



# **Special Manager's Interim Report December 2022**

## **Appendices A–F**

# Table of contents

Appendix A: The OSM work plan for the period 1 July to 31 December 2022, including annotated update and status report	150
Appendix B: Information Requests made to Crown in the first 12 months of operation and a summary of Crown's response	208
Appendix C: Directions made to Crown in the first 12 months of operation and a summary of Crown's response	215
Appendix D: Responsible service of gambling stakeholder engagement	219
Appendix E: Crown Board, Board committee and management committee meetings to 31 December 2022 attended by the Special Manager and/or OSM representatives	222
Appendix F: Responsible service of gambling: Key principles of effective casino strategy	230

## Appendix A: The OSM work plan for the period 1 July to 31 December 2022, including annotated update and status report

The table below summarises the OSM's work plan for the period 1 July to 31 December 2022, including the current status of each of the work plan items. The work plan was developed having regard to recommendations made and issues identified in the Finkelstein Report and Crown's current draft MRAP dated 10 June 2022.

Each of the work streams, priority areas of focus and assessment relate to specific requirements set out in Appendix I of the Finkelstein Report and/or the Special Manager's monitoring of current operations, as summarised below.

Work stream	Relevant Appendix I requirements
<b>1 Transformation</b>	All Appendix I 3 (a) Risk management – root cause analysis
<b>2 Culture</b>	4 Culture
<b>3 Responsible service of gambling</b>	17 (a–g) Responsible service of gambling
<b>4 Financial crime</b>	5 (a–g) External report recommendations 6–8 McGrathNicol Report 9–10 Crown's FCCCCP 11 Other external expert work 12–13 Resourcing 14–16 AML/CTF Program
<b>5 Governance, risk and compliance</b>	1 (a–d) General requirements 3 (b–c) Risk management 18 Compliance with statutory and contractual obligations

## Work stream 1: Transformation

	Priority areas of focus	Reference	Phase	Assessment focus	Status
1.1	Root cause analysis	Appendix I – 3 (a)	Design	<ul style="list-style-type: none"> <li>Assess Crown’s phase 1 root cause analysis into Crown Melbourne’s failures</li> </ul>	<p><b>Completed</b></p> <p>Crown completed phase 1 of the root cause analysis in June 2022 and provided it to the OSM as a draft closure package.</p> <p>The OSM has assessed the outcomes of phase 1 in section 3.4.4 and notes that it was completed to a satisfactory level.</p>
			Implement /ongoing	<ul style="list-style-type: none"> <li>Assess Crown’s phase 2 root cause analysis validation of initial hypotheses</li> </ul>	<p><b>In progress</b></p> <p>Crown made the decision in September 2022 to combine phases 2 and 3 of the root cause analysis, with a final report to be delivered in December 2022.</p> <p>The OSM has assessed the findings of phases 2 and 3 of the root cause analysis, and a detailed assessment is included in section 3.4.4.</p> <p>The assessment of phases 2 and 3 is ongoing, and the OSM’s final conclusions will be based on Crown’s implementation of the findings and recommendations.</p>
1.2	Transformation program	All Appendix I	Ongoing	<ul style="list-style-type: none"> <li>Monitor the development of a transformation program that addresses relevant findings and recommendations applicable to Crown Melbourne in a manner that is coordinated, integrated and prioritised to achieve outcomes</li> </ul>	<p><b>In progress</b></p> <p>The OSM has monitored and reviewed the development and progress of the transformation program, and a detailed assessment is included in sections 3.4, 3.5 and 3.6. The assessment is ongoing.</p>



	Priority areas of focus	Reference	Phase	Assessment focus	Status
1.3	IT uplift	All Appendix I	Ongoing	<ul style="list-style-type: none"> <li>• Monitor progress with the five core IT capability uplift programs:               <ul style="list-style-type: none"> <li>- Casino Management Uplift (CMS)</li> <li>- Systems Consolidation Program</li> <li>- Cyber Security</li> <li>- IT Uplift Program</li> <li>- Modular Business Services.</li> </ul> </li> </ul>	<p><b>In progress</b></p> <p>Crown has appointed a new Chief Technology Officer and realigned its IT strategy with a focus on Crown's return to suitability, cyber security and the creation of a sustainable and efficient business.</p> <p>The OSM has monitored and reviewed the progress of Crown's IT uplift particularly in relation to enabling a single view of the customer to enhance both RSG and financial crime compliance; a detailed assessment is included in section 3.5.1.</p> <p>From the next reporting period, the OSM will align its assessment of Crown's IT uplift with the revised IT strategy.</p>

## Work stream 2: Culture

### 2.1 Commitment to Group transformation and culture reform programs

	Priority areas of focus	Reference	Phase	Assessment focus	Status
2.1.1	<b>New leadership commitment to Culture Reform Program</b>	Appendix I – 4	Design	<ul style="list-style-type: none"> <li>Assess Crown’s ongoing commitment to the Culture Reform Program in light of the Blackstone Inc. acquisition</li> <li>Review ongoing resourcing and prioritisation of the Culture Reform Program</li> </ul>	<p><b>In progress</b></p> <p>The OSM has observed satisfactory evidence that Crown is continuing its commitment to the Culture Reform Program following the Blackstone Inc. acquisition, and that the Culture Reform Program is continuing at an appropriate pace.</p> <p>A detailed review of Crown’s progress on the Culture Reform Program, including areas where further focus may be needed, is provided in section 4.</p>
2.1.2	<b>Governance structure</b>	Appendix I – 4	Design	<ul style="list-style-type: none"> <li>Assess whether the governance structure of the Culture Reform Program is adequate to successfully deliver the program</li> <li>Assess whether the governance structure of the Culture Reform Program is integrated into the Group transformation program</li> </ul>	<p><b>In progress</b></p> <p>The OSM has assessed formal documentation, observations, discussions and stakeholder feedback regarding the Culture Reform Program strategy, work plan, resourcing, approval process, changes controls, reporting mechanisms and coordination with the Group Transformation Office and work streams.</p> <p>A detailed review of Crown’s progress is included in section 4.2.3.</p> <p>The OSM has concluded that during the current reporting period, the governance structure of the Culture Reform Program is adequate to deliver the current program and steps are being taken to ensure effective integration into the Group transformation program. The OSM will continue to monitor this area in future reporting periods.</p>

	Priority areas of focus	Reference	Phase	Assessment focus	Status
2.1.3	<b>Addressing the root cause analysis and Finkelstein Report findings</b>	Appendix I – 4	Design	<ul style="list-style-type: none"> <li>Review Crown's root cause analysis</li> <li>Review findings from Crown and the Finkelstein Report that are specific to Crown Melbourne</li> <li>Assess the degree to which the Culture Reform Program addresses the issues raised in the root cause analysis and the Finkelstein Report</li> </ul>	<p><b>In progress</b></p> <p>The OSM has reviewed the draft root cause analysis, which identified the primary root cause of Crown's failings as a culture that prioritised revenue and profit over risk management and regulation. The analysis suggests this culture is the result of (a) incentivisation of excessive risk taking, (b) fear of 'speaking up', and (c) the lack of a people and culture strategy.</p> <p>Both the root cause analysis and the Culture Reform Program have been designed at a Group-wide level. It is therefore difficult to determine the extent to which Melbourne-specific issues and their root causes are being addressed. The Culture Reform Program includes items related to incentives and speaking up. However, it does not include any items specifically related to the people and culture strategy, and this may be an issue Crown needs to consider.</p> <p>The OSM has observed inconsistent evidence that the Culture Reform Program is likely to address issues raised in the root cause analysis and the Finkelstein Report as they relate specifically to Crown Melbourne. To date, Crown has not designed or implemented enough items in its Culture Reform Program for the OSM to reach a conclusion on this matter. As such, the OSM will continue to monitor the implementation of these corrective activities during future reporting periods.</p>

	Priority areas of focus	Reference	Phase	Assessment focus	Status
2.1.4	Support for other Crown work streams	Appendix I – 4	Design	<ul style="list-style-type: none"> <li>Assess how the Culture Reform Program supports the other Crown work streams, including financial crime and responsible service of gambling</li> <li>Review the methodology for bringing a people and customer-focused lens to the relevant parts of the MRAP</li> <li>Review the methodology for embedding psychological safety across all levels of the business</li> <li>Review the methodology of the Culture Reform Program to ensure it embeds the reformed ways of working at all levels in Crown, with particular attention to the vital middle management level</li> </ul>	<p><b>In progress</b></p> <p>While the OSM considers that Crown has made some progress in this area, the progress and outcomes are inconsistent, and there is insufficient evidence to conclude that the Culture Reform Program is supporting other Crown work streams.</p> <p>Crown has demonstrated awareness and taken initial steps to better integrate the Culture Reform Program into other work stream activities. More progress in integration has been noted in relation to the responsible service of gambling stream than financial crime.</p> <p>The OSM has noted that Crown could more consistently communicate the link between its values and customer care. Crown has put in place a range of mechanisms designed to encourage employees to ‘speak up’, but additional work is required to create an environment where employees trust the systems and processes for raising concerns and the behaviour of leaders in response.</p> <p>The OSM has also observed that Crown’s engagement with middle managers in relation to their role in embedding reformed ways of working at lower levels is as yet foundational. Significant additional progress is required to support middle managers to develop skills in change leadership and role modelling.</p> <p>The OSM will continue to actively monitor the implementation of further reforms in this area in the next reporting period.</p>

## 2.2 Reaching middle management

	Priority areas of focus	Reference	Phase	Assessment focus	Status
2.2.1	<b>Methodology for reaching middle management</b>	Appendix I – 4	Design	<ul style="list-style-type: none"> <li>Assess Crown’s methodology for ensuring the Culture Reform Program reaches the middle management/supervisor level and is translated to real change ‘on the gaming floor’</li> </ul>	<p><b>In progress</b></p> <p>The OSM has thus far observed inconsistent evidence of Crown’s methodology for ensuring the Culture Reform Program reaches the middle management level. This is to be expected given the program is in its early stages.</p> <p>The OSM has discussed Crown’s approach with the Human Resources team, reviewing formal documentation and engaging with key Crown employees.</p> <p>The OSM has observed that it has been difficult for Crown to produce statistics on employees in its middle management cohort. Crown has shown a thoughtful approach to utilising feedback gathered in its second culture survey as a mechanism for developing change leadership within middle management. Leadership Series training has been developed on topics relevant to the change agenda but is foundational only at this stage.</p> <p>The OSM will continue to monitor this aspect of the Culture Reform Program during future reporting periods.</p>
2.2.2	<b>Evaluate ‘completed’ activities</b>	Appendix I – 4	Implement	<ul style="list-style-type: none"> <li>Identify and select specific activities that have been completed, based on impact on middle management, embedding psychological safety, high-risk areas and alignment with other work streams</li> <li>Develop evaluation methodologies to assess the effectiveness of the selected activities using the above criteria (which can also be used for future activities)</li> <li>Provide feedback on the degree to which the selected activities were successful in reaching middle management</li> </ul>	<p><b>Deferred (pending action by Crown)</b></p> <p>Deferred to (a) reflect changes to the Culture Reform Program work plan; and (b) allow a more evidence-based assessment of the impact of activities on middle management and of change in key frontline behaviours.</p>



## 2.3 Monitoring ongoing and future activities

	Priority areas of focus	Reference	Phase	Assessment focus	Status
2.3.1	<b>Crown's forward plan</b>	Appendix I – 4	Design	<ul style="list-style-type: none"> <li>• Monitor upcoming activities of the Culture Reform Program to ensure they are aligned with the Group transformation program and Crown's own schedule</li> <li>• Identify and select upcoming activities based on impact on middle management, embedding psychological safety, high-risk areas and alignment with other work streams</li> <li>• Be adaptable to changing priorities and sequencing within Crown, especially following the Blackstone Inc. acquisition</li> </ul>	<p><b>In progress</b></p> <p>The OSM has observed satisfactory evidence that the Culture Reform Program is aligned with Crown's post-acquisition forward plan and has observed increasing alignment between the Group transformation program and the Culture Reform Program, leading to better integration of Culture Reform Program activities into the overall program of work.</p> <p>The OSM will continue to monitor the extent to which Crown develops accountability for delivering on culture reform outcomes via a realistic program of work designed to genuinely embed key mindset and behavioural changes throughout the business.</p>

	Priority areas of focus	Reference	Phase	Assessment focus	Status
2.3.2	<b>Culture change network</b>	Appendix I – 4	Design	<ul style="list-style-type: none"> <li>• Monitor the implementation of the culture change network, including Crown’s evaluation of success and responsiveness to feedback from evaluation</li> <li>• Review the acceptance of the network by the middle management cohort</li> </ul>	<p><b>In progress</b></p> <p>The OSM observed inconsistent results regarding the network’s effectiveness.</p> <p>Crown has demonstrated good progress in developing and launching the culture change network, including appointing participants and delivering a comprehensive training session. Crown has also gathered useful feedback from culture change network participants and considered a range of mitigants in response.</p> <p>However, the OSM has also noted a number of concerns raised by employees in the network related to the regularity and specificity of communication on change, buy-in to change amongst employees and perceptions that the pace of change is too slow. The OSM will continue to monitor the development of the network in future reporting periods to evaluate how these inconsistencies are addressed.</p>
2.3.3	<b>Second culture survey</b>	Appendix I – 4	Design	<ul style="list-style-type: none"> <li>• Monitor the design of the second culture survey, with reference to the first culture survey and Crown’s ability to track changes in its culture</li> <li>• Ensure Crown has aligned the second culture survey to issues identified in Crown Melbourne</li> </ul>	<p><b>Completed</b></p> <p>Development of the second culture survey commenced in July 2022, and the survey was administered in November to December. The OSM engaged regularly with Crown throughout the period of development.</p> <p>While Crown’s Culture Reform Program strategy is Group-wide, the survey design methodology allows for comparison of Melbourne-specific data.</p> <p>Crown has demonstrated commitment to the process of understanding feedback from employees by extending the planned survey to also include focus groups and interviews with employees. The OSM concluded that the second culture survey was sufficiently aligned to issues identified at Crown Melbourne, and that it would likely be an effective tool for monitoring ongoing cultural improvement.</p>

	Priority areas of focus	Reference	Phase	Assessment focus	Status
			Implement	<ul style="list-style-type: none"> <li>Monitor the implementation and outcomes of the second culture survey</li> <li>Review Crown's response to the results of the second culture survey and how it uses the findings to inform ongoing activities in the Culture Reform Program</li> </ul>	<p><b>Deferred (pending action by Crown)</b></p> <p>The OSM has deferred evaluation of the second culture survey implementation due to changes in timing. It will complete an assessment in the next reporting period.</p>
2.3.4	<b>Risk and compliance culture and capability</b>	Appendix I – 4	Design	<ul style="list-style-type: none"> <li>Monitor the design of activities to strengthen risk and compliance culture and capability</li> <li>Assess Crown's alignment of strengthening activities with work undertaken in the governance, risk and compliance work stream</li> </ul>	<p><b>In progress</b></p> <p>Crown has taken initial steps to strengthen its risk and compliance culture and capability.</p> <p>Crown has demonstrated progress in communicating the importance of risk and compliance to frontline employees, and in encouraging employees to speak up about any concerns. Crown is advancing its Risk Uplift Program, which should result in clearer guidance for employees about behaviour. The new performance management system also includes a mandated risk goal. Further work is needed to reinforce a risk and compliance culture across the organisation by clearly articulating risk and compliance expectations for employees in relation to their specific roles, broadly incentivising good risk and compliance performance, and building employee risk and compliance skills and knowledge.</p> <p>The OSM has also noted opportunities for more coordination across Crown's work streams, including those focused on culture, and governance, risk and compliance.</p>



	Priority areas of focus	Reference	Phase	Assessment focus	Status
			Implement	<ul style="list-style-type: none"> <li>• Monitor the implementation of the activities to strengthen Crown's risk and compliance culture and capability</li> <li>• Review the implementation activities to ensure they are aligned to the activities in the governance, risk and compliance work stream</li> </ul>	<p><b>In progress</b></p> <p>The OSM has observed a limited number of activities implemented to strengthen risk and compliance culture, including communications from senior leaders and leadership training. No misalignment to activities in the governance, risk and compliance work stream have been noted. The OSM expects there will be more opportunity to observe the implementation of risk and compliance culture improvement activities in the next reporting period.</p>

