



Copyright in this document is reserved to the State of Western Australia. Reproduction of this document (or part thereof, in any format) is prohibited except with the prior written consent of the Attorney General or Perth Casino Royal Commission or as permitted by the *Copyright Act 1968* (Cth).

---

**PERTH CASINO ROYAL COMMISSION**

---

**PUBLIC HEARING - DAY 40**

**10.05 AM WEDNESDAY, 22 SEPTEMBER 2021**

**COMMISSIONER CF JENKINS**

**HEARING ROOM 4**

**MR DAVID LEIGH and MS MIA HENDERSON as Counsel Assisting the Perth Casino Royal Commission**

**MR PETER SADLER as Counsel for the Gaming and Wagering Commission of Western Australia**

**MR ROBERT BATHURST as Counsel for the Department of Local Government, Sport and Cultural Industries**

**MR JOSEPH GARAS SC and MS CLARA WREN as Counsel for Crown Resorts Ltd; Burswood Limited; Burswood Nominees Limited; Burswood Resort (Management) Limited; Crown Sydney Gaming Pty Ltd; Southbank Investments Pty Ltd; Riverbank Investments Pty Ltd and Crown Melbourne Limited**

**MR DAVID SHAW as Counsel for Ms Kelly Townson**

10:00AM

COMMISSIONER JENKINS: Good morning, Ms Townson. Before you give your evidence today, you must give an oath or take an affirmation. Which do you wish to take?

5

MS TOWNSON: Affirmation, please, Commissioner.

COMMISSIONER JENKINS: Thank you.

10

**MS KELLY CHRISTINE TOWNSON, AFFIRMED**

COMMISSIONER JENKINS: Thank you, Ms Townson. Please take a seat and make yourself comfortable.

15

Mr Shaw?

20 **EXAMINATION-IN-CHIEF BY MR SHAW**

MR SHAW: Commissioner, if you please. Could I have Ms Townson's statement on the screen, please, CRW.998.002.0518. Could we scroll through to the last page, please. One page before that, I beg your pardon.

25

Ms Townson, while your signature is redacted there, do you recognise that as your witness statement?

30 MS TOWNSON: I do.

MR SHAW: And your evidence is that that is true and correct?

MS TOWNSON: Correct.

35

MR SHAW: Commissioner, I tender that statement.

COMMISSIONER JENKINS: Thank you. The witness statement of Kelly Christine Townson, did you read out aloud the identifier?

40

MR SHAW: I did. CRW.998.002.0518.

COMMISSIONER JENKINS: Thank you. With that identifier will be an exhibit in the Commission. Thank you, Mr Shaw.

45

**EXHIBIT #CRW.998.002.0518\_R - WITNESS STATEMENT OF MS KELLY CHRISTINE TOWNSON DATED 15 SEPTEMBER 2021**

MR SHAW: That is underscore "R" because there were redactions.

5 COMMISSIONER JENKINS: It will be --- maybe it's not the underscore "R" document, which is the exhibit.

MR SHAW: I'm not sure.

10 COMMISSIONER JENKINS: It is the unredacted version.

MR SHAW: Yes.

COMMISSIONER JENKINS: Thank you, Mr Shaw.

15 Yes, Mr Leigh.

### **CROSS-EXAMINATION BY MR LEIGH**

20

MR LEIGH: Thank you, Commissioner.

25 Ms Townson, my name is David Leigh. I'm one of the Counsel Assisting the Commission. Beginning with some questions in relation to your statement, you explain at paragraph 4 that you joined Crown in February 2018?

MS TOWNSON: That's right.

30 MR LEIGH: When you joined, you went immediately into the role that you now hold, being General Manager of Marketing Operations?

MS TOWNSON: (Nods head).

35 MR LEIGH: At paragraph 64 of your statement, you give a broad overview as to what your role requires you to do and you explain that you review and approve all brand advertising and tier 1 campaigns.

MS TOWNSON: Correct.

40

MR LEIGH: You review and approve tier 2 campaigns and creative communications?

MS TOWNSON: Yes.

45

MR LEIGH: And that you are generally consulted in relation to the creative communications of tier 3 campaigns?

10:03AM

MS TOWNSON: Yes.

5 MR LEIGH: Speaking broadly, you play a role in the approval of almost all of the advertising for Crown Perth?

MS TOWNSON: Yes.

10 MR LEIGH: And now I just have some questions about the size of your advertising team. You explain at paragraph 8 of your witness statement that you lead the Perth marketing operations team which comprises around 30 people.

MS TOWNSON: Correct.

15 MR LEIGH: Was that the size of the team when you joined in 2018 or has it grown over the years?

MS TOWNSON: (Inaudible).

20 MR LEIGH: And are those people based in Perth?

MS TOWNSON: They are.

25 MR LEIGH: Are they all full-time?

MS TOWNSON: Yes, they would be. There are a few part-time, permanent part-time.

30 MR LEIGH: In terms of the day-to-day operations, how many of that 30 are on duty any given day?

MS TOWNSON: We are, what you call, service support staff so we are five-day-a-week full-time.

35 MR LEIGH: Then you explain in paragraph 10 of your statement that there are also a number of other marketing teams based in Perth?

MS TOWNSON: (Nods head).

40 MR LEIGH: How many other people are in those marketing teams?

MS TOWNSON: It does vary. If you look at the teams we have, I guess what we call, specialist teams made up of about 30 people thereabouts.

45 MR LEIGH: I've just been passed a note from the transcribers to ask if you could please make sure that you talk loudly, as it's quite difficult to hear you. Thank you.

10:05AM

MR LEIGH: So could you just repeat the answer?

5 MS TOWNSON: That would be about another 30 people that make up the other specialist units that support the marketing operations team for Perth.

MR LEIGH: So in total, we are talking approximately 60 people that make up the marketing area, is that correct?

10 MS TOWNSON: Correction, about 50, 51.

MR LEIGH: 50, 51 in total?

MS TOWNSON: Yes.

15

MR LEIGH: And of that 50/51, a portion of those people are working on advertising not just for Crown Perth but for the whole Crown Group, is that correct? Or are they all Crown Perth focused?

20 MS TOWNSON: No, some of them have support roles to Crown Melbourne as well in the other teams, but, yes, they obviously support Perth as well.

MR LEIGH: In terms, then, of those people who support Crown Melbourne, or at least partly support Crown Melbourne, how much of their work is in relation to  
25 Crown Perth?

MS TOWNSON: When we require them to support the development and execution of our marketing campaigns for Perth, they work on Perth (inaudible). I couldn't give you an idea on how they would split their time.

30

MR LEIGH: Okay, so when they are working on Perth materials, all 50 people may be working on Perth marketing?

MS TOWNSON: Give or take, but I don't manage the teams so I don't know how  
35 they allocate those teams to the time.

MR LEIGH: Just in terms of a question for the types of work that you assist with for advertising and promotions, do you ever provide assistance to the RSG team in relation to its advertising materials? I'm thinking particularly about the brochures  
40 that are provided for self-exclusion and so on at the casino.

MS TOWNSON: We do support the RSG teams to produce those brochures.

MR LEIGH: And in terms of the design, the look and feel of those brochures, we've  
45 seen some of them at the tour of the casino recently, they have a uniform blue cover. There are no graphics or pictures or anything else which might perhaps make the brochure more lively. Is that a deliberate choice by marketing?

MS TOWNSON: No, I think that was a template that was established before my time. We actually haven't looked at taking it that bit further.

5 MR LEIGH: So that has not been something that has been raised or considered by RSG or marketing to perhaps have a refresh or a revamp of those brochures?

MS TOWNSON: We changed the colour on the brochure cover (inaudible).

10 MR LEIGH: Okay. I'm going to ask you some questions now about your training and experience. You deal with that in paragraph 19 of your statement. You say that you didn't have any casino experience before joining in 2018. Then you joined and underwent a 2-day employee induction program.

15 MS TOWNSON: That is correct.

MR LEIGH: Was this at a training area known as the Crown College?

MS TOWNSON: Correct.

20

MR LEIGH: You say at 26 that in the course of your employment, you completed a range of other courses, and you set out those courses at paragraph 26, and they range from AML to RSG and other things.

25 MS TOWNSON: Yes.

MR LEIGH: My question is, did you do all those courses immediately upon starting at the casino?

30 MS TOWNSON: You have, I guess, a pack, for want of a better word, of courses online to get through. So I guess you have an opportunity to complete them during your time. And then, for some of them, there are annual refreshers and some of them might be every second year.

35 MR LEIGH: So I am going to ask you, perhaps, to zoom in on a particular area, which is the RSG area. Is that true for RSG training, what you just told us, that you had the online training and then, subsequently, a refresher course?

MS TOWNSON: Correct.

40

MR LEIGH: With the online training for RSG, firstly was it referred to as a "Responsible Service of Gaming" course or a "Responsible Gaming" course, if you can remember?

45 MS TOWNSON: I can't remember, actually.

MR LEIGH: And in terms of it being this online training program, is that something which you then have to do at your own computer, your own desk, in your own time?

10:08AM

MS TOWNSON: Yes.

MR LEIGH: How long approximately does that training program take?

5

MS TOWNSON: Well, I think around half an hour to maybe an hour, depending on the person.

MR LEIGH: And of what is the course comprised?

10

MS TOWNSON: It takes you through around our Responsible Gaming and our obligations as a business but as an individual to provide the services for detecting observable signs of gaming harm and also covers a few of our programs that our Responsible Gaming team delivers.

15

MR LEIGH: Are you aware from discussions with other staff at the casino whether the training that you had with the online program is standard training that all employees do?

20

MS TOWNSON: It is my understanding is it standard and mandatory for all staff.

MR LEIGH: You mentioned an annual refresher course. Is that a different course each year, or a repeat of the original course that you did?

25

MS TOWNSON: I couldn't tell you.

MR LEIGH: So if you have it as an annual refresher course, you've done it four times, or approximately four times, since starting in 2018? Is that right?

30

MS TOWNSON: I don't know if it is four times but, yes, I guess you're counting that, yes, four times.

MR LEIGH: Thinking about it now, can you remember whether the content was the same on each of those occasions or whether it changed?

35

MS TOWNSON: I can't --- I would say it would be the same. I'm not sure it has changed.

MR LEIGH: It's not particularly memorable content?

40

MS TOWNSON: I wouldn't say it is not memorable, but there are a lot of courses and my memory fails me.

MR LEIGH: You then say at paragraph 22, that you've also recently attended an RSG manager course.

45

MS TOWNSON: (Nods head).

10:10AM

MR LEIGH: And when was that attended?

MS TOWNSON: About two months ago, I believe. Recently. August, I think.

5

MR LEIGH: August. Is that the first time you've attended that course?

MS TOWNSON: Correct.

10 MR LEIGH: And what did that course entail?

MS TOWNSON: That was face-to-face. It was with a group of fellow colleagues. The trainer, who was an RSG advisor as well, went through an overview of Responsible Gaming overall and then went through how to, I guess, depict  
15 observable signs and went through all of the programs that we deliver at Crown Perth.

MR LEIGH: How long did that course take? You estimated a half hour.

20 MS TOWNSON: That was an hour.

MR LEIGH: That was an hour?

MS TOWNSON: Yes.

25

MR LEIGH: At the end of the course, was there any assessment or test that you had to pass, or was it merely an informational session?

MS TOWNSON: No, there was a sheet at the end, where they asked you, I guess,  
30 your knowledge from what the course had provided, and that was to be given in.

MR LEIGH: Are you aware whether you have passed that course?

MS TOWNSON: I'm not aware.

35

MR LEIGH: So you haven't yet received feedback as to an outcome?

MS TOWNSON: No.

40 MR LEIGH: You mentioned, a moment ago, the observable signs of potential problem gambling. I understand that I'm putting you a little bit on the spot, but sitting here now, can you recall what those signs are or some of those signs?

MS TOWNSON: Yes, I will try. Well, firstly a person could self-disclose  
45 themselves to an RSG advisor. You also may see some patrons who may stay longer after their friends or family have left in a bit more of a secretive way. You may see a patron, I guess, go to the ATM more often, you might see patrons be agitated and



10:12AM

aggressive in their behaviour to some Crown staff or to other patrons. You may see the patrons themselves looking a little bit in their appearance, I guess, deteriorating in their appearance. You may also see them, I guess, visit more often or stay longer or spend more money or ask for more money (inaudible).

MR LEIGH: So that's a very impressive recollection. Have you taken the opportunity to review the observable signs before giving evidence today?

MS TOWNSON: Yes.

MR LEIGH: And when was that?

MS TOWNSON: Probably last week.

MR LEIGH: In terms of your day-to-day in your ordinary job, on how many occasions, if ever, would you be required to assess those observable signs or come into a situation where you might be in a position to see those observable signs?

MS TOWNSON: It's very rare because my role is not customer-facing.

MR LEIGH: And as a result of that, would it be fair to say that you don't, on a daily basis, have to consider RSG perspectives at the casino?

MS TOWNSON: I wouldn't say that. I consider and my team considers RSG perspective in all the advertising we do and the promotions we create.

MR LEIGH: And so, when you say that you consider it in all the advertising from the RSG perspective, what does that mean in practical terms? What are you looking for, what are you doing in relation to that advertising?

MS TOWNSON: If we talk about advertising specifically in terms of, I guess, the communications that go out, if it is a mass campaign, so TV, radio and the like. We ensure that, obviously, we have our standards and regulations under the *Wagering and Gaming Commission Act that we are obliged to follow so we ensure that the 1800 number, Gambling Help Online is on those pieces of advertising, we ensure that the website is there, and also the RSG logo. So those are the aspects in advertising.*

MR LEIGH: You said the website is there, what did you mean by "the website"?

MS TOWNSON: The Gambling Help Online website address.

