceeds received in table drop boxes (soft count)</p> <p style="text-align: center;">Less the difference in opening and closing table chip inventories</p> <p style="text-align: center;">Less the difference in chip fills and credits to tables</p> <p style="text-align: center;">Plus/minus the movement in unredeemed chips.</p> <p style="text-align: center;">Note: Unredeemed chips is the amount of chips souvenired by patrons</p> <p>139. GGR is audited on a daily basis by VCGA Inspectors by participating in the hard and soft counts and reconciling chips redeemed, amounts manually paid out on gaming machines, including jackpots, together with an analysis of Keno computer records.</p> <p>140. Amounts are reconciled with Crown Casino's Income Control Department and agreement reached on gaming tax calculations.</p> <p>141. A certificate of monthly GGR calculations and tax payments is signed by the Chief Casino Inspector and casino financial management staff.</p>	VCG.0001.0004.7427

9.	10 July 1996	<p>Version 3.0 of the Technical Requirements Document (TRD) contains the first inclusion of bonus jackpots. The TRD does not mention or relate to GGR calculations and does not permit Crown to deduct bonus jackpots in calculating GGR, including in respect of commission based players.</p> <p>Section 1.1 states:</p> <p>1.1 Description of Document</p> <p>This document defines minimum technical requirements for Electronic Gaming Machines (EGM) and Electronic Monitoring Systems (EMS) in the Melbourne Casino.</p> <p>The Requirements specified in this document are supplementary and additional to and do not take the place of any of requirements of the Casino Control Act or any Regulations made under that Act.</p> <p>The technical requirements provide the criteria against which approval under Section 62 of the Casino Control Act for Electronic Gaming Machines and Electronic Monitoring Systems for use in the Melbourne Casino will be granted by the Director of Casino Surveillance (hereafter called the "Director").</p> <p>Section 7 "Jackpots" defines "Bonus Jackpot" as:</p> <p><b>7.1.5 Bonus Jackpot</b> 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.</p> <p>The "external device" is likely to have been an external bonus/jackpot controller/server.</p> <p>Section 7.7 "Bonus Jackpots" states:</p> <p>7.7 Bonus Jackpots</p> <p><b>7.7.1 Bonus Jackpot Parameters</b> All Bonus Jackpot parameters are to receive the approval of the Director. The parameters that are to be established, at a minimum, are:</p> <ol style="list-style-type: none"> <li>1. Criteria for commencement of Bonus Jackpot sequences</li> <li>2. Criteria for completion / stopping of Bonus Jackpot sequences</li> <li>3. Criteria for an EGM awarding a bonus prize</li> <li>4. Criteria for an EGM determining the amount of the bonus prize</li> <li>5. Contribution to Bonus Jackpot pools - including start-up values and contribution rates.</li> </ol> <p><b>7.7.2 Maintenance and Control of Bonus Jackpots</b> Bonus jackpots may be maintained and controlled by an external jackpot controller or by the EMS. If an external controller is maintaining a bonus jackpot all of the principles of section 7.4 must apply.</p> <p><b>7.7.3 Bonus Jackpots Accounting</b> The EMS must account for all Bonus jackpot monies. At a minimum it must maintain and be able to report the following:</p> <ol style="list-style-type: none"> <li>1. Bonus Jackpot Contributions made</li> <li>2. Bonus Jackpot Contributions won</li> <li>3. Bonus Jackpot Start-up values won</li> <li>4. Current Bonus Jackpot Amount(s)</li> </ol> <p><b>7.7.4 Bonus Jackpot Display</b></p> <ol style="list-style-type: none"> <li>1. There must be some indication to indicate to patrons that a Bonus Jackpot sequence is currently happening. This indication may be an external jackpot display, appropriate messages on the participating EGMs or other means approved by the Director.</li> <li>2. There must be some method on the winning EGM to display to the player that a Bonus Prize has been won.</li> <li>3. The method and content of Bonus Jackpot display is to receive the approval of the Director.</li> </ol>	VCG.0001.0002.8480
<u>10.</u>	<u>20 March 1997</u>	<u>Director of Casino Surveillance Report.</u>	<u>VCG.0001.0004.9140</u>

		<p>22. Final integration testing is to commence on 17 March 1997 by BMM who continue to express some concerns about the reliability of the EMS. The worst case scenario is that Crown could not commence operations with the Million Dollar Mystery Jackpot or some bonus jackpot features that are still being developed by the manufacturers.</p>	
<p><del>10.11.</del> 11.</p>	<p>30 April 1997</p>	<p>The VCGA appears to have approved Part II – Accounting, Audit and Reporting in Crown’s ICM. This is the first time that the GGR calculations incorporate a deduction for “bonus jackpots”.</p> <p>1.0 GROSS GAMING REVENUE - DEFINITIONS</p> <p>1.01 Gross Gaming Revenue - means the total of all sums, including cheques and other negotiable instruments whether collected or not, received in any period by Crown from the conduct or playing of games within the Casino less the total of all sums paid out as winnings during that period in respect of such conduct or playing of games.</p> <p>Grass Gaming Revenue is divided into Commission Based Player Revenue and General Gaming Revenue.</p> <p>Commission Based Player Revenue refers to revenue earned from players involved in Junkets and Premium Player Programmes who receive commission based on their level of play.</p> <p>General Revenue refers to all other gaming revenue.</p> <p>2.2 GAMING MACHINE REVENUE</p> <p>2.2.1 Gross Gaming Revenue will be calculated by the DACOM 6000 Electronic Monitoring System using, but not limited to, the EGM Revenue Report. Revenue shall equal Turnover less Game Wins less Jackpot Startouts less Variable Prize Jackpot Increments less Fixed Prize Jackpot Increments less Bonus Jackpots. The calculation incorporates the following figures, in respect of the period for which Gaming Machine revenue is calculated:</p> <p>2.2.2 Turnover</p> <p>The monetary amount wagered via game play over the period.</p> <p>2.2.3 Game Wins</p> <p>The monetary amount of credits won, during the period, as outcomes of the base game excluding mystery jackpots, linked progressive jackpots, standalone progressive jackpots and bonus jackpot payments.</p> <p>2.2.4 Jackpot Startouts</p> <p>Aggregate base startouts for all jackpots won during the period.</p> <p>2.2.5 Variable Prize Jackpot Increments</p> <p>The aggregate contribution, during the period, of gaming machine turnover to all variable prize jackpot pools.</p> <p>2.2.6 Fixed Prize Jackpot Increments</p> <p>The aggregate contribution, during the period, of gaming machine turnover to all fixed prize jackpot pools. The contribution has a statistical expectation of being equivalent to the value of prizes won from the pool over time (ie the statistical expectation is that the pool will have, on average, a zero balance).</p> <p>2.2.7 Bonus Jackpots</p> <p>The amount of bonus jackpots paid to machines (NB. Bonus jackpots, as defined in the Game Rules, do not include mystery or progressive jackpots).</p> <p>The ICM attaches a blank financial reporting template for GGR/6 as below, which relates to the calculation of GGR and includes a deduction of “bonus jackpots”. Please note that the formatting has affected the template.</p>	<p>VCG.0001.0002.9071</p>

		<p>GGR6 <span style="float: right;">Gross Gaming Revenue</span></p> <p style="text-align: center;">Summary of Gaming Machines Revenue Period ended 8 June 1997</p> <table border="0" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 15%;">Date</td> <td style="width: 15%;">Turnover less</td> <td style="width: 15%;">Game Wins less</td> <td style="width: 15%;">Jack of less</td> <td style="width: 15%;">Jackpot less</td> <td style="width: 15%;">Fixed Price less</td> <td style="width: 15%;">Bonus equals</td> <td style="width: 15%;">Revenue</td> </tr> <tr> <td>Startouts</td> <td>Increments</td> <td>Jack of</td> <td>Jackpots</td> <td>Increments</td> <td></td> <td></td> <td></td> </tr> </table> <p>Daily Revenue Mon- 2-Jun-97 Tue-3-Jun-97 Wed-4-Jun-97 Thur-5-Jun-97 Fri-6-Jun-97 Sat-7-Jun-97 Sun-8-Jun-97</p> <p>Total</p> <p>Add: Jackpot Value Adjustment Taxable Revenue</p> <table border="0" style="width: 100%; border-collapse: collapse;"> <tr> <td>Gaming Tax Payable</td> <td></td> </tr> <tr> <td>Casino/Gaming Tax</td> <td style="text-align: right;">21.25%</td> </tr> <tr> <td>Comm. Benefit Levy</td> <td style="text-align: right;">1.00%</td> </tr> <tr> <td>Total Gaming Tax</td> <td style="text-align: right;">22.25%</td> </tr> </table>	Date	Turnover less	Game Wins less	Jack of less	Jackpot less	Fixed Price less	Bonus equals	Revenue	Startouts	Increments	Jack of	Jackpots	Increments				Gaming Tax Payable		Casino/Gaming Tax	21.25%	Comm. Benefit Levy	1.00%	Total Gaming Tax	22.25%	
Date	Turnover less	Game Wins less	Jack of less	Jackpot less	Fixed Price less	Bonus equals	Revenue																				
Startouts	Increments	Jack of	Jackpots	Increments																							
Gaming Tax Payable																											
Casino/Gaming Tax	21.25%																										
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Total Gaming Tax	22.25%																										
<del>11</del> .12.	2 May 1997	<p>VCGA report titled "Southbank Casino Operational Readiness" (Item 3 at Meeting No. 92).</p> <p><b>19. Tax Collection - s141 2(ab) (Authority)</b></p> <p>The Authority must approve the system of controls and administrative procedures proposed by the Director to ensure that taxes, charges and levies payable under the Act are paid. No action is required with this matter.</p>	VCG.0001.0004.7369																								
<del>12</del> .13.	15 October 1999	<p>Approval under s 62 of CCA re:</p> <p><b>Extending the time period for Welcome Back Bonus</b></p>	VCG.0001.0004.7393																								
<del>13</del> .14.	12 November 1999	<p>Approval under s 62 of CCA re:</p> <p><b>Fixed duration parameter changes to the "Welcome Back" Bonus jackpot</b></p>	VCG.0001.0004.7380																								
<del>14</del> .15.	18 November 1999	<p>Approval under s 62 of CCA re:</p> <p><b>Fixed duration parameter changes to the "Welcome Back" Bonus jackpot</b></p>	VCG.0001.0004.7380																								
<del>15</del> .16.	19 November 1999	<p>Approval under ss 62 and 64 of the CCA re:</p> <p><b>Software modification to the Dacom monitoring system, version 4.30.</b></p>	VCG.0001.0004.7380																								
<del>16</del> .17.	26 April 2000	<p>Approval under ss 62 and 64 of CCA re:</p> <p><b>One off fixed duration revisions to the Welcome Back Bonus jackpot</b></p>	VCG.0001.0004.7375																								
<del>17</del> .18.	25 May 2000	<p>Approval under ss 62 and 64 of CCA re:</p> <p><b>Configuration changes to the Welcome Back Bonus Jackpot</b></p>	VCG.0001.0004.7360																								
<del>18</del> .19.	June 2000	<p>VCGA - Second Triennial Review of Casino Operator and Licence.</p> <p>No issues raised about bonus jackpots and tax.</p>	<a href="https://www.vcglr.vic.gov.au/sites/default/files/casino_review_second_review.pdf">https://www.vcglr.vic.gov.au/sites/default/files/casino_review_second_review.pdf</a>																								
<del>19</del> .20.	29 June 2000	<p>Approval under ss 62 and 64 of CCA re:</p> <p><b>Revised commencement date for the Welcome Back Bonus jackpot</b></p>	VCG.0001.0004.7358																								

<del>20</del> <u>21</u> .	4 August 2000	Approval under ss 62 and 64 of CCA re: <b>Jackpot configuration changes for "Welcome Back" machine.</b>	VCG.0001.0004.7378
<del>21</del> <u>22</u> .	16 October 2000	Approval under ss 62 and 64 of CCA re: <b>Changes to Welcome Back Bonus jackpot – Spring Bonus Award.</b>	VCG.0001.0004.7379
<del>22</del> <u>23</u> .	22 November 2000	Approval under ss 62 and 64 of CCA re: <b>Configuration changes to the Welcome Back Bonus jackpot</b>	VCG.0001.0004.7388
<del>23</del> <u>24</u> .	24 November 2000	Approval under ss 62 and 64 of CCA re: <b>Configuration changes to the Welcome Back Bonus jackpot – VIP Inactive Bonus Award.</b>	VCG.0001.0004.7388
<del>24</del> <u>25</u> .	1 December 2000	Approval under ss 62 and 64 of CCA re: <b>Configuration changes to the Welcome Back Bonus Jackpot – December Bonus Award</b>	VCG.0001.0004.7345
<del>25</del> <u>26</u> .	5 January 2001	Approval under ss 62 and 64 of CCA re: <b>Revisions to the Welcome Back Bonus jackpot configurations.</b>	VCG.0001.0004.7406
<del>26</del> <u>27</u> .	27 March 2001	Approval under ss 62 and 64 of CCA re: <b>Configuration changes to Welcome Back Bonus Jackpot</b>	VCG.0001.0004.7405
<del>27</del> <u>28</u> .	18 June 2001	Approval under ss 62 and 64 of CCA re: <b>Configuration changes to Welcome Back Bonus jackpot</b>	VCG.0001.0004.7392
<del>28</del> <u>29</u> .	12 July 2001	Approval under ss 62 and 64 of CCA re: <b>Configuration changes to the Welcome Back Bonus jackpot.</b>	VCG.0001.0004.7396
<del>29</del> <u>30</u> .	12 October 2001	Approval under ss 62 and 64 of CCA re: <b>Configuration changes to Welcome Back Bonus jackpot.</b>	VCG.0001.0004.7351
<del>30</del> <u>31</u> .	23 November 2001	Approval under ss 62 and 64 of CCA re: <b>Configuration changes to "Welcome Back Bonus" jackpot.</b>	VCG.0001.0004.7401
<del>31</del> <u>32</u> .	2 January 2002	Approval under ss 62 and 64 of CCA re: <b>Configuration Changes – Welcome Back Bonus Jackpot</b>	VCG.0001.0004.7370
<del>32</del> <u>33</u> .	8 January 2002	The Office of Gambling Regulation (Stuart Macintyre, Acting Assistance Director Gambling Operations and Audit) grants Crown approval for a new release of the Crown Casino Dacom 6000 Gaming	VCG.0001.0002.9250

		<p>Machines Electronic Monitoring System gaming machine baseline document. Approval is copied to BMM.</p> <p><b>Introduction</b></p> <p>This baseline document is a tool for monitoring and verifying the configuration of Crown Casino's Dacom 6000 Gaming Machines Electronic Monitoring System.</p> <p>The Crown Casino Dacom 6000 Gaming Machine Electronic Monitoring System includes:</p> <ul style="list-style-type: none"> <li>• The Aristocrat Dacom 6000 Gaming Machine Electronic Monitoring System.</li> <li>• All components as defined in the Crown Casino Gaming Machine Electronic Monitoring System Baseline section (see below).</li> <li>• Portions of the SYCO player loyalty system.</li> <li>• Portions of the Storage Area Network (SAN).</li> </ul> <p>The baseline document has two purposes:</p> <ol style="list-style-type: none"> <li>1. It defines what modifications or additions to the Crown Casino Dacom 6000 Gaming Machine Electronic Monitoring System must have approval from the Director of Casino Surveillance (or delegate) before being implemented on the production system.</li> <li>2. It defines a method of verifying version control over the Crown Casino Dacom 6000 Gaming Machine Electronic Monitoring System.</li> </ol> <p><b>System Changes</b></p> <p>This document defines the core "envelope" of the Crown Casino Dacom 6000 Gaming Machine Electronic Monitoring System that Office of Gambling Regulation approval control is maintained over. Thus system changes (or additions) within the baseline (and connection of devices to the baseline) must have Director of Casino Surveillance (or delegate) approval before being installed on the Crown Casino Dacom 6000 Gaming Machine Electronic Monitoring System.</p> <p>[...]</p> <ol style="list-style-type: none"> <li>4. Software verification programs; <ul style="list-style-type: none"> <li>• The Dacom 6000 'checksrc' program is within the baseline.</li> <li>• The Translator 'diskchk.exe' program is within the baseline.</li> <li>• The Concentrator 'diskchk.exe' program is within the baseline.</li> </ul> </li> <li>5. Those parameters and processes within the Syco system which convert Crown Club points to machine credit value must have approval by the Director of Casino Surveillance (or delegate) before being modified.</li> </ol>	
<del>33</del> <u>34</u> .	25 February 2002	Approval under ss 62 and 64 of CCA re: <b>Configuration changes to the Welcome Back Bonus jackpot.</b>	VCG.0001.0004.7364
<del>34</del> <u>35</u> .	15 March 2002	Approval under ss 62 and 64 of CCA re: <b>Configuration changes to Welcome Back Bonus Jackpot.</b>	VCG.0001.0004.7343
<del>35</del> <u>36</u> .	12 June 2003	Approval under ss 62 and 64 of CCA re: <b>Changes to the Welcome Back Bonus jackpot</b>	VCG.0001.0004.7400
<del>36</del> <u>37</u> .	30 June 2003	VCGA - Third Triennial Review of the Casino Operator and Licence. No issues raised about bonus jackpots and tax.	<a href="https://www.vcglr.vic.gov.au/sites/default/fil">https://www.vcglr.vic.gov.au/sites/default/fil</a>



			es/casino_review_third_review.pdf
<del>37</del> .38.	19 September 2003	Approval under ss 62 and 64 of CCA re:  <b>Configuration changes to the Welcome Back Bonus jackpot</b>	VCG.0001.0004.7352
<del>38</del> .39.	1 April 2004	Approval under ss 62 and 64 of CCA re:  <b>Changes to the New Bonus settings, VIP Bonus settings and Senior Bonus settings of the Welcome Back Bonus Jackpot configurations.</b>	VCG.0001.0004.7372
<del>39</del> .40.	7 April 2004	<p>VCGA approves Crown's Part VII Gaming Machine Operations of the Accounting and Internal Control Policies and Procedures.</p> <p><u>Gaming Systems Auditor</u>      <u>Gaming Systems Auditor Gaming Machines</u>  The Gaming Systems Auditor is responsible for providing the auditing function to the Dacom Electronic Monitoring System, Cashless System and SYCO Bonusing System. They will maintain and develop procedures to enhance data integrity, revenue accuracy and overall control of systems information.</p> <p><u>EMS</u>      <u>Electronic Monitoring System</u>  The Electronic Monitoring System is the Gaming Machine monitoring system that incorporates the Dacom Host, Acres Bonusing/Jackpot System and Cashless Gaming system. It also provides a real-time communications link between all EGMs, Dacom Cashier Terminals, Cashless Terminals and Cashless Workbooks. The EMS monitors machine access and machine meters, as well as providing external links to the Casino Surveillance Department.</p> <p>The EMS is approved for use in the Casino by the Director of Casino Surveillance or Casino Inspector in accordance with Section 62 of the Casino Control Act, and must comply with the requirements of the TRD.</p> <p><b>6 JACKPOTS</b></p> <p>A variety of Jackpot styles will be utilised, including, by way of example and not limitation, Mystery Jackpots, Stand Alone Progressive Jackpots, Linked Progressive Jackpots and Bonus Jackpots. Most Jackpots are administered by Jackpot Controllers and for the purposes of this document the generic term "Jackpot" will be used for all Jackpot styles.</p> <p><b>6.1 Jackpot Configuration</b></p> <p>6.1.1 Prior to operating a jackpot certain minimum data is required to configure an EGM to contribute to a Jackpot, including:</p> <ol style="list-style-type: none"> <li>i) Jackpot Type (eg. Mystery, Stand Alone Progressive, Linked Progressive or Bonus);</li> <li>ii) The range of EGM numbers to be included;</li> <li>iii) The range of base value (seed or reset value), where applicable for Mystery and Progressive Jackpots;</li> <li>iv) The range of increment rates, where applicable for Mystery and Progressive Jackpots;</li> <li>v) EGM's connected to a Link Progressive Jackpot will be disabled if the communication link between the EGM and Jackpot controller is unavailable.</li> <li>vi) Number of Jackpot levels, where applicable; and</li> <li>vii) Jackpot range values (for Mystery Jackpots)</li> </ol> <p><b>7 ELECTRONIC MONITORING SYSTEM</b></p> <p>The Electronic Monitoring System is the Gaming Machine monitoring system that incorporates the Dacom Host, Acres Bonusing/Jackpot System and Cashless Gaming system. It also provides a real-time communications link between all EGMs, Dacom Cashier Terminals, Cashless Terminals and Cashless Workbooks. The EMS monitors machine access and machine meters, as well as providing external links to the Casino Surveillance Department.</p> <p>The EMS is approved for use in the Casino by the Director of Casino Surveillance or Casino Inspector in accordance with Section 62 of the Casino Control Act, and must comply with the requirements of the TRD.</p>	VCG.0001.0004.5526



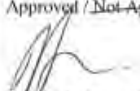

40.41.	30 April 2004	Approval under ss 62 and 64 of CCA re:  <u>Configuration changes to the Welcome Back Bonus Jackpot</u>	VCG.0001.0004.7372
41.42.	14 May 2004	Approval under ss 62 and 64 of CCA re:  <u>Modification to the Welcome Back Bonus jackpot configuration</u>	VCG.0001.0004.7390
42.43.	10 September 2004	BMM makes a revised recommendation for approval for a revised version of the Network Baseline Document.  1. PURPOSE: <i>Crown has sought approval from VCGR for an updated baseline document. This revised version primarily corrects the position description given for the VCGR staff in this document.</i>  2. RECOMMENDATION: <i>BMM recommends that approval be granted to the enclosed revised baseline document.</i>	VCG.0001.0004.7404
43.44.	17 September 2004	Letter from the VCGR (Phillip Shelton) to Crown (Barry Felstead), with copy to BMM.  <b>APPROVAL FOR REVISED DACOM 6000 GAMING MACHINE NETWORK BASELINE DOCUMENT</b>  I refer to Crown's request dated 4 August 2004 for approval of the above. Pursuant to section 62(2) of the <i>Casino Control Act 1991</i> , I approve the revised gaming machine network Baseline document at Attachment A.  Attachment A is titled:  <b>CROWN CASINO DACOM 6000 GAMING MACHINE NETWORK BASELINE DOCUMENT</b>  It states:  <b>Introduction</b>  This baseline document is a tool for monitoring and verifying the configuration of Crown Casino's Dacom 6000 gaming machine network.  The Crown Casino Dacom 6000 gaming machine network baseline includes the Aristocrat Dacom 6000 monitoring system, the Acres cashless system, portions of the SYCO player loyalty system and portions of the Storage Area Network (SAN).  The baseline document has two purposes:  1. It defines what modifications or additions to the Crown Casino Dacom 6000 gaming machine network must have approval from the Victorian Commission for Gambling Regulation (VCGR) before being implemented on the production system.  2. It defines a method of verifying version control over the Dacom 6000 host system and Acres cashless system.  <b>System Changes</b>  This document defines the core "envelope" of the Crown Casino Dacom 6000 gaming machine network that VCGR approval control is maintained over. Thus system changes (or additions) within the baseline (and connection of devices to the baseline) must have VCGR approval before being installed on any production system.  [...]	VCG.0001.0004.7394

