

From: Peter Herring [REDACTED]
Sent: Sunday, 13 June 2021 5:50 PM
To: Mark Tafft; Michael S Young
Cc: john.salomone; angelina.bowden-jones; Matthew Luttick; David Stoddart
Subject: Fwd: Urgent - Privileged and Confidential - Gaming Tax - Materials for Briefing Counsel - Clarifications Required
Attachments: image003.jpg; ATT00001.htm; image006.gif; ATT00002.htm; image006.gif; ATT00003.htm; image008.png; ATT00004.htm; image006.gif; ATT00005.htm; image008.png; ATT00006.htm; image011.jpg; ATT00007.htm; image006.gif; ATT00008.htm; image012.png; ATT00009.htm; image013.png; ATT00010.htm; image014.png; ATT00011.htm; image006.gif; ATT00012.htm; MEL - Gaming Comp Flow Chart.doc; ATT00013.htm

See email from David Stoddart .. I'm sending as he has email issues

Peter Herring
 Group General Manager
 Gaming Strategy, Product & Innovation
 [REDACTED]

Begin forwarded message:

From: David Stoddart [REDACTED]
Date: 13 June 2021 at 5:45:25 pm AEST
To: Peter Herring <[REDACTED]>
Cc: Katrina Murray <[REDACTED]> David Stoddart [REDACTED]
Subject: Fwd: Urgent - Privileged and Confidential - Gaming Tax - Materials for Briefing Counsel - Clarifications Required

Pete

Can you pls forward this on the original distribution list. We have an internet outage so I'm working off my phone

David Stoddart
 Financial Controller | Crown Sydney

(General Manager - Commercial
 Hotels, Retail and F&B | Crown Melbourne)
 [REDACTED]

Sent from my iPhone

Begin forwarded message:

From: Katrina Murray [REDACTED]
Date: June 13, 2021 at 5:30:31 PM GMT+10
To: David Stoddart [REDACTED]
Subject: RE: Urgent - Privileged and Confidential - Gaming Tax - Materials for Briefing Counsel - Clarifications Required

Hi David,

Accommodation

These are set up as GST exclusive voucher traces in the Opera. The accommodation is pulled into the comp module to strip out GST. The treatment is:

Dr Hotel complementary balance sheet account (Excl GST) XXX
 Cr Hotel Revenue (Excl GST) XXX

The attached flow chart is used if the accommodation is more than or less than the comp trace. Hotel do not provide copies of these folios to the guest.

Parking

These are charged in CVPS at the agreed transfer price with no GST, both the revenue and payment interface into opera.

Dr Hotel complementary balance sheet account (Excl GST) XXX
 Cr Valet Parking/Bell Revenue (Excl GST) XXX

The hotel comp balance sheet is 112541

Many thanks

Katrina Murray – Finance Manager, Crown Hotels Melbourne
 8 Whiteman Street Southbank 3006 Melbourne Australia
 [REDACTED]

From: David Stoddart
Sent: Sunday, 13 June 2021 3:48 PM
To: Katrina Murray
Subject: Fwd: Urgent - Privileged and Confidential - Gaming Tax - Materials for Briefing Counsel - Clarifications Required

Hi Kat

Could you have a look at Peter Herring's comments and advise the treatment from a hotel perspective

David Stoddart
 Financial Controller | Crown Sydney

(General Manager - Commercial
 Hotels, Retail and F&R | Crown Melbourne)

Sent from my iPhone

Begin forwarded message:

From: Peter Herring [redacted]
Date: June 13, 2021 at 3:28:06 PM GMT+10
To: Mark Taffi [redacted]; Angelina Bowden-Jones [redacted]
Cc: Jeremy Nasir [redacted]; Lachlan Cobon [redacted]; Fiona L Moore [redacted];
 Michael S Young [redacted]; Shaun Cartoon [redacted];
 Matthew Luttick [redacted]; David Stoddart [redacted];
 Simon Noonan [redacted]; John Salomone [redacted];
 Alan McGregor [redacted]
Subject: RE: Urgent - Privileged and Confidential - Gaming Tax - Materials for Briefing Counsel - Clarifications Required

Mark,

See my comments below and I have left messages for Matthew Luttick & David Stoddart from the finance teams and cc'ed them on this email.