MR LEIGH: And the 1800 number?

MS TOWNSON: That's the Gambling Help Online.

MR LEIGH: So both sources of information or assistance that people can contact ---

10:14AM

MS TOWNSON: Correct, yes.

MR LEIGH: --- and you put that on the advertising that Crown puts out?

5

MS TOWNSON: Correct.

MR LEIGH: I am going to turn now and ask you some questions about the Responsible Gaming Management Committee. You mention at paragraph 19 of your statement, I think that we've already discussed it, that you didn't have experience with casino operations before joining. You did the RSG training program which you told us about, the half hour online course, was there any additional training that you did or assistance that you were provided with before then joining or being tasked with being part of the Responsible Gaming Management Committee some time in 2019?

10  
15

MS TOWNSON: Not to my recollection.

MR LEIGH: And you explain at 23 of your statement, that you were asked to take a role in considering revocations for people who had previously self-excluded from the casino; is that correct?

20

MS TOWNSON: Play a role in reviewing those reports.

MR LEIGH: In reviewing? Who appointed you to that?

25

MS TOWNSON: The General Manager for Responsible Gaming in Perth.

MR LEIGH: And who is that?

30

MS TOWNSON: Melanie Strelein.

MR LEIGH: In terms of that appointment, what were you told, how was it explained to you? What instructions did you receive at the time as to what your role would be?

35

MS TOWNSON: My understanding was that revocation --- there is a revocation process from customers that are requesting to come back from self-exclusion, or exclusion, that there is a report --- there is a series of steps that that patron is required to undertake with external psychologists and as well as our RSG advisors. The RSG advisor takes those recommendations, creates the report. That report then comes to myself. My understanding is there are other individuals across the business that look at that report. I guess the brief to me, and the instructions were to look at that report and, I guess, look at it from an observation perspective, making sure it is objective and reads clear, and from a lay person's perspective. So not about, I guess, a specialist in Responsible Gaming.

40

45

MR LEIGH: So I ask now for a document to be called up. This is only to be on counsel screens, not on the public view. It is CRW.700.055.8152.

10:17AM

Ms Townson, as this is coming up, in answer to my questions that I'm asking next, please make sure you don't use the name of the patron in this document.

5 MS TOWNSON: Sure.

MR LEIGH: You can see there, it is on your screen. It is an example of a Revocation Interview report.

10 MS TOWNSON: Yes, excuse me.

MR LEIGH: That's right.

MS TOWNSON: Yes, thank you.

15

MR LEIGH: And you can see, on the top of the table, there is a reference to the interview date in August 2018?

MS TOWNSON: Yes.

20

MR LEIGH: And that is about six months after you started working at the casino.

MS TOWNSON: That's correct.

25 MR LEIGH: The report itself is two pages long. It sets out some of the history of the patron and what the patron explained in their revocation interview. If you can go to the second page and look at the bottom, under the paragraph heading "RECOMMENDATIONS", you can see that there is a third line there, from the RSG advisor:

30

*I recommend approving the application to revoke .....*

Below that there is a paragraph which has been put in from you, and you say in the third line:

35

*I recommend APPROVING the patron's application to revoke .....*

And you say that at the start of the paragraph, that this is:

40 Based on information that has been provided by the patron ..... coupled with the counsellor's feedback .....

MS TOWNSON: Correct.

45 MR LEIGH: So my question is in relation to the role you are playing in the revocation process. It is a more substantive role than merely making sure the report reads clearly or is intelligible, you are actually making a substantive recommendation

as to whether it is appropriate that a person be able to revoke their self-exclusion.

5 MS TOWNSON: I understand your question, Mr Leigh, but from my perspective, it was about looking at the objectiveness and clarity of the report and providing a recommendation.

10 MR LEIGH: So in your head, you were saying "does the report make sense" rather than "do I agree with it"?

MS TOWNSON: Correct.

15 MR LEIGH: I will just ask you to take a look at another example of a report. Again, this is on the private screen only, CRW.700.056.0929. You can see in the top left-hand corner this relates to an interview date in February 2020. If we can, please, go to the final page.

20 Once again, you can see there is some recommendations on the second to last page, and there is a discussion from the Responsible Gaming Advisor. Over on to the final page, there is then the comments from you and the language is:

*I concur with the observations and recommendations made by the RSG Advisor  
.....*

25 So again, the way you are expressing yourself is not to say that I understand the application and it makes sense, but you're saying that you have read and considered the observations and recommendations and that you actually are endorsing those. Again, in the second sentence you see:

30 *I recommend APPROVING the application .....*

I will suggest to you that the way the document is framed, suggests that you were taking an active part in terms of making recommendations, rather than merely assessing the intelligibility of the report.

35

MS TOWNSON: I disagree. I guess I can only say how I've approached these reports. From my perspective, whether it is the language you are suggesting, I'm suggesting that I've looked at it more from a sense check perspective.

40 MR LEIGH: Thinking about it now, and looking at the way that that language reads, and I obviously understand your answer, that that's not what you understood yourself to be doing, with the benefit of hindsight, do you think it is appropriate that Crown was asking you to take part in this sort of process to consider a revocation application?

45

MS TOWNSON: I don't really have an opinion on whether it is fair or not.

MR LEIGH: Do you have any qualifications in psychology, or social work, or

anything of that nature?

MS TOWNSON: No, I don't.

5

MR LEIGH: So in terms then of when you were making these assessments --- sorry, let me rephrase that, you explain that you didn't consider yourself as making assessments. When you say things to the effect of "I concur with the observations and recommendations", what were you relying on to decide that their observations and recommendations were sensible such that you could concur with them?

10

MS TOWNSON: I was relying on the expert advice of the Responsible Gaming Advisors, and obviously when you read through the document, the other psychologists who are specialists in this field and had obviously, to me, gone through a considerable amount of review with the patron.

15

MR LEIGH: So, from your perspective, if the RG advisor had said that a recommendation was to allow the revocation, you would inevitably follow that?

20

MS TOWNSON: Well, not necessarily, but on this occasion I have. I guess from my perspective, Mr Leigh, I'm one chain in a larger process. So this report goes up to another level of committee for further review where there is more expert people, is my understanding.

25

MR LEIGH: We've looked through the revocation reports similar to this that we have from the casino and we may well not have all of them, but the ones that we've looked at, they all show that you approved the recommendation to allow revocation. Can you think of any occasions where you did not recommend approving a revocation?

30

MS TOWNSON: Yes, I can recall at least one, or maybe two, over the time.

35

MR LEIGH: Can we move to another issue? Can I take you to paragraphs 27 to 30 of your witness statement where you talk about the reports that you receive on a regular basis in terms of doing your job, some daily, others weekly and monthly. You say that some of these reports come from the customer database, CDW. Am I right in understanding that "CDW" stands for Crown Data Warehouse?

40

MS TOWNSON: I don't know if it is "Crown", or it could be "Customer", one of the two.

MR LEIGH: And the "DW" is data warehouse?

45

MS TOWNSON: Yes.

MR LEIGH: Is that the database in which Crown stores all of the information that they collate in respect of its business and particularly in respect of its Crown Rewards members?

MS TOWNSON: I couldn't tell you, there are so many databases. I would say that it is one of the databases that collects multiple sources of information.

5 MR LEIGH: Are you aware that Crown does collect and analyse significant volumes of information in relation to, in particular to, its Crown Reward members?

MS TOWNSON: Yes.

10 MR LEIGH: The reports that you receive and that you've talked about in your witness statement, they are generally focused on the turnover and revenue of the casino, aren't they?

MS TOWNSON: The weekly ones, yes.

15

MR LEIGH: And is that so you are in a position to be able to get immediate feedback as to the effectiveness of the campaigns that the business might be running?

MS TOWNSON: For me, it is more around what is, I guess, happening from a visitation perspective, so from a marketing perspective, visitation is probably one of our primary views. And visitation, obviously, impacts revenue.

20

MR LEIGH: In terms of the point you made about visitation being a really key aspect, at its core, the function of the marketing team is to ensure people come to the casino more often?

25

MS TOWNSON: Well, yes. We want to ensure that we create great reasons for many customers to come, whether they have not come at all in the past or they would come again.

30

MR LEIGH: So come to the casino, or come more often and once they are there, to spend money at the casino or the resort complex.

MS TOWNSON: The entire complex.

35

MR LEIGH: Particularly, in terms of the nature of the reports that we are looking at, particularly in respect of gaming?

MS TOWNSON: Well, if you look at the reports I get, Mr Leigh, I don't just get gaming reports. I also receive customer reports, I also receive the food and beverage report and the hotel report. So I guess in my role because my role is --- the view is across the entire destination, gaming is just one part of what I look at.

40

MR LEIGH: Absolutely. Looking at 29, the first reports you mentioned in the list, table games revenue report, EGM patron monitor report, next one, table games patron monitor report. So the three that you first cite are all to do with people gaming. I accept, obviously, there are other functions to the casino, there is the hotel,

45

as you say, and food and beverage, but is it right to say that perhaps the core aspect of the business's functions are in relation to gaming?

5 MS TOWNSON: I would say some. I wouldn't say it is the core. Not from my perspective in my role.

MR LEIGH: The list of reports that you have at 29, they come from a number of different systems, and you explain the names of some of those, such as "Opera" for  
10 the hotels and there are others listed as well. Does that reflect the fact that Crown has a wide range of systems to collect and analyse data?

MS TOWNSON: Yes, we have a lot of systems.

15 MR LEIGH: Would you agree that as a general proposition, Crown Perth has a sophisticated and powerful data gathering and analysis capacity?

MS TOWNSON: We have, I would say, we have capacity. Whether it is at a level of sophistication, we're still working on that.

20 MR LEIGH: Improving all the time?

MS TOWNSON: Yes.

25 MR LEIGH: Can I now please call up another document, CRW.700.048.6877. I'm just going to ask you whether this is an example of one of the reports that you referred to in your statement which is the EGM shift report.

MS TOWNSON: Yes, that comes through on email, daily.  
30

MR LEIGH: So looking at what the report actually shows you, you can see here in the first page, there is ---

MR GARAS: Can you not put this on the public screens?  
35

MR LEIGH: Sorry, can these be taken off the public screens? Operator, could that be removed from the public screen. Thank you.

Looking now at the screen in the centre, you can see there is information there as to  
40 the turnover at different times of day. TPM, is that turnover per minute?

MS TOWNSON: I'm not quite sure, actually.

MR LEIGH: There is references to revenue, hold, the FATG turnover. You can see  
45 all of those bits of information there are concerned with the amount of money that the casino is making in that shift.

If we go to the second page, please, you can see that there is more detail here in

relation to the day shift report, and then there are different sections with a breakdown as to what's happened. You see MGF, which I take to be main gaming floor. You can see there is a description of what happened and it finishes at the bottom there with what the turnover was and all the different parts of the area.

MS TOWNSON: I see.

MR LEIGH: And the same approach with the Pearl Room and The Suite, what has happened and the amount of money turned over. If we go to page 3, and you can see the same things again in relation to the other parts of the floor and the day shift. It goes through again and repeats the Pearl Room and main gaming floor and The Suite, et cetera.

So would you agree with all of those parts of the reports, the focus there is what is the revenue, or the turnover, in the different sections of the business?

MS TOWNSON: I would agree some of it is. Others is around the service aspect and the customer experience.

MR LEIGH: Would you agree there is no aspect of that report that deals with RSG considerations?

MS TOWNSON: Yes, on look of it, yes.

MR LEIGH: And you obviously would see these reports a lot so you would be familiar with the format. Is this a template format the reports arrive in?

MS TOWNSON: That's my understanding.

MR LEIGH: In terms of the template, there is no space in that template which provides for or requests information about RSG?

MS TOWNSON: As it currently stands.

MR LEIGH: And thinking about the other reports that you've mentioned, and obviously there are quite a few of them in your statement, can you think of any reports which have a standard template section which requires or directs attention to RSG considerations for what is happening on a daily basis?

MS TOWNSON: No, I don't recall.

MR LEIGH: Can I ask you some questions now about Crown branding. In paragraph 8 (b) of your statement, you say that your role involves:

Raising awareness and engagement of the Crown Perth brand and the *experiences, products and services on offer*.



That is in relation to all of Crown's business?

MS TOWNSON: Correct.

5

MR LEIGH: At paragraph 12 (b), you then say that one of the KPIs by which your role is assessed is "brand and campaign development and performance", which includes brand sentiment. The words "brand sentiment", is that the way the public perceives the brand?

10

MS TOWNSON: Yes, about the positivity towards Crown as a brand.

MR LEIGH: Then at paragraph 31, you talk about receiving a brand tracking report on a by-monthly basis. Again, is that so you can attract the effectiveness of the campaigns that are being run and how they are impacting on brand awareness?

15

MS TOWNSON: Yes, so (inaudible) is looking at the overall brand health of Crown Perth. And then, there is parts of that that looks at the campaigns themselves for their likability and how they are performing in the sense of other customers resonating with the attributes of what our brand stands for.

20

MR LEIGH: And then you bring all these general strands together at paragraph 58 of your statement, where you say that:

25 The marketing department's role is to raise awareness of the Crown brand as *a destination of choice* .....

Would you accept that is a good summary of your function?

30 MS TOWNSON: One of them, yes.

MR LEIGH: You are aware that the casino changed its name from Burswood to Crown Perth in 2012. Are you aware of that fact?

35 MS TOWNSON: I wasn't here at the time, but, yes, I understand that happened.

MR LEIGH: And would you agree that certainly ever since then, or ever since you have been at the casino, Crown Perth has made marketing efforts to promote that Crown brand?

40

MS TOWNSON: Yes.

MR LEIGH: And would it be fair to say that Crown spends a considerable amount of time and money each year to build and maintain Crown's brand?