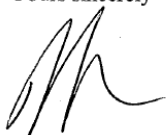
		4. Those parameters and processes within the Syco system which convert Crown Club points to machine credit value must have approval by the VCGR before being modified.	
<a href="#">44-45.</a>	19 March 2008	<p>Crown Standard Operating Procedures (SOP) - Gaming Machine Department, Version 0.1.</p> <p><b>2 OPERATING RULES</b></p> <p><b>2.1 INTRODUCTION</b></p> <p>2.1.1 The VCGR has approved specific operating rules for the use of gaming machines. This document is titled 'Rules of the Games - Electronic Gaming Machines' ("the Rules") and provides a distinct operational framework for reference with regard to the playing of gaming machines within Crown.</p> <p>The SOP refers to the transfer of Crown Club credits between EGMs.</p> <p><b>3.8 CROWN CLUB MEMBER MACHINE CREDITS TRANSFER</b></p> <p>3.8.1 An authorised Crown Club Member can use their Crown Club card to transfer credits from one EGM to another.</p> <p>3.8.2 To activate a Machine Credits Transfer the Member will insert his/her Crown Club Card into the card reader on any EGM and enter his/her PIN to activate the Machine Credits Transfer menu. The machine Credits Transfer menu will prompt the patron to confirm transaction amounts, transaction direction and request him/her to enter his/her PIN to validate the transfer.</p> <p>3.8.3 Where a patron attempts to enter an incorrect PIN three consecutive times, the Cashless Transaction Server automatically applies a 'PIN Lock' on that card and the PIN is no longer valid. To remove a 'PIN Lock' the patron is required to present appropriate identification to Crown Club and a new PIN will be issued.</p> <p>3.8.4 A Crown Club Member may clarify Machine Credit Transfer transactions and current balance amounts by attending a Cashier Booth or Casino Cage containing a specialised Cashier Terminal capable of reviewing such transactions. A printed report of Machine Credits Transfers is available for the Crown Club Member upon request.</p> <p>Section 8 relates to Jackpots. It refers to "Bonus" as being one of the types of jackpots, but does not provide details of what "Bonus" means.</p>	VCG.0001.0004.5527

		<p><b>8 JACKPOTS</b></p> <p><b>8.1 JACKPOT CONFIGURATION</b></p> <p>8.1.1 Crown must seek approval from the VCGR for the parameters within which jackpots may be configured. All new and re-configured jackpots must be established within the range of those parameters specified in the approval.</p> <p>8.1.2 For each new or re-configured jackpot the following information must be recorded:</p> <p>(a) Jackpot Type (eg. Stand Alone Progressive or Mystery, Linked Progressive or Mystery or Bonus);</p> <p>(b) The range of EGM numbers to be included;</p> <p>(c) For Mystery and Progressive Jackpots:</p> <p>(i) The range of base value (seed or reset value), where applicable;</p> <p>(ii) The range of increment rates, where applicable; and</p> <p>(iii) Jackpot range values (for Mystery Jackpots only).</p> <p>(d) Jackpot Levels, where applicable.</p>	
<a href="#">45-46.</a>	30 June 2008	<p>VCGA - Fourth Review of the Casino Operator and Licence.</p> <p>No issues raised about bonus jackpots and tax.</p>	<a href="https://www.vcglr.vic.gov.au/sites/default/files/casino_review_fourth_review.pdf">https://www.vcglr.vic.gov.au/sites/default/files/casino_review_fourth_review.pdf</a>
<a href="#">46-47.</a>	18 December 2008	<p>Crown SOP Gaming Machine Department, Version 0.2.</p> <p>No notable changes since Version 0.1 dated 19 March 2008.</p>	VCG.0001.0004.5534
<a href="#">47-48.</a>	4 August 2009	<p>The VCGR approves Part II – Accounting, Audit and Reporting in Crown’s ICM. The ICM is materially the same as the 1997 ICM in relation to GGR. The wording for “Bonus Jackpots” is identical to the 1997 ICM.</p> <p>1.01 Gross Gaming Revenue - means the total of all sums, including cheques and other negotiable instruments whether collected or not, received in any period by Crown Melbourne Limited (‘Crown’) from the conduct or playing of games within the Casino less the total of all sums paid out as winnings during that period in respect of such conduct or playing of games.</p> <p>Gross Gaming Revenue is divided into Commission Based Player Revenue and General Gaming Revenue.</p> <p>Commission Based Player Revenue refers to revenue earned from players involved in Junkets and Premium Player Programmes who receive commission based on their level of play.</p> <p>General Revenue refers to all other gaming revenue.</p>	VCG.0001.0005.0358

		<p><b>2.2 GAMING MACHINE REVENUE</b></p> <p><b>2.2.1</b> Gross Gaming Revenue will be calculated by the DACOM 6000 Electronic Monitoring System using, but not limited to, the <b>Gaming Machines</b> Revenue Report. Revenue shall equal Turnover less Game Wins less Jackpot Startouts less Variable Prize Jackpot Increments less Fixed Prize Jackpot Increments less Bonus Jackpots. The calculation incorporates the following figures, in respect of the period for which Gaming Machine revenue is calculated.</p> <p>(a) <b>The Gaming Machines Revenue Report has three parts:</b></p> <p>(i) <b>The Monthly Summary of Total Gaming Machines Revenue Report (GGR6)</b></p> <p>(ii) <b>Monthly Summary of Non-Program Based Gaming Machines Revenue (GGR/6A)</b></p> <p>This report indicates the difference between the overall Gaming Machines Revenue and the Gaming Machines Revenue– Program Play. This figure forms part of the calculation of the General Gaming Revenue.</p> <p>(iii) <b>Monthly Summary of Program Based Gaming Machines Revenue (GGR/6B)</b></p> <p>This report captures only the revenue generated by program players. This figure forms part of the calculation of Commission Based Revenue.</p> <p>(b) <b>Crown will retain sufficient documentation that will verify the completeness and accuracy of the Gaming Machine Revenue Report. Access to such documentation will be provided to the VCGR as requested.</b></p> <p><b>2.2.7 Bonus Jackpots</b></p> <p>The amount of bonus jackpots paid to machines (NB. Bonus jackpots, as defined in the Game Rules, do not include mystery or progressive jackpots).</p>	
<p><u>49.</u></p>	<p><u>24 May 2010</u></p>	<p><u>Letter from BMM to Crown regarding “Recommendation for approval for the installation of the “Carded Lucky Coin” Bonusing for operation in Crown Casino”.</u></p> <p><b>1. PURPOSE</b></p> <p>Crown has sought approval from The Commission to install the “Carded Lucky Coin” Bonusing in Crown Casino.</p> <p><b>New Feature:</b> The “Carded Lucky Coin” (CLC) Bonusing functionality is similar to the existing “Lucky Coin” Bonusing functionality except that in CLC, carded turnover played on the gaming machines contribute to the random mystery jackpot pool which is subsequently used to determine the random mystery win. The CLC can be configured for either cash or non-cash prize via the Configuration Workstation (CWS). A CLC Bonus Server is required to support this CLC bonusing functionality.</p> <p>[...]</p> <p>(c) Crown has informed BMM that the CLC is to be used to award non-cash prizes (e.g. player points). For non-cash-prize win, the TITO EGMs prints a Jackpot Receipt with the rounded winning dollar amount upon key-off at the EGM. To avoid confusion to the patron, Crown has implemented an operation procedure such that the Jackpot Receipt will be retained by the Operations Manager and not to be given to the player.</p> <p>[...]</p> <p><b>8. COMMENTS</b></p> <p>BMM has conducted a level of testing which has historically been adequate for a submission of this type. However, inherent in testing in a laboratory environment is the unavoidable limitations of it not being possible to verify the effects of all possible configurations and environments that occur in actual gaming venues.</p> <p>Accordingly, subject to the above comment, from the testing performed BMM confirms that the item under test (unless otherwise stated) conforms with the relevant Technical Requirements.</p>	<p><u>VCG.0001.0004.7455</u> <u>(PDF page 2)</u></p>

50.	<u>9 June 2010</u>	<p><u>Email from Crown (Matt Asher) to Ngov Taokourn of the VCGR and Crown (John Cavanagh, Attila Seci, Simon Masters) regarding “Carded Lucky Coin Jackpot”.</u></p> <p>Taokourn and John,</p> <p>Please forward to Corrie as I don't have his email address.</p> <p>Further to conversations today and last week with you both I would like to formalise details spoken about regarding initial concerns with the operation of the new Bonus Server – Carded Lucky Coin (CLC) and the Crown Signature Million Point Jackpot.</p> <p>The two concerns discussed were around the accounting treatment of wins and the process for hand pays.</p> <p>Firstly the procedure for the operations staff regarding the payment of the jackpot is the same as any other non-cash prize such as a Car jackpot where the all paperwork is completed and kept on file including the receipt (printed from the machines ticket printer).</p> <p>Secondly the accounting treatment for the win is described below:</p> <p><u>Carded Lucky Coin – Crown Signature Million Point Jackpot</u></p> <p>No increment towards the jackpot</p> <p>When the jackpot is won 1,000,000 Signature Club points are added to the patrons account – value \$10,000, at this point there is no impact to revenue calculation.</p> <p>Three options for redemption of points:</p> <hr/> <ol style="list-style-type: none"> <li>1. Through EGM as extra credits at which point the liability will be reduced and revenue will reduce in the Gaming Machines P&amp;L as a deduction under the Bonus Jackpots column of GGR6 in line with the current process.</li> <li>2. Redeemed through Retail, Hotel, F&amp;B etc at which point the liability will be reduced and the cost reflected in the Gaming Machines P&amp;L as a Marketing expense. The revenue would then be recognised in either Retail, F&amp;B outlet, Hotel etc.</li> <li>3. Combination of 1 &amp; 2.</li> </ol> <p>Lastly, I have attached (below) copy of the marketing collateral to be installed in the area promoting the Jackpot.</p> <p>Please do not hesitate to contact me for any further information you may require.</p> <p>Regards,  Matt Asher   Technical &amp; Compliance Manager  CROWN Melbourne Limited  Tel: 03 9292 7267   Fax: 03 9292 7258  8 Whiteman Street, Southbank 3006  E-mail: <a href="mailto:matta@crownmelbourne.com.au">matta@crownmelbourne.com.au</a></p>	<u>VCG.0001.0004.7455</u> <u>(PDF page 11)</u>
51.	<u>22 June 2010</u>	<p><u>Internal VCGR document regarding “Approval of additional bonus server software “Carded Lucky Coin” for operation in Crown’s gaming machine network”.</u></p>	<u>VCG.0001.0004.7455</u> <u>(PDF page 20)</u>

		<p><b>Date:</b> 22 June 2010  <b>To:</b> The Acting Director, Gambling Operations and Audit</p> <p><b>ATTACHED IS GAMING EQUIPMENT SUBMITTED FOR APPROVAL (VIA DELEGATION) UNDER:-</b>  <b>THE CASINO CONTROL ACT 1991</b>  <b>SECTION 62 (APPROVAL OF GAMING EQUIPMENT)</b></p> <p><b>DESCRIPTION OF APPROVAL (#8852)</b>  Approval of additional bonus server software "Carded Lucky Coin" for operation in Crown's gaming machine network.</p> <p><b>BACKGROUND</b>  Section 62 of the Casino Control Act 1991 provides for the Commission to approve gaming equipment (which includes a monitoring system). Section 62(6) provides that this function can be performed by any commissioner. On 1 July 2004, the Commission delegated this function to the Director, Gambling Operations and Audit.</p> <p><b>COMMENTS</b>  The Commission approved the "Crown Signature 1 Million point Jackpot" on 30 March 2010. The above is a technical solution to enable the participation of the jackpot exclusively to loyalty card members. That is, contributions to the jackpot only come from specified EGMs that are played with loyalty cards.</p> <p>Crown has advised that it will provide signage to ensure players are aware that participation in the jackpot is only via Crown's loyalty program and that the provision and conditions of the loyalty scheme apply.</p> <p><b>TESTER'S CERTIFICATE – BMM Crown.1069</b></p> <p><b>RECOMMENDATION</b>  That Crown's request be approved.</p> <div style="display: flex; justify-content: space-between;"> <div style="text-align: center;">   <b>JOHN ROMANIN</b>  Acting Principal Evaluations Officer </div> <div style="text-align: center;">   <b>TAOKOURN NGOV</b>  Acting Manager, Gambling Products </div> </div> <p>Approved / Not-Approved</p> <div style="display: flex; justify-content: space-between;"> <div style="text-align: center;">   <b>PHILLIP SHELTON</b>  Director, Gambling Operations and Audit </div> <div style="text-align: center;">  </div> </div>	
<p><u>52.</u></p>	<p><u>22 June 2010</u></p>	<p><u>Letter from the VCGR (Phillip Shelton) to Crown (Matt Asher), approving the additional bonus server "Carded Lucky Coin" for operation in Crown's gaming machine network.</u></p>	<p><u>VCG.0001.0004.7455</u></p>

		<p>I refer to your request for approval of the above. Pursuant to section 62 of the Casino Control Act 1991, I approve the additional bonus server software “Carded Lucky Coin” for operation in Crown’s gaming machine network.</p> <p><b>Software Details</b></p> <table border="1"> <thead> <tr> <th colspan="4">Component: Carded Lucky Coin</th> </tr> <tr> <th>Description</th> <th>Version Number</th> <th>VCGR CRC</th> <th>SCF</th> </tr> </thead> <tbody> <tr> <td>CLC-530K.ABS</td> <td>5.30K</td> <td>82EE</td> <td>55E8</td> </tr> </tbody> </table> <p>Note: On the CWS code manager screen , the CLC has the CRC value of ECC6.</p> <p>Yours sincerely</p>  <p><b>PHILLIP SHELTON</b> Director, Gambling Operations and Audit</p> <p>copy: BMM, Crown, Inspectorate</p>	Component: Carded Lucky Coin				Description	Version Number	VCGR CRC	SCF	CLC-530K.ABS	5.30K	82EE	55E8	
Component: Carded Lucky Coin															
Description	Version Number	VCGR CRC	SCF												
CLC-530K.ABS	5.30K	82EE	55E8												
<a href="#">53.</a>	<a href="#">30 July 2010</a>	<a href="#">Letter from BMM to Crown, attaching revised recommendation for approval for the installation of the updated Acres AG3 System (SP5) for operation in Crown Casino.</a>	<a href="#">VCG.0001.0004.7457</a> <a href="#">(PDF page 4)</a>												
<a href="#">54.</a>	<a href="#">3 and 4 August 2010</a>	<p><a href="#">VCGR document regarding “Approval of ACRES AG3 Service Pack 5 software upgrade which includes the new bonusing bonus server application software “Carded Lucky Time” for operation in Crown’s gaming machine network”. Approval is given by Phillip Shelton (Director, Gambling Operations and Audit) on 4 August 2010.</a></p> <p><a href="#">The “Comments” section states:</a></p> <p><b>COMMENTS</b> The Acres AG3 service pack 5 upgrades Concentrator, Configuration Workstation and Translator software. The new additional bonusing application software for the Bonus Server (Carded Lucky Time) allows for the operation of time-based mystery linked jackpots for qualifying carded patrons. This is similar to the application software “Carded Lucky Coin” which allows for pool-based mystery linked jackpots for qualifying carded players. This is a technical solution. Crown will seek separate approval from the Commission if necessary for each Carded Lucky Time linked jackpot arrangement.</p>	<a href="#">VCG.0001.0004.7457</a> <a href="#">(PDF page 14)</a>												
<a href="#">55.</a>	<a href="#">4 August 2010</a>	<a href="#">Letter from the VCGR (Phillip Shelton) to Crown (Matt Asher), approving the Acres AG3 service pack 5 which includes the new bonus server application software “Carded Lucky Time” for operation in Crown’s gaming machine network.</a>	<a href="#">VCG.0001.0004.7457</a>												
<del>48.</del> <a href="#">56.</a>	31 August 2010	<p>Crown Revenue Audit and Reporting Standard Operating Procedures (SOP), Version 1.0. This is the first SOP.</p> <p>It provides:</p> <p>“Complimentary” means a service or item provided directly or indirectly by Crown to a patron at either no cost or at a loyalty program point cost to the patron.</p> <p>“Electronic Monitoring System” (EMS) means the Gaming Machine monitoring system that incorporates the DACOM Host, Acres Bonusing and Jackpot System, Configuration Work Station and Cashless Gaming System and provides a real-time communications link between all EGMs, DACOM Cashier Terminals, Cashless Terminals and Cashless Workbooks. The EMS monitors machine access and machine meters and links to Surveillance. It is approved for use in accordance with the Act, and must comply with the Technical Requirements Document (TRD) issued by the VCGR.</p>	VCG.0001.0002.9201												



	<p>“Gaming Machine Gross Gaming Revenue” is calculated by the Electronic Monitoring System (EMS). Revenue will equal Turnover less Game Wins less Jackpot Startouts less Variable Prize Jackpot Increments less Fixed Prize Jackpot Increments less Bonus Jackpots.</p> <p>“Gross Gaming Revenue” means the total of all sums, including cheques and other negotiable instruments whether collected or not, received in any period by Crown from the conduct or playing of games within the Temporary Casino or the Melbourne Casino (as the case may be) less the total of all sums paid out as winnings during that period in respect of such conduct or playing of games.</p> <p>“SYCO” is Crown’s gaming and customer records system.</p> <p>Section 2.3 relates to Gaming Machine Revenue Audit. Section 2.3.5(h) states:</p> <p>(h) A Jackpot Reconciliation Report</p> <p>(i) A copy of this report is reviewed by Revenue Audit and then forwarded to Gaming Machines Finance. It will include at a minimum:</p> <ul style="list-style-type: none"> <li>▪ Jackpot accruals and prizes for the month; and</li> <li>▪ Jackpot adjustments reflecting the true value of any prizes awarded.</li> </ul> <p>(ii) Where any adjustments are identified, the appropriate journal entries will be made to reflect true liability.</p> <p>Section 3.2.7 states:</p> <p>“3.2.7 Monthly Summary of Gaming Machine Net Revenue (GGR/6 including GGR/6A and GGR/6B)</p> <p>(a) GGR/6 illustrates the total of daily calculated revenue which is derived by deducting game wins, jackpot startout figures, variable prize jackpot increments, fixed prize jackpot increments and bonus jackpots from daily turnover. The paper contains at a minimum:</p> <p>(i) Date</p> <p>(ii) Adjustments</p> <p>(iii) Revenue as per Dacom (daily)</p> <p>(iv) Total (daily)</p> <p>(v) Monthly total [...]”</p> <p>Section 8 states:</p> <p>“8. COMPLIMENTARY ISSUANCE, REDEMPTION AND REPORTING</p> <p>8.1 There are two major types of complimentaries: Gaming Complimentaries and Non-Gaming Complimentaries:</p> <p>8.1.1 Gaming Complimentaries are issued to a patron:</p>	
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		<p>(a) For items or services including but not limited to: restaurant meals, valet parking, hotel accommodation and retail items;</p> <p>(b) By Crown departments including but not limited to: Table Games, Gaming Machines, Crown Club and VIP Services;</p> <p>(c) Generally via the redemption of his/her accumulated reward points.</p> <p>8.1.2 Non-Gaming Complimentaries are issued to patrons:</p> <p>(a) For items including but not limited to: restaurant meals, valet parking, hotel accommodation and retail items;</p> <p>(b) By a particular department and then the cost of the complimentary item or service is charged back to the issuing department.</p> <p>8.2 All complimentaries are issued through SYCO and at the end of each month a Complimentary Redemption Report is generated and reviewed by Revenue Audit.</p> <p>8.3 Complimentary Privileges</p> <p>8.3.1 To apply for complimentary privileges an employee must complete a ‘Complimentary Privilege Request’ form.</p> <p>8.3.2 The completed ‘Complimentary Privilege Request’ form will be forwarded to the Chief Financial Officer for approval and once approved, forwarded to Revenue Audit for processing.</p> <p>8.3.3 Revenue Audit will enter details including the staff member’s name and complimentary levels into SYCO.</p> <p>8.3.4 At regular intervals, the Chief Financial Officer may review the positions and authorised levels for the issuance of complimentary services.”</p> <p>Unlike the 1997 and 2009 versions of Part II – Accounting, Audit and Reporting of Crown’s ICM, the SOP does not define “Bonus Jackpots” or any of the constituents of the calculation of GGR set out in the ICMs.</p> <p>There does not appear to be any link in the SOP between Complimentaries and bonus jackpots and the GGR calculation.</p>	
49-57.	31 August 2010	Crown Revenue Audit and Reporting Internal Control Statement (ICS), Version 1.0. This is the first ICS. The ICS does not contain Crown’s calculation methodology for GGR.	VCG.0001.0002.9197

**1. Core Principles**

The objectives and outcomes to be achieved by this Internal Control Statement are:

- (a) To ensure accurate reporting of monthly Gross Gaming Revenue for the purpose of calculating taxes and fees payable by Crown;
- (b) To ensure the accuracy and integrity of gaming activity reported by Crown, through the operation of an efficient and effective Revenue Audit function; and
- (c) To ensure the security and accountability of gaming cheque, gaming/non-gaming vouchers and gift certificate inventory held by Revenue Audit.