## Work stream 3: Responsible service of gambling

### 3.1 Responsible service of gambling strategy and governance

	Priority areas of focus	Reference	Phase	Assessment focus	Status
3.1.1	<b>Strategy and change plan (Responsible Gaming Change Program and MRAP)</b>	Current operations	Design	<ul style="list-style-type: none"> <li>Monitor the development of Crown's Responsible Gaming Change Program including broader strategy</li> </ul>	<p><b>In progress</b></p> <p>Crown has developed a Player Health Strategy to guide its approach to gambling harm minimisation for the next three years. The Player Health Strategy was approved by the Crown Resorts and Crown Melbourne Boards in December 2022. An implementation plan is being developed and expected to be finalised in early 2023.</p>
			Implement	<ul style="list-style-type: none"> <li>Review progress with implementation of approved Responsible Gaming Change Program and MRAP initiatives</li> </ul>	<p><b>In progress</b></p> <p>Crown has continued to implement RSG improvement initiatives as outlined in various documents including the MRAP, May 2021 enhancements, Responsible Gaming Advisory Panel recommendations, Sixth Review recommendations and the draft Responsible Gaming Change Program. The Player Health Strategy identifies broadly defined RSG initiatives, for which an implementation plan is being developed. Tranche 2 reforms are also in progress. A revised MRAP is expected early next year.</p>

	Priority areas of focus	Reference	Phase	Assessment focus	Status
3.1.2	<b>RSG governance</b>	Current operations	Ongoing	<ul style="list-style-type: none"> <li>Assess the clarity of roles and responsibilities of Crown Resorts' Responsible Gaming Board Committee and Crown Melbourne's Responsible Gaming Management Committee</li> <li>Monitor Crown Resorts' Responsible Gaming Board Committee and Crown Melbourne's Responsible Gaming Management Committee</li> <li>Monitor the timely and accurate reporting of progress on responsible gaming activities</li> <li>Assess the role and composition of Crown's Responsible Gaming Advisory Panel</li> </ul>	<p><b>In progress</b></p> <p>Crown Resorts and Crown Melbourne have each established a Compliance, Safety and Responsible Gaming Committee. The role of these committees in relation to the approval of policies and strategies guiding RSG is unclear. The Crown Melbourne Board is considering a further change to establish a committee focused on risk, compliance and responsible gaming.</p> <p>Crown Melbourne's Executive Risk and Compliance Committee and Responsible Gaming Management Committee have overlapping functions to monitor and review the operation and effectiveness of responsible gaming policies and practices and to promote continuous improvement. The Charters of these committees do not recognise the role of other committees and there is overlap in the senior executives that attend.</p> <p>Crown's internal reporting on RSG has been improved since the Finkelstein Royal Commission and is continuing to evolve. A key limitation of the existing reported data is that it is largely activity-focused rather than outcome-focused. Reporting to Crown Melbourne management committees is largely focused on updates to current activities as distinct from any review of the operation and effectiveness of RSG policies and practices.</p> <p>Crown's Responsible Gaming Advisory Panel, established to provide independent advice in relation to its Responsible Gaming program, was disbanded in August 2022, as its members were being increasingly involved in conducting Crown research and could no longer be considered 'independent'. Crown is in ongoing conversations with the VGCCC regarding the appointment of independent researchers to evaluate Crown's programs.</p>

	Priority areas of focus	Reference	Phase	Assessment focus	Status
3.1.3	<b>Responsible Gaming Code of Conduct</b>	Appendix I – 17 (g)	Design	<ul style="list-style-type: none"> <li>Assess the proposed changes to Crown's Responsible Gaming Code of Conduct (Gambling Code)</li> </ul>	<p><b>In progress</b></p> <p>Crown Melbourne initiated a review of its Gambling Code in November 2021 but in April 2022 deferred finalisation pending the development of a new Player Health Strategy and an anticipated Ministerial Direction (now due to be issued in 2023).</p> <p>Crown Resorts recommenced an enhancement of the Gambling Code in October 2022 to ensure alignment across properties and a clearer understanding of requirements for employees and customers. A revised version of the Gambling Code was provided to the Crown Melbourne Executive Risk and Compliance Committee in November 2022 is expected to be presented to the Crown Melbourne Board in 2023.</p>

### 3.2 Responsible service of gambling staffing, training and effectiveness

	Priority areas of focus	Reference	Phase	Assessment focus	Status
3.2.1	<b>RSG resourcing</b>	Appendix I – 17 (b–d) and 17 (f)	Design	<ul style="list-style-type: none"> <li>Assess the adequacy of resourcing plan, including staff numbers, capability, allocation to tasks, remuneration and incentives</li> <li>Assess the adequacy of funding for responsible gaming business as usual activities (Responsible Gaming Change Program to be assessed separately – see item 3.1.1)</li> <li>Assess the development of responsible gaming performance indicators for line 1/2/3 employees</li> </ul>	<p><b>In progress</b></p> <p>Crown Melbourne has increased the number of Responsible Gaming Advisors to 18 plus four Responsible Gaming Shift Managers (an increase from 12 Responsible Gaming Advisors employed in 2018). Crown is currently evaluating the adequacy of its Responsible Gaming Advisor resourcing, and in November 2022 approved the recruitment of a further 10 part-time Responsible Gaming Advisors for Crown Melbourne (eight FTE positions) to provide flexibility to increase resources at peak periods. A Table Games Player Welfare team has also been established to respond to play period alerts and to work with Responsible Gaming Advisors.</p> <p>Crown Melbourne’s forecast FY23 responsible gaming budget of \$5.86 million has more than tripled since FY21 (\$1.91 million), largely due to a significant increase in the number of Responsible Gaming Advisors and Responsible Gaming Strategy and Policy roles.</p> <p>Crown’s Responsible Gaming team has developed an initial set of performance indicators to be applied to the team and other business units, but these need to be integrated by Crown’s People and Culture team into broader work to establish an effective performance management system.</p> <p>Further detail is set out in section 6.4.1.</p>

	Priority areas of focus	Reference	Phase	Assessment focus	Status
			Implement	<ul style="list-style-type: none"> <li>Verify the timely recruitment and onboarding of new responsible gaming staff</li> <li>Assess the implementation of responsible gaming performance indicators for line 1/2/3 employees</li> <li>Assess the recruitment of responsible gaming staff with relevant diverse backgrounds (including CALD communities)</li> </ul>	<p><b>In progress</b></p> <p>The recruitment campaign for additional Responsible Gaming Advisors announced in 2021 occurred over an eight-month period. Onboarding of employees is quick (one to two days), but management advises that it takes six months to fully train a Responsible Gaming Advisor, mostly on the job.</p> <p>Around 25 per cent of Responsible Gaming Advisors recruited since May 2021 have a second language, and currently at least 10 Responsible Gaming Advisors (50 per cent) have at least one second language. It is unclear whether this fully aligns with Crown's customer base (for example, there are no Responsible Gaming Advisors with Arabic language skills).</p>
3.2.2	<b>RSG training</b>	Appendix I – 17 (a)	Design	<ul style="list-style-type: none"> <li>Assess Crown's enhanced responsible gaming training, policy and procedures</li> <li>Assess proposed responsible gaming staff training enhancements for Crown Melbourne</li> <li>Assess the review of the adequacy of Crown's existing responsible gaming training for staff not working in the responsible gaming area</li> </ul>	<p><b>In progress</b></p> <p>Crown Melbourne's training policy and procedures meet the requirements of the Casino Control Act, Crown's Code of Conduct and its Gambling Code. However, its progress in reviewing and revising its training programs has been slow. Given the importance of training to future RSG outcomes, Crown needs to accelerate this important work. Importantly, Crown Resorts has now appointed a consultant to focus on developing a strategy and plan to improve the responsible gaming training program content and delivery.</p>



	Priority areas of focus	Reference	Phase	Assessment focus	Status
			Implement	<ul style="list-style-type: none"> <li>Verify the delivery of training to and completion of training by relevant staff cohorts (Board, senior management, responsible gaming staff and others)</li> </ul>	<p><b>In progress</b></p> <p>Crown Melbourne maintains a record of the status of training for all employees. Data provided by Crown indicates that as at 15 September 2022 nearly 10 per cent of mandatory training courses (Responsible Gaming for Managers and Online RSG) were overdue for completion by current employees. In December 2022, Risk Appetite Statement reporting to the Crown Melbourne Board indicated that the percentage of full-time/part-time employees who have completed mandatory responsible gaming training remains outside of tolerance limits.</p> <p>As new training materials have not yet been developed, the OSM will continue to monitor the delivery and completion of training in the next reporting period.</p>
3.2.3	<b>RSG service effectiveness</b>	Appendix I – 17 (d)	Design	<ul style="list-style-type: none"> <li>Assess Crown’s selection of customer relationship management platform</li> <li>Make a preliminary assessment of the effectiveness of Crown’s Responsible Gaming Advisors</li> </ul>	<p><b>In progress</b></p> <p>Crown has piloted Salesforce with the Responsible Gaming team to manage play period alerts, replacing the current MS Teams solution to provide better functionality and user experience. However, it has not been deployed as a full case management system for RSG data and will not address the need for integration with other customer data Crown holds.</p> <p>Crown does not collect data to assess the effectiveness of its Responsible Gaming Advisors; instead, data is focused on activity levels. In the next reporting period, the OSM will undertake a more detailed assessment of the effectiveness of Responsible Gaming Advisors as well as other frontline employees performing RSG functions, such as the Player Welfare team.</p>

### 3.3 Responsible service of gambling communications

	Priority areas of focus	Reference	Phase	Assessment focus	Status
3.3.1	<b>RSG communications</b>	Appendix I – 17 (d)	Design	<ul style="list-style-type: none"> <li>Assess Crown’s gambling harm minimisation communications program across customer cohorts</li> <li>Assess Crown’s RSG employee communications program</li> </ul>	<p><b>In progress</b></p> <p>Crown’s RSG customer communications appear to focus on compliance with the Casino Control Act and other regulatory requirements. Crown Resorts has initiated research to inform a more strategic approach to RSG communications objectives, channels and the evaluation of effectiveness of RSG messaging. It plans to survey customers and conduct employee focus groups across all its properties to gather evidence to inform its approach to customer communications.</p> <p>In relation to Crown’s RSG employee communications program, Crown has developed an RSG communication plan and provided the OSM with a timetable of employee communications initiatives for the 2022 calendar year. The plan reinforces key training messages about RSG but does not appear to reflect a marked change in the approach adopted prior to the Finkelstein Royal Commission.</p>
			Implement	<ul style="list-style-type: none"> <li>Verify the timely delivery of the gambling harm minimisation communications program across customer cohorts</li> <li>Verify the timely delivery of the responsible gaming employee communications program</li> </ul>	<p><b>In progress</b></p> <p>As an immediate interim measure, new generic RSG messaging was rolled out to customers in late November 2022 across a range of channels, including new, prominent signage on the casino floor with a new tagline encouraging customers to set and play within limits.</p> <p>Crown has started delivering a responsible gaming employee communications plan. RSG communications to employees have included use of Workplace Facebook and Crown employee meetings (‘musters’). However, the schedule of events in the employee communications plan ends in December 2022 and a new program for 2023 will need to be developed to support the Player Health Strategy.</p>



	Priority areas of focus	Reference	Phase	Assessment focus	Status
3.3.2	Website content	Appendix I – 17 (d)	Design	<ul style="list-style-type: none"> <li>Review the design, approach and proposed messaging of new responsible gaming website content</li> </ul>	<p><b>Completed</b></p> <p>New RSG content was launched on the Crown Perth and Melbourne Casino websites on 30 June 2022. However, the OSM has not been able to identify an overarching strategy behind the website content update. Crown consulted with the Victorian Responsible Gaming Foundation on the website content, but it does not appear that Crown Melbourne has changed its website in response to its feedback.</p>
			Implement	<ul style="list-style-type: none"> <li>Verify the launch of new website content</li> </ul>	<p><b>Completed</b></p> <p>Crown launched new website content in October 2021. Crown should more effectively monitor website data analytics, including page visits and click-throughs to understand what drives engagement; it will also need to continue to review its website content to ensure it supports the Player Health Strategy.</p>
3.3.3	Messaging on electronic gaming machines/ electronic table games/ATMs	Appendix I – 17 (d)	Design	<ul style="list-style-type: none"> <li>Assess Crown’s review of messaging on electronic gaming machines/electronic table games/automatic teller machines and alternative channels</li> </ul>	<p><b>Completed</b></p> <p>Crown provides the minimum RSG messaging required by law. Crown provided the OSM with a register of RSG signage. The document identified eight suggestions for minor improvements – most related to additional messaging on automatic teller machines and electronic gaming machines, with one relating to an additional brochure that could be added to a display stand.</p> <p>The OSM has observed that electronic panels at the end of electronic gaming machine rows on the main gaming room floor and panels on electronic gaming machines are now displaying only RSG messaging rather than promotional messaging. This has been described as a permanent change; however, the OSM has not sighted any document confirming this.</p>

### 3.4 Player controls\*

	Priority areas of focus	Reference	Phase	Assessment focus	Status
3.4.1	<b>Exclusions</b>	Appendix I – 17 (e)	Design	<ul style="list-style-type: none"> <li>Review Crown’s assessment relating to monitoring exclusions, both self and third party, and proposed approach across Crown property locations</li> <li>Assess Crown’s approach to investigating channel options for engaging with all exclusion programs, including digital processes</li> <li>Review Crown’s development of a state-wide exclusion register</li> </ul>	<p><b>In progress</b></p> <p>Crown has not changed its exclusion programs significantly since the Finkelstein Report but has prepared a report outlining current processes for monitoring exclusions, including recommendations to move to a uniform approach across its properties. However, the report does not go as far as the MRAP design criteria suggest in terms of recommending an approach. Separately, an internal audit and current state assessments have also been undertaken, which identify opportunities for improvement.</p> <p>Crown reported that it was investigating digital channel options for accessing exclusion programs; however, it has prepared documents for Crown Sydney only. Crown Melbourne has advised that online exclusion channels will be applied, but it is unclear whether there is a set timeframe or plan for this to be implemented.</p> <p>The Crown Resorts Board approved supporting the development of a state-wide exclusion register as one of its ‘May 2021 enhancements’. Crown Melbourne has begun investigations regarding such a register, but it is difficult for it to implement this initiative without the cooperation of other stakeholders (such as industry participants).</p>

	Priority areas of focus	Reference	Phase	Assessment focus	Status
3.4.2	Play periods	Appendix I – 17 (g)	Design	<ul style="list-style-type: none"> <li>Assess the amended Play Periods Policy for international players, and updated play period communications</li> <li>Review consolidated play period research and data analytics</li> </ul>	<p><b>In progress</b></p> <p>The MRAP documents Crown’s commitment to design a Play Periods Policy for international players by 30 September 2022. This has been delayed pending an Executive decision about whether international customers will continue to be subject to the same Play Periods Policy as domestic customers.</p> <p>Crown engaged the Responsible Gaming Advisory Panel to undertake a study examining the impact of play period alerts and employee interactions on carded players. The panel provided Crown with a copy of the study on 20 September 2022, which provides early observations of play period performance trends and useful initial insights. Further analysis is required to understand the effectiveness of the Play Period Policy in minimising harm and ensure that the policy settings are well-designed.</p>
			Implement	<ul style="list-style-type: none"> <li>Assess the design and implementation of Play Periods Policy for domestic players, and updated play period communications</li> <li>Assess the updated training on the amended Play Periods Policy</li> </ul>	<p><b>Completed</b></p> <p>Crown Melbourne implemented a new Play Periods Policy from 29 October 2021, consistent with the approved May 2021 enhancement. On 1 September 2022, Crown moved to apply a consistent ‘three hour on device’ play period across all its properties. From 8 December 2022, Crown has reduced the limit on the amount of play permitted in a seven-day period from 48 hours to 36 hours.</p> <p>Training on play periods was delivered to all Gaming Machines frontline employees and management, all Table Games managers, the Tables Games Player Welfare team and all Responsible Gaming team employees. Training was delivered from 21 October 2021 to mid-November 2022 and Crown reports there were approximately 10 sessions held, with over 600 people attending. This is a small proportion of this workforce of more than 2,500; however, training appears to have been targeted at the employees responsible for actioning play period alerts.</p>

	Priority areas of focus	Reference	Phase	Assessment focus	Status
3.4.3	Carded/ uncarded play	Appendix I – 17 (f)	Design	<ul style="list-style-type: none"> <li>Review the initial output from Focal Research on monitoring uncarded play</li> <li>Review Crown's identification of gambling-related harm risk assessment tools</li> </ul>	<p><b>Completed</b></p> <p>Crown engaged Focal Research in February 2022 to develop algorithms to detect at-risk uncarded casino gambling during in-session play. Crown provided Focal Research with gaming data sets, and in July 2022 received initial proof of concept models for review. Stage 2 of the study involves trialling in-play risk detection at Crown Melbourne. Practical constraints related to how different systems currently share data at Crown Melbourne impede the ability to deploy detection and alerting in real time. It is unclear whether Crown is planning to proceed to Stage 2 of the study.</p> <p>Crown engaged PRET Solutions to conduct a review of solutions on the market designed to proactively identify risky play and/or engage with at-risk players. The final report was provided to Crown on 16 November 2022. The report sufficiently reviews available external tools, including Focal Research's tool, and recommends next steps, which Crown is evaluating.</p>
			Implement	<ul style="list-style-type: none"> <li>Assess the implementation of risk assessment tools for gambling-related harm, including application of observable signs research</li> </ul>	<p><b>Deferred (pending action by Crown)</b></p> <p>This item has been deferred to the next reporting period pending action by Crown.</p>