45

MS TOWNSON: Yes.

MR LEIGH: Do you consider that those efforts are generally successful in terms of

promoting and building Crown's brand and developing brand recognition?

MS TOWNSON: I think we do a reasonably good job.

5

MR LEIGH: And in terms of brand recognition, does that include Crown's distinctive logo, the Crown with the dots coming out the top?

MS TOWNSON: It includes, yes, recognition of the logo, but it is more recognition as a destination that when a customer thinks about going out and spending their leisure time or entertainment time, who comes to mind. So we measure that whether it is prompted awareness or unprompted awareness. So that is ---

MR LEIGH: In terms of the logo, would it be the intention of the marketing team to make sure that if a person saw that Crown logo, that it would be synonymous with, as you say, going out, having a good time?

MS TOWNSON: Yes.

MR LEIGH: And also synonymous with premier casino gaming throughout Australia?

MS TOWNSON: For some customers, that might resonate with them, but the majority of customers and who we communicate to, Mr Leigh, across particularly advertising mass channels is not necessarily towards casino or towards people who prefer to use the casino for entertainment.

MR LEIGH: Do you consider it would be the case that the average consumer, and you may not be able to answer this other than by reference to the reports you have, that the consumer understands that the Crown logo is synonymous with the casino in Western Australia?

MS TOWNSON: Some would. I think some also view, more so, Crown as a tourism and hospitality destination and, yes, there is the casino.

35

MR LEIGH: I will ask you some questions in a moment about direct marketing to Crown customers but before I return to those materials themselves, I want to ask you about the Crown Rewards Program. Am I right in understanding that the direct marketing that Crown sends out, and particularly the direct mails, are primarily sent to Crown Rewards members?

40

MS TOWNSON: Yes. From a direct marketing perspective there are, I guess, privacy regulations and law that requires us to have permission to talk to customers who have opted in to receive direct communications.

45

MR LEIGH: And we'll talk about this some more in a moment, but the type of marketing that the customers receive may depend on their status or tier in the membership program; is that correct?

10:35AM

MS TOWNSON: That's one of the aspects, yes.

5 MR LEIGH: In terms of the Crown Rewards Program, it is a system based on the accumulation of points by customers for making use of the services at the Crown Resorts, whether that be hotel, food and beverage or casino gaming; is that correct?

MS TOWNSON: Yes, and our Crown gifts as well.

10 MR LEIGH: And Crown gifts?

MS TOWNSON: Yes.

15 MR LEIGH: And points not only can be used or obtained from those services, including gaming, they can also then be exchanged for services, including for gaming services?

MS TOWNSON: That's my understanding, yes, that happens.

20 MR LEIGH: Would you agree as a result of that that persons who are the heaviest gamblers, turning over a significant amount of money, are the ones who stand to gain the most by being members of a Crown Rewards Program?

MS TOWNSON: Yes.

25 MR LEIGH: And, therefore, perhaps the ones most likely to become members, in a general sense?

MS TOWNSON: Yes.

30 MR LEIGH: Would you also accept, again as a general proposition, that the people who are the heaviest gamers and turning over the most amount of money are also the ones who are most likely to be at risk of becoming problem gamblers or suffering gambling-related harms?

35 MS TOWNSON: I'm not quite sure if that's the case. I've not seen evidence to suggest that.

40 MR LEIGH: So you wouldn't accept that, as a general proposition, that people who spend the most on gaming are the ones who are the most at risk from gaming?

MS TOWNSON: That would probably be one aspect in terms of developing harmful gaming behaviours and problem gambling.

45 MR LEIGH: You accept it is one aspect.

MS TOWNSON: Yes.

MR LEIGH: And you made a comment before that you haven't necessarily seen much research on that point. Have you sought out any research or asked that question of the RSG people at the casino?

5

MS TOWNSON: Not directly the RSG people. I've read a few papers.

MR LEIGH: And what is your understanding from reading those papers?

10 MS TOWNSON: That it is, I guess, "spend" is one aspect and, I think, you said "length", is it length is another aspect, but there is also other aspects around, I guess, behavioural aspects that go towards customers developing harmful gambling and problem gambling behaviours.

15 MR LEIGH: So am I understanding correctly that the papers you are referring to are the ones who have looked at the various behaviours of persons which might predict or be signs of problem gambling; do I have that right?

MS TOWNSON: Yes.

20

MR LEIGH: You gave two examples of "amount of spend" and "length of play", but you also agree that the person that has a significant turnover or significant spend, it almost inextricably follows that they must have a significant play period as well because they've obviously been there a long time to gamble that much money.

25

MS TOWNSON: Or they've come multiple times.

MR LEIGH: Would you accept as a general proposition that the people who are Crown Rewards members, if they are people who are gambling more than the average person, or perhaps more than the average Crown customer, are persons who are most at risk of gambling-related harm out of Crown's customer base?

30

MS TOWNSON: Possibly.

35 MR LEIGH: And would you agree that, accordingly, it is appropriate for Crown to be sensitive to the risk that its promotions or advertisements that it is sending to Crown Rewards members might adversely affect people if they already have a degree of gambling-related harm or are problem gamblers?

40 MS TOWNSON: To those direct people, but not to everyone.

MR LEIGH: So it is appropriate to be sensitive to people who have a problem but not to all customers; do I have that right?

45 MS TOWNSON: No, I think I misunderstood your question, Mr Leigh. Can you repeat that?

MR LEIGH: My question is in terms of thinking about Crown Rewards members, and I've been putting propositions suggesting to you that they are the people most likely to gamble and most likely to be at risk of problem gambling, my question is, if  
5 that is right, would you agree that Crown has an obligation to be sensitive to the risk that its advertisements to Crown Rewards members may itself cause or contribute to gambling-related harms?

MS TOWNSON: Oh, in that regard, yes. Yes.  
10

MR LEIGH: And again, the reason I'm asking that question is because I'm putting to you as a proposition that receiving advertisements about gambling or encouraging people to gamble may induce some people to gamble more than they can otherwise afford to do.  
15

MS TOWNSON: I think I understand your question but I think from Crown's perspective, it is how we put our campaigns together to ensure that we have a level of responsibility towards how we promote our services.  
20

MR LEIGH: You talk at paragraph 44 of your witness statement about the fact that Crown has an obligation to not send marketing promotional material to customers who have been self-excluded or otherwise barred from the casino and you explain that such customers are taken off the marketing lists.  
25

Is that decision, that step to not advertise to those people, a recognition of the fact that gambling advertisements being sent to such persons might in fact create or trigger a desire to gamble again when those people are currently self-excluding?  
30

MS TOWNSON: Yes, I could see that point of view.  
35

MR LEIGH: And is that, therefore, a recognition ultimately that there is a need to be sensitive with gambling advertisements because they could result in a degree of gambling-related harm?  
40

MS TOWNSON: Yes, could see that point of view.  
45

MR LEIGH: Is that your point of view?

MS TOWNSON: Yes.  
40

MR LEIGH: We've also seen some references in the papers, that the Commission has been provided with, that suggest that a process to wash mail lists before marketing emails are sent out to the client base might have been put in place in August of 2018. And just for the transcript, not to be put on the screen please, CRW.704.001.3724,  
45 page 7, what I've just said there was a reference to a Responsible Gaming Management Committee meeting where there was a discussion about washing of emails. My question to you is was that already in place when you arrived at the casino in February 2018 or was that introduced after you arrived?

MS TOWNSON: I couldn't actually recall or tell you, Mr Leigh. I would, from my recollection, I would have thought that all of our lists had already had that process in place where we would be excluding customers or patrons that have been excluded.

5

MR LEIGH: So in terms then of the customers or patrons who have been self-excluded, where you say there is a prohibition in advertising to them, is that prohibition in respect of all advertisements or only in respect of advertisements which feature gambling?

10

MS TOWNSON: That is through the direct mailing lists. So they would be taken off the direct mailing lists altogether and not receive anything.

MR LEIGH: So, for example, they wouldn't receive advertisements which only advertise the bars or hotels or a theatre show?

15

MS TOWNSON: No, they will come off the entire list.

MR LEIGH: Is that again in recognition of the fact that if they receive promotional material from Crown with its distinctive logo and the obvious associations with casinos that that in itself might be enough to trigger a desire to gamble?

20

MS TOWNSON: I don't think it was reviewed in that regard. I think we just reviewed it as an all across-the-board decision.

25

MR LEIGH: Is it your view that Crown is aware of and sensitive of the need to ensure that the advertisements that it sends out do not in any way add to or exacerbate problem gambling or the harms that might be caused by gambling?

MS TOWNSON: Sorry, could you repeat that question.

30

MR LEIGH: Is it your view that Crown is sensitive to the need to ensure that any marketing that it sends out does not in any way cause or add to gambling-related harm?

35

MS TOWNSON: Yes.

MR LEIGH: I'm now going to ask you some questions about an email spreadsheet which the PCRC received, which seemed to talk to the nature or volume of direct mail advertising from Crown Perth. Can we call up CRW.700.044.0475. This is a spreadsheet we have that shows ads in May and June 2021, once it comes up.

40

Now that we have that up, starting with the "Type" column, we can see that we got some different descriptions, "COVID", "WOE - member NG", "Loyalty" and "Theatre solus", just going through each of those in turn, can you explain to the Commissioner what those mean?

45

MS TOWNSON: If you look in the "Date" column, every line is a date that a particular piece of communication will go out. So the "Type" would be explaining what it is about. So if we look at the first one, this is around COVID so it is about  
5 the, I guess, service message to all of our customers around the casino remaining closed through the lockdown period. So you would see what the campaign and promotion was called, you would see the content actual headline, so that appears in the headline of the email, and then if there are any related promo dates aligned to that. So obviously, there is no promo date for that particular example. If you go to  
10 the next one, this is around our world of entertainment, which is for a member and is non-gaming. That is what "NG" stands for. And if you look at the campaign promos, that is all the informational content, examples of all the things we're promoting to our customers in that particular email and then the content aligns with the promo. Some of them will have specific promo dates. As you can see, it was  
15 Mother's Day back in May at Market and Co, and so it was a promo date specifically around that particular day. So that's how we build our emails in terms of content.

MR LEIGH: And so you've got some "Loyalty" examples at row 14 and 16. What  
20 sort of things are loyalty referring to?

MS TOWNSON: So that is around the Crown Rewards Program.

MR LEIGH: And you can see under column D of row 17, there is a statement of  
25 "your offer has been extended" for the loyalty one, do you know what that would mean?

MS TOWNSON: I can't recall that particular example.

MR LEIGH: And row 18, you have "Theatre solus", what is that about?  
30

MS TOWNSON: That's about our Crown theatre. The only 2,400 lyric-style theatre that the State has. So we were able to continue with our theatre program through COVID which we're very fortunate. So this was all about promoting, I think, it was Priscilla coming.  
35

MR LEIGH: So that one --- is the "solus" in reference to the fact that there is nothing in that email other than theatre activities?

MS TOWNSON: Correct.  
40

MR LEIGH: And then, we've got underneath that, row 25, "WOE" which, I think, you said was World of Entertainment.

MS TOWNSON: Yes, our weekly email to members. This is for the member tier.  
45

MR LEIGH: And ---

MS TOWNSON: With gaming.

MR LEIGH: With gaming?

MS TOWNSON: Yes.

5

MR LEIGH: And that is what the "G" stands for?

MS TOWNSON: Correct.

10 MR LEIGH: So in terms of these emails that are going out, if they are going to, say for example, "Theatre solus", do they go to all of the Crown Rewards members?

MS TOWNSON: They will go to our active Crown Rewards member list so we have Crown Rewards members sign up. Some of our members --- we only look at  
15 members who have visited in the past 12 months. We call that "our active 12-month list". And then from that active 12-month, particularly for email, we only communicate to those members who have chosen email as their preferred channel.

MR LEIGH: So just that first part of those two points you've made there, that they  
20 have to be there within 12 months to be active, how do you measure that they've been there, if they use their card in the 12 months, or if they are seen at the casino ---

MS TOWNSON: No, that is through rated. What we see through their ratings, using  
25 their card.

MR LEIGH: So if they bought something and presented their card. Is that typically  
in the casino or could it be anywhere?

MS TOWNSON: Anywhere.

30 MR LEIGH: In what circumstances would you present a card if you were going to a restaurant?

MS TOWNSON: You would go to Nobu and you might be a silver member with  
35 some points and you have a reservation. When you finish the reservation and pay the bill, you go "can I please use my rewards card and can my points be allocated towards the amount of money I've spent on my bill".

MR LEIGH: You mentioned a moment ago about "signing up" and that is something  
40 you touched on at paragraph 61 of your witness statement as well. When you talk about a person signing up and opting in to receive advertising, what does that mean in the practical sense? So, does a person, for example, filling out a form to join the Crown Rewards Program, do they actually have to tick a box on the form that says "I want to get advertising"?

45 MS TOWNSON: Yes, well, I --- the Crown Rewards team do the sign up process, so I ---



10:49AM

MR LEIGH: If you don't know that, that's no problem.

MS TOWNSON: Yes, so it is my understanding that (inaudible).

5

MR LEIGH: Again, you might not know this, it is not your area, but if you are having a person sign up online, which I understand you can do for Crown Rewards; is that correct?

10

MS TOWNSON: Yes, you can. You can go that process but also we have customers that just sign up to receive communications from us who are not necessarily members. Those members are what we call "non-members" and then from that perspective, particularly with email, we have a non-members, I guess, email list and they only receive non-gaming information.

15

MR LEIGH: So when would they sign up to be a non-member who is getting advertising? What are the circumstances do they sign up?

20

MS TOWNSON: People come through the website. They obviously have visited Crown before and they want to know more about what is going on on a weekly basis. So they choose to receive that information.