**2. Minimum Standards & Controls**

Minimum Standards & Controls are the minimum requirements for the achievement of the core principles outlined above:

**2.1 Reporting**

- (a) Reporting of monthly Gross Gaming Revenue to the Victorian Commission for Gambling Regulation (f).
- (b) Reporting of interim monthly Gross Gaming Revenue to the Victorian Commission for Gambling Regulation no later than the 25th day of each month.
- (c) Notification of Electronic Gaming Machines Daily Revenue Audit adjustments to the Victorian Commission for Gambling Regulation, as required.

The Risk Assessment Matrix provides a rating of “Low” for “Incorrect reporting of Gross Gaming Revenue to Victorian Commission for Gambling Regulation”.

Risk	Rating	Minimum Standards and Controls															
		2.1	2.1	2.1	2.2	2.2	2.2	2.2	2.2	2.3	2.3	2.3	2.3	2.4	2.4	2.4	
		(a)	(b)	(c)	(a)	(b)	(c)	(d)	(e)	(f)	(a)	(b)	(c)	(d)	(a)	(b)	(c)
Incorrect reporting of Gross Gaming Revenue to Victorian Commission for Gambling Regulation	L			X	X	X		X	X						X	X	X

The X checkmarks above relate to sections:

2.1(c) – “Notification of Electronic Gaming Machines Daily Revenue Audit adjustments to the Victorian Commission for Gambling Regulation, as required.”

2.2(a) –

**2.2 Processes and Procedures**



- (a) Application of structured processes including but not limited to:
  - (i) The compilation and reporting of monthly Gross Gaming Revenue;
  - (ii) The operation of the Revenue Audit function;
  - (iii) The storage and accountability of gaming cheques by Revenue Audit; and
  - (iv) The storage and accountability of gaming/non-gaming vouchers (excluding Complimentary Bet vouchers held in Cage areas) and gift certificates by Revenue Audit

2.2(b) – “Structured duties and responsibilities of Revenue Audit employees.”

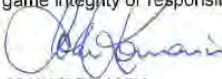
2.2(d) –

	<p>(d) Independent review and authorisation processes:</p> <ul style="list-style-type: none"> <li>(i) Independent verification and approval of monthly Gross Gaming Revenue reported;</li> <li>(ii) Restricted approval of (initiating department) gaming/non-gaming voucher and gift certificate requests;</li> <li>(iii) Restricted approval of (initiating department) gaming cheque requests;</li> <li>(iv) Independent approval of initiating department authorities for the requisition of gaming/non-gaming vouchers and gift certificates (from Revenue Audit);</li> <li>(v) Independent approval of initiating department authorities for the requisition of gaming cheques (from Revenue Audit);</li> <li>(vi) Independent verification and approval of gaming/non-gaming vouchers and gift certificates for destruction;</li> <li>(vii) Independent approval of gaming/non-gaming voucher and gift certificate inventory (post verification of gaming/ non – gaming voucher and gift certificate inventory per 2.2 (f) (i)); and</li> <li>(viii) Independent approval of gaming cheque inventory (post verification of gaming cheque inventory per 2.2 (f) (ii)).</li> </ul> <p>2.2(e) –</p> <p>(e) Independent review of variances and other irregularities:</p> <ul style="list-style-type: none"> <li>(i) Follow-up, investigation and actioning of variances, discrepancies and other irregularities (in conjunction with relevant department management) detected as part of audit/review procedures undertaken by Revenue Audit per 2.4 (a) and 2.4 (b);</li> <li>(ii) Follow-up and investigation of gaming/non – gaming voucher and gift certificate inventory variances detected per 2.2 (f)(i); and</li> <li>(iii) Follow up and investigation of gaming cheque inventory variances detected per 2.2 (f)(ii).</li> </ul> <p>2.4(a), which includes –</p> <p>(iii) Electronic Gaming Machines Revenue Audit:</p> <ul style="list-style-type: none"> <li>a) Daily Revenue Audit;</li> <li>b) Other: <ul style="list-style-type: none"> <li>i. Reconciliation of Cashless transactions (per Cashless Workbook) to DACOM Electronic Gaming Machines meters (per Cashless Balancing Report) (daily);</li> <li>ii. Review of Electronic Gaming Machines Revenue Bonus Meter Balancing Report (monthly);</li> <li>iii. Reconciliation of Cashless deposits and withdrawals (per Cashless Workbook) to Main Bank Close Out Sheet(s) (monthly); and</li> <li>iv. Reconciliation of patron liability (per Cashless Balancing Report) to Patron Balancing Report (per Cashless Workbook) (monthly).</li> </ul> </li> </ul> <p>2.4(b), which includes –</p>	
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		<p>(b) Creation and maintenance of an audit trail:</p> <p>(i) Maintenance of a log for the monitoring and recording of gaming / non – gaming vouchers and gift certificates destroyed;</p> <p>(ii) Maintenance of a log for the monitoring and recording of gaming cheques issued/returned (by/to Revenue Audit);</p> <p>(iii) Maintenance of a log for the monitoring and recording of gaming/non-gaming vouchers and gift certificates issued / returned (by/to Revenue Audit);</p>	
<u>58.</u>	<u>22 December 2011</u>	<p><u>Revenue and Audit SOP, Version 2.0.</u></p> <p><u>No notable changes from Crown Revenue Audit and Reporting SOP, Version 1.0 dated 31 August 2010.</u></p>	<u>VCG.0001.0002.9206</u>
<u>59.</u>	<u>9 March 2012</u>	<p><u>Letter from BMM to Crown recommending approval for the installation of DACOM 6000 (Version 5.18) for operation in Crown Casino which states, among other things:</u></p> <p style="text-align: center;"><b>Recommendation for Approval</b></p> <hr/> <p><b>Crown Reference Number:</b> Crown request dated 8<sup>th</sup> March 2012  <b>Operator Reference Number:</b> N/A  <b>Operator:</b> Crown Casino  <b>Manufacturer:</b> Crown Casino  <b>BMM Report Date:</b> 9<sup>th</sup> March 2012  <b>BMM Report Number:</b> Crown.1107.01</p> <hr/> <p><b>1. PURPOSE</b></p> <p>Crown has sought approval from The Commission to Install Dacom 6000 (Version 5.18) for operation in Crown Casino. The reason for this update is:</p> <p>Dacom Systems:</p> <ul style="list-style-type: none"> <li>* Updated theoretical calculation formula to exclude Jackpot win start out percentage for the STPRG Jackpot calculation in Syco rating interface. The theoretical calculation figure will now be based on Actual Win (minus total bonus wins) in the Syco rating interface.</li> <li>* Modified Welcome Back (WB) to use earn date and unredeemed date in Dacom to allow SYCO to remove and add patrons to the WB promotion without affecting the earning rules.</li> </ul> <p><i>Don't - BMM  reputing reporting calculations of CR. The change only affect the rating only.</i></p>	<u>VCG.0001.0004.7439</u> <u>(PDF page 5)</u>
<u>60.</u>	<u>16 March 2012</u>	<u>Letter from Crown (Matt Asher, Technical and Compliance Manager) to the VCGLR (Lynne Bertolini) seeking approval for the installation of DACOM 6000 (version 5.18).</u>	<u>VCG.0001.0004.7439</u> <u>(PDF page 4)</u>
<u>61.</u>	<u>5 April 2012</u>	<u>VCGLR recommendation regarding approval of Crown's request for the updated DACOM host software version 5.18 for operation in its gaming network.</u>	<u>VCG.0001.0004.7439</u> <u>(PDF page 2)</u>

		<p style="text-align: center;"><b>APPROVAL UNDER DELEGATION OF GAMING EQUIPMENT (THE CASINO CONTROL ACT 1991 SECTION 62)</b></p> <p><b>Date: 5 April 2012</b></p> <p><b>To: The Manager, Gambling Products and Approvals</b></p> <p><b>APPROVAL NUMBER(S): 10056</b></p> <p><b>RECOMMENDATION :</b> That you approve Crown's request for the updated DACOM host software version 5.18 for operation in its gaming network, and sign the attached letter.</p> <p><b>BACKGROUND</b></p> <p>Section 62(2) of the <i>Casino Control Act 1991</i> provides for the approval of gaming equipment in the Casino. The definition of gaming equipment includes an electronic monitoring system. The suitability of the electronic monitoring system in the Melbourne Casino and any variations to the system is required to comply with the <i>Victorian Casino and Gaming Authority Technical Requirements for Gaming Machines and Electronic Monitoring Systems in the Melbourne Casino (the TRD)</i>. In particular, Chapter 6 contains requirements for the electronic monitoring systems used by the casino.</p> <p>On 6 February 2012 the Commission delegated this function to the Director, Licensing and Approvals and the Manager, Gambling products and Approvals. The machinery of government transfer was declared to take effect from Thursday 16 February 2012. The Commission has directed that each exercise of the delegated function be reported to the Commission on a three monthly basis. If approved by you, this approval will be included in the next report.</p> <p>Under section 62(2A), the Commission may take into account the certificate of a person listed on the Roll of Manufacturers Suppliers and Testers, being a person referred to in section 3.4.61(1)(c). Crown has supplied a tester's report from BMM Compliance, a person listed on the Roll of Manufacturers Suppliers and Testers, and the operator of a nationally accredited test facility.</p> <p><b>TESTER REPORT REF: BMM Crown.1107.01</b></p> <p><b>REASONS FOR CHANGE / RECOMMENDATION</b></p> <p>These changes are due to a commercial decision by Crown in respect of its loyalty scheme. The changes do not impact on the regulatory reporting requirements of the DACOM system. The changes only impact player ratings analysis for promotional marketing. The changes allow the table games operating system, Syco, to remove and add patrons to the "Welcome Back promotions" by receiving information from the Dacom system. Because of the nature of the changes to the DACOM system, no requirements in the TRD are expected to be impacted by this change.</p> <p>BMM has evaluated the DACOM modification documentation as provided by Aristocrat and has verified the introduced changes by way of functional and regression testing and recommends the release of DACOM version 5.18 with no conditions other than the inherent limitations with testing in a laboratory environment, that it is not possible to verify the effects of all possible configurations and environments that occur in actual venues.</p> <div style="display: flex; justify-content: space-around; margin-top: 20px;"> <div style="text-align: center;">         JOHN ROMANIN        Evaluation Officer     </div> <div style="text-align: center;">         STEVE THURSTON        Manager, Gambling Products        10 APR 2012     </div> </div>	
<a href="#"><u>62.</u></a>	<a href="#"><u>10 April 2012</u></a>	<a href="#"><u>Letter from the VCGLR (Steve Thurston) to Crown (Matt Asher), approving the updated DACOM Host version 5.18 for operation in Crown's gaming network.</u></a>	<a href="#"><u>VCG.0001.0004.7439</u></a>
<del>50-63.</del>	21 June 2012	BMM Recommendation for Approval in response to Crown request for approval from the Commission to install Dacom 6000 dated 28 May 2012.	VCG.0001.0002.9249 (PDF page 7)

		<p><b>1. PURPOSE</b></p> <p>Crown has sought approval from The Commission to install Dacom 6000 (Version 5.19) for operation in Crown Casino. The reason for this update is:</p> <p>Dacom Systems:</p> <ul style="list-style-type: none"> <li>The cashier terminal has been updated to allow cashier to search the floor location for cheque payments. Previously, if a large cancel credit amount has been cleared by an attendant on an EGM, then when the cashier searches for this EGM location to initiate the cheque payment an error message would be displayed and transaction would be halted.</li> <li>Modified the RDP process to ensure no pagers are not sent when a staff card is already inserted in an EGM/MTET for Bill Acceptor status and Printer status.</li> <li>Updated code to correctly retrieve asp 2.10 C2T7P8 (Multi-Game Package Link Progressive Variations) parameter for the selected link progressive variation.</li> <li>Changes have been implemented to modify the existing bonus jackpot mechanism to support any additional bonus types.</li> </ul> <p><b>2. EVALUATION PERFORMED</b></p> <p>BMM has evaluated the Dacom 6000 (Version 5.19) according to the documents supplied by Aristocrat. BMM's evaluation involved verifying the changes introduced in this release (via functional testing), and general regression testing which BMM performed to a level that was deemed adequate for this type of release.</p> <p><b>6. ADDITIONAL INFORMATION</b></p> <p>BMM's evaluation for the additional bonus types were configured within the Dacom system using variations of the following parameters; Points Required, Reward Amount, Expiry Period, Reward stacking enabled, maximum number of stackable rewards, redeem type, start and end date. The following changes were made on the Dacom system to accommodate for the configuration/processing of the additional bonus types including:</p> <ul style="list-style-type: none"> <li>Updated card, purge and end of day processes.</li> <li>Modified ratings to handle all messages relating to player earning and qualification.</li> <li>Changed transactions to handle all messages relating to player redemption.</li> <li>A configuration screen is added in Dacom system.</li> <li>Modified EGM Bonusing screen to display bonus type redemption.</li> <li>Updated Member History screen to include details for all bonus types. These details includes points accumulated towards earning bonus types, bonus types earned (if any) and bonus types redemptions (if any).</li> <li>All reports which includes Bonus Jackpot calculations.</li> <li>System has been changed to include bonus types reward stats records to be sent to Corporate Data Warehouse as part of the daily extracts.</li> </ul>	
<a href="#">51-64.</a>	22 June 2012	<p>Letter from Crown (Matt Asher, Technical and Compliance Manager) to the VCGLR (Lynne Bertolini, Director, Licensing and Approvals).</p> <p><u>Request for approval for the installation of Dacom 6000 (version 5.19) for operation in Crown Casino</u></p> <p>I am writing to seek your approval for the installation of Dacom 6000 (version 5.19) for operations in Crown Casino.</p> <p>BMM has formally tested and a copy of their recommendation letter is attached.</p> <p>We seek to install the new software upon approval of this request.</p> <p>Should you require any additional information please do not hesitate to contact me.</p>	VCG.0001.0002.9249 (PDF page 5)
<a href="#">52-65.</a>	29 June 2012	<p>Recommendation from John Romanin (VCGLR Evaluation Officer) to Steve Thurston (VCGLR) regarding installation of DACOM 6000 (version 5.19).</p>	VCG.0001.0002.9249 (PDF page 3)

		<p><b>RECOMMENDATION:</b> That you approve Crown's request for the updated DACOM Host version 5.19 for operation in Crown's gaming network and sign the attached letter.</p> <p><b>BACKGROUND</b></p> <p>Section 62(2) of the <i>Casino Control Act 1991</i> provides for the approval of gaming equipment in the Casino. The definition of gaming equipment includes an electronic monitoring system. On 6 February 2012 the Commission delegated this function to the Director, Licensing and Approvals and the Manager Gambling Products and Approvals. The machinery of government transfer was declared to take affect from Thursday 16 February 2012. The Commission has directed that each exercise of the delegated function be reported to the Commission on a three monthly basis. If approved by you, this approval will be included in the next report. Under section 62(2A), the Commission may take into account the certificate of a person listed on the Roll being a person referred to in section 3.4.61(1)(c).</p> <p><b>TESTER REPORT REF: BMM STG.1110.01.CRN.1</b></p> <p><b>REASONS FOR CHANGE / RECOMMENDATION</b></p> <p>The host software change enhances the cashier terminal cheque payment process, linked progressive processes and to support additional jackpot bonus types.</p> <p>BMM has verified the changes introduced via functional testing and general regression testing which has historically been adequate for a submission of this type. However, inherent in testing in a laboratory environment is the unavoidable limitations of it not being possible to verify the effects of all possible configurations and environments that occur in actual venues. Accordingly, BMM confirms from the verification it performed and cognizant with the inherent limitations of laboratory testing, the item under test (unless otherwise stated) conforms with the relevant Technical Requirements. The updates software have no adverse impacts on the game integrity or responsible gambling.</p>  <p>JOHN ROMANIN Evaluation Officer</p>	
<del>53-66.</del>	2 July 2012	Letter from Steve Thurston to Matt Asher approving the installation of DACOM 6000 (version 5.19). This was a systems approval. One of the changes was to modify the existing bonus jackpot mechanism to support any additional bonus types. However, it was not an approval of what "bonus jackpots" could be deducted from turnover in the calculation of GGR for tax purposes.	VCG.0001.0002.9249
<del>54-67.</del>	15 October 2012	<p>Draft Crown Revenue Audit and Reporting SOP (Version 2.4).</p> <p>The footer states "updated 15 October 2012 (review doc)".</p> <p>Crown made the following changes to the previous Crown Revenue Audit and Reporting SOP (Version 2.0 dated 22 December 2011). The metadata shows that the Author is "Crown Casino".</p> <p><u><b>'Complimentary'</b></u> means a service or item provided directly or indirectly by Crown to a patron at either no cost or at a loyalty program point cost to the patron.</p> <p><u><b>'Electronic Monitoring System'</b></u> (EMS) means the Gaming Machine monitoring system that incorporates the DACOM Host, Acres Bonusing and Jackpot System, Configuration Work Station and Cashless Gaming System and provides a real-time communications link between all EGMs, DACOM Cashier Terminals, Cashless Terminals and Cashless Workbooks. The EMS monitors machine access and machine meters and links to Surveillance. It is approved for use in accordance with the Act, and must comply with the Technical Requirements Document (TRD) issued by the VCGLR.</p>	VCG.0001.0005.0360