### 3.5 Crown Rewards Loyalty Program\*

	Priority areas of focus	Reference	Phase	Assessment focus	Status
3.5.1	<b>Crown Rewards Loyalty Program</b>	Appendix I – 17 (f)	Design	<ul style="list-style-type: none"> <li>Assess the scope of and approach to the review of the Crown Rewards Loyalty Program</li> </ul>	<p><b>Completed</b></p> <p>Crown commissioned PRET Solutions to prepare a scoping study to inform its review of the loyalty program. It then commissioned DBM (with assistance from the Responsible Gaming Advisory Panel and PRET Solutions) to conduct research in relation to the loyalty program. COVID-19-related property closures delayed the start of DBM's research as the closures impacted gambling behaviours, compromising the accuracy of the data collected. The study is not expected to provide preliminary results until at least March 2023. Crown has not considered tactical harm minimisation changes to the operation of the loyalty program in the meantime.</p>
3.5.2	<b>Crown Rewards Members Bingo</b>	Appendix I – 17 (f)	Implement	<ul style="list-style-type: none"> <li>Confirm the cessation of Crown Rewards Members Bingo</li> </ul>	<p><b>Completed</b></p> <p>Crown Melbourne ceased the Bingo Program effective from March 2020 upon Crown's closure due to COVID-19. The Crown Resorts Board confirmed its approval of the cessation in May 2021 as part of the May 2021 enhancements. Crown stated in its section 26 response to the VGCCC that it does not propose to re-introduce the Bingo Program; this will be confirmed through formal VGCCC direction.</p>
3.5.3	<b>Crown Bus/Red Carpet Program</b>	Appendix I – 17 (f)	Implement	<ul style="list-style-type: none"> <li>Confirm the cessation of the Crown Melbourne Red Carpet Program, including provision of transport/buses for travel to Crown Melbourne and food and beverages to participants and funds towards bus hire</li> </ul>	<p><b>Completed</b></p> <p>Crown Melbourne ceased the Red Carpet Program effective from March 2020 upon Crown's closure due to COVID-19. The Crown Resorts Board confirmed its approval of the cessation in May 2021 as part of the May 2021 enhancements. Crown stated in its section 26 response to the VGCCC that it does not propose to re-introduce the Red Carpet Program; this will be confirmed through formal VGCCC direction.</p>



	Priority areas of focus	Reference	Phase	Assessment focus	Status
3.5.4	<b>Crown Rewards promotional gaming vouchers</b>	Appendix I – 17 (f)	Implement	<ul style="list-style-type: none"> <li>Confirm the cessation of Crown Rewards promotional gaming vouchers</li> <li>Assess the replacement of promotional gaming vouchers with non-gambling/promotional vouchers</li> </ul>	<p><b>Completed</b></p> <p>Crown Melbourne has ceased issuing an electronic gaming machine credit on application to its Crown Rewards Loyalty Program. This May 2021 enhancement is limited in that it does not consider subsequent offers of game credits under the Rewards Program. The OSM will continue to monitor member benefit controls to ensure that this enhancement does not merely delay Crown in issuing inappropriate inducements to gamble.</p>
3.5.5	<b>Member benefit controls</b>	Appendix I – 17 (f)	Design	<ul style="list-style-type: none"> <li>Review the approach to members receiving benefits, and assess controls put in place related to how members receive benefits</li> <li>Review updated marketing and promotion materials</li> </ul>	<p><b>In progress</b></p> <p>Controls are in place to ensure that ‘direct to member’ offers do not require customers to exceed historical behaviours (spend or visit frequency) to get their first benefit. Controls are also in place in relation to self-excluded customers (communications and tier upgrades) and customers can opt out of communications in accordance with the law.</p> <p>Crown Resorts has instituted operational policies requiring the Responsible Gaming team to review and sign off on the mechanics of promotions; for example, the spend required over a defined period to qualify for rewards. However, Crown is still to develop a clear strategy and plan that applies a harm minimisation lens to its marketing activities. It has outlined initial steps in a draft marketing and player health plan that proposes to tailor messaging and channels in line with customer risk profiling.</p>
			Implement	<ul style="list-style-type: none"> <li>Assess the rollout of updated gambling marketing and promotions material</li> </ul>	<p><b>Deferred (pending action by Crown)</b></p> <p>This item has been deferred to the next reporting period pending action by Crown.</p>

### 3.6 Referral and support networks

	Priority areas of focus	Reference	Phase	Assessment focus	Status
3.6.1	<b>Referral processes and networks</b>	Appendix I – 17 (d)	Design	<ul style="list-style-type: none"> <li>Assess Crown’s review of the adequacy of current referral processes into treatment and support</li> <li>Assess Crown’s review of the adequacy of current referral networks</li> </ul>	<b>Completed</b>
					<p>Crown has prepared a paper reviewing its referral processes, which concluded that further data is required to form a view about the adequacy of these processes. The paper identified an approach to collect the required data. The scope of and approach to this assessment was too narrow to adequately respond to the MRAP closure criteria and it does not identify any actions to improve current processes. Further work is required, which is acknowledged in the new Player Health Strategy.</p> <p>Crown also prepared a review of its referral network, which was similarly narrow in scope. However, a 60-day plan for engagement with external community and research networks has since been developed at the Crown Resorts level, identifying new organisations to engage with in Melbourne, Perth and Sydney. Crown has not yet implemented this plan.</p>
3.6.2	<b>Translator services</b>	Appendix I – 17 (d)	Design	<ul style="list-style-type: none"> <li>Assess Crown’s plan to enhance translator services</li> </ul>	<b>Completed</b>
			Implement	<ul style="list-style-type: none"> <li>Assess implementation of recommended translator services enhancements</li> </ul>	<b>Completed</b>
					<p>Crown has reported that it has completed the MRAP deliverable, being a review of its current translation capabilities and approach, and of the potential for a national translator provider. However, it appears that Crown’s review has not been documented and it is therefore unclear what enhancements were identified or how OnCall, which Crown engaged as a national translation provider, was selected.</p> <p>Crown has not prepared an implementation plan related to translator services enhancements. However, it has engaged OnCall and trained employees to access and engage with translators. Translation services are being utilised by the Responsible Gaming team.</p>

### 3.7 Data, research and evaluation

	Priority areas of focus	Reference	Phase	Assessment focus	Status
3.7.1	Improvement in RSG reporting	Appendix I – 17 (d)	Design	<ul style="list-style-type: none"> <li>Review new responsible gaming reporting metrics, reporting formats and information</li> </ul>	<p><b>Completed</b></p> <p>Crown has designed a new RSG reporting dashboard for all three properties, which presents a wide range of RSG-related data, including exclusions, exclusion breaches and customer complaints. By helping to automate reporting, the dashboard represents a significant improvement on the previous, manual approach. However, the metrics are currently focused on recording activity levels rather than monitoring harm minimisation outcomes. Activity levels will be useful to inform operations, but reporting on a wider set of outcomes will be important for strategic decision making and monitoring performance with regard to improving RSG outcomes.</p>
			Implement	<ul style="list-style-type: none"> <li>Assess the implementation of enhanced reporting, including dashboards and metrics</li> </ul>	<p><b>In progress</b></p> <p>Crown Melbourne has informed the OSM that it has been using the improved RSG reporting dashboard for much of 2022. In addition, Crown's Audit and Risk Committee now receives regular reporting in relation to agreed Risk Appetite Statement metrics related to responsible gaming. Crown's RSG reporting is expected to continue to evolve and become more outcome focused as it moves to implement the Player Health Strategy. The OSM will continue to monitor Crown's further enhancements to RSG reporting. Ongoing linking of data sets within Crown to enable further automation of reporting and better integration of data has been identified as another area for further improvement, and the OSM will continue to monitor Crown Melbourne's integration and use of data in future reporting periods.</p>



	Priority areas of focus	Reference	Phase	Assessment focus	Status
3.7.2	<b>Framework for assessing RSG outcomes</b>	Current operations	Design	<ul style="list-style-type: none"> <li>Develop the OSM's framework to evaluate the effectiveness of Crown's RSG activities in future reporting periods, including the methodology for a qualitative assessment of outcomes and benefits to customers and other stakeholders</li> </ul>	<p><b>Completed</b></p> <p>The OSM has developed and is consulting on a set of principles to help guide its assessment of the Player Health Strategy: see Appendix F. Based on a review of the research literature, practice in other jurisdictions and consultation with key stakeholders, the principles cover the hallmarks of an effective casino RSG strategy, measurable indicators or outcomes, and the key challenges that need to be considered.</p>

## Work stream 4: Financial crime

### 4.1 Risk assessment

	Priority areas of focus	Reference	Phase	Assessment focus	Status
4.1.1	<b>Enterprise-Wide Risk Assessment</b>	Appendix I – 5 and 11 (c)	Design	<ul style="list-style-type: none"> <li>Review the Enterprise-Wide Risk Assessment methodology to verify that recommendations from the external reports are included/updated</li> <li>Review Crown’s current library of money laundering/terrorism financing risks, red flags and typologies</li> </ul>	<p><b>In progress</b></p> <p>The OSM has reviewed Crown’s library of ML/TF risks, red flags and typologies included in its 2021 Enterprise-Wide Risk Assessment. The library appears to include appropriate typologies (such as smurfing, parking structuring) and ML/TF better practices as identified in the external expert reports.</p> <p>The 2022 Enterprise-Wide Risk Assessment is currently underway and the OSM has reviewed the draft 2022 Enterprise-Wide Risk Assessment Approach and Methodology dated August 2022. In the OSM’s view, it incorporates recommendations from the Exiger report.</p> <p>The OSM will review the finalised 2022 Enterprise-Wide Risk Assessment Approach and Methodology, along with the Enterprise-Wide Risk Assessment Report, in the next reporting period.<sup>1</sup></p>
			Implement	<ul style="list-style-type: none"> <li>Ascertain Crown’s progress with the revision of the Enterprise-Wide Risk Assessment methodology, including the timeframe for completion</li> <li>Ascertain Crown’s plans for a refresh of Enterprise-Wide Risk Assessment in the second half of 2022</li> </ul>	<p><b>Completed</b></p> <p>As noted above, the 2022 Enterprise-Wide Risk Assessment is currently in draft and is expected to be finalised by the end of 2022 and approved by the Board in early 2023.</p> <p>Face-to-face money laundering/terrorism financing Enterprise-Wide Risk Assessment workshops have been held as part of the planning and scoping phase of the Enterprise-Wide Risk Assessment, to collect qualitative data and seek input from all relevant Crown business units.</p>

<sup>1</sup> The OSM will review the 2022 library of ML/TF risks, red flags and typologies in the next reporting period, when the 2022 Enterprise-Wide Risk Assessment has been completed.

	Priority areas of focus	Reference	Phase	Assessment focus	Status
4.1.2	<b>Customer risk assessments, jurisdiction risk assessments, channel risk assessments and product risk assessments</b>	Appendix I – 5 and 11 (c)	Design	<ul style="list-style-type: none"> <li>Review updated methodologies and policies to verify recommendations from external reports are reflected</li> </ul>	<p><b>Deferred (pending action by Crown)</b></p> <p><i>Customer risk assessments</i></p> <p>The OSM has reviewed Crown’s enhanced customer risk assessment methodology, which was approved by the AML Compliance Officer in September 2022. The OSM has observed that the customer risk assessment methodology incorporates the recommendations from the external reports; for example, it includes an occupation risk attribute and has a list of high-risk occupations as recommended by the Promontory Phase 1 Report.</p> <p><i>Jurisdiction risk assessments</i></p> <p>Crown has also enhanced its jurisdiction risk assessment methodology, which has been reviewed by the OSM. In the OSM’s view the enhancement addresses relevant recommendations from the external reports. The OSM notes the jurisdiction risk assessment enhancement is on track to be embedded in 2023, following completion of the Enterprise-Wide Risk Assessment at the end of 2022.</p> <p><i>Product and channel risk assessments</i></p> <p>Both the product and channel risk assessments have been delayed. A change request as part of Crown’s FCCCP has been submitted to the FCCCP Design and Decision Forum, and, as at the 7 October 2022 meeting, is pending approval by the New South Wales independent monitor, Kroll. The expected timeframe for implementation is 2023.</p>

	Priority areas of focus	Reference	Phase	Assessment focus	Status
			Implement	<ul style="list-style-type: none"> <li>Verify and assess the alignment of customer risk assessments to money laundering/terrorism financing risks identified in the Enterprise-Wide Risk Assessment</li> </ul>	<p><b>Deferred (pending action by Crown)</b></p> <p>The implementation of Crown’s customer risk assessment has been delayed due to technology constraints (and the previous focus on the opening of Crown Sydney). Crown has advised that with the mobilisation of ‘Financial Crime Managed Services’ support (through PwC/Accenture), a revised delivery plan and timeframe will be proposed to implement the customer risk assessment in Melbourne. The OSM is awaiting an update from Crown on the proposed timeframe.</p> <p>Given the 2022 Enterprise-Wide Risk Assessment is not due to be completed until the end of 2022 and the implementation of the customer risk assessment has been delayed until 2023, the OSM is unable to assess this action until the next reporting period.</p>
			Embed	<ul style="list-style-type: none"> <li>Verify and test a sample of customer files as part of the know your customer refresh to ensure know your customer and customer risk assessment processes are effective</li> </ul>	<p><b>In progress</b></p> <p>The OSM inspected a sample of customer onboarding files to ensure relevant information and supporting documentation were provided during the onboarding process. From the testing, the OSM identified one typographical error relating to an international patron. The OSM does not consider this to reflect a breakdown in controls, but rather a confusion with how some international names are presented on identification documents.</p> <p>Overall, the OSM considers Crown’s current applicable customer identification procedures and customer onboarding processes to be appropriate, accurate and effective. However, the OSM will consider undertaking further testing in the next reporting period to verify and test the enhanced processes once the customer risk assessment has been implemented.</p>
				<ul style="list-style-type: none"> <li>Verify by sample data testing the effectiveness of jurisdiction, channel and product risk assessments</li> </ul>	<p><b>Deferred (pending action by Crown)</b></p> <p>As set out above, the jurisdiction, channel and product risk assessment uplifts have not yet been implemented.</p>

	Priority areas of focus	Reference	Phase	Assessment focus	Status
4.1.3	Crown patron accounts	Appendix I – 5 (d)	Design Implement	<ul style="list-style-type: none"> <li>Ascertain Crown’s current progress with, or results of, its review of patron accounts with ANZ</li> <li>Review risk assessments and assurance reviews regarding patron account controls</li> </ul>	<p><b>In progress</b></p> <p>Crown has provided the OSM with Ernst &amp; Young’s report on its review of patron account controls. Overall, Ernst &amp; Young’s assessment was that there are areas for improvement, in particular around risk assessments, SYCO (Crown Melbourne’s casino management system) controls, and policies and procedures regarding Source of Wealth and Telegraphic Transfers.</p> <p>Crown intends to enhance its patron account controls in the areas identified by Ernst &amp; Young by the end of 2022.</p>
			Embed	<ul style="list-style-type: none"> <li>Verify and test a sample of patron account controls</li> </ul>	<p><b>In progress</b></p> <p>The OSM has tested a sample of transfer acknowledgements (inbound and outbound) in order to confirm that Crown has implemented its updated patron account controls, which focus on validating the source of patron funds.</p> <p>Overall, it appears that Crown’s patron account controls and processes are appropriate and effectively implemented.</p>
4.1.4	Process and controls improvement	Appendix I – 5 and 11 (c)	Implement	<ul style="list-style-type: none"> <li>Assess updates/enhancements of controls to address issues and risks identified in external reports and Enterprise-Wide Risk Assessment</li> </ul>	<p><b>Deferred (pending action by Crown)</b></p> <p>Given the Enterprise-Wide Risk Assessment report is to be provided to the Crown Resorts Board in early 2023, the OSM will monitor this action in the next reporting period.</p>
4.1.5	Risk Appetite Statements	Appendix I – 5	Implement	<ul style="list-style-type: none"> <li>Ascertain Crown’s current progress regarding the development of a more robust Risk Appetite Statement for ML/TF risk, including qualitative factors</li> </ul>	<p><b>In progress</b></p> <p>An updated Risk Appetite Statement was approved by the Crown Resorts Board on 13 May 2022 together with the Risk Management Strategy. The Risk Appetite Statement includes a list of quantitative measures, such as the number of late Suspicious Matter Reports.</p>