25

MR LEIGH: They will find a section that says, "I'd like to receive more information" and sign that up?

MS TOWNSON: Yes.

30

MR LEIGH: In terms of the online sign up for Crown Rewards members, again you might not know this because it is perhaps not your area, but are the forms that are filled out forms where there is a default check saying "I'd like to get advertising" that you then have to uncheck if you don't want to get it, or is it the case that you actively have to choose advertising?

35

MS TOWNSON: I am not quite sure, Mr Leigh.

MR LEIGH: Not a problem.

40

So I won't take you through the whole spreadsheet but we can see that there are many different advertisements in the first page we are looking at down to 13 May. Are you able to tell the Commission in general terms how many pieces of direct mail advertising go out to Crown Rewards members or non-members generally in the course of a month?

45

MS TOWNSON: In the course of a month ..... Okay ..... I would probably tackle it this way because from a yearly perspective there is a lot of communications that go out as you can appreciate. Our members probably, on average, will receive one communication a week. That's the majority. There are some of our members in our

10:51AM

higher tiers, because they are obviously --- I shouldn't say "obviously", but they are open to receive more benefits from our loyalty programs or offers, they may receive up to three communications a week on average.

5

MR LEIGH: When you say "our members", are you saying in the "member" tier of the Crown Rewards Program, which is a starter tier?

MS TOWNSON: Yes.

10

MR LEIGH: So you are not including in that tier people who might be in the silver, gold or platinum tiers?

MS TOWNSON: They could be. I would say on average, that member silver, gold, it would be a classification across-the-board as an average.

15

MR LEIGH: As an average. Okay, so you then said some of the persons might receive more like two or three emails a week. Which categories of persons would that be?

20

MS TOWNSON: Possibly the gold, platinum and black tiers.

MR LEIGH: And people in the gold, platinum and black tiers, those are the people who are gambling the most at the casino?

25

MS TOWNSON: Based on, I guess, their level of turnover and what we see in their visitation.

MR LEIGH: And you are nodding, so that is a yes?

30

MS TOWNSON: Yes, sorry.

MR LEIGH: That's okay.

35 Having looked at that now, I will ask you some questions about some of the World of Entertainment emails, in particular, that were sent in May. By my count on that spreadsheet, there were four. Is that the general case, there is usually one World of Entertainment email a week?

40 MS TOWNSON: (Nods head).

MR LEIGH: Is that the email you are thinking of when you say that ordinarily members are getting one communication a week?

45 MS TOWNSON: (Nods head).

MR LEIGH: If we can, please, have CRW.700.066.0855, and you can see there we have a 10 May date. If we go to the second page, it appears that this is in respect of

EDMs, that is electronic direct mail, on 3 May.

MS TOWNSON: That's correct.

5

MR LEIGH: On 3 May?

MS TOWNSON: Correct.

10 MR LEIGH: So that first date that we saw, 10 May, do you do analysis of the marketing approximately a week later?

MS TOWNSON: Usually the analysis will come in, yes, the following Monday.

15 MR LEIGH: And this document that we are looking at now, is this a document that is put together by your marketing area?

MS TOWNSON: It is.

20 MR LEIGH: And are you involved in the preparation of this document, or documents like it?

MS TOWNSON: I'm not.

25 MR LEIGH: Who does these?

MS TOWNSON: This would sit in our marketing communications team.

MR LEIGH: And is it the sort of document that is then internally disseminated for  
30 everyone's information as to how the campaigns are going?

MS TOWNSON: Yes.

MR LEIGH: So looking at the top left-hand side, we have rows, "Member",  
35 "Silver+", "Provisional" and "Non-member". Can you confirm what they refer to?

MS TOWNSON: So non-members, as I mentioned before, patrons who have not  
signed up to Crown Rewards. A provisional member is --- they've started the  
process with Crown Rewards in terms of sign up but they haven't completed it and  
40 what is missing is their ID check to confirm full membership. Silver and above is all  
silver tiers and above, and member is just that member entry member tier.

MR LEIGH: Entry level.

45 MS TOWNSON: Yes.

MR LEIGH: And you have "Volume" as the first column next to that. What does  
that represent?

MS TOWNSON: That is the unique number of individuals that will receive that email in that tier.

5 MR LEIGH: So each person in the tier who was sent the email that has been analysed.

MS TOWNSON: Correct.

10 MR LEIGH: Going across, we have "Percentage of Unique Opens", is that the number of people who opened the email they received?

MS TOWNSON: Correct.

15 MR LEIGH: How is Crown able to tell how many people have opened the email?

MS TOWNSON: Well, it's an email system which we use, the Salesforce Marketing Cloud, it detects when it goes into someone's inbox and they open it up, that all happens behind the scenes.

20

MR LEIGH: And you might not be aware of the technical aspect, but is that because each email has a unique identifier such that when the email is opened, the cloud or the server can see from which identifier the request is coming?

25 MS TOWNSON: I would assume there is something in that, whether it is unique or just an identifier that's been opened. I'm unclear.

MR LEIGH: And in the next column after that is "Percentage of Unique Clicks" and "Actual Unique Clicks". You can see that further along on the table. What are those referring to "clicks"?

30

MS TOWNSON: That is where people go through and click on certain items within the content.

35 MR LEIGH: That is specific advert inside the email ---

MS TOWNSON: Correct.

MR LEIGH: --- that there is an additional click rather than just opening the email itself?

40

MS TOWNSON: Correct.

MR LEIGH: Down in the bottom corner, we have some benchmarks in a table. There are acronyms "OR" and "CTR". If you could just explain to the Commissioner what that means.

45

MS TOWNSON: Yes, that is the actual open rate. So how many people opened the email versus how many people would click through on something within the email.

5 MR LEIGH: So OR and CTR, open rate and click through rate?

MS TOWNSON: Correct.

10 MR LEIGH: And if we then go through again, please, to page 3, can you explain to the Commissioner what we are looking at here?

15 MS TOWNSON: Yes, so this is, I guess, a heat map, for want of a better word, to understand how each of our messages are performing in regards to click through rate. So you can see that those items in the green is where customers have clicked through higher and interacted with that piece of content. The orange is moderate level and then red is where they probably haven't done much at all or very limited.

20 MR LEIGH: And at the top of the page, we have "Full Pod Results". What does that mean?

MS TOWNSON: The individual pods, which are all those content blocks. We call them pods. That just shows how it all works for the entire build of those individual campaign --- email pieces.

25 MR LEIGH: And the first column that we have, there is a heading that says "Hero". What does that refer to?

MS TOWNSON: The hero message at the top of the email.

30 MR LEIGH: And for us non-marketing people?

MS TOWNSON: Sorry, it is the main message that opens up that email at the top tile.

35 MR LEIGH: Almost the introductory to the email?

MS TOWNSON: Correct.

40 MR LEIGH: And then if we go to the next page, starting again at the top left-hand corner, we have "All Streams". What is that referring to?

MS TOWNSON: This would be all streams meaning all of the email streams.

45 MR LEIGH: So member, provisional, et cetera?

MS TOWNSON: Yes.

MR LEIGH: And then we've got underneath that the hero message, this is the main

10:58AM

opening ad?

MS TOWNSON: Yes, so that's the hero message "Welcome Back".

5

MR LEIGH: And looking at that hero message, we obviously have the Crown logo at the top.

MS TOWNSON: Yes.

10

MR LEIGH: The line underneath "Live a Little Again", is that the live a little campaign that Crown has been running?

MS TOWNSON: Yes.

15

MR LEIGH: How long has that been running for?

MS TOWNSON: A couple of years now.

20

MR LEIGH: Is it a standard inclusion in most of Crown's advertising?

MS TOWNSON: Yes, it is our brand tag line, I guess.

25

MR LEIGH: Would you expect that a customer receiving an email like this with that Crown logo and the live a little tag line would immediately understand this was coming from Crown Perth?

MS TOWNSON: I would think so with the association to our logo.

30

MR LEIGH: And then to the right we have pod 1, 2 and 3. You've explained already that the pod is essentially each individual ad.

MS TOWNSON: Yes.

35

MR LEIGH: And then obviously as you pointed out before, the Market and Co Flowing Brunch, I think you said there that the Mother's Day special was on and we can now see the ad that correlates to that. Over the page, we have additional pods. We have pods four, five and six. Is it usually the case that a World of Entertainment will have six ads?

40

MS TOWNSON: Yes.

MR LEIGH: And lastly, you have the final banner, the "Safely Welcoming You"?

45

MS TOWNSON: I guess we call that the footer banner.

MR LEIGH: And is that at the bottom of every email that Crown sends out as a World of Entertainment email?

10:59AM

MS TOWNSON: Yes, they are fairly templated as you can see.

5 MR LEIGH: And you've got, down at the bottom, a Responsible Gaming and a Responsible Drinking logo.

MS TOWNSON: That's correct.

10 MR LEIGH: However, you don't have any phone number or website address on those emails?

MS TOWNSON: Yes, because they are in direct streams, they are not mainstream published to the wider world.

15 MR LEIGH: When you say "direct stream", is that ---

MS TOWNSON: Direct-to-customer, who has opted in to receive.

20 MR LEIGH: Okay, and as a result of that, your understanding is that there is no requirement for the number or the website if it is a direct-to-customer stream; is that right?

MS TOWNSON: That's my understanding (inaudible).

25 MR LEIGH: So when you say that "it is your understanding in your checklist", where did that understanding come from, was it from the checklist or have you been informed of that by other people?

30 MS TOWNSON: Everything we do goes through our legal and compliance team and these templates have been in use since before my time. I would also think there is obviously the Regulation 43 that all of our work refers to.

35 MR LEIGH: So that is actually the next topic I wanted to take you to, was Regulation 43. You refer that in your witness statement in a number of paragraphs. You understand that Regulation 43 imposes limits on the sorts of advertising that Crown is permitted to do, or puts conditions on the advertising that Crown can do?

MS TOWNSON: Correct, it's provisions, yes.

40 MR LEIGH: What do you understand to be the purpose of Regulation 43? Why does it exist?

45 MS TOWNSON: I think it gives us parameters as a gaming operator of how we can promote our gaming products and services alongside our non-gaming products and services responsibly.

MR LEIGH: So that's what it does, it gives you the parameters. What is your

understanding as to why parameters are provided for the casino? What is the reason, as you understand it, as to why you are told certain requirements for your advertisements?

5

MS TOWNSON: To ensure that we are responsibly promoting all of our services and experiences accordingly to legislation.

10 MR LEIGH: And those words "responsibly promoting", would you agree that essentially boils down to making sure that the advertising Crown is using doesn't run the risk or the possibility of causing or contributing to gambling-related harm?

MS TOWNSON: Yes, I would agree with that.

15 MR LEIGH: So if we can now call up, please, PUB.0016.0022.0001. This is Regulation 43 as it exists today, if we can please go to page 44. Have you previously had a chance to actually look at the regulation?

MS TOWNSON: It's been a little while but that's all right.

20

MR LEIGH: You have seen it in the past but you haven't refreshed your memory in some time?

MS TOWNSON: No.

25

MR LEIGH: Here at 44, you can see that we have some definitions in the middle of the page under 43 (1).

MS TOWNSON: Yes.

30

MR LEIGH: You can see, first of all, the definition of "publish", meaning to bring to the notice of the public or a section of the public ---

MS TOWNSON: Yes.

35

MR LEIGH: --- and it talks about the means of advertising, including the internet or any other form of communication.

MS TOWNSON: Yes.

40

MR LEIGH: And then you can see that "gambling advertisement" is defined essentially in two steps as an advertisement that conveys or is likely to convey the existence of a gambling operator.

45 MS TOWNSON: Where are we, sorry, Mr Leigh.

MR LEIGH: In the middle of the page, under "Certain advertisements and inducements prohibited".



11:03AM

MS TOWNSON: Okay, sorry.

MR LEIGH: And then we are looking at "gambling advertisement".

5

MS TOWNSON: Yes.

MR LEIGH: There are two parts to it. The first part being in terms of conveying, or likely to convey, the existence of a gambling operator, and the second part giving  
10 publicity to or promoting, or intending to promote participation in gambling.

MS TOWNSON: Yes.

MR LEIGH: I will ask you for the sake of these questions coming up to assume that  
15 Crown Perth is a gambling operator. There is a technical definition, but I don't want to take you through that.

Bearing those definitions in mind, I want to take us now back to the World of  
20 Entertainment email for 27 May of this year. That is CRW.700.066.0869, and if we can go to page 2, please.

We can see here that this appears to be the case there were different streams on this  
25 occasion for Member, Riverside, Pearl and Provisional. For Riverside and Pearl --- is Pearl people who are members of the Pearl Room?

MS TOWNSON: Yes.

MR LEIGH: And Riverside, my understanding is, and correct me if I'm wrong, that  
30 you don't have to apply to be a member of the Riverside, you are entitled to be a member once you have Silver status or above on Crown Rewards; is that correct?

MS TOWNSON: (Inaudible).

MR LEIGH: So if it says "Riverside", it is really talking about people who have  
35 silver or higher membership?

MS TOWNSON: Correct.

MR LEIGH: In terms of the number of people who received emails in those  
40 categories, you can see it is 13,000 for Riverside, or 13,000-odd and 1,500 for Pearl, roughly 15,000 people in total would have received those two categories?

MS TOWNSON: Yes.

45 MR LEIGH: If we then go, please, to page 4. We've got the hero message for the "Member Stream", again with the Crown logo and live a little campaign.

11:05AM

MS TOWNSON: Yes.

5 MR LEIGH: Which I think, you've previously agreed, is well recognised or would be understood by people receiving this as being a campaign from the casino; yes?

MS TOWNSON: Yes.