	<p><u>'Gaming Machine Gross Gaming Revenue'</u> is calculated by the Electronic Monitoring System (EMS). Revenue will equal Turnover less Game Wins less Jackpot Startouts less Variable Prize Jackpot Increments less Fixed Prize Jackpot Increments less Bonus Jackpots. <b>Where:</b></p> <p>(a) <u>'Turnover' means the monetary amount wagered via game play over the period.</u></p> <p>(b) <u>'Game Wins' means the monetary amount of credits won, during the period, as outcomes of the base game excluding mystery jackpots, linked progressive jackpots, standalone progressive jackpots and bonus jackpot payments.</u></p> <p>(c) <u>'Jackpot Startouts' means the aggregate base startouts for all jackpots won during the period.</u></p> <p>(d) <u>'Variable Prize Jackpot Increments' means the aggregate contribution, during the period, of gaming machine turnover to all variable prize jackpot pools.</u></p> <p>(e) <u>'Fixed Prize Jackpot Increments' means the aggregate contribution, during the period, of gaming machine turnover to all fixed prize jackpot pools. The contribution has a statistical expectation of being equivalent to the value of prizes won from the pool over time (ie the statistical expectation is that the pool will have, on average, a zero balance).</u></p> <p>(f) <u>'Bonus Jackpots' means the amount of bonus jackpots paid to machines (NB. Bonus jackpots, as defined in the Game Rules, do not include mystery or progressive jackpots).</u></p> <p><u>'Gross Gaming Revenue'</u> means the total of all sums, including cheques and other negotiable instruments whether collected or not, received in any period by Crown from the conduct or playing of games within the Temporary Casino or the Melbourne Casino (as the case may be) less the total of all sums paid out as winnings during that period in respect of such conduct or playing of games.</p> <p><u>'SYCO'</u> is Crown's gaming and customer records system.</p> <p>Section 2.3 which relates to Gaming Machine Revenue Audit was not changed.</p> <p>Section 3 was not changed and provides, inter alia:</p>	
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		<p><b>3. GROSS GAMING REVENUE, CASINO TAXES AND COMMUNITY BENEFIT LEVY</b></p> <p>3.1 Casino Tax (including the Community Benefit Levy) is calculated at the end of each calendar month and will be paid in accordance with clause 22 of the <i>Casino (Management Agreement) Act 1993</i> (Vic) no later than seven (7) days after the end of each month. Where the seventh (7<sup>th</sup>) day is not a business day, payment will be made on the next business day.</p> <p>3.2 Gross Gaming Revenue (GGR), and the amount of Casino Tax payable will be calculated on the working paper 'Calculation of Gross Gaming Revenue' and from the information provided on the supporting working papers numbered GGR/1 to GGR/10 inclusive. A summary and description of the working papers follows:</p> <p><b>GGR</b> - Calculation of Gross Gaming Revenue; (Schedule A)  <b>GGR/1</b> - Monthly Summary of Table Games Drop (Cash Chips);  <b>GGR/2</b> - Monthly Summary of Gross Keno Sales  <b>GGR/3</b> - Monthly Summary of Cash Chips Redeemed;  <b>GGR/4</b> - Monthly Summary of Keno Sums Paid Out as Winnings  <b>GGR/5</b> - Monthly Summary of Table Game Sums Paid Out as Winnings  <b>GGR/6</b> - Monthly Summary of Gaming Machine Net Revenue (Consolidated)  - GGR/6A includes Program Play  - GGR/6B includes General Play  <b>GGR/7</b> - Monthly Summary of Table Games Commission Based Player Drop (Consolidated AUD)  - GGR 7A – AUD  - GGR 7B – Foreign Currency (1)  <b>GGR/8</b> - Monthly Summary of Table Games Commission Based Player Chips Redeemed (Consolidated)  - GGR 8A – AUD  - GGR 8B – Foreign Currency (1)  <b>GGR/9</b> - Monthly Summary of Table Games Tickets Redeemed  <b>GGR/10</b> - Monthly Summary of PokerPro WAT-out  <b>Schedule 6</b> - Calculation of GST</p> <p>3.2.7 Monthly Summary of Gaming Machine Net Revenue (GGR/6 including GGR/6A and GGR/6B)</p> <p>(a) GGR/6 illustrates the total of daily calculated revenue which is derived by deducting game wins, jackpot startout figures, variable prize jackpot increments, fixed prize jackpot increments and bonus jackpots from daily turnover. GGR/6 will contain at a minimum:</p> <p>(i) Date  (ii) Adjustments  (iii) Revenue as per Dacom (daily)  (iv) Total (daily)  (v) Monthly total</p> <p>(b) GGR/6A illustrates the total of daily calculated revenue which is derived by deducting game wins, jackpot startout figures, variable prize jackpot increments, fixed prize jackpot increments and bonus jackpots from daily Program Play turnover. GGR/6A will contain at a minimum:</p> <p>(i) Date</p>	
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		<p>(ii) Adjustments</p> <p>(iii) Revenue as per Dacom (daily)</p> <p>(iv) Total (daily)</p> <p>(v) Monthly total</p> <p>(c) GGR/6B illustrates the total of daily calculated revenue which is derived by deducting game wins, jackpot startout figures, variable prize jackpot increments, fixed prize jackpot increments and bonus jackpots from daily General Play turnover. GGR/6B is the difference between GGR/6 minus GGR/A. GGR/6B will contain at a minimum:</p> <p>(i) Date</p> <p>(ii) Adjustments</p> <p>(iii) Revenue as per Dacom (daily)</p> <p>(iv) Total (daily)</p> <p>(v) Monthly total</p> <p>Section 8 was changed to the following.</p> <p><b><u>8. COMPLIMENTARY ISSUANCE, REDEMPTION AND REPORTING</u></b></p> <p>8.1 There are two major types of complimentaries: Gaming Complimentaries and Non-Gaming Complimentaries:</p> <p>8.1.1 Gaming Complimentaries <u>may be issued to patrons as follows:</u></p> <p>(a) <u>For items or services including but not limited to: restaurant meals, valet parking, hotel accommodation and retail items;</u></p> <p>(b) By Crown departments including but not limited to: Table Games, Gaming Machines, Crown Club and VIP Services;</p> <p>(c) <u>Via the redemption of reward points accumulated by the patron.</u></p> <p>8.1.2 Non-Gaming Complimentaries <u>may be issued to patrons as follows:</u></p> <p>(a) For items including but not limited to: restaurant meals, valet parking, hotel accommodation and retail items;</p> <p>(b) By a particular department and then the cost of the complimentary item or service is charged back to the issuing department.</p> <p>8.2 All complimentaries are issued through SYCO and at the end of each month a Complimentary Redemption Report is generated and reviewed by Revenue Audit.</p> <p>8.3 Complimentary Privileges</p> <p>8.3.1 To apply for complimentary privileges an employee must complete a 'Complimentary Privilege Request' form.</p> <p>8.3.2 The completed 'Complimentary Privilege Request' form will be forwarded to the Chief Financial Officer for approval and once approved, forwarded to Revenue Audit for processing.</p> <p>8.3.3 Revenue Audit will enter details including the staff member's name and complimentary levels into SYCO.</p> <p>8.3.4 At regular intervals, the Chief Financial Officer may review the positions and authorised levels for the issuance of complimentary services.</p>	
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		There does not appear to be any link in the SOP between Complimentaries and bonus jackpots and the GGR calculation.	
<a href="#">68.</a>	<a href="#">22 November 2012</a>	<p><a href="#">Letter from BMM to Crown regarding recommendation for approval for the installation of Dacom 6000 (Version 5.2) for operation in Crown Casino. The BMM report states, among other things:</a></p> <ul style="list-style-type: none"> <li>• Dacom has been updated to enable carded bonusing (Welcome back, birthday, etc) for the Multi-Terminal Electronic Tables (MTETs). Carded bonusing for MTET works slightly differently to EGM carded bonusing. The awarded carded bonusing will be directly transferred to the credit meter on the MTET where player can play it off or collect it as cash.</li> <li>• Updated Dacom purging process to accommodate the new MTET bonusing changes to the DB structure.</li> <li>• New reports for MTET carded bonusing are made available as part of the Dacom reports. These reports include Bonus Analysis report, Bonus Checking report and Bonus Balancing report.</li> <li>• Dacom DB structure has been modified for the new MTET bonusing, all existing EGM reports will now be referenced via EGM's Source Id rather than the previously used EGM Id. The grant and move Welcome Back entitlements functionality as well as the Bonus table structure have also been updated according to the DB structure changes.</li> <li>• Updated Dacom system to increase floor location size from 5 characters to 8 for messages sent between Dacom and Syco. This increase is to accommodate the MTET floor location size for the new MTET bonusing.</li> <li>• Dacom MTET configuration screen has been updated to enable display of bonuses awarded during a trading day. This update is to accommodate support for the new MTET bonusing (Welcome Back, Birthday, etc).</li> <li>• Updated Player history screen on Dacom to display Host Welcome Back (WB) dates (earn date/ redeemed date). The display screen has also been updated for the new database structure.</li> <li>• Modified promo function to allow for the configuration of promotions on MTET devices. The configuration includes rules to restrict where MTET promotions may be redeemed, the selection may be via Game Type (Poker, Baccarat, etc) and/or Pit locations.</li> <li>• Removed selection option to configure IGT Welcome Back on the Dacom promotions configuration screen. This is to ensure invalid configurations are not created.</li> <li>• Updated EGM/MTET opening meter screen to display data for retired EGMs/MTETs as well as currently active EGMs/MTETs.</li> <li>• Updated Dacom to correctly insert records into the consolation_prize table when user manually adds consolation records via the Jackpot Trading history screen. Previously, when manually adding a consolation record, it would only create a record in the member_bonus record and not the accompanying consolation_prize table.</li> </ul> <p><a href="#">[...]</a></p> <p><b>7. COMMENTS</b></p> <p>BMM has conducted a level of testing which has historically been adequate for a submission of this type. However, inherent in testing in a laboratory environment is the unavoidable limitations of it not being possible to verify the effects of all possible configurations and environments that occur in actual gaming venues.</p> <p>Accordingly, subject to the above comment, from the testing performed BMM confirms that the item under test (unless otherwise stated) conforms with the relevant Technical Requirements.</p>	<a href="#">VCG.0001.0004.7445 (PDF page 2)</a>
<a href="#">69.</a>	<a href="#">5 December 2012</a>	<a href="#">VCGLR recommendation regarding approval of Crown's request for the updated DACOM Host software version 5.2 for operation in Crown's gaming machine network.</a>	<a href="#">VCG.0001.0004.7445 (PDF page 8)</a>

		<p style="text-align: center;"><b>APPROVAL UNDER DELEGATION OF GAMING EQUIPMENT (THE CASINO CONTROL ACT 1991 SECTION 62)</b></p> <p>Date: 5 December 2012</p> <p>To: The A/Manager Gambling Products and Approvals</p> <p>APPROVAL NUMBER(S): 11530</p> <p><b>RECOMMENDATION:</b> That you approve Crown's request for the updated DACOM Host software version 5.2 for operation in Crown's gaming machine network and sign the attached letter.</p> <p><b>BACKGROUND</b></p> <p>Section 62(2) of the <i>Casino Control Act 1991</i> provides for the approval of gaming equipment in the Casino. The definition of gaming equipment includes an electronic monitoring system. On 6 February 2012 the Commission delegated this function to the Director, Licensing and Approvals and the Manager Gambling Products and Approvals. The Commission has directed that each exercise of the delegated function be reported to the Commission on a three monthly basis. If approved by you, this approval will be included in the next report. Under section 62(2A), the Commission may take into account the certificate of a person listed on the Roll being a person referred to in section 3.4.61(1)(c). BMM Australia Pty Ltd is such a person and is an Accredited Testing Facility.</p> <p>TESTER REPORT REF: BMM CROWN.1116.01</p> <p><b>REASONS FOR CHANGE / RECOMMENDATION</b></p> <p>The updated host supports a number of management control enhancements, systems communications enhancements, as well as promotions and bonuses functionality.</p> <p>BMM has conducted a level of testing which has historically been adequate for a submission of this type. However, inherent in testing in a laboratory environment is the unavoidable limitations of it not being possible to verify the effects of all possible configurations and environments that occur in actual venues.</p> <p>Accordingly, BMM confirms from the verification it performed and cognisant with the inherent limitations of laboratory testing, the item under test (unless otherwise stated) conforms to the relevant Technical Requirements</p> <p>JOHN ROMANIN Evaluation Officer</p> <p>Approved / Not Approved</p>  <p>STEVE THURSTON A/Manager, Gambling Products &amp; Approvals</p>	
<u>70.</u>	<u>11 December 2012</u>	<u><a href="#">Letter from the VCGLR (Steve Thurston) to Crown (Susan Cassinides, Compliance Coordinator) approving the updated DACOM Host version 5.2 for operation in Crown's gaming network.</a></u>	<u><a href="#">VCG.0001.0004.7445</a></u>
<del>55.</del> <u>71.</u>	17 December 2012	<p>Crown Revenue Audit and Reporting ICS, Version 2.0. The VCGLR approved it on 17 December 2012.</p> <p>The Core Principles remain unchanged from Version 1.0 dated 31 August 2010.</p> <p>A new section 2.4.3 was added.</p> <p><b>2.4.3 Audit and reconciliation of gaming activity will be conducted at a frequency that will ensure accurate reporting of monthly Gross Gaming Revenue for the purpose of calculating taxes and fees payable by Crown.</b></p> <p>The Risk Assessment Matrix maintains a rating of "Low" for "Incorrect reporting of Gross Gaming Revenue to Victorian Commission for Gambling Regulation".</p>	VCG.0001.0002.9198

		<p>(a) <b>Risk Assessment Matrix</b> The following matrix identifies and evaluates risks inherent in the Revenue Audit and Reporting process as follows:</p> <p>H = High M = Medium L = Low</p> <p>Minimum standards and controls have been identified which address each risk:</p> <table border="1"> <thead> <tr> <th rowspan="2">Risk</th> <th rowspan="2">Initial Risk Rating</th> <th colspan="13">Minimum Standards and Controls</th> </tr> <tr> <th>2.1.1</th> <th>2.1.2</th> <th>2.1.3</th> <th>2.2.1</th> <th>2.2.2</th> <th>2.2.3</th> <th>2.2.4</th> <th>2.2.6</th> <th>2.2.6</th> <th>2.3.1</th> <th>2.3.2</th> <th>2.3.3</th> <th>2.3.4</th> <th>2.4.1</th> <th>2.4.2</th> <th>2.4.3</th> </tr> </thead> <tbody> <tr> <td>Incorrect reporting of Gross Gaming Revenue to Victorian Commission for Gambling Regulation</td> <td>L</td> <td></td> <td></td> <td>X</td> <td>X</td> <td></td> <td>X</td> <td>X</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>X</td> <td>X</td> <td>X</td> </tr> </tbody> </table>	Risk	Initial Risk Rating	Minimum Standards and Controls													2.1.1	2.1.2	2.1.3	2.2.1	2.2.2	2.2.3	2.2.4	2.2.6	2.2.6	2.3.1	2.3.2	2.3.3	2.3.4	2.4.1	2.4.2	2.4.3	Incorrect reporting of Gross Gaming Revenue to Victorian Commission for Gambling Regulation	L			X	X		X	X							X	X	X	
Risk	Initial Risk Rating	Minimum Standards and Controls																																																		
		2.1.1	2.1.2	2.1.3	2.2.1	2.2.2	2.2.3	2.2.4	2.2.6	2.2.6	2.3.1	2.3.2	2.3.3	2.3.4	2.4.1	2.4.2	2.4.3																																			
Incorrect reporting of Gross Gaming Revenue to Victorian Commission for Gambling Regulation	L			X	X		X	X							X	X	X																																			
<del>56.</del> <u>72.</u>	17 December 2012	<p>Crown Revenue Audit and Reporting SOP, Version 3.0. This was reviewed by the VCGLR on 17 December 2012.</p> <p>The relevant sections remain unchanged from the 15 October 2012 draft Crown Revenue Audit and Reporting SOP.</p>	VCG.0001.0002.9207																																																	
<u>73.</u>	<u>20 February 2013</u>	<p><a href="#">Email from the VCGLR to Crown (Michelle Fielding and others), attaching a letter from the VCGLR (Steve Thurston) to Crown (Petar Panich) regarding Approval of Updated Network Policy Document SPOL004 Issue 6.0.</a></p> <p><a href="#">There is no reference to “IGT Host” or “bonus” in the Network Policy Document.</a></p> <p><a href="#">Sections 3.1 and 3.2 refer to connections between SYCO Host and Dacom Host.</a></p> <p><a href="#">The Notes on “SYCO Host” Group on page 15 states:</a></p> <table border="1"> <tr> <td>SYCO_Host</td> <td>-</td> </tr> <tr> <td></td> <td>(SYCO) For player data, player ratings, promotions</td> </tr> <tr> <td></td> <td>• GIS-SYCO-01</td> </tr> </table>	SYCO_Host	-		(SYCO) For player data, player ratings, promotions		• GIS-SYCO-01	<p><a href="#">VCG.0001.0004.6053</a></p> <p><a href="#">VCG.0001.0004.6054</a></p>																																											
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	• GIS-SYCO-01																																																			
<del>57.</del> <u>74.</u>	June 2013	<p>Fifth Casino Review.</p> <p>Page 77: “While the Casino Control Act sets out the tax framework, the Casino Management Agreement Act sets out the taxes and fees the Melbourne Casino operator must pay to the State from its gambling revenue.”</p> <p>Page 129: “The VCGLR receives a daily record of gambling revenue and tax from the casino operator and audits this information for accuracy on an ongoing basis. Noting the taxation matter excluded from this review in Chapter 1.1 [<i>the poker tax issue</i>], there have been no issues with the payment or calculation of tax by Crown Melbourne Limited between 2008 and 2013.”</p>	<p><a href="https://www.vcglr.vic.gov.au/sites/default/files/report_fifth%2Bcasinoreview_finalreport.pdf">https://www.vcglr.vic.gov.au/sites/default/files/report_fifth%2Bcasinoreview_finalreport.pdf</a></p>																																																	
<del>58.</del> <u>75.</u>	10 December 2013	<p>BMM Recommendation for Approval to install the IGT Advantage System and EZPay Mag-card Cashless at Crown’s request dated 23 September 2013. This is a system approval and the application does not refer to GGR.</p>	<p>VCG.0001.0005.0649 (PDF page 34)</p>																																																	

		<p><b>1. PURPOSE</b></p> <p>Crown is seeking approval from The Commission to install the IGT Advantage System (ABS 9.2 SP1 HF1) and EZPay Mag-card Cashless for operation in Crown Casino.</p> <p>The primary reason for a <b>System Upgrade</b> of the existing legacy AG3 system to the IGT Advantage System (ABS 9.2 SP1 HF1) and EZPay Mag-card Cashless; is to provide better system redundancies and to provide Crown with a system that is better supported by IGT.</p> <p>With this system upgrade, the existing gaming functionalities are preserved and no new functionalities are introduced.</p> <p>The changes made for the system upgrade can be summarised as follows:</p> <ul style="list-style-type: none"> <li>(a) The updated system now runs in a Virtualised Server environment (instead of individual dedicated servers);</li> <li>(b) The Bonus Servers (such as Lucky Coin, Carded Lucky Coin, Linked Progressive, Carded Lucky Time) are now run as Windows Services in a Virtualised Server environment, while maintaining the currently approved functionalities;</li> <li>(c) Upgrade the magnetic card cashless gaming functionality from Coinless Transit Server (CTS) to EZPay Mag-card Cashless, while maintaining the currently approved functionalities; and</li> <li>(d) Updated both the BE2 and VFD menu software to accommodate the implementation of EZPay mag-card Cashless</li> </ul> <p><b>Note:</b> For this system upgrade,</p> <ul style="list-style-type: none"> <li>(a) There is no change in the BE2 hardware.</li> <li>(b) There is no change in the Bank Controller, both hardware and software.</li> </ul> <p><b>2. EVALUATION PERFORMED</b></p> <p>BMM has evaluated the IGT Advantage System (ABS 9.2 SP1 HF1) and EZPay Mag-card Cashless according to the documents supplied by IGT.</p> <p>The scope of BMM's evaluation is as below:</p> <p>[...]</p> <p><b><u>Jackpot Bonusing: (Link Progressive, Lucky Coin, Carded Lucky Coin &amp; Carded Lucky Time)</u></b></p> <ul style="list-style-type: none"> <li>• Source code review &amp; witness compilation</li> <li>• RNG verification (excluding Link Progressive)</li> <li>• Jackpot pool reconciliations</li> <li>• Correct operation of pool broadcast on Overhead &amp; In-Machine displays</li> <li>• Correct operation of jackpot wins - Autopay &amp; Handpay</li> <li>• Verification of jackpot related messages appearing on BE2 VFD display</li> <li>• Concurrent credit transfers of jackpot wins with Xtra-Credit, Welcome Back, etc.</li> <li>• Correct operation of bonus server under a variety of faults and error conditions</li> </ul> <p>[...]</p> <p>BMM's evaluation involved verifying the above system functionality (via functional testing, where applicable; according to the test plan and source code analysis), and general regression testing which BMM performed to a level that was deemed adequate for this type of release.</p> <p><b>3. RECOMMENDATION</b></p> <p>BMM has verified the IGT Advantage System (ABS 9.2 SP1 HF1) and EZPay Mag-card Cashless against VCGA TRD V3.0 (where applicable), and recommends that The Commission approve the IGT Advantage System (ABS 9.3 SP1 HF1) and EZPay Mag-card Cashless for operation in Crown Casino:</p>	
59-76.	11 December 2013	Letter from Crown (Petar Panich, Assistant Compliance Manager) to the VCGLR.	VCG.0001.0005.0649 (PDF page 48)

		<p>In accordance with s62 and 64 of the Casino Control Act 1991 (Vic), Crown Melbourne Limited ('Crown') seeks approval from the Victorian Commission for Gambling and Liquor Regulation ('VCGLR') to implement the IGT Advantage (ABS 9.2 SP1 HF1) and EZPay Mag-card Cashless systems in the Crown Electronic Monitoring System ('EMS').</p> <p>The implementation of IGT Advantage (ABS 9.2 SP1 HF1) incorporates upgraded software to all of the major components of the Advantage Bonusing System ('ABS').</p> <p>The implementation of the EZPay Mag-card Cashless system incorporates the migration of all existing player data including, but not limited to, patron accounts and balances from the CTS Cashless system to the new EZPay Mag-card Cashless system.</p> <p>The approved, independent testing company, BMM commenced testing in September 2013 and have recently concluded their software evaluation. The BMM recommendation for IGT Advantage (ABS 9.2 SP1 HF1) and EZPay Mag-card Cashless is included with this submission.</p> <p>Additionally, the BMM recommendation includes details of upgraded software versions to the major components, being Concentrator, Translator, Configuration Workstation and Bonus Server software in the EMS.</p> <p>It should be noted that no new functionality is being introduced as part of the system upgrade as the systems are designed and configured to replicate existing functionality and to facilitate improved disaster recovery as a result of the implementation on a new technology platform.</p> <p>It is also expected that this upgrade will form the foundation for future additional functionality such as the ability to meet pre-commitment requirements which will require additional module development, testing and approval prior to installation in the production environment.</p>	
60.77.	19 December 2013	<p>BMM Recommendation for Approval recommending that the Commission approve the updated Gaming Machine Network Baseline Document (Crown Casino DACOM 6000 Gaming Machine Network Baseline Document (Version 1.2).</p> <p>The Network Baseline Document states:</p> <p><b>Introduction</b></p> <p>This baseline document is a tool for monitoring and verifying the configuration of Crown Casino's Dacom 6000 gaming machine network.</p> <p>The Crown Casino Dacom 6000 gaming machine network baseline includes the Aristocrat Dacom 6000 monitoring system, the IGT EZPay Cashless System, portions of the SYCO player loyalty system and portions of the Storage Area Network (SAN).</p> <p>The baseline document has two purposes:</p> <ol style="list-style-type: none"> <li>1. It defines what modifications or additions to the Crown Casino Dacom 6000 gaming machine network must have approval from the Victorian Commission for Gambling Regulation (VCGR) before being implemented on the production system.</li> <li>2. It defines a method of verifying version control over the Dacom 6000 host system and IGT EZPay Cashless System.</li> </ol> <p><b>System Changes</b></p> <p>This document defines the core "envelope" of the Crown Casino Dacom 6000 gaming machine network that VCGR approval control is maintained over. Thus system changes (or additions) within the baseline (and connection of devices to the baseline) must have VCGR approval before being installed on any production system.</p> <p>Under "Jackpot signage systems are outside of the baseline envelope" it states:</p> <ol style="list-style-type: none"> <li>4. Those parameters and processes within the Syco system which convert Crown Club points to machine credit value must have approval by the VCGR before being modified.</li> </ol>	<p>VCG.0001.0004.7098</p> <p>VCG.0001.0004.7099</p> <p>VCG.0001.0004.7100</p> <p>VCG.0001.0004.7101</p>