## 4.2 Applicable customer identification procedures

	Priority areas of focus	Reference	Phase	Assessment focus	Status
4.2.1	Customer risk assessment	Appendix I – 5 and 11 (c)	Design	<ul style="list-style-type: none"> <li>Assess whether Crown has implemented recommendations from external reports</li> </ul>	<p><b>In progress</b></p> <p>This activity relates to recommendations made in the Promontory Phase 2 report regarding Crown having the ability to undertake screening in an efficient and reliable manner with an effective screening tool and a scalable resourcing model.</p> <p>Crown intends to implement a customer onboarding/ verification tool using OCR Labs, which will allow customers to be screened efficiently and reliably.</p>
4.2.2	Verification of information	Appendix I – 14, 15 and 16	Design	<ul style="list-style-type: none"> <li>Ascertain Crown's current progress regarding its new know your customer technology, in particular digital verification</li> </ul>	<p><b>Completed</b></p> <p>As noted above, Crown intends to implement a new customer onboarding and digital identification platform using OCR Labs, which allows for customers to be re-verified in bulk while providing greater accuracy.</p> <p>The aim is for implementation to commence in early 2023.</p>
				<ul style="list-style-type: none"> <li>Review Crown's AML/CTF Program Part B following finalisation of the technology build to take account of the new know your customer process</li> </ul>	<p><b>Deferred (pending action by Crown)</b></p> <p>Given the technology build will not be completed in 2022, the OSM will defer this review to the next reporting period.</p>
			Implement	<ul style="list-style-type: none"> <li>Assess whether Crown has implemented recommendations from external reports regarding customer identification (including digital verification)</li> </ul>	<p><b>Deferred (pending action by Crown)</b></p> <p>The new customer onboarding and digital identification platform is not expected to be implemented in Melbourne until early 2023.</p>

	Priority areas of focus	Reference	Phase	Assessment focus	Status
4.2.3	Lookback of existing customers	Appendix I – 5 (a)	Design	<ul style="list-style-type: none"> <li>Ascertain whether Crown intends to undertake an identity resolution assessment of the membership database (dormant and active accounts) to consolidate duplicate memberships and identify potential past use of fake identification by existing members</li> </ul>	<p><b>Completed</b></p> <p>Crown intends to undertake a lookback of duplicate memberships. This exercise will be assisted by the implementation of the Quantexa platform. However, given Quantexa was only implemented in the September 2022 quarter, completion of this consolidation exercise will be delayed to the next reporting period.</p>
			Embed	<ul style="list-style-type: none"> <li>Verify and test a sample of customer files to ensure customer identification processes are being complied with (such as capturing the appropriate customer information and supporting documentation provided by the customer)</li> </ul>	<p><b>In progress</b></p> <p>During the testing of patron onboarding files, the OSM identified typographical errors with respect to ID expiration dates and dates of birth for a small number of customers. Crown has advised that these typographical errors are due to the current ID imaging and optical character recognition systems not accurately capturing information from a patron's ID. Crown also advised that feedback will be provided to Cage Operations to ensure it is also manually checking the information captured by these systems. The OSM considers this additional QA process to be a satisfactory measure to identify optical character recognition errors.</p> <p>The OSM observed, however, that appropriate customer information is being correctly captured in the onboarding process, including taking a copy of a patron's ID.</p>
4.2.4	Policies and procedures	Appendix I – 5 (b)	Design	<ul style="list-style-type: none"> <li>Ascertain whether Crown intends to address the recommendations from Promontory's Phase 2 Report</li> </ul>	<p><b>Completed</b></p> <p>The Promontory Phase 2 report did not contain specific recommendations; rather, it made general observations about what good practice might have looked like in Crown's context at the time the report was drafted.</p> <p>Based on Board papers and discussions with Crown, the recommendations will be addressed through the delivery of Crown's FCCCP and associated AML/CTF controls.</p> <p>The OSM concurs with this approach.</p>

### 4.3 Enhanced customer due diligence\*

	Priority areas of focus	Reference	Phase	Assessment focus	Status
4.3.1	<b>AML/CTF policy framework</b>	Appendix I – 5 (g)	Design	<ul style="list-style-type: none"> <li>Ascertain whether Crown intends to update the AML Operating Guidelines in line with recommendations from the Initialism Report</li> </ul>	<p><b>Completed</b></p> <p>The OSM has reviewed Crown’s AML Operating Guidelines and identified that Crown has implemented the recommendations from the Initialism report into the guidelines.</p> <p>The OSM’s review also identified that the guidelines have been improved to include the need to undertake customer due diligence (know your customer identification checks, third party screening and so on) and, if required, enhanced customer due diligence for every patron subject to an investigation.</p> <p>The OSM considers this action to be at the ‘implement’ phase.</p>
4.3.2	<b>Customer risk assessment</b>	Appendix I – 5 and 11 (c)	Design	<ul style="list-style-type: none"> <li>Review Crown’s customer risk assessment methodology and Joint AML/CTF Program to ensure enterprise-wide risks are reflected</li> </ul>	<p><b>Deferred (pending action by Crown)</b></p> <p>This action is deferred given that the updated Enterprise-Wide Risk Assessment will not be completed until the end of 2022 and will be presented to the Crown Board in early 2023.</p>
				<ul style="list-style-type: none"> <li>Ascertain whether Crown has considered what level of enhanced customer due diligence may be required with respect to any patrons identified as recipients of funds through the Hotel Card Transactions channel (including the money laundering/terrorism financing risk profile of the channel) to determine the appropriate risk treatment</li> </ul>	<p><b>In progress</b></p> <p>Crown completed enhanced customer due diligence on patrons identified in Deloitte’s Hotel Card Transactions report as part of Project DeLorean.</p> <p>The OSM is monitoring the activities of Crown’s Risk Assurance team, which is validating the results of Project DeLorean. This action will extend into the next reporting period.</p>



	Priority areas of focus	Reference	Phase	Assessment focus	Status
			Implement	<ul style="list-style-type: none"> <li>Assess Crown's risk-based approach to customer controls</li> </ul>	<p><b>Deferred (pending action by Crown)</b></p> <p>The 2022 Enterprise-Wide Risk Assessment and customer risk assessment for Crown Melbourne are yet to be implemented as at the date of this report.</p>
				<ul style="list-style-type: none"> <li>Review Crown's new Enhanced Customer Due Diligence Standard and the supplementary guidance to determine whether the Source of Wealth and Source of Funds requirements are recorded and implemented/embedded</li> </ul>	<p><b>Completed</b></p> <p>The OSM has confirmed that Crown's enhanced customer due diligence procedures have been updated to include requirements for Source of Wealth checks to be undertaken where appropriate.</p> <p>Based on the OSM's testing of enhanced customer due diligence cases (see 'embed' below), it is satisfied that Crown's processes include undertaking Source of Wealth checks and recording them in SYCO and Salesforce.</p> <p>The OSM has observed that Source of Funds procedures are undertaken by Cage employees. Where a threshold is met, patrons are required to complete the Source of Funds form and input a comment in SYCO. Cage employees will also lodge an Unusual Activity Report for the Financial Crime team to undertake further investigations.</p>
			Embed	<ul style="list-style-type: none"> <li>Verify and test a sample of customers for whom enhanced customer due diligence has been performed to determine whether Source of Funds/Source of Wealth checks have been requested and verified (including escalations where Source of Funds/Source of Wealth information was not received in a timely manner)</li> </ul>	<p><b>In progress</b></p> <p>The OSM attended a walk-through of CURA and Salesforce, Crown's new customer management system. During this demonstration the OSM observed Crown's implementation and verification of the Source of Wealth form as part of the enhanced customer due diligence processes. The OSM also observed the implementation and verification of this form as part of its testing of enhanced customer due diligence cases.</p>

	Priority areas of focus	Reference	Phase	Assessment focus	Status
4.3.3	Politically exposed persons	Appendix I – 5 (e)	Implement	<ul style="list-style-type: none"> <li>Review Crown’s remediation exercise to mitigate risk associated with its politically exposed person population</li> </ul>	<p><b>In progress</b></p> <p>In October 2022 Crown finalised its Politically Exposed Person Remediation exercise. The purpose of this exercise was to reassess previously identified potential politically exposed persons and consider whether further enhanced customer due diligence was required, to determine an appropriate risk mitigation strategy for relevant patrons.</p> <p>Based on the OSM’s review of Crown’s work in this area, it is satisfied that Crown has completed the remediation exercise to appropriately mitigate risk associated with its politically exposed person population.</p>
			Embed	<ul style="list-style-type: none"> <li>Verify and test a sample of patron accounts that have politically exposed person cases awaiting review to ensure stops have been placed on their accounts</li> </ul>	<p><b>Completed</b></p> <p>During a walk-through of CURA and Salesforce, the OSM inspected politically exposed person cases and observed evidence that stop codes had been activated in Salesforce and SYCO.</p>
4.3.4	Process and controls improvement	Appendix I – 5	Design	<ul style="list-style-type: none"> <li>Ascertain from Crown the progress of its mapping and documentation of the relevant trigger points through various customer journeys</li> <li>Assess whether Crown’s new case management system will contain features that focus on automation of escalation processes, improvement of workflows and traceability of the enhanced customer due diligence process</li> </ul>	<p><b>In progress</b></p> <p>Crown engaged Deloitte to undertake a review of its enhanced customer due diligence/ongoing customer due diligence function, and Deloitte recommended that Crown implement a more efficient and effective procedure to improve escalation processes and workflows, and improve customer risk assessments and trigger points throughout the customer journey.</p> <p>From a demonstration of Salesforce, the OSM observed that Salesforce has improved the enhanced customer due diligence functionalities to assist with managing case allocation and workflow. The OSM also observed automation of case escalation and improvements to the traceability of the enhanced customer due diligence process.</p>

	Priority areas of focus	Reference	Phase	Assessment focus	Status
			Implement	<ul style="list-style-type: none"> <li>Review Crown's roadmap for the rollout of the enhanced risk-based know your customer process and ensure it has been embedded within Crown</li> </ul>	<p><b>Completed</b></p> <p>Crown's enhanced customer due diligence process includes a requirement for Financial Crime and Compliance Operations to review existing know your customer information recorded in the Loyalty User Interface to determine whether it is correct, current and compliant with the applicable customer identification procedures.</p> <p>As noted in item 4.1.2, the OSM has verified and tested a sample of customer onboarding files to ascertain whether Crown has been adhering to its know your customer policies and procedures. Testing demonstrated that the policies and procedures are being correctly applied.</p>
				<ul style="list-style-type: none"> <li>Assess whether Crown has updated its Significant Player Review and enhanced customer due diligence processes to clearly delineate them from one another, and clarify how AML risk issues feature in the Significant Player Review process and how they are escalated through the enhanced customer due diligence process</li> </ul>	<p><b>In progress</b></p> <p>Crown plans to discontinue the current Significant Player Review processes and integrate them with the current customer due diligence investigation process, creating a single enhanced customer due diligence process. The integration is due to be implemented by December 2022.</p>

#### 4.4 Ongoing customer due diligence\*

	Priority areas of focus	Reference	Phase	Assessment focus	Status
4.4.1	Cage controls	Appendix I – 5 (c)	Design	<ul style="list-style-type: none"> <li>Review training documents to verify that Crown has updated them to reflect the requirement that Transfer Acknowledgements undergo a 'four eyes' QA check</li> </ul>	<p><b>Completed</b></p> <p>The OSM has reviewed internal communication (directives) to all Melbourne Cage managers regarding the requirement for a 'four eyes' QA check.</p> <p>This requirement was also set out in updated training materials.</p>
			Implement/ embed	<ul style="list-style-type: none"> <li>Assess Crown's directive for a 'four eyes' QA check</li> <li>Verify and test a sample of Transfer Acknowledgements to ensure that a minimum of two Cage Area Managers/Case Supervisors (or above) have reviewed them</li> </ul>	<p><b>Completed</b></p> <p>Based on its testing of a sample of Transfer Acknowledgements (inbound and outbound), the OSM has observed that Crown has effectively implemented the 'four eyes' QA check.</p> <p>In addition, from PwC's walk-through notes from their review of SYCO, the 'four eyes' process has been implemented effectively in SYCO and as part of the Transfer Acknowledgements form template. Based on the OSM's review, it considers this control to be embedded.</p>
4.4.2	Cash and cash management	Appendix I – 5 (a)	Design	<ul style="list-style-type: none"> <li>Ascertain whether Crown intends to adopt the Rewards Card controls recommended by Promontory</li> </ul>	<p><b>Completed</b></p> <p>The recommendations from the Promontory Phase 1 report in relation to Reward Card controls have been included in the 'customer/product uplift' initiative of the FCCCP, which has been delayed to 2023.</p> <p>Further, a number of these deliverables have been transitioned to the Crown Technology team.</p>

	Priority areas of focus	Reference	Phase	Assessment focus	Status
4.4.3	<b>Crown patron accounts</b>	Appendix I – 5 (c)	Implement	<ul style="list-style-type: none"> <li>Assess Crown’s manual transaction monitoring rules register to ensure patron account controls and exception flags are included</li> </ul>	<p><b>Completed</b></p> <p>The OSM has examined Crown’s updated manual transaction monitoring rules register and noted that exception flags appear to have been updated to include patron account controls performed by Cage Operations. Based on its review, the OSM considers this deliverable to be implemented.</p>
4.4.4	<b>Customer risk assessment</b>	Appendix I – 5 (e)	Design	<ul style="list-style-type: none"> <li>Ascertain whether Crown will undertake a bulk and periodic know your customer refresh, and implement a refresh trigger for medium and low-risk patrons</li> </ul>	<p><b>Deferred (pending action by Crown)</b></p> <p>Crown has advised that a know your customer refresh has been completed for all high-risk customers. Further, the implementation of the OCR Labs platform will assist with the bulk refresh/reverification of customers through a mobile app. Crown intends to build a strategy to address medium and low-risk customers in Melbourne. This will likely be completed in 2023 given the platform is yet to be implemented in Melbourne as at the date of this report.</p>
4.4.5	<b>Resourcing</b>	Appendix I – 5 (e), 5 (g), 9 and 10	Design	<ul style="list-style-type: none"> <li>Ascertain from Crown its plans regarding resourcing of transaction monitoring activities and managing its Unusual Activity Report backlogs</li> </ul>	<p><b>Completed</b></p> <p>Crown has cleared all Unusual Activity Reports with a ‘High+’ and ‘High priority’ within the service level agreement and is currently in the process of assessing medium and low-priority Unusual Activity Reports.</p> <p>Crown intends to clear the Unusual Activity Report backlog by the end of 2022. Crown also has dashboards to forecast resourcing demands based on an expected increased volume of reports with the opening of Crown Sydney and international borders reopening. In the OSM’s view, resourcing for Crown’s transaction monitoring activities and Unusual Activity Report backlogs appears to be sufficient at this stage.</p> <p>Resourcing is being monitored by the relevant Crown executives.</p>



	Priority areas of focus	Reference	Phase	Assessment focus	Status
4.4.6	<b>Review and update of know your customer information</b>	Appendix I – 5	Design	<ul style="list-style-type: none"> <li>Ascertain from Crown the progress regarding development of the Salesforce case management system and replacement of the current platforms (Unifii and CURA)</li> </ul>	<p><b>Completed</b></p> <p>Based on walk-throughs and discussions with Crown, the Salesforce case management system has been implemented and is in operation for the Enhanced Customer Due Diligence team, with the Financial Crime Investigations team to transition to Salesforce in 2023. At this stage Unifii and CURA remain in operation.</p>
			Implement	<ul style="list-style-type: none"> <li>Assess whether Crown has implemented the transaction monitoring rules and alerts recommended in the external reports</li> </ul>	<p><b>In progress</b></p> <p>Based on the OSM's system and process walk-throughs with Crown, the rules and flags currently in place are working effectively (see also 'embed' below). The OSM will map Crown's current rules to external recommendations in the next reporting period.</p> <p>Crown's transaction monitoring capability is expected to be significantly improved by the enhancement of technology to support end-to-end management of financial crime investigations, customer due diligence and third-party requests. This FCCCP deliverable is expected to be completed by the end of 2022.</p>
4.4.7	<b>Transaction monitoring and reporting</b>	Appendix I – 5	Embed	<ul style="list-style-type: none"> <li>Review Crown's detailed data lineage review of SYCO and Sentinel, which tracks how well data has moved from the SYCO system into Sentinel and identifies risks with synchronisation</li> </ul>	<p><b>Deferred (pending action by Crown)</b></p> <p>Crown has delayed its data lineage review of SYCO and Sentinel until 2023. Accordingly, the OSM will defer its review to the next reporting period.</p>



	Priority areas of focus	Reference	Phase	Assessment focus	Status
				<ul style="list-style-type: none"> <li>Verify and test a sample of transactions to ensure the manual and automated transaction monitoring rules and flags are effective</li> </ul>	<p><b>In progress</b></p> <p>Based on its walk-throughs and the documentation Crown has provided to date, the OSM has observed an improvement in Crown's manual and automated transaction monitoring rules through:</p> <ul style="list-style-type: none"> <li>the update and consolidation of policies and procedures for all relevant teams, from the Cage team through to the Financial Crime team</li> <li>amendments to transaction monitoring rule registers</li> <li>utilisation of additional functions in Unifii (for example, workflow management)</li> <li>leveraging data from internal and external sources to assist with investigations.</li> </ul> <p>Overall, based on discussions during walk-throughs, the OSM's view is that Crown's manual and transaction monitoring rules are working effectively. The OSM will continue to monitor this in the next reporting period.</p>