10 MR LEIGH: And if we go down to page 6, please. You can see at the top we have "Riverside Stream"?

MS TOWNSON: Yes.

15 MR LEIGH: This is a different hero message, although it's got the Crown logo and the live a little again tag line, this "Double Your Status Credits" message, can you explain what that is about?

20 MS TOWNSON: Yes. This is, I guess, a rewards opportunity for members to, when they visit and when they utilise their card, they can earn two times the amount of status credits during that play time.

MR LEIGH: So two times what they would ordinarily earn ---

25 MS TOWNSON: Correct.

MR LEIGH: --- if not for the special?

MS TOWNSON: Yes.

30 MR LEIGH: In terms of the language used as the bottom of the actual hero message, you can see the first line and the smaller text on the right-hand side, you can:

*Earn double your credits when using your Crown Rewards Membership card to dine, play or stay.*

35 The word "play" in that is a reference to gambling, isn't it?

MS TOWNSON: Correct.

40 MR LEIGH: Thinking in terms of what this ad is offering, for people to get a bonus for gambling, amongst other things, at a particular time, would you agree that that is a message which is designed to promote participation in gambling by offering an award or inducement?

45 MS TOWNSON: Yes, it is a promotion to bring customers to visit, and then they will participate should they choose to.

MR LEIGH: And the same thing applies when you look across to the next page,

11:07AM

5 pods, one, two and three. Perhaps we could zoom in on pods one and two. You can see there at the top for the three times "Gaming Machine Point Multiplier", it talks about earning those extra points while playing on eligible gaming machines in the Riverside Room. So again ---

MS TOWNSON: Same premise, yes.

10 MR LEIGH: So again, you would agree it is an inducement or reward being offered for a person to engage in gambling?

MS TOWNSON: Yes, because it is on gaming machines.

15 MR LEIGH: Yes. And would you agree as well that the same principle applies in relation to the ad below, which is the "Table Game Point Multiplier"?

MS TOWNSON: Correct.

20 MR LEIGH: Then if we can please go across to the next page. If we can zoom in a little bit on pod 4 at the top, the "EXCITING NEW GAME". Looking at the text there, what the gaming machine offers and then the exhortation in the second to bottom line "Unlock the Lock It feature! Now available in the Riverside Room". Would you agree that again is an invitation for people to gamble, although this time not on the basis offer an inducement?

25 MS TOWNSON: No, this is about just letting customers know there is a new game available.

30 MR LEIGH: And is the purpose for which customers are being told there is a new game available to encourage them to come and try the new game?

MS TOWNSON: If it is of interest to them, yes.

35 MR LEIGH: Now, if you would like I can take you to show you the other streams for the Pearl stream as well, but without seeing it, would you be happy to agree that the same ads appear in the Pearl stream as well?

MS TOWNSON: Yes.

40 MR LEIGH: So at least just looking at the face of what we've seen for these ads so far, would you agree that the whole of the World of Entertainment email to the Riverside and Pearl streams would satisfy those two criteria that we looked at a moment ago of gambling advertisements in that it conveyed the existence of a gambling operator, Crown, and that it was a promotion for people to engage in gambling.

45

MS TOWNSON: Well, yes. It is a direct piece of communication.

MR LEIGH: If we can now please go back to the regulations, and that is  
PUB.0016.0022.0001. If we can now go to page 47. You can see we have  
regulation 43(6) on this page there which requires certain things of a gambling  
operator publishing a gambling advertisement. Part (a) is if it is audio or visual,  
5 which obviously this is not. And then in part (b) you've got

*In any other case, it prominently displays the telephone number of the national  
problem gambling helpline and details of the national problem on-line  
10 counselling website?"*

MS TOWNSON: Yes.

MR LEIGH: You've already agreed that the World of Entertainment doesn't have  
15 those features, the helpline and the counselling website.

MS TOWNSON: Yes, in that bottom banner.

MR LEIGH: Sorry, say again?  
20

MS TOWNSON: Yes, in the banner area, yes.

MR LEIGH: Are you saying that it does have them there?

25 MS TOWNSON: No, it doesn't, it's just got the logo.

MR LEIGH: What is your understanding as to why that is the case given the  
apparent requirements in 43(6)?

30 MS TOWNSON: I couldn't tell you why. My understanding is that all of our  
templates were set up and are set up with the review of our legal team. So that's  
where they are. I couldn't tell you.

MR LEIGH: Is it essentially the case that you arrived at Crown in 2018 and that's  
35 how things worked and you haven't had cause to examine these regulations or  
consider the nature of the advertisements that are being sent?

MS TOWNSON: No, I would consider all our advertising that we've sent. I think ---  
I just can't explain why they are set up that way.

40 MR LEIGH: Sorry, when you say that you would consider all the advertisements,  
you mean you would consider the ads themselves but not the extent to which they  
complied with the regulations; is that right?

45 MS TOWNSON: No. We do ---

MR GARAS: Can I just interrupt for a moment. My friend is speaking in terms of  
compliance with the regulations. Obviously that involves assessment of legal

considerations. He can obviously ask this witness about matters relating to facts and observable matters but he needs to be careful about crossing the line in terms of inviting legal conclusions. There is a question, and I'm yet to understand exactly what the point that my learned friend seeks to be making about the interaction between the different provisions in this section of the legislation, whether there is in fact a requirement regarding the display of telephone numbers, but if my learned friend can keep his questions confined to questions of fact rather than legal conclusions.

COMMISSIONER JENKINS: Well, let me say this. Clearly he can't ask her for a legal opinion. I'm sure Mr Leigh is aware of that. In my view he has not done so as yet and certainly I'm happy to remind him not to do that but I think he is entitled to explore this area with the witness to the extent that he's doing say.

MR GARAS: Can I just say this, Commissioner, to the extent (inaudible) ---

COMMISSIONER JENKINS: But asking her whether she considers compliance is different from asking her whether in her view they do comply.

MR GARAS: That is potentially inviting an opinion as to whether or not this would be a breach as a question of law.

COMMISSIONER JENKINS: I disagree, Mr Garas.

Perhaps we might leave it there and take morning tea now. So, Ms Townson, we will return at 11.30. If you could be back here in time to recommence at that point.

**ADJOURNED** [11.14 AM]

**RESUMED** [11.36 AM]

COMMISSIONER JENKINS: Please be seated.

I apologise for the delay. Yes, Mr Leigh.

MR LEIGH: Thank you, Commissioner.

Ms Townson, just before the break, we were going through and looking at a few aspects of the advertisements of World of Entertainment and Regulation 43. I had taken you and shown you Regulation 43(6) which requires certain things to be displayed in advertisements that promoted the gambling.

MS TOWNSON: Yes, Mr Leigh.

11:37AM

MR LEIGH: First of all, in relation to the World of Entertainment emails that go out, do you approve those emails before they go out?

5 MS TOWNSON: Yes, I see them, yes.

MR LEIGH: And at the time that they go out, and in particular, in relation to the one we were looking at, the 27 May email, at the time that went out were you aware of the existence of Regulation 43?

10

MS TOWNSON: Yes.

MR LEIGH: And had you or did you at that time give any active consideration as to whether you considered that the advertisement, the World of Entertainment email ---

15

COMMISSIONER JENKINS: Well, I think there is a question there, as Mr Garas has said, as to whether it is an advertisement.

MR LEIGH: When the marketing material went out, did you give any consideration as to whether it complied with that regulation?

20

MS TOWNSON: Yes.

MR LEIGH: And what was your understanding as to whether it did or did not?

25

MS TOWNSON: My understanding was that it did comply.

MR LEIGH: And what was your basis of that understanding?

30 MS TOWNSON: Well, the basis of everything that marketing team does at Crown, goes through our legal and compliance team. So those templates were designed and have been reviewed and approved by our legal team and we take our direction from them.

35 MR LEIGH: Okay. Just in relation then to those emails again, we looked before the fact that there was about 15,000 people who would have received the Riverside and Pearl streams. In terms of the process for going about to apply to be a member of the Crown Rewards Program, my understanding is that it is free to join the program?

40 MS TOWNSON: That's my understanding, yes.

MR LEIGH: And it is also the case that any person who is over 18 is generally entitled to join the program?

45 MS TOWNSON: (Audio distorted).

MR LEIGH: Apart from that restriction that you must be 18, are there any other restrictions which limit the people who can become members?

MS TOWNSON: I'm not aware.

5 MR LEIGH: Is it the case that all of the World of Entertainment emails that go out will, like the one we saw, have the logo for Responsible Gambling and Responsible Drinking but not the phone number and the website address?

MS TOWNSON: That is the current template we have.

10 MR LEIGH: Just for the sake of comparison, I will show you the Crown Rewards brochure, and that is DLG.0007.0004.0001 at page 15. Do you recognise that as the Crown Rewards Program brochure?

MS TOWNSON: Yes.

15

MR LEIGH: And if we can then go through to page 27 and zooming in at the bottom, please. You can see we have the helpline and website address there. Will those bits of information, the helpline and website address, will they be on all Crown advertising materials other than the direct mails?

20

MS TOWNSON: They should be, in terms of publishing to the mass market. That's my understanding.

MR LEIGH: Okay, thank you, that can be taken down, please.

25

We've looked now at some of the marketing materials you've sent out. I want to ask you questions about RSG's views or interactions of those materials. You mention at paragraph 54 of your witness statement that RSG is involved or invited to the planning presentation meetings for the trimester marketing plan?

30

MS TOWNSON: Yes, they are.

MR LEIGH: Do they also get to specifically see each of the emails that are sent out by direct mail marketing to Crown Rewards members?

35

MS TOWNSON: Not the emails in terms of each of the emails. They will see the individual promotions if they are gaming-related, if you understand, Mr Leigh.

MR LEIGH: So is that the pod example we looked at before?

40

MS TOWNSON: Yes, the pod examples are primarily focused on the actual gaming promotion itself, not the entire --- and they build into the email if that makes sense.

45 MR LEIGH: So we saw those pods, we had the two examples of the three times EGM and two times table games points multipliers. Are you saying that those ads, those particular pods, were shown to RSG before being sent out and that they received RSG approval?

MS TOWNSON: They would --- well, would they be shown individually, they would be discussed through the marketing planning cycle. They would go through to our legal and compliance team, and if our legal and compliance team would then  
5 review on and include RSG in that process. They don't get directly emailed per se, and this is obviously going back probably last year but going forward, we've made some changes to our process with RSG.

MR LEIGH: So just so make sure I fully understand the process. I may not have  
10 followed it in the way you were describing it. So there is a pod that was proposed to go out, that then goes to legal?

MS TOWNSON: The legal and compliance team, yes.

MR LEIGH: Legal and compliance. And do they show RSG or --- where does RSG  
15 come in?

MS TOWNSON: Yes, that is in the process of review and approval, our legal team in the past --- when I say "in the past", we've improved the process to document RSG  
20 so they will see everything. We just had an approach before that that everything goes through legal and legal will consult RSG.

MR LEIGH: So you are not in the conversations when they take place. That is a  
25 conversation between legal and RSG directly; is that right?

MS TOWNSON: Yes, but we also have other opportunities to talk to RSG prior to that as well.

MR LEIGH: Again, you might not be able to say if you are not part of those direct  
30 conversations, but do the RSG team have the capacity to veto an advertisement if they don't consider it to be appropriate?

MS TOWNSON: We have an open working relationship like that, yes, we would  
35 have those conversations.

MR LEIGH: And to the best of your recollection, can you think of any occasion  
where RSG has vetoed a proposed advertisement?

MS TOWNSON: I wouldn't say "vetoed". We've seen changes in terms of wording  
40 and suggested wording for more clarity. We've certainly seen some changes towards, I guess, moving towards prize draws that are virtual, so customers don't --- can virtually enter. We've seen improvements and changes to sometimes our draws having customers not have to be present to win. So those are the types of conversations and changes that we would consider with the RSG team.

MR LEIGH: And is that because customers don't have to be present then there might  
45 not be the temptation for them to gamble by coming to the casino; is that why it is



an RSG issue?

MS TOWNSON: It is one aspect.

5

MR LEIGH: Can you think of any other type of input such as you are describing that RSG has provided?

MS TOWNSON: That's probably those aspects. Every time we discuss around a new promotion, if there is an entry mechanic, for want of a better word, RSG will always ask "have we considered that", and this is how all our promotions are designed in that we are not asking our customers to do anything more than they have done historically in the past. So that is usually the first conversation that happens.

MR LEIGH: I think you refer to that in your witness statement that that is the stretch. It's not the case that customers are required or asked to spend above their prior --- (overspeaking) --- previous spending. Is that right?

MS TOWNSON: That's correct.

20

MR LEIGH: And you are saying that is an RSG initiative or ---

MS TOWNSON: I don't know if it is RSG. I think it is an all-Crown initiative in the way we've approached and designed our marketing and promotions and communications.

25

MR LEIGH: Has RSG ever, to the best of your recollection, given any feedback or input as to advertisements of the kind that we saw before, which are the promotion of points, the two times or three times multiplier?

30

MS TOWNSON: Not to my recollection.

MR LEIGH: One of the things that you mention in your statement when you talk about the different channels of advertising that the casino has available, is the digital screens on the property. I think you said there is about 2,500 ---

35

MS TOWNSON: Yes.

MR LEIGH: --- around the property on which you can display advertisements. Do any of the screens ever display RSG-type advertisements?

40

MS TOWNSON: Yes, they do.

MR LEIGH: Can you give us more detail?

45

MS TOWNSON: Yes, so we have in our rotation of messages an RSG campaign around who our RSG team is, what services they offer. Also, there is the Gambling Help Online numbers, the helpline numbers, so there is a mix of messages to support

our RSG team and our services.