<p><del>61-78.</del> 20 December 2013</p>	<p>Letter from Steve Thurston to Petar Panich approving the Network Baseline Document (version 1.2):</p> <p>I refer to Crown's application for approval of the above. Pursuant to section 62 of the <i>Casino Control Act 1991</i> I approve the revised system baseline document effective post implementation of the IGT Advantage System (ABS 9.2 SP1 HF1) and EZPay Mag-card Cashless system to Crown's gaming network.</p> <table border="1" data-bbox="379 371 1174 456"> <thead> <tr> <th>Baseline Document</th> <th>Description</th> </tr> </thead> <tbody> <tr> <td>Crown Casino DACOM 6000 Gaming Machine Network Baseline Document (Version 1.2)</td> <td>See Attached document</td> </tr> </tbody> </table>	Baseline Document	Description	Crown Casino DACOM 6000 Gaming Machine Network Baseline Document (Version 1.2)	See Attached document	<p>VCG.0001.0004.7074 VCG.0001.0004.7076</p>
Baseline Document	Description					
Crown Casino DACOM 6000 Gaming Machine Network Baseline Document (Version 1.2)	See Attached document					
<p><del>62-79.</del> 23 December 2013</p>	<p>VCGLR Memorandum for Approval re Approval of IGT Advantage and EZPay Mag-card Cashless system for operation in Crown Casino's Gaming Machine network.</p> <p><b>ISSUES / COMMENTS:</b></p> <p>6. Crown has applied to replace its existing AG3 bonus system with the IGT Advantage Bonusing ('ABS') system and EZpay Mag-card Cashless ('EZPay') system. This implementation incorporates upgraded software to all of the major components of the ABS and the migration of all existing player data (including patron accounts and balances) from the existing CTS Cashless system to the new EZPay system. The replacement system incorporates upgraded software versions to major existing components, such as the Concentrator, Translator, Configuration Workstation and Bonus Server which together with other new devices of the EZPay system will exist in a virtual environment. The following devices are to be incorporate on the Virtual Machine Servers of the new ABS EZPay system:</p> <ul style="list-style-type: none"> <li>• ACE (Advantage Communication Extension;</li> <li>• Translator and Concentrator;</li> <li>• Bonus Servers;</li> <li>• Configuration Workstation;</li> <li>• EZPay Server; and</li> <li>• SQL Database</li> </ul> <p>Other ABS EZPay system hardware devices include:</p> <ul style="list-style-type: none"> <li>• EZPay Client; and</li> <li>• EZPay Admin Workstation.</li> </ul> <p>In addition to the updated system designed for operation in a Virtualised Server environment (instead of individual dedicated servers), other changes proposed by this system can be summarised as follows:</p> <ul style="list-style-type: none"> <li>• Bonus Servers (such as Lucky Coin, Carded Lucky Coin, Linked Progressive, Carded Lucky Time) will now run as Windows Services in a Virtualised Server environment;</li> </ul> <p>[...]</p> <p>9. The application is accompanied by a report from BMM Australia Pty Ltd (BMM). A copy of the BMM report is attached.</p> <p><b>RECOMMENDATION:</b></p> <p>10. That you approve Crown's application.</p>	<p>VCG.0001.0005.0649 (PDF page 54)</p>				
<p><del>63-80.</del> 23 December 2013</p>	<p>Letter from the VCGLR to Crown (Petar Panich).</p> <p>I refer to Crown's application for approval of the above. Pursuant to section 62 of the <i>Casino Control Act 1991</i> I approve the installation of the IGT Advantage System (ABS 9.2 SP1 HF1) and EZPay Mag-card Cashless system to replace the Acres Bonus System and the Cashless systems currently in operation in Crown's gaming network.</p> <p>[...]</p> <p><b>CONDITIONS:</b></p> <p>(a) Crown must setup the IGT Advantage Casino Systems (ABS 9.2 SP1 HF1) and EZPay Mag-card Cashless with correct databases, system parameters and system registry settings, jackpot/bonusing parameters and configurations, etc. prior to operation on the gaming floor.</p> <p>(b) Crown must ensure that CTS data migration from the existing legacy Cashless CTS system (especially the patron accounts and current balances) to the updated EZPay Cashless System is successful and the EZPay Cashless System works correctly prior to live operation on the gaming floor.</p> <p>(c) Crown must ensure that current jackpot pool values and approved jackpot configurations are entered correctly on the updated IGT Advantage ABS System prior to live operation on the gaming floor.</p> <p>(d) Crown must develop and have gained Commission approval for the following documents prior to live operation on the gaming floor:</p> <ul style="list-style-type: none"> <li>• Network Policy Document (NPD)</li> <li>• System Baseline Document</li> <li>• Storage Area Network (SAN) Document</li> </ul> <p>(e) Cashless gaming functionalities are available for EGMs only (i.e. not for Fully Automated Table Games, FATGs and Semi-Automated Table Games, SATGs).</p>	<p>VCG.0001.0004.7073 VCG.0001.0004.7074 VCG.0001.0004.7075 VCG.0001.0004.7076</p>				

<p><u>81.</u></p>	<p><u>May 2014</u></p>	<p><a href="#">Aristocrat’s DACOM 6000 Host Version 5.32 Release Documentation, which contains information on all changes that have been implemented within Version 5.32 of the DACOM 6000 Host software released to Crown Casino Melbourne. A copy of this document was not provided by Crown or BMM to the VCGLR, in support of the application made, in mid-2014 (see below) when Crown sought approval of the installation of DACOM 6000 Host Version 5.32. Release documentation such as these have historically not been provided to the VCGLR when Crown sought approval regarding changes to its systems.</a></p> <p><a href="#">PDF page 10 states:</a></p> <p>aristtof_g.4gi, aristtoferf_g.4gi, cashanl_g.4gi, cashpay_g.4gi, egmanl_g.4gi, egmrev_g.4gi, egmvar_g.4gi, grpperf_g.4gi, macdown_g.4gi, macperf_g.4gi, perfanl_g.4gi, reconf_g.4gi, redflag_g.4gi, revcomp_g.4gi, sumperf_g.4gi, dailyrev_g.4gi</p> <p>Relevance: Gaming Systems Support/Gaming Revenue/Gaming Analysts Documentation Changes: No Change Note: d6-1195</p> <ul style="list-style-type: none"> <li>• Modify calculation of Bonus Jackpots to include a sum of all promotional tickets inserted into an EGM for the trading period reported. As all tickets will be Type 3 and therefore uncollectable the ticket is determined to be redeemed at the time of insertion in to the EGM.</li> </ul> <hr/> <p><a href="#">PDF page 6 explains what a Type 3 is:</a></p> <div data-bbox="379 898 1155 1305" style="border: 1px solid black; padding: 5px;"> <pre> U5.32 ENC d83898.int PROMOTIONAL TICKET CONFIGURATION 17.543.0 Crown SouthBank ----- .SYSGEN --- Ctrl-B:Ticket Batches --- Ctrl-I:Batch Info. --- Ctrl-U:Void Batches ---  Promotion Code      : TEST1 Promotion Description : TEST NUMBER 1 Ticket Type         : 3 - Non-Cashable Promotional Coupon Redemption Device Type : EGM Promotion Status    : A - ACTIVE  ----- Enter Promotional Ticket Code             </pre> </div> <ul style="list-style-type: none"> <li>○ Promotion Code – Short code to describe the name of the promotion. Max. 5 characters</li> <li>○ Promotion Description – Brief description of promotion</li> <li>○ Ticket Type – Type of ticket to be printed. Possible ticket types are:             <ul style="list-style-type: none"> <li>▪ 1 – Cashable Credits (not supported)</li> <li>▪ 2 – Cashable Promotional Credits (not supported)</li> <li>▪ 3 – Non-Cashable Promotional Credits (default entry)</li> </ul> </li> <li>○ Redemption Device Type – Type of device where promotional ticket can be redeemed. Possible device types are:             <ul style="list-style-type: none"> <li>▪ EGM (default entry)</li> <li>▪ MTET (not supported)</li> </ul> </li> <li>○ Promotion Status – Displays the current status of the promotion. Possible promotion status' are:             <ul style="list-style-type: none"> <li>▪ A – Active promotion able to create ticket batch's</li> <li>▪ D – De-Activated promotion unable to create ticket batch's</li> </ul> </li> </ul>	<p><a href="#">VCG.0001.0004.9121</a></p>
<p><u>82.</u></p>	<p><u>16 May 2014</u></p>	<p><a href="#">Letter from BMM to Crown regarding “Revised recommendation for approval for the installation of Dacom 6000 (Version 5.32) for operation in Crown Casino” which states, among other things:</a></p>	<p><a href="#">VCG.0001.0004.7153</a></p>

		<p><b>1. PURPOSE</b></p> <p>Crown is seeking approval from The Commission to install Dacom 6000 (Version 5.32) for operation in Crown Casino. The reasons for this update are:</p> <p><b>Rectifications:</b></p> <ul style="list-style-type: none"> <li>a) Modified code to ensure that bonus jackpots are updated to VOID when players are removed from eligibility.</li> <li>b) Modified bonus jackpots configuration screen to correctly account for non-cash prizes.</li> <li>c) Modified code to address the issue when the processing of ticket batch in the cashier screen was not working.</li> <li>d) Modified code to ensure that the standard empty report is shown when the report has no data.</li> <li>e) Fixed the syntax error (missing comma) in the purging script.</li> <li>f) Fixed the Aristocrat Time-On-Floor Performance Report where the query was returning more than one record for a particular game name selection criterion.</li> <li>g) Fixed Dacom Crown Data Warehouse (CDW) report such that the TITO paid records is extracted using the paid trading date (instead of the print trading date).</li> <li>h) Modified EFC reports to include Member Money Jackpot (MMJ) increments and updated bonus jackpots non-cash prize configuration.</li> <li>i) Modified daily jackpot government report to include Carded Lucky Time "Variable Prize" payout type jackpots.</li> <li>j) Modified code to prevent Jackpot Member Report from crashing due to ratings overlapping at the time of a jackpot.</li> </ul> <p><a href="#">[...]</a></p> <p><b>3. RECOMMENDATION</b></p> <p>BMM has verified the Dacom 6000 (Version 5.32) against VCGA TRD V3.0 (where applicable), and recommends that The Commission approve the following software for operation in Crown Casino:</p> <p><b>SOFTWARE DETAILS</b></p> <table border="1" data-bbox="422 974 1129 1131"> <thead> <tr> <th colspan="3">Software Details</th> </tr> <tr> <th colspan="3">Dacom 6000</th> </tr> <tr> <th>Description</th> <th>Version Number</th> <th>Checkdisk CRC</th> </tr> </thead> <tbody> <tr> <td>Dacom 6000</td> <td>5.32</td> <td>64161</td> </tr> </tbody> </table>	Software Details			Dacom 6000			Description	Version Number	Checkdisk CRC	Dacom 6000	5.32	64161	
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<p><a href="#">83.</a></p>	<p><a href="#">20 May 2014</a></p>	<p><a href="#">Email from the VCGLR to Crown (Michelle Fielding and others), attaching a letter from the VCGLR to Crown dated 19 May 2014 approving Updated Network Policy Documents SPOL004 Issues 10.0, 11.0, and 12.0.</a></p> <p><a href="#">Issue 10.0 which is dated 17 March 2014 includes the following changes by Crown which refers to "bonus":</a></p> <p><b>Added GAM-EZSQL-01, GAM-SQL-01, GMN-ABS-01, GMN-ADI-01, GMN-ADI-02, GMN-BONUS-01, GMN-BONUS-02, GMN-BONUS-03, GMN-BONUS-04, GMN-BONUS-05, GMN-BONUS-06, GMN-BONUS-07, GMN-BONUS-08, GMN-BONUS-09, GMN-BONUS-10, GMN-BONUS-11, GMN-BONUS-12, GMN-BONUS-13, GMN-BONUS-14, GMN-BONUS-15, GMN-CWS-01, GMN-DC-01, GMN-DC-02 and GMN-EFT-01 to IGT_Host group</b></p> <p><a href="#">Sections 3.1 and 3.2 refer to connections between SYCO Host and Dacom Host. The Notes on "SYCO Host" Group states:</a></p> <table border="1" data-bbox="379 1742 1177 1814"> <tr> <td>SYCO_Host</td> <td>(SYCO) For player data, player ratings, promotions • GIS-SYCO-01</td> </tr> </table>	SYCO_Host	(SYCO) For player data, player ratings, promotions • GIS-SYCO-01	<p><a href="#">VCG.0001.0004.7160</a></p> <p><a href="#">VCG.0001.0004.7161</a></p> <p><a href="#">VCG.0001.0004.7162</a></p> <p><a href="#">VCG.0001.0004.7163</a></p> <p><a href="#">VCG.0001.0004.7164</a></p>										
SYCO_Host	(SYCO) For player data, player ratings, promotions • GIS-SYCO-01														
<p><a href="#">84.</a></p>	<p><a href="#">3 June 2014</a></p>	<p><a href="#">Email from Crown (Matt Asher) to the VCGLR regarding DACOM 5.32 application for approval which states, among other things:</a></p> <p>Modified code to ensure that bonus jackpots are updated to VOID when players are removed from eligibility. Self-explanatory (When earned entitlements expire they remain in the Dacom database as issued but not redeemed - this will clean up the Dacom database) E.g. Welcome back. Modified bonus jackpots configuration screen to correctly account for non-cash prizes. <b>Bug fix for a display issue in the configuration screen.</b></p> <p><a href="#">[...]</a></p>	<p><a href="#">VCG.0001.0004.7152</a></p>												

		<p>Modified EFC reports to include Member Money Jackpot (MMJ) increments and updated bonus jackpots non-cash prize configuration.</p> <p>MMJ change as per Corrie request (to include this increment in report).</p> <p>Change to bonus jackpot reporting, bug fix - will eliminate requirement for manual adjustments for non-cash prizes in future.</p> <p><a href="#">[...]</a></p> <p>Removed all requirements of external controller for the deduction of VARPZ prize value from revenue for Carded Lucky Time (CLT) Jackpots.</p> <p>All VARPZ (variable prize) jackpot hits will now be deducted from revenue automatically rather than having to be a manual adjustment. Currently this prize type only deducts from revenue with external jackpot celebration system. E.g. Bonus Jackpot – Carded Lucky Time such as fuel vouchers.</p>										
<a href="#">85.</a>	<a href="#">11 June 2014</a>	<p><a href="#">Letter from BMM to Crown, attaching revised recommendation for approval for the installation of DACOM 6000 (Version 5.33) for operation in Crown Casino.</a></p> <p><a href="#">Crown provides a copy of BMM’s recommendation to the VCGLR on 17 June 2014.</a></p>	<a href="#">VCG.0001.0002.9331</a> <a href="#">(PDF pages 2 and 10)</a>									
<a href="#">86.</a>	<a href="#">19 June 2014</a>	<p><a href="#">Letter from BMM to Crown, attaching revised recommendation for approval for the installation of DACOM 6000 (Version 5.33) for operation in Crown Casino and including software rectifications for DACOM version 5.32 as detailed in Section 1 of BMM’s report.</a></p> <p><a href="#">Crown provides a copy of BMM’s recommendation to the VCGLR on 19 June 2014.</a></p>	<a href="#">VCG.0001.0002.9331</a> <a href="#">(PDF pages 6 and 11)</a>									
<a href="#">87.</a>	<a href="#">19 June 2014</a>	<a href="#">VCGLR recommendation for approval of DACOM host version 5.33 for operation in Crown Casino’s Gaming Machine network.</a>	<a href="#">VCG.0001.0002.9331</a> <a href="#">(PDF page 14)</a>									
<a href="#">88.</a>	<a href="#">19 June 2014</a>	<p><a href="#">Letter from the VCGLR to Crown, approving the updated DACOM Host version 5.32 for operation in Crown’s gaming network.</a></p> <p>I refer to Crown’s application for approval of the above. Pursuant to section 62 of the <i>Casino Control Act 1991</i> I approve the updated DACOM Host version 5.32 for operation in Crown’s gaming network.</p> <p><b>Software Details</b></p> <table border="1"> <thead> <tr> <th colspan="3">Dacom 6000</th> </tr> <tr> <th>Description</th> <th>Version Number</th> <th>Checkdisk CRC</th> </tr> </thead> <tbody> <tr> <td>Dacom 6000</td> <td>5.33</td> <td>20205</td> </tr> </tbody> </table>	Dacom 6000			Description	Version Number	Checkdisk CRC	Dacom 6000	5.33	20205	<a href="#">VCG.0001.0002.9331</a>
Dacom 6000												
Description	Version Number	Checkdisk CRC										
Dacom 6000	5.33	20205										
<a href="#">89.</a>	<a href="#">10 March 2015</a>	<p><a href="#">Letter from Crown to the VCGLR, enclosing legal advices from Neil Young QC and Chris Young regarding:</a></p> <ul style="list-style-type: none"> <li>• <a href="#">Payment of Casino Tax on Free Play Vouchers dated 30 January 2015; and</a></li> <li>• <a href="#">Payment of Casino Tax on “Lucky Money” dated 19 December 2014.</a></li> </ul>	<a href="#">VCG.0001.0002.9072</a>									
<a href="#">90.</a>	<a href="#">20 April 2015</a>	<a href="#">Letter from BMM to Crown, recommending approval for the installation of updated Linked Progressive Bonus Server and BE2.</a>	<a href="#">VCG.0001.0004.7522</a> <a href="#">(PDF page 2)</a>									
<a href="#">91.</a>	<a href="#">24 April 2015</a>	<a href="#">VCGLR recommendation regarding approval of Bonus Engine BE2 software for operation in Crown Casino’s Gaming Machine network.</a>	<a href="#">VCG.0001.0004.7522</a> <a href="#">(PDF page 7)</a>									

		<p>6. The Bonus Engine 2 (BE2) is hardware installed in EGMs operating in Crown's gaming network. The BE2 is the hardware facility, installed in EGMs and delivers Crown's Player Loyalty service to its gaming machine patrons. In Crown, "player loyalty" equipment forms part of Crown's monitoring network.</p> <p>7. Crown is seeking approval for two software versions for the BE2, being :-</p> <ul style="list-style-type: none"> <li>• BE2 (for EGMs with VFD(Vacuum Fluorescent Display)); and</li> <li>• BE2 (for EGMs with UGA (Universal Game Adapter) service window).</li> </ul> <p><b>REASONS FOR RECOMMENDATION:</b></p> <p>8. Changes submitted are described by the ATF as a 'bug fix', and relate to the recording of metered activity and the treatment of 'Carded Lucky Time'.</p> <p>9. Both BE2 software versions perform the same functions. The updated functionality is included in the tester's report.</p> <p>10. The Tester recommended the software, stating that it has conducted a level of testing which has historically been adequate for a submission of this type application. However, inherent in testing in a laboratory environment is the unavoidable limitation of not being possible to verify the effects of all possible configurations and environments that occur in actual gaming venues.</p> <p><b>RECOMMENDATION:</b></p> <p>11. That you approve Crown's application.</p>	
<a href="#">92.</a>	<a href="#">24 April 2015</a>	<a href="#">Letter from the VCGLR to Crown, approving the updated BE2 software for operation in Crown's gaming network.</a>	<a href="#">VCG.0001.0004.7522</a>
<a href="#">93.</a>	<a href="#">10 July 2015</a>	<a href="#">Memorandum of Advice from Leslie Glick QC to the VCGLR regarding the calculation of gross gaming revenue.</a>	<a href="#">VCG.0001.0002.8812</a>
<a href="#">94.</a>	<a href="#">15 July 2015</a>	<p><a href="#">Letter from the VCGLR (Scott May) to Crown (Debra Tegoni) responding to Crown's letter dated 10 March 2015. It states, among other things:</a></p> <p><i>Ordinary definition of revenue</i></p> <p>6. In your letter dated 10 March 2015, you state that Crown's conclusion that the face value of free play vouchers and lucky money should be excluded from the calculation of GGR "accords with the ordinary meaning of "revenue" as income that arises in the course of ordinary activities of an entity".</p> <p>7. This position is further referenced in paragraph 13 of both legal advices of Mr Neil Young QC (as attached to your letter), which concludes that "Crown receives no income or inflow or other financial enhancement from the issue of the voucher itself".</p> <p>8. It is the VCGLR's view that this position confuses two very distinct definitions: "Gross Gaming Revenue" under the Management Agreement and the concept of income or revenue. The question is not whether the face value of free play vouchers and lucky money when received by Crown constitutes income or revenue as those terms are commonly understood for the purposes of the <i>Income Tax Assessment Act</i>, but rather, whether a free play voucher or lucky money when converted into chips and received by Crown represents a sum received by Crown in the conduct of gambling.</p> <p>9. As such, the VCGLR considers that the face value of free play vouchers and lucky money does fall within the definition of GGR as defined in the Management Agreement.</p> <p><a href="#">[...]</a></p> <p><b>Next steps</b></p> <p>13. On the basis of the above, the VCGLR will continue to apply the same interpretation of GGR (i.e. GGR includes the value of free play vouchers and lucky money) and will assess Crown's gaming taxation liability appropriately.</p> <p>14. The VCGLR reserves all rights in the event that Crown takes any action that results in non-compliance with its taxation obligations to the State.</p>	<a href="#">VCG.0001.0002.9073</a>
<del>64-95.</del>	November 2016	<p>Internal VCGLR Licence Management &amp; Audit Documented Procedures - EGM Settlement Reconciliation.</p> <p>At page 1: the objective of this procedure is to "ensure the completeness and accuracy of the end of month taxable gaming revenue and gaming taxes" in relation to EGMs at Crown.</p> <p>This document adopts the same formula for calculating GGR as is contained in the current Revenue and Audit ICS and Revenue and</p>	<a href="#">VCG.0001.0002.9230</a>

