

Royal Commission into the Casino Operator and Licence

STATEMENT OF TONY WESTON

Name: Tony Weston
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Occupation: Chief People and Culture Officer, Crown Resorts Limited
Date: 6 July 2021

1. In this statement I refer to:
 - a) Crown Resorts Limited, the ultimate holding company, as "**CRL**",
 - b) Crown Melbourne Limited, a company wholly owned by CRL, as "**Crown Melbourne**".
 - c) CRL, Crown Melbourne and its related group companies collectively as the "**Crown Group**".
2. Unless indicated otherwise, I make this statement from my own knowledge or on the basis of documents of the Crown Group that I have reviewed.

Overview

3. I have been provided with the expert opinion of Elizabeth Arzadon regarding cultural change at Crown Melbourne dated June 2021. This statement sets out my observations on a number of matters set out in that opinion.

Professional Background

4. On page 16 of her opinion, Ms Arzadon describes me as a 'generalist HR professional' and suggests that my employment record indicates that I may not stay in my role at CRL for the term required to see through observable cultural change.
5. I commenced as Chief People and Culture Officer of CRL on 7 June 2021 and currently await the required probity and regulatory approvals.
6. In recent times, I have taken on roles that have been shorter fixed term contracts given the nature of the work involved. However, my role at CRL is a permanent appointment and I appreciate that it will take time to fully embed the cultural change required at CRL. I am fully committed to seeing that through over the long term.

7. I hold a Bachelor of Business Degree (Personnel & Industrial Relations) from the Royal Melbourne Institute of Technology in Melbourne, Australia.
8. I have over 30 years of senior human resources experience across a range of industries, including gaming, hospitality and retail, and have worked for a number of large Australian companies. My experience includes:
 - a) leading the design and implementation of the enterprise-wide culture change program at the National Australia Bank during and after the Financial Services Royal Commission;
 - b) leading the Human Resources functions at both Kmart Australia Limited and Aristocrat Leisure Limited, and in both instances managing the design and implementation of culture change programs within those organisations that formed a critical part of larger business transformation activities;
 - c) implementing a new operating model for 7-Eleven Australia as part of a broader organisational transformation, which involved significant consideration of the cultural aspects of the business; and
 - d) other large-scale organisational transformations that have involved similar "re-wiring" of the structure, leadership and operating models of the relevant business, including for ALH Group, Fosters Group Limited's global wine business (now known as 'Treasury Wine Estates') and Telstra Corporation Limited. These transformations were often undertaken during sensitive and/or turbulent periods for those businesses.

My observations on Crown's level of commitment to genuine cultural change

9. On page 21 of her opinion, Ms Arzadon notes that 'Although it may have taken a little longer than expected, senior level urgency on the issue of culture does seem to be developing'.
10. My experience is that the Crown leadership team is very invested in the Culture Change Program and my role within the organisation. It is my experience that the CRL Board has prioritised the Culture Change Program as part of the Crown Group's broader reform program, including by bringing forward the delivery of the Culture Reform Program roadmap from an original delivery date of December 2021 to August 2021, which is just 10 weeks from my commencement date as Chief People and Culture Officer.
11. On page 16 of her opinion, Ms Arzadon states that 'Whether key stakeholders within Crown genuinely appreciate that this [culture] change must involve sustained effort to enact fundamental

cultural transformation is difficult to determine'.

12. In January 2021, as part of my interview process for the Chief People & Culture Officer role, I outlined my recommended approach to driving a culture change agenda at Crown. This was shared with the Board of CRL and senior management at the time. I was pleased to see that this approach is the same approach that Deloitte has undertaken as part of their culture review.
13. Although we are yet to be presented with the feedback and insights from Deloitte's current state assessment, the CRL Board and senior management throughout the Crown Group are already looking for ways to improve our organisational culture. As an example, in recognition of the importance of creating an open and transparent workplace which has the right level of psychological safety, the Chairman, via her weekly staff communications, has been encouraging staff to feel safe in speaking up when something does not feel right. The Group CEO has also commenced discussions with workers at all levels to ensure key messages around our target culture are understood.
14. In relation to setting our future target state culture, we have also set up two senior leader forums in July and August this year, which will bring together the Crown Group's sixty-five most influential executives. The objective at these forums will be to review all of the feedback compiled by Deloitte as part of their Phase 2 review, discuss what needs to change as part of agreeing our aspirational culture and align on what is expected of our leaders in terms of role modelling within our organisation and leading that change from the top.
15. I would describe Crown as having a deeply caring culture when it comes to its people. I have seen that displayed recently throughout the respective operational 'shutdowns' of our properties during the COVID-19 pandemic, where financial support has been provided to staff who are being stood down, which is mostly over and above what is the normal or expected best practice. These decisions have been made despite the organisation's broader financial challenges and demonstrate to me that the welfare of staff has been put ahead of financial considerations. I have also seen it displayed in terms of the availability of psychological and welfare related support services for staff members.

