

## **Introduction of an Economy-Wide Cash Payment Limit**

**Submission in response to the Consultation Paper  
prepared by the Commonwealth Treasury's Black  
Economy Division**

**29 June 2018**



## 1. Executive Summary

- Crown Resorts Limited (**Crown**), The Star Entertainment Group Limited (**The Star**) and SKYCITY Entertainment Group Limited (**SKYCITY**) (together, the **Casinos**) welcome the opportunity to make this joint submission to the Commonwealth Treasury regarding the proposed introduction of an economy-wide cash payment limit (the **Proposed Cash Payment Limit**).
- The Casinos recognise the importance of the Black Economy Taskforce (the **Taskforce**) and are supportive of the Taskforce's objectives to, in particular, reduce the potential for tax payers to under-report revenue and ensure the correct amount of GST is collected.
- The Casinos are currently satisfying these policy objectives as part of their normal activities and work closely with all relevant authorities – the Casinos operate in a highly regulated environment involving continuous scrutiny from State and Federal regulators, including regulators on-site, extensive control and risk procedures and practices, and a comprehensive integrity framework.
- Similar to financial institutions, the Casinos are reporting entities for the purposes of the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (Cth) (the **AML/CTF Act**), and Crown and The Star are Major Reporting Entities for the purposes of AUSTRAC. In the 2017 financial year, the Casinos collectively submitted over 130,000 Threshold Transaction Reports (i.e. cash transactions of \$10,000 or more) as well as many Suspect Matter Reports in accordance with anti-money laundering and counter-terrorism financing (**AML/CTF**) programs. This reporting provides significant intelligence to AUSTRAC as well as to other Federal and State agencies (such as the Police, the ATO and Centrelink).
- The Casinos do not under-report their gaming revenue and, therefore, remit the appropriate amount of GST each year.
- The Proposed Cash Payment Limit would have unintended consequences for the Casinos given casino patrons in Australia and abroad are accustomed to transacting in cash, which in Australia is driven by State-based legislation. Casino customers (in particular international patrons) would be significantly adversely impacted, such that it would be virtually impossible to service international patrons in certain circumstances.
- The Casinos, who have a longstanding and demonstrated record as responsible reporting entities for the purposes of the AML/CTF Act (including Crown and The Star as Major Reporting Entities for the purposes of AUSTRAC) and are significant contributors to the Australian economy, **submit that they should be treated in the same way as financial institutions (i.e. exempt from the Proposed Cash Payment Limit but still subject to existing AML/CTF reporting requirements)**.
- This will ensure that the unintended consequences described above do not adversely impact the Casinos or the State Governments that rely on the Casinos for tax revenue.

## 2. Overview

### 2.1 Policy Objectives of the Black Economy Taskforce

The Casinos recognise the importance of the Taskforce and are supportive of the Taskforce's objectives to:

- improve the visibility of threshold transactions for the appropriate authorities (i.e. AUSTRAC, ATO, ACIC, etc.);
- reduce the potential for tax payers to under-report revenue;
- ensure GST is collected on all relevant transactions for the taxable supply of goods and services; and
- create a level playing field for all tax payers by ensuring that all businesses pay an equivalent level of tax.

The Casinos are currently satisfying all the above policy objectives as part of their normal activities and work closely with all relevant authorities:

- As with the financial services sector, the Casinos operate in a highly regulated environment. Unlike the industries specifically referred to by the Taskforce as being at risk of under-reporting large cash payments (e.g. luxury retail, real estate, home renovation and agriculture), the Casinos' regulatory environment involves continuous scrutiny from State and Federal regulators, including regulators on-site, extensive control and risk procedures and practices, and a comprehensive integrity framework;
- The Casinos' integrity framework includes, but is not limited to, extensive cash reporting obligations to AUSTRAC given that the Casinos are reporting entities for the purposes of the AML/CTF Act, and Crown and The Star are Major Reporting Entities for the purposes of AUSTRAC. In the 2017 financial year, the Casinos collectively submitted over 130,000 Threshold Transaction Reports (i.e. cash transactions of \$10,000 or more) as well as many Suspicious Matter Reports in accordance with AML/CTF programs;
- This threshold transaction reporting provides significant intelligence to AUSTRAC as well as to other Federal and State agencies (such as the Police, the ATO and Centrelink), which benefit from this intelligence for their own monitoring and investigative purposes. In addition, these transactions occur on a face-to-face basis by Casino staff trained to detect suspicious or unusual activity, under a network of surveillance cameras and a robust security presence;
- The Casinos conduct ongoing transaction monitoring to detect patrons who may be deliberately trying to avoid the requirement to provide identification for transactions of \$10,000 or more, allowing Suspicious Matter Reports to be raised in this respect and further providing valuable intelligence to Federal and State agencies;
- The Casinos do not under-report their gaming revenue. Across their properties, the relevant State casino regulators closely scrutinise gaming revenue and tax reporting. In financial year 2017, the Casinos collectively generated over \$4.4 billion of normalised gaming revenue and paid over \$650 million in State-based gaming taxes (net of GST); and