		<p><b>Audit SOP.</b></p> <p>Gross Gaming Revenue (GGR) on EGMs at Crown Casino (Crown) is calculated using the following calculation:</p> <p>GGR = TURNOVER - GAME WINS - JACKPOT STARTOUT - VARIABLE PRIZE JACKPOT INCREMENTS - FIXED PRIZE JACKPOT INCREMENTS - BONUS JACKPOTS.</p> <p>The EGMs data including Turnover, Game Wins, Jackpot <u>Startout</u>, Variable Prize Jackpot Increment, Fixed Prize Jackpot Increment and Bonus Jackpot forms part of the daily unadjusted EGMs data, which is transmitted to the VCGLR through EFC file.</p> <p>Crown processes adjustments to the EGM data in relation to various scenarios such as machine meter <u>runaway</u>, jackpot missing polling, EGM fail to poll, etc. Crown provides the Adjustment information to the LMA for verification and revenue and tax calculation.</p> <p>The LMA performs independent calculation of gaming revenue and tax based on the daily unadjusted EGMs data and adjustments.</p> <p>The above calculation is also processed by Crown's DACOM system and the calculated gaming revenue and tax including any adjustment processed for the month provided to the VCGLR as part of GGR statement at the end of the month.</p> <p>The LMA conduct reconciliation of LMA calculated gaming revenue and tax to the figure provided by Crown to ensure the tax calculated and remitted by Crown is accurate and any adjustment processed by Crown is evidence-based.</p> <p>It should be noted that this audit is also performed at the 20th of the month, as an interim check, and then the audit sheet is completed at the end of the month.</p> <p>The casino tax is required to be paid on the 7<sup>th</sup> business day of the following month.</p> <p>At pages 2-3 a four-step audit process is outlined:</p> <p style="padding-left: 40px;">1. Daily Data Reconciliation of EGM Gaming Revenue</p> <p>On a monthly basis, obtain the month end figures from the following data sources to be used for the GGR calculations:</p> <ol style="list-style-type: none"> <li>1) Unadjusted GGR and Adjusted GGR (as per Gammon GAR105A Report)</li> <li>2) Revenue Modification Report from Crown for all the adjustment processed</li> <li>3) GGR6 in the GGR statement</li> <li>4) Adjusted EGM figure in spreadsheet format</li> </ol> <p>By using the 1) and 2) data sources above, fill in the spreadsheet of ' Daily Data Settlement Total', 'Daily Data Settlement CBP' and 'Daily Data Settlement General' to produce the calculated GGR figure. The calculation is using the unadjusted GGR based on daily data file and the daily adjustment processed by Crown.</p> <p>Update the Crown reported GGR by using Crown GGR 6, enter them into the required column on the settlement spreadsheet.</p> <p>Compare the VCGLR calculated GGR to the Final GGR amount provided by Crown in the GGR/6. The variances could be a result of sum of daily rounding differences. The tolerance of total EGM GGR variance is \$150. Investigate if total variance of EGM GGR is greater than \$150.</p> <p style="padding-left: 40px;">2. Identification of Line Adjustment, that require further processing into Gammon.</p> <p><b>2) Identification of Line Adjustment, that require further processing into Gammon.</b></p> <p>Crown processes line adjustment for any late adjustment required. This is provided in the GGR6 of GGR statement and also the EGM spreadsheet provided by Crown.</p> <p>The auditor investigates and request adjustment supporting document to explain the line adjustment.</p> <p>The line adjustment amounts will need to be manually adjusted to the Gammon database. Refer to separate audit program re adjusting gammon gaming data.</p> <p style="padding-left: 40px;">3. Summary of Daily GGR to produce Monthly GGR</p>	
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		<p><b>3) Summary of Daily GGR to produce Monthly GGR</b></p> <p>Upon verifying the daily EGMs GGR using the above audit steps, the LMA independently calculates the monthly gross gaming revenue, using the Monthly EGM Settlement working sheet, to ensure it reconciles with the gross gaming revenue reported by Crown in the GGR statement.</p> <p>The independent calculation of the monthly GGR for EGMs based on the unadjusted GGR and the adjustments from the daily analysis.</p> <p>Reconcile the VCGLR calculated GGR to the figure reported in Crown GGR statement. Zero tolerance to GGR variance apart from rounding.</p> <p>4. Calculation of Gaming Taxes</p> <p><b>4) Calculation of Gaming Taxes</b></p> <p>Upon verifying the GGR amount using the above audit steps, the LMA independently calculates the tax payable to ensure it reconciles with the reported tax by Crown.</p> <p>Check the prescribed rates of tax as detailed in the <i>Casino Control Act 1991</i> or <i>Casino Control (Management Agreement) Act 1993</i>, with regards to both casino tax and community benefit levy.</p> <p>Using the Final GGR verified above, the monthly GGR for general EGMs and CBP EGMs will be automatically populated in the 'EGM Tax Rec' tab.</p> <p>Compare the calculated tax to the figure reported in Crown GGR statement. Zero tolerance to tax variances apart from rounding.</p> <p>Enter the Crown reported gaming revenue for general and CBP EGM, perform the reconciliation to the VCGLR calculated figure.</p>	
<u>96.</u>	<u>28 February 2017</u>	<p><a href="#">Letter from BMM to Crown recommending approval for the installation of updated Carded Lucky Time Bonus Server (version 1.20 SP2) for operation in Crown Casino.</a></p> <p><a href="#">Crown provides the VCGLR with a copy of BMM's letter on 1 March 2017.</a></p>	<p><a href="#">VCG.0001.0004.7812</a></p> <p><a href="#">VCG.0001.0004.7813</a></p>
<del>65.</del> <u>97.</u>	1 March 2017	Email from the VCGLR to Crown requesting for a SYCO system overview focussing on gambling aspects and to invite LMA.	VCG.0001.0002.9253
<del>66.</del> <u>98.</u>	2 March 2017	<p>Crown responds via email from Sandy Assaf of Crown (audit coordinator) copying Crown's Compliance business unit, including Michelle Fielding.</p> <p><b>ETG &amp; SYCO - Tuesday 7 March Morning</b></p> <p>Proposed agenda:</p> <ol style="list-style-type: none"> <li>1. Quick Audit Catch-up - <i>potentially a very quick one (Crown would like to discuss new RFI list for ETG and Ezpay.)</i></li> <li>2. Overview of FATGs/SATGs</li> <li>3. Data transfer from FATGs/SATGs to VCGLR - <i>possible topics - data integrity, data movements, financial calculations and adjustments performed for FATGs/SATGs</i></li> <li>4. SYCO Overview - <i>will need a SYCO expert who knows the system inside out with focus on the gambling aspects Need more info as to why SYCO is on RFI, no Syco expert will be present in this meeting until further information is provided by VCGRL and discussed with Compliance.</i></li> <li>5. Floor / test walkthrough of the ETGs – <i>will be scheduled after this meeting.</i></li> </ol>	VCG.0001.0002.9254
<del>67.</del> <u>99.</u>	2 and 3 March 2017	Shiva Anandaganeshan has a discussion with Michelle Fielding about access to a SYCO expert, and reports on this discussion to her internal VCGLR team.	VCG.0001.0002.9255

		<p>Hi Ashley and James,</p> <p>Yesterday I had a chat with Michelle. Her concerns were why Syco audit (the dot point 4) and why Licensing joining us. When I explained to her that we are doing our audit on ETG's and we want to understand the data flow to and from SYCO, if any, and also the Syco's contribution to ensure data integrity of ETGs data. Relating to Evaluation team I explained to her that we consult each other on all aspects of compliance, security and controls and I invited them for knowledge base on ETGs and no other intention. Hope she will send the right message to her staff.</p> <p>This morning the Tabcorp building move people were here they are very happy with what we have done up to now and had few suggestions on printers, printer cartridges, files on the table, box files, stationary etc. We will discuss that on Tuesday.</p> <p>Have a great weekend.</p> <p>Kind regards,</p> <p>Shiva</p> <p>Shiva Anandaganeshan Manager Systems Assurance Compliance</p>									
<a href="#">100.</a>	<a href="#">7 March 2017</a>	<p><a href="#">VCGLR recommendation regarding approval of variation to Crown's Bonus Server software – CCA s 62 – Carded Lucky Time exe 1.20 SP2 – #17170.</a></p> <p><b>COMMENT:</b></p> <p>6. Crown is seeking to amend its Bonus Server software which sits within Crown's Bonusing system, being:</p> <ul style="list-style-type: none"> <li>- Carded Lucky Time v1.20.14.0200 (#17170).</li> </ul> <p>7. The modification contains a number of fault fixes and enhancements, detailed below:</p> <p><b>Fault Fixes</b></p> <ul style="list-style-type: none"> <li>• Modified code to ensure that upon start-up, the bonus server requests for the key/seed from the Floor Training Device (FTD) Bonus Server, and verifies that it has a working set.</li> <li>• Modified code to ensure that the amount shown in the Award Re-schedule dialog box is correct.</li> <li>• Modified code so that jackpot hits correctly clear from active jackpots once processed.</li> <li>• Modified code to prevent the restarting of the bonus server when it has more than three non-fatal exceptions.</li> <li>• Modified code to allow the restart of the bonus server when it has fatal exception which stops the software from running.</li> <li>• Modified code so that the bonus server does not log zero amount celebration prizes for uncarded players playing "eligible" gaming machines; in the IGT Machine Accounting (MA) Significant Event log. [Note: This rectification has no impact on Crown gaming environment].</li> </ul> <p><b>Enhancements</b></p> <ul style="list-style-type: none"> <li>• Modified code to enhance the handling of meter corruption and tightening the critical memory check.</li> </ul>	<a href="#">VCG.0001.0004.7807</a>								
<a href="#">101.</a>	<a href="#">9 March 2017</a>	<p><a href="#">Letter from the VCGLR to Crown (Jacqueline Couch) approving the variation to Crown's bonus server software "Carded Lucky Time" for operation in Crown's gaming network.</a></p> <p>Dear Ms Couch</p> <p><b>APPROVAL OF VARIATION TO CROWN'S BONUS SERVER SOFTWARE "CARDED LUCKY TIME" FOR OPERATION IN CROWN'S GAMING NETWORK</b></p> <p>I refer to Crown's application for approval of the above. Pursuant to section 62 of the <i>Casino Control Act 1991</i> I approve the variation to the Bonus Server software in operation in Crown's gaming network as detailed below:</p> <p style="text-align: center;"><b>BONUS SERVER SOFTWARE</b></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Component</th> <th style="text-align: left;">Version</th> <th style="text-align: left;">SCF*</th> <th style="text-align: left;">SHA 1</th> </tr> </thead> <tbody> <tr> <td>Carded Lucky Time (WCLT.exe)</td> <td>1.20.14.0200</td> <td>4FD5</td> <td>586811448c4314e91381f6ae309816cca8daaed8</td> </tr> </tbody> </table> <p><i>Note: The CRC (SCF) and version values are as shown on the CWS Code Image Manager</i></p>	Component	Version	SCF*	SHA 1	Carded Lucky Time (WCLT.exe)	1.20.14.0200	4FD5	586811448c4314e91381f6ae309816cca8daaed8	<p><a href="#">VCG.0001.0002.9670</a></p> <p><a href="#">VCG.0001.0002.9671</a></p>
Component	Version	SCF*	SHA 1								
Carded Lucky Time (WCLT.exe)	1.20.14.0200	4FD5	586811448c4314e91381f6ae309816cca8daaed8								
<del>68.</del> <a href="#">102</a>	6 April 2017	Crown emailed the VCGLR stating that SYCO does not do point conversion and that point conversion occurs in the Floor Training Device and DACOM.	VCG.0001.0002.9251								
<del>69.</del> <a href="#">103</a>	13 April 2017	The VCGLR emailed Crown to get some further clarification on DACOM's relationship with SYCO on loyalty points. Crown's response was:	VCG.0001.0002.9258								



		<p>Hi Sandy,</p> <p>Everything I need to complete my area has been replied except for one email (sent 10/4 2:59PM) regarding:</p> <p><i>It was mentioned this morning that DACOM and SYCO both holds the same data for patrons' points - DACOM deals with points for the gaming side of things and SYCO does F&amp;B/retail/hotel etc. Dacom and Syco both hold the point balance.</i></p> <p><i>Would it be possible to identify a player and number of points on DACOM? Yes you can search a patron in Dacom and see how many points they have.</i></p> <p><i>Also, does the SYCO - Advantage Interface play a role in this? Syco and Dacom talk to each other through an interface to get an update on the point balance.</i></p> <p>This is mainly for clarification for Shiva's requested meeting with Paul and Pete.</p>	
<a href="#">70:104</a>	21 April 2017	Email from Crown (Jacqueline Couch) to the VCGLR, attaching for review and approval a copy of Crown's Systems Baseline document for Gaming Machines titled "Crown Melbourne DACOM 6000 Gaming Machine Network Baseline Document".	VCG.0001.0004.6237 VCG.0001.0004.6238
<a href="#">71:105</a>	9 June 2017	<p>Memorandum for Approval by the Licensing Division regarding approval of variation to Crown's Systems Baseline document for Gaming Machines, enclosing a Gap Analysis performed by the VCGLR. The Gap Analysis noted the following gap between the current and proposed Systems Baseline document:</p> <p>Old –</p> <p style="padding-left: 40px;">4. Those parameters and processes within the Syco system which convert Crown Club points to machine credit value must have approval by the VCGR before being modified.</p> <p>New –</p> <p style="padding-left: 40px;">No similar statement exists.</p> <p>The Memorandum for Approval noted that no ATF report accompanied Crown's request for approval of a variation to its Systems Baseline document.</p>	VCG.0001.0004.7428
<a href="#">72:106</a>	13 June 2017	<p>Letter from the VCGLR to Jacqueline Couch:</p> <p style="text-align: center;"><b>ASSESSMENT OF REVISED GAMING MACHINE SYSTEM BASELINE DOCUMENT</b></p> <p>I refer to Crown's submission of the revised Gaming Machine System Baseline Document.</p> <p>As discussed in our meeting of 8 June 2017, Crown's submission failed to include key documentation that would ordinarily be required to support a submission of this nature. Such documentation would include, but not limited to, an Authorised Testing Facility's assessment of the proposal.</p> <p>Determination of the baseline components of any gaming systems should also be subject of discussion with the Regulator, prior to a submission being made for approval. This integral part of the process has yet to occur.</p> <p>Therefore at this stage I am unable to make a recommendation for the Commission's approval.</p> <p>As further discussed in our meeting, I look forward to meeting with key Crown personnel to discuss the basis of any baseline changes being proposed, and then receiving an updated submission.</p> <p>Crown sought to amend its Systems Baseline document for Gaming Machines in 2017 (the document was last varied / approved in 2013 by the VCGLR). However, the VCGLR refused to approve the amendments to the document in 2017. Based on present information, it appears that the Systems Baseline document for Gaming Machines last varied / approved in 2013 remains in force today.</p>	VCG.0001.0004.5889 VCG.0001.0004.5890
<a href="#">73:107</a>	29 June 2017	A VCGLR/Crown "Licence Management & Audit - BAU Operational Meeting" is held at Crown Casino. The attendees are:	VCG.0001.0002.8481

		<table border="1"> <thead> <tr> <th>Attendees</th> <th>Title and Business unit/Branch</th> </tr> </thead> <tbody> <tr> <td>Tracy Shen</td> <td>Senior Auditor, Licence Management &amp; Audit</td> </tr> <tr> <td>Doris Zhou</td> <td>Acting Principal Audit Analyst, Licence Management &amp; Audit</td> </tr> <tr> <td>Matthew Asher</td> <td>Strategy and Innovation Manager – Gaming Machine</td> </tr> <tr> <td>Jacqueline Couch</td> <td>Compliance Coordinator – Gaming Machines</td> </tr> </tbody> </table> <p>One of the items discussed is “EGM Jackpot”.</p> <p>EGM Jackpot</p> <ul style="list-style-type: none"> <li>MA explained different types of Jackpot in casino including Linked Progressive, Linked Mystery, Stand-alone Progressive, Stand-alone Mystery and fixed jackpot. Matt introduced Jackpots such as Lucky Time, Carded Lucky Time, Lucky Numbers and Member Money Jackpot. Matt advised Member Money Jackpot is across Table/EGM.</li> <li>TS queried about the impact of different jackpot type on EGM revenue calculation.</li> <li>MA advised there wasn't much difference to EGM revenue calculation. Bonus jackpot includes free play, multiply time, multiple last bet and welcome back voucher, etc.</li> <li>TS requested for a breakdown of bonus jackpot for one day.</li> </ul> <p>The Action Items include Matthew Asher to “provide a breakdown of bonus jackpot for one day”.</p>	Attendees	Title and Business unit/Branch	Tracy Shen	Senior Auditor, Licence Management & Audit	Doris Zhou	Acting Principal Audit Analyst, Licence Management & Audit	Matthew Asher	Strategy and Innovation Manager – Gaming Machine	Jacqueline Couch	Compliance Coordinator – Gaming Machines	
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Jacqueline Couch	Compliance Coordinator – Gaming Machines												
<a href="#">74:108</a>	7 July 2017	<p>Email from Tracy Shen to Jacqueline Couch and Matthew Asher chasing action items from 29 June 2017 meeting.</p> <p>“Thanks for your time last week to discuss the operations of Gaming Machines and Jackpots at Crown. It was very informative.</p> <p>Please find the attached meeting minutes with couple action items for your attention.</p> <p>Let me know if you have any question.”</p>	VCG.0001.0002.8493										
<a href="#">75:109</a>	18 July 2017	<p>Follow up email (to the email dated 7 July 2017) from Tracy Shen to Jacqueline Couch and Matthew Asher of Crown seeking a breakdown of bonus jackpot for one day.</p> <p>“In regards to action point 1, could you please send us a breakdown of bonus jackpot for 11/06/2017 at your earliest convenience?”</p>	VCG.0001.0002.8495										
<a href="#">76:110</a>	3 August 2017	<p>Crown Board Papers and Minutes.</p> <p>PDF page 66 is redacted as follows.</p> <p><u>Crown Melbourne Poker Tax (\$8.5 million, \$6.0 million net of tax)</u>  A provision for \$8.5 million has been recognised in the current period relating to gaming tax payable on poker tournament entry fees. The issue of whether entry fees charged to players to participate in poker tournaments falls within the definition of “gross gaming revenue” has been raised by the VCGLR on various occasions for some time without any resolution. In May 2013 Crown received a letter from the VCGLR on this matter, claiming arrears of tax amounting to \$3.6 million dating back to 2005. Subsequent discussions with the VCGLR seemed to counter the Commission’s claim and then nothing further was raised in the intervening period. In March 2017 a letter from the office of the Minister for Consumer Affairs, Gaming and Liquor Regulation was received by Crown stating that, in the Minister’s view, gaming tax is due and payable on poker tournament entry fees. The calculation of total tax (including super tax) owing by Crown has been updated to cover the period from 2005 to 30 June 2017, and amounts to \$8.5 million.</p> <p>[REDACTED]</p> <p>PDF page 47 is redacted as follows.</p> <p>Tax Report: [REDACTED]</p> <p>These Board Papers and Minutes were provided to VCGLR as a part of the 6CR.</p>	VCG.0001.0001.1992										
<a href="#">77:111</a>	4 August 2017	<p>Governance Plan - Sixth Review of the Casino Licence and Operator.</p>	VCG.0001.0001.1600										

		At page 3: “The review will not be examining the different types of regulation that applies to Crown in relation to matters such as [...] tax rates.”																																			
<a href="#">112.</a>	<a href="#">7 August 2017</a>	<a href="#">Letter from BMM to Crown containing BMM’s report for the recommendation for approval for the installation of the updated Unified Bonus Server (version 3.4) and Bonus Interface Services (3.1.0-120) for the Lucky Time and Lucky Numbers Bonusing Functionalities, for operation in Crown Melbourne Casino.</a>	<a href="#">VCG.0001.0004.7970</a> <a href="#">VCG.0001.0004.7968</a>																																		
<a href="#">113.</a>	<a href="#">22 August 2017</a>	<p><a href="#">VCGLR recommendation regarding approval of variation to Crown’s Bonus Server software – CCA s 62 – Updated Unified Bonus Server (version 3.4) and Bonus Interface Services (version 3.1.0-120) for the Lucky Time and Lucky Numbers Bonusing functionality – #17576.</a></p> <p>COMMENT:</p> <p>6. Crown is seeking to amend its Bonus Server software which sits within Crown’s Bonusing system, being:</p> <ul style="list-style-type: none"> <li>- Unified Bonus Server version 3.3 HF1; and</li> <li>- Bonus Interface Services (version 3.1.0-120).</li> </ul> <p>7. The stated reasons for the change includes:</p> <ul style="list-style-type: none"> <li>• Added the support for Lucky Time bonusing functionality (for both carded and uncarded players).</li> </ul>	<a href="#">VCG.0001.0004.7965</a>																																		
<a href="#">114.</a>	<a href="#">23 August 2017</a>	<a href="#">Letter from the VCGLR to Crown (Jacqueline Couch) regarding approval of variation to Crown’s bonus server software “unified bonus server and bonus interface services” for operation in Crown’s gaming network.</a>	<a href="#">VCG.0001.0002.9448</a> <a href="#">VCG.0001.0002.9447</a>																																		
<del>78.</del> <a href="#">115</a>	5 September 2017	<p>Crown Revenue Audit and Reporting ICS, Version 3.0. This was approved by the VCGLR on 5 September 2017.</p> <p>Crown upgraded its risk rating for “Incorrect reporting of Gross Gaming Revenue to Victorian Commission for Gambling and Liquor Regulation” from “Low” to “Medium”.</p> <p>(a) Risk Assessment Matrix</p> <p>The following matrix identifies and evaluates risks inherent in the Revenue Audit and Reporting process as follows.</p> <p>H = High S = Significant M = Medium L = Low</p> <p>Minimum standards and controls have been identified which address each risk.</p> <table border="1"> <thead> <tr> <th rowspan="2">Risk</th> <th rowspan="2">Initial Risk Rating</th> <th colspan="10">Minimum Standards and Controls</th> </tr> <tr> <th>2.1</th> <th>2.2</th> <th>2.3</th> <th>2.4</th> <th>2.5</th> <th>3.1</th> <th>3.2</th> <th>3.3</th> <th>4.1</th> <th>4.2</th> </tr> </thead> <tbody> <tr> <td>Incorrect reporting of Gross Gaming Revenue to Victorian Commission for Gambling and Liquor Regulation</td> <td>M</td> <td>X</td> <td>X</td> <td></td> <td></td> <td>X</td> <td></td> <td></td> <td>X</td> <td>X</td> <td>X</td> </tr> </tbody> </table>	Risk	Initial Risk Rating	Minimum Standards and Controls										2.1	2.2	2.3	2.4	2.5	3.1	3.2	3.3	4.1	4.2	Incorrect reporting of Gross Gaming Revenue to Victorian Commission for Gambling and Liquor Regulation	M	X	X			X			X	X	X	VCG.0001.0002.9199
Risk	Initial Risk Rating	Minimum Standards and Controls																																			
		2.1	2.2	2.3	2.4	2.5	3.1	3.2	3.3	4.1	4.2																										
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<del>79.</del> <a href="#">116</a>	8 November 2017	<p>Follow up email (to the email dated 7 July 2017) from Tracy Shen to Jacqueline Couch and Matthew Asher of Crown seeking a breakdown of bonus jackpot for one day.</p> <p>“Please find the attached meeting minutes as we still waiting for information in regards to Bonus Jackpot and EGM Imbalance check.</p> <p>Could you please provide us a detailed transaction level breakdown for Bonus Jackpot for one particular day?</p> <p>I have provided you a hard copy of a DACOM screen shoot showing a ‘valid’ imbalance check. As per our earlier discussion, we want to understand the checks and balances behind the scene for us to better understand the process.</p> <p>Your urgent attention is much appreciated.”</p>	VCG.0001.0002.8489 VCG.0001.0002.8490																																		
<del>80.</del> <a href="#">117</a>	18 May 2018	Letter from the VCGLR to Crown (Michelle Fielding) regarding “Technical Requirements Document (TRD) in relation to approval of Gaming Equipment under section 62(2) of Casino Control Act 1991”.	VCG.0001.0004.7429																																		

