



Agenda

Meeting: Crown Melbourne | Executive Risk and Compliance Committee
Date: Tuesday, 26 May 2020
Time: Meeting on the Documents
Venue: Meeting on the Documents

Private & Confidential

Chairman: Joshua Preston (Chief Legal Officer – Australian Resorts)

Attendees: Barry Felstead (Chief Executive Officer – Australian Resorts)
 Xavier Walsh (Chief Operating Officer)
 Peter Crinis (Chief Operating Officer – Hotels, Retail & F&B Melbourne)
 Nicolas Emery (Chief Marketing Officer – Australian Resorts)
 Tim Barnett (Executive General Manager – Table Games)
 Mark McKay (Executive General Manager – Gaming Machines)
 Andre Ong (Group Chief Information Officer – Crown Resorts)
 Alicia Gleeson (Executive General Manager – Human Resources)
 Enda Cunningham (Executive General Manager – Food & Beverage)
 Michelle Fielding (Committee Executive Officer / Group General Manager
 Regulatory & Compliance)
 Anne Siegers (Group General Manager Risk & Audit)

Invitees: Ken Barton (Chief Financial Officer & CEO Crown Digital – Crown Resorts)
 Mary Manos (General Counsel and Company Secretary - Crown Resorts)
 Alan McGregor (Chief Financial Officer – Crown Resorts)

Apologies: Nil

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1. Confirmation of Minutes – 24 January 2020
-
2. Business Arising (All)
-
3. Internal Audit (AS)
 - 3.1 Internal Audit Report
 - 3.2 Internal Audit Charter – Annual Review
-
4. Fraud Update (AS)
-
5. Risk Update (AS)
 - 5.1 Material Risk Update
 - 5.2 Risk Management Strategy – Annual Review
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5.3	Emerging Risks (No Paper)
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6.	Compliance & Regulatory Update (JP/MF) (Subject to Legal Professional Privilege)
6.1	Compliance & Regulatory Update
6.2	Section 25 Recommendations
6.3	VCGLR Risk Based Approach (<i>deferred to next meeting</i>)

7.	Litigation Update (JP) (Subject to Legal Professional Privilege)
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8.	AML/CTF Update (JP) (Subject to "Part II Secrecy & Access" AML & CTF Act)
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9.	Health, Safety & Wellbeing Update (JP/AM) (Subject to Legal Professional Privilege)
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10.	Responsible Service Update (JP)
10.1	Responsible Gaming
10.2	Responsible Service of Alcohol

11.	Other Business
11.1	Government Relations



Executive Risk and Compliance Committee - Minutes

Committee Name: Executive Risk and Compliance Committee Meeting

Date Held: Friday, 24 January 2020

Commencement Time: 15:00 AEDT

Present: Joshua Preston (Chairman/Chief Legal Officer – Australian Resorts)
Barry Felstead (Chief Executive Officer – Australian Resorts)
Xavier Walsh (Chief Operating Officer)
Alicia Gleeson (Executive General Manager – Human Resources) (by phone)
Enda Cunningham (Executive General Manager – Food and Beverage)
Michelle Fielding (Committee Executive Officer/Group General Manager – Regulatory and Compliance)
Anne Siegers (Group General Manager – Risk and Audit) (by phone)

Apologies: Sean Knights (Executive General Manager – Table Games, Crown Sydney)
Tim Barnett (Executive General Manager – Table Games)
Mark Mackay (Executive General Manager – Gaming Machines)
Mark Holmes (Executive General Manager – Food and Beverage, Crown Sydney)
Alan McGregor (Chief Financial Officer – Australian Resorts)
Peter Crinis (Chief Operating Officer – Hotels, Retail & F&B Melbourne)
Nicolas Emery (Chief Marketing Officer – Crown Resorts)
Andre Ong (Group Chief Information Officer – Crown Resorts)

Business	Action	Due Date
<p>1. Confirmation of Minutes</p> <p>The members confirmed the Minutes of the Executive Risk and Compliance Committee (Committee) Meeting dated 13 November 2019.</p>		
<p>2. Business Arising</p> <p>Mr Walsh provided an update on the status of whether Crown will proceed with having PSOs. A discussion with the Shadow Police Minister was favourable, however the issue of cost remains to be resolved. Crown has offered to bear the costs; however, this wasn't accepted. This item is now closed.</p> <p>Mr Barton had queried who would action the Crown Foundation audit findings. This was actioned by Lauren Harris. This item is now closed.</p> <p>Mrs Siegers undertook to more precisely describe the scope of the audits. This was completed with an update of the title of the Crown Rewards – Lifestyle audit. This item is now closed.</p> <p>Mr McGregor raised the need for the Risk Appetite Dashboard to be adjusted to reflect that it will surpass the >\$10M trigger for VIP EBITDA loss. The Risk Appetite Dashboard was updated and</p>		

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<p>Mrs Siegers noted the likelihood of triggering the reportable threshold to the Audit Committee and Risk Management Committee. This item is now closed.</p> <p>Mr McGregor requested an update on Crown’s ongoing review of employee hours worked and pay, in light of recent issues with Woolworths and a number of restaurants. Mrs Siegers highlighted Crown’s review to the Risk Management Committee. This item will continue to be monitored.</p> <p>The Group General Manager AML agreed to undertake a brief presentation to the Compliance Officers at the next Compliance Committee Meeting, which was undertaken. This item is now closed.</p>	CFO	
<p>3. Annual Review of ERCC Charter</p> <p>The Committee resolved to adopt the Charter. Mr Felstead asked that a report be included in future ERCC papers, providing an update on stakeholder relationships – to be prepared by Chris Reilly.</p>	GGM-R&C	
<p>4. Internal Audit</p> <p><i>4.1 Internal Audit Report</i></p> <p>Mrs Siegers spoke to the progress against the internal audit plan in the papers.</p> <p>There were no further comments raised by the Committee in respect of the Internal Audit Report and the paper was otherwise “taken as read”.</p> <p><i>4.2 Status of Internal Audit Recommendations</i></p> <p>Mr Walsh noted that the table at item 2.4 recorded two Process Improvement Opportunities (PIO) as outstanding for 13-24 months and said it would assist to know what these were.</p> <p>Mrs Siegers replied that the specific PIOs were in relation to the review of the Complimentaries Policy and the consolidation of the legal advice provided for visas across both properties.</p> <p>The long outstanding recommendation is with regards to the use of Dropbox. Mr Ong informed the Committee that Dropbox could not be turned off as it would impact operations, however, his team had visibility over it and its use continues to be monitored.</p> <p>Mr Walsh queried whether the infectious disease audit was a review of Crown’s processes in case there was an outbreak, Mrs Siegers confirmed that this was correct.</p>		

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<p>There were no further comments raised by the Committee in respect of the Status of Internal Audit Recommendations and the paper was otherwise “taken as read”.</p>		
<p>5. Fraud Update</p> <p>The Chairman highlighted to the Committee a hotel fraud matter as well as the increase in chip thefts. Mr Walsh noted that the man responsible for two of the chip theft incidents was detected by the Facial Recognition System and was arrested by Security and held until the police arrived and took custody of him.</p> <p>A second chip thief jumped the glass railing at Tia To Restaurant (at significant height), wearing only thongs on his feet and fled.</p> <p>A third chip thief reached into the float and took chips, the dealer said he didn’t react from shock (he was decoded from premium areas and received counselling). The woman was also later identified and Crown was able to recover \$25,000 of the \$30,000 she stole.</p> <p>A parking validation staff fraud issue was also highlighted, as was the matter of a staff member who changed the ID of a patron she knew was not the person in the system.</p> <p>A further matter involving a licensed staff member accepting a tip of \$1,000, which was passed from two F&B staff, was highlighted. The two F&B staff members have had their employment terminated and the licensed staff member will be spoken to upon their return from leave.</p>		
<p>6. Risk Update</p> <p><i>6.1 Material Risk Update</i></p> <p>The Chairman spoke to the developing Dinner by Heston matter. Crown now has a letter from the liquidator stating that they intend to continue to trade at this stage. The Chairman said that Crown is currently seeking external legal advices advice on the matter. Mr Cunningham noted that Dinner have written to all of Heston’s staff saying that it is business as usual. Mrs Siegers queried whether Dinner is currently operating at a loss and the Chairman said that they are currently able to cover their expenses.</p> <p>Mrs Siegers noted to the Committee that the Australian Banking Association (ABA) has released a Consultation Paper, seeking feedback on the use of credit cards for gambling. The use of credit cards in connection with gambling is already unlawful at the casino, however Crown is concerned that a blocking of its merchant code for credit card use may have unintended</p>		

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<p>consequences for the hotels and food and beverage outlets etc. Crown is reviewing the Consultation Paper and will consider whether it makes a submission or not.</p> <p>The ILGA Inquiry into Crown’s suitability to operate in NSW commences shortly with hearings to address such matters as Compliance, AML, Risk share transactions and other related matters. The Inquiry will also consider industry best practices from a regulatory perspective. It is expected that the Inquiry will run over a number of months.</p> <p>ACLEI continues to gather evidence in preparation for its public hearing, however has not yet set a new date for its commencement. A new Commissioner will commence at ACLEI in February.</p> <p>The Chairman noted that the VCGLR continues to pose questions regarding junkets, which Crown is responding to as required.</p> <p>The Chairman also spoke to the ongoing matter of the Mercury Roulette Wheels; as well as a further request for information (under a s167 Notice) from AUSTRAC regarding our AML/CTF Compliance Assessment.</p> <p>The Chairman noted that the VCGLR has contacted, to our knowledge, a number of our ex-staff involved in the China matter; Crown has written to the VCGLR asking, amongst other things, how they intend to deal with the confidentiality undertakings between the ex-staff and Crown.</p> <p>The Chairman also noted that Crown received a Show Cause Notice on 11 April 2019 from the Melbourne City Council, relating to cladding on Crown Metropol. Crown submitted its response on 12 September 2019, and is preparing to put its submission, with the support of external experts, to the Building Appeal Board for approval of its engineered solution.</p> <p>Mrs Siegers talked to reducing the risk for employee industrial action, (industrial action was undertaken by staff earlier this week). Crown Resorts Limited has set up a Brand Committee to review for reputational damage and is across the industrial action matter. Mrs Siegers proposed that the risk for this matter be increased to ‘almost certain’ in the coming months – the Committee agreed that the change was warranted. The Chairman asked Mrs Siegers to draft a paragraph on the matter that he can put to the Brand Committee.</p> <p>There were no further comments raised by the Committee in respect of the Material Risk Update and the paper was otherwise “taken as read”.</p>	<p>GGM-R&A</p>	
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<p>6.2 <i>Emerging Risks (no paper)</i></p> <p>There were no emerging risks identified and discussed by the Committee.</p>		
<p>7. Compliance and Regulatory Update (Subject to Legal Professional Privilege)</p> <p>7.1 <i>Compliance and Regulatory Update</i></p> <p>The Chairman drew to the Committee's notice the following matters:</p> <ul style="list-style-type: none"> • There has been a gaming machine fault on the floor since August 2019 (the machine locks up and requires attendance for certain wins), which Crown notified the VCGLR of. The VCGLR were comfortable with the matter given that there is no adverse impact to patrons. The Chairman noted that these matters need to be escalated by the relevant department for resolution sooner; • The VCGLR has verbally notified Crown that it has escalated the matter of Crown writing off bad debts and has sought external advice; • The VCGLR is looking into a matter where it alleges that three males were gambling whilst intoxicated; • A new matter arose concerning gaming machine ratings being held open for a period of time after a player removes their loyalty card, which means the next player could see the prior player's name and loyalty card number. Crown has turned the rating hold functionality off, whilst the matter is rectified; • The Chairman discussed the matter of a valet driver losing control of a car (modified for a disabled driver) and driving into the Louis Vuitton store – no one was seriously injured. Crown's processes have been changed so that Valet will no longer drive modified cars; • The VCGLR requested information and documents regarding junket activity as well as information concerning patron Xiongming Xie; • The Chairman noted that there were a small number of incidents involving self-excluded patrons being admitted to VIP rooms; and • The VCGLR again queried the Joseph Wong Kiia Tai (Yoseph Prawira) matter, which it reviewed back in 2015. 		

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<p>The Chairman noted an incident involving Tony Mokbel’s daughter and the public use of drugs. Crown called the police who attended but took no positive action. Crown has complained to more senior police about the inaction and the attending officers’ conduct is being reviewed.</p> <p>The Chairman spoke about the progress of the work being conducted between Crown and the VCGLR to update the Gaming Machines Technical Requirements Documents. Good progress is being made, which the VCGLR commended.</p> <p>There were no further comments raised by the Committee in respect of the Compliance and Regulatory Update and the paper was otherwise “taken as read”.</p> <p>7.2 Section 25 Recommendations</p> <p>Recommendation 19 has been settled and the VCGLR has verbally notified Crown that it will receive a letter stating that the Recommendation has been actioned.</p> <p>There were no further comments raised by the Committee in respect of the Section 25 Update and the paper was otherwise “taken as read”.</p>		
<p>8. Litigation Update (Subject to Legal Professional Privilege)</p> <p>The Chairman spoke to the Litigation Update and that the Class Action hearing date had been rescheduled to November 2020. However, Crown expects there will be further mediation before that date. Crown was also successful on an appeal matter this week, concerning access to Crown employees prior to the hearing.</p> <p>There were no comments raised by the Committee in respect of the Litigation Update and the paper was “taken as read”.</p>		
<p>9. AML/CTF Update (Subject to “Part II Secrecy & Access” AML & CTF Act)</p> <p>9.1 AML/CTF Update</p> <p>The Chairman noted that the new Group General Manager AML, Nick Stokes, is reviewing the Joint AML/CTF Program and Crown’s processes for IFTIs, SMRs etc. to put a “fresh set of eyes on it”.</p> <p>The Chairman informed the Committee that the AML Team commenced using CURA this week, which will hold AML related customer information going forward.</p>		

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<p>There were no comments raised by the Committee in respect of the AML/CTF Update and the paper was “taken as read”.</p>		
<p>10. Health, Safety & Wellbeing Update</p> <p>There were no comments raised by the Committee in respect of the Health, Safety and Wellbeing Update and the paper was “taken as read”.</p>		
<p>11. Responsible Service Update</p> <p><i>11.1 Responsible Gaming</i></p> <p>The Chairman spoke to the implementation of an ‘Responsible Gaming Advisory Panel’ of external responsible gaming experts, to advise Crown regarding Responsible Gaming matters. The Panel undertook a three-day session to review Crown Melbourne’s responsible gaming framework, the Crown Model and other responsible gaming initiatives, which they will report on to the Chairman under Legal Professional Privilege.</p> <p>There were no further comments raised by the Committee in respect of the Responsible Gaming Update and the paper was otherwise “taken as read”.</p> <p><i>11.2 Responsible Service of Alcohol</i></p> <p>There were no comments raised by the Committee in respect of the Responsible Service of Alcohol Update and the paper was “taken as read”.</p>		
<p>12. Other Business</p> <p>There was no other business.</p>		

The next meeting is scheduled for Tuesday, 26 May 2020.

There being no further business, the Chairman closed the meeting at 16.35.

Joshua Preston
Chairman

Date

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Crown Melbourne
Agenda Item 2: Business Arising
January 2020 – May 2020

The table below presents the status of business arising from the previous meetings of the Executive Risk and Compliance Committee:

Meeting Reference	Matter	Status
ERCC 01/20	<p>Annual Review of ERCC Charter</p> <p>Mr Felstead asked that a report be included in the ERCC papers from Chris Reilly, providing an update on stakeholder relationships. Ms Fielding undertook to request a report from Mr Reilly.</p>	Completed – refer Agenda Item 6.4
ERCC 01/20	<p>Risk Update</p> <p>Mrs Siegers talked to reducing the risk for employee industrial action, (industrial action was undertaken by staff earlier this week). Crown Resorts Limited has set up a Brand Committee to review for reputational damage and is across the industrial action matter. Mrs Siegers proposed that the risk for this matter be increased to ‘almost certain’ in the coming months – the Committee agreed that the change was warranted. The Chairman asked Mrs Siegers to draft a paragraph on the matter that he can put to the Brand Committee.</p>	Completed



Crown Melbourne
Agenda Item 3.1: Internal Audit Report
January 2020 to May 2020

1. Audits Completed In Reporting Period

1.1 Overview

Following the closure of the property on 23 March 2020, the Internal Audit team was stood down on 30 March. There has been no internal audit activity since that date. It is estimated that once the property re-opens, the Internal Audit team will initially focus on providing assurance over re-opening and pre-opening activities and it is expected that approximately 8 weeks after re-opening, once business operations have stabilised, the internal audit program will resume.

As such, the Internal Audit Activity Report is limited at this stage, and no follow-up of Internal Audit recommendations was undertaken for this Report.

Some Internal Audit staff have been assisting the Finance team in compiling documentation and evidence for the E&Y Payroll and Procure to Pay controls assessment, as well as providing some independent assurance over the JobKeeper implementation process. This has mainly consisted of confirming the eligibility assessment, and performing sample testing over the payroll calculations.

In relation to the FY19 Strategic Audit Plan, the VIP Operations audit still remains outstanding in draft report stage, with management comments still outstanding.

In relation to the FY20 Strategic Audit Plan, three Crown Melbourne audits were completed during the current reporting period, being the third period of the Plan. As at 30 March 2020, three Melbourne and five Group audits are in progress.

Internal Audit Report Ratings were as follows:

Type of Activity	Number of Audit Reports Issued	REPORT RATING ¹				
		Excellent	Good	Satisfactory	Improvement Required	Seriously Adverse
Melbourne Internal Audits	3	2	1	-	-	-
Group Internal Audits	-	-	-	-	-	-

¹ Refer to Appendix 1 for overall report rating definitions

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Detail of internal audits completed during the period are as follows:

Audit	Audit Priority	Scope Overview	Report Rating	No. of Issues Raised ²
Melbourne Internal Audits				
Aircraft Operations	High	Review Crown Resorts Aircraft Operations external audit program noting audit work completed and documentation of audit findings. Ensure escalation / resolution of key issues raised.	Excellent	Nil
Cage Inventory Spot Counts	High	Perform spot counts of Main Bank inventory (AUD and foreign currency held), Chip Bank inventory, Cage Window floats, gaming voucher inventory and Ticket In Ticket Out tickets (against Ticket Redemption Terminal Cash Redemption Report).	Excellent	Nil
ICS – Cage Operations	High	Test compliance with VCGLR approved Internal Control Statement, ensuring adherence to approved minimum standards and controls.	Good	5 Low
Group Internal Audits				
-	-	-	-	-

1.2 Key Internal Audit Findings

There were no key Internal Audit findings (Critical and High) identified during the reporting period.

2. Strategic Internal Audit Plan

2.1 Summary of Progress against Plan

Due to the shutdown of the business, the Internal Audit Department was shut down on March 30. At that point in time the Strategic Audit Plan was on track to be completed as planned, with the exception of the audits that were cancelled, as detailed below.

A summary of FY20 Internal Audit Plan progress is as follows, as at March 30:

Type of Activity	F20 Audits Planned	Audits Completed	Audits in Progress	Audits Scheduled	Audits Cancelled	Audits Consolidated
Melbourne Internal Audits	16	6	3	4	2	1
Group Internal Audits	14	2	5	5	1	1

During the current reporting period, the Accounts Payable and Payroll audits were cancelled. Historically these audits were to test controls for external audit reliance. However, for FY20 it was agreed that Ernst & Young (E&Y) would complete this testing. The audit days assigned to these audits were allocated to expanding the scope of certain other audits, mainly the Group Hotel Operations audit.

² Refer to Appendix 2 for classification of Internal Audit Findings

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As previously reported:

- The Responsible Service of Alcohol audit has been consolidated with the Liquor Licensing audit.
- The Group audit that was cancelled is the Betfair audit which in FY20 was going to focus on AML practices. Betfair advised Internal Audit that this audit is now going to be undertaken by an external party at the request of the Crown Resorts Board. Betfair subsequently confirmed that no further assurance activities were required from Internal Audit during FY20.
- The Group audit that has been consolidated is the Crown Sydney – Accounts Payable / Project Payments audit. The accounts payable component is covered during the Accounts Payable audit and the project payments/capitalisation of costs was tested by E&Y as part of the external audit. There may also be some coverage of projects as part of the expanded Procurement audit.
- The days allocated to the above cancelled and consolidated Group audits have been moved to the Group Procurement audit with a significant increase in scope and coverage from 30 days to 75 days.

2.2 Detailed Status of the FY20 Plan

The table below details the FY20 Internal Audit Plan and each audit's updated status.

FY20 Internal Audit Plan	Audit Priority	Audit Status	Overall Report Rating	Prior Report Rating	Change	No. Of Issues Raised
Melbourne Internal Audits						
ICS – Gaming Equipment	High	Complete	Good	FY15 Satisfactory	↑	5 Low
ICS – Table Games Operations	High	Complete	Satisfactory	FY17 Satisfactory	↔	1 Mod 8 Low
Mahogany Room, Teak Room and Private Salons Employee Health Monitoring	High	Complete	Satisfactory	N/A	N/A	2 Mod 3 Low 2 PIO
ICS – Cage Operations	High	Complete	Good	FY15 Satisfactory	↑	5 Low
Transport – Aircraft Operations	Critical	Complete	Excellent	FY19 Excellent	↔	Nil
Cage and Count Operations	High	Complete	Excellent	FY19 Excellent	↔	Nil
Liquor Licensing / Responsible Service of Alcohol	High	In Progress (Draft Report)				
Responsible Service of Alcohol	Critical	Consolidated into Liquor Licensing	-	-	-	-
VIP Gaming Area (Mahogany Room) Access and Membership	High	In Progress (Fieldwork)				

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FY20 Internal Audit Plan	Audit Priority	Audit Status	Overall Report Rating	Prior Report Rating	Change	No. Of Issues Raised
Food Safety	Moderate	In Progress (Fieldwork)				
Responsible Service of Gaming	Critical	Scheduled				
Infectious Disease	High	Scheduled				
ICS – Security Operations	High	Scheduled				
ICS – Surveillance and Security Communications	High	Scheduled				
Accounts Payable	High	Cancelled by E&Y				
Payroll	High	Cancelled by E&Y				
Group Internal Audits						
Counter-Terrorism	Critical	Complete	Excellent	N/A	N/A	3 PIO
Credit Card / Expense Claims	High	Complete	Satisfactory	N/A	N/A	3 Mod 6 Low 1 PIO
Compliance Framework	High	In Progress (Draft Report)				
Hotel Operations (Front Desk)	High	In Progress (Fieldwork)				
Procurement	High	In Progress (Draft Report)				
Crown Sydney – Accounts Payable / Project Payments	High	Consolidated into Accounts Payable and Procurement				
Disaster Recovery Management	High	In Progress (Draft Report)				
Environmental Reporting	High	In Progress (Fieldwork)				
Credit Control (Group)	High	Scheduled				
Group Employee Licensing	Critical	Scheduled				
Anti-Money Laundering	Critical	Scheduled				

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FY20 Internal Audit Plan	Audit Priority	Audit Status	Overall Report Rating	Prior Report Rating	Change	No. Of Issues Raised
International Commission Business Sales	Critical	Scheduled				
Health & Safety	High	Scheduled				
Betfair	High	Cancelled	-	-	-	-

2.3 Additional Audit Activities

During the closure period, Internal Audit is assisting with the E&Y External Audit activity, particularly with relations to providing sample documentation for the controls testing of the Payroll and Procure to Pay (P2P) sections.

Internal audit is also assisting with independent assurance over the JobKeeper payment processing, particularly focusing of the assessment of the eligibility criteria and sample testing of the payroll payments.

3. Status of Outstanding Internal Audit Findings

Due to the business shutdown, no formal follow-up of outstanding findings was performed during the current period. For information purposes, the number of outstanding findings is presented below. It is expected that a number of these findings would be cleared if follow-up was performed, including the long standing item.

2.4 Crown Melbourne

The table below represents the number of outstanding Crown Melbourne audit findings as at 30 March 2020 and the time lag since the original due date. The total number of these outstanding audit findings has increased from 22 to 27, with 5 new findings added.

	Not Yet Due	< 1 Month	1 – 3 Months	4 – 6 Months	7 - 12 Months	13 – 24 Months	> 24 Months	Total
Critical	-	-	-	-	-	-	-	-
High	-	-	-	-	-	-	-	-
Moderate	2	1	-	2	-	-	1	6
Low	3	6	-	9	3	-	-	21
Total	5	7	-	11	3	-	1	27



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The long overdue Moderate finding relates to the transition from Dropbox to ShareFile. IT have implemented a monitoring regime for the small number of accounts that have a valid business reason for remaining open – this matter is ready to be closed.

2.5 Group

The table below represents the number of outstanding Group audit findings as at 30 March 2020 and the time lag since the original due date. The total number of these outstanding audit findings has decreased from 48 to 42, with 6 findings implemented.

Please note that some of the recommendations listed below may relate to Crown Perth only, but are reported as part of the Group audits under which they were identified.

	Not Yet Due	< 1 Month	1 – 3 Months	4 – 6 Months	7 - 12 Months	13 – 24 Months	> 24 Months	Total
Critical	-	-	-	-	-	-	-	-
High	-	-	-	3	-	-	-	3
Moderate	2	3	-	7	7	-	-	19
Low	1	4	-	7	8	-	-	20
Total	3	7	0	17	15	-	-	42

4. Strategic Internal Audit Plan

As a consequence of the closure of the business, the preparation and approval of the FY21 Strategic Internal Audit Plan (Plan) is deferred.

It is expected that when the business resumes operations, the Internal Audit team will assist the business in providing independent assurance over re-opening related activities, and will not resume its normal auditing activities for at least 8 weeks. Once it does, it will complete the F20 Internal Audit plan which will be at least a further 3 months of work (to cover the shut-down period for the full 4th quarter of F19/20).

Once operations resume, the Internal Audit team will prepare an F21 Strategic Internal Audit plan to cover the remainder of the F20 financial year for Committee approval.

5. Internal Audit Charter

As required by the International Standards for the Professional Practice of Internal Auditing (**Standards**), the Internal Audit Charter must be periodically reviewed and presented to Senior Management and the Board for approval. This was last performed in May 2019.

During the previous review and update of the Charter, changes were made to reflect the nature of the Internal Audit function becoming a Group function. The periodic review of the Charter performed in



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May 2020 did not identify any changes that need to be made. The Charter is reflective of the current practices and of the Department and the Standards.

Although no changes have been made, the Charter is still presented for review and approval by Senior Management and the Board.

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Appendix 1 – Overall Report Rating Definitions

Excellent	Processes and controls are adequate and operating effectively to mitigate key risks. There are no opportunities for improvement.
Good	Processes and controls are adequate and operating effectively to mitigate key risks. There are minor opportunities for improvement in some areas.
Satisfactory	An adequate control framework exists to effectively mitigate key risks. There are opportunities for improvement in some areas.
Improvement Required	Although a control framework exists, a number of issues have been identified which require management attention.
Seriously Adverse	Key control issues have been identified which require immediate senior management attention.



Appendix 2 – Classification of Internal Audit Findings

The following framework for rating Internal Audit findings has been developed according to their likelihood of occurrence and impact on the business. For further detail refer to the Risk Management framework.

Almost Certain No controls in place or controls in place not operating	Moderate (8)	High (15)	High (18)	Critical (22)	Critical (25)
Likely Significant systemic control issues impacting risk mitigation	Low (4)	Moderate (10)	High (17)	High (20)	Critical (24)
Possible Minor systemic control issues	Low (3)	Moderate (9)	High (16)	High (19)	Critical (23)
Unlikely Non-systemic control efficiency and effectiveness issues	Low (2)	Low (6)	Moderate (11)	Moderate (13)	High (21)
Rare One-off and minor control issues	Low (1)	Low (5)	Low (7)	Moderate (12)	Moderate (14)
Likelihood Consequence	Insignificant <ul style="list-style-type: none"> Financial loss <\$1m. Issue of individual/Departmental significance. No adverse external reputational damage. Non-compliance requiring internal reporting only. Minor injury. No impact on culture and staff performance. No loss of staff. No or minimal impact to patrons, <1% segment, <1,000 or <\$4m revenue. No FOH damage. BOH issue managed within existing resources. Loss of key system <2 hours. Event managed through normal activity. Delay to short term strategic objectives. 	Minor <ul style="list-style-type: none"> Financial loss \$1m-5m. Isolated impact on investor confidence. Issue of company/property significance, reported on local radio or localised social media. Perceived or actual non-compliance that may require external reporting. No regulator action. Significant injury requiring medical assistance. Minimal impact of culture and loss of staff. Negative event impacting 1% to 5% or 1,000 to 5,000 patrons of a segment or \$20m revenue. FOH damage isolated, not impacting services. Loss of key system <8 hours Minimal management effort required in single business area. Short term strategy delivery impacted. 	Moderate <ul style="list-style-type: none"> Financial loss \$5m-10m. Some impact on investor confidence. Reported on local media or isolated national media. Temporary impact on integrity of Crown. Breach triggering external reporting or individual civil action. Potential regulatory monitoring. Serious injury requiring hospitalisation. Isolated cultural and performance impact at property. Negative event impacting 5% to 20% or 5,000 to 20,000 patrons of a segment or \$40m revenue. Loss of <3 F&B outlets, <50% one hotel, <10% gaming floor for <24 hours. Loss of critical infrastructure, multiple systems, core infrastructure or key system for <24 hours. Significant management effort required, impacting multiple areas of the business. Short to medium term strategy delivery impacted. 	Major <ul style="list-style-type: none"> Financial loss \$10m-20m. General impact on investor confidence. Sustained reporting by national media. Reduced public perception on Crown integrity. Breach triggering regulator monitoring or intervention or corporate civil action. Relationship with regulator damaged. ASX disclosure made. Permanent disability. Sustained staff turnover. Cultural and performance impact at property. Negative event impacting 20% to 50% or 20,000 to 50,000 patrons of a segment or \$100m revenue. Loss of up to 1 hotel or 50% F&B; or up to 25% of the gaming floor for <48 hours. Loss of critical infrastructure, multiple systems, core infrastructure or key system for <48 hours. CMT/EMT activated. Significant management intervention required, impacting widespread areas of the business. Inability to deliver medium to long term strategy. Ownership change. 	Severe <ul style="list-style-type: none"> Financial loss >\$20m Widespread impact on investor confidence. Sustained reporting by international media. Loss of public confidence in Crown. Breach triggering restriction or loss of gaming/liquor licenses, class action or criminal sanctions. Permanent damage to relationship with regulator. ASX disclosure made. Fatality. Sustained high level of turnover. Cultural and performance impact across properties. Negative event impacting over 50% or 50,000 of a segment type or \$100m revenue Loss of >25% of the gaming floor; or >50% F&B or 1 hotel for >48 hours. Irrecoverable data loss. Loss of key/multiple systems or core infrastructure for >48 hours. Event with potential to lead to the collapse of the business. Threatens long term viability of the business. Change in ownership.



**CROWN MELBOURNE LIMITED
EXECUTIVE RISK AND COMPLIANCE COMMITTEE MEMORANDUM**

To: Executive Risk and Compliance Committee
From: Anne Siegers
Date: 26 May 2020
Subject: Crown Melbourne Internal Audit Department Charter

Pursuant to the Crown Melbourne Internal Audit Department Charter (**Charter**), the Internal Audit Department is responsible for "reviewing the Charter annually and submitting any amendments for the review and approval of the Crown Melbourne Board Audit Committee (**Committee**)".

As articulated in the Internal Audit Activity Report and subject to the views of this Committee, no changes are proposed for this annual review.

Kind Regards



Anne Siegers
Group General Manager - Risk & Audit



Crown Internal Audit Department Charter

Introduction

- The Crown Melbourne Limited and Burswood Limited Boards (**Boards**) have established the Crown Internal Audit Department (**Department**) as a key component of Crown's corporate governance framework; and
- The Crown Internal Audit Department Charter (**Charter**) provides the framework for the operation of the Department, and has been approved by the Boards.

Purpose

- The purpose of the Department is:
 - To provide independent, objective assurance and consulting services designed to add value and improve Crown's operations; and
 - To assist Crown in accomplishing its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

Independence

- All Department staff report to Crown's Group General Manager Risk & Audit who reports administratively to Chief Executive Officer – Australian Resorts and functionally to the Boards;
- The Department is independent of all areas of Crown's operations. Department staff do not audit areas of direct responsibility, nor are they assigned to areas for which they had previous responsibility; and
- The Group General Manager Risk & Audit will confirm to the Boards at least annually, the organisational independence and objectivity of the Department.

Authority and Confidentiality

- Subject to Crown's security policies, the Department, with strict accountability for confidentiality and safeguarding records and information, is authorised full, free, and unrestricted access to any and all of Crown's records, personnel, and physical properties that the Group General Manager Risk & Audit considers necessary to enable the Department to meet its responsibilities. The Department also has free and unrestricted access to the Boards and the Chief Executive Officer.

Scope

- The scope of work undertaken by the Department is to determine whether Crown's material risk exposures and corporate governance responsibilities have been identified and are being managed effectively by reference to one or more (but not limited to) the following:
 - The adequacy and effectiveness of mitigating controls;
 - Compliance with applicable policies, standards, procedures, regulations and legislation;



Crown Internal Audit Department Charter

-
- The economic acquisition, effective use and adequate protection of Crown’s assets and resources;
 - The accomplishment of Crown’s objectives; and
 - The accuracy, reliability and timeliness of information reviewed.
 - The specific authorisation to perform the work is the Strategic Audit Plan approved by the Boards, and aligned to Crown’s material risk exposures and corporate governance responsibilities;
 - The Department will be responsible for internal audit activities at Crown Sydney; and
 - The Department may also undertake audits of other Crown Group entities.