- The Casinos remit the appropriate amount of GST each year. In financial year 2017, the Casinos collectively remitted approximately \$400 million in GST.

## **2.2 Unintended Consequences**

The Proposed Cash Payment Limit would have unintended consequences for the Casinos, including:

- Casino patrons in Australia and abroad are accustomed to transacting in cash, which in Australia is driven by State-based legislation, which has strong restrictions regarding the use of debit or credit cards in connection with gaming at casinos. The Casinos' businesses would be adversely impacted if they were subject to these new measures; and
- Casino customers (in particular international patrons) would be significantly adversely impacted such that it would be virtually impossible to service international patrons in certain circumstances.

Further detail in relation to each of the above points is set out below.

## **2.3 Recommendation**

The Casinos note that the Proposed Cash Payment Limit will not apply to financial institutions and are supportive of the consideration and recognition that additional specific exemptions may apply.

The Casinos, who have a longstanding and demonstrated record as responsible reporting entities for the purposes of the AML/CTF Act (including Crown and The Star as Major Reporting Entities for the purposes of AUSTRAC) and are significant contributors to the Australian economy, submit that they should be treated in the same way as financial institutions (i.e. exempt from the Proposed Cash Payment Limit but still subject to existing AML/CTF reporting requirements).

This will ensure that the unintended consequences described above do not adversely impact the Casinos or the State Governments that rely on the Casinos for tax revenue.

### 3. The Casinos Currently Satisfy the Policy Objectives of the Taskforce

#### 3.1 The Casinos report all cash transactions of \$10,000 or more to AUSTRAC

The Casinos are reporting entities for the purposes of the AML/CTF Act (including Crown and The Star as Major Reporting Entities for the purposes of AUSTRAC) and, similar to financial institutions, are subject to a series of legislative obligations. Under the AML/CTF Act and the *Anti-Money Laundering and Counter-Terrorism Financing Rules Instrument 2007* the Casinos are obligated to:

- have an approved AML/CTF compliance program;
- identify, mitigate and manage money laundering and/or terrorism financing risks posed by its customer types, the designated services it provides and the foreign jurisdictions with which it deals;
- identify and verify each customer involved in a cash transaction of \$10,000 or more;
- report all cash transactions of \$10,000 or more as well as any suspicious matters (of potentially any value), regardless of whether a transaction was completed, to AUSTRAC;
- conduct training programs that ensure staff understand their obligations under the AML/CFT Act as well as the consequences of non-compliance; and
- report all international funds transfer instructions, regardless of the amount, to AUSTRAC.

The Casinos report every cash transaction of \$10,000 or more to AUSTRAC and will only process such transactions if the patron provides a valid form of identification (irrespective of whether the patron is exchanging cash for chips or vice versa).

The Casinos also monitor for suspicious transactions and associated behaviour and report such matters to AUSTRAC. Each year, the Casinos report a number of Suspicious Matter Reports to AUSTRAC as part of their detailed transaction monitoring programs. There are a range of indicators and alerts which may prompt the preparation of such reports. This might include reports of instances where AML/CTF law is being avoided (e.g. structuring to avoid Threshold Transaction Reports) or where other predicate offenses might be implicated. For example, where a patron exchanges cash for chips and then converts a similar amount of chips back into cash, the Casinos will check whether the patron actually gambled in the casino. If the patron is found to have no rated play, the patron's activity may be included in a Suspicious Matter Report to AUSTRAC. Patrons who endeavour to refine currency by exchanging small denomination notes for large denomination notes may also attract such reports, as do patrons who seek to structure cash transactions below the reporting threshold in an effort to remain anonymous. In certain circumstances, the Casinos also consider cash transactions that are slightly under \$10,000 as to whether they seem suspicious in the circumstances and report them to AUSTRAC where appropriate. Through extensive engagement with policing agencies, the Casinos reduce AML/CTF risk in the community by taking action that brings potentially illegal activity to the attention of the relevant authorities.