81,118	28 May 2018	<p>Email from Cate Carr (Executive Director, Office of Liquor, Gaming and Racing, Department of Justice) to Catherine Myers (Chief Executive Officer of the VCGLR) raising some questions around bonus jackpot.</p> <p>“Catherine – Further to our telephone conversation this evening, I think it goes like this:</p> <p>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.</p> <p>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”)</p> <p>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)</p> <p>I think this is worthy of investigating.</p> <p>Technical Requirements for Gaming Machines and Electronic Monitoring Systems in the Melbourne Casino</p> <p>7.1.5 Bonus Jackpot A Bonus Jackpot is one where an EGM is instructed by an external device to pay additional bonus prizes here the amount/multiplier, bonus eligibility”.</p> <p>The VCGLR does not have any records around the context of the discussion between Cate Carr and Catherine Myers.</p>	VCG.0001.0002.8488
82,119	29 May 2018, 1:45pm	<p>Email from Jason Cremona to Catherine Myers cc Alex Fitzpatrick re Cate Carrs’ email of 28 May.</p> <p>“I will need to look into this a little further before coming back to you.</p> <p>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.</p> <p>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.</p> <p>So, unless the ‘concept’ falls outside the above, I am unsure what the issue may be, but will look into it further.</p> <p>Can I get back to you next week?”.</p>	VCG.0001.0002.8483
83,120	29 May 2018, 3:58pm	<p>Email from Jason Cremona to Michelle Fielding seeking details in regards to treatment of bonus jackpots at Crown. This is a follow up of the emails exchanged between Tracy Shen and Crown above.</p> <p>“As discussed, I have been asked for some finer details regarding the treatment of bonus jackpots at Crown, and need to speak to an SME quite urgently.</p> <p>I understand Tracey has been asking for similar information for some time, and this has not been forthcoming. Please note request below.</p>	VCG.0001.0002.8498 VCG.0001.0002.8499

		<p>The key point at this stage is for Crown to provide a detailed breakdown of Bonus Jackpots, ie; what is the value of bonus jackpots made up of.</p> <p>Can you please provide me with a contact point, and escalate the provision of information as per below,”</p> <p>Michelle Fielding responds:</p> <p>“Apologies, I’ve been in meetings all afternoon and am just now back at my desk. Bit swamped with s 25, can I give you a call in the morning regarding this? Apologies again.”</p>																																																																						
<p>84,121</p>	<p>31 May 2018, 10:41am</p>	<p>Email from Doris Zhou to Jason Cremona with copy to Tracy Shen.</p> <p>“Please find attached Bonus Analysis Report. This report gives us a breakdown of the bonus jackpots but not sure how some of the jackpot works, especially those categorized as bonus jackpot such as BJ and slot hotel”.</p> <p><a href="#">This report is the “Bonus Jackpot Analysis Report” referred to in Mr Cremona’s email to Ms Fielding below dated 31 May 2018 at 5:18pm. The report was provided by Crown. The VCGLR is not able to produce or export these reports in any format (including spreadsheets) from Crown’s systems. Crown historically have not provided the VCGLR with these types of reports.</a> The Bonus Jackpot Analysis Report contains information for the reporting period of 10 April 2018. It refers to:</p> <ul style="list-style-type: none"> <li>• Free Credits Program, e.g.</li> </ul> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Bonus Jackpots</th> <th style="text-align: right;">TOTAL</th> <th style="text-align: right;">% TRO</th> </tr> </thead> <tbody> <tr> <td colspan="3"><b>FREE CREDITS PROGRAM</b></td> </tr> <tr> <td>Seniors Promotion</td> <td style="text-align: right;">0.00</td> <td style="text-align: right;">0.00</td> </tr> <tr> <td>Standard W/Back</td> <td style="text-align: right;">180.00</td> <td style="text-align: right;">0.00</td> </tr> <tr> <td><b>FREE CREDITS PROGRAM TOTAL</b></td> <td style="text-align: right;"><b>180.00</b></td> <td style="text-align: right;"><b>0.00</b></td> </tr> </tbody> </table> <ul style="list-style-type: none"> <li>• Mail Outs, e.g.</li> </ul> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="3"><b>MAIL OUTS</b></th> </tr> </thead> <tbody> <tr> <td>New Members \$20</td> <td style="text-align: right;">0.00</td> <td style="text-align: right;">0.00</td> </tr> <tr> <td>Bonus Pokie \$10</td> <td style="text-align: right;">0.00</td> <td style="text-align: right;">0.00</td> </tr> <tr> <td>Bonus Pokie \$100</td> <td style="text-align: right;">0.00</td> <td style="text-align: right;">0.00</td> </tr> <tr> <td>Bonus Pokie \$150</td> <td style="text-align: right;">0.00</td> <td style="text-align: right;">0.00</td> </tr> <tr> <td>Bonus Pokie \$20</td> <td style="text-align: right;">0.00</td> <td style="text-align: right;">0.00</td> </tr> <tr> <td>Bonus Pokie \$30</td> <td style="text-align: right;">0.00</td> <td style="text-align: right;">0.00</td> </tr> <tr> <td>Bonus Pokie \$40</td> <td style="text-align: right;">0.00</td> <td style="text-align: right;">0.00</td> </tr> <tr> <td>Bonus Pokie \$50</td> <td style="text-align: right;">0.00</td> <td style="text-align: right;">0.00</td> </tr> <tr> <td>Bonus Pokie \$75</td> <td style="text-align: right;">0.00</td> <td style="text-align: right;">0.00</td> </tr> <tr> <td>New Members \$20</td> <td style="text-align: right;">0.00</td> <td style="text-align: right;">0.00</td> </tr> <tr> <td><b>MAIL OUTS TOTAL</b></td> <td style="text-align: right;"><b>0.00</b></td> <td style="text-align: right;"><b>0.00</b></td> </tr> </tbody> </table> <ul style="list-style-type: none"> <li>• Matchplay, e.g.</li> </ul> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="3"><b>MATCHPLAY</b></th> </tr> </thead> <tbody> <tr> <td>MATCH PLAY</td> <td style="text-align: right;">1116.00</td> <td style="text-align: right;">0.01</td> </tr> <tr> <td><b>MATCHPLAY TOTAL</b></td> <td style="text-align: right;"><b>1116.00</b></td> <td style="text-align: right;"><b>0.01</b></td> </tr> </tbody> </table> <ul style="list-style-type: none"> <li>• Miscellaneous (Jackpot Payments), e.g.</li> </ul> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="3"><b>MISCELLANEOUS</b></th> </tr> </thead> <tbody> <tr> <td>Jackpot Payments</td> <td style="text-align: right;">0.00</td> <td style="text-align: right;">0.00</td> </tr> <tr> <td><b>MISCELLANEOUS TOTAL</b></td> <td style="text-align: right;"><b>0.00</b></td> <td style="text-align: right;"><b>0.00</b></td> </tr> </tbody> </table>	Bonus Jackpots	TOTAL	% TRO	<b>FREE CREDITS PROGRAM</b>			Seniors Promotion	0.00	0.00	Standard W/Back	180.00	0.00	<b>FREE CREDITS PROGRAM TOTAL</b>	<b>180.00</b>	<b>0.00</b>	<b>MAIL OUTS</b>			New Members \$20	0.00	0.00	Bonus Pokie \$10	0.00	0.00	Bonus Pokie \$100	0.00	0.00	Bonus Pokie \$150	0.00	0.00	Bonus Pokie \$20	0.00	0.00	Bonus Pokie \$30	0.00	0.00	Bonus Pokie \$40	0.00	0.00	Bonus Pokie \$50	0.00	0.00	Bonus Pokie \$75	0.00	0.00	New Members \$20	0.00	0.00	<b>MAIL OUTS TOTAL</b>	<b>0.00</b>	<b>0.00</b>	<b>MATCHPLAY</b>			MATCH PLAY	1116.00	0.01	<b>MATCHPLAY TOTAL</b>	<b>1116.00</b>	<b>0.01</b>	<b>MISCELLANEOUS</b>			Jackpot Payments	0.00	0.00	<b>MISCELLANEOUS TOTAL</b>	<b>0.00</b>	<b>0.00</b>	<p>VCG.0001.0004.7414</p> <p>VCG.0001.0004.7415</p> <p>VCG.0001.0004.7416</p>
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<a href="#">85.122</a>	31 May 2018, 2:08pm	<p>Email from Jason Cremona to Michelle Fielding, following up on her email of 29 May.</p> <p>“Any chance I can get a call from someone today Michelle?”</p>	VCG.0001.0002.8497
<a href="#">86.123</a>	31 May 2018, 5:18pm	<p>Email from Jason Cremona to Michelle Fielding seeking details in regards to treatment of bonus jackpots at Crown.</p> <p>“Just at the outset, I spoke to Tracy re the response we apparently received from Matt Asher. We are unable to locate this response. No excuse that we should have followed this up a lot sooner, but it would be good if you can send me the email response that Matt provided in November last year that addressed the bonuses question/s to tidy up the loose end.</p> <p>Regarding the discussion with Peter, thanks for organizing. It is difficult sometimes to retrace your understanding of things from 15 years ago!</p> <p>Just to clarify my understanding of the discussion, I noted the following dot points. Can you please advise if I am correct in my interpretation:</p> <ul style="list-style-type: none"> <li>• Bonus Jackpots deducted from Gaming Revenue are specific to amounts earned or awarded on a gaming machine. No amounts earned outside of the gaming machine, such as hotel rewards (if applicable) can be redeemed on a gaming machine and/or deducted from Gaming Revenue;</li> </ul>	VCG.0001.0002.8496

		<ul style="list-style-type: none"> <li>• Crown do provide ‘extra bonus promotions’ to players (mail outs as an example) that a person can redeem when gaming on a gaming machine. These are not necessarily ‘earned’ but are paid out at the machine;</li> <li>• Bonus jackpots are only accumulated and deducted from gaming tax AFTER being redeemed/used and NOT when earned.</li> <li>• A patron cannot redeem ‘loyalty points earned’ for credits on a gaming machine. Bonuses must be earned or provided with a specific condition to earn the bonus, ie; returning to Crown to earn X bonus credits.</li> </ul> <p>A couple of action points too:</p> <ul style="list-style-type: none"> <li>• Peter said that bonus prize/points are not ‘linked to signature club’. Can you get him to expand on this?</li> <li>• Can I also get an explanation of each of the ‘Bonus Jackpots’ outlined on the Bonus Jackpot Analysis Report. These include Free credits Program, Mail Outs, Matchplay, ‘Jackpot Payments’, Random Riches Promotion, Consolation BJ and each of the bonuses under the ‘Bonus Jackpots’ banner. Essentially with the explanation I am looking for information regarding a brief description of the bonus, how prize earned, how prize redeemed, etc.</li> <li>• On the DACOM Bonus Jackpot Analysis Report, what does %TRO mean?</li> <li>• Does the VCGLR get any ‘notification’ of a new bonus jackpot, if it is facilitated through an existing bonus jackpot system? Or does each new ‘bonus’ require some sort of system change and/or approval?</li> </ul> <p>I am under a bit of pressure to get this information together, so if this can be provided asap, that would be awesome.”</p>	
87,124	June 2018	<p>Sixth Casino Review.</p> <p>At internal page 3: “The Management Agreement, executed on 20 September 1993 and varied ten times since, is the agreement ratified by Parliament (through the Casino (Management Agreement) Act) identifying the casino and setting out the Government’s terms (including taxation) [...] The present parties to the Management Agreement are Crown Melbourne and the Minister (on behalf of the State of Victoria).”</p> <p>At internal page 24 (in a section headed “Regulatory and commercial context”): “The VCGLR has also conducted regular bi-monthly, monthly and yearly audits on the payment of gambling taxes.”</p> <p>At internal page 81: “State taxation in respect of the Melbourne Casino is provided for in the Management Agreement. Essentially, taxation is based on gross gaming revenue, which the Management Agreement defines as the total of all sums received in any period by Crown Melbourne from the conduct or playing of games within the casino less the total of all sums paid out as winnings during that period.</p> <p>The VCGLR receives a daily record of revenue and tax and audits this information for accuracy and completeness on an ongoing basis, and collects casino tax on behalf of the State.</p> <p>There is an outstanding legal issue between the State and Crown Melbourne over the tax treatment of the entry fees to poker tournaments conducted at the Melbourne Casino. That matter is outside the scope of the Sixth Casino Review.</p>	<a href="https://www.vcglr.vic.gov.au/sites/default/files/sixth_review_of_the_casino_operator_and_licence.pdf">https://www.vcglr.vic.gov.au/sites/default/files/sixth_review_of_the_casino_operator_and_licence.pdf</a>



		Noting that matter, there have been no issues with the payment or calculation of tax by Crown Melbourne in the Review Period.”	
<del>88</del> ,125	2 June 2018	<p>Email from Michelle Fielding to Jason Cremona.</p> <p>“Matt relayed that Tracy’s first two emails in July didn’t go to him because they were sent to an incorrect email address. Jacqui chased him up on the third one (she had assumed he had already replied to the earlier emails in July, so was surprised to see Tracy chasing this in November) and forwarded it to Matt. Matt says he then had a meeting with Tracy and ran through where to find the information she was seeking in the reports that the VCGLR already received. Tracy indicated that there was some additional information she needed and Matt sent her the below email indicating that she would receive these additional reports going forward. The next he heard on the matter was when you emailed us last week.</p> <p>Thanks Jason, I hope this helps, but let me know if you need anything further.”</p>	<p>VCG.0001.0002.8500</p> <p>VCG.0001.0002.8501</p> <p>VCG.0001.0002.8502</p> <p>VCG.0001.0002.8503</p> <p>VCG.0001.0002.8504</p> <p>VCG.0001.0002.8505</p> <p>VCG.0001.0002.8506</p> <p>VCG.0001.0002.8507</p> <p>VCG.0001.0002.8508</p>
<del>89</del> ,126	4 June 2018	<p>Email from Jason Cremona to Catherine Myers cc Alex Fitzpatrick.</p> <p>“Just an update, I spoke to Michelle Fielding and Peter Herring last week to confirm my understanding of how loyalty points and bonus jackpots are treated by Crown. My views were a little different that expressed by Cate in her email, ie; different accounting treatment of ‘bonus jackpots’. I have emailed Crown asking them to validate our discussion and my views.</p> <p>I expect a response early this week, and then I will come back to you with some advice,”</p>	VCG.0001.0002.8484
<del>90</del> ,127	5 June 2018, 1:16pm	<p>Michelle Fielding email to Jason Cremona.</p> <p>“The matters concerning Tracy’s query were clarified in an email sent from me to you on Saturday, enclosing Matt’s email to Tracy in November last year, which followed a meeting between them and provided additional reports. Matt’s email also asked Tracy to let him know if she needed anything further.</p> <p>Regarding the definitions from the Bonusing Report and your query as to what points earned outside gaming machines can be redeemed on machines, the categories are as follows:</p> <ol style="list-style-type: none"> <li>1. Pokie Credit Rewards (Welcome Back / Free Credits Program) <ul style="list-style-type: none"> <li>- Based on Pokie Points earned on a Gaming Machine during a patron’s last visit, will determine the patron’s reward value</li> <li>- Senior Pokie Credit Reward receive a bonus \$3 at specific levels</li> </ul> </li> <li>2. Mail Outs <ul style="list-style-type: none"> <li>- These are Bonus Pokie Credit Offers sent via mail to Crown Reward Members for varying amounts</li> </ul> </li> <li>3. Pokie Credits (Matchplay) <ul style="list-style-type: none"> <li>- These are Pokie Credits received by exchanging Crown Rewards points for Pokie Credits at any gaming machine</li> </ul> </li> <li>4. Random Riches (Carded Lucky Rewards) <ul style="list-style-type: none"> <li>- Rewards based on earning Pokie Points on a gaming machine for specific groups of Crown Rewards Members</li> </ul> </li> </ol> <p><u>Miscellaneous</u></p>	VCG.0001.0002.8509

		<p>5. Jackpot Payments</p> <ul style="list-style-type: none"> <li>- Pokie Credit payments as Pokie Credits from Lucky Time Jackpots</li> </ul> <p>6. Consolation</p> <ul style="list-style-type: none"> <li>- Consolation payments e.g. issued from Lucky Time Jackpots or Lucky Numbers</li> </ul> <p>7. Pokie Credit Tickets</p> <ul style="list-style-type: none"> <li>- Promotional Pokie Credit Game Tickets issued to players for redemption at Gaming Machines</li> </ul> <p>8. Bonus Jackpots</p> <ul style="list-style-type: none"> <li>- Based on Pokie Points earned on Gaming Machines             <ul style="list-style-type: none"> <li>o Carpark 25 Pokie Points in a day</li> <li>o Valet Parking for Black and Platinum Crown Rewards - 1,000 Pokie Points</li> <li>o Hotel Night Benefits Crown Rewards Black - 1,000 Pokie Points</li> <li>o Hotel Night Benefits Crown Rewards Platinum - 1000 Pokie Points</li> <li>o Dining Rewards, the amount issued is based on Pokie Points earned on Gaming Machines during a visit example:                 <ul style="list-style-type: none"> <li>♣ Receive \$7.50 Dining Reward by earning 150 points on gaming machines in a day</li> </ul> </li> </ul> </li> </ul> <p>Hopefully the above listing answers most of the queries in your email, however, additional information is provided below.</p> <p>Please let me know if you have any further queries or concerns.</p> <p>Michelle Fielding also provides her comments on Jason Cremona's email of 31 May 2018 using blue font.</p> <p>Michelle,</p> <p>Just at the outset, I spoke to Tracy re the response we apparently received from Matt Asher. We are unable to locate this response. No excuse that we should have followed this up a lot sooner, but it would be good if you can send me the email response that Matt provided in November last year that addressed the bonuses question/s to tidy up the loose end.</p> <p>Regarding the discussion with Peter, thanks for organizing. It is difficult sometimes to retrace your understanding of things from 15 years ago!</p> <p>Just to clarify my understanding of the discussion, I noted the following dot points. Can you please advise if I am correct in my interpretation:</p> <ul style="list-style-type: none"> <li>• Bonus Jackpots deducted from Gaming Revenue are specific to amounts earned or awarded on a gaming machine. No amounts earned outside of the gaming machine, such as hotel rewards (if applicable) can be redeemed on a gaming machine and/or deducted from Gaming Revenue; <b>That is correct, but for exceptions noted at points 2, 3 &amp; 7 above;</b></li> <li>• Crown do provide 'extra bonus promotions' to players (mail outs as an example) that a person can redeem when gaming on a gaming machine <b>This is correct;</b> These are not necessarily 'earned' but are paid out at the machine; <b>That is correct, examples noted above are points 2 &amp; 7;</b></li> <li>• Bonus Jackpots are only accumulated and deducted from gaming tax AFTER being redeemed/used and NOT when earned. <b>All bonusing is only deducted at the time of redemption.</b></li> <li>• A patron cannot redeem 'loyalty points earned' for credits on a gaming machine. <b>This is incorrect – note point 3 above.</b> Bonuses must be earned or provided with a specific condition to earn the bonus, ie; returning to Crown to earn X bonus credits. <b>That is correct;</b></li> </ul> <p>A couple of action points too:</p> <ul style="list-style-type: none"> <li>• Peter said that bonus prize/points are not 'linked to signature club'. Can you get him to expand on this? <b>Neither Pete or I recall this – however, to clarify, they generally are related.</b></li> <li>• Can I also get an explanation of each of the 'Bonus Jackpots' outlined on the Bonus Jackpot Analysis Report. These include Free credits Program, Mail Outs, Matchplay, 'Jackpot Payments', Random Riches Promotion, Consolation BJ and each of the bonuses under the 'Bonus Jackpots' banner. Essentially with the explanation I am looking for information regarding a brief description of the bonus, how prize earned, how prize redeemed, etc. <b>See listing above;</b></li> <li>• On the DACOM Bonus Jackpot Analysis Report, what does %TRO mean? <b>The %TRO column on the Bonus Jackpot Analysis Report is Turnover divided by the Bonusing Amount.</b></li> <li>• Does the VCGLR get any 'notification' of a new bonus jackpot, if it is facilitated through an existing bonus jackpot system? Or does each new 'bonus' require some sort of system change and/or approval? <b>With reference to approvals, any changes to the approved EMS system requires VCGLR approval and individual variants to the offer are not a change to the EMS.</b></li> </ul> <p>I am under a bit of pressure to get this information together, so if this can be provided asap, that would be awesome.</p>	
91,128	5 June 2018, 1:17pm	Michelle Fielding forwards her email to Jason Cremona to Barry Felstead, Joshua Preston, Alan McGregor, Xavier Walsh, Mark Mackay, Peter Herring and Ken Barton.	VCG.0001.0002.8509