Roles and Responsibilities

- The Department is responsible for:
 - Development of a flexible Strategic Audit Plan using an appropriate risk based methodology, and considering any risks or control concerns identified by the Department, management and / or the Boards, and submission of the Strategic Audit Plan to the Boards for review and approval;
 - The Strategic Audit Plan will include both an internal audit strategy section, highlighting the purpose and objective of the Department, and a three year plan, including a tactical plan for the upcoming year, and strategic plan providing indicative coverage for the following two years;
 - Implementation of the approved Strategic Audit Plan, including as appropriate, any special engagements requested by Executive management and / or the Boards, and consideration of any changes to, or emerging, material risk exposures requiring amendment of the Strategic Audit Plan;
 - Sharing information and co-ordinating internal audit activities with other internal and external providers of assurance, including Crown’s external auditors, as appropriate, ensuring effectiveness and efficiency;
 - Assisting management in the identification and assessment of risks and controls;
 - Assisting investigations of suspected fraudulent activity within Crown, as required;
 - Performing audits where necessary of designated persons or entities either from Crown or external to the Company;
 - Ensuring Department staff have sufficient knowledge, skills, experience and professional certifications to meet the requirements of the Charter and the *Institute of Internal Auditors’ International Standards for the Professional Practice of Internal Auditing (the Standards)*;
 - Keeping abreast of emerging business issues, risks and internal audit practices, and implementing those practices where relevant;



Crown Internal Audit Department Charter

- Reporting periodically to the Boards in respect of audit activities, status of internal audit recommendations and progress against the approved Strategic Audit Plan. Any amendments to the approved Strategic Audit Plan will be submitted to the Boards for review and approval;
- Meeting at least annually with the Boards independent of management to discuss any relevant matters and issues; and
- Reviewing the Charter annually and submitting any amendments for the review and approval of the Boards.

Reporting and Monitoring

- A written audit report is to be issued by the Department at the completion of each internal audit engagement and distributed to the relevant stakeholders. A summary of internal audit engagements completed and key audit findings is to be presented to the Boards at each scheduled meeting, and written audit reports made available to the Boards on request;
- The written audit report is to include management's response and corrective action taken or to be taken in regard to each audit finding reported and the timing thereof;
- Where management response to an audit finding is not considered adequate, the Department will further consult with management to reach a mutually agreeable resolution. If agreement cannot be reached, the Group General Manager Risk & Audit will escalate the matter to the Chief Executive Officer, and if required the Boards, for resolution; and
- Corrective actions are to be monitored by the Department on a quarterly basis, and their status reported to the Boards at each scheduled meeting.

Professional Standards

- The Department shall adhere to the Standards and the Department's Internal Audit Manual. These two documents shall constitute the operating procedures of the Department;
- To enable continuous evaluation of the Department, the Group General Manager Risk & Audit shall ensure implementation a Quality Assurance and Improvement Program comprising internal assessment and at a minimum once every five years, external independent quality assessment by a qualified independent reviewer, or review team, from outside Crown against the Standards; and
- The results of the external assessment are to be reported to the Boards by the Group General Manager Risk & Audit.

May 2020



Crown Melbourne
Agenda Item 4: Fraud Update
May 2020

As the property closed on 23 March 2020 and 95% of staff were stood-down, and no material matters materialised prior to that, there has been little activity to support a meeting of the Fraud Management Committee.

There are no matters to bring to the attention of the ERCC at this time.

It is noted however for the ERCC's attention that an Internal Auditor was brought back from being stood down to assist Finance with auditing payroll processes and transactions with regards to the JobKeeper payment.



Crown Melbourne Limited

Material Risk Update: 26 May 2020

This Material Risk Update reports on the 'critical' and selected 'high' risks in the updated Crown Melbourne Risk Profile (depicted as "material risks" in the Crown Melbourne Risk Map set out on page 5 of this update).

Executive Summary

Since the last update in January 2020, a number of existing and new key internal and external events have evolved or materialised which have the potential to impact the overall Risk Profile of the organisation, and particularly its material risk exposures.

The key events that have taken place over the period include:

- The property was closed on 23 March 2020, due to the declared national COVID-19 pandemic, and at the direction of government authorities. Limited activity has continued in hotels, but all other departments have shut down, with approximately 95% of staff being stood down. Security and Surveillance operations remain in place to ensure the security of the facilities, and a number of core staff remain active to handle critical activities and infrastructure, as well as plan for re-opening. See page 12 for further updates.

The closure of the property will present a number of challenges as Crown prepares to re-open its doors, including restricted ability to operate (social distancing measure, hygiene and other government imposed conditions); no international business whilst our international borders remain closed; risk of a second wave; customer confidence in returning to our premises; impacts on discretionary spending; impacts on overall employment.

- The JobKeeper program was implemented at Crown, which is helping secure stood down staff during the closure period. A number of other initiatives have been implemented to help keep staff engaged.
- On 29 April 2020, Melco Resorts & Entertainment Limited (Melco) sold its Crown Resorts shares to American private equity firm Blackstone, ending the perceived association with Lawrence Ho. The impact on the ILGA inquiry remains uncertain, but the inquiry remains on hold during the pandemic.
- Crown ended its relationship with Dinner by Heston Blumenthal, and the restaurant closed its operations on 14 February 2020. Alternate restaurant offerings are in development for re-opening.
- On 19 September 2019, the *Currency (Restrictions on the Use of Cash) Bill* was introduced into Parliament and, based on the explanatory memorandum, it is expected that exemptions will be created for certain payments that are subject to reporting obligations under the AML/CTF Act (including for designated services within the casino) within the rules made by the Treasurer and it is expected that casinos will be exempt from the scope of the cash payment limit. No further changes since the last report.

- As reported previously, as a result of the allegations put by both the Nine Network (*60 Minutes* program, SMH and the Age) and Mr Wilkie, various investigations and inquiries are continuing involving AUSTRAC, ILGA and ACLEI. With respect to the ACLEI investigation (Operation Angove), it has announced that there will no longer be a public hearing for this matter. Instead, the investigation will be carried out on the information gathered by ACLEI Investigators. Investigations involving VCGLR, VCGLR Inspectorate, and the ATO into some of the media allegations have been undertaken.
- During the period, Crown has continued to address, and engage with the VCGLR on the Recommendations made by the VCGLR as part of its Sixth Review of the Casino Operator and Licence. To date, 17 of the 20 Recommendations have been responded to by Crown by the required due date, with the remaining 3 not yet due. The meeting that was set up to address recommendation 20 was postponed due to the COVID-19 shutdown. It will be rescheduled at a later date.
- As previously reported, an issue was identified with a number of Roulette wheels on the gaming floor. Thirteen years ago, the manufacturer delivered a version of the product different to the version approved by the Regulator and the version ordered by Crown. The difference was not visible to the eye (additional in-rim sensor – not regulated equipment), and Crown was not aware of being supplied different wheels until recently. The effected Roulette wheels have been removed from the floor, additional verification steps are now undertaken for all equipment, and the Regulator has conducted a review of all Roulette Wheels. The Regulator continues to review this matter.
- No further update has been received regarding the VCGLR's investigation into an electronic gaming machine which the VCGLR alleges was operating in 'Unrestricted Mode', without 'Your Play' functionality activated. The VCGLR has referred the matter to the Commission, for consideration. There has been no further development since the last report.
- As previously reported, a result of media allegations against Crown reported on or around 27 July 2019, the VCGLR wrote to Crown Melbourne on 23 September 2019, providing notice of its intention to continue its investigation into the China Matter. The VCGLR noted its intention to obtain information from former Crown staff who were involved in the media reports and the detentions in China. Crown and Minter Ellison continue communications with the VCGLR on this matter. No further update since the last report.
- As previously reported, Crown Melbourne received a show cause notice from the Melbourne City Council (**MCC**) relating to combustible cladding on the Metropol Hotel (dated 11 April 2019). In response, Crown submitted a report by fire engineers, DNT Engineering Services, on 12 September 2019. Crown met with the Building Appeals Board on 7 April 2020, and several additional queries were raised. Crown lodged additional information on 22 May 2020.

Adjustments to the risk profile:

Following the events above, the following change to risk ratings is proposed:

- Following the national pandemic declaration, the risk of ‘External disruption of demand for our services’, which includes consideration for pandemic, was increased to Severe / Almost Certain, making it the highest risk for the Crown Melbourne property.

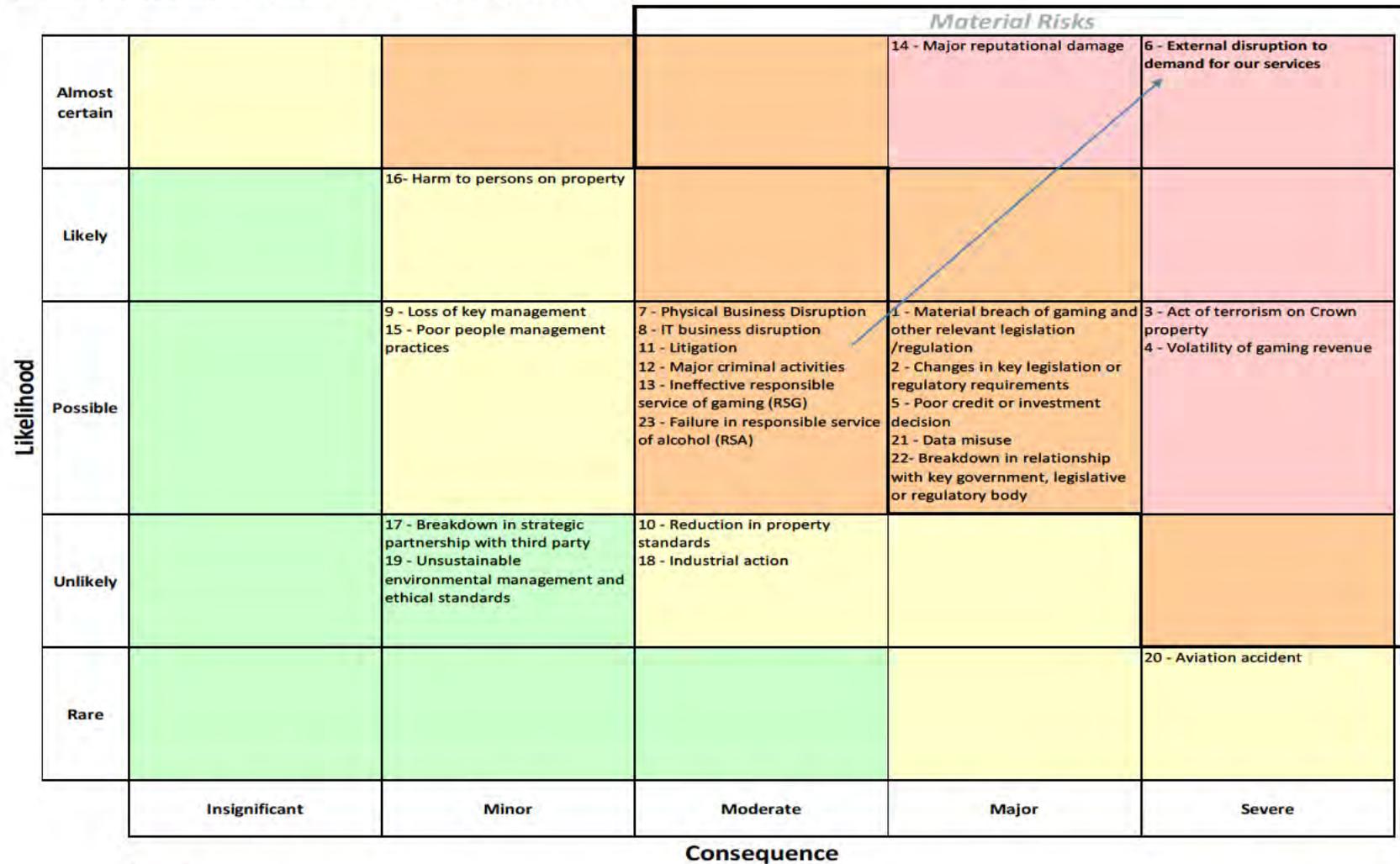
Below is a table summarising trends for each material risk:

MATERIAL RISKS	CURRENT TREND
1. Legislative / Regulatory Changes	<i>Unchanged</i> 
2. Volatility of Premium Gaming	<i>Unchanged</i> 
3. Act of Terrorism on Property	<i>Unchanged</i> 
4. Major Reputational Damage	<i>Unchanged</i> 
5. Poor Credit and Investment Decision	<i>Unchanged</i> 
6. Material Breaches of Gaming and other Relevant Legislation/ Regulations	<i>Unchanged</i> 
7. Data Misuse	<i>Unchanged</i> 
8. Breakdown in relationships with key government, legislative or regulatory bodies	<i>Unchanged</i> 
9. External disruption of demand for our services	<i>Increased</i> 

Risk Appetite Dashboard

Category	Quantitative Metrics – RMC Reporting Triggers		New reportable Events	Ref
Financial	Outside normal trading EBITDA losses (per event), and/or adverse to the current (normalised) forecast	>\$10M	Yes	COVID-19
Brand / Reputation	Internal event creating a sustained share price loss	>5%	No	
	Sustained negative national or international media coverage	Any event	No	
Regulatory/ Legal	Significant breaches that may have a financial or reputational impact	Any event	No	
	Material legal action or class action	Any event	No	
	Significant breach or event that has the potential to damage the relationship	Any event	No	
	Material RSG issues including adverse media	Any event	No	
	Integrity of liquor licences	Any loss of licence and/or points	No	
People	Significant notifiable incidents under the Occupational Health and Safety Act	Any event	No	
	Sustained staff turnover and/or unplanned absences above average	Any event	No	
	Loss or potential loss of key management personnel	Any event	Yes	COVID-19
	Imminent industrial action	Any event	No	
Customer/ Patrons	Negative event affecting segment of patrons (e.g. VIP, F&B, Hotel)	Over 20% or 20,000 patrons of segment type, or \$100M revenue	Yes	COVID-19
Infrastructure	Security incident that threatens people or property	Any event	No	
	Loss of other core IT infrastructure or multiple key systems	>24hrs	No	
	External or internal security breaches resulting in unauthorised access to, or loss of, customer data likely to result in serious harm	Any event	No	
	Loss of critical physical infrastructure	>24hrs	No	
	Unplanned loss of gaming floor in one property	>10% for up to 24 hrs	Yes	COVID-19
	Unplanned loss of non-gaming front of house facilities in one property	> 1 hotel or 50% F&B > 24hrs	Yes	COVID-19
Strategy / Business Sustainability	Critical event requiring mobilisation of resources and CMT/EMT activation	Any event	Yes	COVID-19
	Key strategic project delayed by 12 months or more	Any event	No	
	Change in ownership share of related or third party entity	Any Event	Yes	Melco – p1

Crown Melbourne Corporate Risk Map -May 2020



Legend:

Critical Risk	Oversight by the RMC/Board
High Risk	Managed by CEO and relevant EGMs
Moderate Risk	Managed by BOT members
Low Risk	Managed as part of BAU

1. LEGISLATIVE / REGULATORY CHANGES

Changes to legislation, regulations or Federal / State Government policy covering Crown Melbourne's operations including the conduct of, and access to, gaming, have the potential to adversely impact performance including:

- *Changes to restrictions on the number, type, speed and location of gaming machines;*
- *Changes to mandatory minimum "return to player" on gaming machines;*
- *Changes to approved table games and approved rules of the games;*
- *Changes to restrictions on advertising and marketing;*
- *Automatic Teller Machine (ATM) restrictions / removals;*
- *Increases in tax or additional levies and taxes;*
- *State Government commitment to review Crown Melbourne "exemptions";*
- *Approval of new gaming products (Responsible Gaming Council of Victoria).*
- *Imposition of further or more restrictive mandatory pre – commitment systems and the potential impact on revenue and the operation of Crown Melbourne's business.*
- *Loss of State Government approved smoking exemptions permitting designated "high roller" smoking areas within the casino complex; and*
- *Restrictions to areas where smoking is currently permitted*

CROWN MELBOURNE

Black Economy Taskforce - \$10,000 cash transaction limit

TREND: *Unchanged* 

There have been no changes since the last report.

On 19 September 2019, the Currency (Restrictions on the Use of Cash) Bill was introduced into Parliament and, based on the explanatory memorandum, it is expected that exemptions will be created for certain payments that are subject to reporting obligations under the AML/CTF Act (including for designated services within the casino) within the rules made by the Treasurer and it is expected that casinos will be exempt from the scope of the cash payment limit.

POTENTIAL IMPACT TO CROWN:

It is common for Junkets and VIP/premium players (as well as casual customers on occasion) at times to bring materially larger amounts of cash to play at Crown. Should the exemption not be provided, this will no longer be possible.

CURRENT ACTION PLAN:

Continue engagement with Government and regulators to reach an acceptable position.

Anti-Money Laundering / Counter-Terrorism Financing (AML / CTF)

TREND: *Unchanged* 

The Financial Action Task Force (FATF) was expected to visit Australia during Q1-Q2 FY20 to complete an assessment of Australia's compliance with international AML standards. Any adverse outcomes are likely to impact the legislative/regulatory framework in Australia, which could ultimately affect the obligations of reporting entities.

Crown was provided with a draft of AUSTRAC's draft Risk Assessment for review and comment prior to its publication. Crown has reviewed the draft Risk Assessment and prepared and submitted its comments to AUSTRAC. We are yet to receive feedback on our comments.

Crown has responded to s167 Notices regarding an assessment of its AML/CTF Program, with a focus on High Risk Customers and PEPs.

Section 25 Licence and Operator Review

TREND: *Unchanged* 

Crown is working with the VCGLR to address each of the 20 Recommendations. Seventeen Recommendations have been responded to by Crown within the agreed timelines (with two of the remaining 3 not yet due and the third, the meeting for Recommendation 20, having been postponed as a result of the COVID-19 pandemic). We are providing additional information where requested. The VCGLR has acknowledged 16 of Crown's responses, and will continue to follow-up on any remaining actions.

POTENTIAL IMPACT TO CROWN:

Reputational damage and media coverage of any new issues arising from the resolution of the matters.

CURRENT ACTION PLAN:

Crown is working through the remaining recommendations internally and engaging with the VCGLR as appropriate.

2. VOLATILITY OF PREMIUM GAMING

Short term deviations from theoretical win rates applicable to Premium Gaming business have the potential to impact performance. Changes to the terms and conditions of Premium Gaming business play increase exposure.

CROWN MELBOURNE

Premium Gaming Volumes

TREND: *Unchanged* 

As previously reported, Premium Gaming volumes must be maintained to mitigate the risk of prolonged negative deviations from theoretical win rates.

Due to the casino closure on 23 March 2020, as well as the earlier quarantine from China, there is currently no international gaming revenue.

Year on year turnover volumes and win rates are recorded as follows:

CROWN MELBOURNE	December 2017	June 2018	December 2018	June 2019	December 2019	April 2020
YTD International and Interstate Turnover (\$b)	19.5	43.8	15.4	32.7	9.3	9.3 (Budget 16.5)
Win Rate (%)	1.21	1.29	0.99	1.39	2.28	2.28 (Budget 1.40)

POTENTIAL IMPACT TO CROWN:

Increased deviation between theoretical and actual win rates has the potential to impact overall business performance. Turnover for Melbourne is materially below budget, mostly due to the closure of the Chinese borders at the beginning of 2020, then the declared pandemic leading to the closure of the Crown properties on 23 March 2020 and the Australian borders for the foreseeable future. The win rate for the VIP activity that took place up to 23 March 2020 was higher than budget, somewhat offsetting the lower volumes.

CURRENT ACTION PLAN:

Management is to continue to monitor trends, and action as appropriate.

3. ACT OF TERRORISM ON PROPERTY

The calculated use of violence (or the threat of violence) against employees and / or customers in order to attain goals of a political, religious or ideological nature. The nature and extent of any act may be varied, and hence difficult to define.

CROWN MELBOURNE

TREND: *Unchanged* 

In Melbourne, Victoria Police Executive Command has advised that the PSO proposal for Crown Melbourne has been raised with the Police Minister by the Chief Commissioner of Police as part of a broader proposal for PSOs, for consideration.

The terrorism threat rating as set by ASIO for Australia remains at 'Probable', which is 3 out of 5 possible rating scale.

There has been no further development since the last report.

4. MAJOR REPUTATIONAL DAMAGE

Negative publicity / image of Crown and/or its affiliate businesses which may adversely impact Crown's reputation and/or performance and potentially jeopardise gaming licences, including:

- *inappropriate associations*
- *inappropriate conduct*
- *breach of confidentiality*
- *adverse media attention*

CROWN MELBOURNE

LEGALLY PRIVILEGED - Allegations by Mr Andrew Wilkie MP

TREND: Unchanged 

Following repeat allegations made on 24 July 2019, Mr Wilkie made additional claims referring to VCGLR inspectors and a Crown limousine driver as whistle-blowers. This is in the context of an ongoing Nine News media campaign targeted at Crown.

There has been no further activity since the last report.

POTENTIAL IMPACT TO CROWN:

Reputational impact as well as increased regulatory pressure from the VCGLR (and other regulators) to reinforce their strength as an independent regulator of Crown.

CURRENT ACTION PLAN:

Continue engagement with relevant stakeholders and ongoing enhancement of governance structures. Ongoing engagement with relevant senior management and board committees.

LEGALLY PRIVILEGED - 60 Minutes Report

TREND: Unchanged 

Following Channel 9's 60 Minutes story featuring Crown on Sunday 28 July 2019, additional media stories have been released with allegations against Crown. These media reports, compounded by Mr Wilkie's allegations, have led to a number of state and federal regulators pursuing investigations or inquiries with Crown.

To date the ATO, AUSTRAC, and the VCGLR have all undertaken reviews into, or related to, the allegations formulated in the media.

The ACLEI investigation continues however ACLEI has announced that there will no longer be a public hearing for this matter. Instead, the investigation will be carried out on the information gathered by ACLEI Investigators.

The most exhaustive review will be an inquiry undertaken by ILGA, in the form of a royal-commission type review. The inquiry started on 21 January 2020, however has been postponed as a result of the COVID-19 pandemic.

POTENTIAL IMPACT TO CROWN:

Reputational impact as well as increased regulatory inquiries from regulatory and enforcement agencies.

CURRENT ACTION PLAN:

Continue engagement with relevant stakeholders and ongoing enhancement of governance structures. Ongoing engagement with relevant senior management and board committees.

LEGALLY PRIVILEGED – Dinner by Heston

TREND: Reduced 

As previously reported, the Dinner by Heston Blumenthal outlet experienced financial difficulties and appointed a provisional liquidator on 20 December 2019, which received low media coverage. Dinner by Heston Blumenthal was closed on Friday 14 February, with little media coverage and limited impact to Crown.

POTENTIAL IMPACT TO CROWN:

Reputational impact by association and financial impact from unpaid outstanding expenses, a working capital loan and unamortised capitalised and license fee expenses.

CURRENT ACTION PLAN:

Continue engagement with provisional liquidator to assess possibility of recovery of funds.

5. POOR CREDIT AND INVESTMENT DECISION

- Risk of default by Premium Gaming customers, resulting in financial loss.
- Non-payment of debts particularly in light of exposure to domestic / international corporate market (e.g. Conferencing)
- Loss of tenancy revenue from a single / small number of tenants (due to loss of base / turnover rent in excess of three month bank guarantee).
- Foreign currency losses due to the holding of cash reserves during customer visits.
- Insufficient insurance coverage over Crown Melbourne resulting in financial loss.

CROWN MELBOURNE

TREND: **Unchanged** 

Both Crown Melbourne and Crown Perth have continued to suspend the extension of credit to Chinese domiciled players with credit granted to remaining players on a selected basis only. The current casino shutdown, as well as the ban on international travel which is expected to last until at least the end of the year, has further impacted the VIP business.

The debt positions over the past 24 months for Crown Melbourne is tabled below:

CROWN MELBOURNE	31 Dec 17 \$m	30 Jun 18 \$m	31 Dec 18 \$m	30 Jun 19 \$m	30 Dec 19 \$m	30 Apr 20 \$m
Gross debtors balance (net of safekeeping)						
Provision for doubtful debts						
Provision as a % of gaming debtors						
Net debtors balance						

POTENTIAL IMPACT TO CROWN

The 30 June 2019 balance was materially updated through the accounting write-off of older bad debt. Variance over the three quarters of F19 is consistent with activity. The main impact to Crown is financial.

CURRENT ACTION PLAN

The appetite for credit risk has materially decreased across the Australian Businesses, and measures have been taken to reduce high exposure areas. Challenges with regards to processing of overseas transactions remain an issue.

6. MATERIAL BREACHES OF GAMING AND OTHER RELEVANT LEGISLATION/REGULATIONS

Systemic and / or material breaches of legislative and other relevant regulatory requirements (including Privacy legislation, Retail Tenancies legislation, Consumer and Competition legislation, Tobacco legislation, Customs Legislation / Regulations)

CROWN MELBOURNE

EGM Continuous Play

TREND: **Unchanged** 

There have been no changes since the last report.

On 6 November 2019, the VCGLR verbally noted that this matter is now with the Commission for its consideration.

POTENTIAL IMPACT TO CROWN:

It is possible that the VCGLR may take disciplinary action against Crown under s 62AB.

CURRENT ACTION PLAN:

As a result of this issue, a range of audits and reviews of similar machines were undertaken and enhanced checking processes have been implemented.

<u>Mercury Wheel</u>	TREND: Unchanged 
<p>There have been no changes since the last report.</p> <p>An issue was identified with a number of Roulette wheels on the gaming floor. Thirteen years ago, the manufacturer delivered a version of the product that was different to the version approved by the Regulator and ordered by Crown. The difference was not visible to the eye, and Crown was not aware of being supplied different wheels until recently. The difference between the 2 versions was the inclusion of an additional in-rim sensor, which is not classified as regulated equipment and does not require individual approval, and does not affect the integrity of the game. However, the regulatory approval differed from the actual equipment which was in use.</p> <p>The Regulator was notified and conducted a review of this matter.</p> <p>POTENTIAL IMPACT TO CROWN:</p> <p>It is possible that the VCGLR may take disciplinary action against Crown.</p> <p>CURRENT ACTION PLAN:</p> <p>Crown has removed all of the wheels in question from the floor, and additional verification steps are now undertaken for all equipment. Crown will be seeking external legal advices on this matter.</p>	

7. DATA MISUSE	
<p><i>Accidental or intentional leak of patron or other business sensitive data to individuals or organisations who should not have access and who may use this information maliciously.</i></p> <p><i>The focus has increased due to:</i></p> <ul style="list-style-type: none"> - <i>New Privacy legislation;</i> - <i>Increased media focus and public expectations following the Facebook/Cambridge Analytics issue;</i> - <i>The increased digitalisation of business and Crown increasingly sharing data with third parties; and</i> - <i>A specific risk identified in the Marketing department risk review completed in 2017 regarding the use and communication of patron data generally within Crown.</i> 	
CROWN MELBOURNE	TREND: Unchanged 
No new matters since the last report in January 2020.	

8. BREAKDOWN IN RELATIONSHIPS WITH KEY GOVERNMENT, LEGISLATIVE OR REGULATORY BODIES	
<p><i>Crown operates in many jurisdictions, and has to engage with a large number of government, legislative and regulatory bodies. A breakdown in these relationships could lead to targeted reviews, investigations, or actions by these bodies that could materially affect Crown's operations and reputation.</i></p>	
CROWN MELBOURNE	TREND: Unchanged 
<p>Crown Melbourne's key government, legislative and regulatory bodies include the VCGLR, VRGF, AUSTRAC, ATO, and Law Enforcement agencies.</p> <p>Crown's work stream with the VCGLR is considerable taking into account the recommendations from the s25 Review and other matters that the VCGLR is formalising. This is a shift in how such matters have historically been dealt with which is presenting some challenges internally.</p> <p>Further, Crown is aware that the Auditor General has re-engaged with the VCGLR to measure its progress against the matters identified in its 2017 Report. The Auditor General's Report triggered the significant change in the VCGLR's approach when dealing with Crown.</p> <p>The media allegations have also resulted in significant regulatory oversight and investigation from a range of state and federal agencies.</p> <p>Crown continues to focus on engagement with the VCGLR in a positive manner. Crown also remains in close contact with its other key stakeholders to continue to develop and enhance those relationships. Crown has recently engaged, on a consultancy basis, the services of Stratum Global and Nick Kaldas to support Crown's engagement strategy with law enforcement and regulatory agencies.</p> <p>Due to the COVID-19 pandemic, Crown is also working closely with the Department of Health and Human Services and the State Government to monitor the situation and ensure safe patrons and staff conditions for re-opening.</p>	

9. EXTERNAL DISRUPTION OF DEMAND FOR OUR SERVICES

External factors to Crown impacting business volumes or margins, including: international competition, domestic competition, economic conditions, foreign political polies or global event

CROWN MELBOURNE

TREND: Increased 

Crown Melbourne closed its doors on 23 March 2020, following a world-wide pandemic. Over 95% of all of Crown’s staff have been stood down, and only minimal activity remains, which is in Hotel operations, with assistance being provided by Crown for travellers being quarantined after their return from overseas.

This is unprecedented and re-opening dates and conditions remain uncertain.

POTENTIAL IMPACT TO CROWN:

Material financial, people and customer impacts.

CURRENT ACTION PLAN:

Crown is working closely with the Victorian government to articulate what a re-opening strategy could look like, and what additional measures would need to be in place to ensure the safety and well-being for both staff and patrons at Crown.

COVID-19 Update

On March 11, The World Health Organisation (WHO) declared COVID-19 a worldwide pandemic.

The Crown Melbourne and Crown Perth properties were closed on 23 March 2020, due to the declared national COVID-19 pandemic, and at the direction of government authorities.

In such a pandemic event, the main concerns with regards to re-opening the properties, are the ongoing health and safety of individuals, both employees and patrons.

To prepare for re-opening, Crown has taken a number of steps:

- Crown is actively working with the Department of Health and Human Services (DHHS) and the State Government to set out procedures that will allow for the re-opening of the property in conditions that ensure the safety and wellbeing of all.
- The Executive team, led by the CEO – Australia Resorts, has put together a project team that is working on the operational and strategic challenges that need to be considered and addressed for a successful re-opening process. The first of the 10 initiatives under this plan relates to the Front of House Social Distancing and Hygiene Program that Crown has developed, to assist in the re-opening process, and at a minimum meet DHHS requirements – *See document attached.*
- A similar Back of House document is also under development to ensure the safety and wellbeing of our staff, as well as the articulation of the new procedures that will be in place for all in the workplace.
- Crown is actively developing strategies for re-engagement with both its staff and its patrons, as activities slowly start again.
- Crown is engaging with the VCGLR on the gaming and re-commissioning activities, including through the development of a property re-commissioning plan.
- Internally, Crown is also ensuring that as over 95% of staff have been stood-down and most departments across the organisation have materially stopped their day to day activities, it can re-activate its operations in a controlled and effective manner through the activation of its recovery plans which have been prepared by all departments and are ready to progress with once notice is received that the business can reopen.





**CROWN MELBOURNE LIMITED
EXECUTIVE RISK AND COMPLIANCE COMMITTEE MEMORANDUM**

To: Executive Risk and Compliance Committee

From: Anne Siegers

Date: 26 May 2020

Subject: **Crown Resorts – Risk Management Strategy document**

Dear Committee members,

The Risk Management Strategy (**RMS**) was first approved by the Crown Resorts Board in June 2019 and is to be reviewed at least annually to ensure its relevance and adequacy for the organisation. A copy of the updated (in tracked form) RMS is attached for your review.

The updates proposed to the RMS are aiming to achieve three main goals:

- Ensuring that the RMS can equally apply to Crown Sydney when it opens later in the year;
- Enhancing the concept of Risk Culture and formulating the Board’s expectations with regards to the management of Risk Culture within the organisation; and
- Performing a review of the Risk Appetite, and ensuring that it remains a reflection of the Board’s appetite towards risk taking and reporting escalation.

With these goals in mind, a number of amendments have been made to the RMS as described below:

- Various references to Crown Sydney have been incorporated into the RMS;
- A new “Risk Culture” section has been inserted into the RMS (see section 4) to articulate the concept of Risk Culture.
- For the Risk Appetite, overall the position was taken that:
 - Over the past 12 months, the Risk Appetite and the reporting thresholds had proven effective in ensuring that all relevant events were escalated appropriately in a timely manner, and that the appetite statements held true to the Board’s views; and
 - It would offer another opportunity for the Risk Appetite to be further embedded in the business if it remained as unchanged as possible for another period of 12 months.

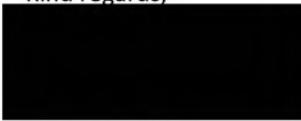
As a result, only minor wording adjustments are proposed in the reporting threshold definitions on page 14 of the RMS, for:

- Responsible Gaming: enhancing the definition with regards to adverse media, and adding the notion of patron self-harm; and
- Employee health and safety: better aligning the definition of a serious incident with the WHS framework.

Subject to any views of the ERCC, the Crown Resorts Limited Risk Management Committee and the relevant Crown boards, it is proposed that the amended RMS be adopted.

Please do not hesitate to contact me if you have any queries on the proposed amendments.