In financial year 2017, the Casinos collectively submitted over 130,000 Threshold Transaction Reports to AUSTRAC.

Each of the Casinos' cash transactions of \$10,000 or more are documented, reported to AUSTRAC, visible, traceable, linked to identity (i.e. not anonymous) and verifiable (i.e. leave an audit trail).

The Casinos are extremely vigilant when it comes to their AML/CTF reporting obligations and take compliance with those obligations very seriously. The Casinos see their role as AUSTRAC reporting entities in the gambling and wagering industry as critical in this AML/CTF environment, and the Casinos continue to work with AUSTRAC on a proactive and collaborative basis to improve and enhance their AML/CTF framework across their businesses. It should be noted that the Casinos' properties are assessed by AUSTRAC on a regular basis and the Casinos' AML/CTF programs and risk assessments are subject to regular independent review.

During the five-year Section 31 Review of The Star Sydney, which was conducted by Jonathan Horton QC in 2016, Mr Horton noted that:

*"Persons attend the Casino from time to time with large amounts of cash to gamble. The Casino has processes to report these as appropriate. AUSTRAC's relationships with the ACCC, AFP, ATO, NSW Crime Commission, NSW Police and NSW Office of State Revenue assist with monitoring and sharing information relating to activities at the Casino.... In the last five years, AUSTRAC said, the Casino's reporting had increased proportionately to its reported business results."*

The Casinos also have a long history of cooperating with State and Federal law enforcement agencies (including the ATO, AUSTRAC, State-based gaming regulators, Australian Federal Police and State Police) to assist them with their intelligence gathering and operations. The Casinos regularly present to these (and other) major law enforcement agencies to explain the nature of the Casinos' records, how to interpret them and how they can assist with law enforcement. The Casinos are often commended by these agencies for their ongoing assistance.

In certain circumstances, the Casinos understand that their reporting of cash transactions of \$10,000 or more (particularly the detail included in such reports) has provided these government agencies with unique and valuable intelligence that may otherwise be unavailable.

The Casinos are concerned that efforts to prohibit cash transactions of \$10,000 or more, in the casino context, may inadvertently foster the underground economy that the Taskforce is seeking to address, encourage broader structuring activity and remove a valuable and vital source of intelligence for State and Federal regulatory and law enforcement bodies.

It is inevitable that the introduction of the Proposed Cash Payment Limit will encourage casino customers with legitimate cash funds to structure their transactions just below the threshold level to avoid the inconvenience of having a single transaction refused. As already noted, the Casinos currently monitor customer behaviour to identify and report attempts to structure transactions (to avoid customer due diligence) as a suspicious matter. However, a significant increase in transaction structuring by otherwise legitimate customers will impose an additional compliance burden on the Casinos and consequently lead to an increase in Suspicious Matter Reports, which may offer no real intelligence value – which appears counter-productive.

### 3.2 The Casinos do not under-report their gaming revenue

In financial year 2017, the Casinos collectively generated over \$4.4 billion of normalised gaming revenue and paid over \$650 million in State-based gaming taxes (net of GST).

The integrity of the Casinos' revenue reporting is critical to the Victorian, NSW, Queensland, South Australian, Western Australian and Northern Territory Governments given that State/Territory-based gaming taxes are calculated as a percentage of gaming revenue.