92,129	6 June 2018	<p>Email from Jason Cremona to Michelle Fielding.</p> <p>“Michelle,</p> <p>Just a couple of follow up questions regarding use of loyalty points for credits on the machines, and bonus credits in general:</p> <ol style="list-style-type: none"> <li>1. Can patrons cash out credits once transferred to EGM, or is it a pre-requisite that they are played?; and</li> <li>2. Can patrons ‘purchase’ loyalty points?</li> </ol> <p>thanks”</p>	VCG.0001.0002.8491
93,130	6 June 2018, 9:11am	<p>Michelle Fielding replies to Jason Cremona.</p> <p>Just a couple of follow up questions regarding use of loyalty points for credits on the machines, and bonus credits in general:</p> <ol style="list-style-type: none"> <li>1. Can patrons cash out credits once transferred to EGM, or is it a pre-requisite that they are played?; and <b>Free Credits and Free Credit Rewards are NOT redeemable for cash</b></li> <li>2. Can patrons ‘purchase’ loyalty points? <b>No</b></li> </ol> <p>No further discussions between the VCGLR (Cremona or Tracy Shen) and Crown.</p>	VCG.0001.0002.8491
94,131	6 June 2018, 9:37am	<p>Jason Cremona emails Catherine Myers.</p> <p>“A couple of points in response to Cates email:</p> <ul style="list-style-type: none"> <li>• Current system capabilities allow players to convert loyalty points and promotional vouchers earned to credits on gaming machines. As these are not accompanied by cash into the machine, they are treated as bonuses, of which Crown are able to deduct from gaming revenue (revenue calculation outlined further below). If not, Crown will be paying tax on investments for which it has received no player contributions.</li> <li>• I can’t see any issue with Crown offering players free or bonus loyalty points or promotional vouchers, rather than points awarded from EGM play. This has been accepted for many years, probably since Crowns inception.</li> <li>• Bonus jackpots differ from standard ‘jackpots’. Jackpots are also deducted from revenue in the form of contributions to jackpot pools and start outs paid (upon awarding the jackpot).</li> <li>• A condition of ‘bonuses’ is not that the EGM must award the prize, nor does it have to relate to gaming machine play. The technical requirements outlined in Cates email, which are severely outdated and currently being revamped by BMM via an external engagement through Licensing, merely require an external device or ‘bonus system’ to instruct the EGM to pay a prize. My interpretation is that it does not require the EGM to award the prize from game play. This has been interpreted forever and a day to be in the form of credits to the EGM or redeemable prizes, ie; food and beverage vouchers, car park passes, etc.</li> <li>• I am unsure how to respond to Cates comment that ‘bonus jackpots are not taxable....because jackpots are considered winnings’. Bonus payouts are winnings per se because the player does not pay for the value of the credits to the machine or the external prize voucher, therefore it is a win to them. This has again, been accepted for quite some time. Welcome</li> </ul>	VCG.0001.0002.8485

		<p>Back is the classic Crown bonus. A patron plays on a machine and earns points to achieve a ‘welcome back bonus’. On return to Crown, their player card automatically recognizes they have achieved/awarded this bonus and awards a value of credits to the machine. At this point, the tax treatment allows the value of the credits to be deducted from gaming tax. The player cannot cash out these credits, therefore upon playing them they are treated as taxable revenue (turnover). However because Crown has awarded this as a ‘bonus’ and has not received a cash inflow for the awarding of the credits, it deducts this as a bonus.</p> <p>Just an FYI, the gaming tax calculation for Crown is: TURNOVER - WINS FROM GAMING MACHINES PLAY – JACKPOTS (contributions + startout) – BONUSSES</p> <p>Therefore Bonus payouts on a machine, whether credits or rewards, have always been treated as a tax deduction.</p> <p>I hope this provides the right advice you need, however it is quite difficult to interpret Cates email with little evidence regarding the specific product she is referring to. But essentially, on face value, current operations at Crown allow for deduction of ‘bonus payments’ from gaming tax, including conversion of loyalty points or redemption of bonus promotions, both of which occur where the EGM is instructed to pay a bonus prize to the player (credits to the meter).”</p>	
<p>95-132</p>	<p>6 June 2018, 1:15pm</p>	<p>Jason Cremona provides Catherine Myers with a draft response to Cate Carr’s email of 28 May 2018.</p> <p>“As requested for your consideration:</p> <p>Cate, In relation to your email below, I provide the following dot points which hopefully address the various concerns expressed:</p> <ul style="list-style-type: none"> <li>• Current Crown system capabilities allow players to convert loyalty points and promotional vouchers earned, into credits on gaming machines. As these are not accompanied by cash into the machine, they are treated as ‘bonuses’ paid out by Crown, in addition to standard EGM game wins or jackpot wins. Since inception, Crown has been able to deduct bonuses from gaming machine revenue</li> <li>• Bonus jackpots/prizes differ from standard ‘jackpots’, however standard jackpots are also deducted from revenue in the form of contributions to jackpot pools and start outs paid (upon awarding the jackpot)</li> <li>• Using the definition of ‘bonus jackpots’ as defined in the Technical Requirements, and articulated in your email, it is not a condition that the EGM must award the prize, nor does the awarding of the prize have to relate to gaming machine play. The technical requirements, which are severely outdated and currently being revamped by BMM via an external engagement through the Licensing Division, require an external device to instruct the EGM to pay a prize. Since Crowns inception, the interpretation of ‘bonus jackpot/prizes’ has included bonus credits to the EGM, transfer of rewards points to credits, and awarding redeemable prizes, ie; food and beverage vouchers, car park passes, etc.</li> </ul> <p>In relation to the Gross Gaming Revenue (GGR) calculation applied to gaming machines at the Casino, the calculation extends beyond</p>	<p>VCG.0001.0002.8486</p>


		<p>revenue minus winnings. GGR is calculated as Turnover less game wins less jackpots (contributions plus start-out) less bonuses.</p> <p>Upon redeeming a ‘bonus’, as a credit to a machine or a tangible prize (F&amp;B voucher as an example), the impact on the GGR calculation is:</p> <ol style="list-style-type: none"> <li>1. Credits to Machine: Turnover is accumulated, as such credits cannot be cashed out, and so is bonus jackpots. Therefore, the net tax impact of the bonus payouts is nullified.</li> <li>2. Awarding of F&amp;B Voucher or other redeemable voucher: upon redemption, the GGR calculation accounts for the value of this as a bonus prize. This clearly only include ‘bonus vouchers’ awarded through the conduct of gaming on the gaming machine, and not vouchers earned via other loyalty schemes (ie; hotel stays, etc)</li> </ol> <p>Essentially, because Crown has awarded ‘bonuses’ from/to a gaming machine, and has not received a cash inflow for the awarding of the prize, it has always been an allowable deduction from Gaming Revenue.</p> <p>Happy to discuss further if you have any concerns re this accounting treatment of bonus payouts.”</p>	
<p><a href="#">96-133</a></p>	<p>6 June 2018, 1:29pm</p>	<p>Catherine Myers replies to Cate Carr’s email of 28 May 2018.</p> <p>“Hi Cate – I have sought advice about your email below and can provide the following information which hopefully addresses your concerns.</p> <p>The current system capabilities (Crown) allows players to convert loyalty points and promotional vouchers earned, into credits on gaming machines. As these are not accompanied by cash into the machine, they are treated as ‘bonuses’ paid out by Crown, in addition to standard EGM game wins or jackpot wins. Since inception, Crown has been able to deduct bonuses from gaming machine revenue.</p> <p>Bonus jackpots/prizes differ from standard ‘jackpots’, however standard jackpots are also deducted from revenue in the form of contributions to jackpot pools and start outs paid (upon awarding the jackpot). Using the definition of ‘bonus jackpots’ as defined in the Technical Requirements, and articulated in your email, it is not a condition that the EGM must award the prize, nor does the awarding of the prize have to relate to gaming machine play. The technical requirements, which are very outdated and currently being revamped by BMM via an external engagement by the VCGLR, require an external device to instruct the EGM to pay a prize. Since the issuance of the casino licence in the 1990’s, the interpretation of ‘bonus jackpot/prizes’ has included bonus credits to the EGM, transfer of rewards points to credits, and awarding redeemable prizes, ie; food and beverage vouchers, car park passes, etc.</p> <p>In relation to the Gross Gaming Revenue (GGR) calculation applied to gaming machines at the Casino, the calculation extends beyond revenue minus winnings. GGR is calculated as Turnover less game wins less jackpots (contributions plus start-out) less bonuses.</p> <p>Upon redeeming a ‘bonus’, as a credit to a machine or a tangible prize (F&amp;B voucher as an example), the impact on the GGR calculation is:</p> <ol style="list-style-type: none"> <li>1. Credits to Machine: Turnover is accumulated, as such credits cannot be cashed out, and so is bonus jackpots. Therefore, the net tax impact of the bonus payouts is nullified.</li> </ol>	<p>VCG.0001.0002.8487</p>

		<p>2. Awarding of F&amp;B Voucher or other redeemable voucher: upon redemption, the GGR calculation accounts for the value of this as a bonus prize. This clearly only include 'bonus vouchers' awarded through the conduct of gaming on the gaming machine, and not vouchers earned via other loyalty schemes (ie; hotel stays, etc)</p> <p>Essentially, because Crown has awarded 'bonuses' from/to a gaming machine, and has not received a cash inflow for the awarding of the prize, it has always been an allowable deduction from Gaming Revenue.</p> <p>Happy to discuss further if you have any concerns re this accounting treatment of bonus payouts."</p> <p>No further communication on this topic with the State/Cate Carr have been located by the VCGLR. There are no further records of the issue being discussed between the VCGLR and the Department of Justice.</p> <p>The advice referred to by Catherine Myers is the internal email advice she received from the Licensing Division of the VCGLR on this topic (see above).</p>	
<a href="#">97.134</a>	25 July 2018	<p>Sixth Review of the Casino Licence and Operator - Project Close Report.</p> <p>At page 4: "The review did not examine the different types of regulation that apply to Crown in relation to matters such as [...] tax rates."</p>	VCG.0001.0001.1631
<a href="#">98.135</a>	23 January 2020	<p>Network Policy Document for Melbourne (Version 30).</p> <p>The Notes on the "IGT_Host" Group on page 20 refers to all hosts within the IGT environment. 25 of the line items refer to bonus.</p> <p>Sections 3.1 and 3.2 refer to connections between SYCO_Host and Dacom_Host.</p> <p>The Notes on "SYCO_Host" Group on page 16 states:</p> <p><b>(SYCO) For player data, player ratings, promotions</b></p> <ul style="list-style-type: none"> <li>• GIS-SYCO-01</li> </ul>	VCG.0001.0002.9330
<a href="#">99.136</a>	19 February 2020	<p>Memorandum for Approval under delegation of Gaming Equipment for approval of Network Policy Document (Version 30).</p>	VCG.0001.0004.6636
<a href="#">100.13</a>	24 February 2020	<p>Letter from the VCGLR to Crown approving the Network Policy Document for Melbourne (Version 30).</p>	VCG.0001.0004.6643
<a href="#">101.13</a>	24 November 2020	<p>Letter from Jason Cremona to Michelle Fielding regarding Technical Requirements Document in relation to approval of gaming equipment &amp; systems under section 62(2) of Casino Control Act 1991.</p>	VCG.0001.0003.1996 VCG.0001.0003.1997 VCG.0001.0003.1998

		<p>I refer to my letter dated 18 May 2018 in which I advised Crown Casino (Crown) that the Victorian Commission for Gambling and Liquor Regulation (VCGLR), in consultation with BMM Testlabs (BMM), was developing a new Technical Requirements Document (TRD) for use when assessing the suitability of gaming equipment, including systems, at Crown for approval under section 62(2) of the <i>Casino Control Act 1991</i> (the Act).</p> <p>I wish to advise that the TRD titled 'The Technical Requirements Document for Melbourne Casino Version 4.06', has now been endorsed by the Commission. Please find attached a copy of the TRD endorsed by the Commission.</p> <p>I thank Crown for their assistance in developing the revised TRD.</p> <p>As you are aware, the TRD will, in addition to legislative requirements and other relevant documents, form the basis of testing and assessment of gaming equipment, including systems, for approval under section 62(2) of the Act.</p> <p>The VCGLR is aware that certain types of gaming equipment/systems currently approved for use at Crown do not currently comply with all sections of the new TRD. As a result, sections of the TRD will be subject to periods of dispensation that will be agreed between Crown and the VCGLR.</p> <p>To assist this process, the VCGLR seeks that Crown document the sections of the TRD which it will require immediate dispensation from and the period of time that Crown will require to achieve compliance with these sections. The VCGLR will then consider this position and respond accordingly.</p> <p>The VCGLR would also like to release this document to industry, in particular the relevant ATF's who perform testing services for Crown, to allow them to prepare for considering the new requirements in the TRD as part of their testing approach.</p> <p>The date at which this document will take effect will be subject to further discussions with Crown, but the VCGLR envisages that this will be approximately 6 months, subject to further dispensation periods agreed.</p> <p>New Technical Requirements Document (TRD 4.06) (proposed to take effect on 1 July 2021).</p> <p>7.2 Player Promotion Systems</p> <p>A Promotional System is typically comprised of gaming devices that are configured to participate in electronically communicated promotional award payments from a host system. The host system controls the promotional award issuance parameters as well as the awarding of promotional credits.</p> <p>7.3 Bonusing Systems</p> <p>Bonusing Systems are typically comprised of gaming devices that are configured to participate in electronically communicated bonus award payments from a host system. The host system controls the bonus award issuance parameters as well as awarding of the bonus payments. The bonus host system provides designated gaming devices with additional elements that entitle players to special Bonus Awards based on events triggered by the gaming device. Bonus awards are those based on a gaming machine event or some external trigger which do not include triggers based upon specific patron account activity.</p>	
<u>139.</u>	<u>14 December 2020</u>	<u><a href="#">BMM test report in respect of "Carded Lucky Reward ("Random Riches") Bonusing Functionality (4.3.0)". The dates of BMM's evaluation is 4 to 11 December 2020. BMM "has verified the updated Carded Lucky Reward ("Random Riches") Bonusing Functionality (4.3.0) against applicable sections of the VCGLR TRD V3.0".</a></u>	<u><a href="#">VCG.0001.0004.8467</a></u>
<u>140.</u>	<u>6 January 2021</u>	<u><a href="#">VCGLR memorandum recommending approval of the updated Carded Lucky Reward Bonusing software version 4.3.0 for operation at Crown.</a></u>	<u><a href="#">VCG.0001.0004.8463</a></u>

<a href="#">141.</a>	<a href="#">7 January 2021</a>	<a href="#">Letter from the VCGLR to Crown approving the Carded Lucky Reward Bonusing functionality version 4.3.0 for operation in Crown's Gaming Network.</a>	<a href="#">VCG.0001.0004.8466</a>		
<del>102.14</del>	May 2021	<p>Sample monthly GGR/6 calculation provided by the VCGLR for May 2021.</p> <p>The VCGLR did not provide Crown with any express approval or comfort regarding the monthly GGR calculation or the deductibility of the bonus jackpot amounts.</p> <p>Crown is required to calculate and submit its self-assessed GGR. The VCGLR verifies Crown's calculation by reconciling Crown's daily EFC reports against Crown's monthly GGR reports, and identifies any discrepancies with Crown. The VCGLR does not receive any detailed breakdown for the bonus jackpot amounts in either Crown's daily EFC reports or Crown's monthly GGR reports.</p> <p>Bonus jackpots constituted by credits with which customers may then gamble on an EGM are accounted for as turnover in Crown's GGR calculations.</p> <p>There are bonus jackpots for all types of players, including commission based players.</p>	VCG.0001.0002.9328		
<del>103.14</del>	8 June 2021	The VCGLR receives a letter from Crown (Xavier Walsh, Chief Executive Officer) regarding the Bonus Jackpot tax issue. Crown provides the VCGLR with a copy of the documents produced by Crown to the Royal Commission on this issue.	VCG.0001.0002.8511 VCG.0001.0002.8512 VCG.0001.0002.8509 VCG.0001.0002.8510		
<a href="#">144.</a>	<a href="#">16 June 2021, 9:23am</a>	<a href="#">Email from Ashley Bong of the VCGLR to Aaron Garrity of Crown (Senior IT Governance Officer) regarding DACOM Initial Audit 2021 and transfer of data from Crown to the VCGLR.</a>	<a href="#">VCG.0001.0004.9123</a>		
<del>104.14</del>	16 June 2021, <a href="#">6:18pm</a>	Scott May of the VCGLR wrote to Xavier Walsh of Crown regarding production of Crown's documents relevant to bonus jackpots referred to in Crown's correspondence dated 8 June 2021.	VCG.0001.0004.7422 VCG.0001.0004.7423		
<a href="#">146.</a>	<a href="#">24 June 2021</a>	<p><a href="#">Crown (Aaron Garrity) responds to Ashley Bong's email of 16 June 2021 (see above). Crown confirms that it sends the EFC (EGM Financial Casino) data file to the VCGLR via DACOM, and provides the data definition and structure for the EFC reports provided to the VCGLR, which includes "non_jkp_bonus" which is described as "Non Jackpot bonusing. Eg: Dining Rewards, Promo tickets etc."</a></p> <table border="1"> <tr> <td>non_jkp_bonus</td> <td>Non Jackpot bonusing. Eg: Dining Rewards, Promo tickets etc.</td> </tr> </table>	non_jkp_bonus	Non Jackpot bonusing. Eg: Dining Rewards, Promo tickets etc.	<a href="#">VCG.0001.0004.9123</a>
non_jkp_bonus	Non Jackpot bonusing. Eg: Dining Rewards, Promo tickets etc.				
<a href="#">147.</a>	<a href="#">1 July 2021</a>	<a href="#">Letter from Steve McCann (Chief Executive Officer, Crown Resorts Limited) to Catherine Myers of the VCGLR.</a>	<a href="#">VCG.0001.0004.9122</a>		



		<p>Dear Ms Myers,</p> <p>Re: Casino Gaming Tax</p> <p>Thank you for taking the time to meet with Helen Coonan, Steve Blackburn and me recently.</p> <p>At that meeting we reaffirmed our commitment to continuing to foster the open and transparent relationship between Crown Resorts and the VCGLR.</p> <p>As such, I write regarding recent media reports relating to Victorian Gaming Taxes.</p> <p>Following the media reports on Monday 7 June 2021 regarding the potential underpayment of Victorian Gaming taxes related to bonus jackpots, immediate enquiries were made, and I am now in a position to provide you with the preliminary outcome.</p> <p>In short, we have received preliminary advice that there has been an under-reporting of casino tax liability of approximately \$8.8 million over the period FY2013 to date related to the incorrect deduction of certain bonus rewards referable to free accommodation and car parking provided to patrons.</p> <p>This represents approximately 3% of the \$272.6 million suggested in the media to have been underpaid.</p> <p>I am informed the balance relates to amounts which should not be recognised as revenue to begin with and have therefore been validly offset, with the vast majority relating to bonuses involving "free" bets (as represented by non-redeemable Pokie Credits).</p> <p>I have also written to Mr David Martine, Secretary – Department of Treasury and Finance (copy attached) and have proposed a meeting to discuss the aforementioned matter with officials from his department and the Department of Justice and Community Safety. It is Crown's intention to pay our estimation of the amount owing, together with penalty interest, once we have had the chance to explain to Treasury our calculations.</p> <p>May I similarly propose a meeting between Crown representatives and relevant officials from the VCGLR – when appropriate to do so, so as to provide you further information.</p> <p>I look forward to hearing from you soon.</p> <p>Yours sincerely,</p>  <p><b>Steve McCann</b> Chief Executive Officer Crown Resorts Limited</p>	
<u>148.</u>	<u>5 July 2021</u>	<p><u><a href="#">Email from Crown (Susan Cassinides, General Manager Regulatory &amp; Compliance – Crown Melbourne) to the VCGLR:</a></u></p> <p><b>From:</b> Susan Cassinides <b>Sent:</b> Monday, 5 July 2021 8:22 AM <b>To:</b> Jason Cremona <b>Subject:</b> Bonus Jackpots - Hotels and Parking [CM-COMP.FID3291]</p> <p>Good Morning Jason</p> <p>I trust you had a lovely weekend just gone. I'm writing to provide notification that parking and hotels will cease to be a bonus jackpot deduction in the GGR Report.</p> <p>Please let me know if you have any further questions.</p> <p>Kind Regards <b>Susan Cassinides   General Manager Regulatory &amp; Compliance – Crown Melbourne   Crown Melbourne Limited</b> t:03 9292 7355   0417 036 670   e:susan.cassinides@crownmelbourne.com.au   w:<a href="http://www.crownmelbourne.com.au">www.crownmelbourne.com.au</a></p>	<u><a href="#">VCG.0001.0004.9208</a></u>
<u>149.</u>	<u>7 July 2021, 10:33am</u>	<p><u><a href="#">Email from Crown (Susan Cassinides) to the VCGLR:</a></u></p>	<u><a href="#">VCG.0001.0004.9207</a></u>

		<p><b>From:</b> Susan Cassinides &lt;<a href="mailto:Susan.Cassinides@crownmelbourne.com.au">Susan.Cassinides@crownmelbourne.com.au</a>&gt;  <b>Date:</b> 7 July 2021 at 10:33:23 am AEST  <b>To:</b> Jason Cremona &lt;<a href="mailto:Jason.Cremona@vcglr.vic.gov.au">Jason.Cremona@vcglr.vic.gov.au</a>&gt;  <b>Subject:</b> RE: Bonus Jackpots - Hotels and Parking [CM-COMP.FID2355]</p> <p>Good Morning Jason</p> <p>Further to the below advice, Crown will cease deducting Dining Rewards from the GGR calculation, effective 1 June 2021.</p> <p>Please let me know if you need anything further.</p> <p>Kind Regards  <b>Susan Cassinides   General Manager Regulatory &amp; Compliance – Crown Melbourne   Crown Melbourne Limited</b>  t:03 9292 7355   0417 036 670   e:<a href="mailto:susan.cassinides@crownmelbourne.com.au">susan.cassinides@crownmelbourne.com.au</a>    w:<a href="http://www.crownmelbourne.com.au">www.crownmelbourne.com.au</a></p>	
<p><u>150.</u></p>	<p><u><a href="#">7 July 2021, 3:26pm</a></u></p>	<p><u><a href="#">Email from the VCGLR to Crown:</a></u></p> <p><b>From:</b> Jason Cremona &lt;<a href="mailto:Jason.Cremona@vcglr.vic.gov.au">Jason.Cremona@vcglr.vic.gov.au</a>&gt;  <b>Sent:</b> Wednesday, 7 July 2021 3:26 PM  <b>To:</b> Susan Cassinides &lt;<a href="mailto:Susan.Cassinides@crownmelbourne.com.au">Susan.Cassinides@crownmelbourne.com.au</a>&gt;  <b>Subject:</b> RE: Bonus Jackpots - Hotels and Parking [CM-COMP.FID2355]</p> <p>Susan,</p> <p>I refer to your emails dated 5 July 2021 and 7 July 2021 in relation to bonus jackpots.</p> <p>Can I please ask that this correspondence, your earlier email and any future correspondence relating to the issue of taxation be sent to Catherine Myers, the CEO of VCGLR. I have been advised that all communication in relation to this topic is being dealt with through the channel of communication at CEO level.</p> <p>Regards</p>	<p><u><a href="#">VCG.0001.0004.9214</a></u></p>