Kind regards,



Anne Siegers
Group General Manager - Risk & Audit

Enc



Crown Resorts Limited Risk Management Strategy

Crown Resorts Limited ACN 125 709 953
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Document History:

Document Changes	Author(s)	Date	Approval Authority
Document created	Anne Siegers - GGM –R&A Joshua Preston - CLO	12 June 2019	Crown Resorts Board
Enhanced Risk Culture section and incorporation of references to Crown Sydney	Anne Siegers – GGM – R&A	10 June 2020	Crown Resorts Risk Management Committee

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1. Executive Summary

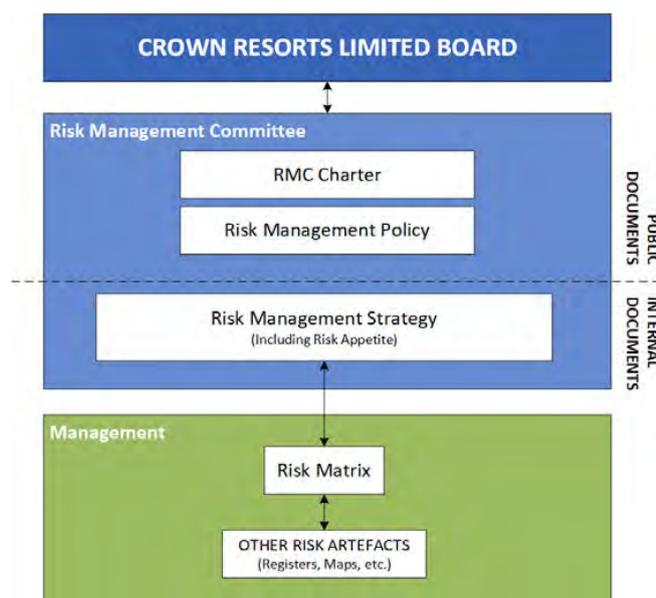
As an ASX listed company, Crown must consider the ASX Corporate Governance Principles. Principle 7 relates to how an organisation must recognise and manage risk: 'A listed entity should establish a sound risk management framework and periodically review the effectiveness of that framework'. Fundamentally, that principle articulates the following concepts:

- The Board of a listed entity is ultimately responsible for deciding the nature and extent of the risks it is prepared to take to meet its objectives.
- It is the role of the Board to set the risk appetite for the entity, to oversee its risk management framework, at least annually, and to satisfy itself the framework is sound.
- Ultimate responsibility for a listed entity's risk management framework rests with the full Board, although it can have in place a committee to oversee risk.
- The organisation should have an independent internal audit function and articulate its structure and role.

The Crown Resorts Limited (**Crown**) Risk Management Strategy (**RMS**) is an internal document, which sets out the fundamentals of what the Crown Resorts Limited Board (**Board**) expects from its risk management framework across all entities of the group. The RMS articulates the following:

- the risk management principles that underline Crown's management of risk;
- roles and responsibilities around risk across the organisation, starting with the Board;
- the risk management framework;
- the **R**isk **A**ppetite of the Board; and
- the basic principles, aligning to *ISO31000:2018 Risk Management*, that support the identification and management of risk at Crown.

It aligns with other corporate risk documents as follows:



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2. Background

The Board, being ultimately responsible for the effective management of risk at Crown, has established and approved this RMS.

Risk is inherent in all Crown's products, activities, processes and systems used in day-to-day operations. The Board also acknowledges that in order to operate and fulfil its objectives, Crown needs to take risks.

The purpose of this RMS is to describe Crown's approach to ensuring that it maintains a risk management framework that supports the effective management of its material risks in a manner consistent with its ~~R~~isk ~~A~~ppetite and strategic objectives.

2.1. Document Owner

The Board owns and approves this document.

2.2. Confidentiality

This document is intended for internal use only and should not be distributed outside Crown without the express permission of the General Counsel.

2.3. Definitions

The following key definitions apply to the RMS:

- 'Australian Resorts' means Crown Melbourne, Crown Perth and Crown Sydney.
- 'Board' means Crown Resorts Limited Board.
- 'BOT' refers to the Business Operations Teams for Crown Perth and Crown Melbourne.
- 'CEO' refers to the ~~Executive Chairman~~ Chief Executive Officer of Crown Resorts and/or the Chief Executive Officer of Australian Resorts or equivalent of any relevant wholly-owned subsidiary.
- 'Crown' means Crown Resorts Limited and its material wholly owned subsidiaries. This includes Crown Melbourne, Crown Perth, Crown Sydney, Crown Aspinalls and Betfair.
- 'Executives' refers to the Crown Resorts' Executive team as well as the Australian Resorts' Executive team and any other senior executives of the wholly owned subsidiaries.
- 'Inherent risk' means the risk assessment prior to consideration of mitigating factors.
- 'Key management personnel' means Executives and General Managers for critical business functions.
- 'Residual risk' means the risk assessment after consideration of existing mitigating factors and/or controls.
- 'Risk' is defined as the effect of uncertainty on an objective. It is an event or possible deviation from plan, characterised by reference to the likelihood of the potential event and the impact of that event occurring.

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- 'Risk **A**ppetite' is the amount of risk that the organisation is willing to accept in pursuit of its strategic objectives and in the interest of protecting its stakeholders.
- 'Risk **C**ulture' means the system of values and behaviour that shapes the decisions and actions of staff in relation to risk taking.
- 'Risk governance framework' refers to the formal structure that supports risk-based decision-making and oversight across all operations of Crown and to support the Board's desired **R**isk **C**ulture.
- 'Risk tolerance' is the quantitative application of risk appetite, and represents the operational boundary for the relevant risk exposure.
- 'Risk management framework' is the totality of systems, structures, policies, processes and people that Crown uses to identify, measure, monitor, report and control all internal and external sources of material risk.
- 'Senior Management' refers to all members of the Business Operations Team or other equivalent senior management team (for Crown Melbourne, ~~and~~ Crown Perth and Crown Sydney) and other key management personnel of Crown Resorts and the wholly owned subsidiaries.

3. Risk Management Principles

Crown's culture, and more specifically its **R**isk **C**ulture which is further discussed in section 4 of this document, is built around a number of core pillars, including its service standards philosophy, integrity and compliance focus, and safety of staff and patrons. These elements underpin all other elements of the risk framework and are fundamentally embedded across the organisation.

Crown's strategy for managing risk is based on the following fundamental principles:

- the fundamental purpose of risk management is to provide a framework within which Crown and its employees can take well informed risks that support its strategic objectives and add value to the organisation;
- effective risk management requires a robust and effective risk governance framework that includes clearly defined risk management responsibilities, accountabilities and mechanisms for independent oversight, review, challenge and assurance;
- effective risk management requires a strong, robust and pervasive **R**isk **C**ulture that is consistent with Crown's values and **R**isk **A**ppetite; and recognises that risk management is the responsibility of all staff;
- effective risk management requires clear articulation and documentation of **R**isk **A**ppetite by the Board and effective communication of that appetite to all relevant levels of the organisation; and
- effective risk management requires consistent risk identification, assessment, measurement, management, monitoring and reporting processes that are integrated into and support strategic and business processes.

To give effect to these fundamental principles, Crown has developed a comprehensive risk management framework.

4. Risk Culture

Risk Culture is a perspective on organisational culture. For the purpose of the Risk Management Framework the following definitions apply:

Organisational culture is a system of shared values and norms that define the attitudes and behaviours of an organisation through its Board members, leadership team, employees and contractors. This system of values and norms is shaped by the organisation's purpose and values, and how it approaches its people, patrons and the greater community.

Risk Culture is the system of values and behaviours present in an organisation that shapes the decisions and actions of staff in relation to risk taking. It determines the collective ability of all staff to:

- Identify, understand, openly discuss and act on both current and future risks to the organisation; and
- Operate consistently within the Risk Appetite.

Underpinning Crown's Risk Culture are Crown's values:



The expectation from the Board, is that Crown will have a Risk Culture that will allow the organisation to understand and take well informed risks within the Risk Appetite articulated by the Board in this document, and within the limits set in the Board's Delegation Policy.

Management will need to monitor Risk Culture and provide timely and relevant recommendations to the Board on actions required to address any material failings.

4.5. Risk Management Framework

The risk management framework is the totality of systems, structures, policies, processes and people that Crown uses to identify, measure, monitor, report and control all internal and external sources of material risk.

The purpose of the risk management framework is to provide a structure for identifying and managing each material risk in a manner consistent with Crown's strategic objectives and **R**isk **A**ppetite.

The key elements of the Risk Management Framework that give effect to the RMS include:

- the Crown Risk Governance Framework (Section 5);
- the Risk Appetite (Section 6);
- How the **R**isk **A**ppetite is operationalised (Section 7); and
- Crown's risk management processes and methodology (Section 8).

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The Risk Management Framework is an overarching framework that sets the basic principles within which other, more specific risk management policies and procedures are developed, and which other corporate frameworks follows. Some of these other frameworks include:

- Compliance
- Work Health and Safety
- AML/CTF
- Responsible Service of Gaming (RSG)
- IT Change Management
- Procurement
- ~~Security and Surveillance~~

5.6. Risk Governance Framework

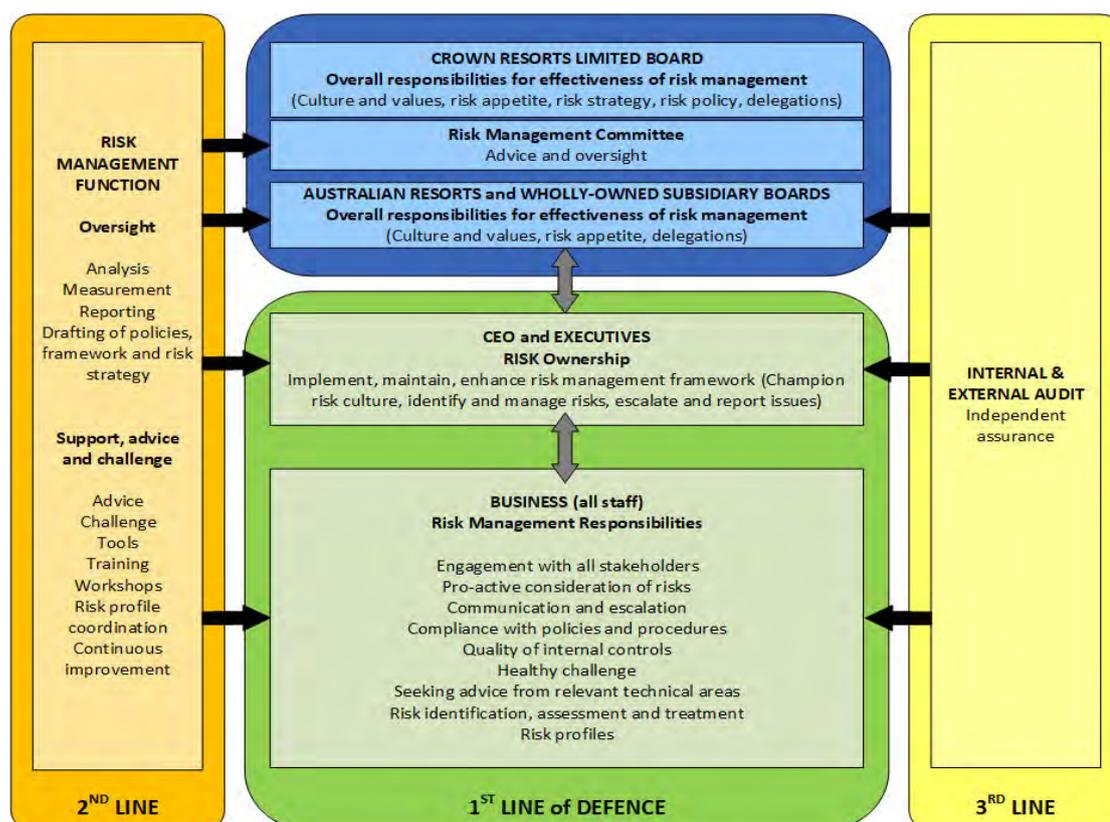
The Risk Governance Framework refers to the formal structure to support risk-based decision-making and oversight across all operations of Crown and to support the Board's desired Risk Culture.

An effective Risk Governance Framework requires:

- risk ownership and risk management accountability to be clearly defined and assigned to those responsible to support the consideration of risk in all decision making. This supports the integration of risk identification and assessment into organisational decision making processes;
- independent oversight, challenge, reporting and monitoring of the Risk Culture, risk profile, risk management framework and material business decisions that have the potential to impact the organisations risk profile; and
- independent assurance regarding the appropriateness, effectiveness and adequacy of, and compliance with, the risk management framework.

For this reason, the Board has endorsed a "three lines of defence" risk governance model. An overview of Crown's Risk Governance Framework is illustrated below:

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The following sections outline the roles and responsibilities of each of the key components of the Risk Governance Framework illustrated above.

5.4.6.1. The role of the Board

The Board is ultimately responsible for the establishment and implementation of a risk management framework that enables Crown to appropriately develop and implement strategies, policies, procedures and controls to identify and manage its material risk exposures.

To fulfil its obligations, the Board:

- clearly defines Crown's **R**isk **A**ppetite;
- establishes and approves this RMS to clearly articulate Crown's **R**isk **C**ulture and strategy for managing risk;
- ensures that senior management monitors, reports and manages all material risks consistent with the strategic objectives and **R**isk **A**ppetite approved by the Board;
- ensures that Crown maintains an independent Risk Management and Internal Audit Function across its operational entities that have the appropriate reporting lines, resourcing, authority and access to the Board and organisation to fulfil their responsibilities outlined in Section 5.4 and 5.5 below;
- recognises uncertainties, limitations and assumptions attached to the measurement of material risk; and

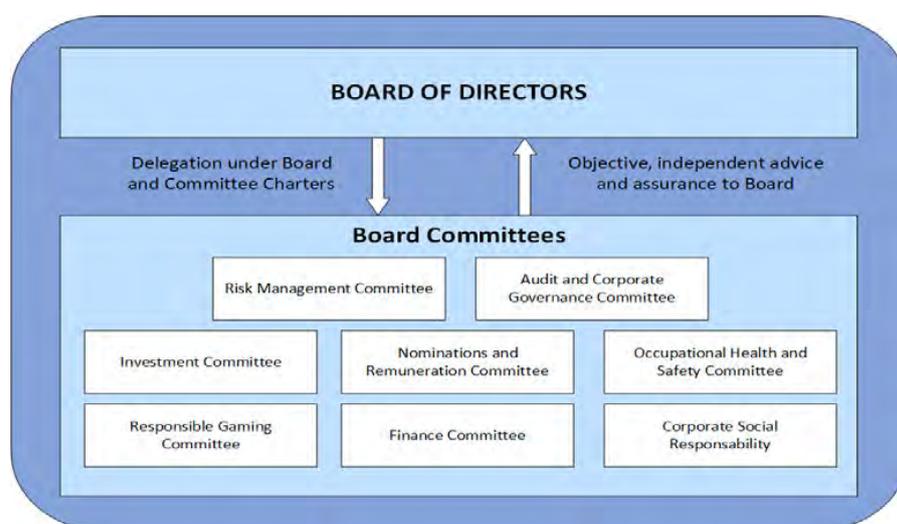
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- ensures that the Risk Management Framework is reviewed at least annually and approves any material changes to the RMS and the appetite.

The Board has established a number of Board Committees having regard to the risk profile of Crown, the complexity of Crown's business operations as well as the experience and expertise of the directors.

While some duties of directors may be delegated to Board Committees, as appropriate, the Board retains ultimate responsibility for ensuring that those duties are performed.

The following diagram illustrates the Board sub-committees in place at Crown Resorts:



Each of these Board Committees forms part of, and plays an integral role in, the governance framework and supporting the Board to fulfil its responsibilities in respect of the Risk Management Framework. The primary Committee responsible for assisting the Board in overseeing the Risk Management Framework is the Risk Management Committee (**RMC**). Section 5.2 outlines the responsibilities and role of the RMC and its interaction with the Board.

5.2.6.2. The role of the Risk Management Committee

The RMC has been delegated responsibility for overseeing Crown's Risk Management Framework and assists the Board by providing objective oversight of the implementation and operation of Crown's Risk Management Framework.

The Chair of the RMC provides a report to the Board following each RMC meeting to ensure adequate communication between the Committee and the Board.

The role of the RMC is articulated in the RMC Charter. In particular, the RMC's responsibilities include:

- overseeing and advising the Board on Crown's overall **R**isk **A**ppetite, **R**isk **C**ulture and Risk Management Strategy;
- establishing a view of Crown's current and future risk position relative to its Risk Appetite;
- overseeing the establishment, review, ratification and implementation of a Risk Management Framework that identifies and addresses the material risks faced by the organisation and is consistent with the strategic objectives and the RMS;

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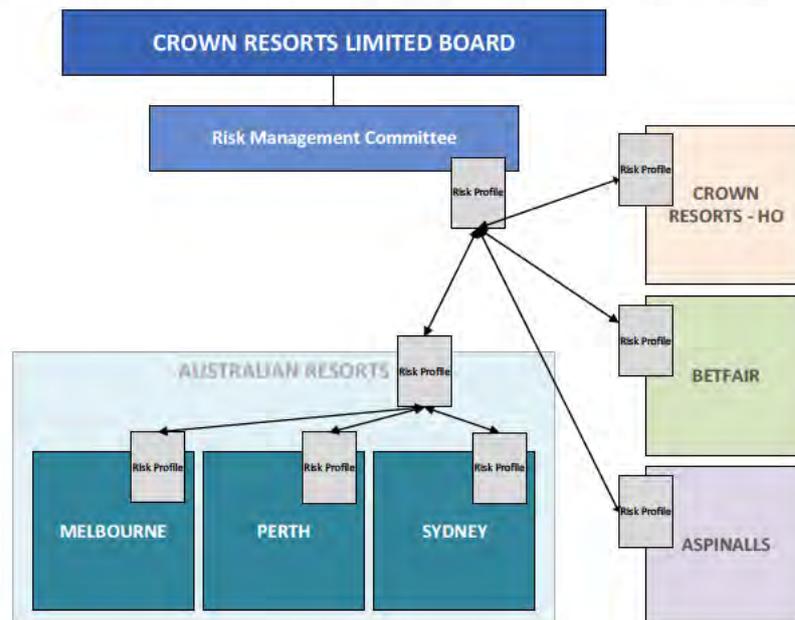
- overseeing the development of risk management policies, systems and processes to facilitate a consistent approach to the identification, assessment and management of risks;
- constructively challenging senior management's proposals and decisions on all aspects of risk management; and
- reviewing regular reports on Crown's risk profile and the adequacy and effectiveness of the Risk Management Framework and internal control systems.

5.3.6.3. The consolidation of entities within Crown

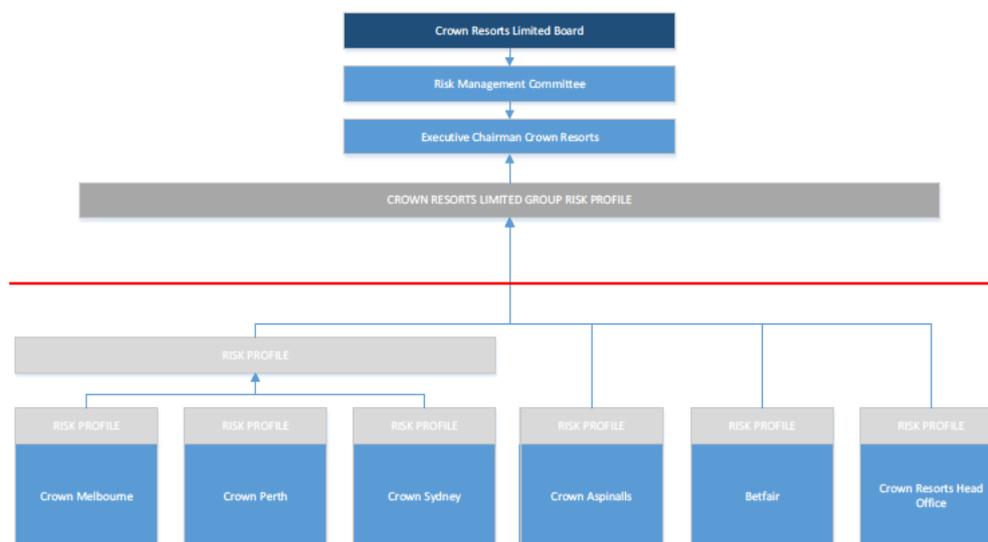
The Crown organisation is comprised of a number of wholly owned subsidiaries.

To ensure visibility and transparency across the organisation, the following steps are in place:

- each material entity is responsible for updating its own corporate risk profile, reflecting the material risks of its business, and operating in line with this RMS;
- On at least an annual basis, those profiles are analysed by the risk department as a key input into the annual update of the consolidated Crown Resorts risk profile, which is presented to the RMC.
- Consolidation of risk profiles will take place against the following path:



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5.4.6.4. The first line of defence

Central to Crown's Risk Management Framework is the concept that risk is best understood, identified, assessed, managed and integrated into decision making processes by assigning risk ownership and risk management responsibility to those responsible for making material business decisions. This supports the integration of risk identification and assessment into organisational decision-making processes.

The Board has delegated, subject to Board oversight and within the confines of the strategic objectives and this RMS, to the ~~Executive Chairman~~CEO the responsibility of management oversight of risk for Crown Resorts and its wholly owned subsidiaries. The ~~Executive Chairman~~CEO in turn has delegated to the CEOs or equivalent of each wholly owned subsidiary the day-to-day management of the Risk Framework for each respective business.

The CEOs, under authorised delegation from the Board ~~and Executive Chairman~~, have sub-delegated business management responsibilities to Executives, Senior Management and to specific management committees.

The CEOs, Executives and Senior Management form the first line defence and assume ownership of, and accountability for the management of, the material risks faced and effective implementation of the Risk Management Framework.

All other Crown staff support the implementation of the Risk Management Framework under direction and delegation from the CEOs, Executives and Senior Management.

(a) CEOs, Executives and Senior Management responsibilities

CEO, Executives and Senior Management assume ownership of the material risks faced by the organisation and are charged with the responsibility for the implementation of the Risk Management Framework. Specifically, this includes:

- establishing, maintaining and championing an effective ~~R~~risk ~~C~~ulture throughout the organisation;
- ensuring that policies, processes, systems and internal controls are developed to effectively identify, assess, manage and monitor the risks faced by the organisation in a manner consistent with the Risk Management Framework;

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- ensuring that these policies, processes, systems and internal controls are integrated into, and support, business decision making processes and the ongoing maintenance and enhancement of the risk management framework;
- managing Crown's risk profile within the Board's **R**isk **A**ppetite and tolerances defined in the RMS;
- ensuring that appropriate reporting and monitoring processes are developed and implemented to escalate relevant information to CEO, Executives, Senior Management, the Risk Management Function and, if necessary, the Board; and
- developing and implementing timely remediation strategies to address material risk exposures that are outside of the Board's Risk Appetite.

(b) All other Crown staff

Although the CEOs, Executives and Senior Management are assigned risk ownership, all staff play an integral role in the effective implementation of the Risk Management Framework and in the management of risk. All Crown's staff are responsible for:

- performing their role in a manner consistent with the expected organisational culture and Code of Conduct;
- implementing and complying with all Crown's policies, processes, systems and internal controls that have been developed to effectively identify, assess, manage and monitor the risks faced by the organisation; and
- managing, and being accountable for risks particular to their area of responsibility as delegated by the CEO, Executives and Senior Management.

5.5.6.5. The second line of defence

Crown maintains an independent Risk Management Function that is responsible for assisting the Board, RMC, CEOs, Executives and Senior Management to develop and maintain the Risk Management Framework.

The Group General Manager – Risk and Audit (**GGM – R&A**) is designated as being the person responsible for the risk management function for Crown. To ensure that the risk management function has the appropriate authority and operational independence to perform its role and responsibilities, the GGM – R&A and Risk Management Function:

- reports directly to the CEO and the Chief Legal Officer (**CLO**) for Australian Resorts, is a member of BOT, and provides functional support to Crown wholly-owned subsidiaries as required and appropriate. This ensures that the GGM – R&A has appropriate authority and opportunity to challenge activities and decisions that may materially affect the risk profile of Crown;
- is an invited participant of the RMC meetings. This ensures that the GGM – R&A and Risk Management Function has regular and unfettered access to the RMC; and
- has no operational business reporting line or revenue generating responsibilities (1st line).

The responsibilities of the Risk Management Function and GGM – R&A include:

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- assisting the Board, RMC, CEOs, Executives and Senior Management to develop and maintain a risk management framework that adequately addresses the material risks faced by Crown;
- providing independent and objective guidance, challenge and advice to the RMC and Board in respect of the development and regular review of the risk management framework including the Board approved Risk Appetite and RMS;
- developing risk management policies, systems and processes that facilitate a consistent approach to the identification, assessment and management of material risks across the organisation and that build risk management capabilities;
- providing independent and objective challenge to the CEOs, Executives and Senior Management's implementation of the risk management framework and to the effectiveness of risk management practices;
- participating in, and providing effective challenge to, decision making processes that could materially affect the risk profile of the organisation;
- oversight of the processes and methodologies used to identify, measure, monitor and report material risks;
- encouraging subject matter experts within, or external to, the business to be engaged when necessary;
- providing independent, objective and timely reporting of Crown's risk profile relative to the Board's Risk Appetite and escalation to the RMC, Board, CEO, Executives and/or Senior Management of actual or potentially material risk matters;
- effectively supporting the communication of the Risk Management Framework, Risk Appetite, Risk Management Strategy and Board's desired Risk Culture throughout the organisation;
- providing guidance, advice and training to the relevant staff on risk related matters and the application of the Risk Management Framework.

The second line of defence also includes Compliance, AML/CTF and Legal functions which, together, assist in the management of each Crown entity's compliance, regulatory and legal risks.

5-6-6.6. The third line of defence

To provide independent assurance to the Board in respect of the Risk Management Framework, Crown has established an independent Internal Audit function for its operational entities.

To ensure the independence of the Internal Audit function from the first line of defence the person designated as being responsible for the Internal Audit function (the GGM – R&A) has:

- a direct reporting line to the CEO – Australian Resorts;
- a functional reporting line to the RMC;
- an operational reporting line to the CLO – Australian Resorts, who in turn has a direct reporting line to the CEO - Australian Resorts and the Boards of each Australian resorts entity; and
- no operational business reporting line or revenue generating responsibilities (1st line).

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In respect of the Risk Management Framework, the third line is responsible for:

- developing an Internal Audit Plan that provides assurance over the material operational risks of the organisation and is appropriate to test the effectiveness of the policies, controls and procedures implemented to manage those risks as documented in the Corporate Risk Profile; and
- at least every three years, facilitating an independent review of the appropriateness, effectiveness and adequacy of the Risk Management Framework.

6.7. Risk Appetite

Fundamental to the implementation of an effective Risk Management Framework is the articulation, by the Board, of its Risk Appetite. This process allows the Board to communicate to management its expectation with regards to the degree of losses that it is willing to absorb in the pursuit of its strategy.

The appetite definitions guide management risk taking activities and communicates the Board's expectations of Risk Culture by establishing:

- a high level statement of the Board's risk philosophy and the expected Risk Culture and behaviours of the organisation;
- qualitative statements and quantitative metrics triggering RMC reporting for each material risk category; and
- the requirements for the monitoring and reporting of Crown's risk profile relative to quantitative parameters (risk tolerances) against these risk categories.

6.1.7.1. Risk Categories

In structuring its Risk Appetite, Crown has considered the range of consequences that any event could trigger, and it has organised its Risk Appetite against these seven (7) impact categories, which are:

- Financial
- Brand / Reputation
- Regulatory / legal
- People
- Customers / Patrons
- Infrastructure
- Strategy /Business Sustainability

6.2.7.2. Risk Appetite Statements and Reporting Tolerances

The following qualitative statements and quantitative metrics define the Board's appetite and its tolerance for individual risk events. Quantitative metrics trigger reporting requirements to the RMC. The trigger can be either a single event or a series of events cumulating to the below thresholds.

Category	Qualitative Statement	Quantitative Metrics – RMC Reporting Triggers	
Financial	Protect and deliver shareholder value	Outside normal trading EBITDA losses (per event)/ and or adverse to the current (normalised) forecast	>\$10M

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Category	Qualitative Statement	Quantitative Metrics – RMC Reporting Triggers	
		Large capital, equity or treasury transaction	>\$10M
Brand / Reputation	Maintain shareholder confidence	Internal event creating a sustained share price loss	>5%
	Retain public confidence in the Crown brand	Sustained negative national or international media coverage	Any event
Regulatory/ legal	Maintain systematic compliance with regulatory, legal, statutory and contractual obligations	Significant breaches that may have a financial or reputational impact	Any event
		Material legal action or class action	Any event
	Build and maintain professional and collaborative relationship with regulators and relevant government bodies	Significant breach or event that has the potential to damage the relationship	Any event
	Deliver gaming and alcohol services responsibly	Material RSG-responsible gaming issues including sustained adverse media	Any event
		Material service of alcohol issues impacting the integrity of liquor licences	Any loss of licence and/ or points
People	Maintain a safe and healthy workplace	Significant Notifiable serious incidents with regulator involvement under the Workplace Health and Safety and other related legislation Act	Any event
	Maintain corporate culture and performance	Sustained staff turnover and/or unplanned absences above average	>5% point increase
		Loss or potential loss of key management personnel	Any event
	Maintain healthy engagement with Unions	Imminent industrial action	Any event
Customers/ Patrons	Ensure our services are available to our target customers	Negative event affecting segment of patrons (ex VIP, F&B, Hotel)	Over 20% or 20,000 patrons of segment type, or \$100M in revenue

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Category	Qualitative Statement	Quantitative Metrics – RMC Reporting Triggers	
Infrastructure	Maintain appropriate security and surveillance across the properties	Security incident that threatens people or property	Any event
	Maintain high levels of critical IT Infrastructure availability and reliability	Loss of core IT infrastructure or multiple key systems	>24 hrs
	Protect information	External or internal security breaches resulting in unauthorised access to, or loss of, customer, employee and company data likely to result in serious harm	Any event
	Maintain high quality physical infrastructure to deliver our world class services	Loss of critical physical infrastructure	>24 hrs
	Maintain strong Business Continuity and Disaster Recovery capabilities and facilities	Unplanned loss of gaming floor in one property	>10% for up to 24 hrs
Unplanned loss of non-gaming front of house facilities in one property		> 1 hotel or 50% F&B for over 24hrs	
Strategy / Business Sustainability	Maintain 24/7 operations	Critical event requiring mobilisation of resources and CMT/EMT activation	Any event
	Ensure strategic projects are delivered to provide medium to long term business sustainability and competitiveness	Key strategic project delayed by 12 months or more	Any event
	Make strategic investment and divestment decision that enhance business value and sustainability	Change in ownership share of related or third party entity	Any event

6.3.7.3. Reporting Triggers – Board Reporting Mechanisms

At each meeting of the RMC, a report against this risk appetite table will be prepared by the GGM – R&A. It will highlight events against reporting triggers by exception.

In most circumstances, reporting trigger events at the regular RMC meeting will be sufficient, but at times, special meetings of the RMC or other Board forums may be required based on the magnitude of the event, as well as the requirement for a timely Board decision.

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The requirement for a special meeting will be decided on a case-by-case basis by consultation between the CEO, CLO, General Counsel and the GGM – R&A, as well as any relevant key management personnel.

6.4.7.4. When a risk materialises: issues management

Risks identified in the risk profile are future focused, but a risk that is rated possible, for example, still means that it is expected to occur every 2 to 5 years. Therefore, on a regular basis, risks that are rated within the appetite of the Board will materialise and the impact will be incurred by Crown.

When one of them materialises, two key actions will take place:

1. the risk rating will be reviewed to ensure that it is still relevant and as accurate as possible, taking into account the recent materialisation of the risk and the potential change in risk context. In that review, consideration of the effectiveness of the relevant control framework will also take place; and
2. the specific event will be managed and operational procedures will be applied within the appetite of the Board: if the consequences are within the thresholds described in section 6.7.2, management will handle the event; otherwise, the RMC/Board will have oversight of the resolution.

6.5.7.5. Operationalisation of the Risk Appetite

Risk Appetite is a high-level and qualitative concept, and needs to be translated into quantifiable and measurable thresholds to allow the business to operate within that articulated level of risk. It also needs to be relevant and understandable for day-to-day activities across the whole organisation.

This translation is facilitated through the **Risk Matrix** which defines likelihood and impact thresholds. The combination of a likelihood rating with a consequence rating provides a risk rating. This rating can be either inherent (without consideration for existing controls) or residual (taking into account the controls already in place).

The Risk Matrix is the cornerstone of the risk identification and assessment processes detailed in Section 8.7 of this document and supports a consistent understanding of operational risk appetite, assessment and management across the business.

The Risk Matrix is updated by the Risk Management Function and is approved by the **Executive Chairman/CEO** for Crown Resorts and the CEOs or equivalent for the wholly owned subsidiaries.

The residual risk ratings guide the delegated responsibilities for the management and acceptance of risk within the boundaries of the delegations schedules.

They are expressed on the **Risk Map** by colour, which represent escalation levels as follows:

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LIKELIHOOD	Almost certain					
	Likely					
	Possible					
	Unlikely					
	Rare					
		Insignificant	Minor	Moderate	Major	Severe
IMPACT						

Legend:

	Critical risk – Oversight by the RMC/Board
	High risk – Managed by CEO and relevant EGMs
	Moderate risk – Managed by BOT members
	Low risk – Managed as part of BAU

Oversight by the RMC and/or Board means that:

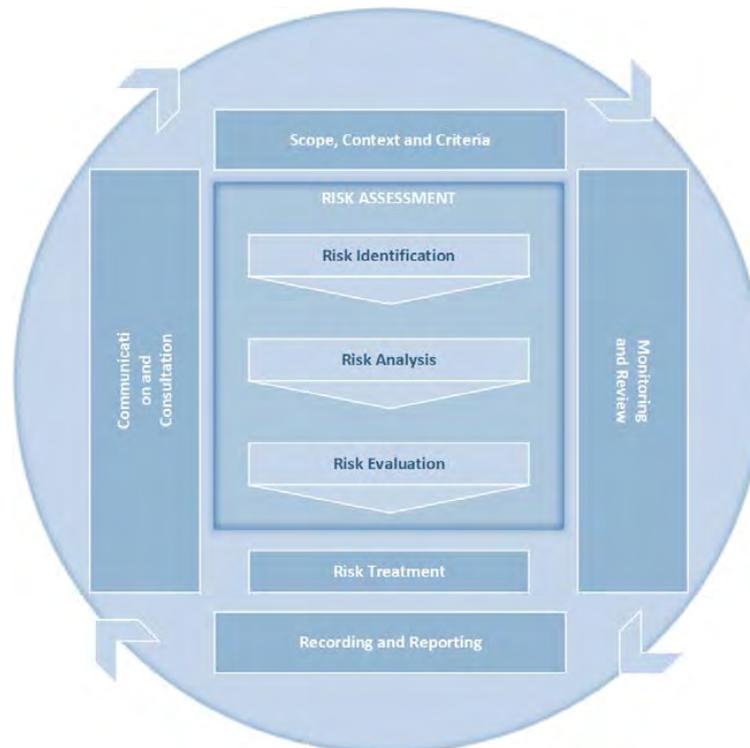
- the risk or issue is presented to the RMC and/or Board,
- remediation actions (including acceptance of the risk as appropriate) are discussed and
- approval is obtained where required.