5 MR LEIGH: And do those messages cycle through along with more general style advertisements?

MS TOWNSON: Yes, they do.

10 MR LEIGH: In terms of what you are putting up as messages to support RSG, one of the issues which Crown has recently been dealing with is play periods, length of play at the casino. Are there any signs or comments suggesting that patrons not play more than a certain amount of time?

15 MS TOWNSON: We have done a campaign on play limits and that is to our customers. We are working on a campaign for play periods now because there is going to be a change in the next coming months. So we are working on those type of messages to be present in our communications.

20 MR LEIGH: And when you say the change in the next few months, is that the change which Crown proposes to decrease to 12 hours as the maximum time on site?

MS TOWNSON: Yes, it is.

25 MR LEIGH: I'm thinking of a different time. I'm aware of research that there may be indicia of problem gambling if people gamble for longer than three or five hours. Are you aware of that research?

MS TOWNSON: I'm not too sure which research you are referring to.

30 MR LEIGH: Have you heard it discussed that gambling for more than three or five hours may be a sign of problem gambling?

MS TOWNSON: I haven't heard that.

35 MR LEIGH: Are there any messages of that kind in relation to the messages your team puts out on to the screens that might suggest to patrons, not just the maximum time that they can be at Crown, but what might be appropriate limits that they could be gaming at?

40 MS TOWNSON: I don't believe at the moment we do.

MR LEIGH: Are you aware of whether Crown has ever considered such an approach?

45 MS TOWNSON: Not to date, but I would be open to improvements.

MR LEIGH: I will take you now to a different document, which is CRW.710.003.8290. This is an email from you to Nicolas Emery, who I understand

to be the GM group manager. You can see there it's 5 November 2020 and there is a comment from you about attaching a marketing policy. Do you recall that email?

5 MS TOWNSON: Yes.

MR LEIGH: What was the context of the email that was sent?

10 MS TOWNSON: Do you mind if I might just recall. Yes, this was --- it started when I arrived at Crown looking at how we could create a marketing policy and started drafting one. Actually, there was a policy that was started on prior to my arrival by my predecessor so I kind of picked that up as a starting point. Yes, we review it, it is in a draft format, I've sent it across to my colleagues, Dan and Joe, to have a look at it and consider it. At the moment, it is still in a draft format and where  
15 we are is looking at, not only a policy for Crown Perth, but a policy that stretches across the entire group for marketing.

MR LEIGH: I will call up now the document which was the attachment to this, CRW.710.003.8291. I won't take you to any specific detail on this page but you can  
20 see there are various track changes in the document.

MS TOWNSON: Yes.

MR LEIGH: Who is the person who actually proposed the various changes?  
25

MS TOWNSON: That is me at the moment, track changing.

MR LEIGH: Okay.

30 MS TOWNSON: Yes.

MR LEIGH: If we can then, please, go to page 6. There is an old Appendix A which has been deleted and subsequently, there is a new appendix that has been posed. I am just going to show you some particular features of those appendices.  
35

If we can zoom in on the bottom half of the page, which is the third table down starting with "All gaming material must". From the fourth line from the bottom, you have "Include all relevant regulatory messages".

40 MS TOWNSON: Yes.

MR LEIGH: That is proposed to be struck out?

MS TOWNSON: No, no, we're just drafting this document for changes. The  
45 anticipation is to have the checklist put in place in its new format.

MR LEIGH: Sorry, I don't mean to ask that question in a way that is confusing. There is another section of this document, I will take you to in a moment, which

appears to be the revisions to this table. So I'm not suggesting that you striking it completely, but I'm saying it is proposed from the strikeout that it is to be replaced with a different part of the document. I will take you to that now so you can see what I'm talking about. If we go to page 8, you can see here this is a replacement table and it's not struck through. It is rather underlined.

MS TOWNSON: I think that is just the track changes coming through, Mr Leigh.

MR LEIGH: Yes. We are in furious agreement. What I'm suggesting is that this table shows what is being proposed to replace the old table with.

MS TOWNSON: Yes, some elements, not all, because it is still in draft and hasn't been reviewed yet.

MR LEIGH: As you said before, this is still a draft and hasn't been finalised. If we go down to the heading "ALL MATERIALS REFERENCING GAMING", you can see the first note there is it has to include those references to the number and the website.

MS TOWNSON: Yes.

MR LEIGH: Underneath it, it says:

*NOTE: Not required for DMs sent only to members or for on-site advertising.*

That note wasn't in the previous table. It is in this table. Who was the person who suggested that note should be included? Was that you or someone else providing assistance?

MS TOWNSON: I don't think that was me. It could have been one of my staff looking into that.

MR LEIGH: But you would agree that the exemption, or the exception, was not something we saw in the prior table?

MS TOWNSON: So it would seem.

MR LEIGH: As a general question, why would Crown ever want not to put in the phone number or the website? As a good corporate citizen wouldn't it be appropriate to always include in advertising, including to your own customers?

MS TOWNSON: I don't think we chose not to, it just is what it is.

MR LEIGH: My question is regulation 43 from what we looked at before requires the inclusion of that phone number and website and I think you've said as well if it is a broadcast advertisement, then there is a distinction drawn if it is going to customers by direct mail, not to include that. But why would Crown ---

MR SHAW: Commissioner, we are going through this over and over again. The evidence is clear from Ms Townson the legal team decide that and she follows what the legal team have told her. Now she's being asked a question why would Crown not do that? I'm not sure that the answer to that question can assist the Commission at all.

COMMISSIONER JENKINS: Thank you, Mr Shaw.

Mr Leigh, I think the question has to be directed to what this witness would or would not do. I don't know that she can answer on behalf of Crown.

MR LEIGH: Thank you, Commissioner. I will rephrase that question.

What I'm directing it to is if there is an advertisement and there is the inclusion of the logo, as we've seen is included, in your personal view why would there be an advantage to not include the phone number and the website?

MS TOWNSON: Happy to consider this, Mr Leigh and open to improvement.

MR LEIGH: My question is not whether you are happy to consider it, but is there any reason that you can think of as to why it would not be appropriate to include?

MS TOWNSON: No. We could include it and, as I said, I'm happy to consider improvements.

MR LEIGH: From a marketing perspective would there be any concern that if the phone number or website was present it might discourage people from making use of the services that were being advertised?

MS TOWNSON: No, that's not the intent.

MR LEIGH: Again, from your perspective as the Marketing Manager at Crown Perth, do you think it would be appropriate or good corporate citizenship to include that phone number and website address for all communications with Crown customers?

MS TOWNSON: Yes, we could consider that.

MR LEIGH: Again that is not my question as to whether you can consider, my question is whether you consider as the director of marketing that it would be appropriate or a sign of good corporate citizenship?

MS TOWNSON: Yes, I agree.

MR LEIGH: If we can go back then, please, to page 6. This time I will show you a box which is fifth from the bottom on that page. You can see there is a requirement

not to advertise advantage bonuses as an inducement to customers, do you see that?  
Fifth box from the bottom.

5 MS TOWNSON: Yes, I see that.

MR LEIGH: If we can please go back to page 8. You can see roughly in the middle  
of the page, at the bottom of the page now at that final box in the last dot point "DO  
NOT advertise extra play as inducement to visit" and then the exception is that DMs  
10 to active members are acceptable.

MS TOWNSON: That's my understanding.

MR LEIGH: So, the change that is proposed by this table is to add an exemption that  
15 didn't exist in the previous table; is that right?

MS TOWNSON: It would seem that would be the case.

MR LEIGH: What was your thinking as to why that change should happen?  
20

MS TOWNSON: I think it was just to be clear as to what allowances we are able to  
do in terms of what we can communicate to our customers.

MR LEIGH: Would you agree that both of those changes have the affect of making  
25 the requirements in this document more permissive or less restrictive on Crown?

MS TOWNSON: I don't think it is about permissive or restrictive, it is just a  
checklist to ensure we cover things and consider things.

MR LEIGH: The previous table, for example, says that you don't advertise with  
30 inducements to visit. This table says don't do it unless they are members. Wouldn't  
you agree that is giving Crown a greater capacity to use that form of advertising with  
respect to its members?

MS TOWNSON: My understanding is that we are given provisions to do so, Mr  
35 Leigh.

MR LEIGH: And in terms then of the people who would receive those  
advertisements, the Crown members who would be getting those direct messages, we  
40 previously discussed those are the people who are most likely to be gambling more  
heavily and most likely to be at risk of being problem gamblers.

MS TOWNSON: Not all of them, but some of them.

MR LEIGH: So in those circumstances do you think it is appropriate to have those  
45 sort of exceptions for mails to Crown Rewards members?

MS TOWNSON: Well, I can --- this is the exceptions we have and have in place.

11:58AM

MR LEIGH: I understand that. But my question is whether you consider those exceptions to be appropriate?

5 MS TOWNSON: I don't have a comment on that, whether it is appropriate or not.

MR GARAS: I might just interrupt, Commissioner. As I understand it, and the witness can perhaps confirm this, but this policy is still in draft, there is nothing actually in place?

10

COMMISSIONER JENKINS: No. Thank you for drawing that to my attention, Mr Garas. I think the question is still relevant in the sense that she can say whether would this be in her view an appropriate change or not.

15 MR GARAS: I accept that, Commissioner.

COMMISSIONER JENKINS: Accepting that the change may not have been made but just proposed.

20 MR GARAS: Thank you, Commissioner.

MR LEIGH: Thank you.

25 Having heard that interchange, I will put my question again. Looking at the potential changes flagged in the draft amendments, do you consider that that is an appropriate change?

MS TOWNSON: Yes, based on the provisions that are provided to us to utilise this piece of advertising.

30

MR LEIGH: Okay. That can be taken down, please.

35 I will shift tack a little and ask you some questions that relate back to something we discussed earlier, which was Crown's decision to not provide advertising to self-excluded people.

Now, in relation to that approach by Crown, are those the only categories of persons to whom advertising is not sent as direct mail?

40 MS TOWNSON: In terms of --- yes, that's my understanding.

45 MR LEIGH: If we can call back up, please, CRW.700.066.0869, page 3. Here again we've got the analysis of the success or otherwise of the individual ads. You can see that for the Riverside and Pearl streams the status credit ad, the two times status credit, appears to have the most clicks, would you agree with that looking at that table?

12:00PM

MS TOWNSON: Yes, the Riverside and Pearl, yes, looking at that.

5 MR LEIGH: And would you agree that that signals the interest of the recipients of the emails in those offers?

MS TOWNSON: Yes, I do.

10 MR LEIGH: And that there would be a good chance that some of the recipients of that email would have been induced to attend the casino in answer to the ads they saw.

MS TOWNSON: Yes, some of them do.

15 MR LEIGH: And of the casino's customers, the people who are in the Riverside and Pearl streams, those members, are the ones who are most likely to be the heaviest gamblers?

20 MS TOWNSON: Yes.

MR LEIGH: So, in that respect, before sending these emails, particularly to the heavier gamblers, does Crown do any additional analysis of the potential recipients to ascertain whether it might be appropriate to send emails to those persons?

25 MS TOWNSON: In regards to what type of analysis?

30 MR LEIGH: I will give you an example. If it was the case that a customer had been seen by the responsible gaming team in the weeks or months previous and had been recorded as exhibiting concerning behaviour, so there had been some interaction with the RSG team, would that person still receive these emails or does the marketing team strip out persons who have had that sort of interaction?

MS TOWNSON: No, we haven't done that type of analysis.

35 MR LEIGH: Similarly, is that the same answer then in relation to whether, for example, the marketing team analyses spending patterns of customers to make sure there is not dramatic spikes in spend which might be indicative of a problem.

40 MS TOWNSON: We don't undertake that analysis in that regard in your context.

MR LEIGH: Are you aware of whether anyone has ever made any suggestions that there be consideration given to having thresholds or criteria that would mark a person as being someone to whom an advertisement should not be sent?

45 MS TOWNSON: My understanding is there are conversations being had with the RG team and our customer analytics team, but I don't know more than that.

MR LEIGH: So there are conversations in train but you don't know the detail?



12:03PM

MS TOWNSON: It sits outside of my role remit.

5 MR LEIGH: As a broad question to your opinion, do you think such limitations might be appropriate?

MS TOWNSON: I think wherever we can improve, and assist, yes.

10 MR LEIGH: The final question I want to ask you is just in relation to historical advertisements. These are ones that were sent when regulation 43 had not been amended in 2019. If we can please call up CRW.700.067.1839. This document appears as one of the documents listed in your table to your witness statement. And it is described there as a monthly direct mail reward offer brochure with a date of 17  
15 October 2018. Did you play in any part in putting together or the approval of this advertisement?

MS TOWNSON: (Inaudible).

20 MR LEIGH: And so did you ultimately approve this ad going out?

MS TOWNSON: It would come through our normal approval process.

MR LEIGH: And ---

25 MS TOWNSON: Yes.

MR LEIGH: So looking at the ad in the top left-hand corner, you can see there is some reference there to playing on machines in the Riverside Room or Pearl Room. That's in the green ad in the top left.  
30

MS TOWNSON: Yes.

MR LEIGH: Does that suggest that this ad is likely to have been sent to all members who were eligible to be playing the Riverside Room?  
35

MS TOWNSON: This one particular, yes, it would be open to members that could access either Pearl Room or Riverside Room.

40 MR LEIGH: And then looking --- if we can please take that back to standard size. Looking at the photograph on the right-hand side with the Diamond and Pearl Room now being open and the pictures of EGMs and table games in the distance, would you agree that is clearly an invitation to persons to gamble?

45 MS TOWNSON: That is probably, to me, that is showing our Pearl Room customers our new room. So it is more about showing the facilities and the experience.

MR LEIGH: What are the facilities of the Pearl Room?

