

**DIRECTION TO IMPLEMENT AND REPORT ON MELBOURNE TRANSFORMATION
PLAN**

Section 23

TO: Crown Melbourne Limited (ACN 006 973262)
(Special Manager Appointed)
8 Whiteman Street
Southbank Victoria 3006

Section 23 of the *Casino Control Act 1991* (Vic) (CCA) relevantly provides that:

(1) The Commission may give to a casino operator a written direction that relates to the conduct, supervision or control of operations in the casino and the operator must comply with the direction as soon as it takes effect.

This notice of direction has been issued in accordance with this provision.

A failure to comply with this notice may give rise to the imposition of a penalty. The maximum penalty for failing to comply with a direction given by the Commission is 50 penalty units.¹



Fran Thorn, Chair, Victorian Gambling and Casino Control Commission

Date: 19 April 2024

¹ *Casino Control Act 1991* (Vic) s 23 (1).

DIRECTION

Definitions

In this Direction:

‘**CCA**’ means *Casino Control Act 1991* (Vic)

‘**Commission**’ means Victorian Gambling and Casino Control Commission

‘**Crown Melbourne**’ means Crown Melbourne Limited

‘**Crown Melbourne Scorecard**’ means the document so described in the Transformation Plan

‘**Crown Resorts**’ means Crown Resorts Limited

‘**Independence Attestation**’ means an annual attestation, approved by the Crown Melbourne board that in the preceding 12 months (other than any decision, event or circumstance required to be reported under paragraph 7 of this Direction):

1. Crown Melbourne retained at all times autonomy of decision-making for all matters related to the Transformation Plan and the operations of the Melbourne casino;
2. Crown Resorts, its directors or officers or its owner at no time attempted, either directly or indirectly, to dominate or control decisions related to the Transformation Plan or the operations of the Melbourne casino;
3. Crown Melbourne, its directors or officers did not allow at any time the interests of Crown Resorts or its owner to take precedence over the interests of Crown Melbourne in the implementation of Transformation Plan or the operations of the Melbourne casino;
4. Crown Resorts, its directors or officers or its owner did not at any time do, or cause to be done, either directly or indirectly, anything that compromised or had the potential to compromise Crown Melbourne’s ability to implement the Transformation Plan or comply with its obligations as the operator of the Melbourne casino; and
5. Crown Melbourne, its directors or officers have received adequate and appropriate support, including but not limited to provision of necessary shared services, resources and funding, from Crown Resorts, its directors, officers or its owner to implement the Transformation Plan.

‘**PSAs**’ means Crown PlaySafe Advisors

‘**Public Status Report**’ means a written report that Crown Melbourne will provide to the Commission for disclosure to the general public with the purpose of enabling the general public to understand the status of Crown Melbourne’s ongoing reform efforts and to uphold public confidence in Crown Melbourne’s enduring commitment to reform

‘Reporting Framework’ means a framework for Crown Melbourne to report to the Commission on the progress of its Transformation Plan which includes (but is not limited to) each of the components in paragraph 3 of this Direction

‘Report of Special Manager’ means the Special Manager’s Final Report dated December 2023

‘Status Report’ means a written report that Crown Melbourne will provide to the Commission identifying the steps Crown Melbourne has taken to implement the programs of work in the Transformation Plan and demonstrating the effectiveness of the Transformation Plan in achieving its objectives and strategic intent

‘Transformation Plan’ means the Melbourne Transformation Plan dated 11 December 2023 and as amended from time-to-time and in accordance with paragraph 4 of this Direction

‘PIR’ means Post Implementation Review

Pursuant to section 23 of the CCA, the Commission directs that, until the Commission has informed Crown Melbourne in writing that it is satisfied that Crown Melbourne has completed each of the programs of work in the Transformation Plan:

Implementation

1. Crown Melbourne must implement the Transformation Plan.

Reporting Framework

2. On or before 1 month from the date of this direction Crown Melbourne must provide the Commission with Crown Melbourne’s proposed Reporting Framework, for the Commission’s consideration and approval.
3. The Reporting Framework must:
 - a. map each of the programs of work in the Transformation Plan to the relevant Crown Melbourne governance forums;
 - b. for each of the programs of work in the Transformation Plan, allocate a suitably qualified and experienced member of Crown Melbourne’s senior management to lead, oversee and attest to the steps taken towards delivery of that program of work in Status Reports to the Commission on the basis that Crown Melbourne’s CEO and Board will oversee and attest to the accuracy of each Status Report;
 - c. identify the proposed frequency of reporting to the Commission, including:

- i. the proposed periods that each Status Report and Public Status Report will cover (being periods of not more than three months for the Status Reports and not more than six months for the Public Status Reports); and
 - ii. the date on which Crown Melbourne will provide the Commission with each Status Report and Public Status Report (being within 28 days after the end of the period to which the reports relate);
- d. identify how Crown Melbourne will provide timely notification of any failure to adhere to the Transformation Plan outside the reporting schedule proposed in accordance with paragraph 3(c);
- e. include a form of Status Report designed to be made available to the Commission and, at a minimum:
 - i. provide the Commission with information pertinent to the Crown Melbourne Scorecard;
 - ii. report on the funding that has been budgeted and expended on each program of work in the Transformation plan and explain the basis on which Crown Melbourne considers that funding and expenditure is sufficient and appropriate;
 - iii. report on how Crown Melbourne has addressed the observation in the Report of the Special Manager that an increase in the number of PSAs on the gaming floor during busy periods is required and explain the basis on which Crown Melbourne considers its PSA staffing levels to be sufficient and appropriate to manage Crown Melbourne's Responsible Service of Gambling obligations;
 - iv. include all documents provided to and recording the meetings of the Melbourne Transformation Steering Committee, including but not limited to the results of all audits (internal and external) provided to the Melbourne Transformation Steering Committee and the PIRs conducted in respect of any completed program of work; and
 - v. in addition to reporting on the steps taken towards delivery of each program of work in the Transformation Plan:
 - 1. identify how those steps have contributed to:
 - a. minimising gambling harm and to the Melbourne Casino becoming the safest casino in the world;
 - b. instilling and continuously reinforcing a culture of acting lawfully, ethically and responsibly across the organisation;
 - and

2. Report on the progress of Crown Melbourne's investment in and roll-out of new information technology and how this has contributed to Crown Melbourne's transformation in the reporting period;
- f. include a form of Public Status Report designed to be made available to the general public and provide the public with sufficient and appropriate information on the status of Crown Melbourne's ongoing reform efforts.

Review

4. Crown Melbourne must review and update its Transformation Plan and on or before 1 July 2024 and no later than every six months thereafter, provide the Commission with:
 - a. an updated Transformation Plan;
 - b. Board papers concerning the updates to the Transformation Plan;
 - c. an explanation for the updates to the Transformation Plan; and
 - d. a detailed explanation about how the updates are appropriate in the context of changing circumstances and align or depart from the Melbourne Transformation Strategy and the Governance Framework and Assurance Model approved by the Crown Melbourne Board and do not compromise the strategic intent or key deliverables of the Transformation Plan.
5. In addition to the requirement to review and update the Transformation Plan in paragraph 4 above, within 28 days of making any amendment to the Transformation Plan which requires Board approval, Crown Melbourne must provide the Commission with:
 - a. the amended Transformation Plan;
 - b. Board papers concerning the amendments to the Transformation Plan;
 - c. an explanation for the amendments to the Transformation Plan; and
 - d. a detailed explanation about how the amendments align or depart from the Melbourne Transformation Strategy and the Governance Framework and Assurance Model approved by the Crown Melbourne Board.

Independence Attestation

6. On the first business day following each anniversary of the date of this direction, Crown Melbourne must provide the Commission with an Independence Attestation.

7. Crown Melbourne must notify the Commission of any decision, event or circumstance that would have the effect of precluding Crown Melbourne from giving the Independence Attestation within 28 days of the occurrence of that decision, event or circumstance.