#### 4.5 Reporting and notification obligations\*

	Priority areas of focus	Reference	Phase	Assessment focus	Status
4.5.1	<b>Hotel Card Transactions</b>	Appendix I – 5 (f)	Design	<ul style="list-style-type: none"> <li>Ascertain from Crown its current view in relation to Hotel Card Transactions as set out in the Deloitte Hotel Card Transactions report</li> </ul>	<p><b>In progress</b></p> <p>From its walk-throughs and transaction testing of Unusual Activity Reports and Suspicious Matter Reports, the OSM has observed that Crown has undertaken investigations into Hotel Card Transactions and where relevant, submitted Suspicious Matter Reports. The OSM will draw further samples in the next reporting period to help it verify Crown’s Risk Assurance team’s validation of the results from Project DeLorean.</p>
4.5.2	<b>Lookback of existing customers</b>	Appendix I – 5 (d)	Design Implement	<ul style="list-style-type: none"> <li>Ascertain whether Crown intends to undertake a lookback regarding the completeness of its historical regulatory reporting requirements</li> <li>Assess the current status of the lookback exercise(s)</li> </ul>	<p><b>In progress</b></p> <p>As part of the Deloitte Phase 2 Report, Crown undertook a comprehensive, risk-based investigation of historical transactions and associated patrons. The OSM understands that as part of the process, Crown utilised supplementary resources from PwC. The OSM is currently working with Crown’s Risk Assurance team, which is validating the results of Project DeLorean. This is likely to extend to the next reporting period.</p>
			Embed	<ul style="list-style-type: none"> <li>Verify and test a sample of patrons and/or transactions as part of the lookback of historical regulatory reporting requirements</li> <li>Verify and test a sample of Crown’s reports (including Threshold Transaction Reports, International Funds Transfer Instructions and Suspicious Matter Reports) to ensure reporting obligations are being followed in the appropriate timeframes</li> </ul>	<p><b>In progress</b></p> <p>As noted above, included in the OSM’s transaction testing were samples of transactions identified as part of Crown’s lookback exercise. For these transactions, where appropriate, Crown has lodged a Suspicious Matter Report within the required timeframe. The OSM did not observe any anomalies.</p>

	Priority areas of focus	Reference	Phase	Assessment focus	Status
4.5.3	Policies and procedures	Appendix I – 5 (b)	Design	<ul style="list-style-type: none"> <li>Ascertain whether Crown intends to address the recommendations set out in the external reports regarding its reporting obligations and controls</li> </ul>	<p><b>In progress</b></p> <p>From the OSM’s discussions with Crown, and based on its transaction testing, it appears Crown has implemented the controls recommended in the various external reports to ensure the timely submission of reports to AUSTRAC. The OSM will, however, continue to monitor how well these controls are implemented and embedded within Crown going forward, especially considering the recent late lodgements of Suspicious Matter Reports at Crown Perth.</p>
			Implement	<ul style="list-style-type: none"> <li>Review Crown’s policies and procedures regarding its reporting obligations, including its Unusual Activity Reports Investigations Guideline</li> </ul>	<p><b>Completed</b></p> <p>The OSM reviewed Crown’s investigation guidelines, as well as its policies and procedures for Line 1 employees (Cage and VIP Banking), and identified that these included Crown’s obligations, including timeframes, for reporting Threshold Transaction Reports, International Funds Transfer Instructions and Suspicious Matter Reports.</p>
			Embed	<ul style="list-style-type: none"> <li>Assess whether Crown has implemented the reduced timeframes in service level agreements</li> </ul>	<p><b>In progress</b></p> <p>The OSM verified that Crown has implemented reduced service level agreement timeframes with respect to Unusual Activity Reports. The OSM’s testing confirmed that Unusual Activity Reports rated ‘High’ and ‘High+’ are within the service level agreement requirements. Crown is working to bring Medium-rated Unusual Activity Reports within the service level agreement requirements. The OSM will continue to monitor progress in the next reporting period.</p>

	Priority areas of focus	Reference	Phase	Assessment focus	Status
				<ul style="list-style-type: none"> <li>Verify and test a sample of Crown's reports (including Threshold Transaction Reports, International Funds Transfer Instructions and Suspicious Matter Reports) to ensure reporting obligations are being followed in the appropriate timeframes</li> </ul>	<p><b>In progress</b></p> <p>The OSM identified two apparent data discrepancies relating to International Funds Transfer Instructions where the date Crown received the required proof of transfer by the patron did not reconcile to the date Crown received the funds into its bank account. From discussions with Crown, the OSM understands that AUSTRAC has no objection to Crown using the date the patron provides proof of transfer as the receipt date in its reporting.</p> <p>The OSM did not observe any other anomalies during its testing of Crown's reporting obligations.</p> <p>Crown has disclosed there have been late Suspicious Matter Report lodgements for Crown Perth. The OSM will undertake additional testing in 2023 to assess whether Crown continues to meet its reporting obligations within the specified timeframes.</p>
4.5.4	<b>Transaction monitoring and reporting</b>	Appendix I – 5 (e)	Design	<ul style="list-style-type: none"> <li>Ascertain Crown's current intention regarding its Unifii workflow tool, and case management and customer information systems</li> <li>Assess Crown's case management and customer information systems</li> </ul>	<p><b>Completed</b></p> <p>Crown has advised that Unifii will be phased out as its workflow tool and case management system, with the transition to Salesforce (see item 4.4.6).</p> <p><b>In progress</b></p> <p>The OSM has undertaken walk-throughs of Crown's current case management and customer information systems, and these appear to be working effectively. Although Unifii is still in operation, based on walk-throughs, the OSM considers the new Salesforce system to be appropriately robust for effective case management.</p> <p>Following implementation of the customer risk assessment, Salesforce and other improved customer information systems, the OSM will assess whether there is a need to further review this action in the next reporting period.</p>

	Priority areas of focus	Reference	Phase	Assessment focus	Status
4.5.5	<b>Unusual Activity Reports</b>	Appendix I – 5 (b) and 5 (c)	Embed	<ul style="list-style-type: none"> <li>Verify and test the automated workflow tool (Unifii) and a sample of Unusual Activity Reports case investigation files</li> </ul>	<p><b>In progress</b></p> <p>Based on the walk-throughs with Crown and OSM testing, the OSM can confirm that Crown is utilising the automated workflow tool provided in Unifii. The workflow tool provides Crown with a sufficient audit trail of the investigation workflow. It is expected, however, that the transition to Salesforce will provide additional functionality and improved efficiencies to Crown's investigation processes.</p> <p>From its testing of Unusual Activity Report case investigation files, the OSM has identified that at this point in time only Unusual Activity Reports in the 'High+' and 'High priority' level are being actioned within Crown's set service level agreement timeframes. Crown has advised that this is due to the backlog of Unusual Activity Reports, which it intends to clear by the end of 2022. The OSM will continue to monitor this in the next reporting period.</p>



4.6 Other

	Priority areas of focus	Reference	Phase	Assessment focus	Status
4.6.1	Resourcing/ budgeting	Appendix I – 12 and 13	Design	<ul style="list-style-type: none"> <li>Ascertain from Crown the current status of its resourcing and budgetary plans</li> <li>Assess the adequacy of current state and future state plans in relation to resourcing and budgetary plans</li> </ul>	<p><b>Deferred (pending action by Crown)</b></p> <p>The OSM has assessed Crown’s current Financial Crime and Compliance organisational structure and resourcing, and believes that these are sufficient to deliver the FCCCP (see section 7.2.4)</p> <p>Due to recent changes in the financial crime organisational structure, the OSM will assess the adequacy of Crown’s future state plans in the next reporting period.</p>
4.6.2	AML/CTF Program	Appendix I – 15 and 16	Implement	<ul style="list-style-type: none"> <li>Review and evaluate Crown’s AML/CTF Program against its identified risks and regulatory AML/CTF requirements</li> </ul>	<p><b>In progress</b></p> <p>The OSM reviewed materials developed by Crown regarding cascading financial crime obligation ownership to relevant parts of the business. The OSM intends to review further evidence of how Crown’s AML/CTF Program is designed and implemented to satisfy the risks and regulatory AML/CTF requirements in the next reporting period, after finalisation of the Enterprise-Wide Risk Assessment.</p>
				<ul style="list-style-type: none"> <li>Review and evaluate Crown’s AML/CTF Program to ensure it contains all elements required under the AML/CTF Act and relevant AML/CTF Rules under the AML/CTF Rules Instrument 2007 (No. 1)</li> </ul>	<p><b>Deferred (pending action by Crown)</b></p> <p>The OSM notes Crown’s external legal advice to the effect that its current Joint AML/CTF Program has all the elements required by the AML/CTF Act. The OSM concurs with this finding.</p> <p>The OSM notes that certain risk assessments, for example the customer risk assessment approach, are yet to be implemented in Melbourne and that control testing is not complete.</p>

	Priority areas of focus	Reference	Phase	Assessment focus	Status
4.6.3	<b>Governance and oversight</b>	Current operations	Embed	<ul style="list-style-type: none"> <li>Review and evaluate governance arrangements to ensure appropriate and timely oversight of AML/CTF obligations, including providing appropriate reports to the relevant bodies for oversight and decision-making purposes</li> </ul>	<p><b>In progress</b></p> <p>The Financial Crime team continues to report to the Board(s), Crown Resorts Risk Management Committee, Financial Crime Oversight Committee, Financial Crime Working Group, Financial Crime Transaction Monitoring Council and Financial Crime Breach Determination Forum. These committees form part of the Financial Crime committee framework, and each has an approved charter.</p> <p>The OSM has observed that these meetings are becoming more effective, as are the Financial Crime team's dashboard reports and discussion papers.</p>
4.6.4	<b>Training</b>	Current operations	Design	<ul style="list-style-type: none"> <li>Ascertain from Crown the current status of its AML/CTF training program</li> </ul>	<p><b>Completed</b></p> <p>Ten out of the 11 FCCCP deliverables regarding AML/CTF training have been completed and implemented. This includes training specifically for the Board and face-to-face training, AML/CTF 'awareness' online modules and the training calendar.</p> <p>A change request has been submitted for the outstanding deliverable regarding a data-driven assessment of remedial training needs. This deliverable is expected to be completed by the end of 2022.</p>
4.6.5	<b>Recommendations to which Crown has not responded</b>	Current operations	Design	<ul style="list-style-type: none"> <li>With regard to each item for which Crown has not provided a response for or implementation status/date, obtain an update from Crown to understand its progress or intention for implementation</li> </ul>	<p><b>Completed</b></p> <p>The only item applicable relates to the Promontory Phase 2 report, which is addressed in item 4.2.4.</p>

\* These activities will be coordinated across the financial crime and responsible service of gambling work streams, given overlap.

## Work stream 5: Governance, risk and compliance

### 5.1 Risk management

	Priority areas of focus	Reference	Phase	Assessment focus	Status
5.1.1	<b>Risk management function</b>	Current operations	Ongoing	<ul style="list-style-type: none"> <li>Assess and review structure and resourcing of new Risk Management team</li> <li>Observe Crown Resorts and Crown Melbourne Audit and Risk Committees, including reported information and consideration of risk</li> <li>Monitor updates to risk assessments</li> </ul>	<p><b>In progress</b></p> <p>Crown's Risk Management Framework more clearly describes the key responsibilities under the 3 lines of defence model. However, Line 1 cannot be assessed as effective as there are several Risk Uplift Plan and compliance activities yet to be implemented. Line 2 also cannot be assessed as effective since the Risk Management team is yet to be fully resourced and in 2022 has focused on enhancement activities rather than providing assurance regarding Line 1. Line 3 (internal audit) is working effectively as described in item 5.3.1.</p> <p>Crown Resorts' Audit Committee and Risk Committee, and Crown Melbourne's Audit and Risk Committee are only recently reconstituted and so it is not possible to assess their effectiveness. The OSM will continue to monitor this.</p> <p>Risk reporting to the Board and its committees has improved and is expected to further advance as risk profiling is completed across all business units and Archer is implemented. The OSM will continue to monitor the further enhancement of Crown Melbourne's risk reporting.</p>
5.1.2	<b>Risk Uplift Plan</b>	Current operations	Implement	<ul style="list-style-type: none"> <li>Monitor implementation of Risk Uplift Plan (including amended implementation timelines)</li> </ul>	<p><b>In progress</b></p> <p>Crown has continued to implement key activities under the Risk Uplift Plan. However, a lack of resources delayed progress against the original timeframes, which have now been revised to achieve completion of all Risk Uplift Plan items by mid-2023. The OSM will continue to monitor the implementation of the Risk Uplift Plan.</p>

	Priority areas of focus	Reference	Phase	Assessment focus	Status
5.1.3	<b>Risk management frameworks and systems</b>	Appendix I – 3 (b)	Implement	<ul style="list-style-type: none"> <li>Verify implementation of the 21 Deans Report recommended changes to risk management frameworks (including Risk Charter, Risk Management Strategy and Risk Appetite Statement)</li> </ul>	<p><b>Completed</b></p> <p>Crown has revised its Risk Management Framework, Risk Management Strategy, Risk Appetite Statements and charters, for Crown Resorts Audit Committee and Risk Committee and Crown Melbourne’s Audit and Risk Committee Charters in line with Mr Peter Deans’ recommendations to the Finkelstein Royal Commission. Mr Deans was engaged by Crown to support their further revision. The only remaining aspect of Deans’ recommendations to be implemented is the independent external review of risk management.</p>
5.1.4	<b>External review</b>	Appendix I – 3 (c)	Design	<ul style="list-style-type: none"> <li>Assess scope, approach and timing of independent external review of risk management</li> </ul>	<p><b>Deferred (pending action by Crown)</b></p> <p>Crown has deferred its independent external review of risk management given delays in its implementation of Risk Uplift Plan activities. The OSM will continue to monitor this item into 2023. At this stage, the independent external review is likely to be undertaken around mid-2023.</p>

## 5.2 Governance

	Priority areas of focus	Reference	Phase	Assessment focus	Status
5.2.1	<b>Board independence</b>	Current operations	Ongoing	<ul style="list-style-type: none"> <li>Monitor Board independence, membership and skill</li> </ul>	<p><b>In progress</b></p> <p>Crown Melbourne's Board did not have any directors independent of Crown Resorts, Blackstone Inc. or executive management before and after the Blackstone Inc. acquisition. The Crown Melbourne Board now has three new independent directors. Crown advises it intends to be compliant with new board independence requirements in the Casino Control Act, which commence on 1 August 2023 unless proclaimed earlier. The OSM will continue to monitor and assess Crown's approach to Board independence into 2023 as Board and committee memberships evolve.</p>
5.2.2	<b>Centralisation of functions</b>	Current operations	Ongoing	<ul style="list-style-type: none"> <li>Assess adequacy of Crown Melbourne oversight of operations, given centralised approach led by Crown Resorts</li> </ul>	<p><b>Deferred (pending action by Crown)</b></p> <p>This monitoring activity has been deferred because the Department of Justice and Community Safety is still developing the regulations to be prescribed under new provisions in the Casino Control Act to give effect to recommendation 30 of the Finkelstein Report (Independence of senior management) related to centralisation of functions. The OSM will continue to monitor the development of these regulations and Crown's progress towards achieving compliance.</p>



	Priority areas of focus	Reference	Phase	Assessment focus	Status
5.2.3	<b>Board and committees</b>	Current operations	Ongoing	<ul style="list-style-type: none"> <li>Verify changes to committee structure</li> <li>Review updated charters, frameworks and reporting structures, including for changes recommended in the Deans Report</li> <li>Confirm specific roles and responsibilities of subsidiary boards in relation to risk management</li> <li>Monitor the effectiveness of Board and committee decision making, risk oversight and reporting</li> </ul>	<p><b>In progress</b></p> <p>Blackstone Inc.'s acquisition of Crown resulted in significant changes to the Crown Resorts and Crown Melbourne Board committee structures. Charters have been revised and approved by each Board committee and give effect to relevant Deans' recommendations. Further changes to committee structure, compositions and charters are anticipated. It is too early to tell whether the new Crown Melbourne Board and committees are working effectively given directors have only recently received regulatory approvals. The OSM will continue to monitor and report on changes to the Boards and committees and observe their effectiveness.</p>
5.2.4	<b>Policy Uplift Program</b>	Appendix I – 18	Design	<ul style="list-style-type: none"> <li>Confirm completion of phase 1 rationalisation and redraft of Group policies</li> </ul>	<p><b>In progress</b></p> <p>Crown has completed the design phase of the Policy Uplift Program, redrafting and rationalising the number of policies across Crown Resorts and its various properties. The number of policies relevant to Crown Melbourne is expected to reduce from 154 to 61.</p> <p>Crown has finalised and released seven Wave 1 and 13 Wave 2 policies. As part of Wave 2, Crown is further reviewing its whistleblower and anti-bribery and corruption policies because of the findings of a recent internal audit. A proposed Compliance Policy has been recharacterised as a Compliance Framework and is expected to be finalised by December 2022.</p> <p>Wave 3 and Wave 4 policies are expected to be finalised and released by 31 December 2022 and the end of March 2023, respectively.</p> <p>Completion of implementation pillars of all policies (review of established controls, alignment of support procedures, communications and training) is expected by 30 June 2023. The OSM will continue to monitor implementation.</p>