As such, the Casinos have rigorous revenue reporting systems. The Governments in each of the respective States/Territories require the Casinos to report daily on every dollar of gaming revenue generated on their gaming floors to the State gaming regulator. In addition:

- in the case of Crown Melbourne, State Government inspectors must be present at Crown Melbourne 24 hours per day, 7 days per week. The Victorian gaming regulator has a permanent office for its auditors adjacent to Crown's Finance Department and reviews Crown's revenue on a continuous basis;
- in the case of Crown Perth, State Government inspectors are routinely on site to conduct audits and reviews, and the Western Australian regulator requires monthly certifications of revenue, signed by Crown's senior management;
- in the case of The Star Sydney, State Government inspectors have a permanent office on site and have a process to audit and review The Star's operations. The regulator is provided with details of gaming revenue on a weekly basis. The NSW Auditor General conducted an independent audit of The Star's gaming and duty calculation process in 2017 and there were no negative findings;
- in the case of The Star Gold Coast, State Government inspectors are onsite approximately 12 hours per day. The inspectors sign off on the cash revenue each day and are provided with monthly gaming tax returns, signed by senior management;
- in the case of SKYCITY Adelaide, State Government inspectors are regularly on site, have a dedicated room at the casino premises and access to the casino operator's records. Revenue is audited for each trading day and accounted for monthly. In addition, international business customers are subject to additional internal and external scrutiny (including notification to the regulator and South Australian Police);
- in the case of SKYCITY Darwin, Licensing NT staff are regularly on site, and have access to casino records. Revenue is audited for each trading day and accounted for monthly, and international business customers are also subject to additional internal and external scrutiny (including notification to the regulator);
- Victorian, Western Australian, Queensland and NSW regulators have access to their own surveillance facilities at the casino properties;
- the Casinos are ASX-listed companies that are required to produce accounts every six months that are subject to review and audit by an external auditor; and
- the Casinos, being large tax payers, are subject to ongoing review by the ATO and maintain an open dialogue with the ATO in relation to the reporting of revenue.

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These measures ensure the integrity of the Casinos' revenue reporting and, in turn, the amount of gaming tax collected by the respective State Governments.

### **3.3 The Casinos remit the appropriate amount of GST each year**

As mentioned above, the Casinos do not under-report their revenues and, therefore, remit the appropriate amount of GST each year.

In financial year 2017, the Casinos collectively remitted approximately \$400 million in GST.

As mentioned above, the Casinos maintain a close relationship with the ATO to ensure the correct amount of GST is remitted each year.



#### 4. Unintended Consequences of the Proposed Cash Payment Limit

##### 4.1 Casino patrons in Australia and abroad are accustomed to transacting in cash

The Casinos' local and international gaming patrons, consistent with casinos in other jurisdictions (in particular Las Vegas, Macau and Singapore), often transact in cash.

A significant portion of these cash transactions involve large sums of money. Patrons will typically exchange cash for chips, gamble at the casino, and then exchange their remaining chips (if any) for cash. The Casinos recognise gaming revenue (and pay State gaming tax) in the event that the player incurs a loss.

##### 4.2 Legislation and regulation govern the use of cash at the Casinos

A key objective of the Casinos, and a major focus of regulators and State Governments, is the responsible service of gaming (**RSG**). The Casinos are leaders in this field and a key element of RSG is that patrons do not gamble more than they can afford to.

This principle, which has been in place since the inception of the Casinos, is reflected in Victorian, NSW, Queensland, Western Australian, South Australian and Northern Territory legislation, which prevents the Casinos from providing money or chips to casino patrons as part of a transaction involving a credit card or debit card (refer to section 68(2)(c) of the *Casino Control Act 1991* (Vic), section 21(d) of the *Casino Burswood Island Agreement Act 1985* (WA), section 66(1)(d) of the *Casino Control Act 1982* (QLD), section 74(1)(c) of the *Casino Control Act 1992* (NSW), section 42 *Casino Act 1997* (SA) and Clause 7.3 *Code of Practice for Responsible Gambling* (NT)).

This requires casino patrons to make a conscious decision in relation to how much they would like to spend (and potentially lose) in advance of arriving at the casino.

In addition, section 81AA of the *Casino Control Act 1991* (Vic) requires Automated Teller Machines (**ATMs**) to be situated more than 50 metres from any entrance to the casino. This is a similar framework to that which operates in Western Australia, NSW, Queensland and South Australia. This forces casino patrons to walk a considerable distance away from the gaming floor and "take a break" before deciding whether to withdraw additional cash.