12:05PM

MS TOWNSON: You have a dining experience, you have obviously a hosting experience, you have entertainment, events and obviously the gaming products.

5 MR LEIGH: And of those various things that you've just described, which ones are visible in the photo?

MS TOWNSON: You can see the room itself and you can see our gaming machines and our table games products in the background.

10

MR LEIGH: And obviously ---

MS TOWNSON: And our people, of course.

15 MR LEIGH: And you've got your Crown logo again with the distinctive Crown and the dots coming out prominently displayed on that page?

MS TOWNSON: Yes, that is how our monthly DMs on this case are created in the template.

20

MR LEIGH: That has prompted me to ask, when you say that this is a monthly template, do these go out once a month in 2018?

MS TOWNSON: They did go out once a month.

25

MR LEIGH: And were they generally of this format?

MS TOWNSON: Always this format.

30 MR LEIGH: Always?

MS TOWNSON: For this type of, I guess, DM offer.

MR LEIGH: Looking at the two ads in the left there again ---

35

COMMISSIONER JENKINS: Remind me what "DM" stands for?

MS TOWNSON: Postage mail, ma'am --- Commissioner.

40 COMMISSIONER JENKINS: Right.

MR LEIGH: Looking at those two ads on the left-hand side, they essentially are ads showing that you have a chance to win something, play on the machines for your chance to win is the top one.

45

MS TOWNSON: Yes.

MR LEIGH: And on the bottom there is reference to playing table games entry for a chance to win a car.

5 MS TOWNSON: Correct.

MR LEIGH: Those sorts of ads where you make use of a service to have an opportunity to win something, are what are described as trade promotion lotteries.

10 MS TOWNSON: Yes.

MR LEIGH: And if we go to the next page in the bottom right-hand side we have the points multiplier. We've looked at those ads in the World of Entertainment. On the left-hand side there is a promotion which talks about enjoying exclusive rewards at Crown. And there is a reference to "\$XX of Extra Play". Is the "XX" because of the amount of dollars to be offered to patrons varies depending on their status?

MS TOWNSON: (Inaudible) identify, select and allocate.

20 MR LEIGH: What sort variables might they be?

MS TOWNSON: Obviously we look at the member in terms of the member tier, the member status. We look at also their historical visit and historical spend per visit and then on this occasion these are our monthly rewards so we would allocate a reward offer based on a reinvestment rate of 15 per cent based on the members' historical spend per visit over time --- over the last probably three months being active. But they would always need to qualify to receive this reward and also this reward would require them to use it to come in and activate it and not necessarily --- if they don't choose to use it, it would lapse.

30 MR LEIGH: You mention before the reinvestment rate of 15 per cent. Is the general point, in short summary, the more you gamble in the months before, the higher your dollar figure would have been for the offer?

35 MS TOWNSON: It could do, but there would be a level we would only go to.

MR LEIGH: Cap it?

40 MS TOWNSON: Yes, a maximum of reward offer.

MR LEIGH: In terms of the way this would work, I think you mentioned you have to come into the casino. Is the offer here that you come in and you play on a machine and by playing on a machine you get these extra points that are given to you for free gaming?

45 MS TOWNSON: In terms of you would come in and you would, I guess, transfer and activate the award would probably be the best way of saying that, yes, and then you can use that on a gaming machine on this occasion because --- again I should

probably have gone back and said one of the other qualifications is the product preference of the customer is looked into as well. So do they play on gaming machines or table games.

5

MR LEIGH: And then these ads would target people who primarily use gaming machines?

MS TOWNSON: On this occasion, yes, this is for an EGM player.

10

MR LEIGH: Thank you.

Looking at the specific details of this ad on the left-hand side, there are multiple rewards offered. You can see each of them is valid for a different period of time?

15

MS TOWNSON: Yes, so this direct mail would go out for the forward month. If I try, I guess, give an example here, this customer, based on their historical visitation pattern and obviously these are weekly players, is what I'm trying to say, so if they are generally coming in weekly the offer model would determine to provide them with a weekly offer.

20

MR LEIGH: So in terms of the offer model, and having regard to their play, the point of this promotion is that it is seeking to give an incentive or inducement to the customer to come to the casino at least once every week for a consecutive period of four weeks?

25

MS TOWNSON: Yes, that is based on their historical visit pattern. So that shows to us through the offer model that that is their regular visit.

MR LEIGH: Again you are seeking to give an inducement or reason to maintain that visiting pattern?

30

MS TOWNSON: (Inaudible).

MR LEIGH: So the campaign would be a success if patrons were then responding to it by maintaining their weekly attendance at the casino?

35

MS TOWNSON: I guess we probably evaluate our promotions in if they visit you next week, if they return visit or participate or use the offer and then obviously the average spend from that participation.

40

MR LEIGH: You may not be aware of this, but have you heard of the 2010 report by the Productivity Commission in relation to gambling? That report concluded that approximately 4 per cent of adults gambled on EGMs weekly, but of that cohort, that percentage, 15 per cent would be classified as problem gamblers and an additional 15 per cent would be experiencing moderate risk. For the transcript, that is PUB.0007.0014.1100, page 61.

45

So my question to you is would you agree that what is being offered here is seeking to ensure that customers maintain a level of playing, or a behaviour of playing, which is associated with harmful gaming?

5

MS TOWNSON: I would agree with you that it is about, like you said, maintaining the visit, yes. For those whether it would be harmful to all, I don't have enough information to make that decision.

10 MR LEIGH: And appreciating you haven't heard of those figures before so it has come to you new. Now that I've told you that, in your opinion, is that nature of advertising appropriate to seek to maintain behaviour from customers which is associated with problem gambling?

15 MS TOWNSON: Again, I don't have enough evidence, Mr Leigh, to suggest that our promotions are linked to problem gambling.

MR LEIGH: I will take you to regulation 43 as it existed at the time of this advertisement or this promotional period. And that's PUB.0016.0024.0001, page 44.  
20 So in relation to this document down the bottom there at number (2) you have a prohibition on a person publishing or causing to publish an advertisement that conveys the existence of a gambling operator. And then if we can go to the next page, at sub-paragraph (e), that is if the advertisement.

25 *..... offers a benefit, consideration or reward in return for the person participating in gambling .....*

We saw before a moment ago in that advertisement the offers of the extra play points for people to come in. My question is, were you aware of this provision in regulation  
30 43 as it then existed at the time that that advertisement was sent out?

MS TOWNSON: I knew that regulation 43 existed. I think --- Are you ask your interpretation of --- recognising your question there.

35 MR LEIGH: So what I'm asking, perhaps in stages, the first part would be simply, at the time of the last advertisement went out, were you aware of the existence of the particular provision I'm drawing your attention to, being sub-paragraph 2(e) and the reference there to advertisements that are offering benefits for ---

40 MS TOWNSON: Yes, I am, but I think it is the definition of "advertisement" that I would be questioning there.

MR LEIGH: And what would you be saying in relation to that definition?

45 MS TOWNSON: That that piece of communication we are referring to is a direct piece of communication to a customer that has signed up to a loyalty program whereby we have provision to communicate directly to them our trade promotions

and offers, is my understanding. Whereas this is looking at advertising to the broader mass in a one-to-many approach.

5 MR LEIGH: If I have this correctly, and please correct me if I've got it wrong, your view is that provision didn't apply because the marketing material going out shouldn't be characterised as an advertisement; do I have that right?

MS TOWNSON: A direct offer.

10

MR LEIGH: Direct offer. So in your understanding those things are quite distinct?

MS TOWNSON: Yes.

15 MR LEIGH: Thank you, Commissioner, I have no further questions.

COMMISSIONER JENKINS: Thank you, Mr Leigh.

Mr Sadler?

20

#### **CROSS-EXAMINATION BY MR SADLER**

25 MR SADLER: My name is Sadler and I represent the Gaming and Wagering Commission.

MS TOWNSON: Hi, Mr Sadler.

30 MR SADLER: Just one preliminary question: who oversees Crown Perth Casino's social media pages and what is published on them?

MS TOWNSON: The Crown Perth marketing team, my team.

35 MR SADLER: Not the digital team that ---

MS TOWNSON: No, the digital team looks after the website and mobile app.

40 MR SADLER: Okay. Can I bring up GWC.0002.0016.0239. While it is coming up, you wouldn't have seen these unless you are watching the Royal Commission. This is a GWC agenda pack for August 2018.

MS TOWNSON: Okay. Thank you.

45 MR SADLER: And the particular item I want to take you to is at page 288. This is the Victorian regulator's Sixth Review of the Casino Operator and Licence. And within that document can we please go down to page 409.

12:17PM

To give you a bit of background to this, the Victorian regulator regularly does a review of the Melbourne Casino and makes recommendations about how it can improve its performance.

5

MS TOWNSON: Thank you.

MR SADLER: The particular recommendation I would like to take you to is Recommendation 13 down the bottom, if that could be blown up, please.

10

MS TOWNSON: Yes.

MR SADLER: Just so we are really clear, this is about the Melbourne Casino and the Victorian Crown operations. It was in response to a concern that there has been a significant decrease in patron awareness of the Responsible Service of Gambling.

15

If you go to page 476 of this same document, we have Crown's response to the Victorian regulator's recommendation. Then on that document you have at page 483 it responds to Recommendation 13. If you can just blow up that box. The short point is it is accepted.

20

MS TOWNSON: Thank you. So we are looking at 13; is that correct?

MR SADLER: That's correct, yes.

25

Now if we could go to another document, this is GWC.0002.0016.0247. This is another GWC agenda paper for December, December 2018. The particular agenda item is 5.2, which is on page 13 of that document. And if you just go over the page from that one you will see the start of a letter from Mr Preston to Mr Ord. This is the Perth Casino's response to the recommendations put forward to the Victorian --- the Victorian regulator put forward to the Melbourne Crown Casino.

30

MR SADLER: I will take you to a few parts to see if you've seen this before.

35

MS TOWNSON: Sure. Please.

MR SADLER: On page 32 there is a reference to advertising. There's quite a few pages in this which talks about the Responsible Service of Gaming teachings that are undertaken at Perth Casino. These ones are particularly relevant to your role, it is under "Advertising". Mr Preston is referencing your position here, isn't it, that is you?

40

MS TOWNSON: That would be me, thanks.

45

MR SADLER: If we go down --- sorry, have you seen this letter before?

MS TOWNSON: No, I haven't.

MR SADLER: Okay, so you haven't. Down on page 33 there is a response to Recommendation 13. It is in the same row at the very bottom of the page. It doesn't completely faithfully replicate what Recommendation 13 was there because it has  
5 dropped the point about it being carried across to social media but you will see there that the response in relation to Crown Perth is that a joint strategic plan applicable to Crown Perth and Crown Melbourne is being developed and the same RSG brand, logo and messaging once developed will be applied across both properties. Do you know if that joint strategic plan is being prepared in your role as GM of marketing  
10 operations or as a member of the Responsible Gaming Management Committee?

MS TOWNSON: I don't know about a strategic plan but I can definitely comment on the improvements to our brand and messaging across the years since then.

15 MR SADLER: Is it joint between Crown Perth?

MS TOWNSON: Yes, in terms of the logo and the logo look and feel and how the brochures are put together. Yes, we are seeing some similarities (inaudible).

20 MR SADLER: Is that the reference to the colour change, the documents you made at the start?

MS TOWNSON: One aspect.

25 MR SADLER: Has there been any steps to publish new Responsible Gambling messages on Crown's social media platforms?

MS TOWNSON: We certainly utilise the logo and the help line numbers and the like. Have we done an actual campaign on social media, I can't recall.

30 MR SADLER: When you say utilise the number and logo, is that just in response to, how would I put it otherwise, gaming promotions and you've just put it at the bottom of that or is it a standalone basis you've published the hotline and the logo?

35 MS TOWNSON: With social media, each campaign is one post, if I could suggest that. So if it is gaming related it will have that.

MR SADLER: Has there been an individual post about the Responsible Service of Gaming or the new Responsible Gaming messages, if there are new ones?

40 MS TOWNSON: To be honest I can't recall. I would have to check and come back.

MR LEIGH: Okay. No further questions.

45 COMMISSIONER JENKINS: Thank you, Mr Sadler.

Mr Bathurst?



MR BATHURST: Nothing, Commissioner.

COMMISSIONER JENKINS: Thank you. Yes, Mr Garas?

5

**CROSS-EXAMINATION BY MR GARAS**

10 MR GARAS: Thank you, Commissioner.

Ms Townson, my name is Garas and I act for the Crown companies. I just have a few questions for you.

15 Mr Leigh asked some questions of you regarding the exclusion revocation process and he took you to some sample documents regarding that process. Now, in the examples that Mr Leigh took you to there were RSG team members who interviewed the patrons as part of that process. Did you ever conduct such interviews?

20 MS TOWNSON: No.

MR GARAS: And was it the usual course for such interviews to be conducted by other RSG members?

25 MS TOWNSON: I'm not sure but I would assume that would be the case.

MR GARAS: In the instances where you've been asked to review such applications, has it been the case that there has been interviews by RSG members of the patrons?

30 MS TOWNSON: Well, that's the way that the papers read.

MR GARAS: Thank you.

35 And in the papers that Mr Leigh took you to, the interviewer referred to reports from counsellors. Was that again the usual process as far as you've been involved in that process?

MS TOWNSON: Yes, that is my understanding.

40 MR GARAS: And do you understand it to be a requirement that patrons obtain such reports from external counsellors in order to obtain that revocation?

MS TOWNSON: That is my understanding.

45 MR GARAS: Thank you.

Can I take you to paragraph 23 of your statement. While Mr Leigh was asking you questions on those matters you explained what appeared to be the limited role of your

involvement in those processes; is that what you are referring to in the last two sentences of paragraph 23 and can you just elaborate on your involvement?