7.8. Risk Management Process and Methodology

7.8.1. Risk Methodology

The risk management process is a systematic, recorded and regularly reviewed process. Crown follows the key principles and guidelines of *AS/NZS ISO 31000:2018 Risk Management – Principle and Guidelines* in identifying, assessing, evaluating, controlling and monitoring risk. This process is illustrated in the diagram below:

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Source: AS/NZS ISO 31000:2018

These steps are the basis for any risk management activity at Crown and are outlined below.

(a) Scope, Context and Criteria

By establishing the context, the organisation articulates its objectives, defines the external and internal parameters to be taken into account when managing risk, and sets the scope and risk criteria for the remaining process.

(b) Risk Identification

This step includes identifying sources of risk, areas of impacts, events (including changes in circumstances), causes and potential consequences. The aim of this step is to generate a comprehensive list of risks based on those events that might create, enhance, prevent, degrade, accelerate or delay the achievement of objectives.

(c) Risk Analysis

Risk analysis involves developing an understanding of the risk. Risk analysis provides an input into risk evaluation and to decisions on whether risks need to be treated, and on the most appropriate risk treatment strategies and methods. Risk analysis involves consideration of the causes and sources of risk, their positive and negative consequences, and the likelihood that those consequences can occur. Factors that affect consequences and likelihood are identified. Existing controls and their effectiveness and efficiency are also taken into account.

(d) Risk Evaluation

The purpose of risk evaluation is to assist in making decisions, based on the outcomes of risk analysis, about which risks need treatment and the priority for treatment implementation.

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It involves comparing the level of risk found during the analysis process with risk criteria established when the context was considered. Based on this comparison, the need and prioritisation for treatment can be considered.

(e) Risk Treatment

Risk treatment involves selecting one or more options for modifying risks, and implementing those options. Risk treatment options are not necessarily mutually exclusive or appropriate in all circumstances. The main treatment options are:

- Accept: deciding that the risk is acceptable in its current state of likelihood and impact.
- Avoid: deciding the risk is unacceptable for Crown and the actions or circumstances giving rise to the risk should be ceased.
- Monitor: the level of residual risk is currently appropriate, but monitoring is required to ensure the context or control effectiveness does not change.
- Optimise: taking actions to increase the likelihood and/or the consequence of an opportunity or improve the efficiency of the control framework in place for the risk.
- Reduce: taking action by changing the control environment to reduce the likelihood and/or the consequence of the risk materialising.
- Transfer: This involves transfer of risk at a cost to a third party. For Crown, this transfer occurs primarily through insurance policies.

(f) Communication and Consultation

Communication and consultation with external and internal stakeholders takes place during all stages of the risk management process. Effective external and internal communication and consultation ensures that those accountable for implementing the risk management process and stakeholders understand the basis on which decisions are made, and the reasons why particular actions are required.

(g) Monitoring and Review

Crown's monitoring and review processes are carried out for the purposes of:

- informing Crown's understanding of its operational risk profile relative to the Board's Risk Appetite;
- ensuring that appropriate controls are established, effective and are efficient in both design and operation;
- monitoring the progress in implementing risk treatment or remediation plans;
- detecting changes in the external and internal context, including changes to risk criteria and the risk itself which can require revision of risk treatments and priorities; and
- identifying emerging risks.

(h) Recording and reporting

This part of the process is about ensuring that both the risk management process as well as the outcomes are documented and reported to the right levels of the organisation that will ensure risk-based decisions are made in line with appetite.

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7.2-8.2. Risk Identification

Crown's strategy for identifying, analysing and evaluating its risks consists of two key processes, which include:

- a "top-down" risk assessment process that is embedded into the ongoing engagement process with the Board.

This process focuses on risks arising from the strategic objectives and the environmental uncertainties arising from the context of the organisation (i.e. economic and operating environment); and.

- a "bottom-up" risk assessment process that originates at each business unit and is aggregated up into Executive and finally a Corporate Risk Profile.

The bottom-up approach focuses on the short term strategic and operational risks of Crown. These risks are identified via an annual risk profiling mechanism that requires each business unit to review and update its risk profile.

The outcomes of the top-down and bottom-up processes are analysed and reconciled by the Risk Management Function to ensure alignment, identify gaps and seek appropriate management action to rectify any identified gaps.

Together, these processes serve to identify the material risks of the organisation and inform the CEO, Executives and the Board's view of the aggregated risk profile of Crown. They also assist to ensure that appropriate management strategies are implemented to manage that risk profile within risk appetite and inform the ongoing review and enhancement of the risk management framework.

The Risk Management Function is responsible for co-ordinating and facilitating the completion of these processes, preparing the aggregated Corporate Risk Profile and reporting the outcomes to the RMC.

Formal reviews are facilitated on an annual basis by the Risk Management Function. Each Executive is required to review and approve their business unit and aggregated Executive level risk profiles. The aggregated Corporate Risk Profile is reviewed and approved by the CEO and reported to the RMC at least annually.

These risk profiles form the basis for the development of the Internal Audit Plan. This ensures that the assurance processes in place through the third line of defence are aligned to the material risks of the organisation and assess the effectiveness of the internal control environment established to manage each risk.

Material findings from audit reviews are reviewed by the Risk Management Function to re-evaluate risk ratings and processes for each risk. This process assists in the ongoing review and enhancement of the Risk Management Framework.

7.3-8.3. Monitoring and Reporting

The Risk Management Function is primarily responsible for monitoring compliance with the Board's articulated Risk Appetites and risk tolerances and escalating material risk issues to the Board.

The reporting and monitoring processes of the Risk Management Function do not negate the responsibility of the CEOs, Executives and Senior Management to monitor and report risk matters in a manner consistent with Board expectations. The Executives and Senior

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Management are responsible for reporting to the Risk Management Function and CEO material actual or potential risk matters in an open, transparent and honest manner.

The monitoring of risks against the Board's defined risk tolerances is performed by the Risk Management Function on an ongoing basis and is reported to the RMC at each meeting. In addition, the Risk Management Function will monitor key performance and risk indicators that provide insight into the different risk categories, and inform risk-taking activities for management.

8.9. Review

The RMS will be reviewed annually by the GGM – R&A and any changes proposed will be recommended to the RMC for consideration and the Board for approval.

In addition to the internal review process, Crown will ensure that its RMS and Risk Management Framework is subject, at least every three years, to an external review. The results of these reviews will be reported to the RMC.

Crown Resorts Limited

~~May 2019~~ June 2020



Crown Melbourne
Agenda Item 6.1: Compliance & Regulatory Update
January 2020 – May 2020

1. Compliance Framework Status

All intended business units have now been integrated to the business wide compliance framework. In line with the objective of continuous improvement, consideration will be given to incorporating further sub-departments, as may be required from time to time.

All existing departments have prepared and are completing monthly compliance surveys and reporting into the Compliance Committee.

The FY20 Annual Compliance Plans for each business unit have been drafted, settled and signed off, with the exception of AML.

A planned review of the Requirements Register has been postponed due to the ongoing closure resulting from COVID-19.

An external review of the Compliance Framework will be commissioned during the next 18 months.

Material and other relevant matters from the Monthly Compliance meetings are reported on in Section 2 below.



2. Compliance Issues

The table below represents new and existing alleged compliance breaches and other relevant issues which occurred during the period. These include breaches or issues identified either by a regulator or as reported internally via compliance surveys or other means. Please note that due to casino operations ceasing on 23 March 2020, compliance surveys have not been completed for March, April and May 2020. Further, a number of remedial actions have also been delayed as a result of staff members being stood down, limited resources and no trading activity.

Date of issue / Dept	Description of issue	Relevant legislation/ regulation and Regulatory Authority	Status	Remedial Actions
<i>Finance</i>				
New				
1.	March 2020	On 5 March 2020, Compliance received notification of a Licenced Special Employee Termination with a cessation date of 14 December 2019, although the requirement under legislation is to report terminations to the VCGLR within a week.	<i>Casino Control Act 1991</i> (Vic) S 56(1)(c) (C)	<p>The employee, a Revenue Auditor, was seconded to Hotels as a Management Accountant. At the conclusion of the secondment, the employee took parental leave.</p> <p>Finance contacted the employee about her return, who then confirmed that she would not be returning from parental leave. An ECA was raised with an incorrect termination date back-dated to the secondment expiry date, not the date of notification to Crown.</p> <p>The employee's cessation, being the date Crown was notified of her not returning, was notified to the VCGLR.</p>



Date of issue / Dept	Description of issue	Relevant legislation/ regulation and Regulatory Authority	Status	Remedial Actions	
Food & Beverage					
New					
2.	April 2020	<p>On 7 April 2020, VCGLR Inspector Rohin Barker phoned the Hotel Duty Manager at Crown Promenade to make enquiries into allegations that a minor was able to procure alcohol during government sanctioned quarantine (COVID-19) on 1 April 2020.</p> <p>The Duty Manager responded to Mr Barker's questions and emailed him a copy of records, including the alcohol purchase receipt, as requested.</p>	<p><i>Liquor Control Reform Act 1998 (Vic)</i></p> <p>VCGLR</p> <p>(V)</p>	<p>All alcohol was removed from the mini-bar prior to guest arrivals, however alcohol was available for purchase through in room dining.</p> <p>The customer, an unaccompanied minor, requested a bottle of wine and paid for it by credit card. The customer had been checked into the hotel by the Department of Health and Human Services (DHHS) staff and Crown was not told that he was an unaccompanied minor. Crown had previously informed DHHS that the hotels required minors to have a designated guardian for their stay. It was noted that Crown had been provided with a copy of the minor's identification, however as DHHS was processing the check in, it was not reviewed in the normal manner.</p> <p>The minor (17 y.o.) was subsequently found to have consumed alcohol, by a nurse conducting a routine welfare check.</p>	<p>Comments and alerts were entered by a Front Office Supervisor on 5/04/20 once Crown became aware of the customer being a minor.</p> <p>Processes were changed to ensure all Government initiated quarantine patrons were ID checked and their age verified on the day of check-in, by Crown.</p>



Date of issue / Dept	Description of issue	Relevant legislation/ regulation and Regulatory Authority	Status	Remedial Actions	
				On 15 April 2020, the VCGLR emailed Crown seeking detail of the incident, which Crown responded to on 16 April 2020. As at 15 May 2020, no further contact from the VCGLR has been received on the matter.	
Existing					
3.	November 2019	<p>On 15 November 2019, a VCGLR Inspector requested footage and statements relating to three (3) males regarding an RSA matter.</p> <p>Statements were requested from a Table Games Area Manager, Dealer and two F&B Attendants along with any details Crown may hold on the three males. The men were observed in the vicinity of the Jackpot Bar, Pits 4, 6 & 7 and EGM F2701 acting in a loud manner that drew the VCGLR's attention to RSA concerns.</p> <p>A Table Games Manager had already engaged with the group earlier during their visit and did not note any RSA issues, and although F&B ceased serving the group alcohol at a later</p>	<p><i>Liquor Control Reform Act 1988</i> (Vic)</p> <p><i>Casino Control Act 1991</i> (Vic)</p> <p>(V)</p>	<p>Footage was collected by the VCGLR on 16 November 2019.</p> <p>Statements have been prepared (13 January 2020) and were reviewed by Legal.</p>	<p>The statements required further detail and were returned to the staff involved and we are awaiting their return.</p>



Date of issue / Dept	Description of issue	Relevant legislation/ regulation and Regulatory Authority	Status	Remedial Actions
	point in time, F&B did not consider it necessary for Security to remove the group.			
Gaming Machines				
New				
4.	March 2020 Escrow is not reporting reliably from DACOM. The relevant report is not correctly dealing with the introduction of Funded Startout Jackpots (FSTRT) and there is an issue with the overflow calculation. Gaming Finance are unable to reconcile the movements and Escrow was not accrued correctly for February and March 2020.	VCGLR	Crown has made the VCGLR aware of the issue and its impact on reporting.	The issue will be partially rectified in DACOM release (6.24), approved on 16 March 2020. The installation of this version of DACOM has been delayed by IT due to the COVID-19 shutdown of the business. An additional fix has been scheduled into the development of DACOM 6.25, estimated to be completed by the end of June (subject to VCGLR approval), after which the reports for the months of February, March, April and May will be re-run and submitted to the VCGLR.
5.	March 2020 Gaming Machines identified (during internal testing) access to an option	<i>Casino Control Act 1991</i>	An updated software base change was implemented in February 2020, whereby	Crown is working with STG to develop a new software base



Date of issue / Dept	Description of issue	Relevant legislation/ regulation and Regulatory Authority	Status	Remedial Actions	
	in the Audit Menu to change the BNA settings to accept \$100 notes without breaking logic or applying a power cycle to verify the change. This matter relates to the STG/Bally product on 265 machines. The Audit Menu is currently only accessible to authorised staff via a secure key.	(Vic) S 62AB (C)	changes to the BNA note acceptance settings must be completed behind the logic seal (195 machines). Approximating 70 machines were unable to be updated using the above method. The remaining product have had the \$100 note acceptance disabled manually at the BNA level ensuring the EGMs do not accept \$100 notes (even if the BNA configuration is changed).	for the remaining product. The update will be applied once approved and tested in-house. A Splunk Report has been developed to monitor \$100 note insertions on these machines as an additional safeguard.	
Existing					
6.	January 2020	On 13 January 2020, the VCGLR wrote to Crown seeking an explanation as to why the publication of a gaming machine advertisement was permitted to be displayed outside of the casino boundary contrary to the <i>Gaming Regulation Act 2003 (Vic) (Act)</i> . The VCGLR noted that on 30 December 2019, a pillar located outside of the Village entry to the Level One Sports Casino displayed an electronic advertisement "1c&2c Pokies".	<i>Gambling Regulation Act 2003</i> Section 3.5.34AA(2) <i>Gambling Regulation 2015 (Vic)</i> cl. 30	The matter has been concluded. The VCGLR has accepted Crown's position and verbally advised that the matter is closed. <i>To be removed from future reports.</i>	On 11 February 2020, Crown responded to the letter noting that it is permissible for directional signage within the complex to be displayed under reg. 30(f) of the <i>Gambling Regulations 2015 (Vic)</i> .



Date of issue / Dept	Description of issue	Relevant legislation/ regulation and Regulatory Authority	Status	Remedial Actions
7. September 2018	<p>On 27 September 2018, the VCGLR issued Crown with a s 26(1) Notice pursuant to the <i>Casino Control Act 1991</i> (Vic), requesting information pertaining to EGM C8303 operating in continuous play mode (alleged as 'unrestricted mode' in the Notice), when a Your Play card was not inserted.</p> <p>On 20 December 2018, the VCGLR (on-site Inspectorate) wrote to Crown requesting a clarification on several matters relating to this incident and an explanation as to why Crown breached s 62AB(2) of the <i>Casino Control Act 1991</i> (Vic).</p> <p>As a consequence of this matter; on 19 November 2018 the VCGLR (Director, Compliance) again wrote to Crown seeking further information as to whether regulation 18(6) of the <i>Gambling Regulation (Pre-commitment and Loyalty Scheme) Regulations 2014</i> had been complied with.</p>	<p><i>Casino Control Act 1991</i> (Vic) s 26(1) and s 62AB(2)</p> <p><i>Gambling Regulation Act 2003</i> (Vic)</p> <p>Ministerial Directions</p> <p><i>Victorian Commission for Gambling and Liquor Regulation Act 2011</i> (Vic) Part 4 s 32(3)</p> <p>VCGLR (V)</p>	<p>On 11 October 2018, Crown responded to the Notice. The cause was a wiring fault, which permitted the machine to imitate play in continuous mode if a particular button was held down.</p> <p>On 8 January 2019, Crown responded to the second VCGLR letter dated 20 December 2018, reinforcing its position as documented in Crown's initial response dated 11 October 2018.</p> <p>On 18 December 2018, Crown also responded to the VCGLR's letter dated 19 November 2018, asserting that no breach of Reg. 18(6) had occurred and attaching the VCGLR's approval of the current operating format.</p> <p>On 6 November 2019, the VCGLR verbally noted that this matter has moved from the VCGLR's Legal Team and is now with the Commission for its consideration.</p> <p>As at 15 May 2020, no further contact from the VCGLR has been received on the matter.</p>	<p>A full audit of all machines has been carried out.</p> <p>An enhancement to the audit and checking procedures (EGM Commission Checklist) has now been implemented. A specific test is now required for all IGT AU1 cabinets upon installation, the result must be recorded (and pass) before the machine is placed into game play.</p>



Date of issue / Dept	Description of issue	Relevant legislation/ regulation and Regulatory Authority	Status	Remedial Actions
Regulatory and Compliance				
New				
8.	March 2020	On 12 March 2020, the VCGLR wrote to Crown requesting information under section 166 of the <i>Casino Control Act 1991</i> (Vic). Crown was directed to provide information on financial transactions made by Chien-Pao YEH and Suncity. The information was to be provided to Victoria Police by the VCGLR.	<i>Casino Control Act 1991</i> (Vic)	On 26 March 2020, Crown complied with the request and produced the requested information to the VCGLR. Remedial action is not required in this instance. Crown reminded the VCGLR that Victoria Police can (and do) frequently request information directly from Crown.
Existing				
9.	August 2019	On 9 August 2019, the VCGLR issued Crown Resorts with a section 26 Notice. The Notice requested information regarding the Junket Operators' process and procedures undertaken by Crown Resorts (and its associated corporate entities, including Crown Melbourne Limited (Crown)) and the ongoing probity monitoring of junkets by Crown.	<i>Casino Control Act 1991</i> (Vic) s 121 s 26 s 141 <i>Victorian Commission for Gambling and Liquor Regulation Act 2011</i>	Crown has responded to the requests as required. Ancillary enquiries have been raised by the VCGLR, which have been (and are being) responded to as required. As at 15 May 2020, no outcome from the VCGLR has been received on the matter. Not required.



Date of issue / Dept	Description of issue	Relevant legislation/ regulation and Regulatory Authority	Status	Remedial Actions	
	<p>The VCGLR requested specific information in relation to:</p> <ul style="list-style-type: none"> - Mr Alvin CHAU (and/or the 'Suncity Junket'); - Mr Tom ZHOU, aka Mr Chinatown; - Mr Zhao Yuan PAN, aka Mr Simon PAN; - Mr Roy Moo; and - Mr Song ZEZHAI (and/or the 'Song Junket'. 	<p>s 9 (V) Internal Control Statement – Junket and Premium Player Programs: clauses 2.5.1 and 2.5.2</p>			
Security					
New					
10.	March 2020	<p>On 14 February 2020, an RSA employee attended an internal Crown job interview in possession of Crown sensitive material.</p>	<p>Employee Code of Conduct Confidential Information (C)</p>	<p>The incident was reported to Legal. The employee was suspended pending an interview with HR.</p>	<p>The employee did not attend any of his scheduled meetings regarding his conduct due to a number of reasons, some being medical.</p> <p>During this time, Crown stood down all RSA Officers due to the casino closure. The employee was an active employee and therefore just like all other RSA Officers, he was also stood</p>



Date of issue / Dept	Description of issue	Relevant legislation/ regulation and Regulatory Authority	Status	Remedial Actions	
				down. This matter will be progressed when Crown resumes normal operations.	
Surveillance					
Existing					
11.	August 2019	On 5 August 2019, Regulatory and Compliance became aware that Surveillance may not have been notified (via a page in the system) in all instances when cards are replaced on Baccarat in accordance with the SOPs.	Baccarat SOP 9.2.3(b)(i) (C)	<p>The matter was raised in a Compliance/Table Games meeting, where it was agreed that the clause would be reviewed in the next SOP review.</p> <p>Regulatory and Compliance have commenced the review process of the Baccarat SOPs with Table Games. The legitimacy of the clause to notify Surveillance has been highlighted (Surveillance have also been included into the process).</p> <p>The notification process is further hindered by limitations with respect to paging in ATOM (page for new cards from a Dealer triggers a page to Surveillance. ATOM also has a 'No page' option, used when an Area Manager is at the Table. This option eliminates another Area</p>	Regulatory and Compliance finalised a review of all ICSs and SOPs for all departments, where related to Surveillance, on 1 November 2019. The review identified all reporting requirements to various departments and regulatory bodies. Surveillance has 39 instances of documented notifications within Standard Operating Procedures. Meetings for the sharing of this information were held in January/February 2020 (with a view to remind relevant departments of the matters to be reported). Departments



Date of issue / Dept	Description of issue	Relevant legislation/ regulation and Regulatory Authority	Status	Remedial Actions	
			<p>Manager being called over).</p> <p>Multi-Terminal Baccarat does not have an option on ATOM to page when new cards are required.</p>	<p>were in the process of reviewing the information and are yet to respond due to the COVID-19 interruptions.</p> <p>Table Games advised a change in process was communicated to staff. The process change is to ensure that the system activates an alert to Surveillance in all instances where cards are replaced on Baccarat. Multi-Bet Baccarat requires the 'new equipment' button to be pressed when introducing new cards to the table, ensuring Surveillance are alerted.</p>	
Table Games					
New					
12.	March 2020	On 9 March 2020, an identified patron removed 14 red cards from Blackjack Table 0702.	Crown Table Games Integrity (C)	<p>A review of the incident identified the offender presenting a Crown Rewards card. Details were escalated to VicPol who were able to retrieve the cards.</p> <p>The retrieved cards also included two (2)</p>	The Memo updated current processes, directing staff to ensure vigilance and to ensure cards are visually checked every two (2) hours or when



Date of issue / Dept	Description of issue	Relevant legislation/ regulation and Regulatory Authority	Status	Remedial Actions	
			<p>Baccarat (BA) paper cards (with two (2) of the plastic Black Jack (BJ) cards missing). A further investigation found the offender as having successfully swapped the two BJ cards on BA a few days later. All cards were accounted for.</p> <p>On 12 March 2020, Table Games issued a Memo (2163) regarding card security.</p> <p><i>To be removed from future reports.</i></p>	<p>directed by a TG Area Manager or above.</p>	
Existing					
13.	November 2019	<p>On 14 November 2019, the VCGLR wrote to Crown requesting an explanation as to why a patron was permitted by Table Games staff to move a wager from Banker to Player after the Player cards had been exposed; and during the same coup, the patron was permitted to remove his losing wager.</p>	<p><i>Casino Control Act 1991 (Vic)</i></p> <p>(V)</p>	<p>On 27 November 2019, Crown responded to the letter, stating that it is Crown's view that Table Games staff acted within the Rules of Baccarat to permit the player to retract their wager.</p> <p><i>As at 15 May 2020, no further contact from the VCGLR has been received on the matter.</i></p>	<p>No action required.</p>
14.	October 2019	<p>On 3 October 2019, Crown received a letter dated 9 September 2019 from the VCGLR. The VCGLR requested an explanation as to why the Dealer on AR3112 disregarded Roulette Rule 5.3 on two (2) occasions by not signalling</p>	<p><i>Casino Control Act 1991 (Vic)</i></p> <p>5.3 Roulette Rules</p> <p>(V)</p>	<p>On 9 October 2019, Crown responded to the VCGLR, accepting that the dealer had failed to adhere to the Rules. Crown reiterated that it does not tolerate breaches of Rules nor Standard Operating Procedures by its employees. Crown noted that the employee</p>	<p>The Dealer received the following action:</p> <ol style="list-style-type: none"> Higher Duties were removed for a period of three (3) months.



Date of issue / Dept	Description of issue	Relevant legislation/ regulation and Regulatory Authority	Status	Remedial Actions
	or announcing 'no more bets' whilst the ball was still rotating around the wheel.		had received appropriate disciplinary action, including placing the Dealer on a performance improvement plan and additional training. <i>As at 15 May 2020, no further contact from the VCGLR has been received on the matter.</i>	<ol style="list-style-type: none"> 2. A verbal warning was issued. 3. The Dealer will be monitored by Surveillance for closer investigations/auditing. 4. The Dealer was placed on a performance improvement plan for three months. The Dealer agreed to be audited fortnightly with immediate feedback to be given directly to him. 5. The Dealer will undertake an SOP refresher on all his games, including Poker Minors, to eliminate any further instances of non-compliance.
15.	August 2019	On 1 August 2019, the VCGLR inspected Pit 7 Storage Cupboards. Multiple discrepancies were noted by the Inspector.	<i>Gaming Equipment (V)</i>	<p><i>As at 15 May 2020, no further contact from the VCGLR has been received on the matter.</i></p> <p><i>To be removed from future reports.</i></p> <p>Table Games have removed access to the Pit 7 Storage Cupboard to all Area Managers.</p> <p>A dedicated Assistant Casino Manager is now tasked with maintaining the Storage Area.</p>



Date of issue / Dept	Description of issue	Relevant legislation/ regulation and Regulatory Authority	Status	Remedial Actions	
16.	July 2019	<p>On 25 June 2019, Crown made a submission to the VCGLR to approve updates to Spreadbet Roulette (an electronic side wager system that runs off Cammegh screens linked to Cammegh Roulette Wheels). During this process, it was identified that the system was proposed to run off Cammegh Mercury 360 and Cammegh Mercury 2 Roulette Wheels, however, Crown was unable to locate a prior specific approval for Mercury 2. It was revealed that the term Mercury was used interchangeably by Cammegh to refer to both the Mercury and Mercury 2 products – only minor differences existed between both wheels, neither of which impacted in any way on the running of the game (primarily, components which consisted of sensors used to detect the numbers and portray them on a display screen). This was communicated to the VCGLR.</p>	<p><i>Casino Control Act 1991</i> (Vic) s 60 (V) S 126</p>	<p>In July 2019, Crown replaced its Mercury 2 wheels with Mercury 360 wheels, which it was scheduled to do as the Mercury 2 wheels are no longer manufactured.</p> <p>The submission was amended and re-submitted with the VCGLR on 15 October 2019 after extensive communication with BMM to remove reference to the Mercury 2 (amongst other changes).</p> <p>On 12 November 2019, Mr Rohin Barker of the VCGLR requested a list of all Roulette Wheels on the floor. Crown complied with the request.</p> <p>On 14 November 2019, Mr Barker further emailed Crown to advise that eight (8) Mercury 2 Roulette Wheels in Pit 17 had different asset and serial numbers than those on the report and queried why the previous wheels were removed the day prior. Crown noted that this was a timing issue between the printing of the report and the inspection by the VCGLR. The wheels were removed as a part of a pre-arranged upgrade.</p> <p>Sam Laffy (VCGLR) further requested additional information regarding the use of Cammegh Gaming Equipment. The request</p>	<p>As at 31 October 2019, all Roulette wheels on the gaming floor are Mercury 360, with the exception of 8 wheels which are known as the Mercury Special Wheels (covered by an approval) located in the Teak Room.</p> <p>Crown has received approval for Spreadbet Roulette from the VCGLR.</p> <p>Discussions with Table Games have been undertaken and they will commence a catalogue and electronic filing system for certification and commissioning documents.</p>



Date of issue / Dept	Description of issue	Relevant legislation/ regulation and Regulatory Authority	Status	Remedial Actions	
				<p>included:</p> <ul style="list-style-type: none"> • Detail of Cammegh Roulette Wheels operated by Crown (preferably including Asset and Serial numbers, locations and dates of service). • VCGLR approval reference numbers relevant to the Cammegh Roulette Wheels identified. • Detail of Cammegh Roulette Match / Side Bet system hardware operated by Crown (preferably including Asset and Serial numbers, location and dates of service). • Table Games Certification Forms / Commissioning documents related to the movement or deployment of Cammegh Roulette Match / Side Bet system hardware operated by Crown. <p>As of 15 May 2020, Crown is in the process of collating the requested information and has not yet responded to the request. Crown is unable to locate all material related to this request, due to a change in Table Games administration staff and historical nature of this matter.</p>	



Date of issue / Dept	Description of issue	Relevant legislation/ regulation and Regulatory Authority	Status	Remedial Actions	
17.	July 2019	On 4 July 2019, the VCGLR wrote to Crown requesting an explanation in relation to a patron complaint. The matter relates to an allegation that on 14 May 2019, the Dealer on PK3311 exposed the cards too early on the River.	<p><i>Casino Control Act 1991</i> (Vic)</p> <p>s 64</p> <p>Poker Rules 14.9.5</p> <p>(V)</p>	<p>On 23 July 2019, Crown responded to the letter defending Crown's position that the Area Managers had made the correct decision given the circumstances. Crown relied on Poker Rules 1.1, 8.8, 18.11 and the patron's behaviour at the time (refusing to comply with a direction to reveal his cards).</p> <p>As at 15 May 2020, no further contact from the VCGLR has been received on the matter.</p> <p><i>To be removed from future reports.</i></p>	<p>As the result of a number of recent VCGLR letters, audits are being undertaken for greater scrutiny of ensuring dealers are dealing in line with SOPs and Rules. During the audits, Area Managers (AMs) on the floor are being given direct feedback and asked to address all issues with the dealers in question. AMs are expected to have immediate coaching conversations (as soon as practical) and document each interaction.</p> <p>The following early signs of compliance improvement have been seen:</p> <ul style="list-style-type: none"> • Noticeable improvements seen in the Maple and Mahogany Rooms. • Immediate coaching discussions are occurring, there was more than 80 coaching conversations documented in a week.