RSG is one of the policy objectives underpinning these laws and regulations. The intention, at least in part, is to make it harder for casino patrons to access funds and restrict the use of credit by local casino patrons in addition to enforcing a break in play, so that patrons can reconsider their decision whilst walking to an ATM.

##### 4.3 The Proposed Cash Payment Limit would adversely impact the Casinos' international visitation

The proposed reform would have a material adverse impact on the Casinos' ability to continue to attract international visitors and maintain or grow their share of the international gaming market for the reasons set out below:

- A common, and at times the only practical, way for many international visitors who are already in Australia to gamble at the Casinos is using cash. In this respect, if an international player wants to buy in again during gaming activity, he or she can often only do so through using cash. At present, the Casinos cannot accept a casino chip purchase involving a credit card or debit card (as described above).

As casino chips have the ability to be exchanged for cash, the Casinos must have clear funds before they can issue chips to any patron. As such, telegraphic transfers (i.e. electronic payment of cleared funds credited directly to a nominated bank account) are impractical as they commonly take 24-48 hours for the Casinos to be confident that clear funds have been received.

For example, if an international patron visiting a casino for a few days decides to buy-in at 10:00PM, it would be impractical to instruct the patron to wait until the morning to contact their bank in Asia to arrange the telegraphic transfer. Given that the funds may only clear in 24-48 hours, there would also be a risk that the patron may no longer be in Australia when the funds arrive at the casino.

As mentioned above, the Casinos report all cash transactions of \$10,000 or more, as well as any suspicious matters to AUSTRAC. In addition, international visitors are required to declare cash amounts of \$10,000 or more to an Australian Border Force Officer.

- In certain circumstances, international casino patrons elect to receive their winnings in cash and utilise those cash winnings to buy-in at other casinos. For example, certain international casino patrons at Crown Melbourne will buy-in using cash winnings received at The Star in Sydney and vice versa.

The regulatory settings that affect the Casinos significantly impact their ability to effectively compete in the international gaming market and attract international visitors to Australia.

The Proposed Cash Payment Limit would put the Casinos at a distinct disadvantage to their key competitors in Singapore, Macau, the Philippines and Las Vegas, where cash transactions in excess of \$10,000 are permitted. Further, new resorts are likely to be developed in other countries that will result in additional competition for international gaming players (e.g. Vietnam and Japan).

#### **4.4 The Proposed Cash Payment Limit would adversely impact the Casinos' main gaming floors**

In financial year 2017, the Casinos' main gaming floors collectively generated revenue of approximately \$3.3 billion.

As mentioned above, the Casinos' main gaming floor patrons often transact in cash, a significant portion of which involve large sums of money. The Casinos' main gaming floor revenue of \$3.3 billion includes revenue generated from a number of cash transactions of \$10,000 or more, which are reported to AUSTRAC.

The Casinos expect that the Proposed Cash Payment Limit will:

- cause local patrons to reduce their spend due to the delays associated with electronic fund transfers; and
- create an administratively unworkable operating environment where patrons would be queuing as they wait for the Casinos to be confident that clear funds have been received from their bank.

This would adversely impact the Casinos' gaming revenues and, in turn, the amount of gaming taxes collected by State Governments. As mentioned above, in financial year 2017 the Casinos collectively paid over \$650 million in State-based gaming taxes (net of GST).

## 5. The Casinos Operate in Highly Regulated Environments

### 5.1 Overview of Highly Regulated Environments

The Casinos operate in highly regulated environments whereby the relevant State-based casino regulator regulates, audits, monitors and reports on all aspects of casino operations including:

- licensing of casino employees, ensuring suitability to work in a casino environment;
- approval of suppliers and certain products to ensure integrity is maintained;
- approval of internal controls and procedures to ensure the accuracy and completeness of all accounting transactions pertaining to the provision of gaming and movement of cash;
- incident reporting, to allow the regulator(s) to monitor any events which may compromise casino integrity and to ensure inappropriate or suspicious patron behaviour is dealt with and, if necessary, reported to relevant law enforcement agencies; and
- periodic audits or checks of compliance with approved procedures.

Importantly, each regulator has full access to all casino related records and systems (for all patrons, irrespective of their country of origin).