5 MS TOWNSON: Yes, so my understanding in terms of putting the reports together or reviewing reports is that the patron has undergone counselling, has undergone serious steps with the counsellor, has had interactions with the Responsible Gaming Advisor to determine, I guess, an outcome and a recommendation and so that comes within the report and that's what I read. Is that your question, Mr Garas?

10 MR GARAS: It is, yes.

MS TOWNSON: Yes.

15 MR GARAS: And so from your perspective your role is limited, as you put it, making sense from a lay person's perspective?

MS TOWNSON: That is correct.

20 MR GARAS: Thank you.

Can I then just confirm you are as paragraph 23 says, a member of the Responsible Gaming Management Committee. As part of the papers that are received by you as a member of that committee, is it the case that you receive statistics in relation to Responsible Gambling?

25 MS TOWNSON: Yes, they are in those papers.

MR GARAS: Thank you.

30 During the course of some of the questions that Mr Leigh asked you he queried what was done in substance from an RG perspective, or Responsible Gambling perspective, in relation to promotional material. Can I ask you to turn to paragraph 46 of your statement. I just ask whether that does in fact describe work done regarding Responsible Gambling in the course of developing marketing materials and can you just elaborate on what you mean in paragraph 46.

35 MS TOWNSON: Paragraph 46 or 47?

40 MR GARAS: 46, please.

MS TOWNSON: Yes, so when we look at building an offer or promotion for our members we take input around the behaviours and historical visit patterns of our customer. That information is undertaken by our customer analytics team and then that is provided to the marketing team to help us build out our offers and promotions.

45 MR GARAS: Thank you.

Last topic is something that arose today, but are you familiar with the recent lockdown and the fact that the Pearl Room had been opened during that time?

5 MS TOWNSON: Yes, I am aware of that.

MR GARAS: And are you aware if approvals were sought in relation to opening the Pearl Room?

10 MS TOWNSON: Yes, they were.

MR GARAS: And were they obtained?

15 MS TOWNSON: Yes, they were. My understanding is they were obtained from the Australian Government and police.

MR GARAS: Thank you. No further questions, Commissioner.

20 **QUESTIONS BY THE COMMISSIONER**

COMMISSIONER JENKINS: Thank you.

25 Ms Townson, I only have a few questions for you.

In respect of paragraph 23 that you were just taken to it says:

30 *Around two years ago, I was appointed to the Crown Perth Responsible Gaming Management Committee.*

What is the role of that committee?

35 MS TOWNSON: The role of that committee, from my perspective, is to come together to ensure that I guess the provision of services around responsible gaming that Crown provides are put in place and occur.

COMMISSIONER JENKINS: And so what is your --- what is the contribution that you can make to that committee that caused you to be placed on it?

40

MS TOWNSON: My, probably my observations, is that marketing's role can assist in raising awareness of our Responsible Gaming programs and services and where we can work together with the Responsible Gaming team to do that. That's how I see marketing can assist.

45

COMMISSIONER JENKINS: Is there a marketing management committee or anything similar?

MS TOWNSON: No. I wouldn't say that's the case.

5 COMMISSIONER JENKINS: I think there is a reference at paragraph 56 that says that you regularly meet with the General Manager of Responsible Gaming and the gaming marketing team. So is there a gaming marketing management committee or anything of that nature?

10 MS TOWNSON: I wouldn't call it a committee. We would have meetings when we, I guess, want to run through our plans with the business units as well as inviting Responsible Gaming. We call that our trimester review, plan review meeting as opposed to a committee meeting, if that makes sense.

15 COMMISSIONER JENKINS: So is an RSG representative at those meetings?

MS TOWNSON: They are invited, yes.

COMMISSIONER JENKINS: Do they attend?

20 MS TOWNSON: The majority of the time, yes. Otherwise, as I mentioned in my witness statement, there is an opportunity where our gaming marketing team or myself would also hold a separate session to run through that plan per se if they couldn't make it.

25 COMMISSIONER JENKINS: And in that planning process, I think you referred to some times where they've suggested different wording, do they have a very different approach to marketing than say your team who are involved primarily in attracting people to the casino or not?

30 MS TOWNSON: I think they have a very balanced and responsible view of looking after our customers and our patrons, yes. That is how I see it.

35 COMMISSIONER JENKINS: I guess you are not going to --- I withdraw that. So you wouldn't see that as a very different perspective from the one that the rest of your team holds?

40 MS TOWNSON: No, I think the way, I think I mentioned before, Commissioner, the way we look at marketing to our customers is in a responsible manner. When it comes to our offers and offer design we always have a principle that we don't ask customers to do more than they've done historically in the past. The customer experience is critical for us and providing the right gaming experience, a safe one, is important.

45 COMMISSIONER JENKINS: So then in respect of the reports that you receive, I added it up, you get 11 daily or weekly reports and none of them it seems contain Responsible Service of Gaming information; would you agree with that?

MS TOWNSON: At this time, yes.

COMMISSIONER JENKINS: And who decides which reports you get?

5 MS TOWNSON: That's a very good question. I think sometimes you just, as a new starter, you are put onto a distribution list based on your title and your role.

10 COMMISSIONER JENKINS: And as someone who I'm sure you regard yourself as wanting to ensure safe gaming for your patrons, why haven't you asked to receive reports in relation to Responsible Service of Gaming?

MS TOWNSON: I see those reports as part of the Responsible Gaming Management Committee. That's probably where that information comes to me.

15 COMMISSIONER JENKINS: Wouldn't you think that it was important for your team to see those reports?

MS TOWNSON: I think they could, yes.

20 COMMISSIONER JENKINS: That is a different question. Do you think it is important ---

MS TOWNSON: Yes.

25 COMMISSIONER JENKINS: --- that the marketing team ---

MS TOWNSON: Yes.

30 COMMISSIONER JENKINS: --- understand what is happening in the Responsible Service of Gaming area?

MS TOWNSON: Yes.

35 COMMISSIONER JENKINS: You were taken to the Crown marketing policy. I just want to understand what the status of all that is at the moment. Would you regard that as similar to a marketing Code of Conduct?

MS TOWNSON: Yes.

40 COMMISSIONER JENKINS: So the old marketing policy, if I can put it like that, is that still in effect or is that in abeyance, some sort of historical document?

45 MS TOWNSON: We don't actually have a marketing policy in existence. And so that is probably one of the reasons why we want to draft a bit more of a Code of Conduct that oversees everything we do. We do have processes in place and checklists to help us and some standard operating procedures but I think an overarching policy is what we are working towards.

COMMISSIONER JENKINS: So you were shown what might have been the very first email that you sent in relation to it enclosing a marked up version of the old --- was that a marketing policy or was it called something else?

5

MS TOWNSON: No, that is the proposed marketing policy. I think that is what you are referring to.

10 COMMISSIONER JENKINS: The original document you started from was that an old marketing policy or was it something else?

MS TOWNSON: It was a draft that had started prior to my commencement in the person --- my incumbent, which I took and started to work from.

15 COMMISSIONER JENKINS: Now I want to know where it has got to from there and what the proposal is in terms of actually creating an official document?

20 MS TOWNSON: Thank you for the question. The policy is with the Chief Marketing Officer and my counterpart in Melbourne and Sydney for their review and it is sitting with them at the moment. I guess the intention would be to have a policy that covers all three properties and the associated advertising checklists and the requirements that underpin that. Where that is at is in final review is my understanding but I'm waiting to hear back from those people.

25 COMMISSIONER JENKINS: And two questions in respect of that. First, has to date RSG had any input into that policy?

MS TOWNSON: No, we haven't gotten to the review stage yet.

30 COMMISSIONER JENKINS: And the second question follows from that: what is the proposal for RSG to have input into it?

MS TOWNSON: Yes, I would like to see that policy distributed to across the property and have RSG input as well as all other aspects of our business.

35

COMMISSIONER JENKINS: What about having an external review from an RSG perspective?

MS TOWNSON: I'd welcome that.

40

COMMISSIONER JENKINS: So that I understand exactly what the situation is, you talked about Crown Rewards members choosing to receive direct mailings. Do Crown Rewards members opt in to receive direct mailing or do they opt out not to receive? Do they opt out of receiving direct mailing?

45

MS TOWNSON: They can opt out to receive direct mailing at any time.

COMMISSIONER JENKINS: But I think we've all been in the situation where we

either have to check a box to say that we want to receive direct mailing or we check a box to say that we don't want to receive check mailing. What is the situation?

5 MS TOWNSON: It is both, Commissioner.

COMMISSIONER JENKINS: Right. But if you join the rewards program and you don't check a box of any description, maybe there is a box there, put that to one side but we just don't check a box, will that person receive direct mailing or not?

10

MS TOWNSON: No. If they have chosen not to receive either direct mail or EDM from us then they won't receive it. We do keep, I guess, their postal address on record because we do still need to communicate service messages to them around the actual program but the marketing promotions part, if they've chosen not to, it's part of the Privacy Act, we do not.

15

COMMISSIONER JENKINS: In respect of the RSG messaging that appears around the casino, has there been any analysis that you know of of the effectiveness of that messaging?

20

MS TOWNSON: No, there hasn't been to date.

COMMISSIONER JENKINS: Or even of the recognition of it that ---

25 MS TOWNSON: No, Commissioner.

COMMISSIONER JENKINS: If there was such an analysis to be done, would you regard that as an RSG team responsibility, a marketing team or a combined team or maybe even a broader?

30

MS TOWNSON: I would think that type of analysis and research would be best conducted by, I guess, a research specialist, whether that be external or a combination of our own internal research team to get the best outcome.

35 COMMISSIONER JENKINS: Finally, picking up on the question Mr Garas asked you about the opening of the Pearl Room during the COVID lockdown. I don't want to ask you questions that you are not familiar with so was this something, the nature of the approvals, et cetera, something you knew of before the issue might have been raised in the media yesterday or not?

40

MS TOWNSON: No, I remember and recall it. It was --- if I recall back at that stage, only because we do all the communications ---

COMMISSIONER JENKINS: That's what I wanted to ask you about.

45

MS TOWNSON: Yes, I know. So that was a staged reopening. I think the WA Government --- we came out of I think a four-day lockdown, I could be wrong, but we came out of the lockdown and the Government had announced that the casino

could open but at a maximum capacity of 150 patrons. So that meant we could, I guess, obviously not open the main gaming floor but Pearl Room would be considered. And then my understanding is that approvals were sought under that nature.

COMMISSIONER JENKINS: So then what marketing took place around that?

MS TOWNSON: We would send out ---

COMMISSIONER JENKINS: Not "we would", but did you? I want to know what actually happened?

MS TOWNSON: Oh, we would send a reopening message to all of our customers indicating what areas of the property were open, inclusive of Pearl Room, I'm not sure if we said Pearl Room, but we would have said these aspects were open in the casino.

COMMISSIONER JENKINS: Thank you. Those were all the questions that I had. Thank you, Ms Townson. Is there anything arising from those, Mr Leigh?

#### **FURTHER CROSS-EXAMINATION BY MR LEIGH**

MR LEIGH: Perhaps just one question in relation to a question you were asked about how you would see material about Responsible Service of Gaming and the question was put in relation to the reports that you receive and whether those reports contain that information. And you responded by saying that you would see that sort of information at the Responsible Gaming Management Committee meetings. How many of those do you attend a year?

MS TOWNSON: Up (inaudible).

MR LEIGH: Thank you, that was my only question, Commissioner.

COMMISSIONER JENKINS: Thank you. Yes?

MR SHAW: I have one question, Commissioner.

#### **RE-EXAMINATION BY MR SHAW**

Ms Townson, you were asked about the marketing policy and your answers to questions are now clarified in response to the Commissioner's questions that the draft --- that the policy was a draft you took over, it was never a policy, and that it is one that still is being worked on at the moment. Do you have any checklists that you



follow? I understand there is no policy, is there a checklist that you follow, can you tell the Commissioner about that?

5 MS TOWNSON: Yes. As part of our campaign process. Of every campaign that we create and develop there is an advertising and promotions checklist, it is quite a detailed one, that has been reviewed and approved by our legal and compliance teams. And it is followed by every marketing person who is in charge of seeing a campaign through to development.

10

MR SHAW: Thank you.

Commissioner, I don't have any further questions.

15 COMMISSIONER JENKINS: Thank you, Mr Shaw.

Ms Townson, that concludes your evidence today. We will keep the summons in place in case there are some further questions that arise but certainly at the moment you are free to go about your business. Thank you very much for attending today.

20

MS TOWNSON: Thank you.

**THE WITNESS STOOD DOWN**

25

COMMISSIONER JENKINS: Thank you. We will now adjourn. We will be reconstituting at 2 o'clock in Hearing Room 3.

30

**ADJOURNED AT 12.44 PM UNTIL THURSDAY, 23 SEPTEMBER 2021 AT 10.00 AM**

### **Index of Witness Events**

MS KELLY CHRISTINE TOWNSON, AFFIRMED	P-4273
EXAMINATION-IN-CHIEF BY MR SHAW	P-4273
CROSS-EXAMINATION BY MR LEIGH	P-4274
CROSS-EXAMINATION BY MR SADLER	P-4325
CROSS-EXAMINATION BY MR GARAS	P-4328
QUESTIONS BY THE COMMISSIONER	P-4330
FURTHER CROSS-EXAMINATION BY MR LEIGH	P-4335
RE-EXAMINATION BY MR SHAW	P-4335
THE WITNESS STOOD DOWN	P-4336

### **Index of Exhibits and MFIs**

EXHIBIT #CRW.998.002.0518_R - WITNESS STATEMENT OF MS KELLY CHRISTINE TOWNSON DATED 15 SEPTEMBER 2021	P-4273
--	--------