

**From:** Michelle Fielding  
**Sent:** Thu, 13 Aug 2020 23:27:23 +1000  
**To:** Sonja Bauer; Anne Siegers  
**Subject:** FW: Sixth Casino Review matters [CM-COMP.FID19009]

FYI

Regards

Michelle Fielding | Group General Manager – Regulatory and Compliance | Crown Resorts Limited

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**From:** Michelle Fielding  
**Sent:** Thursday, 13 August 2020 11:27 PM  
**To:** [REDACTED]  
**Cc:** [REDACTED]  
**Subject:** FW: Sixth Casino Review matters [CM-COMP.FID18987]

Hi Rowan

I hope you're well. See below responses to your queries and please let me know if you have any concerns or would like to discuss.

Regards

Michelle Fielding | Group General Manager – Regulatory and Compliance | Crown Resorts Limited

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**From:** Rowan Harris [REDACTED]  
**Sent:** Wednesday, 5 August 2020 6:34 PM  
**To:** Michelle Fielding  
**Cc:** Jason Cremona; Steve Thurston  
**Subject:** Sixth Casino Review matters

Hi Michelle,

*Recommendation 1*

As discussed, in response to your 28 July 2020 correspondence, the Commission does not intend to provide any comment on CML's proposed board charter. **Thank you Rowan.**

*Recommendation 3*

Are you able to provide an update on the progress of implementation of the three accepted Deloitte recommendations that Crown agreed to implement at a later date which are:

- 1) 2.1.4(a) – “As Crown continues to develop and embed the concept of risk of risk appetite, any update to the qualitative should consider including a clearer statement of acceptable risk tolerances” The risk appetite was reviewed by the Crown Resorts Board at its annual review cycle in June 2020, and is being approved at the Crown Melbourne Board in this current review cycle. A discussion was held with the chair of the Crown Melbourne Audit Committee and the Chair of the Crown Resorts Risk Management Committee with regards to the phrasing of the qualitative appetite statements, and it was agreed that there was a preference for a positive qualitative statement, with a clear reporting threshold (as is currently in place), rather than a negative qualitative statement as well as reporting thresholds. As a result, it was agreed to keep that current qualitative statement phrasing. We will continue to consider this recommendation over the next years.
- 2) 2.2.2(c) – “Consider amending the ERCC Charter to include oversight of management of risks within risk appetite and the embedding of the Board’s desired risk culture”. This was **completed** with the annual review of the ERCC charter at the 24 January meeting.
- 3) 2.3(a) – “Greater clarity could be provided on the: During the annual review of the Risk Management Strategy (**RMS**) that took place in June 2020 and was approved by the Crown Resorts Board, it was noted that the types of events and the quality of the escalation process was effective and that the Board has been made aware in a timely manner of all relevant events and that the reporting against the risk appetite on an ongoing basis was effective. The Chair of the Crown Resorts Risk Committee and the Chair of the Crown Melbourne Audit Committee were both individually briefed on the risk management framework, including the nature of the aggregation and reporting, and were happy with its process at this time. We will continue to consider this recommendation over the next years.
- Reporting of risks against risk appetite;
  - Nature of risk aggregation and reporting;
  - Definition and value of triggers and their definitions to support proactive risk management, and the timely escalation where risk appetite is exceeded”.

#### *Recommendation 16*

Has the Crown Melbourne Responsible Gaming Management Committee (staff committee) held a meeting in accordance with the new charter developed in accordance with recommendation 16, and if it has met, what was the date of the meeting? The Crown Melbourne Responsible Gaming Committee (**RGMC**) met four times during 2019. No meetings have been held to date in 2020, as the first RGMC meeting was scheduled for late March 2020, however, due to the casino closure on 23 March 2020 as a result of the COVID-19 pandemic, this did not proceed. As most RGMC members were then stood down for the subsequent months, no meetings were held. Many members are now at least part time stood up, as such, a meeting is planned for late August 2020, however, we don’t consider that four meetings will be held before the end of the year, as a result of the current circumstances.

Thanks

Rowan

**Rowan Harris** | Principal Major Licence Officer | Licence Management and Audit  
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