The Casinos also operate in close liaison and consultation with other agencies such as State-based Police and the Australian Federal Police. The Casinos regularly receive requests for information from both the Police and regulators relating to the Casinos' reporting – these requests often involve the Casinos working with the relevant agency to collate supporting information regarding patrons (e.g. surveillance footage and patron gaming activity).

Each of the Casinos also has in place their own comprehensive integrity framework, which ensures ongoing compliance with regulations as well as integrity and public confidence in the operation of their casinos. This includes, but is not limited to:

- a compliance framework consistent with Australian Standard 19600 and comprising compliance champions situated throughout the business, compliance plans and automated compliance (self-assessment) surveys;
- extensive surveillance technology and operations;
- dedicated security officers extensively trained in all aspects of security operations, including monitoring patron behaviour;
- independent internal audit functions; and
- comprehensive training provided to employees.

All of the above serve to ensure that the Casinos operate with integrity and in a transparent manner, with cash and revenue fully accounted for.

This, in the Casinos' view, significantly differentiates casino operations from those industries that the Taskforce is specifically targeting (e.g. luxury retail, real estate, home renovation and agriculture).

To further demonstrate the extent to which transactions are captured and reported in casinos compared to other industries, we provide the following example:

*A real estate agent accepts \$50,000 cash for a property but does not disclose it as income. Currently, the real estate agent is not obligated to report this transaction and may under-report income for tax purposes, using the cash received to pay for other goods and services. This presents considerable difficulty in being detected by the various State and Federal Government agencies.*

*Conversely, where a casino accepts \$50,000 cash in exchange for gaming chips, the patron is required to show current identification (details recorded in the casino patron management system) and the transaction is subsequently reported to AUSTRAC as a 'threshold transaction'. All cash transactions that take place at the Casino Cage (Cashier) are reconciled daily by the Casinos' Revenue Audit Team, in accordance with the regulator-approved Cage procedures, and ultimately banked. If the exchange occurred at the gaming table, the patron must provide appropriate ID when the amount is \$10,000 or more which is recorded and duly reported to AUSTRAC. The cash is then collected according to a predetermined schedule in accordance with approved procedures (involving Security Officers), counted using count machines in a heavily secured, supervised (and CCTV monitored) area, reconciled against applicable casino records and ultimately banked.*

## **5.2 The Casinos' existing "Know Your Customer" and credit checking processes (for international VIP guests) are a significant deterrent to black marketeers**

The Casinos undertake actions in the form of credit checking and "Know Your Customer" processes which reduce the potential for corrupt or illegal cash flows into Australia. When credit worthiness checks are conducted on prospective international guests, the Casinos satisfy themselves (for commercial reasons) that a person has the financial capacity to pay a particular debt based on a known credit history, which includes establishing a person's source of wealth and capacity (or history) to pay. This significantly reduces the Casinos' utility as a means to move money in contravention of capital movement controls.

## **5.3 Comparison to European Casinos**

Cash transaction limits are most often used in European countries that have limited or no AML reporting obligations. This is not the case in Australia, particularly in the casino industry where casinos are required by the AML/CTF Act to provide reports to AUSTRAC (as described above).

European Casinos operate under a substantially different commercial gaming model as compared to Australian casinos, which alters the nature and scale of the impact of such measures. European casinos, in general, are convenience gambling facilities and, as such, are much smaller in scale and geographically more numerous. Further, the Financial Action Task Force (**FATF**) considers European casinos to be higher risk than Australian casinos in relation to AML/CTF.

The European Casino Association has stated that "after introduction of a threshold in Italy a decrease in revenue by up to 20% for licensed land-based casinos in the country was seen in all four licensed land-based casinos". It is worth noting that Italy's casinos operate under a commercial gaming model that is similar to Australian casinos.

## **6. The Casinos are Significant Contributors to the Australian Economy**

### **6.1 The Casinos are large taxpayers**

The Casinos are among some of the largest tax payers in the country, having collectively contributed over \$1 billion in taxes to all levels of Australian Government in financial year 2017.

### **6.2 The Casinos are recognised as employers of choice**

Crown is the largest single-site employer in both Melbourne and Perth with almost 10,000 people working at Crown Melbourne and almost 6,000 people working at Crown Perth. In addition, Crown's learning and development programs at Crown College (Crown's \$10 million dedicated training facility with 8,250 graduates), Indigenous employment program and disability employment program are all considered best practice, leading the way for other Australian workplaces. Crown's investment in its employees has been consistently recognised by the Australian Government, having won Australian Employer of the Year three times in the last seven years – an achievement not matched by any other Australian corporation.