Regards

Pete

From: Mark Taffi [redacted]
Sent: Sunday, 13 June 2021 2:40 PM
To: Angelina Bowden-Jones [redacted]; Peter Herring [redacted]
Cc: Jeremy Nasir [redacted]; Lachlan Cobon [redacted]; Fiona L Moore [redacted];
 Michael S Young [redacted]; Shaun Cartoon [redacted]
Subject: RE: Urgent - Privileged and Confidential - Gaming Tax - Materials for Briefing Counsel - Clarifications Required

Hi Peter and Angelina,

I am just following up on Michael's email queries below? When can we expect your responses / materials?

Crown has asked Mark Robertson to have his opinion drafted by tomorrow so we really need these items as soon as possible.

Kind regards,
 Mark

Mark Taffi | Partner

Ernst & Young
 200 George Street, Sydney, NSW 2000, Australia

Website: <http://www.ey.com>
 Marie Glover | Phone: [redacted]

International Tax Review Asia Tax Awards 2017 - Asia Tax Innovator of the Year

Sent: Saturday, June 12, 2021 7:00 PM

To: angelina.bowden-jones [REDACTED]

Car Jeremy Nash [REDACTED]; Lachlan Cobon <[REDACTED]>; Mark Tafft [REDACTED]; Fiona L Moore

Subject: RE: Urgent - Privileged and Confidential - Gaming Tax - Materials for Briefing Counsel - Clarifications Required

Hi Angelina and Peter

Thanks for your all of your input into this.

Counsel has requested us to clarify and provide some additional information.

Car Parking and Accommodation

In relation to the bonus jackpot treatment for car parking and accommodation redemptions can you please advise the following:

Similar to the query in relation to F&B query –

What is the accounting treatment of the car parking and accommodation provided under the bonus jackpot program (eg how is revenue recognised);

- David / Matthew / Simon – you will need confirm from Hotel / Service Department.
- From a Gaming Machines deduction perspective the Bonus Jackpot is deducted at the time of redemption, the value is the internal transfer price set by finance

What is the Income tax and GST treatment of car parking and accommodation; David / Matthew / Simon ? My understanding is there is no GST or Income tax on Hotel and Parking

What is the process and paper trail in relation to the player receiving car parking and accommodation? For example:

- is the player provided with a voucher? No both carparking and hotel nights are electronic coupons in the system
- in relation to accommodation, invoiced and, if so, how is it invoiced (eg Is there a room charge of \$500 less a credit of \$500 for voucher/points leaving a zero balance).-

David / Matthew / Simon ?

Spreadsheet – Schedule detailing Bonus Jackpot Analysis dated 7 June 2021w BJ Master

In relation to Item 8 - Bonus Jackpots, in the BJ Master tab, (which reconciles to Rewards Amount total in cell G64 in the summary tab) there is an amount of 28,870,737.94. Are you able to split this amount to identify the amounts attributable to each of Dining, Accommodation and Car Parking please? Unfortunately I believe this would not be possible in the timeframe unless Matthew or Simon can arrange.

Please let us know if you ave any questions.

Kind regards

Michael Young | Associate Partner | Indirect Tax

Ernst & Young

Ernst & Young Centre, 200 George Street, Sydney, NSW 2000, Australia

Website: <http://www.ey.com/au>

Marie Glover [REDACTED]

From: Angelina Bowden-Jones [REDACTED]

Sent: Saturday, June 12, 2021 4:51 PM

To: Mark Tafft [REDACTED]

Cc: Michael S Young [REDACTED]; Jeremy Nash [REDACTED]; Lachlan Cobon

Subject: RE: Urgent - Privileged and Confidential - Gaming Tax - Materials for Briefing Counsel - Clarifications Required

Hi Mark

I am still waiting on final confirmation of the journals (have received preliminary confirmation), however, if you need them today please see below:

If a patron presents a \$50 F&B bonus jackpot voucher and \$100 cash payment:

DR Bank	\$100
DR Gaming Machine Revenue – EGM department	\$50
CR GST payable	(\$9.09)
CR F&B Revenue – restaurant department	(\$140.91)

If a junket operator has a \$150 F&B comp:

DR Comp Expense – VIP gaming department	\$150
CR F&B revenue	(\$150)

Thanks

Angelina Bowden-Jones
Global Head of Tax
Crown Resorts Limited

PO Box 500, Victoria Park WA 6979

[w: crownresorts.com.au](http://www.crownresorts.com.au)

From: Mark Tafft [REDACTED]
Sent: Saturday, 12 June 2021 6:52 AM
To: Angelina Bowden-Jones [REDACTED]
Cc: Michael S Young [REDACTED]; Jeremy Nash [REDACTED]; Lachlan Cobon [REDACTED]
Subject: RE: Urgent - Privileged and Confidential - Gaming Tax - Materials for Briefing Counsel - Clarifications Required

Thank you Angelina. I ran out of steam at midnight but am back on the case now.

Am I right

Kind regards,
 Mark

Mark Tafft | Partner

Ernst & Young
 200 George Street, Sydney, NSW 2000, Australia

Website: <http://www.ey.com>

Marie Glover [REDACTED]

International Tax Review Asia Tax Awards 2017 - Asia Tax Innovator of the Year

From: Angelina Bowden-Jones [REDACTED]
Sent: Friday, June 11, 2021 11:40 PM
To: Mark Tafft [REDACTED]
Cc: Michael S Young [REDACTED]; Jeremy Nash [REDACTED]; Lachlan Cobon [REDACTED]
Subject: RE: Urgent - Privileged and Confidential - Gaming Tax - Materials for Briefing Counsel - Clarifications Required

Hi Mark

Payroll tax in Victoria for Crown Melbourne in F20 was \$20m and F19 \$24m.

Gaming tax in F20 for Crown Melbourne was \$255m; in the month of May 2021 it was \$16.5m.

Thanks

Angelina Bowden-Jones
Global Head of Tax
Crown Resorts Limited

PO Box 500, Victoria Park WA 6979

[w: crownresorts.com.au](http://www.crownresorts.com.au)

From: Mark Tafft [REDACTED]
Sent: Friday, 11 June 2021 9:10 PM
To: Angelina Bowden-Jones [REDACTED]
Cc: Michael S Young [REDACTED]; Jeremy Nash [REDACTED]; Lachlan Cobon [REDACTED]
Personal Information
Subject: RE: Urgent - Privileged and Confidential - Gaming Tax - Materials for Briefing Counsel - Clarifications Required

Hi Angelina,

I am making sure the Brief reflects Crown's role as a huge contributor to the revenues of the State of Victoria.

The Vic Budget for 21/22 (post covid obviously) projects gambling taxes at 2.15bn. How much Vic Gaming Tax does Crown pay typically? Also I see Crown is the largest single site employer in Victoria. How much payroll tax does Crown Melbourne contribute typically?

Many thanks

Kind regards,
Mark

Mark Tafft | Partner

Ernst & Young
200 George Street, Sydney, NSW 2000, Australia

Website: <http://www.ey.com>

Marie Glover |

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From: Angelina Bowden-Jones
Sent: Friday, June 11, 2021 7:41 PM
To: Mark Tafft
Subject: RE: Urgent - Privileged and Confidential - Gaming Tax - Materials for Briefing Counsel - Clarifications Required

Thanks Mark

Angelina Bowden-Jones
Global Head of Tax
Crown Resorts Limited

PO Box 500, Victoria Park WA 6979

w.crownresorts.com.au

From: Mark Tafft
Sent: Friday, 11 June 2021 5:39 PM
To: Angelina Bowden-Jones
Cc: Michael S Young; Jeremy Nash; Lachlan Cobon; Fiona L Moore; Brad I Miller
Subject: Re: Urgent - Privileged and Confidential - Gaming Tax - Materials for Briefing Counsel - Clarifications Required

Many thanks Angelina. I am on a train at present but rest assured I will be getting this over to Mark Robertson tonight.