### 5.3 Internal audit

	Priority areas of focus	Reference	Phase	Assessment focus	Status
5.3.1	<b>Internal audit practice</b>	Current operations	Ongoing	<ul style="list-style-type: none"> <li>Assess amended Crown Resorts and Crown Melbourne Audit Committee charters</li> <li>Review appropriateness of internal audit program</li> <li>Assess resourcing and delivery of internal audit program</li> <li>Assess feedback and information sharing protocols with FC&amp;C Assurance</li> <li>Assess clarity of internal audit reporting and reporting lines</li> </ul>	<p><b>Completed</b></p> <p>Crown Resorts' Audit Committee and Crown Melbourne's Audit and Risk Committee charters have been revised recently, and reflect recommendations made by Mr Deans.</p> <p>The size of the FY2023 internal audit program (23 Crown Melbourne audits and 15 Crown Resorts audits) is appropriate for a business of this scale and risk profile. The FY2023 internal audit program has been mapped and aligns with Crown Melbourne's key risk categories.</p> <p>The Internal Audit team has increased its capacity and capability over the last 18 months, and now comprises 13 employees dedicated to Crown Melbourne audits. Ernst &amp; Young has been appointed as a co-sourced internal audit service provider.</p> <p>The Internal Audit team liaises with Risk Assurance and on one occasion has relied upon Risk Assurance work.</p> <p>The OSM has not identified any issues to date that suggest that the Group General Manager – Internal Audit's reporting line to the CFO for administrative purposes has compromised the independence of Internal Audit.</p>

## 5.4 Compliance

	Priority areas of focus	Reference	Phase	Assessment focus	Status
5.4.1	<b>Compliance systems and processes</b>	Appendix I – 18	Design	<ul style="list-style-type: none"> <li>Monitor development and design of revised compliance systems and processes</li> </ul>	<p><b>In progress</b></p> <p>Crown has developed a draft Compliance Framework and Compliance Strategy, as required by the Crown Major Change Approval Deed Poll.</p> <p>Crown’s draft Compliance Strategy aims to move 10 compliance elements from a current ‘initial’ level of maturity to a target ‘advanced’ level of maturity over a three-year horizon. Most of the planned activities to lift core compliance capabilities to a ‘foundational’ level are expected to be completed by September 2023, and Crown is currently forecasting to achieve a target state of ‘advanced’ for all compliance elements by September 2024. Crown will continue to embed and enhance these capabilities in the third year of the strategy.</p> <p>The Compliance Framework and Compliance were presented to the Crown Resorts and Crown Melbourne Boards on 7 December 2022.</p>
5.4.2	<b>Engagement with regulators</b>	Appendix I – 18	Ongoing	<ul style="list-style-type: none"> <li>Monitor Crown’s proactive engagement with regulators</li> </ul>	<p><b>In progress</b></p> <p>Crown has developed a Regulator and Law Enforcement Agency Engagement Policy. This policy includes engagement principles emphasising having open, transparent and productive relationships with regulators and providing timely responses to enquires and/or requests for information. It also designates ‘Relationship Owners’ to improve accountability for regulator engagement.</p> <p>As part of its draft Compliance Strategy, Crown proposes to design and embed a Crown Regulatory Engagement Plan by March 2023. These two documents provide an important basis for enhancing relationships with regulators.</p>

	Priority areas of focus	Reference	Phase	Assessment focus	Status
5.4.3	Compliance with legislative obligations	Appendix I – 18	Design	<ul style="list-style-type: none"> <li>Assess Crown’s breach reporting protocol, draft breach reporting policy and escalation procedures</li> </ul>	<p><b>Completed</b></p> <p>Crown finalised and released an Issues Management and Breach Reporting Policy, which took effect from 1 July 2022. An Issues Management and Breach Reporting procedure has been developed to help employees navigate policy requirements.</p> <p>Crown has also established a Crown Melbourne Breach Determination Forum that provides a structured approach and governance to the review and assessment of compliance incidents and breach reporting to regulators. This has supported an increase in self-reported breaches to regulators, particularly the VGCCC, and in the quality of breach reporting.</p>
			Ongoing	<ul style="list-style-type: none"> <li>Review records of compliance breach reporting</li> <li>Engage with and gather regulator records of identified non-compliance</li> </ul>	<p><b>In progress</b></p> <p>Crown’s existing data management and tools to track and analyse compliance incidents are not sophisticated, but this is expected to be enhanced through the implementation of the new Archer governance, risk and compliance system by March 2023.</p> <p>In the absence of reliable compliance reporting by Crown, the OSM has reviewed compliance breach reporting and developed a methodology to monitor and report on Crown’s compliance with legislative obligations, subordinate instruments and internal policies and rules. It has also monitored significant litigation in which Crown has been involved.</p> <p>Data from January to November 2022 shows an increase in Crown’s self-reporting of compliance incidents to its regulators.</p>

	Priority areas of focus	Reference	Phase	Assessment focus	Status
5.4.4	<b>Compliance with Crown Resorts and Crown Melbourne policies</b>	Appendix I – 18	Ongoing	<ul style="list-style-type: none"> <li>Review internal audit reports</li> <li>Monitor compliance breach reporting</li> </ul>	<p><b>In progress</b></p> <p>See comments in relation to item 5.4.3.</p>
5.4.5	<b>Compliance with casino taxation obligations</b>	Appendix I – 18	Ongoing	<ul style="list-style-type: none"> <li>Monitor Crown Melbourne's resolution of outstanding casino tax obligations related to Bonus Jackpots, Pokie Credits (Matchplay), tournament fees, new product gaming tax and player program review</li> <li>Monitor ongoing compliance with casino tax obligations, including claiming of deductions</li> </ul>	<p><b>In progress</b></p> <p>The OSM has continued to monitor four outstanding taxation issues referred to in the Special Manager's June 2022 interim report. Three of these matters have now been resolved: category 8 Bonus Jackpots, penalty interest on tournament fees and Player Program Revenue Report. The Department of Justice and Community Safety is still reviewing the issue of category 3: Pokie Credits (Matchplay).</p>
5.4.6	<b>Compliance with Casino Agreement obligations</b>	Appendix I – 18	Ongoing	<ul style="list-style-type: none"> <li>Monitor any impacts of Crown's Barangaroo licence on Crown Melbourne</li> <li>Liaise with the VGCCC should any issues of concern arise</li> </ul>	<p><b>In progress</b></p> <p>Crown has systems, processes and controls for monitoring compliance with its Casino Agreement obligations. However, in March 2022 it was identified that for more than two years Crown Melbourne failed to maintain business interruption insurance including for the payment of all casino taxes despite this being a requirement under clause 35.1(a)(i) of the Casino Agreement. This recent example of non-compliance suggests that Crown's arrangements for monitoring compliance with the Casino Agreement may not be working effectively. It is unclear whether the new Archer governance, risk and compliance system will resolve this. The OSM will continue to monitor this in the next reporting period.</p> <p>A live question remains as to whether Crown Sydney's operations may compromise Crown's obligation to ensure its other businesses are beneficial and not detrimental to Crown Melbourne. The OSM will continue to monitor Crown's current activities aimed at minimising the risk of a future breach.</p>



	Priority areas of focus	Reference	Phase	Assessment focus	Status
5.4.7	Integrity policies and procedures	Appendix I – 18	Ongoing	<ul style="list-style-type: none"> <li>Review Crown’s code of conduct (as revised by Crown)</li> <li>Assess effectiveness of Crown’s policies and procedures for managing integrity (including related to fraud, corrupt conduct, misconduct, whistleblowers and complaints)</li> <li>Monitor training and communications in relation to integrity policies and procedures</li> <li>Assess effectiveness of Crown’s approach to managing integrity issues (including processes for investigating, reporting and addressing integrity issues)</li> </ul>	<p><b>In progress</b></p> <p>Crown’s final Code of Conduct, approved by the Crown Melbourne Board on 7 December 2022, adopts a principles-based approach and shows considerable improvement on the previous code, dated April 2021. The OSM welcomes the new emphasis on the importance of speaking up and a stated commitment to protect those who do speak up from detrimental action. The code includes a ‘can we’ and ‘should we’ framework to help employees decide how to act.</p> <p>Crown undertook an internal audit of its whistleblower policy and processes. The internal audit assessed the design and effectiveness of Crown’s key whistleblower management processes and controls as ‘unsatisfactory’. The internal audit made a number of adverse findings including that Crown’s whistleblower policy was not fully compliant with the provisions of the Corporations Act. In response, Crown engaged a third party to review its policy and procedures and updated its whistleblower policy.</p> <p>The OSM engaged with Crown with respect to its stance on political donations. As a result, Crown has indicated that it will develop a stand-alone policy on political donations to supplement the Code of Conduct.</p> <p>These matters are addressed in section 5.</p>

	Priority areas of focus	Reference	Phase	Assessment focus	Status
5.4.8	<b>Compliance with controlled and significant contracts</b>	Appendix I – 18	Ongoing	<ul style="list-style-type: none"> <li>Assess probity vetting controls and procedures utilised by Crown in respect of their regulation of 'controlled contracts'</li> <li>Assess compliance with legislation and subordinate instruments, including internal control statements and standard operating procedures</li> <li>Consider whether other contracts for the provision of goods and/or services may be exposed to high levels of risk associated with criminal influence or exploitation</li> <li>Consider any further recommendations which can be made to the Special Manager in respect of controlled contracts</li> </ul>	<p><b>Completed</b></p> <p>The OSM notes that the legislative requirements for controlled contracts present a low threshold for compliance, and the types of contracts that are covered by the regime may not represent those with the highest risk of criminal influence or exploitation in the casino industry.</p> <p>Crown complies with its legislative obligations associated with the controlled contracts regime (but for two reported incidents of non-compliance reported in 2009 and 2022).</p> <p>Crown's probity vetting, when weighed against the risk associated with the parties who are subject to current classes of controlled contracts, appear satisfactory if followed. However, certain controls and procedures could be strengthened by incorporating relevant recommendations made by Crown external reviews and internal audits over the last few years, which highlight good practice related to probity vetting controls and procedures.</p> <p>In the next reporting period, the OSM will follow up with Crown as to how it has addressed these recommendations. This is addressed in section 9.6.</p>

	Priority areas of focus	Reference	Phase	Assessment focus	Status
5.4.9	<b>Compliance with privacy law in implementing facial recognition technology</b>	Appendix I – 18	Ongoing	<ul style="list-style-type: none"> <li>• Perform an assessment of Crown’s compliance with privacy laws in its design and implementation of facial recognition technology</li> <li>• Review the driving factors behind the implementation of facial recognition technology at Crown Melbourne</li> <li>• Review and understand facial recognition technology currently in place at Crown Melbourne</li> <li>• Understand the application of public privacy law, identifying any pitfalls Crown should avoid</li> <li>• Obtain and review legal and other advice Crown has received and associated records with Crown’s implementation of facial recognition technology</li> <li>• Review Crown policies (current and future) relating to facial recognition technology</li> <li>• Review Crown reports to Regulator on introduction and implementation of facial recognition technology (per recommendation 12 of the Sixth Review)</li> <li>• Consider interviews with key stakeholders</li> <li>• Consider on-site inspections for appropriate signage</li> </ul>	<p><b>Completed</b></p> <p>Crown has installed and rolled out facial recognition technology at all entrances of the Melbourne property and provides quarterly updates to the VGCCC on the effectiveness of the technology. The OSM is satisfied that both at the time of trialling and later at installation, Crown considered the purposes for using the technology, and sought and followed the internal legal advice that the purpose of facial recognition technology be restricted to providing the capability for Crown to automatically recognise patrons issued with withdrawal of licence or self-exclusions, and persons of interest in security matters.</p> <p>Crown’s indefinite retention of customer images appears to be at odds with both the Privacy Act and Crown’s own Records Management Policy. The Information Register is currently being reviewed by Crown’s Privacy Manager.</p> <p>This is addressed in section 9.7.</p>

## Appendix B: Information Requests made to Crown in the first 12 months of operation and a summary of Crown’s response

Second reporting period: 1 July to 31 December 2022

Request No.	Date	Description of Request	Resulting actions
15.	2 November 2022	<ol style="list-style-type: none"> <li>1. Documents relating to Crown’s culture and transformation:               <ol style="list-style-type: none"> <li>a. ‘middle management’ profile – summary statistics</li> <li>b. examples of new leadership communications</li> <li>c. samples of ‘old’ versus ‘new’ training materials in relation to financial crime</li> <li>d. current business targets by function</li> <li>e. resourcing statistics</li> <li>f. certain Board and management committee papers</li> </ol> </li> </ol>	<p>Documents were provided by Crown on 9 and 28 November 2022.</p> <p>Crown advised that the provision of documents was completed on 28 November 2022.</p>
14.	3 October 2022	<ol style="list-style-type: none"> <li>1. Responsible service of gambling at Crown:               <ol style="list-style-type: none"> <li>a. current and recommended processes for monitoring exclusions</li> <li>b. specified research proposals, reports, data and studies</li> <li>c. translation capabilities</li> <li>d. customer communications strategies and guidelines</li> </ol> </li> </ol>	<p>Documents were provided and Crown advised that the provision of documents was completed on 10 October 2022.</p>
13.	27 September 2022	<ol style="list-style-type: none"> <li>1. Intergrity framework materials:               <ol style="list-style-type: none"> <li>a. Crown’s revised draft Code of Conduct</li> <li>b. training materials in relation to the Code of Conduct</li> <li>c. Internal Audit whistleblower report</li> <li>d. current and revised policies in relation to fraud, anti-bribery and corruption, conflicts of interest, whistleblower protection, employment, recruitment, workplace conduct and so on</li> <li>e. workplace instructions and training</li> </ol> </li> <li>2. Reports made to the AUSTRAC CEO pursuant to section 41(2) of the AML/CTF Act</li> </ol>	<p>Documents were provided on 4 and 11 October 2022.</p> <p>Crown advised that the provision of documents was completed on 11 October 2022.</p>

Request No.	Date	Description of Request	Resulting actions
12.	20 September 2022	<ol style="list-style-type: none"> <li>1. Documents relating to Crown's management of controlled contracts including records maintained in accordance with the Controlled Contracts Standard Operating Procedures:               <ol style="list-style-type: none"> <li>a. details of specified controlled contracts</li> <li>b. due diligence checks</li> <li>c. recommendations and outcomes relating to specified controlled contracts</li> </ol> </li> <li>2. Terms of reference for Mr Peter Deans in respect of recent work undertaken associated with Crown's risk management program</li> </ol>	Documents were provided and Crown advised that the provision of documents was completed on 29 September 2022.
11.	6 September 2022	<ol style="list-style-type: none"> <li>1. Design and implementation of facial recognition technology at Crown Melbourne:               <ol style="list-style-type: none"> <li>a. relevant privacy, security and technology policies</li> <li>b. relevant standard operating procedures</li> <li>c. relevant internal control statements</li> <li>d. reports and submissions in response to recommendation 12 of the Sixth Review</li> <li>e. other submissions, reports, legal advice and project plans</li> </ol> </li> </ol>	Documents were provided and Crown advised that the provision of documents was completed on 13 September 2022.