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				<ul style="list-style-type: none"> Staff are also being rewarded for their positive efforts. <p>A full review by Crown Table Games of its SOPs is almost complete, in order to improve education.</p>	
18.	March 2019	On 26 March 2019, the VCGLR requested that Crown provide footage of a patron who they allege was gambling whilst intoxicated. It is alleged that the patron placed a bet on Roulette 3112 at approximately 05:28 hours. The VCGLR has also requested a statement from the Dealer and an F&B employee involved.	<p><i>Casino Control Act 1991</i> (Vic)</p> <p>S 81AAC Gambling or betting by intoxicated persons prohibited</p> <p>(V)</p>	<p>On 4 April 2019, Crown provided the VCGLR with the requested footage.</p> <p>On 3 May 2019, Crown became aware that archived footage of the incident was corrupted. The VCGLR is aware that not all footage was provided. Legal has requested an investigation into how the footage became corrupted.</p> <p>The VCGLR has been provided with all employee statements and available footage (inclusive of the corrupted file).</p> <p><i>As at 15 May 2020, no further contact from the VCGLR has been received on the matter.</i></p>	<p>Surveillance worked with the manufacturer to identify the cause of the corrupted file, however the matter was unable to be replicated and the root cause not identified.</p> <p>Crown has enhanced Dealer training regarding RSA matters.</p>
19.	March 2019	On 28 March 2019, the VCGLR wrote to Crown seeking an explanation as to why on 10 March 2019 an alleged breach of Poker Rule 17.4.1 and	<p><i>Casino Control Act 1991</i> (Vic)</p> <p>Poker Rule 17.4.1 and</p>	<p>On 15 April 2019, Crown responded to the matter.</p> <p><i>As at 15 May 2020, no further contact has</i></p>	<p>The Dealer received disciplinary action and the Poker team received additional extensive briefing to ensure</p>



Date of issue / Dept	Description of issue	Relevant legislation/ regulation and Regulatory Authority	Status	Remedial Actions	
	17.6.1 occurred on PK17 between 04:30 and 05:44. It was alleged that the Dealer failed to activate the Jackpot Button on multiple occasions and did not alert the TG AM (or above) to remedy the situation.	17.6.1 (V)	been made by the VCGLR on this matter. <i>To be removed from future reports.</i>	adherence with Rule 17.4.1 and 17.6.1. Table Games has sent a note to all poker staff regarding this issue and has issued file notes and written warnings to relevant staff. The escalated response arose from the Compliance Framework identifying a negative trend in this area and rectification action was initiated to address the weakness. Automation of the Jackpot is being implemented.	
20.	January 2019	On 29 January 2019, the VCGLR wrote to Crown requesting an explanation as to why on 9 January 2019, Poker Rule 17.4.1 & 17.6.1 was disregarded by the Dealer on PK10. The VCGLR alleges that the Dealer did not activate the jackpot button at the commencement of play, nor notify the Area Manager to make the appropriate adjustment.	<i>Casino Control Act 1991</i> (Vic) Poker Rule 17.4.1 & 17.6.1 (V)	On 27 February 2019, Crown responded to the VCGLR noting the seriousness of the matter. <i>As at 15 May 2020, no further contact has been made by the VCGLR on this matter.</i> <i>To be removed from future reports.</i>	The Dealer received disciplinary action and the Poker team received extensive briefing to ensure adherence with Rule 17.4.1 and 17.6.1. Table Games has sent a note to all poker staff regarding this issue and has issued file notes and written warnings to relevant staff. The escalated



Date of issue / Dept	Description of issue	Relevant legislation/ regulation and Regulatory Authority	Status	Remedial Actions
				<p>response arose from the Compliance Framework identifying a negative trend in this area and rectification action was initiated to address the weakness.</p> <p>Area Managers have closely monitored Rule adherence and ensure that Dealers are coached around this on a daily basis.</p> <p>For Dealers who are identified as repeating the behaviour, disciplinary action follows in the form of verbal warnings and written warnings.</p>
21.	January 2019	<p>On 29 January 2019, the VCGLR wrote to Crown requesting an explanation as to why on 8 January 2019, Poker Rule 17.4.1 was disregarded by the Dealer on PK16. The VCGLR allege that the Dealer activated the jackpot button multiple times during a single hand, thus manipulating the jackpot</p>	<p><i>Casino Control Act 1991</i> (Vic) Poker Rule 17.4.1 (V)</p>	<p>On 27 February 2019, Crown responded noting human error as the cause and that this was not an intentional act to manipulate the jackpot or contravene the Rules.</p> <p><i>As at 15 May 2020, no further contact has been made by the VCGLR on this matter.</i></p> <p><i>To be removed from future reports.</i></p> <p>The Dealer received disciplinary action and the Poker team received extensive briefing to ensure adherence with Rule 17.4.1.</p> <p>Table Games has sent a note to all poker staff regarding this issue and has issued file notes</p>



Date of issue / Dept	Description of issue	Relevant legislation/ regulation and Regulatory Authority	Status	Remedial Actions	
	system.			<p>and written warnings to relevant staff. The escalated response arose from the Compliance Framework identifying a negative trend in this area and rectification action was initiated to address the weakness.</p> <p>Area Managers have closely monitored this Rule for adherence and ensure that Dealers are coached around this on a daily basis.</p> <p>For Dealers who are identified as repeating the behaviour, disciplinary action follows in the form of verbal warnings and written warnings.</p>	
22.	January 2019	<p>On 29 January 2019, the VCGLR wrote to Crown requesting an explanation as to why on 1 December 2018, Poker Rule 7.7 was disregarded. The VCGLR allege that the Dealer on PK17 allowed additional commission to be collected.</p>	<p><i>Casino Control Act 1991</i> (Vic)</p> <p>Poker Rule 7.7</p> <p>(V)</p>	<p>On 18 February 2019, Crown responded to the matter. Crown noted human error as the cause, with the error being rectified immediately by the ACM on duty.</p> <p>As at 15 May 2020, no further contact has been made by the VCGLR on this matter.</p>	<p>Crown emphasised that the Dealer did not intentionally collect additional commission contrary to Poker Rule 7.7.</p> <p>The Dealer received a coaching note reiterating the importance of commission</p>



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			<i>To be removed from future reports.</i>	<p>taking accuracy and received additional training.</p> <p>Muster notes were focused on this accuracy in the short term to ensure that the whole team were retrained of the importance of the Rule.</p>	
23.	January 2019	<p>On 15 January 2019, the VCGLR wrote to Crown requesting an explanation as to why on 21 August 2018, multiple (alleged) breaches of cl. 10.2.1 of the Pai Gow Rules (patrons talking to each other about their hands) occurred on PG8910 (between 3:00am – 4:00am), being a breach s 60(2)(c) of the <i>Casino Control Act</i>.</p>	<p><i>Casino Control Act 1991</i> (Vic)</p> <p>Pai Gow Rules (V)</p>	<p>On 7 February 2019, Crown responded to the matter. Crown asserted that the game had been dealt in accordance with the Rules of Pai Gow, with adequate supervision from the Area Manager. However, did agree that the Dealer could and should have been more assertive in ceasing the communication between the players.</p> <p><i>As at 15 May 2020, no further contact has been made by the VCGLR on this matter.</i></p> <p><i>To be removed from future reports.</i></p>	<p>PG Rule 10.2.1 was re-iterated to the wider PG dealing group through team muster notes, AM catch ups and supervisory coaching.</p>
24.	January 2019	<p>On 14 January 2019, the VCGLR wrote to Crown requesting an explanation as to why on 16 October 2018, Caribbean Stud Poker Rules 7.5.3 (63 alleged breaches) – including failing to increment the Jackpot amount, 7.6.2</p>	<p><i>Casino Control Act 1991</i> (Vic)</p> <p>Caribbean Stud Poker Rules 7.5.3, 7.51(a) and 7.6.2</p>	<p>On 7 February 2019, Crown responded to the matter. Crown accepted that the Dealer made errors when dealing the game and that the oversights were corrected by the Area Manager on duty.</p> <p>On 6 June 2019, Crown was advised that the</p>	<p>The Dealer was issued with the appropriate disciplinary action and has undergone re-training in the Rules and procedures of Caribbean Stub Poker.</p>



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		(3 alleged breaches) and 7.5.1(a) (one alleged breach) were not followed by the Dealer on CS0718.	(V)	matter was before the Commission. <i>As at 15 May 2020, no further contact has been made by the VCGLR on this matter.</i>	
25. December 2018	On 6 December 2018, the VCGLR wrote to Crown stating that on 20 October 2018, Inspectors observed an alleged breach of Poker Rule 14.2.5 by the Dealer on PK16. The VCGLR has sought an explanation from Crown as to why the Dealer did not place the 'boxed card' in the 'muck'.	<i>Casino Control Act 1991 (Vic)</i> Poker Rule 14.2.5 (V)	On 18 December 2018, Crown responded to the letter citing human error as the cause of the incorrect placement of the boxed card. The boxed card was isolated and unable to be used in play and therefore there was no risk to the integrity of the game or any players. <i>As of 15 May 2020, no further comment has been received from the VCGLR.</i> <i>To be removed from future reports.</i>	The Poker management team and the Dealer have been advised of the importance of compliance with the Poker Rules and SOPs. All staff have been checked for understanding.	
<i>VIP</i>					
<i>New</i>					
26. February 2020	On 13 February 2020, the VCGLR wrote to Crown seeking an explanation on two anomalies found during a Premium Player audit for [REDACTED] (i) The Premium Player Settlement Sheet for program [REDACTED]	<i>Casino Control Act 1991 (Vic)</i> <i>Junket and Premium Player Programs Internal Control Statement</i>	On 12 March 2020, Crown responded to the letter, providing that: (i) The Player Rating Transaction Report details eight (8) cash ratings (which do not form a part of program [REDACTED]). These eight (8) ratings total \$84,810 in turnover, conversely, the Premium	No remedial action is required as Crown does not consider that there were any errors. As to point (ii), Crown was also unable to ascertain from the VCGLR what they considered had been breached by the patron	



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	<p>recorded a turnover of \$1,217,867 whereas turnover as calculated from the Player Rating Transaction Report for the program period was \$1,302,677 – a difference of \$84,810.</p> <p>(ii) The Premium Player Settlement Sheet for program ██████ recorded “over comps” of \$2,000 whereas expenses recorded for ██████ stay at Crown Towers was \$2,259.45.</p>	<p>Section 4. Commission (V)</p>	<p>Player Settlement Sheet accounts for turnover calculated on the program only and does not attribute the \$84,810. Accordingly, no calculation errors have occurred; and</p> <p>(ii) ██████ Premium Player Program Agreement allows for a Complimentary Allowance of .10% of the Program’s total turnover. In this case, ██████ was entitled to \$1,217.87 in Complimentary value, Crown withheld \$2,000 from ██████ commission to cover the excess expenditure in excess of the allowance, as per clause (4)(b) of the Agreement.</p> <p>As a consequence of ██████ accommodation expenditure, he was asked to contribute \$2,000 towards his expenses, which he did.</p> <p>As of 15 May 2020, no further comment has been received from the VCGLR.</p>	<p>contributing to his expenses.</p>
27.	<p>February 2020</p> <p>On 13 February 2020, the VCGLR wrote to Crown alleging a breach of s 2.1 of the Cheque Cashing and Credit</p>	<p>Casino Control Act 1991 (Vic)</p>	<p>On 24 March 2020, Crown responded to the letter noting that Crown was not in breach of the ICS or SOP on the grounds that ██████ is</p>	<p>The staff member who entered Alan McGregor’s name in error</p>



Date of issue / Dept	Description of issue	Relevant legislation/ regulation and Regulatory Authority	Status	Remedial Actions
	<p>Facilities Internal Control Statement. The VCGLR noted anomalies found during a random selected Junket Operator audit ([REDACTED]):</p> <p>(i) There was no application for a Cheque Cashing Facility or Credit Facility Limit Change to increase [REDACTED] credit facility from \$3M to \$5M, required by Section 2.4 of the Current Standard Operating Procedures for Cheque Cashing and Credit Facilities.</p> <p>(ii) There was no correspondence between Crown Melbourne Limited and [REDACTED] with respect to the credit limit change.</p> <p>(iii) The Junket Program Agreement signed on 21 December 2019, recorded front money of \$3M. However, four days earlier on 18 December 2019, Authorisers seemingly approved the credit limit change. The Junket Program Agreement did not record front money of \$5M.</p>	<p>S 121</p> <p>Cheque Cashing and Credit Facilities Internal Control Statement</p> <p>S 2.1 The application of structured documented processes for:</p> <p>2.1.1 The initial establishment, amendment, suspension and/or reinstatement and cancellation of patrons' cheque cashing and/or credit facilities (as well as restricted facilities); and</p> <p>2.1.2 The monitoring and follow-up of patron indebtedness and the collection of discharge (either wholly or partly) of patron debts.</p> <p>(v)</p>	<p>approved for AUD7.5M, with the approval is dated September 2016.</p> <p>[REDACTED] program commenced with AUD3M Front Money, but was approved for a TTO of up to AUD5M (the AUD3M meets the Front Money requirements even though AUD5M was drawn at the time, therefore Crown has met the Front Money requirements).</p> <p>Crown can confirm the authorisers as Roland Theiler, Barry Felstead and Jacinta Maguire. A team member within Crown's Cage entered the incorrect authoriser (Alan McGregor) into Syco, Credit Control advised the Cage the following day of the entry error. The Maintenance Report still reflects the error as it cannot be amended in Syco, it can only be recorded manually on the report for future reference (which it is).</p> <p>No Credit limit increase has occurred in this instance.</p> <p><i>As of 15 May 2020, no further comment has been received from the VCGLR.</i></p>	<p>was counselled.</p>



Date of issue / Dept	Description of issue	Relevant legislation/ regulation and Regulatory Authority	Status	Remedial Actions	
	<p>(iv) The authorisers, according to the Patron Credit Profile for [REDACTED] include Jacinta Maguire. Whereas, the Cheque Cashing Maintenance report for the credit limit increase does not include Maguire as an Authoriser but Alan McGregor instead.</p> <p>(v) There was no correspondence between Credit Control and the Authorisers with respect to the credit limit increase.</p>				
Existing					
28.	November 2019	<p>On 14 November 2019, the VCGLR wrote to Crown alleging a breach of s 121(4) of the <i>Casino Control Act 1991</i> (Vic), as the names of three (3) Key Players were not listed on a Cheek Wa CHAU program. The VCGLR noted that during the course of the audit, the three (3) players had received cash outs for various amounts.</p>	<p><i>Casino Control Act 1991</i> (Vic)</p> <p>S 121</p> <p>(v)</p>	<p>The three players were listed on a 'Junket Chip Cash-outs' document (an internal document used by the Cage to monitor the overall cash paid from the Operator's deposit account against the outstanding CCF limit). All three players were playing on a Hong Kong Dollar Program and were therefore rated under a separate junket of CHAU, Cheek Wa (2) #2276101.</p> <p>On 9 December 2019, Crown responded to the</p>	No action required.



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			<p>VCGLR submitting that no breach had occurred. The three Key Players had played under a HKD Program and were listed on that Program accordingly.</p> <p>As at 15 May 2020, no further contact has been received from the VCGLR.</p>		
29.	November 2019	<p>On 14 November 2019, the VCGLR wrote to Crown requesting an explanation as to what consideration the Casino Operator gave to the 'adverse media reports' (allegation of criminal activity) and a Patron Risk Rating report as 'significant' when deciding to engage with Zezhai SONG as a Junket Operator.</p>	<p><i>Casino Control Act 1991 (Vic)</i> <i>S 121</i> <i>ICS 2.5.1</i> (V)</p>	<p>On 18 December 2019, Crown responded to the letter, setting out the consideration it had given and its on-going due diligence processes. Further queries have since been received and were responded to.</p> <p>As at 15 May 2020, no outcome has been received from the VCGLR.</p>	No action required.
30.	October 2019	<p>On 16 October 2019, the VCGLR emailed Crown to enquire if the United Nations Security Council Consolidated List is checked as a part of ongoing probity checks (following media reports that Crown had permitted a sanctioned person to gamble at its casinos). The VCGLR also enquired as to whether Crown had identified any current premium, VIP,</p>	(V)	<p>On 16 October 2019, Crown responded to the VCGLR enquiry with the following response:</p> <ul style="list-style-type: none"> • Crown uses a reputable third party provider to review a range of relevant lists, including Sanction Lists. • Crown is not aware of any current premium, VIP, junket operators or junket player on any current United Nations Security Council lists. 	<p>Crown understands that at the time Mr Prawira was not matched via the screening process with World Check prior to 2015 because the entries on the Sanctions List did not have a year or date of birth.</p> <p>Furthermore, there appears to be some question as to when</p>



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		Junket Operators or participants on the list.		<p>On 17 October 2019, the VCGLR emailed Crown noting that the previous enquiry related to Joseph Wong Kiia Tai, and requested advice on interactions with him. Crown also received a call from the VCGLR requesting information in relation to Mr Yoseph Prawira (aka Joseph Wong Kiia Tai). Crown complied with this request and provided gaming records and a copy of his WOL letter.</p> <p>The VCGLR verbally noted that it had reviewed this matter in 2015.</p> <p>As at 15 May 2020, no further contact from the VCGLR has been received on the matter.</p>	<p>the name Yoseph Prawira was added as an AKA to the sanction alert at that time.</p> <p>Mr Prawira's WOL was rescinded in 2017.</p> <p>No further action is required.</p>
31.	October 2016	The VCGLR is investigating the detention of 19 Crown employees in China, charged and found guilty of offences relating to the promotion of gambling in the region.	<i>Casino Control Act 1991 (Vic)</i> VCGLR (C)	Investigation remains in progress.	No current action is required.



4. Serious Security & Surveillance Matters

Note: In relation to the period post casino closure (from 23 March to May 2020), Security and Surveillance operations continue. No significant matters have been identified during the period of closure to date.

	Date Reported	Background: Details of Serious Incident	Comments: Including follow-up action, potential for media interest, litigation, etc.
1.	09/01/2020	<p>SELF HARM INCIDENT</p> <p>Security Officers witnessed a male scale and then jump off the Eastern ledge of the King's Way Bridge. The patron was found by Security in an unconscious state at the river bank under the bridge, but was breathing normally and later regained consciousness. The male was conveyed to hospital by ambulance, with a possible leg injury and minor facial bleeding.</p>	<p>Security Officers attempted to communicate with the male before he jumped, however he did not respond. Victoria Police and Ambulance Victoria were also contacted immediately in relation to the possible self-harm attempt.</p> <p>Police arrived after the male was found on the riverbank, and took over the incident, with the Crown First Aid officer in support. Paramedics arrived shortly after and transferred the male to the ambulance with the use of ladders. Melbourne Fire Brigade also attended at the request of AV, but were not required.</p> <p>Security crowd control was in place around King's Way and the Baci Riverside area. Access to the King's Way entry ramp was restricted to Emergency Services only. Patrons at Pit 12 Smoking Balcony were also moved out of the area overlooking the scene.</p> <p>There was no media attention or disruption to business operations relating to this incident.</p>



2.	26/01/2020	<p>SERIOUS ASSAULT – GLASSING</p> <p>A patron is alleged to have struck another patron in his head with a drinking glass in the Mahogany Room, following a dispute which escalated to a physical altercation, in relation to the use of an EGM.</p>	<p>Security Officers attended in response to a duress alarm that was activated by staff at the time of the incident. Both patrons were observed to have sustained cuts, and there was also broken glass on the floor, and blood on several EGM chairs in the vicinity. Crown First Aid Officers attended and provided treatment to both injured patrons. An ambulance was not requested/deemed necessary.</p> <p>Victoria Police also attended, and the alleged offender was subsequently arrested and taken into Police custody concerning another unrelated matter.</p> <p>Neither of the males wished to press charges in relation to this incident, but both males have been issued with a Withdrawal of Licence by Crown.</p> <p>There was no media attention or disruption to business operations relating to this incident.</p>
3.	15/02/2020	<p>ATTEMPTED STAFF ROBBERIES</p> <p>Two Food and Beverage staff members were approached by a male on Whiteman Street, who is alleged to have attempted to rob them, in two incidents that occurred shortly after each other.</p>	<p>One of the incidents was reported to Police and Security immediately after it occurred. The other incident was reported afterwards and passed on to Security and Surveillance for further investigation, at which time it was confirmed to have related to the same alleged offender.</p> <p>The male was observed on Whiteman Street on the following day, and was subsequently arrested by Police and taken off-site. He has also been issued a WOL by Crown.</p> <p>There was no media attention relating to this incident.</p>



4.	28/02/2020	<p>ELECTRICAL FIRE</p> <p>Security observed sparks and smoke coming from Man Tong Kitchen Restaurant, later found to have been caused by an electrical fire.</p>	<p>The MFB were contacted, and Security and Maintenance personnel attended the location to investigate what had occurred. Man Tong and San Antone staff were subsequently evacuated and the immediate retail area was cordoned off, including Level 3.</p> <p>The MFB confirmed there had been an electrical fire, resulting in smoke travelling up to Palms through the walls. Alarms had also activated in the Palms area, resulting in the evacuation tone being sounded, and a second (automatic) call out to the MFB occurring.</p> <p>The MFB gave an all clear for Man Tong approximately 1 1/2 hours after the smoke was first sighted by Security, at which time staff were allowed to re-enter their venues. Level 3 remained closed to the public for a further 2 hours, due to the presence of residual smoke, after which staff and the public were allowed to re-enter. Man Tong remained closed to the public for the lunch period for cleaning. Access to Village Cinemas was also restricted for a short period during the incident.</p> <p>There was no media attention relating to this incident.</p>
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5.	04/03/2020	<p>BOMB THREATS</p> <p>An unknown male called Guest Services, stating that his brother was killed by Crown, and was demanding payment. The caller also stated that there was a bomb in the Car Park which would be detonated in 20 minutes. The call was then transferred to the Security Communication Centre.</p> <p>A further call was received by Guest Services from the same number several hours later. The caller stated that there were men armed with guns in the Car Park, as well as a bomb. The caller also stated that they were going to kill everyone, including the CEO, as retribution for an alleged incident with Security guards 11 years ago, that involved his brother. The call lasted for approximately 5 minutes, after which the caller chose to hang up.</p>	<p>Victoria Police were contacted and attended after the first call was received. Checks were completed in the Car Parks and around the perimeter, and nothing was found. The threat was then deemed not credible by Victoria Police.</p>
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Serious Security Incident Data	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20 ¹
Headcount (Complex)	2,911,766	2,757,595	2,863,513	3,007,191	3,060,117	2,839,060	2,960,444	3,046,861	3,874,424	3,252,522	2,606,113	1,570,873
Serious assaults between patrons involving injuries (Medical Officer Involved)	2	0	1	2	0	0	2	4	0	1	0	0

¹ Numbers to 23 March 2020, when the Casino closed as a result of the COVID-19 pandemic.



Assaults between patrons	19	29	29	30	34	30	40	40	50	21	11	15
Assaults on Crown Melbourne employees	6	9	17	8	4	12	5	15	10	7	8	4
Intoxicated patrons refused entry	3,350	3,708	3,481	3,017	4,104	3,363	3,178	4,213	4,143	2,503	2,650	2,006
Intoxicated patrons removed	1,005	1,073	1,202	1,075	1,285	1,159	1,171	1,290	1,533	794	1,013	812
Assisted removals	45	50	69	60	65	82	52	66	65	40	35	31
Peaceful removals	1,824	1,859	1,994	1,917	2,108	2,021	2,012	2,173	2,455	1,845	1,954	1,428
Weapons found on site	4	3	4	9	2	3	5	6	3	4	2	1
Minors on Gaming Floor	1	1	2	1	1	1	3	3	2	1	0	5



5. Regulatory Matters

Coronavirus (COVID-19)

On 16 March 2020, Stuart McClelland (Manager, VCGLR Onsite Inspectorate) and Adam Ockwell (VCGLR Director Compliance), advised Crown that their Inspectors will be entering the Crown building via Whiteman Street and until further notice, will be largely remaining in their office for the duration their shift, as a result of the COVID-19 pandemic. Michelle Fielding advised Crown Departments to continue to phone the Inspectors with any matters that would usually be reported (e.g. breach of Exclusion Order etc.), although the Inspectors will be unlikely to attend. The Inspectors largely left site from early April 2020.

Crown will be engaging with the VCGLR at the appropriate time to discuss the casino re-commissioning program.

ASX/Media Release – COVID - 19

On 23 March 2020, Crown Resorts released an ASX/Media response to COVID-19, following changes to Crown's business operations:

'Following statements issued by the Commonwealth and relevant State Governments in relation to the closure of all non-essential businesses, the Crown Melbourne and Crown Perth entertainment complexes have ceased the following operations:

- *Gaming activities; and*
- *Food & Beverage, banqueting and conference facilities other than the provision of takeaway meals or meal delivery services (where determined).*

Hotel accommodation will continue to be provided in a reduced capacity. Crown Aspinalls in the United Kingdom has also ceased operations.'

As at 15 May 2020, Crown Melbourne remains closed for business (with the exception of minor take-away food initiatives and some hotel accommodation activity).

Bad Debt Write-Off

In October 2019, the VCGLR wrote to Crown querying its tax treatment of bad debt write-offs, for which Crown had not sought the VCGLR's prior approval. Crown noted that the debts were not written off for regulatory purposes, as it retained the right to recover the debts should the patrons return, Crown also provided examples of debts that had been recovered since the write-offs on 30 June 2019. Crown answered a series of questions regarding the technical veracity of Crown's tax treatment and whether advice had been sought as to Crown's tax treatment. Crown quoted relevant sections of the GST Act and noted its communication with its advisors and the ATO.

On 3 March 2020, the VCGLR wrote to Crown noting:



... I wish to advise that the VCGLR has concluded its assessment and does not object to Crown's approach that a debt can be written-off for the purposes of s 126-20(2) of the GST Act but not "discharged" for the purposes of s 68(2)(e) of the Casino Control Act 1991.

The VCGLR will further refine its audit processes in relation to monitoring debts written off and discharged to inform the gaming tax settlement process, and may require further information from Crown to inform this process.

To be removed from future reports.

Mercury Wheel

As reported previously, an issue was identified with a certain type of Roulette wheel in operation on the gaming floor. Approximately 13 years ago, the manufacturer of the Roulette wheel delivered a version of the product that was different to the version approved by the Regulator and the ordered by Crown. The difference was not visible to the eye and Crown was not aware of being supplied different wheels until recently.

The difference between the approved version and the version delivered was the inclusion of an additional in-rim sensor, which is not classified as regulated equipment and does not require individual approval, it further does not affect the integrity of the game.

The 56 affected Roulette wheels have been removed from the floor (the wheels were in the process of being removed for upgrade reasons), and additional verification steps are now undertaken for all equipment. The Regulator is aware of the version issues, which has led to a regulatory review of the versions of the Roulette wheels.

As at 15 May 2020, Crown continues to respond to queries on the matter from the VCGLR.

ABA

The Australian Banking Association published a consultation paper for the use of credit cards for gambling transactions, calling for submissions by 31 March 2020 on how the banking industry can assist in minimising gambling harm. Credit cards are not permitted to be used for gambling in casinos.

After consultation it was determined that Crown's bankers have separate merchant codes applied to the different elements of Crown's business and accordingly, there was very little risk of unintended consequences. Crown elected not to make a submission.

To be removed from future reports.

Technical Requirements – Gaming Machines

Crown Melbourne is currently engaged with the VCGLR on its proposed draft of the Technical Requirements Document for Gaming Machines, which has the potential to also



capture Electronic Table Games. Crown Melbourne has also received a draft 'Baseline' document from the VCGLR, which seeks to amend the gaming and related systems that Crown requires approval for. As at 15 May 2020, Crown and the VCGLR are close to settling the content of these documents.

Section 25 Review

The VCGLR's Section 25 Report contains 20 Recommendations, which Crown has accepted and is currently working through internally and is engaging with the VCGLR on. To date, 17 of the 20 Recommendations have been responded to by Crown (Recommendation 8 is in two parts, the first of which fell due and was responded to as required, the second part is due 1 January 2021). The other two remaining Recommendations are 9 and 20. **Attached** at Agenda Item 6.2 is a table detailing the status of Crown's progress and commentary on the Recommendations.

Melco/ASX

On 8 August 2019, Crown Resorts issued an ASX Media Release advising that the NSW Independent Liquor and Gaming Authority (**ILGA**) will be conducting an inquiry under section 143 of the *Casino Control Act 1992* (NSW) into the sale of Crown shares to Melco. The investigation (which will include a broader range of matters) commenced on 21 January 2020.

On 7 February 2020, Crown Resorts released to the market that it had been informed by CPH that CPH Crown Holdings Pty Limited and Melco Resorts have entered into a deed to terminate the obligations under the Share Sale Agreement regarding completion of the sale of the second tranche of Crown shares to Melco.

On 3 April 2020, ILGA announced that most of the work of the Casino Inquiry will be deferred in the current context of the COVID-19 epidemic, until it is considered safe and practicable for all public aspects of the work to resume.

On 29 April 2020, Crown Resorts released to the market that it had been informed that an entity owned by funds managed or advised by The Blackstone Group Inc. and its affiliates has purchased 67,675,000 shares in Crown, representing 9.99% of the issued capital of Crown, from Melco Resorts & Entertainment Limited.

Preparation work continues on the Inquiry by Crown, MinterEllison and Counsel.

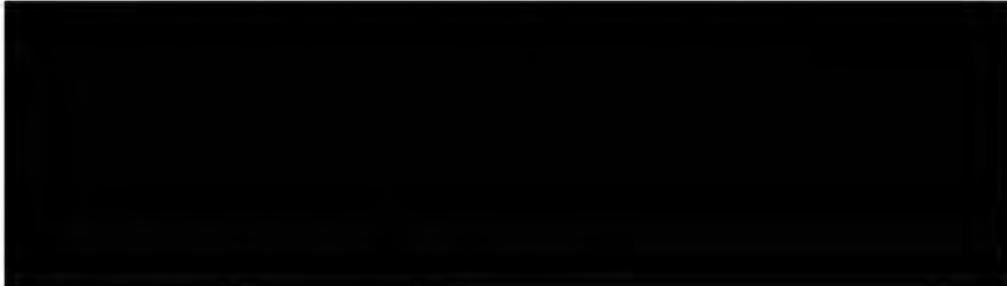
Further updates will be provided upon the recommencement of the Inquiry.

China Matter

As previously reported, the VCGLR has reopened its investigation as a result of the allegations aired by Nine/Fairfax and requested contact details from Crown of its former China staff, together with the details of the confidentiality arrangements Crown has with the former China staff, which Crown has now provided. Crown and MinterEllison



continue to liaise with the VCGLR on this issue. Crown has also waived privilege on a number of documents and duly provided those documents to the VCGLR.



October 2019 Wilkie Allegations

Mr Wilkie made fresh allegations of corruption between Victoria Police, the VCGLR and Crown, which have been sent to IBAC for investigation, as well as made public whistleblower information from alleged VCGLR Inspectors and a Crown limousine driver around money laundering, drugs, sexual abuse and violence against women.

Investigations by various regulators remain on-going.

There has been no further updates/progress since the last report.

Poker Tax

The VCGLR claims that Crown is required to pay Gross Gaming Revenue (**GGR**) gaming tax on the entry fee component of poker tournaments held at Crown. Crown has disputed that entry fees are subject to gaming tax, primarily based on:

- For a number of years in times past, the Rules for Poker Tournaments, approved by the VCGLR, specifically provided that GGR did not apply to the entry fee;
- The ATO has declared that the entry fee component is 'not a gambling supply' and is therefore subject to GST;
- The fee does not fit the definition of GGR or gambling, in that there is no possibility of a return from paying the fee as it is not wagered; and
- The VCGLR has determined that poker tournaments where the buy-in is returned to players as prizes which are permitted outside the casino, are not subject to gambling regulation or a casino licence and are not subject to a gaming tax.

The VCGLR has raised the matter periodically over more than 11 years and on 2 May 2018 served Crown with a Notice pursuant to s 26 of the *Casino Control Act 1991 (Vic)* to provide certain data for an assessment to be made. Crown responded to the Notice and additional ongoing queries.



There has been no further updates/progress since the last report.

EGM Continuous Play

On 27 September 2018, the VCGLR served Crown with a Notice pursuant to s 26 of the *Casino Control Act 1991* (Vic) to answer questions and provide data concerning EGM C8308, which the VCGLR allege was identified by Government Inspectors as operating in 'Unrestricted Mode', without YourPlay functionality activated. Crown investigated the machine with its Approved Testing Facility (ATF) (BMM) and the machine's manufacturer (IGT). It was identified that the machine was not operating in unrestricted mode, however, it had a wiring fault, which meant that when a particular button was held down, it performed as if continuous play was in operation. It should be noted that s 62AB of the *Casino Control Act 1991* (Vic) provides:

(2) A casino operator must not allow a game to be played on a gaming machine unless each spin can be initiated only by a distinct and separate activation of the machine by the player (whether by pushing a play button, touching the screen or otherwise).

Crown responded to the Notice, advising that it was as a result of a machine hardware fault and also provided a copy of the manufacturer's report into the machine.

On 20 December 2018, the VCGLR (on-site Inspectorate) wrote to Crown requesting clarification on several matters relating to this incident and an explanation as to why Crown breached s 62AB(2) of the *Casino Control Act 1991* (Vic) [a casino operator must not allow a game to be played on a gaming machine unless each spin can be initiated only by a distinct and separate activation of the machine by the player]. On 8 January 2019, Crown responded to the letter dated 20 December 2018, reinforcing its position as documented in Crown's initial response dated 11 October 2018. No reply has yet been received from the VCGLR.

As a consequence of this matter; on 19 November 2018 the VCGLR (Director, Compliance) wrote to Crown advising that they are continuing to investigate the circumstances relating to the malfunction of EGM C8308. In this letter, the VCGLR sought further information from Crown as to whether regulation 18(6) of the *Gambling Regulation (Pre-commitment and Loyalty Scheme) Regulations 2014* have been complied with. On 18 December 2018, Crown responded asserting that no breach of Reg. 18(6) had occurred and attaching the VCGLR's approval of the current operating format. No response has yet been received from the VCGLR.

As a result of this issue, various audits and reviews of similar machines have been undertaken.

There has been no further updates/progress since the last report.



Allegations

As a result of the various allegations raised by Nine/Fairfax/Wilkie, there are a number of regulatory actions taking place including an inquiry by ILGA (as referred to above), an investigation by ACLEI, a re-examination of the junket business at Crown Melbourne by the VCGLR, a VCGLR inspectorate audit of junkets and premium player programs in accordance with the internal controls, and an AUSTRAC assessment focussed on high risk patrons and politically exposed persons (although not referenced as specific to the allegations, it is not unrelated). These matters remain on foot.