[Get Outlook for iOS](#)

From: Angelina Bowden-Jones
Sent: Friday, June 11, 2021 7:31:28 PM
To: Mark Tafft
Cc: Michael S Young; Jeremy Nash; Lachlan Cobon; Fiona L Moore; Brad I Miller
Subject: RE: Urgent - Privileged and Confidential - Gaming Tax - Materials for Briefing Counsel - Clarifications Required

Hi Mark

Have just received the reconciliation - please refer attached.

Will advise on the journals once received.

Thanks

Angelina Bowden-Jones
Global Head of Tax
Crown Resorts Limited

PO Box 500, Victoria Park WA 6979

w.crownresorts.com.au

From: Angelina Bowden-Jones
Sent: Friday, 11 June 2021 5:11 PM
To: Mark Tafft
Cc: Michael S Young; Jeremy Nash; Lachlan Cobon; Fiona L Moore; Brad I Miller

Subject: RE: Urgent - Privileged and Confidential – Gaming Tax - Materials for Briefing Counsel - Clarifications Required

Hi Mark

Just to let you know that I am following up both issues internally will provide as soon as I have received responses. In the interim I have included the BJ Master spreadsheet into the Schedule and linked it for you – I am following up the reconciling item.

Thanks

Angelina Bowden-Jones
Global Head of Tax
Crown Resorts Limited

PO Box 500, Victoria Park WA 6979

w: crownresorts.com.au

From: Mark Tafft
Sent: Friday, 11 June 2021 2:44 PM
To: Angelina Bowden-Jones
Cc: Michael S Young; Fiona L Moore; Jeremy Nash; Brad I Miller; Lachlan Cobon
Subject: Urgent - Privileged and Confidential – Gaming Tax - Materials for Briefing Counsel - Clarifications Required

Hi Angelina,

We now have a signed engagement letter and are proceeding with the Brief.

Here are some further queries.

Indicative Tax Impacts by Category

The BJ Master document is very helpful since it ties together categories of Bonus Jackpots, Crown descriptions thereof and includes cross-references to actual T's and C's and other documents.

For the purposes of briefing Counsel, could you please examine the attached version of the BJ Master document setting out details of "Indicative tax impacts" for each of the 8 categories of Bonus Jackpots?

We have brought these figures across from the spreadsheet "Schedule detailing bonus jackpot analysis".

You will see we have attempted to correlate numbers from the spreadsheet to the BJ Master document (both are noted up using colours).

Due to categorisation differences between the two documents we have not quite been able to (a) make the totals match (b) fill in all the gaps. We have a variance of some \$4m (out of \$218m) in indicative tax impacts by category.

It would be very helpful if you could either (a) do the allocation of the remaining items : or (b) confirm they do not belong on the BJ Master document. It would also be great if you could confirm whether the allocations we have already made are correct.

Also if you could send us an excel version of the BJ Master document rather than a PDF we can create a cleaner version than the current one.

Income tax treatments – BJ Master Category 8

In relation to your email at 2.34pm today, you said
 "All comp revenue is included in assessable income
 A corresponding comp expense is booked and is treated as a deductible expense"

Could you please clarify for this example?
 Crown Rewards member converts points for a \$50 dining voucher. Restaurant meal total is \$150. Cash payment is \$100.
 Total cost of the meal provided is \$60.

Is \$150 included in revenue for accounting purposes and is \$150 included in assessable income?
 How much is booked as an expense for accounting purposes and how much is treated as a deductible expense?

Thank you in advance for your help on this.

Should you have any queries please feel free to contact either Michael Young or myself.

Kind regards,
 Mark

Ernst & Young
200 George Street, Sydney, NSW 2000, Australia

Website: <http://www.ey.com>
Marie Glover

International Tax Review Asia Tax Awards 2017 – Asia Tax Innovator of the Year

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