Examples of Crown's commitment to further cultural change beyond resourcing increases

16. Page 22 of Ms Arzadon's opinion states that 'while commitment of resources is a necessary first

step, there are many more actions beyond this initial step necessary to embed a change in behavioural norms and mindsets'. I agree with this statement. In my experience, it is not always easy to get boards or executive teams to dedicate their time to the culture change agenda and truly grasp why cultural change is so important or what steps might be involved in that change. I have found it refreshing to join an organisation where the CRL Board and senior executives are not only dedicating time to this issue, but where they also have a much deeper understanding of what culture change involves. Where there has been a lack of understanding or a need for clarity, there is a heightened level of curiosity and questioning which gives me comfort that there is genuine buy-in on this issue. Although sustained change must be embedded over the longer term, I have found it possible to gain traction quickly to instil some of the change that must happen in the very short term. I have confidence that we will quickly align Crown's leadership behind a comprehensive culture reform program.

17. I have also experienced a willingness to make tough decisions about senior leadership changes, the commitment of new or additional resources to culture-related matters, and changes to how things are done at an operational-level throughout the organisation. An example would be a review undertaken over the last 9 months of the Crown Group's performance management framework and the training and education that supports that framework. The changes that will be made to that framework have been designed to significantly increase the quality of performance feedback and development conversations that we have with staff, whilst also providing increased opportunities for staff to provide informal feedback on where performance and behavioural improvement can be made at all levels of the organisation.

The Crown Culture Change Program

18. In section 4 of her opinion, Ms Arzadon outlines a commonly understood approach to cultural change that has been adopted by many organisations. This approach is almost identical to the approach that forms the basis of our Culture Reform Program that I have outlined below.
19. Crown's Culture Change Program consists of four phases:
 - (a) Phase 1 of the program has been completed by Deloitte and whilst an initial draft has been compiled, the final Phase 1 report will be completed by 7 July 2021. It involved a 'desktop' assessment of the existing cultural framework at Crown – that is, what has traditionally been in place in terms of assessing culture, defining the organisation's aspirational culture,

what initiatives were implemented to drive and align culture change and how the impact of those initiatives were measured.

- (b) Phase 2 is currently in progress and involves an assessment of the Crown Group's current state culture in more detail. All staff were asked to participate in an anonymous survey undertaken by Deloitte with 7,470 staff responding. A further 38 follow up interviews and 40 focus groups (where 415 staff were invited to participate) have been held to dive more deeply into potential root causes of cultural issues and to test existing observations. As part of Phase 2, we have also extended invitations for interviews to a number of the Crown Group's external stakeholders, including the state gaming regulators in Melbourne, Perth and Sydney. An interview with the CEO of the VCGLR has been scheduled for this week. While some of the focus group work was delayed due to Covid-related restrictions, Phase 2 is due to be completed by 16 July 2021.
- (c) Phase 3 will involve Deloitte analysing the insights and findings from Phase 1 and Phase 2 of the program, and then presenting those to senior management and the Board of CRL. This report is due to be completed by 23 July 2021.
- (d) Phase 4 will build on the findings of Phase 3 and involve the Crown leadership team, with Deloitte's assistance, defining our aspirational culture, developing a roadmap for change, and establishing the governance, measurement and reporting frameworks required to manage and assess that change. This work is due to be completed by 16 August 2021. Following Board approval and any other financial and/or resourcing considerations, implementation of that plan will commence immediately.
20. In establishing the roadmap (or change plan), we will review all relevant programs, systems, codes of conduct, decision making frameworks, policies, and practices that impact on the culture of the organisation. The program itself will be centrally monitored and measured, however it is anticipated the initiatives themselves will likely have a wide range of owners from across Crown.

Privileged

Signed:

Date:

6 July 2021