Section 25 – Recommendations Table At 19 May 2020

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

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Section 25 – Timeline – Implementation of Recommendations

Recommendation	Crown's Response	Proposed Action/Progress Update	Target/Action Dates	Completed Yes/No	VCGLR Outcome
review of the required qualifications for committee chairs set out in the charters, and ensure that the appointees' actual qualifications match.					<p>March 2019. It was further requested that Crown should undertake the same review for Crown Resorts' Committees.</p> <p>Although not a requirement of the recommendation to carry out a review of the Crown Resorts Limited Committees, Crown responded by sending two letters outlining the review of the Crown Resorts Committees on 3 June 2019.</p> <p>The VCGLR noted Crown's response to the Recommendation by letter dated 6 August 2019.</p>
<p>Recommendation 3</p> <p>The VCGLR recommends that, by 1 July 2019, Crown assess the robustness and effectiveness of its risk framework and systems, including reporting lines in the chain of command, and upgrade them where required. This assessment should be assisted by external advice.</p>	<p>Recommendation Accepted</p> <p>It should be noted that the risk framework has already been reviewed and an enhanced framework is currently being implemented, which is supported by an IT based reporting, recording and management framework.</p> <p>Also, a Group General Manager – Risk and Audit was appointed in 2017 to oversee the group function of risk and audit. Additional resources have also been committed to support the enhanced framework.</p>	<ul style="list-style-type: none"> The Group General Manager Risk & Audit has reviewed Crown's risk framework and commenced enhancements to the framework and systems in early 2018. In this respect the enhanced risk framework has started to be rolled out across the business and is being embedded into work processes and systems. A new "Risk Appetite" was presented to, and ultimately approved, in December 2018 by the relevant Crown Boards and Committees. The supporting Risk Matrix was revised, approved by the business and embedded into the risk system to ensure the capture of Risk Profile data. Risk reporting has been restructured, and organised around seven risk categories, including the development of a key risk indicator (KRI) dashboard. An external firm was engaged to carry out a review of the risk framework elements. The relevant observations provided by the external firm have been included in the Risk Management Strategy document, which was 	1 July 2019	Yes	<p>By letter dated 3 September 2019, the VCGLR deferred its consideration of the Recommendation until the Deloitte Report was provided.</p> <p>Crown sent a copy of the Deloitte Report to the VCGLR by letter dated 13 September 2019.</p> <p>On 14 October 2019, the VCGLR wrote to Crown making further enquiries as to the status of each recommendation in the Deloitte Report.</p> <p>Crown responded to the VCGLR's further enquiries by letter dated 28 October 2019.</p> <p>By email on 15 November 2019, the VCGLR queried detail of Crown's letter of 28 October 2019, which Crown responded to on 18 November 2019.</p> <p>By letter dated 9 January 2020,</p>

Section 25 – Timeline – Implementation of Recommendations

Recommendation	Crown's Response	Proposed Action/Progress Update	Target/Action Dates	Completed Yes/No	VCGLR Outcome
		<p>presented to the relevant Crown Boards and approved.</p> <ul style="list-style-type: none"> The risk system has been updated to reflect the updated framework elements, and implemented across Crown Melbourne. Letter outlining actions taken by Crown in accordance with the recommendation submitted to the VCGLR on 1 July 2019. A request was made by the VCGLR on 3 September 2019 for Crown to provide a copy of the Deloitte Report, which was provided on 13 September 2019. On 14 October 2014, the VCGLR emailed Crown requesting further detail on the status of each recommendation in the Deloitte Report which Crown responded to on 28 October 2019. 			<p>the VCGLR noted Crown's implementation of Recommendation 3, also indicating that the VCGLR will monitor Crown's implementation of the three outstanding Deloitte recommendations.</p>
<p><u>Recommendation 4</u></p> <p>The VCGLR recommends that, by 1 July 2019, Crown undertake a robust review of internal controls to ensure that Crown's regulatory and compliance department is aware of all projects and works in progress for which regulatory approvals might be relevant.</p>	<p>Recommendation Accepted</p> <p>In this respect, a new business-wide compliance framework has been designed and the roll out has commenced across the business. Further a new process has been implemented to address any proposed changes to the regulatory environment.</p>	<ul style="list-style-type: none"> A Gaming Initiatives Form was developed and implemented into processes in the business and is the key action in satisfying this recommendation; along with the new Regulatory and Compliance Requirements Policy. A submission was made for an amendment to the EGM ICS to provide for the Gaming Initiative Form – VCGLR approval has been received. Review was undertaken to determine whether additional Internal Controls are required or existing controls require amendment. Although not specifically in response to this Recommendation, a new business wide compliance framework has been developed and rolled out to the business (95% of relevant departments are now integrated into the new framework). This included the 	<p>1 July 2019</p>	<p>Yes</p>	<p>The VCGLR noted Crown's undertaking of the Recommendation by letter dated 3 September 2019.</p>

Section 25 – Timeline – Implementation of Recommendations

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

Section 25 – Timeline – Implementation of Recommendations

Recommendation	Crown's Response	Proposed Action/Progress Update	Target/Action Dates	Completed Yes/No	VCGLR Outcome
<p><u>Recommendation 5</u></p> <p>The VCGLR recommends that Crown convene annual roundtable sessions briefing key internal staff on the VCGLR's risk-based approach to regulation, with a particular focus on how that approach relies on the integrity of Crown's internal processes.</p>	<p>Recommendation Accepted</p>	<ul style="list-style-type: none"> An annual briefing will be provided to Management at the Crown Melbourne Executive Risk and Compliance Committee (ERCC) meeting on the VCGLR's risk-based approach and its impact on Crown and its processes. On 21 May 2019 the Chairman presented to the ERCC the VCGLR's risk-based approach and how it relies on the integrity of Crown's internal processes. Each member of the Committee was also provided with a copy of the VCGLR's Regulatory Approach document as well as the summary version, for future reference. The minutes of the ERCC meeting reflect that the VCGLR's Risk Based Approach was presented at this meeting (and will be annually presented thereafter). A letter outlining the actions taken by Crown was submitted to the VCGLR on 28 June 2019. 	<p>Annual, ongoing</p>	<p>Yes</p>	<p>The VCGLR noted Crown's undertaking of the Recommendation by letter dated 29 October 2019.</p>
<p><u>Recommendation 6</u></p> <p>The VCGLR recommends that, by 1 January 2020, Crown Melbourne review its allocation of staffing resources to increase the number of work hours actually available to responsible gambling and intervention with patrons. This might be achieved by training more gaming staff to undertake assessments and then approach patrons identified as at risk, without the need to contact a RGLO. However, this will only be effective if those staff have sufficient time aside from their gaming duties.</p>	<p>Recommendation Accepted</p> <p>Crown has already commenced the process of employing an additional five Responsible Gaming staff members. Additionally, there will be a review of training for gaming and other related staff</p>	<ul style="list-style-type: none"> Crown recruited five additional Responsible Gaming Liaison Officers (renamed Responsible Gaming Advisors (RGAs) and there are now 12 RGAs, which have assisted in having a greater presence on the gaming floor. The Gaming Machines and Table Games staff training framework has also been reviewed - Crown remains of the view that the referral to expert RG staff remains a corner stone of its RG model. However, revised training for Gaming Machines staff is being settled with the VCGLR and additional Senior Manager Training is being provided to all (330) Table Games Area Managers (over 12 months). A letter outlining the actions taken by Crown was submitted to the VCGLR on 23 December 2019. 	<p>1 January 2020</p>	<p>Yes</p>	<p>In response to Crown's submission of 23 December 2019, the VCGLR sent Crown some clarifying questions on 7 and 24 February 2020 (e.g. how many hours per week does an RGA work etc.), which Crown responded to on 20 and 26 February 2020.</p> <p>By letter dated 5 May 2020, the VCGLR noted that Crown had implemented Recommendation 6.</p>

Section 25 – Timeline – Implementation of Recommendations

Recommendation	Crown's Response	Proposed Action/Progress Update	Target/Action Dates	Completed Yes/No	VCGLR Outcome
<p><u>Recommendation 7</u></p> <p>The VCGLR further recommends that Crown Melbourne use observable signs in conjunction with other harm minimisation measures such as data analytics to identify patrons at risk of being harmed from gambling.</p>	<p>Recommendation Accepted</p> <p>A new data analytics trial has commenced in relation to carded players.</p>	<ul style="list-style-type: none"> Crown has continued to use observable signs as a key element to its responsible gaming framework, together with the enhancement of its Play Period monitoring tool and the Crown Model. Crown has developed a data analytics program called the "Crown Model", which has been developed from data and behaviours of former patrons who have self-excluded from Crown Melbourne. The Crown Model is designed as a predictive tool to assist in proactively identifying patrons who may be gambling in a manner which could be an indicator of potential harm. The trial of the Crown Model commenced on 25 June 2018 with operational procedures developed to respond to players of interest that are identified. The Crown Model is in its early stages with processes being adjusted as we learn from outputs. The first six month review is complete and the team is meeting regularly to discuss refinements. The 12 month trial has finished with the results being considered by the Responsible Gaming and Data Analytics team. Crown is also in the process of obtaining a separate external review of the methodology. A letter (in combination with the response to Recommendation 8) outlining the actions taken by Crown was submitted to the VCGLR on 30 December 2019. 	Ongoing	Yes	<p>In response to Crown's submission of 30 December 2019, the VCGLR sent Crown some clarifying questions on 18 and 19 February 2020 (e.g. how many staff are in the Customer Analytics Team etc.), which Crown responded to on 24 and 26 February 2020.</p> <p>A further question was received from the VCGLR on Friday, 27 March 2020, which Crown responded to on 31 March 2020.</p> <p>Crown awaits the VCGLR's response to this Recommendation.</p>
<p><u>Recommendation 8</u></p> <p>The VCGLR recommends that Crown Melbourne proceed with development</p>	<p>Recommendation Accepted</p> <p>As referenced above,</p>	<p>Rec 8(a)</p> <ul style="list-style-type: none"> Crown Melbourne has commenced its Crown 	Recommendation 8(a)	<p>8(a) submitted.</p> <p>8(b) submitted</p>	<p>The VCGLR noted Crown's commencement of the comprehensive study for Recommendation 8(b), by letter</p>

Section 25 – Timeline – Implementation of Recommendations

Recommendation	Crown's Response	Proposed Action/Progress Update	Target/Action Dates	Completed Yes/No	VCGLR Outcome
<p>and implementation of comprehensive data analytics tools for all patrons, to proactively identify for intervention patrons at risk of harm from gambling. These tools would utilise both historical data (with parameters developed from the second player model), and real-time monitoring of play periods. Crown Melbourne should look to models in other jurisdictions, and consult with external data analytics experts, with a view to implementing world-class, proactive approaches with real-time (or near-real time) operational effectiveness. In particular—</p> <p>(a) for carded play (that is, player activity which can be systematically tracked), Crown Melbourne will have in operation a comprehensive real-time player data analytics tool by 1 January 2020, and</p> <p>(b) for uncarded play (that is, all other player activity), Crown Melbourne will, by 1 January 2019, commence a comprehensive study of all the practical options for a real time player data analytics tool, with a view to reporting in detail (including legal, technical and methodological issues) to the VCGLR by 1 January 2020 and the tool being in operation by 1 July 2022.</p>	<p>Crown has commenced a data analytics trial in relation to carded players.</p> <p>Further, work will be undertaken on systems to explore and implement real-time concepts by 1 January 2020.</p> <p>Crown also supports reviewing the extent to which further data analytics tools might enhance the framework into the future. In this respect, the use and reliability of data from uncarded play is new ground for the land based gaming industry which is not yet supported by reliable research and evidence.</p> <p>Crown will commit to carrying out a study of the options available and assess and analyse the research and expert evidence available with a view to exploring appropriate tools and options available to it for uncarded play.</p>	<p>Model trial (refer Recommendation 7).</p> <ul style="list-style-type: none"> Crown has commenced its review of relevant literature and other jurisdictional experiences. The “real time monitoring” of play periods is currently under consideration and development including the recent adjustment of Crown’s own “Play Periods” whereby RG, in conjunction with IT, is developing a reporting system, that identifies if a carded patron has been on the property for 12 hours or more and play has been recorded. A tool for monitoring Play Periods has been developed. A phone alert has been developed. <p>Rec 8(b)</p> <ul style="list-style-type: none"> On 24 December 2018 Crown wrote to the VCGLR noting that it had commenced a comprehensive study of all the practical options for a real time player data analytics tool. Undertaking regular meetings with Gaming senior management to discuss possible approaches for monitoring uncarded play. Crown has held discussions with external parties regarding possible solutions. A letter (in combination with the response to Recommendation 7) outlining the actions taken by Crown for Recommendations 8(a) and 8(b) was submitted to the VCGLR on 30 December 2019. No solution for 8(b) has yet been identified. 	<p>1 January 2020</p> <p>Recommendation 8(b)</p> <p>Commence study by 1 January 2019</p> <p>Report to the VCGLR by 1 January 2020</p> <p>Commence operation by 1 July 2022</p>	<p>for 1 January 2019 and 1 January 2020 requirements. 1 July 2022 requirement in progress.</p>	<p>dated March 2019.</p> <p>In response to Crown’s submission of 30 December 2019, the VCGLR sent Crown some clarifying questions on 18 February 2020 (e.g. how many Customer Analytics Teams does Crown have etc.), which Crown responded to on 24 February 2020. A further question was received from the VCGLR on 31 March 2020, which Crown responded to in April.</p> <p>On 27 April 2020, the VCGLR asked Crown if it would agree to the information and data from Recommendation 8 being provided to the VRGF. Crown responded on 30 April 2020 that it is not comfortable with the information and data from Recommendation 8 being provided to the VRGF, as:</p> <ol style="list-style-type: none"> It was not a requirement of Recommendation 8 to liaise with or involve the VRGF in this Recommendation, as it was for others; It was therefore not part of what Crown had agreed to in accepting the Recommendation; and The information is commercially sensitive to Crown and its confidentiality should therefore be protected.

Section 25 – Timeline – Implementation of Recommendations

Recommendation	Crown's Response	Proposed Action/Progress Update	Target/Action Dates	Completed Yes/No	VCGLR Outcome
<p>Recommendation 9</p> <p>The VCGLR recommends that Crown Melbourne arrange, at its expense, for an independent assessment of the real-time player data analytics tool for carded play (see Recommendation 8(a)), to be completed 12 months after implementation of the tool. The independent assessment is to be undertaken by a person approved by the VCGLR, after consultation with Crown.</p>	<p>Recommendation Accepted</p>	<ul style="list-style-type: none"> Will be progressed in due course 	<p>1 December 2020</p>	<p>No</p>	
<p>Recommendation 10</p> <p>The VCGLR recommends that, by 1 July 2019, Crown Melbourne undertake a comprehensive review of its policy for the making and revocation of voluntary exclusion orders under section 72(2A) of the <i>Casino Control Act</i>. The comprehensive review should be undertaken in conjunction with the VCGLR, VRGF and other relevant external stakeholders. The review should be undertaken with a view to implementing policies that facilitate:</p> <ul style="list-style-type: none"> Crown Melbourne issuing short term exclusion orders for 3, 6, 12 or 24 months under section 72 of the <i>Casino Control Act</i>, considering the specific circumstances of the person and their preferred time period for exclusion, and conditional on the person undertaking to comply with the order and with other matters (such as obtaining treatment), and 	<p>Recommendation Accepted</p>	<ul style="list-style-type: none"> Literature review completed. The VCGLR, VRGF and Crown had their first meeting on 29 November 2018 to commence discussions on this recommendation. The VCGLR, VRGF and Crown held six tripartite meetings to discuss Recommendation 10. Crown has obtained external opinion on its proposals for recommendation 10. Crown considered voluntary exclusion orders, which are more than 10 years old and determined not to revoke them. Crown has amended its Self-Exclusion Program to allow patrons to determine the number of years they will be Self-Excluded for (minimum of 12 months) and has amended its Time-Out Program to include a 3 and 6 month Agreement. A letter outlining the actions taken by Crown was submitted to the VCGLR on 28 June 2019. Further inquiries were made by the VCGLR on 16 September 2019 in relation to the benefits 	<p>1 July 2019</p>	<p>Yes</p>	<p>On 16 September 2019, the VCGLR wrote to Crown in response to its submission, asking for further clarifying information.</p> <p>Crown responded to the VCGLR's requests on 26 September 2019.</p> <p>By letter dated 13 November 2019, the VCGLR noted Crown's undertaking of the Recommendation. The letter further requested data from Crown's 12 month trial of the Time Out Program.</p> <p>On 15 January 2020, the VCGLR wrote to Crown setting out its requirements for the provision of data, which Crown provided as required on 24 February 2020.</p> <p>No further communication has been received from the VCGLR on this Recommendation.</p>

Section 25 – Timeline – Implementation of Recommendations

Recommendation	Crown's Response	Proposed Action/Progress Update	Target/Action Dates	Completed Yes/No	VCGLR Outcome
<ul style="list-style-type: none"> Crown Melbourne reviewing voluntary exclusion orders which are more than 10 years old to consider whether the continued operation of these orders serves a useful purpose, with a view to retaining only those orders that are beneficial to the persons who are subject to them, and can be adequately enforced. The VCGLR further recommends that the review of such orders occurs in an orderly manner between 1 July 2019 and 30 June 2020. 		<p>of the Time Out program and its comparison to the Exclusion Program, which were answered by Crown on 26 September 2019.</p>			
<p>Recommendation 11</p> <p>The VCGLR recommends that, by 1 July 2019, Crown Melbourne develop and implement a policy and procedure to facilitate Crown Melbourne issuing involuntary exclusion orders under section 72(1) of the <i>Casino Control Act</i> at the request of family members and friends in appropriate cases. The policy and procedure should be developed in conjunction with the VCGLR, VRGF and other external stakeholders. Crown Melbourne should include information about this option in all its responsible gambling publications, website and regularly provide information to relevant stakeholders, such as Gambler's Help and other similar organisations, about this option.</p>	<p>Recommendation Accepted</p>	<ul style="list-style-type: none"> The Crown Perth Third Party Exclusion (TPE) Policy and Procedure was reviewed and adjusted, in draft, to suit Crown Melbourne. The VCGLR, VRGF and Crown at their tripartite meetings (refer Recommendation 10) considered the draft TPE Policy and Procedure. At the second tripartite meeting on 18 December 2018 the VCGLR requested further material for the literature review and that Crown Melbourne provide Third Party Exclusion statistics from Crown Perth. The VCGLR also indicated that it proposed to meet with the South Australian Regulator to discuss its processes. Various versions of the TPE Program were reviewed, amended and settled by the Tripartite group. A letter outlining the actions taken by Crown was submitted to the VCGLR on 28 June 2019. Further inquiries were made by the VCGLR on 16 September 2019 in relation to the methods of contact with Crown regarding Third Party Exclusions, which were answered 	<p>1 July 2019</p>	<p>Yes</p>	<p>On 16 September 2019, the VCGLR wrote to Crown in response to its submission, asking for further clarifying information.</p> <p>Crown responded to the VCGLR's requests on 26 September 2019.</p> <p>By letter dated 13 November 2019, the VCGLR noted Crown's undertaking of the Recommendation.</p>

Section 25 – Timeline – Implementation of Recommendations

Recommendation	Crown's Response	Proposed Action/Progress Update	Target/Action Dates	Completed Yes/No	VCGLR Outcome
		by Crown on 26 September 2019.			
<p>Recommendation 12</p> <p>The VCGLR recommends that, by 1 July 2019, Crown Melbourne expand facial recognition technology to cameras on all entrances to the casino and that Crown Melbourne provide written updates on a quarterly basis on its effectiveness to the VCGLR.</p>	<p>Recommendation Accepted</p> <p>Crown notes that it has already expanded its facial recognition capabilities and proposes to continue to do so in FY20.</p>	<ul style="list-style-type: none"> Facial recognition cameras are now operating on all entrances to the casino. A letter to the VCGLR confirming that all entrances to the Casino (including salons) are covered by facial recognition cameras was sent to the VCGLR on 28 May 2019 to close out the Recommendation. Crown commenced providing quarterly updates from October 2019 (which covered the period 1 July 2019 to 30 September 2019) on the effectiveness of its Facial Recognition Technology. 	1 July 2019 (and ongoing quarterly reports)	Yes	<p>On 24 June 2019 the VCGLR emailed Crown to arrange an inspection of the cameras at each entrance to ensure compliance. The audit was arranged for Wednesday 3 July 2019 and proceeded as scheduled.</p> <p>The VCGLR noted Crown's undertaking of the Recommendation by letter dated 6 August 2019.</p> <p>By email dated 22 November 2019, the VCGLR sought clarifying information regarding Crown's first provision of the Quarterly Update. The queries largely concerned whether an over-reliance on Neoface could reduce Crown's regular efforts at detecting breaches or attempted breaches. Crown responded no, as no existing processes were altered as a result of the implementation of Neoface.</p> <p>By letter dated 9 January 2020, the VCGLR noted Crown's provision of the first quarterly update, in line with Recommendation 12.</p>
<p>Recommendation 13</p> <p>The VCGLR recommends that, as part of developing a new responsible gambling strategy, by 1 July 2019, Crown Melbourne rebrand or refresh its</p>	<p>Recommendation Accepted</p>	<ul style="list-style-type: none"> To be progressed upon finalisation of the RG Strategy (see recommendation 14). Initial drafts of new logo being developed. Marketing has been briefed regarding a 	1 July 2019	Yes	<p>The VCGLR noted Crown's undertaking of the Recommendation by letter dated 3 September 2019.</p>

Section 25 – Timeline – Implementation of Recommendations

Recommendation	Crown's Response	Proposed Action/Progress Update	Target/Action Dates	Completed Yes/No	VCGLR Outcome
responsible gambling messaging and publish new responsible gambling messages throughout the casino, in all Crown Melbourne publications, including online and social media platforms.		<p>refresh and a new logo has been developed – ready for internal review/approval. Strategy will be set by 1 July 2019 and roll-out will commence at that time.</p> <ul style="list-style-type: none"> • Crown finalised the new marketing design and refresh (including logo). Nomenclature changed from Responsible Gambling Support Centre to Responsible Gaming Centre and Responsible Gambling Liaison Officer to Responsible Gaming Advisors. Brochures and on-line material have been refreshed. • A letter outlining the actions taken by Crown was submitted to the VCGLR on 29 June 2019. 			
<p>Recommendation 14</p> <p>The VCGLR recommends that, by 1 July 2019, Crown Melbourne develop and implement a responsible gambling strategy focusing on the minimisation of gambling related harm to persons attending the casino. The strategy should address:</p> <p>(a) early proactive intervention initiatives</p> <p>(b) player data analytics</p> <p>(c) proactive engagement with pre-commitment</p> <p>(d) intervening with local players with continuous play based on shorter timeframes which are more reflective of responsible gambling</p> <p>(e) the role of all staff in minimising harm</p> <p>(f) the effective use and monitoring of exclusion orders</p> <p>(g) internal reporting arrangements</p> <p>(h) integrating responsible gambling into proposals for trialing or</p>	Recommendation Accepted	<ul style="list-style-type: none"> • A draft strategy was prepared and ratified by the Crown Resorts Limited Responsible Gaming Committee and is being implemented. • A letter outlining the actions taken by Crown was submitted to the VCGLR on 29 June 2019. 	July 2019	Yes	<p>On 20 August 2019, the VCGLR wrote to Crown in response to its submission, asking for further clarifying information.</p> <p>Crown responded to the VCGLR's request on 26 August 2019.</p> <p>By letter dated 13 November 2019, the VCGLR noted Crown's undertaking of the Recommendation.</p>

Section 25 – Timeline – Implementation of Recommendations

Recommendation	Crown's Response	Proposed Action/Progress Update	Target/Action Dates	Completed Yes/No	VCGLR Outcome
<p>introduction of new products and equipment</p> <p>(i) performance measures to assess the performance of the RGLOs, RGSC and casino staff in relation to harm minimisation</p> <p>(j) the roles of the Crown Resorts Responsible Gambling Committee and the Responsible Gambling Management Committee in driving harm prevention strategies based on world's best practice</p> <p>(k) the objectives of the RGSC in relation to minimising harm to patrons, and</p> <p>(l) the responsible service of gambling as a fundamental core business consideration when making strategic decisions regarding casino operations.</p>					
<p>Recommendation 15</p> <p>The VCGLR recommends that, within three months of implementing the new responsible gambling strategy (Recommendation 14), there is regular reporting to the Crown Resorts Responsible Gambling Committee for it to maintain oversight of Crown Melbourne's harm minimisation strategy for responsible gambling. Regular reports every two months should include numbers and types of interventions and other harm minimisation activities of RGSC and other staff, details of the number and nature of referrals to external service providers, exclusion orders, breaches, revocation and appeals, as well as results from player data analytics and</p>	<p>Recommendation Accepted</p>	<ul style="list-style-type: none"> Revised reporting developed. A letter was sent to the VCGLR to close the Recommendation on 1 October 2019, notifying that reporting would commence at the next meeting of the Crown Resorts Responsible Gaming Committee, dated 9 October 2019. New reporting on statistics provided to CRL Responsible Gaming Committee. 	<p>1 October 2019</p>	<p>Yes</p>	<p>By email on 12 November 2019, the VCGLR requested a copy of the RG Report that was provided to the Crown Resorts Limited RG Committee on 9 October 2019.</p> <p>Crown provided the Report with a covering letter concerning its confidentiality, on 26 November 2019.</p> <p>By letter dated 9 January 2020, the VCGLR noted Crown's undertaking of the Recommendation, additionally requiring that each report to the CRRGC be provided to the VCGLR after each meeting and that each report include 'results from player analytics' post completion of</p>

Section 25 – Timeline – Implementation of Recommendations

Recommendation	Crown's Response	Proposed Action/Progress Update	Target/Action Dates	Completed Yes/No	VCGLR Outcome
other initiatives to minimise gambling related harm. These reports should also be made available to the VCGLR for monitoring purposes. (The VCGLR intends to share this information, as appropriate, with the VRGF).					Recommendation 8.
Recommendation 16 The VCGLR recommends that within three months of implementing the strategy, a charter is developed for the Crown Melbourne Responsible Gambling Management Committee (staff committee) which includes reference to the role and responsibility of driving a harm minimisation culture.	Recommendation Accepted	<ul style="list-style-type: none"> Management is currently reviewing all Australian Resorts RG Committees to align processes where appropriate. A Charter has been developed. A letter was sent to the VCGLR attaching the Charter to close the Recommendation off on 1 October 2019. 	1 October 2019	Yes	By letter dated 20 December 2019, the VCGLR noted Crown's undertaking of the Recommendation.
Recommendation 17 The VCGLR recommends that, by 1 July 2019, Crown undertake a robust review (with external assistance) of relevant internal control statements, including input from AUSTRAC, to ensure that anti-money laundering risks are appropriately addressed.	Recommendation Accepted	<ul style="list-style-type: none"> Crown met with AUSTRAC to discuss this recommendation. A new joint AML Program across Crown's Australian Resorts is being developed and will be reviewed by an external party. AUSTRAC is being kept informed of progress. Internal Controls have been reviewed, preliminary discussions with AUSTRAC have taken place and draft changes have been made for management review. In addition to a review of the ICSs, Crown also reviewed the primary tool to manage the risks associated with anti-money laundering, being the AML/CTF Program; Crown has performed an extensive review of its corporate risk management framework, ensuring its relevance and effectiveness to Crown. An extensive alignment effort was also undertaken, to ensure consistency across all key areas of the business, including the AML program. 	1 July 2019	Yes	<p>On 21 August 2019, the VCGLR wrote to Crown noting its intention to conduct its own independent review of the ICSs for risk mitigation opportunities with regard to AML (was not part of the Recommendation).</p> <p>The VCGLR noted Crown's undertaking of the Recommendation by letter dated 29 October 2019. The letter further noted again, the VCGLR's intention to conduct its own independent review of the ICSs, with external assistance.</p>

Section 25 – Timeline – Implementation of Recommendations

Recommendation	Crown’s Response	Proposed Action/Progress Update	Target/Action Dates	Completed Yes/No	VCGLR Outcome
		<ul style="list-style-type: none"> • In March – May 2019, Crown conducted its annual ML/TF Risk Assessment of the designated services it provides, its delivery methods, the technology used and its customers. The ML/TF Risk Assessment includes a consideration of Junket Operators and Junket Players, and potential ML/TF risks arising in respect thereof. • Crown examined all relevant Internal Control Statements and Standard Operating Procedures, in light of the ML/TF Risk Assessment above, to ensure that we reflect in the relevant ICSs, the seriousness with which Crown focuses upon, and addresses, potential ML/TF risks that might be presented by its business. • We have also had regard to the language adopted for the Internal Control Manuals in NSW, which were accepted and approved by Liquor & Gaming NSW. • We further examined ancillary documentation (policies, procedures, training) to ensure that AML risks are appropriately addressed by Crown. • Since the last update, Crown has had further conversations with AUSTRAC regarding Recommendation 17. • Crown has packaged the extensive work it has undertaken over the past 6 months and sent it to AUSTRAC during the week commencing 27 May 2019, seeking its input. • Crown also sent the packaged to an external AML expert during the week commencing 27 May 2019, seeking its input. • Crown received input/responses from both AUSTRAC and the independent expert, which it incorporated into proposed ICS changes, 			

Section 25 – Timeline – Implementation of Recommendations

Recommendation	Crown's Response	Proposed Action/Progress Update	Target/Action Dates	Completed Yes/No	VCGLR Outcome
		<p>which will be submitted to the VCGLR for approval once their letter closing the Recommendation is received.</p> <ul style="list-style-type: none"> A letter outlining the actions taken by Crown was submitted to the VCGLR on 1 July 2019. On 21 August 2019 the VCGLR wrote to Crown requesting a copy of the expert report from Initialism Pty Ltd. Additionally, the letter noted that the VCGLR would conduct its own review of the relevant ICSs. Crown provided the Initialism Report on 28 August 2019. 			
<p>Recommendation 18</p> <p>The VCGLR recommends, in all future submissions by Crown Melbourne to the VCGLR for approvals under the <i>Casino Control Act</i> or <i>Gambling Regulation Act</i>, that Crown document:</p> <ul style="list-style-type: none"> the purpose obligations under relevant provisions of legislation, the Transaction Documents, and existing approvals what changes the grant of the approval would make to products, rules and procedures, etc risks associated with the approval and how they will be treated how responsible gambling considerations have been taken into account in the process and the measures Crown will implement to mitigate the risk of gambling related harm, and <p>which areas of Crown will be responsible for managing implementation.</p>	<p>Recommendation Accepted</p>	<ul style="list-style-type: none"> A new template for submissions to the VCGLR for seeking approvals was drafted and has been in use since July 2018. A letter was sent to the VCGLR to close the Recommendation off on 11 October 2019. 	<p>Immediate effect</p>	<p>Yes</p>	<p>By letter dated 20 December 2019, the VCGLR noted Crown's undertaking of the Recommendation.</p>

Section 25 – Timeline – Implementation of Recommendations

Recommendation	Crown's Response	Proposed Action/Progress Update	Target/Action Dates	Completed Yes/No	VCGLR Outcome
<p>Recommendation 19</p> <p>The VCGLR recommends that, by 1 July 2019, Crown Melbourne implement a policy to make an exclusion order under section 72 of the <i>Casino Control Act</i> in appropriate cases where a person has engaged in significant unacceptable conduct in the casino or is the subject of serious criminal charges.</p>	<p>Recommendation Accepted</p> <p>Crown notes that it has had a policy in place to issue Exclusion Orders for unacceptable behaviour for over ten years and does issue Exclusion Orders for this purpose in appropriate circumstances. Crown also notes that it issues withdrawal of licence notices to persons in appropriate circumstances, as it is entitled to do as a common law right, as those notices cover broader areas of the Crown property than the more limited area covered by Exclusion Orders.</p>	<ul style="list-style-type: none"> The existing 'Unacceptable Behaviour' policy statement has been reviewed and amended to strengthen the use of exclusion orders either instead of or as well as withdrawal of licences (in appropriate cases). Policy is currently under review by management. Management feedback has been received and the policy has been updated. A letter to the VCGLR to close out the Recommendation was sent on 27 May 2019. On 11 June 2019 the VCGLR wrote to Crown asking for further amendments, including explaining to staff when to issue each type of ban order (was not a requirement of the Recommendation). Various discussions and meetings were held between Crown and the VCGLR, including on the difficulty of amending a non-Regulated document, which operates effectively and will be amended annually. A further letter outlining Crown's policies was submitted to the VCGLR on 3 December 2019. The VCGLR made further queries of Crown and it provided amended versions of the Policies on 9 January 2020. 	1 July 2019	Yes	<p>On 11 June 2019 the VCGLR wrote to Crown asking for further amendments, including explaining to staff when to issue each type of ban order (not a requirement of the Recommendation).</p> <p>A number of meetings and correspondence on the matter have since transpired. Crown last met with the VCGLR to discuss this matter on 24 October 2019.</p> <p>The VCGLR made further queries of Crown and Crown provided amended versions of the Policies on 9 January 2020.</p> <p>By letter dated 20 February 2020, the VCGLR noted Crown's undertaking of the Recommendation.</p> <p>Crown published the amended Policies on its intranet on 20 February 2020.</p>
<p>Recommendation 20</p> <p>The VCGLR recommends that, between November 2019 and March 2020, VCGLR Commissioners and directors of the Crown Resorts Board meet to review the implementation of the recommendations set out in this report.</p>	<p>Recommendation Accepted</p>	<ul style="list-style-type: none"> On 21 October 2019, MF called Alex Fitzpatrick (Director) requesting guidance on suitable Crown Resorts Directors to attend the meeting. Ms Fitzpatrick will consider and revert. Meeting dates and attendees have been proposed by Crown and are being reviewed by 	Between November 2019 and March 2020	In progress	<p>On 28 October 2019 the VCGLR wrote to Crown asking for further clarifying information as to date and attendee proposals.</p> <p>Crown responded to the VCGLR on 30 October 2019 advising that it is open to any dates whereby the</p>

Section 25 – Timeline – Implementation of Recommendations

Recommendation	Crown's Response	Proposed Action/Progress Update	Target/Action Dates	Completed Yes/No	VCGLR Outcome
		<p>the Commission.</p> <ul style="list-style-type: none"> The meeting has now been scheduled for 22 April 2020. 			<p>Commissioners and Crown Directors are available (the VCGLR proposed three dates in March) and possible Directors, which was put to the Commission, however the dates were unavailable. Further dates were proposed and agreed, however, Crown had late unavailability.</p> <p>The VCGLR wrote to Crown by email on 22 January 2020 expressing that the meeting now won't occur within the timeframe required by the recommendation, because of the unavailability of Crown Directors and proposing two new dates for the meeting, noting that the Commission will not consider an extension beyond the proposed dates. Crown confirmed 22 April 2020, which was one of the two proposed dates.</p> <p>The 22 April 2020 meeting has been postponed as a consequence of the COVID-19 pandemic.</p>



Crown Melbourne
Agenda Item 7: Litigation Report
January 2020 to May 2020

1. Major and Potential Major Litigation

(a) Intercontinental Hotels Group (IHG) (Six Continents Hotels) and Crown – Global Trade Mark Dispute relating to the CROWNE PLAZA and CROWN Trade Marks

IHG (through Six Continents Hotels) is the owner of the CROWNE PLAZA trade mark and Crown Melbourne is the owner of the CROWN brand (as used by the Crown Resorts group and licensees). IHG and Crown are in dispute in relation to the respective use of the CROWNE PLAZA and CROWN brands for hotel services. The countries/jurisdictions of dispute include USA, UK, EU, Australia, Hong Kong, PRC (China), Taiwan and Macau. There are currently in excess of one hundred separate trade mark disputes before the various courts and tribunals around the world relating to this matter.

Previously the use was governed by a trade mark co-existence agreement that covered the Asia-Pacific region (excluding the Americas).

REDACTED - PRIVILEGE

(b) Potential or threatened material claims

There has been no change to the following potential or threatened material claims:

- Kaylene Maree Hussen and William Hussen – Hussen has been charged with nine counts of obtaining property by deception. It is alleged that she stole monies to fuel her “gambling addiction”. Claim not yet determined (Crown gambling records show she lost \$616,885 at Crown between 2008 and 2014 and her husband lost \$529,097 during the same period). Arrested and charged January 2015.
- Geoffrey Lay was convicted of obtaining financial advantage by deception after he set up fake private health insurance policies that reaped \$119,598 over three months in 2016. It was alleged that he gambled most of the money at Crown. During 2016 he won \$12,970. Media reporting also indicated that he has paid



back some or all of the money. Crown has issued Lay with a Withdrawal of Licence.

(c) Zantran Pty Ltd (Class action – Crown Resorts Limited)

Zantran Pty Ltd (**Applicant**) a shareholder in Crown Resorts Limited (**Crown Resorts**) has issued class action proceedings in the Federal Court against Crown Resorts.

The Applicant on behalf of other yet identified shareholders alleges that it has suffered loss and damage (fall in share price) arising out of and in consequence of Crown's operations in China during 2015 and up to the detention of Crown employees in China (**Relevant Period**).

It is further alleged that Crown Resorts during the Relevant Period failed to disclose to the share market information that was not generally available which a reasonable person would expect to have a material effect on the price or value of Crown Resorts shares. Such information included the risk of Crown's operations in China, the Chinese Government crackdown on corruption, the arrest in China of South Korean Casino employees and the risk that employees might be detained and arrested in China for alleged breaches of Chinese gambling laws.

Crown Resorts has filed its defence denying the allegations. The parties have completed the lengthy process of discovery which is the provision and exchange of documents under a strict confidentiality regime relevant to the facts in issue.

A hearing will take place on 22 May 2020 to determine whether certain of Crown's claims to maintain legal professional privilege over a number of documents and legal advices will be upheld. In this respect it is noted that Crown has waived privilege over certain advices which are referred to in Crown's evidence in Crown's witness statements.