Request No.	Date	Description of Request	Resulting actions
10.	23 August 2022	<ol style="list-style-type: none"> <li>1. Documents relating to Crown's tax compliance:               <ol style="list-style-type: none"> <li>a. all letters from the ATO to the Crown Resorts CEO for the past five years</li> <li>b. all ATO assurance reports issued to Crown Resorts for the past five years</li> </ol> </li> <li>2. Current draft of 'Project Peyo' report – internal report relevant to items 6 to 8 of Appendix I of the Finkelstein Report, being Crown's response to indicators of money laundering in patron accounts identified by McGrathNicol</li> <li>3. Responsible service of gambling documents:               <ol style="list-style-type: none"> <li>a. Independent Responsible Gaming Advisory Panel Report</li> <li>b. status of findings of the Internal Audit team's report into responsible gaming</li> <li>c. responsible gaming complaints</li> <li>d. Responsible Gaming Annual Compliance Plan for FY21 and FY22</li> <li>e. documents relating to the content of the Crown Responsible Gaming website</li> </ol> </li> </ol>	<p>Documents were provided on 26 and 30 August 2022.</p> <p>Crown advised that the provision of documents was completed on 30 August 2022.</p>
9.	19 July 2022	<ol style="list-style-type: none"> <li>1. Crown's FY21 Internal Audit Plan and FY22 Internal Audit: Customer Risk Assessment (Betfair)</li> <li>2. Documents relevant to Crown's whistleblower policy and processes:               <ol style="list-style-type: none"> <li>a. investigation notes, meeting minutes, correspondence and reports in relation to specified complaints</li> <li>b. whistleblower register</li> <li>c. training materials</li> <li>d. scope of Internal Audit whistleblower review</li> </ol> </li> </ol>	<p>Documents were provided on 26 and 27 July 2022. While whistleblower documents were initially redacted on the basis of Commonwealth legislative secrecy, unredacted documents were subsequently provided.</p> <p>The OSM requested further compliance on 8 August 2022 in relation to specified whistleblower complaints, and Crown complied on 16 August 2022.</p> <p>Crown advised that the provision of documents was completed on 18 August 2022.</p>

First reporting period: 1 January to 30 June 2022

Request No.	Date	Description of Request	Resulting actions
8.	2 June 2022	<ol style="list-style-type: none"> <li>1. Additional documents relevant to Crown’s culture change program</li> <li>2. Documents relevant to Crown’s Risk Uplift Program:               <ol style="list-style-type: none"> <li>a. most current draft of the root cause analysis</li> <li>b. any feedback from Mr Peter Deans in reviewing the draft risk management document suite</li> </ol> </li> <li>3. Documents relevant to the responsible service of gaming:               <ol style="list-style-type: none"> <li>a. Play Periods Policy</li> <li>b. papers and meeting minutes of the Crown Resorts Responsible Gaming Committee</li> <li>c. papers and meeting minutes of the Crown Melbourne Responsible Gaming Management Committee</li> </ol> </li> <li>4. Most recent version in Crown’s possession of the Kroll <i>Crown Monitorship Report – Phase 1 Report</i></li> </ol>	<p>An initial set of documents was provided on 9 June 2022 with further documents provided on 23 June 2022.</p> <p>The OSM considered whether it would wish to inspect some sensitive documents on site. On 25 October 2022, the OSM informed Crown that facilitating inspection would not be required and that the provision of documents was considered complete on 24 June 2022.</p> <p>The final Kroll <i>Crown Monitorship Report – Phase 1 Report</i> was provided directly to the OSM by Kroll on 10 June 2022.</p>
7.	13 May 2022	Range of documents relevant to Crown’s culture change program as referenced in the Crown Culture Project Plan	Crown advised that the provision of documents was completed on 18 May 2022.

Request No.	Date	Description of Request	Resulting actions
6.	7 April 2022	<ol style="list-style-type: none"> <li>1. Reports referred to in Crown Resorts' Financial Crime Oversight Committee meeting on 31 March 2022: <ol style="list-style-type: none"> <li>a. Current State Assessment by PwC</li> <li>b. Exiger Independent Review Report</li> <li>c. AUSTRAC Annual Compliance Report</li> <li>d. Enterprise Wide-Risk Assessment Report</li> </ol> </li> <li>2. Meeting papers associated with the Crown Resorts Responsible Gaming Committee on 8 February 2022</li> <li>3. Meeting papers and reports associated with various agenda items from the Crown Resorts Board meeting on 6 April 2022</li> <li>4. Submissions, reports and so on referred to in the Finkelstein Report</li> <li>5. Ongoing provision of certain parts of Crown Resorts Board papers</li> </ol>	Crown advised that the provision of documents was completed on 16 June 2022.
5.	17 March 2022	<p>Policy Uplift Program:</p> <ol style="list-style-type: none"> <li>1. A detailed status report outlining Crown's progress against the milestones as set out in the indicative high-level timeline for Phase 2 of review</li> <li>2. a current and most recent prior version of the Code of Conduct for both Crown Melbourne and Crown Resorts</li> <li>3. copies of several policies outlined in Crown's 'As-is' policy register</li> </ol>	<p>Crown advised that the provision of documents was completed on 29 March 2022.</p> <p>The OSM requested further compliance on 20 April 2022 in relation to certain policies, and Crown complied on 29 April 2022.</p>

Request No.	Date	Description of Request	Resulting actions
4.	2 March 2022	<ol style="list-style-type: none"> <li>1. Crown Resorts Remediation Plan:               <ol style="list-style-type: none"> <li>a. advice on frequency of review, amendment and status reporting of the plan</li> <li>b. copy of latest version</li> </ol> </li> <li>2. Policy Uplift Program:               <ol style="list-style-type: none"> <li>a. Crown 'As-is' policy register</li> <li>b. Phase 2 (policy uplift) roadmap and sequence</li> <li>c. Target State Policy (Architecture) Framework</li> </ol> </li> </ol>	<p>Crown advised that the provision of documents was completed on 11 March 2022.</p> <p>The OSM requested further compliance on 20 April 2022 in relation to certain policies, and Crown complied on 29 April 2022.</p>
3.	18 February 2022	<p>Crown Melbourne and Crown Resorts committees and working groups:</p> <ol style="list-style-type: none"> <li>1. copies of most recent meeting minutes</li> <li>2. 2022 meeting schedule</li> </ol> <p>12 committees/working groups identified.</p>	<p>Crown advised that the provision of documents was completed on 11 March 2022.</p> <p>Crown raised a concern about irrelevant or sensitive information contained in some minutes of Crown Resorts committees and working groups. These were inspected by OSM representatives and either not provided if the OSM did not require them, or provided to the OSM in redacted form.</p>
2.	11 February 2022	<ol style="list-style-type: none"> <li>1. Audit Committee:               <ol style="list-style-type: none"> <li>a. reports, policies and findings relevant to the root cause analysis</li> <li>b. copies of open and closed 'management action plans'</li> </ol> </li> <li>2. Crown Melbourne Board – 8 February 2022: 11 documents</li> </ol>	<p>Crown advised that the provision of documents was completed on 3 March 2022.</p>

Request No.	Date	Description of Request	Resulting actions
1.	11 January 2022	<ol style="list-style-type: none"> <li>1. Organisational structure</li> <li>2. Governance committees and other key decision groups</li> <li>3. Board and committee papers</li> <li>4. Crown's reform program</li> <li>5. External matters of concern</li> <li>6. Crown's corporate strategy and risk management</li> <li>7. Crown's legal compliance obligations</li> <li>8. Independent monitorship of Crown Sydney</li> </ol>	<p>Crown advised that the provision of documents was completed on 3 March 2022.</p> <p>Crown is providing papers of the Board and its committees on an ongoing basis.</p> <p>The OSM requested further compliance on 12 April 2022 for papers of Crown's Executive Risk and Compliance Committee that were not initially considered by Crown to be within scope. Crown complied with this request on 19 April 2022.</p>



## Appendix C: Directions made to Crown in the first 12 months of operation and a summary of Crown's response

Second reporting period: 1 July to 31 December 2022

Request No.	Date of Notice/Direction	Description of Request	Resulting actions
20.	6 September 2022 (Notice) 9 September 2022 (Direction)	Crown to immediately notify the Special Manager upon scheduling any meeting of the Crown Resorts Board or its committees at which it is intended to discuss matters that relate to or in any way concern Crown Melbourne.	There was at least one early instance of inadvertent non-compliance with this Direction.
19.	12 July 2022 (Notice) 15 July 2022 (Direction)	The OSM to be kept informed of all Crown's dealings with local government authorities in Victoria, including the City of Melbourne.	It took Crown one month to implement this Direction across the business, extending the system it implemented in the first reporting period to capture correspondence and records for Directions 4 and 11.  OSM and Crown are having ongoing discussions about the kinds of correspondence and records that need to be provided.
18.	12 July 2022 (Notice) 15 July 2022 (Direction)	Circular Resolutions sent to Crown Resorts directors that relate to or in any way concern the affairs of Crown Melbourne are to be sent to the Special Manager at the same time.	Crown is so far continuing to comply.
17.	12 July 2022 (Notice) 15 July 2022 (Direction)	Circular Resolutions sent to Crown Melbourne directors are to be sent to the Special Manager at the same time.	Crown is so far continuing to comply.
16.	12 July 2022 (Notice) 15 July 2022 (Direction)	Crown is to provide all appendices, annexures and attachments (howsoever named) referred to in information given in response to future Information Requests or Directions.	Crown is so far continuing to comply.
15.	12 July 2022 (Notice) 15 July 2022 (Direction)	Crown is to provide all appendices, annexures and attachments (howsoever named) referred to in information given in response to previously made Information Requests or Directions.	Crown is so far continuing to comply.
14.	12 July 2022 (Notice) 15 July 2022 (Direction)	Any future request for information under section 36F is to be treated as including a request for updated information in respect of the subject matter of that request.	Crown is so far continuing to comply.

Request No.	Date of Notice/Direction	Description of Request	Resulting actions
13.	12 July 2022 (Notice) 15 July 2022 (Direction)	Any request for information previously made under section 36F of the Casino Control Act is to be treated as including a request for updated information in respect of the subject matter of that request.	Crown is so far continuing to comply.

#### First reporting period: 1 January to 30 June 2022

Request No.	Date of Notice/Direction	Description of Request	Resulting actions
12.	10 May 2022 (Notice) 13 May 2022 (Direction)	OSM to be provided with a regular monthly status report on the progress of Crown's draft MRAP.	Crown provided an updated draft MRAP as at 10 June 2022 in purported compliance with Direction 12.  In the second reporting period, the OSM considers Crown to be complying with Direction 12 by providing its Transformation Steering Committee meeting packs in a timely way.
11.	11 March 2022 (Notice) 14 March 2022 (Direction)	The OSM to be kept informed of all dealings between Crown and the Commonwealth Government and as relevant its departments and agencies including AUSTRAC, the AFP, ASIC, ABF, ATO and ACIC.	In the first reporting period, Crown implemented a new internal system to capture correspondence and records so that they can be provided to the OSM.  OSM and Crown are having ongoing discussions about the kinds of correspondence and records that need to be provided.
10.	9 March 2022 (Direction)	Crown to provide the OSM with a draft of the plan referenced in Direction 9 by 31 March 2022.	Crown provided a draft high-level version of the MRAP, in partial compliance with Directions 9 and 10.
9.	2 March 2022 (Notice) 9 March 2022 (Direction)	Crown is to provide the OSM with an implementation plan detailing how Crown Melbourne is planning to take remediation action in response to the recommendations from the Finkelstein Royal Commission.	Crown made submissions in response to the Notice of Intention on 4 March 2022 that the Direction should not be made at this time because of pending government consultation and legislative and regulatory responses.  The Special Manager informed Crown on 8 March 2022 that Direction would be made.  Associated correspondence was appended to the Special Manager's June 2022 interim report.

Request No.	Date of Notice/Direction	Description of Request	Resulting actions
8.	18 February 2022 (Notice) 21 February 2022 (Direction)	Crown to notify the OSM when in its view all information pertaining to an Information Request has been provided.	Crown is so far continuing to comply.
7.	18 February 2022 (Notice) 21 February 2022 (Direction)	Information Request 3 to be complied with by COB 4 March 2022.	Crown provided documents after the required date.
6.	18 February 2022 (Notice) 21 February 2022 (Direction)	Information Request 2 to be complied with by COB 25 February 2022.	Crown provided documents by the required date and confirmed this in writing on 3 March 2022 as per Direction 8.
5.	20 January 2022 (Notice) 23 January 2022 (Direction)	Provide to the OSM all documents and information requested without delay being caused by review and classification of the documents for potential privilege, confidentiality and like claims.	Crown confirmed on 21 January 2022 that it would comply.
4.	11 January 2022 (Notice) 17 January 2022 (Direction)	The OSM to be kept informed of all dealings between Crown and the Victorian Government and as relevant its departments and agencies such as the VGCCC, DJCS, VRGF and Victoria Police through the prompt supply of correspondence and records of discussions.	Crown responded to Notice of Intention on 14 January 2022. Stated that Crown agreed in principle but that the Direction could present practical challenges to Crown due to volume of correspondence it would produce.  In the first reporting period, Crown implemented a new internal system to capture correspondence and records so that they can be provided to the OSM.  The OSM and Crown are having ongoing discussions about the kinds of correspondence and records that need to be provided.
3.	11 January 2022 (Notice) 17 January 2022 (Direction)	The OSM to be included on Crown's electronic distribution list of papers to Crown Board members.	In late January 2022, the Special Manager and Deputy Special Managers were provided access to Diligent (Board paper distribution application).  Papers of meetings of the Board and its committees are also provided to the OSM.

Request No.	Date of Notice/Direction	Description of Request	Resulting actions
2.	11 January 2022 (Notice) 17 January 2022 (Direction)	Information requested that is able to be gathered before the required date to be supplied promptly to the OSM.	Crown provided documents before the required date on one occasion in the second reporting period.
1.	11 January 2022 (Notice) 17 January 2022 (Direction)	Information Request 1 to be complied with by COB 4 February 2022.	Crown provided documents by the required date and confirmed this in writing on 3 March 2022 as per Direction 8.

## Appendix D: Responsible service of gambling stakeholder engagement

Organisation/forum	Contact person and role	Key areas of interest
n/a	Redacted	Gambling harm prevention
Alliance for Gambling Reform	Tim Costello, Chief Advocate Carol Bennett, CEO	Gambling harm prevention
Australasian Gaming Council	Nadine Grinblat, CEO	Promoting responsible gambling and furthering a sustainable industry
Financial Counselling Australia	Lauren Levin, Director, Policy and Campaigns	Financial counselling service provision and gambling harm prevention
Financial Counselling Victoria	Sandy Ross, Executive Officer	Financial counselling service provision and gambling harm prevention
Focal Research Consultants Limited	Dr Tony Schellink, CEO Tracy Schrans, Principal and President Janine Robinson, Director of Safer Gambling and Stakeholder Engagement	Research – gaming venues, monitoring risky play, and preventing and responding to gambling harm
Settlement Services International	Sonia Vignjevic, Victorian State Director – Strategy, Growth and Partnerships	Service provision – gambling harm prevention and support to culturally and linguistically diverse communities
The University of Adelaide	Professor Paul Delfabbro, School of Psychology Member of Crown’s Responsible Gaming Advisory Panel (now disbanded)	Research – behavioural addictions (gambling and technology)
The University of Sydney	Professor Emeritus Alex Blaszczynski, Professor of Clinical Psychology, School of Psychology Chair of Crown’s Responsible Gaming Advisory Panel (now disbanded)	Research – pathological gambling, impulse control behaviours
Turning Point, Eastern Health	Professor Dan Lubman AM, Executive Clinical Director, Turning Point and Professor of Addiction Studies and Services, Monash University	Service provision – 1800 Gambler’s Help referral service Addiction, treatment training and research centre



Organisation/forum	Contact person and role	Key areas of interest
<b>Victorian Responsible Gambling Foundation (state government body)</b>	Shane Lucas, CEO Rosa Billi, Branch Head Research and Evaluation Roberta Donovan, Branch Head Marketing and Communications Heidi Rose, Branch Head Prevention and Programs Brett Hetherington, Manager, Office of the CEO	Preventing and reducing gambling harm in Victoria, including through research, education, behaviour change campaigns, prevention programs and funding the Gambler's Help service system
<b>Victorian Responsible Gambling Foundation – Gambler's Help CALD service provider forum</b>	Australian Vietnamese Women's Association Springvale Indo Chinese Mutual Assistance Association (SICMAA) Federation of Chinese Associations, Social Welfare Centre Arabic Welfare Victorian Arabic Social Services Settlement Services International	Service provision – gambling harm prevention and support to culturally and linguistically diverse communities
<b>Victorian Responsible Gambling Foundation – Gambler's Help local service provider forum</b>	Salvation Army Banyule Community Health Better Health Network IPC Health EACH Latrobe Community Health Child and Family Services Bethany Community Support Anglicare Gateway Health Primary Care Connect Eastern Health, Turning Point Addiction Treatment, Research and Education centre Alfred Health, Gambling Minds	Service provision – gambling harm prevention and support to the Victorian community

Organisation/forum	Contact person and role	Key areas of interest
<b>Victorian Responsible Gambling Foundation – Lived Experience Advisory Committee</b>	Anna Bardsley Lynda Genser Chandana Rao Shayne Rodgers Fred Rubinstein Pauline O'Loughlin	Gambling harm prevention
<b>VicWISE</b>	Manorani Guy, Founder/President	International students' wellbeing
<b>Wesley Mission</b>	Dr Kate da Costa, Advocacy Officer	Reform in New South Wales (gaming machines and financial crime)

## Appendix E: Crown Board, Board committee and management committee meetings to 31 December 2022 attended by the Special Manager and/or OSM representatives