The Star Sydney is the largest single-site employer in Sydney employing 6,000 people. The Star employs approximately another 4,000 people across two properties in Queensland. The Star was also awarded Silver Employer status by the Australian Workplace Equality Index for its LGBTI inclusion and was a finalist in the Australian HR awards in the Employer of Choice, Diversity & Inclusion and Reward & Recognition categories. The Star has partnerships with TAFE in both NSW and Queensland to run the Sydney School for Hospitality Excellence and a Queensland Hotel and Hospitality School. These programs will deliver tailored programs and qualifications to students to meet developing industry requirements at international standards.

SKYCITY Adelaide is one of the largest employers in South Australia with 1,100 staff engaged in full-time, part-time and on demand positions encompassing a broad variety of roles. The number of employees is expected to increase by approximately 75% following completion of the new development currently underway. A further 600 people are employed at SKYCITY Darwin with a total payroll at both sites currently in excess of \$109 million.

### **6.3 The Casinos have a long track record of investing in Australian tourism infrastructure**

Between financial years 2007 and 2021, Crown has invested (and is expected to invest) a total of around \$6.4 billion in Australian tourism infrastructure, including:

- over \$2.3 billion at Crown Melbourne (including a \$250 million licence fee paid to the Victorian Government);
- over \$1.7 billion at Crown Perth (including the completion of Crown Towers Perth, a brand new 6-star luxury hotel); and
- \$2.2 billion on Crown Sydney, Sydney's first 6-star luxury hotel and a landmark building (including a \$100 million licence fee paid to the New South Wales Government).

Since 2015, The Star has invested (and is proposing to invest) up to a total of over \$4 billion in Australian tourism infrastructure, including;

- \$2.4 billion on Queens Wharf Brisbane (excluding Treasury repurposing and Destination Brisbane Consortium Partners' residential developments);
- investments at The Star Gold Coast of up to \$800 million, comprising the upgrade of the existing asset, the completion of The Darling All Suite Hotel and development of The Star Residences, a new \$400 million development of a hotel and residential tower at The Star Gold Coast; and
- investments in The Star Sydney of \$1 billion, including the upgrade of the existing asset, the Sovereign Resorts development and the proposed 'The Ritz-Carlton' tower.

SKYCITY has invested approximately \$120 million in Australian tourism infrastructure in Darwin and Adelaide and has committed to invest \$330 million to develop a world-class integrated resort in Adelaide, which is expected to be completed in 2020. The new development includes a hotel, VIP gaming salons and suites for international customers, function rooms and food and beverage facilities.

## 7. Recommendation

The Casinos note that the Proposed Cash Payment Limit will not apply to financial institutions and are supportive of the consideration and recognition that additional specific exemptions may apply.

The Casinos, who have a longstanding and demonstrated record as responsible reporting entities for the purposes of the AML/CTF Act (including Crown and The Star as Major Reporting Entities for the purposes of AUSTRAC), submit that they should be treated in the same way as financial institutions (i.e. exempt from the Proposed Cash Payment Limit but still subject to existing AML/CTF reporting requirements) on the basis that:

- the Casinos report all cash transactions in excess of \$10,000 to AUSTRAC;
- the Casinos do not under-report their gaming revenue;
- the Casinos remit the appropriate level of GST each year;
- legislation and regulations govern the use of cash at the Casinos;
- the Proposed Cash Payment Limit would adversely impact the Casinos' international visitation and main gaming floor business at the Casinos' properties;
- the Casinos operate in highly regulated environments; and
- the Casinos are significant contributors to the Australian economy.

This will ensure that the unintended consequences described in this Paper do not adversely impact the Casinos or the State Governments that rely on the Casinos for tax revenue.

Crown, The Star and SKYCITY thank the Commonwealth Treasury for providing the opportunity to respond to its Consultation Paper in relation to the Proposed Cash Payment Limit.

We would be pleased to provide any further information or data that would assist Treasury in its consideration of this important issue.