Security for costs has been agreed up to mediation (\$3.4 million) and the litigation funder (the funder of the action) has paid the agreed security into court in accordance with court orders. Agreement has been reached for the payment into court of a further security amount of \$1.37 million to be paid by two instalments on 23 December 2019 and 1 May 2020, up to and including the trial.

REDACTED - PRIVILEGE

The Applicant successfully made an application to the court for orders that the formerly detained employees be released from their employment and redundancy confidentiality obligations to enable the Applicant's lawyers to speak with those employees, with His Honour handing down His decision on 8 May 2019. Crown successfully appealed the decision.



The Applicant and Crown have provided their evidence on quantum upon which they intend to rely at the trial. An expert witness conclave as ordered by the Court will be held between late May and early June 2020 whereby both parties expert witnesses are required to confer and try to narrow the areas of dispute and provide a joint report to the trial judge.

The trial is now listed for 6 weeks commencing on 9 November 2020. A further mediation is to be held by 31 July 2020 or as agreed between the parties..

(d) Material/key project work carried out during the shut-down period.

During the shutdown work was undertaken on the human resources response (for Melbourne and Perth) regarding stand down of employees, reduction of employee hours and Jobkeeper and employee communications.

Work included legal advice, drafting of templates, providing advice on the impact of Jobkeeper, and analysis of lists of casual employees to ascertain whether they were “eligible employees” under the Jobkeeper scheme. This work continues to be ongoing and templates are also being drafted in anticipation of return from stand down for certain categories of employees (both Salaried and Enterprise Agreement covered employees).

2. Debtors

The Credit Committee meets on a regular basis to assess outstanding debts and manage the recovery process. The accompanying schedule (**Annexure A**) details the outstanding debts exceeding AU\$100,000, which are in litigation and briefly comments on the current status of collection.

	<h2>ANNEXURE A – DEBTORS</h2>
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Local Debtors

Patron details	Amount Owing	Last Receipt	History Summary	Progress Since Last Report
		-	None currently the subject of litigation.	

Interstate Debtors

Patron details	Amount Owing	Last Receipt	History Summary	Progress Since Last Report

International Debtors

Patron details	Amount Owing	Last Receipt	History Summary	Progress Since Last Report
There are currently no international debtors greater than \$100,000 which are in litigation.				

Subject to Legal Professional Privilege



Crown Melbourne Limited
Agenda Item 8: AML/CTF Update
May 2020

1. ACTIVITIES DURING COVID-19 CASINO CLOSURE

With the closure of Crown Melbourne, the vast majority of AUSTRAC reporting ceased due to no gaming and gaming related activity, noting that the AML Team continues to monitor any activity in order to report and comply with our AML/CTF legislative obligations.

The AML Team has continued during the period of closure to progress a number of key projects related to the Joint AML/CTF Program, various enhanced initiatives to support the AML framework and engagement with AUSTRAC on its industry wide Junket Risk Assessment.

2. AUSTRAC

(a) AUSTRAC Compliance Assessments

As previously noted, AUSTRAC commenced its AML/CTF Program Compliance Assessment in September 2019 on Crown Melbourne in the form of a s167 Notice which focused on Politically Exposed Persons and High Risk Customers active during FY16 and FY19. Crown Melbourne responded to the Notice on 19 October 2019, receiving a follow up Notice on 30 October 2019, with Crown's response completed on 12 December 2019.

In late March 2020, AUSTRAC advised of its intention to conduct an onsite visit as a follow up to the 2019 Compliance Assessment. Dates were agreed and accepted by the Crown AML Team, however AUSTRAC then advised that due to COVID-19 the visit would have to be postponed indefinitely.

AUSTRAC enquired as to whether the Crown AML Team would be available remotely to answer questions or further assist the AUSTRAC Assessment team in the interim period to which this undertaking was given. Crown confirmed that the AML Team would continue to be available remotely.

Further, as previously noted, AUSTRAC has advised that the Perth Compliance Assessment has been postponed until 2020. Crown has yet to receive any further information as to the timing of this Assessment.

(b) Section 167 Notices – Risk Assessment of Junkets

As previously noted, Crown Melbourne and Crown Perth has been working with AUSTRAC regarding its industry wide Risk Assessment of Junkets providing a range of information and meeting with AUSTRAC to discuss Junkets generally and specifically with respect to Crown.

On 6 April 2020, Anna Lewkowicz, Director of Risk Assessments at AUSTRAC provided the Draft Risk Assessment for review and comment by the relevant stakeholders.

Crown prepared a response which was considered and endorsed by the Crown Resorts Limited Risk Management Committee and submitted to AUSTRAC on 13 May 2020.



3. AUSTRAC Reporting and Program Matters

(a) Joint Program and AML/CTF Framework

As previously reported, operational implementation of the components of the Joint AML/CTF Program will be progressively implemented during 2020. The new Group GM-AML has identified certain areas for focus and will table a detailed implementation plan, noting any proposed changes to the plan, at the next AML/CTF Compliance Committee.

During the current shutdown of the casino, Crown has taken the opportunity to make further enhancements to the Joint Program and AML/CTF Framework with view to have these operational when Crown's casinos reopen.

Subject to the progress of the implementation of the Joint AML/CTF Program, Crown was originally planning to have an Independent Review of Part A of the Joint AML/CTF Program conducted in mid-2020 by an international consulting/audit firm. With the current closure of the casinos, this review will likely be delayed until the second half of 2020.

(b) IFTI Reporting and Telegraphic Transfers

The AML Team is undertaking a fresh review of Crown's Threshold Transactions (TTR) and International Funds Transfer Instructions (IFTI) processes, including third party transfers. A number of control enhancements have been identified that will strengthen the existing reporting regime and improve Crown's ability to manage and mitigate ML/TF risk. In this respect, as of 8 April 2020 Crown implemented a prohibition on third party payments (save for where senior management (including approval from the AML Team) approval is obtained).

(c) Training

Crown Melbourne's compliance rates for the AML Risk Awareness Module currently sit at 89.8%, a drop of approximately 5% since the last meeting. This drop is likely attributed to the casino shutdowns with a significant number of employees currently stood down and unable to complete their training.

When Crown re-opens and employees return to work, follow up emails will be sent to the relevant department managers of the employees who have not completed their on-line courses for actioning.

The AML Team is currently reviewing the online training module with the Learning and Development Team and external training consultant PTA. The AML Team is hoping to complete the updated module in time for when Crown reopens. The AML Team will also look to use the new functionality within the Crown Learn platform to develop targeted periodic refresher training and specific targeted training for employees in high ML/TF risk roles.

The AML Team has not provided any targeted training during the period since the last meeting.



The AML Team continues to provide feedback to the Cage in relation to the data quality of Threshold Transaction Reports.

(d) Existing Designated Services – Risk Assessment

As part of the enhancements to the AML/CTF Framework, the AML Team is updating the risk methodology which will be used to conduct the 2020 annual risk assessment of Crown Melbourne's ML/TF risks.

(e) Reporting statistics (1 January 2020 – 18 May 2020)

The below table details the number of Suspicious Matters Reports (SMR), IFTIs and TTRs reported to AUSTRAC by Crown Melbourne for calendar year 2020 (reported by transaction date):



4. AML Projects

(a) Case Management

As previously reported, in September 2019, the decision was made to postpone the Case Management Project. The responses to the RFP far exceeded the budget for the project. Crown has started additional work with the AML Sentinel team to improve the workflow of actioning alerts from AML Sentinel, which will assist with the transaction monitoring program in the interim.

The AML Team intended to engage the relevant stakeholders in early 2020 to revisit the case management solution, as this project is a critical tool for the AML Team to manage ML/TF risk under the Program. Due to the casino shutdowns, this project has been delayed. However, the AML Team will review iTrak's case management module with Security, Surveillance, Compliance and RSG in May/June 2020 as part of the Sydney Project to assess if it is suitable.



(b) AML Sentinel Project

The AML Team is continuing to work with IT to develop AML Sentinel. Since the last meeting the Sentinel Team have developed a Risk Metrics Dashboard to capture:

- Threshold transactions broken down by customer segment and value;
- Melbourne SMRs by customer segment;
- Third party transactions; and
- Certain transactions by customers from heightened ML/TF risk jurisdictions.

The Sentinel and AML Teams will continue to test the Risk Metrics Dashboard when customers return, and data is ingested into the system.

The Sentinel and AML Teams have also started discovery and development work on some additional rules that combine multiple factors to create a notification to be investigated by the AML Team.

Live testing of AML Sentinel, alongside our existing Transaction Monitoring Program system (being largely a manual system) will continue when customers return to Crown, and data is ingested into Sentinel, to further refine the triggers for automated reports and create new appropriate triggers. When Crown becomes satisfied with the triggers, and the performance of the automation functionality, we will look to phase out the manual review of reports.

(c) Crown Program Play

Following the Crown Program Play (CPP) unification that occurred in November 2019, issues arose in relation to ID syncing between CC2 and SYCO which had a potential impact to the integrity of data being uploaded to AUSTRAC. IT worked with the relevant business units to fix issues as they arose and are also working on permanent fixes.

Once the integration issues are fixed, the AML Team expects that in the long term, the CPP unification will improve data quality and integrity.

(d) CURA – AML/CTF Customer Risk Register

The Melbourne element of CURA for AML is now operational, and the AML Team and IT department are working together to further develop CURA so that more information can be captured in the database, such as Unusual Activity Reports, ECDD materials and Law Enforcement Requests.

Further, Crown will continue investigating the integration of the CURA Customer Risk Register with Crown's source system Crown Connect allowing automated updates on KYC, replacing the existing manual process. This model will also be used for Crown Sydney in due course.

The Group GM – AML is also reviewing the current risk rating methodology.



(e) eKYC Project

The AML Team is currently working with the Sydney project team on the digital onboarding journey in advance of Crown Sydney opening. Whilst as part of this process, Crown will collect KYC information via the digital process and utilise DVS checks to confirm Australian and New Zealand identification documents as genuine, Crown will still rely on the face to face verification of identification documents.

(f) Bankruptcy Screening

An agreement was signed with Equifax on 24 September 2019 to screen certain segments of Crown's customer database for bankruptcy.

The results from the first tranche of searches have all been actioned in accordance with Crown's Bankruptcy Policy since the last meeting.

Crown still has capacity under the original budget to conduct further Bankruptcy screening, however due the reduced capacity of the AML and Compliance teams during the casino shutdowns and the potential change in the circumstances of customers during this time, the next round of bankruptcy screening has been delayed.

5. Customer Due Diligence

Dow Jones Risk and Compliance Screening

Another issue that has arisen in relation to the CPP unification (and related merge project) was in relation to Dow Jones Risk and Compliance Screening. Each customer who was unified or merged became "active" in Crown's system regardless of whether they had been on site or not. This resulted in a significant number of additional customers being screened in through Dow Jones.

Whilst the majority of the new alerts created in the Dow Jones Risk and Compliance Screening tool are false positives, dispositioning of the alerts takes a considerable amount of time. The majority of confirmed matches of these new alerts are for customers who have not been active in the business for some time, some in over 10 years.

The AML Team, taking a risk-based approach, has prioritised the clearing of any potential matches in the PEP, Sanctions and Other Exclusion List categories which has been completed with any matches actioned.

As part of the enhancements to the AML Framework, the AML Team has developed a detailed procedure on how Crown Entities conduct name screening and watch list filtering using the Dow Jones Risk and Compliance tool.

6. New Designated Services (or new methods of delivery of existing) – Risk Assessment

A number of Gaming Initiative Forms were reviewed during the period, none of which required an update to the ML/TF Risk Register.



7. Employee Due Diligence

There have been no issues raised to the AML Team in relation to Employee Due Diligence issues.

8. ANZ Relationship update

As noted at the previous meeting, ANZ are requesting Crown to provide the identity details of junket operators and high value customers transacting through junket operators. ANZ are also requesting Crown provide underlying details of junket customers as part of a junket. ANZ has stated they request this information from other remittance providers and correspondent banks that use the ANZ to facilitate payments. ANZ have cited the recent issues Westpac have had and want to work with Crown in a transparent manner so they can meet their own enhanced due diligence requirements in relation to IFTIs.

There are a number of privacy issues Crown will need to work through prior to providing this information to ANZ. In the short term, Crown could request customers to include their full name along with their SYCO number when transferring money into Crown, enabling ANZ to conduct their own due diligence on the origin of funds being transferring through their bank.

Travis Costin is leading this project and discussions with ANZ are ongoing.

9. Countries

During the period no new countries have been added to the following lists:

- Department of Foreign Affairs (DFAT) – Australia’s Implementation of UN Security Council sanctions (<https://dfat.gov.au/international-relations/security/sanctions/pages/sanctions.aspx>);
- DFAT – Autonomous Sanctions; or
- FATF – High-Risk Jurisdictions subject to a Call for Action (<http://www.fatf-gafi.org/publications/high-risk-and-other-monitored-jurisdictions/>).

10. Compliance Breaches

AML/CTF Program compliance breaches are reported:

- on the monthly Legal Compliance Certificates to the Crown Melbourne Compliance Committee by the AML Team and by each individual Business Unit (as applicable); and
- directly to the Group General Manager – AML, which is then escalated to the AML/CTF Compliance Officer.

There were no compliance breaches during the reporting period 1 January to 23 March 2020.



Type of Breach	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Failure to obtain residential address for a Threshold Transaction from a Customer	-	-	-	-	-	-	-	-	-	-	-	-	-
Expired ID obtained from Customer at time of Threshold Transaction	-	-	-	-	-	-	-	-	-	-	-	-	-

Crown Melbourne will continue to address non-compliance matters in the form of training 'Alerts' to the relevant Business Units.

11. Legislative Changes and other relevant information

(a) Updates to the AML/CTF Act

There has been no update to the AML/CTF Act since the last meeting of the Committee.

On 14 November 2019 the Senate referred the provisions of the Anti-Money Laundering and Counter-Terrorism Financing and Other Legislation Amendment Bill 2019 to the Legal and Constitutional Affairs Legislation Committee for inquiry and report by 10 March 2020. A report has not yet been released.

The Bill was considered by the Parliamentary Joint Committee on Human Rights and a Human rights scrutiny report was released on 9 April 2020. The report considers "entrapment" as it relates to the Bill, which should not affect Crown.

We will continue to monitor the progress of the Bill.

(b) Updates to the AML/CTF Rules

There have been a number of COVID-19 Pandemic amendments to the AML/CTF Rules since the last meeting of the Committee. These changes do not adversely impact Crown.



Crown Melbourne
Agenda Item 9: Health, Safety & Wellbeing Update
January 2020 to May 2020

1. CrownSafe Scorecard for Melbourne

The CrownSafe Scorecard for Melbourne is included as **Annexure A**.

2. Personal Injury & WorkCover Claims

(a) Personal Injury Claims

There were 5 new litigated claims reported during the period:

-
-
-
-
-
-



Note: Any new material claims are reported in the Litigation Report.

REDACTED - PRIVILEGE

-
-
-
-



Anticipated claims identified during the period that have not previously been reported comprise:

-





▶ [Redacted]

▶ [Redacted]

Refer to **Annexure B** for a detailed schedule of personal injury claims.

(b) WorkCover Claims

REDACTED - PRIVILEGE

[Redacted]



REDACTED - PRIVILEGE



ANNEXURE A – CROWNSAFE SCORECARD



CROWN RESORTS

Health, Safety & Wellbeing ScoreCard



FOR THE MONTH ENDING
31 March 2020



CROWN RESORTS

Definitions
31 March 2020



SAFETY

- MTI** → **A Medical Treatment Injury (MTI)** - following injury/illness the employee is referred to a doctor/physio for medical treatment. Medical treatment is when a doctor prescribes medication or administers medical intervention, or a physio treats the employees. First Aid is NOT considered a MTI
- LTI** → **A Lost Time Injury (LTI)** is any work related injury or illness which resulted in the employee loosing at least one full shift after the day or shift when the injury or illness occurred. A LTI is the result of a doctor or physio treating the injured person and certifying them unable to continue work
- LTRIFR** → **Lost Time Incident Frequency Rate (LTIFR)**. LTIs per 1 million worked hours. Worked hours includes regular and overtime hours only (excludes leave hours). **All business units across Crown Melbourne and Crown Perth have a FY20 LTIFR target**
- TRFR** → **Total Recordable Frequency Rate (TRFR)**. MTIs + LTIs per 1 million worked hours. Worked hours includes regular and overtime hours only (excludes leave hours). **All business units across Crown Melbourne and Crown Perth have a FY20 TRFR target**
- Average Days Lost/LTI → The average number of days lost per LTI received
- Median Days Lost/LTI → The median number of days lost per LTI received

CLAIMS

- Total Claims Received → The number of claims for compensation received
- Claims Closure Rate (%) → The number of claims closed / total claims received x 100
- Accepted Claims → An accepted claim is a work cover claim which is covered under Crown's workers compensation arrangement.
- Average Claims / 1000 headcount → The number of accepted claims / average headcount x 1000
- Claims Payments (\$m) → The payment of weekly compensation and medical expenses related to a work cover claim

HAZARDS

- Hazard Closure Rate (%) → The number of hazards closed / total hazards reported x 100



CROWN RESORTS

Executive Summary
31 March 2020



SAFETY

- Crown Melbourne LTIFR FY20 YTD is 6.1; Crown Melbourne TRFR FY20 YTD is 23.8
- Crown Perth LTIFR FY20 YTD is 2.9; Crown Perth TRFR FY20 YTD is 25.0
- Crown Resorts LTIFR FY20 YTD is 4.9; Crown Resorts TRFR FY20 YTD is 24.2

CLAIMS

- Crown Melbourne average claims per 1000 headcount for FY20 YTD is 7.4; Crown Melbourne claims payments FY20 YTD is [REDACTED]
- Crown Perth average claims per 1000 headcount for FY20 YTD is 5.4; Crown Perth claims payments FY20 YTD is [REDACTED]
- Crown Resorts average claims per 1000 headcount for FY20 YTD is 6.7; Crown Resorts claims payments FY20 YTD is [REDACTED]

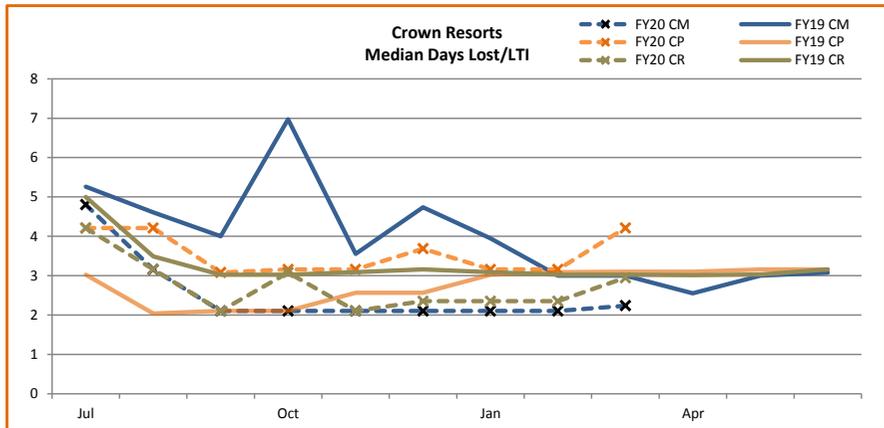
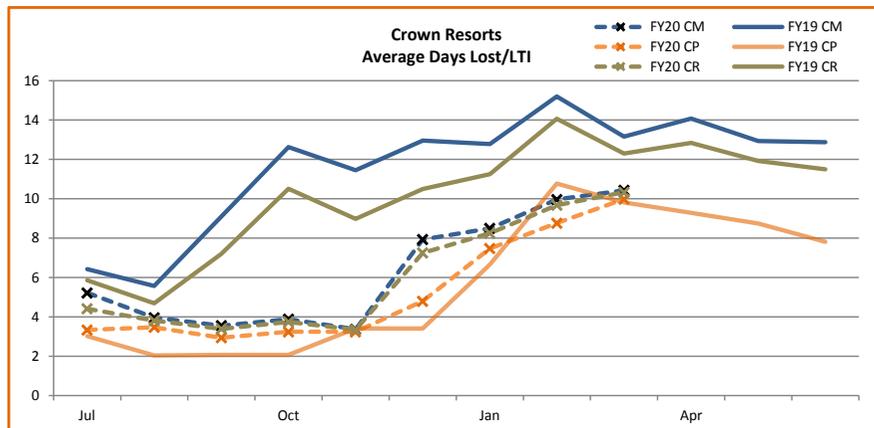
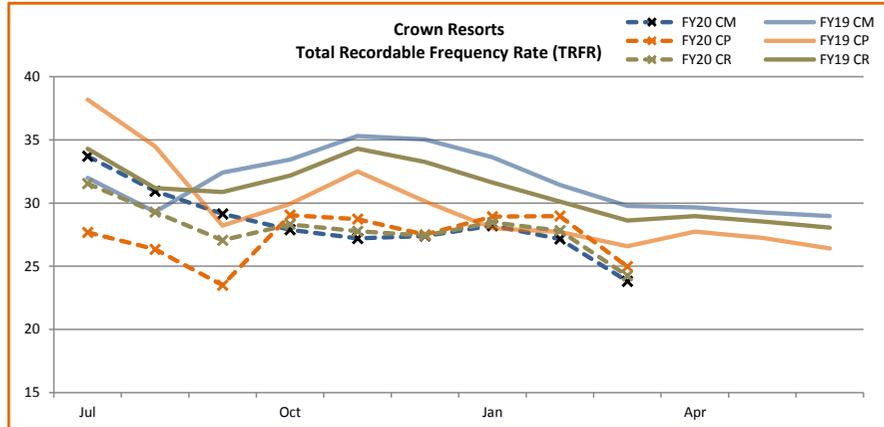
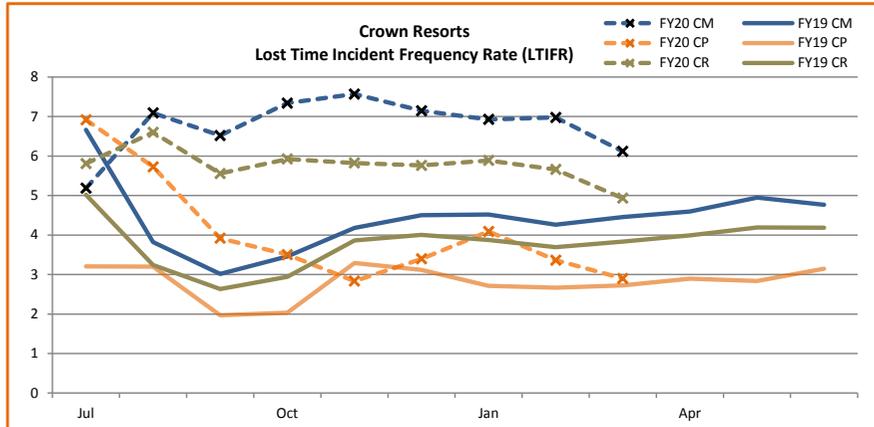
HAZARDS

- Crown Melbourne hazards reported FY20 YTD is 291; Crown Melbourne hazards closure rate FY20 YTD is 92.8%
- Crown Perth hazards reported FY20 YTD is 148; Crown Perth hazards closure rate FY20 YTD is 77.7%
- Crown Resorts hazards reported FY20 YTD is 439; Crown Resorts hazards closure rate FY20 YTD is 87.7%



CROWN RESORTS

Executive Summary
31 March 2020





CROWN RESORTS

Executive Summary
31 March 2020



PERFORMANCE MEASURES		CROWN MELBOURNE					CROWN PERTH					CROWN RESORTS				
		FY19		FY20			FY19		FY20			FY19		FY20		
		YTD	FULL YEAR	R12	YTD	TAR	YTD	FULL YEAR	R12	YTD	TAR	YTD	FULL YEAR	R12	YTD	TAR
SAFETY	Lost Time Injuries (LTIs)	35	49	64	47	--	12	18	18	13	--	47	67	82	60	--
	Medical Treatment Injuries (MTIs)	199	249	202	136	--	105	133	123	99	--	304	382	325	235	--
	Lost Time Incident Frequency Rate (LTIFR) <small>(LTIs per 1 million hours worked)</small>	4.5	4.8	6.3	6.1	--	2.7	3.1	3.1	2.9	--	3.8	4.2	5.2	4.9	--
	Total Recordable Frequency Rate (TRFR) <small>(MTIs + LTIs per 1 million hours worked)</small>	29.8	29.0	26.3	23.8	30.0	26.6	26.4	24.4	25.0	30.0	28.6	28.1	25.6	24.2	30.0
INJURY MGMT	Average Days Lost / LTI	13.2	12.9	13.9	10.4	--	9.8	7.8	8.7	10.0	--	12.3	11.5	12.8	10.3	--
	Median Days Lost / LTI	3.0	3.1	2.5	2.2	--	3.1	3.2	4.5	4.2	--	3.0	3.2	3.2	2.9	--
CLAIMS	Average Claims / 1000 head count	7.3	11.1	12.0	7.4	--	5.3	5.5	8.0	5.4	--	6.6	8.9	10.4	6.7	--
	Claims Received*	68	102	101	62	--	54	63	55	39	--	122	165	156	101	--
	Claim Payments* (\$m)															
	Claims Closure Rate* (%) <small>(Claims Closed / Claims Received)</small>	44.1	39.2	35.6	30.6	--	46.3	52.4	87.3	38.5	--	45.1	44.2	53.8	33.7	--
HAZARDS	Hazards Reported	336	445	391	291	--	185	236	198	148	--	521	681	589	439	--
	Hazard Closure Rate* (%) <small>(Hazards Closed / Hazards Received)</small>	88.4	91.9	94.1	92.8	--	84.3	82.6	80	78	--	88.9	88.7	89.5	87.7	--

* Previous FY data updated to reflect recent changes in status of claims and hazards as well as claims presented after the year end

UPDATE	
Claims Received	129
Claim Closure Rate	55.0
Hazard Closure Rate	98.9

129
55.0
98.9

74
77.0
96.2

203
63.1
97.9



CROWN RESORTS
Crown Melbourne - Safety Measures
31 March 2020



Business Units	Worked Hours	LTIs	Medical Injuries	Hospital Injuries	MTIs	LTIs + MTIs	LTIFR		TRFR			Safety Walks		Workplace Inspections		OHS Training Compliance							
							FY20 YTD						FY19	FY20	FY19	FY20	Target	Actual	Target	Actual	Target	Actual	Target
Capital Projects	8,534	2	0	0	0	2	0.0	234.4	0.0	234.4	30.0	0	0	2	4	93.9%	>90%						
Casino Cage	187,223	1	4	0	4	5	8.0	5.3	12.0	26.7	30.0	0	2	14	28	96.7%	>90%						
Crown Food & Beverage	2,369,475	18	62	4	66	84	5.6	7.6	41.5	35.5	37.3	2	10	111	256	93.9%	>90%						
Crown Hotels	708,198	3	7	4	11	14	4.1	4.2	17.6	19.8	30.0	0	8	53	116	92.7%	>90%						
Crown Services	262,865	7	15	2	17	24	11.7	26.6	23.3	91.3	30.0	0	2	71	140	95.0%	>90%						
Finance	57,107	0	0	0	0	0	0.0	0.0	0.0	0.0	30.0	0	2	3	12	97.1%	>90%						
Gaming Machines	338,156	0	3	0	3	3	2.4	0.0	4.8	8.9	30.0	0	8	27	48	96.0%	>90%						
Human Resources	145,882	0	2	0	2	2	0.0	0.0	0.0	13.7	30.0	2	6	14	28	92.4%	>90%						
I.T	176,051	0	0	0	0	0	0.0	0.0	0.0	0.0	30.0	0	6	6	16	94.3%	>90%						
Legal & Regulatory	63,540	0	0	0	0	0	0.0	0.0	0.0	0.0	30.0	1	10	2	4	89.5%	>90%						
Marketing	108,690	0	1	0	1	1	0.0	0.0	0.0	9.2	30.0	0	8	1	8	86.5%	>90%						
Other Corporate	4,559	0	0	0	0	0	164.8	0.0	329.7	0.0	30.0	0	18	2	4	62.5%	>90%						
Security & Services	270,305	4	9	1	10	14	16.6	14.8	49.8	51.8	44.8	0	4	11	24	96.3%	>90%						
Supply	84,485	1	2	0	2	3	21.2	11.8	42.4	35.5	38.2	0	2	14	28	90.0%	>90%						
Surveillance	92,504	1	1	0	1	2	0.0	10.8	0.0	21.6	30.0	0	2	4	8	94.1%	>90%						
Table Games	2,648,887	13	37	1	38	51	3.1	4.9	29.5	19.3	30.0	1	8	32	64	94.8%	>90%						
VIP Gaming	157,911	0	0	0	0	0	0.0	0.0	10.2	0.0	30.0	0	4	4	13	90.6%	>90%						
Crown Melbourne	7,684,371	50	143	12	155	205	4.8	6.5	28.8	26.7	30.0	6	100	371	801	93.9%	>90%						



HEALTH SAFETY
WELLBEING

CROWN RESORTS

Crown Melbourne - Other Measures

31 March 2020



HEALTH SAFETY
WELLBEING

Business Unts	Average Days Lost / LTI		Median Days Lost / LTI		Claims Received		Hazards Reported		Hazard Closure Rate (%)	
	FY20	FY19	FY20	FY19	FY20	FY19	FY20	FY19	FY20	FY19
	YTD	FULL YEAR	YTD	FULL YEAR	YTD	FULL YEAR	YTD	FULL YEAR	YTD	FULL YEAR
Capital Projects	0.0	0	0.0	0	0	0	0	1	--	100.0
Casino Cage	2.6	7.4	2.6	7.4	2	1	1	1	100.0	100.0
Crown Food & Beverage	13.3	14.3	2.6	3.6	29	36	75	107	92.0	88.8
Crown Hotels	1.2	5.8	1.1	5.0	2	8	23	58	95.7	100.0
Crown Services	27.0	3.9	3.4	3.9	7	4	21	9	71.4	77.8
Finance	0.0	0.0	0.0	0.0	0	0	0	6	--	0.0
Gaming Machines	0.0	1.2	0.0	1.2	0	2	20	29	100.0	86.2
Human Resources	0.0	0.0	0.0	0.0	0	0	3	5	100.0	80.0
I.T	0.0	0.0	0.0	0.0	0	0	3	1	100.0	100.0
Legal & Regulatory	0.0	0.0	0.0	0.0	0	0	1	0	100.0	--
Marketing	0.0	0.0	0.0	0.0	0	0	0	1	--	0.0
Other Corporate	0.0	0.0	0.0	0.0	0	1	0	0	--	--
Security & Services	4.0	46.1	2.4	33.3	9	15	16	41	93.8	97.6
Supply	17.4	4.0	17.4	4.0	2	0	2	3	100.0	100.0
Surveillance	5.9	0.0	5.9	0.0	0	1	0	4	--	100.0
Table Games	3.3	2.3	2.1	1.3	11	31	124	178	94.4	94.9
VIP Gaming	0.0	0.0	0.0	0.0	0	3	2	1	100.0	100.0
Crown Melbourne	10.4	12.9	2.2	3.1	62	102	291	445	92.8	91.9



CROWN RESORTS
Crown Perth - Safety Measures
31 March 2020



Business Unts	Worked Hours	LTIs	Medical Injuries	Hospital Injuries	MTIs	LTIs + MTIs	LTIFR		TRFR			Safety Walks		Workplace Inspections		OHS Training Compliance	
							FY20 YTD		FY20			FY20		FY20		FY20	
							FY19	FY20	FY19	FY20	Target	Actual	Target	Actual	Target	Actual	Target
Cage & Count	121,190	0	1	0	1	1	6.4	0.0	6.2	8.3	30.0	0	2	8	32	89.0%	90%
Conventions	167,673	0	4	0	4	4	0.0	0.0	17.5	23.9	30.0	0	2	28	16	45.1%	90%
Entertainment	77,793	0	1	0	1	1	0.0	0.0	11.5	12.9	30.0	0	2	14	24	41.8%	90%
Food & Beverage BOH	657,755	3	30	1	31	34	6.0	4.6	44.9	51.7	40.4	0	2	39	156	64.6%	90%
Food & Beverage FOH	850,196	2	17	0	17	19	3.0	2.4	33.1	22.3	30.0	0	6	46	176	64.6%	90%
Gaming Machines	205,083	0	0	0	0	0	6.1	0.0	3.8	0.0	30.0	0	2	26	40	92.1%	90%
Hotels	292,800	3	8	2	10	13	5.5	10.2	23.4	44.4	30.0	0	8	15	132	77.3%	90%
Human Resources	119,630	0	1	0	1	1	0.0	0.0	21.4	8.4	30.0	0	2	24	28	89.1%	90%
International Ops	27,946	0	0	0	0	0	0.0	0.0	0.0	0.0	30.0	0	0	2	8	70.8%	90%
Legal	28,770	0	0	0	0	0	0.0	0.0	0.0	0.0	30.0	0	6	9	8	70.1%	90%
Other Corporate	152,713	0	0	0	0	0	0.0	0.0	0.0	0.0	30.0	0	14	25	28	94.5%	90%
Perth IT	84,045	0	0	0	0	0	0.0	0.0	9.8	0.0	30.0	0	4	8	20	98.2%	90%
Property Services	316,464	3	8	1	9	12	4.9	9.5	21.7	37.9	30.0	0	2	32	72	88.7%	90%
Security	248,808	2	10	1	11	13	0.0	8.0	27.4	52.2	30.0	0	2	19	44	93.6%	90%
Surveillance	59,800	0	1	0	1	1	0.0	0.0	0.0	16.7	30.0	0	0	8	8	98.6%	90%
Table Games	996,122	1	17	0	17	18	3.1	1.0	27.1	18.1	30.0	0	4	12	40	92.8%	90%
Warehouse	42,413	0	2	0	2	2	0.0	0.0	92.8	47.2	83.5	0	0	10	20	99.6%	90%
Crown Perth	4,449,203	14	100	5	105	119	3.2	3.1	26.4	26.7	30.0	0	58	325	852	70.1%	90%



HEALTH SAFETY
WELLBEING

CROWN RESORTS

Crown Perth - Other Measures
31 March 2020



HEALTH SAFETY
WELLBEING

Business Unts	Average Days Lost / LTI		Median Days Lost / LTI		Claims Received		Hazards Reported		Hazard Closure Rate (%)	
	FY20	FY19	FY20	FY19	FY20	FY19	FY20	FY19	FY20	FY19
	YTD	FULL YEAR	YTD	FULL YEAR	YTD	FULL YEAR	YTD	FULL YEAR	YTD	FULL YEAR
Cage & Count	0.0	2.1	0.0	2.1	0	0	1	2	100.0	100.0
Conventions	0.0	0.0	0.0	0.0	2	3	7	13	100.0	92.3
Entertainment	0.0	0.0	0.0	0.0	0	0	8	17	50.0	100.0
Food & Beverage BOH	8.4	5.8	8.4	5.8	11	17	6	15	66.7	86.7
Food & Beverage FOH	3.5	0.9	3.5	0.9	7	9	12	17	91.7	88.2
Gaming Machines	0.0	0.0	0.0	0.0	1	0	19	28	57.9	67.9
Hotels	4.2	4.2	4.2	4.2	3	4	10	16	100.0	93.8
Human Resources	0.0	0.0	0.0	0.0	0	2	6	14	83.3	92.9
International Ops	0.0	0.0	0.0	0.0	0	0	1	0	100.0	—
Legal	0.0	0.0	0.0	0.0	0	0	1	1	0.0	100.0
Other Corporate	0.0	0.0	0.0	0.0	0	0	2	1	100.0	100.0
I.T	0.0	0.0	0.0	0.0	0	0	4	1	25.0	100.0
Property Services	27.7	4.4	15.8	3.0	6	4	7	16	100.0	93.8
Security	2.5	2.6	2.5	2.6	8	7	18	23	88.9	78.3
Surveillance	0.0	0.0	0.0	0.0	0	0	3	1	66.7	100.0
Table Games	1.1	19.9	1.1	5.3	5	15	35	56	71.4	80.4
Warehouse	0.0	3.3	0.0	3.3	0	1	8	15	100.0	53.3
Crown Perth	10.0	7.8	4.2	3.2	39	63	148	236	77.7	83.1



ANNEXURE B – PERSONAL INJURY CLAIMS January 2020 to May 2020

The following is a list of material (potentially over \$100,000) personal injury claims in respect of which formal legal action has been taken or is likely to be taken (due to the appointment of legal representation by the claimant). Personal Injury includes claims by:

- Patrons;
- Employees of contractors; and
- Victorian WorkCover Authority statutory recovery actions of amount paid to contractor's employees via Workers' Compensation;

where negligence, and for security related claims assault, is alleged against Crown.