### Crown Resorts Limited

Current board or committee name		Synopsis					Current Crown Chair		Updates during July to December 2022 reporting period				
<b>Crown Resorts Board</b>		Guides and monitors Crown Resorts on behalf of shareholders. It is responsible for identifying areas of significant business risk and ensuring arrangements are in place to adequately manage those risks.					Mr William McBeath		The Chair changed from Dr Ziggy Switkowski AO on 24 June 2022 during the Blackstone Inc. acquisition.				
2022	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep (1, 20)†	Oct (26)†	Nov	Dec	
<b>Crown Resorts Audit Committee</b>		Assists the Crown Resorts Board to fulfil its responsibilities relating to monitoring the integrity of Crown Resorts' financial statements, the effectiveness of its internal control systems, and the effectiveness, performance, independence and objectivity of the internal and external auditors.					Mr Stephen Revell		<p>The Chair changed from Mr Bruce Carter on 24 June 2022 during the Blackstone Inc. acquisition.</p> <p>The Crown Resorts Board resolved to rename the Audit and Governance Committee as the 'Audit Committee' on 29 June 2022.</p> <p>The current Charter is dated September 2022, and reflects minor changes that did not need further approval.</p>				
2022	Jan	Feb	Mar	Apr	May (5)	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
<b>Crown Resorts Compliance, Safety and Responsible Gaming Committee</b>		Assists the Crown Resorts Board to fulfil its corporate governance responsibilities by identifying, monitoring, managing and mitigating issues and risks in relation to compliance, safety and responsible gaming for Crown Resorts and its subsidiaries.					Mr Stephen Revell		<p>The Chair changed from Ms Jane Halton with respect to the Responsible Gaming Committee and from Ms Anne Ward with respect to the Safety and Sustainability Committee on 24 June 2022 during the Blackstone Inc. acquisition.</p> <p>The Crown Resorts Board resolved to merge the Responsible Gaming Committee and Safety and Sustainability Committee into the 'Compliance, Safety and Responsible Gaming Committee' on 29 June 2022.</p> <p>The committee endorsed the Committee Charter on 9 September 2022.</p> <p>The Crown Resorts Board approved the Committee Charter at its meeting on 20 September 2022.</p>				
2022	Jan	Feb	Mar (30)	Apr	May	Jun (1)	Jul	Aug	Sep	Oct	Nov	Dec	

Current board or committee name		Synopsis				Current Crown Chair		Updates during July to December 2022 reporting period				
<b>Crown Resorts Risk Management Committee</b>		Assists the Crown Resorts Board in fulfilling its responsibility to monitor, oversee and assess: <ul style="list-style-type: none"> <li>the implementation, and effectiveness, of the company's Risk Management Policy, Risk Management Strategy and Risk and Compliance Culture Framework</li> <li>the risk appetite as set by the Board</li> <li>the management of risk across the Group, including the Risk Profiles</li> <li>the effectiveness, resourcing and performance of the company's risk management function with respect to the company's size, scope, operations and complexity.</li> </ul>				Mr Stephen Revell		The Chair changed from Ms Jane Halton on 24 June 2022 during the Blackstone Inc. acquisition.				
<b>2022</b>	Jan	Feb	Mar (30)	Apr	May	Jun (1)	Jul	Aug	Sep	Oct	Nov	Dec

## Crown Melbourne Limited

Current board or committee name		Synopsis					Current Crown Chair		Updates during July to December 2022 reporting period				
<b>Crown Melbourne Board</b>		Guides and monitors Crown Melbourne on behalf of its shareholders. It is also responsible for identifying areas of significant business risk and ensuring arrangements are in place to adequately manage those risks.					Mr Ian Silk		The Chair changed from Mr Nigel Morrison to Mr William McBeath (interim Chair) on 24 June 2022, until Mr Ian Silk received regulatory approval, effective 2 November 2022.				
2022	Jan	Feb (8)	Mar	Apr	May	Jun (3)	Jul (28)	Aug (31)	Sep (20) (1, 20)†	Oct (26)†	Nov	Dec (7)	
<b>Crown Melbourne Audit and Risk Committee</b>		Assists the Crown Melbourne Board to fulfil its corporate governance responsibilities in relation to financial reporting; risk management and internal controls; internal audit; and external audit.					Mr Stephen Revell		<p>The committee endorsed the name change from 'Audit Committee' to the 'Audit and Risk Committee' at its meeting on 31 May 2022.</p> <p>The Crown Melbourne Board approved the name change and new Committee Charter at its meeting on 3 June 2022.</p> <p>The Chair changed from Mr Bruce Carter on 24 June 2022 during the Blackstone Inc. acquisition.</p>				
2022	Jan	Feb (1)	Mar	Apr	May (31)	Jun	Jul	Aug	Sep (8)	Oct	Nov	Dec	
<b>Crown Melbourne Compliance, Safety and Responsible Gaming Committee</b>		Assists the Crown Melbourne Board to fulfil its corporate governance responsibilities by identifying, monitoring, managing and mitigating issues and risks in relation to compliance, safety and responsible gaming for Crown Melbourne.					Mr Stephen Revell		<p>The Chair changed from Nigel Morrison on 24 June 2022 during the Blackstone Inc. acquisition.</p> <p>The Compliance Committee met for the last time on 31 May 2022.</p> <p>The new 'Compliance, Safety and Responsible Gaming Committee' met for the first time and endorsed the new Committee Charter at its meeting on 8 September 2022.</p> <p>The Crown Melbourne Board approved the Committee Charter at its meeting on 20 September 2022.</p>				
2022	Jan	Feb (1)	Mar	Apr	May (31)	Jun	Jul	Aug	Sep (8)	Oct	Nov	Dec	

† Meetings were held simultaneously with Crown Melbourne Limited, Crown Resorts Limited and Burswood Limited.



## Committees that have responsibility for subject matter ultimately reported to the ERCC and/or Board committees

Current board or committee name		Synopsis					Current Crown Chair*		Updates during July to December 2022 reporting period				
Crown Resorts Executive Risk and Compliance Committee (ERCC)		<p>Assists the CEO of Crown Resorts, Board of Directors of Crown Resorts and relevant Crown Resorts Board subcommittees in:</p> <ul style="list-style-type: none"> <li>• assessing and providing oversight for the identification and evaluation of material risks involved in the business operations of Crown Resorts</li> <li>• reviewing and evaluating the company's actions to mitigate and manage business and compliance/regulatory risks</li> <li>• assessing and providing oversight for the effective implementation and ongoing maintenance of the Crown Resorts compliance program</li> <li>• fulfilling responsibilities relating to legal compliance matters and practices of Crown Resorts</li> <li>• championing and embedding Crown's desired risk and compliance culture across the organisation.</li> </ul>					Mr Alan McGregor		<p>The OSM was invited to one meeting on 23 November 2022 that it was unable to attend.</p> <p>Mr Alan McGregor is the interim Chair pending Mr Ciarán Carruthers' regulatory approval.</p>				
2022	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	

Current board or committee name		Synopsis					Current Crown Chair*		Updates during July to December 2022 reporting period				
<b>Crown Melbourne ERCC</b>	Assists the CEOs of Crown Resorts and Crown Melbourne, Board of Directors of Crown Melbourne and relevant Crown Melbourne Board subcommittees in:					Mr Tim Barnett		The committee recommenced meeting in August 2022, having last met in November 2021. <sup>2</sup> Mr Tim Barnett is the interim Chair pending Mr Mike Volkert's regulatory approval.					
	<ul style="list-style-type: none"> <li>assessing and providing oversight for the identification and evaluation of material risks involved in the business operations of Crown Melbourne</li> <li>reviewing and evaluating the company's actions to mitigate and manage business and compliance/regulatory risks</li> <li>assessing and providing oversight for the effective implementation and ongoing maintenance of Crown Melbourne's compliance program</li> <li>fulfilling responsibilities relating to legal compliance matters and practices of Crown Melbourne</li> <li>championing and embedding Crown's desired risk and compliance culture across the organisation.</li> </ul>												
<b>2022</b>	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug (16)	Sep	Oct	Nov (21, 29)	Dec	
<b>Crown Melbourne Responsible Gaming Management Committee</b>	Monitors and reviews gaming, responsible gaming and associated activities to ensure that Crown Melbourne provides a safe and responsible gaming environment that supports and drives harm minimisation.					Mr Luke Overman		No significant updates to note.					
<b>2022</b>	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep (13)	Oct	Nov	Dec (13)	

<sup>2</sup> In the Special Manager's June 2022 interim report, it was noted that the ERCC had not met since May 2021, based on advice from Crown. However, the meeting pack for the committee's meeting on 16 August 2022 included minutes from a meeting of the committee on 15 November 2021. Crown informed the OSM that previous advice about the committee not having met since May 2021 was provided in error.

Current board or committee name		Synopsis					Current Crown Chair*		Updates during July to December 2022 reporting period				
<b>Crown Melbourne Responsible Service of Alcohol Steering Committee</b>	Takes a proactive role in ensuring that Crown demonstrates best industry practices in RSA practices and initiatives in a commercially viable and sustainable way.					Mr Tim Barnett		The Chair changed from Mr Mark Mackay at the meeting on 28 August, as Mr Tim Barnett is acting COO during Mr Mackay's six-month secondment to Crown Perth.					
	2022	Jan	Feb	Mar	Apr	May	Jun (16)	Jul (21)	Aug	Sep (28)	Oct (25)	Nov (17)	Dec (15)
<b>Crown Melbourne Self Exclusion Revocation Committee</b>	Reviews and evaluates all applications for revocation of self exclusion or involuntary exclusion.					Mr Luke Overman		No significant updates to note.					
	2022	Jan	Feb	Mar	Apr	May	Jun (16)	Jul (21)	Aug (18)	Sep (15)	Oct (27)	Nov (17)	Dec (15)
<b>Crown Melbourne Third Party Exclusion Committee</b>	An ad hoc committee that considers applications from concerned parties to initiate an exclusion process to protect and safeguard an individual whose gambling at Crown Melbourne may be causing harm to themselves or significant others.					Mr Luke Overman		No significant updates to note.					
	2022	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug (4)	Sep	Oct	Nov	Dec
<b>Crown Melbourne Transformation Steering Committee</b>	Reviews and monitors the MRAP and discusses broader transformation.					Mr Mike Volkert		The committee was established on 30 June 2022. The Crown Melbourne Board approved the Committee Charter at its meeting on 7 December 2022.					
	2022	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug (16)	Sep (20)	Oct (20)	Nov (14)	Dec (12)
<b>Crown Group Compliance and Regulatory Affairs Breach Determination Forum (BDF)</b>	A decision-making forum for events that occur within the Crown Group. Each Crown Group Property has a BDF. It is responsible for considering the event and determining whether it is reportable to state and/or federal regulator(s) on either a voluntary or mandatory basis.					Ms Martha Georgiou		The committee was established on or around 1 July 2022. Crown is currently updating the existing Terms of Reference which was effective from 1 July 2022.					
	2022	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct (12, 19)	Nov (2, 17)	Dec

Current board or committee name		Synopsis					Current Crown Chair*		Updates during July to December 2022 reporting period				
<b>Crown Group IT Steering Committee</b>		Endorses Crown's technology roadmaps, approves new initiative requests, prioritises Crown's IT work program and escalates matters for resolution to the Board.					Mr John Bollen		The committee had its first meeting since being reconstituted on 7 November 2022. The OSM has not yet been provided with the updated Charter.				
2022	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec (12)	
<b>Crown Resorts Financial Crime Breach Determination Forum (FCBDF)</b>		Ensures there is a coordinated methodology and approach to identifying, reporting and assessing breaches or apparent breaches of Crown's financial crime obligations. The FCBDF is a decision-making forum for financial crime events with responsibilities for escalating ML/TF breaches to the Crown Resorts Financial Crime Working Group Crown Resorts Financial Crime Oversight Committee or directly to the Crown Resorts or Crown Entities Boards depending on materiality.					Ms Armina Antoniou		This forum was previously named the 'Financial Crime Regulatory Event Forum'. It was renamed to align with the Issues Management and Breach Reporting Policy, which was operationalised on 30 June 2022.				
2022	Jan	Feb	Mar	Apr	May	Jun	Jul (8)	Aug (5)	Sep (2)	Oct (14, 28)	Nov	Dec	
<b>Crown Resorts Financial Crime &amp; Compliance Change Program (FCCCP) Design and Decision Forum</b>		Discusses progress of the FCCCP and seeks Executive Sponsor decision, approval, endorsement or guidance.					Ms Nicole Morehead		The FCCCP Design and Decision Forum has Terms of Reference dated August 2022.				
2022	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct (7)	Nov (24)	Dec	
<b>Crown Resorts Financial Crime Oversight Committee (FCOC)</b>		Assists the boards of Crown Resorts and each reporting entity within Crown Resorts designated business group (DBG) in fulfilling its oversight responsibilities with respect to the Group's exposure to financial crime risk. The FCOC monitors and assesses the effectiveness of financial crime compliance programs and initiatives of Crown Resorts and the DBG Entities with the obligations in the AML/CTF Framework.					Mr Anthony Pearl		The committee updated the Charter on 14 October 2022 to change the Chair from Mr Steven Blackburn due to a senior management restructure.				
2022	Jan	Feb	Mar (31)	Apr	May (26)	Jun	Jul	Aug (18)	Sep	Oct (18)	Nov (22)	Dec (14)	

Current board or committee name		Synopsis					Current Crown Chair*		Updates during July to December 2022 reporting period				
<b>Crown Resorts Financial Crime Working Group (FCWG)</b>		Supports the FCOC to monitor and assess compliance with the obligations within the AML/CTF Framework. Includes assessing and providing oversight of Crown's operational compliance with its financial crime compliance program.					Ms Armina Antoniou		No significant updates to note.				
2022	Jan	Feb	Mar (29)	Apr (27)	May (25)	Jun (29)	Jul	Aug (31)	Sep (28)	Oct (26)	Nov (23)	Dec	
<b>Crown Resorts Persons of Interest Committee (POI)</b>		<p>Ensures that the Crown Resorts casinos remain free from criminal influence or exploitation, by reviewing persons of interest who are brought to the committee's attention due to allegations of unacceptable behaviours, such as:</p> <ul style="list-style-type: none"> <li>dealing in proceeds of crime</li> <li>threatening the safety of patrons or staff</li> <li>drug dealing, theft or fraud</li> <li>illegal activity occurring on-site</li> <li>illegal activity occurring off-site</li> <li>ML/TF.</li> </ul> <p>The committee will review any information presented to it and decide whether the POI should be permitted to continue to access and/or transact with Crown, or whether a withdrawal of licence notice, Notice Revoking Licence or Exclusion Order should be issued to the POI, preventing them from accessing and/or transacting with Crown.</p>					N/A		<p>The committee was disbanded. Crown intends to establish property-specific POI committees.</p> <p>The draft Crown Melbourne POI Committee Charter is being finalised.</p>				
2022	Jan	Feb	Mar	Apr (28)	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec (15)	
<b>Crown Resorts Transaction Monitoring Council</b>		Provides oversight of the transaction monitoring program, including data, systems, rules and alerts. The council also reports to key stakeholders, the CRO and the FCWG.					Mr Daniel Rule		No significant updates to note.				
2022	Jan	Feb	Mar	Apr (5, 29)	May (31)	Jun (28)	Jul (28)	Aug (23)	Sep (6)	Oct (25)	Nov (29)	Dec (21)*	

\* The OSM was unable to confirm attendance at the time of finalising this report. Attendance will be confirmed in the next report.



# Hallmarks of an effective RSG strategy

## Discussion question: What makes for an effective RSG strategy/program in a casino?

Positive focus on customer wellbeing/prevention <i>(especially vulnerable cohorts)</i>	Tailored to customer base <i>(eg socio-economic, CALD, age)</i>	Enabling customers to make more informed decisions <i>(eg data access, education re risks)</i>
Focus on the casino's social licence and responsibilities	"Supply side" prevention focus <i>(eg marketing strategy, product approval, product placement)</i>	Innovative and emerging best practice <i>(eg algorithms, known play, informed by lived experience)</i>
Underpinned by evidence, data collection, evaluation framework	Continuous improvement of foundational RSG program <i>(eg earlier engagement with customers)</i>	Integrated with the service system <i>(eg funding, referrals)</i>
Harm minimisation purpose, reflected in corporate strategy	Plan is achievable, costed, resourced, linked to staff KPIs	Leadership – clear commitment from Board, executive, etc

# What might success look like?

## Discussion question: What are some key, measurable indicators/outcomes?

Changes in betting patterns of regular customers – less time and money spent

Increase in customer and staff understanding of risks

Safer gambling experiences are offered

Increase in exclusions/  
effective monitoring

Increase in referrals

Decrease in stigma towards people who experience gambling harm

Less regulatory breaches/  
less serious breaches

Stakeholders experience increased engagement and collaboration

Decrease in exposure to potentially harmful inducements

Increase in customer and staff satisfaction

Increase in data sharing, independent research and evaluation

Decrease in crisis incidents, police callouts, security issues

# Opportunities and challenges

**Discussion question: What are some key opportunities/challenges re RSG strategy development?**

Internal culture and workforce	Competing priorities	Technology/data
Customer perceptions	Service system integration <i>(including resourcing/funding)</i>	Community perceptions
Regulatory environment/external inquiries	Different approaches to understanding of “harm minimisation”	Industry competition

