

# Media Release

**The Hon Melissa Horne MP**

Minister for Consumer Affairs, Gaming and Liquor Regulation

Minister for Ports and Freight

Minister for Fishing and Boating



Tuesday, 26 October 2021

## ROYAL COMMISSION: SWEEPING REFORMS NEEDED FOR CROWN

The Victorian Government is taking immediate action to introduce tough new measures and strict oversight of Melbourne's casino operator – ensuring the failures exposed by the Royal Commission can never happen again.

In response to the final report of the Royal Commission into the Casino Operator and Licence, tabled in the Victorian Parliament today, the Government has introduced legislation to ensure Victoria's casino operates to the highest standards of integrity.

The Royal Commission has found Crown Melbourne unsuitable to hold the Melbourne Casino Licence as it engaged in conduct that is 'illegal, dishonest, unethical and exploitative'.

However, it also found that immediate cancellation of Crown's licence would cause considerable harm to the Victorian economy and innocent third parties, and that Crown Melbourne has, at great financial cost, begun a significant reform program led by people of 'good will and skill' – a move that could save up to 12,000 jobs.

Instead, the Royal Commission has recommended Crown be permitted to continue operating while it undertakes a significant reform agenda under the stringent oversight of a Special Manager. Crown must do this over two years in order to retain its licence.

The Government accepts the Royal Commission's findings and is immediately implementing nine of the 33 recommendations, with the *Casino and Gambling Legislation Amendment Bill 2021* being introduced to Parliament today.

The Government will go beyond the recommendations of the Royal Commission with laws that will automatically cancel Crown's licence unless the regulator is clearly satisfied Crown is suitable to continue operating Melbourne's casino.

The onus will be on Crown to clearly demonstrate why its licence should not be cancelled by the regulator, based on the report of a new Special Manager to be established.

The Special Manager will have unprecedented powers to oversee Crown for the next two years, the power to direct the Board to take particular action or refrain from taking action, and have unfettered access to the casino, its books and records.

This type of corporate oversight has never been seen before in Australian corporate history, with Commissioner Raymond Finkelstein QC indicating the Special Manager should be the ultimate decision maker at Crown Melbourne and oversee all aspects of the casino's operations.

Stephen O'Bryan QC is to be appointed as the Special Manager overseeing the casino operator, subject to the passage of the Bill.

Mr O'Bryan was Victoria's first Independent Broad-based Anti-Corruption Commissioner and will bring integrity and accountability to the casino's operations. He will begin preparatory work immediately.

Importantly, the Bill seeks to completely remove – rather than just amend – the restrictive provisions introduced by the previous Liberal Government that stop the State from making changes to the regulatory arrangements without having to pay compensation to Crown.

**Media contact:** Steph Jones | [stephanie.jones@minstaff.vic.gov.au](mailto:stephanie.jones@minstaff.vic.gov.au)

We are also going over and above the recommendation to increase the fine for disciplinary action to at least \$10 million, increasing the maximum penalty under the *Casino Control Act* up to \$100 million.

The Bill imposes stronger regulatory obligations on the casino operator and bans junkets. It will also establish the Victorian Gambling and Casino Control Commission to provide a dedicated focus on the casino, and strengthen and expand the powers of the regulator to hold the casino operator to account.

We welcome the remaining recommendations and support them in-principle, subject to further detailed analysis and consultation being undertaken. Legislation planned for next year will address further actions arising from these recommendations.

**Quotes attributable to Minister for Consumer Affairs, Gaming and Liquor Regulation, Melissa Horne**

*“The Government accepts all of the findings of the Royal Commission and we are taking immediate action to hold Crown to account and restore the public’s trust in the casino operator.”*

*“Since receiving the final report from the Royal Commission, we’ve prioritised the most urgent actions to ensure we have a casino operator that upholds the highest standards of integrity and honesty.”*