Note: For claimed losses regarding events occurring pre 1 July 2003, insurance deductible of \$20,000 applies.

For claimed losses regarding events occurring after that date, deductible is \$100,000.

(Estimated Settlement Costs (ESC) excludes legal costs – Crown's and Plaintiff's)

1. Insured matters – Litigated

Claimant and Insured Deductible	Date of Loss	Details of Claim	Courts and Places of Hearing	Current Status
SETTLED CLAIMS:				
			County Court of Victoria at Melbourne	<p>The proceeding has been dismissed as discontinued by the Plaintiff.</p> <p>Generally Indorsed Writ served on Crown on 18 February 2019.</p> <p>Certificate of Assessment received.</p> <p>Matter was referred to the Medical Panel. The Panel found that the Plaintiff's alleged injuries did not meet the threshold level.</p>



Claimant and Insured Deductible	Date of Loss	Details of Claim	Courts and Places of Hearing	Current Status
			County Court of Victoria at Melbourne	<p>REDACTED - PRIVILEGE Writ and Statement of Claim served on Crown on 22 May 2019.</p> <p>The matter was referred to the Medical Panel and the Panel determined that the Plaintiff met the injury threshold of more than 5% permanent impairment.</p> <p>The proceeding was fixed for trial on 13 May 2020. Mediation to occur by 14 February 2020.</p>
			County Court of Victoria at Melbourne	<p>REDACTED - PRIVILEGE Writ and Statement of Claim served on Crown on 30 January 2018. Crown filed its Defence.</p> <p>The proceeding was transferred from the Supreme Court to the County Court.</p> <p>On 30 June 2017 Crown was served with a certificate of assessment (as a precursor to the issue of a writ) alleging injuries suffered.</p> <p>The matter was referred to the Medical Panel. The Medical Panel has determined that the claimant met the injury threshold for physical injury of more than 5% permanent impairment.</p> <p>MSS Security Pty Ltd was joined as an additional defendant.</p> <p>The proceeding was fixed for trial on 17 March 2020. Mediation to occur by 14 February 2020.</p>
			County Court of Victoria at Melbourne	<p>REDACTED - PRIVILEGE Writ and Statement of Claim served on Crown on 5 April 2019.</p> <p>The proceeding was fixed for trial on 23 April 2020. Mediation to occur by 10 February 2020.</p>



Claimant and Insured Deductible	Date of Loss	Details of Claim	Courts and Places of Hearing	Current Status
NEW CLAIMS				
			County Court of Victoria at Melbourne	Amended Writ and Statement of Claim served on Crown on 31 January 2020. Crown has filed its Defence.
			County Court of Victoria at Melbourne	Writ and Statement of Claim served on Crown on 10 March 2020. Crown has filed its Defence.
			County Court of Victoria at Melbourne	Writ and Statement of Claim served on Crown on 23 April 2020. Crown has filed its deference. Matter referred to the Medical Panel.
			County Court of Victoria at Melbourne	Writ and Statement of Claim served on Crown on 13 May 2020.
			County Court of Victoria at Melbourne	Writ and Statement of Claim served on Crown on 13 May 2020.



Claimant and Insured Deductible	Date of Loss	Details of Claim	Courts and Places of Hearing	Current Status
Existing claims				
			County Court of Victoria at Melbourne	<p>Certificate of Assessment received.</p> <p>Writ and Statement of Claim served on Crown on 5 November 2018.</p> <p>The proceeding was fixed for trial on 30 March 2020. Mediation was held on 25 February 2020 and was adjourned mid-mediation as Plaintiff's Counsel was advised her condition had not stabilised.</p> <p>The trial has been adjourned to 8 September 2020. Mediation is to occur by 31 July 2020.</p>
			County Court of Victoria at Melbourne	<p>Serious Injury Application served on 27 February 2019.</p> <p>The matter did not settle during the statutory offer process. Writ and Statement of Claim served on Crown on 29 October 2019. Crown has filed its Defence.</p> <p>The proceeding is fixed for trial on 19 October 2020. Mediation is to occur by 24 August 2020.</p>
			County Court of Victoria at Melbourne	<p>Amended Writ and Statement of Claim joining MSS Security to proceedings, served on Crown on 27 April 2020.</p> <p>Writ and General Indorsement of Claim served on 8 October 2019.</p> <p>Early settlement conference to take place on 24 January 2020. The matter did not settle during the conference.</p> <p>Crown has filed its Defence.</p> <p>Mediation is to occur by 23 November 2020. Trial date to be fixed after mediation.</p>



Claimant and Insured Deductible	Date of Loss	Details of Claim	Courts and Places of Hearing	Current Status
NEW ANTICIPATED CLAIMS				
			N/A	Serious injury application received 15 January 2020.
			N/A	Lawyer's letter received.
			N/A	Certificate of Assessment received. Matter referred to the Medical Panel.
EXISTING ANTICIPATED CLAIMS:				
			N/A	Letter received from Menzies Arvia Lawyers. Last correspondence was letter from Crown dated 22 July 2014, which to date there has not been any response.
			N/A	Letter from Arnold Thomas & Becker (ATB) received alleging assault by Security Officers. On 1 May 2015 Crown provided a response denying the allegations and suggested the claim be withdrawn as there was no basis in fact or law for the allegations made against Crown. Letter from Flemington & Kensington Community Legal Centre (FKCLC) also received alleging assault by Victoria Police and Crown.



Claimant and Insured Deductible	Date of Loss	Details of Claim	Courts and Places of Hearing	Current Status
				Crown has spoken to the lawyer indicating that ATB was already acting and Crown was seeking clarification on the basis upon which they act. ATB took up Crown's offer to view the footage to assess its position. ATB are further considering the matter but to date have not responded formally to Crown's letter.
			N/A	<p>Letter from ATB received alleging assault by Security Officers. Crown denied the allegations on the basis set out above in the related Joanne Grover matter.</p> <p>Letter from FKCLC also received alleging assault by Victoria Police and Crown.</p> <p>Crown has spoken to the lawyer indicating that ATB was already acting and Crown was seeking clarification on the basis upon which they act. Crown is awaiting a response from both from ATB and FKCLC. To date no response has been received.</p>
			N/A	<p>Letter received from Slater & Gordon alleging assault by Security Officers. Crown has acknowledged receipt of the letter and denied the allegation.</p> <p>Crown is in dialogue with Slater & Gordon, suggesting that there is no basis in fact or law for the claim. Slater & Gordon are further considering the matter after an informal viewing of the footage on 4 November 2016. To date no further correspondence received from Slater & Gordon.</p>
			N/A	Lawyer's letter received.



Claimant and Insured Deductible	Date of Loss	Details of Claim	Courts and Places of Hearing	Current Status
[REDACTED]			N/A	Certificate of Assessment received. Matter referred to the Medical Panel. Plaintiff did not meet statutory threshold and is not entitled to general (pain and suffering) damages but still entitled to special damages (medical and like). [REDACTED - PROVIDE]
			N/A	Lawyer's letter received. Crown invited male's lawyers to view the CCTV footage with a view to have them properly advise their client.
			N/A	Lawyer's letter received.
			N/A	Lawyer's letter received.
			N/A	Lawyer's letter received.
			N/A	Lawyer's letter received.
			N/A	Lawyer's letter received.
			N/A	Lawyer's letter received. Certificate of Assessment received.



Claimant and Insured Deductible	Date of Loss	Details of Claim	Courts and Places of Hearing	Current Status
				Matter referred to the Medical Panel. The female did not meet statutory threshold and is not entitled to general damages (pain and suffering) but still entitled to special damages (medical and like).
			N/A	Lawyer's letter received. Certificate of Assessment received. The matter was referred to the Medical Panel and the Panel determined that the claimant met the injury threshold of more than 5% permanent impairment.
			N/A	Lawyer's letter received.
			N/A	The worker has been issued a Serious Injury Application (SI). The employer (Ikon) has until 27 August 2019 to make a determination whether to grant the SI. This is a precursor to common law proceedings and there is potential that Crown may be joined as a party. The matter did not settle during the statutory offer process.
			N/A	Lawyer's letter received.
			N/A	Lawyer's letter received. Certificate of Assessment received.
			N/A	Lawyer's letter received.



Claimant and Insured Deductible	Date of Loss	Details of Claim	Courts and Places of Hearing	Current Status
			N/A	This is a precursor to common law proceedings and there is potential that Crown may be joined as a party.
			N/A	Serious Injury Application served on 17 October 2019. This is a precursor to common law proceedings and there is potential that Crown may be joined as a party. REDACTED - PRIVILEGE
			N/A	Certificate of Assessment received. Matter referred to the Medical Panel.
			N/A	Certificate of Assessment received. Matter referred to the Medical Panel.
			N/A	Lawyer's letter received.
			N/A	Lawyers' letter received.



Claimant and Insured Deductible	Date of Loss	Details of Claim	Courts and Places of Hearing	Current Status
		the Aviary and suffered injuries.		



ANNEXURE C – WORK COVER CLAIMS
January 2020 to May 2020

Claimant Estimated Settlement Cost (ESC) (excludes legal costs and medical expenses)	Date of injury / alleged injury	Court / Plaintiff Solicitor / Defendant Solicitor Date of Issue / Date of Receipt	Status / Outcome
SETTLED CLAIMS			
		Zaparas Lawyers (Plaintiff) Thomson Geer (Crown) 1 May 2019	<p>Current Status</p> <p>REDACTED - PRIVILEGE</p> <p>History</p> <p>Serious Injury Certificate granted on 2 December 2019. Statutory conference has been arranged for 29 January 2020.</p> <p>Serious Injury Application has been suspended as all relevant tax information has not been served.</p> <p>A Serious Injury Application was lodged on 1 May 2019.</p> <p>The claim was accepted and she has continued to receive compensation entitlements which exceed 130 weeks.</p> <p>REDACTED - PRIVILEGE</p>
		Arnold Thomas Becker (Plaintiff) Thomson Geer (Crown) 28 June 2019 (Magistrates' Court) 4 July 2019 (SIA)	<p>A Serious Injury Application was lodged on 4 July 2019.</p> <p>Current Status</p> <p>REDACTED - PRIVILEGE</p> <p>A case settlement conference has been arranged for 4 February 2020.</p> <p>Fixed for Hearing on 11 February 2020.</p>



Claimant Estimated Settlement Cost (ESC) (excludes legal costs and medical expenses)	Date of injury / alleged injury	Court / Plaintiff Solicitor / Defendant Solicitor Date of Issue / Date of Receipt	Status / Outcome
			<p>A Magistrates' Court complaint has been received.</p> <p>A Defence has been filed to the Magistrates' Court complaint. Awaiting a Directions Hearing date.</p> <p>History</p> <p>Claim was rejected on 31 October 2013. Genuine Dispute was obtained on 18 March 2014.</p>
		<p>Arnold Thomas Becker (Plaintiff) Wisewoulds (Crown) 16 May 2019 (SIA)</p>	<p>Current Status</p> <p>REDACTED - PRIVILEGE</p> <p>Settlement negotiations are far apart. Awaiting a report on suitable employment to strengthen case prior to recommencing negotiations.</p> <p>Serious Injury Certificate rejected on 12 September 2019. Originating Motion served on 26 September 2019. Matter set for trial on 13 March 2020.</p> <p>History</p> <p>A SIA has been received.</p> <p>A response to the SIA is due on 13 September 2019.</p> <p>Accepted claim for ongoing weekly payments and medical and like expenses.</p>
		<p>Maurice Blackburn Lawyers Thomson Geer 25 September 2019</p>	<p>Current Status</p> <p>REDACTED - PRIVILEGE</p> <p>A Serious Injury Application was received on 25 September 2019. The 120th day is on 23 January 2020.</p>



Claimant Estimated Settlement Cost (ESC) (excludes legal costs and medical expenses)	Date of injury / alleged injury	Court / Plaintiff Solicitor / Defendant Solicitor Date of Issue / Date of Receipt	Status / Outcome
			<p>History</p> <p>Ongoing claim receiving weekly compensation benefits and payment of reasonable medical and like expenses.</p>
		<p>Zaparas Lawyers (Plaintiff) Wisewoulds (Crown) 10 August 2018</p>	<p>Current Status</p> <p>Magistrates Court Complaint dismissed by consent on 20 January 2020. Crown is seeking costs pursuant to the cost order.</p> <p>Worker considering the Medical Panel decision. Further mention is listed for 20 January 2020.</p> <p>On 21 October 2019 the Medical Panel found that her employment was not a significant contributing factor to her back complaints. Awaiting an appeal or Magistrates' Court dismissal.</p> <p>Listed for Mention on 16 May 2019.</p> <p>Matter had been listed for hearing in the Magistrates' Court on 20 March 2019.</p> <p>History</p> <p>Ongoing accepted claim for weekly payments and medical & like expenses for her left knee and foot. Her back claim has been rejected.</p>
		<p>Slater & Gordon (Plaintiff) Wisewoulds (Crown) 22 November 2019 (S.I. Application)</p>	<p>Current Status</p> <p><small>REDACTED - PRIVATE</small></p> <p>A Serious Injury Application was lodged on 22 November 2019.</p> <p>History</p>



Claimant Estimated Settlement Cost (ESC) (excludes legal costs and medical expenses)	Date of injury / alleged injury	Court / Plaintiff Solicitor / Defendant Solicitor Date of Issue / Date of Receipt	Status / Outcome
			The claim was accepted and he received weekly benefits until November 2016 when he returned to pre-injury duties & hours working as a chef. The employee resigned effective 5 February 2017.
NEW CLAIMS			
		Maurice Blackburn Lawyers Thomson Geer 3 February 2020	Current Status A Serious Injury Application was received on 3 February 2020. Response due 29 May 2020. History [Redacted]
		Zaparas Lawyers Thomson Geer 3 February 2020	Current Status A Serious Injury Application was received on 3 February 2020. Response due 29 May 2020. History [Redacted]



Claimant Estimated Settlement Cost (ESC) (excludes legal costs and medical expenses)	Date of injury / alleged injury	Court / Plaintiff Solicitor / Defendant Solicitor Date of Issue / Date of Receipt	Status / Outcome
			impairment claim.
		Zaparas Lawyers Thomson Geer 19 February 2020	<p>Current Status A Magistrates Court Complaint was received on 19 February 2020. The matter is listed for a Directions Hearing on 2 June 2020.</p> <p>History Claim was lodged on 19 October 2017 alleging stress anxiety and depression from bullying and harassment in the course of his employment. The claim was rejected on 16 November 2017. The matter went to conciliation on 1 March 2018 and a Genuine Dispute certificate was obtained that day.</p>
		Zaparas Lawyers Thomson Geer 26 August 2019	<p>Current Status County Court Writ received on 30 April 2020 from Zaparas Lawyers joining Keiser in this matter.</p> <p>Serious Injury Certificate was granted on 8 January 2020. Awaiting settlement conference date.</p> <p>A Serious Injury Application was received on 26 August 2019. Response was due 20 December 2019.</p> <p>History Claim was rejected originally rejected however we were unsuccessful in defending the matter in the Magistrates Court. He has returned to work on restricted days and hours.</p>



Claimant Estimated Settlement Cost (ESC) (excludes legal costs and medical expenses)	Date of injury / alleged injury	Court / Plaintiff Solicitor / Defendant Solicitor Date of Issue / Date of Receipt	Status / Outcome
EXISTING CLAIMS			
[REDACTED]	[REDACTED]	Arnold Thomas Becker (Plaintiff) Wisewoulds (Crown) 20 March 2017	<p>Current Status</p> <p>The Medical Panel decision has been appealed. The matter has been listed for Judicial Hearing on 14 July 2020.</p> <p>On 26 August 2019 the Medical Panel found there is no longer a compensable injury. All claims have been terminated. Matter adjourned to 7 November 2019 as solicitors advised they were considering appealing the medical panel opinion.</p> <p>Informal settlement conference was arranged for 14 November 2018.</p> <p>Matter had been set down for Hearing on 26 April 2018.</p> <p>History</p> <p>Claim was rejected on 15 November 2016. Genuine dispute was obtained at Conciliation on 18 January 2017.</p> <p>A Serious Injury Application has been received.</p>
		Slater & Gordon Thomson Geer 14 October 2019	<p>Current Status</p> <p>The matter has been listed for Mention on 1 June 2020.</p> <p>The matter is listed for a Directions Hearing on 31 January 2020.</p> <p>Magistrates Court Complaint was received on 14 October 2019. Awaiting legal advice.</p> <p>History</p> <p>Claim was lodged on 8 April 2019. It was rejected and a Genuine Dispute obtained at Conciliation on 31 May 2019.</p>



Claimant Estimated Settlement Cost (ESC) (excludes legal costs and medical expenses)	Date of injury / alleged injury	Court / Plaintiff Solicitor / Defendant Solicitor Date of Issue / Date of Receipt	Status / Outcome
		Maurice Blackburn Lawyers Thomson Geer 18 October 2019	Current Status The matter was mentioned on 20 May 2020. Consent orders were filed seeking a hearing date after 29 June 2020. The matter was listed for a Directions Hearing on 30 January 2020. A Magistrates Court Complaint was received on 14 October 2019. Awaiting legal advice. History The claim was lodged by his lawyers. The original claim was lodged on 17 July 2018 and was rejected. A genuine Dispute was obtained on 23 November 2018.
		Maurice Blackburn (Plaintiff) Wisewoulds (Crown) 2 December 2019 (S.I. Application)	Current Status Serious Injury Application denied on 30 March 2020. Awaiting Originating Motion. A Serious Injury Application was lodged on 2 December 2019. History The claim was originally rejected however overturned at Conciliation. The employee has continued to receive weekly benefits which has included payment for an operation.
		Zapparas (Plaintiff) Wisewoulds (Crown) 2 December 2019 (S.I. Application)	Current Status Serious Injury Application was granted on 6 April 2020. Statutory conference has been arranged for 18 May 2020. The Statutory offer is due before 3 July 2020. A Serious Injury Application was lodged on 10 December 2019. History The claim was accepted and the employee continues to receive weekly benefits which



Claimant Estimated Settlement Cost (ESC) (excludes legal costs and medical expenses)	Date of injury / alleged injury	Court / Plaintiff Solicitor / Defendant Solicitor Date of Issue / Date of Receipt	Status / Outcome
	right side.		has included payment for surgeries.
[REDACTED]	[REDACTED]	Maurice Blackburn (Plaintiff) Thomson Geer (Crown) 16 December 2019 (S.I. Application)	<p>Current Status</p> <p>The Application was suspended for not submitting income tax returns. On 8 May 2020 the tax returns were received and the suspension has been lifted. The 120th day is now 27 August 2020.</p> <p>A Serious Injury Application was received on 16 December 2019.</p> <p>History</p> <p>The claim was accepted and the employee continues to receive ongoing weekly benefits. The employee has been on a permanent 15 hour working restriction since 2018.</p>



2. New Year's Day Incident – MSS worker (previously reported in detail)

Claimant	Date of injury / alleged injury	Court / Plaintiff Solicitor / Defendant Solicitor Date of Issue / Date of Receipt	Outcome Date of Settlement (S)/ Estimated Settlement Cost (ESC) (excludes legal costs and medical expenses)
		Carbone Lawyers (Plaintiff) Minter Ellison (Crown and Mr Packer)	<p>Current Status</p> <p>The worker has not been issued a Serious Injury Application. The hearing was adjourned to further directions hearing on 26 March 2020 to allow referral to the medical panel.</p> <p>The employer (MSS) has determined not to grant the Serious Injury.</p> <p>The worker has issued an Originating Motion seeking leave from the court to bring common law damages proceedings on the basis that he has suffered a serious injury. The matter was fixed for hearing on 19 November 2019 but has been adjourned to a date to be fixed post the Medical Panel referral.</p> <p>If a Serious Injury Certificate is granted, common law proceedings can be issued and Crown and Mr Packer may be parties.</p>



Crown Melbourne
Agenda Item 10.1: Responsible Gaming Update
January 2020 – May 2020

1. Casino Closure – Impact on RG and Re-Opening Activities

The Responsible Gaming Department at Crown Melbourne (**Crown**) ceased customer facing operations upon the casino closure due to the COVID-19 pandemic, on 23 March 2020.

During the period of closure:

- The Responsible Gaming 1800 number diverts to the mobile, where the caller is greeted as follows:

The Responsible Gaming Centre is currently closed. If you require assistance or information in relation to concerns with your gambling, please call Gambler's Help on 1800 858 858. For inquiries in relation to the Crown Melbourne Responsible Gaming Centre, please email rgc@crownmelbourne.com.au. For all other inquiries, please call 03 9292 8888. Please do not leave a voicemail as this will not be monitored. Thank you

- The Responsible Gaming Centre (**RGC**) email and website were amended with the following now on the Responsible Gaming landing page:

The Responsible Gaming Centre is currently closed. If you require assistance or information in relation to concerns with your gambling, please call 1800 858 858 or www.gamblinghelponline.org.au/services-in-your-state/victoria. For inquiries in relation to the Crown Melbourne Responsible Gaming Centre, please email rgc@crownmelbourne.com.au

- The RGC email is being monitored by the Group General Manager Responsible Gaming, and queries and requests are responded to;
- Applications for the revocation of self exclusion are being responded to. The follow up with revocation report writers is conducted by the Responsible Gaming Psychologists as time allows, and applicants are advised that the process will not be complete until the casino re-opens;
- Any Applications for Self Exclusions in this period are being treated as a remote application and relevant information is provided;
- Gambler's Help is operating in this period;
- Self Exclusions that have an elected end date in the closure period are still subject to a revocation process;

The Responsible Gaming Team currently working is assessing what, if any, special measures or contact need be undertaken when gaming resumes.

The Responsible Gaming Strategy document will be reviewed and updated in light of the Responsible Gaming Advisory Panel report and recommendations (as mentioned below), as well as other identified areas.



Upon re-opening, measures to be taken into account include (but are not limited to and will be subject to the final approved version of Crown's Social Distancing and Hygiene policies) the following:

Employees:

- Training in the form of re-training on systems and any compliance training
- Equipment testing
- Personal Protective Equipment (PPE) measures that will be required and/or are desired by employees; temperature checks
- Hygiene measures when working in the RGC and on the casino gaming floor
- Increased cleaning of the RGC back of house
- Contacting customers who are in the process of revoking their self exclusion and any other outstanding matters
- Regulator reporting and audits as required
- Stakeholder contact

Customers:

- PPE measures that will be required or are desired by customers
- Social Distancing measures, identifying capacity in the RGC
- Facial recognition Technology and face masks, signage outside the RGC to remove for employees to identify before access is granted (if required)

2. Initiatives and Activities

Section 25 Review Recommendations

Crown has to date responded to ten of the 11 Responsible Gaming Recommendations (which includes Recommendation 12 in relation to Facial Recognition Technology) made by the Victorian Commission for Gambling and Liquor Regulation (**VCGLR**) in the Sixth Review of the Casino Operator and Licence (June 2018) within the due dates set by the VCGLR.

During the reporting period, Crown responded to additional enquiries from the VCGLR as follows:

- Recommendation 6, relating to Responsible Gaming Advisor rosters, hours of work and duties, and Responsible Gaming training for casino staff; and



- Recommendations 7 and 8, relating to observable signs and related data, Crown Model frequency of reports and analysis thereof, including time spent on analysis.

On 5 May 2020, Crown received communication from the Chair of the VCGLR, noting that *'in implementing recommendation 6, Crown has reviewed its allocation of staffing resources to increase the number of work hours actually available to responsible gambling and intervention with patron. In noting this, however, the Commission expects that Crown continue to assess and make improvements to its responsible gambling practices.'* Management will continue to monitor this matter and will take into account advices it receives from the Responsible Gaming Advisory Panel (**Panel**) (referred to below).

No response has been received with respect to Recommendations 7 and 8 as at the date of this report.

The remaining responsible gaming related recommendation (Recommendation 9) requires Crown to arrange, at its expense, for an independent assessment of the real-time player data analytics tool for carded play, to be completed 12 months after implementation of the tool. Steps have been taken to source the provider (to be approved by the VCGLR) for the assessment. This recommendation will fall due on 1 January 2021. Crown will assess whether it will apply to seek an extension for this Recommendation due to the casino closure.

Responsible Gaming Advisory Panel

The Panel, comprised of Prof. Alex Blaszczyński, Prof. Lia Nower and Prof. Paul Delfabbro, has been requested to complete a review of the Crown Resorts Responsible Gaming Framework and Strategy in line with Crown's Responsible Gaming (**RG**) vision. Management continues to work with the Panel on this project with outcomes to be considered and tabled with the Crown Resorts Responsible Gaming Committee in due course.

Responsible Gaming Alignment – VIP Entry

A process review in relation to VIP entry for customers who have previously self excluded and have since successfully completed the revocation process has been undertaken. This involved discussion and consultation with the business and a member of the Panel. Currently Crown Perth has a 12-month period prior to access and re-entry/eligibility to access premium member rooms following successful revocation, whilst Crown Melbourne has operated with a three-month period. As a result of the advices received, Crown has adjusted its conditions with the VIP entry/eligibility period for both properties adjusted to six months. This includes Program Play eligibility. An evaluation of this adjustment will also be undertaken to assess the results and/or impact.

The evaluation will be comprised of three components:

1. Review of the customer's history and behaviour;
2. Discussion between Responsible Gaming and VIP staff on general information and feedback about their customer; and



3. Three month follow up meeting with a Responsible Gaming Advisor following approval (sample group to be determined).

Responsible Gaming Operations Manager - resignation

The Crown Melbourne Responsible Gaming Operations Manager, Leon Pillai, resigned, effective at end of January 2020, following 20 years of service at Crown Melbourne, of which 10 were in the Responsible Gaming Department. Following a review of the role and the RG Framework and ongoing Strategy, the recruitment will be for a General Manager Responsible Gaming. This aligns with the current position at Crown Perth and will align with the position recruited for Crown Sydney.

3. Stakeholder Engagement

One site visit occurred during the reporting period:

Date	Support Service or other party
14 – 16 January 2020	Crown Resorts Responsible Gaming Advisory Panel visit

Responsible Gambling Ministerial Advisory Council (RGMAC)

The RGMAC Working Group 'Codes of Conduct Improvements for non-venue operators' was established to examine how codes can be improved for non-venue operators. The Group General Manager Responsible Gaming has been appointed as a member of this Working Group. The Working Group held its first meeting on 6 March 2020. The meeting discussion focused on the Terms of Reference, Working Group membership and workplan. The next meeting was scheduled to be held on 6 April 2020, however, due to issues associated with the COVID-19 pandemic, this meeting has been postponed to a date to be advised.

4. Regulatory updates

VCGLR – Approval of Responsible Service of Gaming (RSG) Training

The *Casino Control Act 1991* (Vic) requires the VCGLR to approve RSG Training for Crown Special Employees who perform functions in relation to gaming machines. This approval is in place for five years, expiring February 2020 (this will not expire while an application is submitted).

Crown's discussions with the VCGLR and Victorian Responsible Gambling Foundation (VRGF) in relation to the five-yearly approval of Crown's RSG Training program have concluded.

On 9 April 2020, Crown received notice that on 26 March 2020, the VCGLR approved the RSG training courses for Crown Special Employees in accordance with sections 58B(1)(a) and 58B(1)(b) of the *Casino Control Act 1991* (Vic).



As part of the considering the approval of the RSG training, the VCGLR determined that it would write to the VRGF advising that it would be beneficial to undertake further research on observable signs specific to the casino context.

The VCGLR also requested that Crown conduct an evaluation of the effectiveness of the approved training courses, conducted by an independent third party and that the results be provided to the Commission after conclusion of the evaluation and completed prior to the next training course approval process.

5. Research and Industry Participation

Victorian Responsible Gambling Foundation

On 31 January 2020, the Minister for Gaming and Liquor Regulation, Marlene Kairouz, announced the appointment of Tass Mousaferiadis as the new chair of the VRGF Board. Mr Mousaferiadis succeeds the outgoing chair, Julie Ligeti. Board member Monique Conheady has been appointed deputy chair.

On 12 February 2020, Crown representatives attended the VRGF to participate in a webinar to discuss Crown's Third Party Exclusion program. This was for the benefit of Gambler's Help counsellors and was extremely well received.

On 24 February 2020, Crown attended the VRGF *Industry Forum - Land Based Gambling*. The discussions focused Gambler's Help referrals from Industry, venue product changes and Facial Recognition Technology.

6. Internal Audit Activity

Internal Audit Activity in this period and up to 23 March 2020 consisted of the typical spot audits completed by the Gaming Audit and ongoing audits by the Responsible Gaming Team, with no significant issues requiring follow up.



Crown Melbourne
Agenda Item 10.2: Responsible Service of Alcohol Update
January 2020 to May 2020

Responsible Service of Alcohol (RSA)

The VCGLR continued with its regular visits and inspections of licensed outlets on and off the gaming floor until the date of closure on 23 March 2020.

As referred to at Agenda Item 6.1 Compliance & Regulatory Update:

- The VCGLR has collected footage and statements have been requested from Crown staff in relation to an RSA matter whilst gambling, involving 3 male patrons. The statements will be provided shortly to the VCGLR. The VCGLR has not provided Crown with an outcome of this matter to date.
- In March 2020 there was an alleged provision of alcohol to a minor who was in isolation in the Crown Promenade Hotel which is covered under the main Crown Liquor Licence. The service of alcohol to a minor is an infringeable, demerit point offence. The VCGLR requested information concerning this. The VCGLR has not provided Crown with an outcome of this matter to date.

There are currently 2 demerit points on the main Casino Liquor Licence, which are due to expire on 2 June 2020 if Crown does not receive any further infringements relating to a demerit point offence.



Crown Melbourne Agenda Item 11.1: Government Relations

1. Stakeholder Relations

Since the onset of COVID – 19, Crown has taken the opportunity to discuss closing (including staff support etc) and reopening plans with a number of government representatives as detailed below.

Victoria – Ministerial Meetings

The Hon. Daniel Andrews MP - Premier of Victoria – Helen Coonan and Ken Barton

Discussion based around staff support, reopening plans and training.

The Hon. Tim Pallas MP – Treasurer of Victoria – Ken Barton and Chris Reilly

Discussion around Gaming Tax Guarantee, Payroll Tax, Poker Tax and Commonwealth GST court case.

The Hon. Marlene Kairouz MP – Minister for Gaming – Andrew Demetriou and Ken Barton

Discussion around reopening plans and support from the Victorian Government.

The Hon. Martin Pakula MP – Minister for Tourism – Andrew Demetriou and Ken Barton

Discussion around Working for Victoria, Betfair and tourism recovery.

Louise Staley – Shadow Treasurer, Steph Ryan – Shadow Gaming Minister, David Hodgett – Shadow Tourism Minister – Andrew Demetriou and Ken Barton

Discussion around reopening plans.

New South Wales – Ministerial Meetings

The Hon. Dominic Perrottet – Treasurer of NSW (note the Treasurer was also taking the meeting on behalf of the NSW Premier) – Helen Coonan and Ken Barton

Discussion around plans for Crown Sydney.

The Hon. Victor Dominello – Minister for Customer Service – Helen Coonan and Ken Barton

Discussion around plans for Crown Sydney.



Commonwealth – Ministerial Meetings

The Hon. Michael McCormack – Deputy Prime Minister of Australia – Helen Coonan and Ken Barton

Discussions around plans for Crown Sydney and economic to rural and regional Australia

Commercial in Confidence

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