

**Perth Casino Royal Commission**

**Witness Statement of Kelly Christine Townson**

15 September 2021

- 1 I, Kelly Christine Townson of c/- "Crown Perth", of 201 Great Eastern Highway, BURSWOOD, WA 6100 make this statement in response to the summons to give evidence issued to me dated 6 September 2021 by the Perth Casino Royal Commission (**PCRC**).
- 2 This witness statement sets out my personal knowledge and recollection in relation to the list of topics directed to me by the PCRC.
- 3 For the purposes of preparing this statement, I have referred to the documents in the attached list marked "**KCT-1**". I believe the list specifies the documents that I have referred to for this purpose.

**MY ROLE**

*Topics 1 to 7*

*Employment within Crown Group*

- 4 I joined Crown Perth in February 2018 as the General Manager of Marketing Operations. I have held this role since that time.
- 5 My employer is Burswood Resort (Management) Limited.
- 6 I report to the Chief Marketing Officer Customer Marketing (currently Nic Emery), who is based in Melbourne.
- 7 I also have an informal reporting line to Lonnie Bossi. This informal reporting line was established while Mr Bossi held the role of Chief Operating Officer of Crown Perth and remains in place following his appointment to Chief Executive Officer of Crown Perth in December 2020.
- 8 I lead the Perth Marketing Operations team, which comprises around 30 people. My role involves:
  - a) planning and operationalising Crown Perth's Marketing Plan to meet Crown Perth's strategic business and marketing objectives;
  - b) raising awareness and engagement of the Crown Perth brand and the experiences, products and services on offer;
  - c) working with the business units (e.g. Hotels, Food and Beverage, Gaming Operations, events, conferences and theatre) to develop and implement campaigns, promotions, offers and new product launches; and
  - d) leading and mentoring the Crown Perth Marketing Operations team.

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- 9 There are four roles within the Perth Marketing Operations Team who report to me. They are:
- a) Head of Marketing Communications (currently Carter McVines);
  - b) Head of Gaming Marketing (currently Sean Goh);
  - c) Head of Non-Gaming Marketing (currently Laze Taneski); and
  - d) Head of Studio (currently Jennifer Brine).
- 10 My team is focussed solely on marketing activities for Crown Perth. There are other marketing teams based in Perth. These teams report to Mr Emery and comprise:
- a) Customer Analytics, Strategy and Finance, led by Group General Manager Customer Analytics, Strategy and Finance (currently Danielle Reynolds). This team includes Perth and interstate employees.
  - b) Digital, led by Group Head Digital (currently Sarah Pagano). This team includes Perth and interstate employees.
  - c) Public Relations, Internal Communications and Partnerships, led by Group General Manager of Public Relations and Partnerships (currently Alexandra Smith).
  - d) Market Strategy and Customer Insights, led by Head of Market Strategy (currently Myles Barrett).
  - e) Loyalty Marketing, led by Group General Manager of Loyalty (currently Mark Kelly).
- 11 My equivalent in Melbourne and Sydney is currently Joe Scaringi.

*KPIs and bonuses*

- 12 The key performance indicators (**KPIs**) by which my role is assessed include:
- a) financial (e.g. revenue, contribution and budget management);
  - b) brand and campaign development and performance (e.g. brand sentiment, trust and consideration, and customer experience, satisfaction and visitation);
  - c) people (e.g. leadership, culture and OH&S);
  - d) compliance; and
  - e) Crown's values and behaviours.
- 13 The KPIs for my role are set out in my performance evaluation plan [CRW.701.005.5079].
- 14 I am eligible to receive a discretionary short term incentive payment (**STIP**) of up to 20% of my total remuneration package if all KPIs and financial objectives are met. I recall receiving a STIP

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for the first six months of my employment (pro-rated). However, I have not received a STIP since then.

**QUALIFICATIONS, EXPERIENCE AND TRAINING**

*Topics 8 to 11*

*Qualifications*

- 15 I hold the following tertiary qualifications:
- a) Bachelor of Commerce, with a double major in Management and Marketing, from Curtin University in 1997; and
  - b) Masters of Information Management and Electronic Marketing from University of Western Australia in 2002.
- 16 I hold the following professional qualifications:
- a) Graduate and Member of the Australian Institute of Company Directors;
  - b) Certified Practicing Marketer and Fellow of the Australian Marketing Institute; and
  - c) Fellow of the Australian Institute of Management.

*Experience*

- 17 I have around 25 years' experience in marketing, communications and customer experience operation roles in private and government organisations. Prior to joining Crown, for the previous 10 years, I worked in consulting and in the TAFE and tourism sectors. Prior to that, I held marketing positions in financial services, manufacturing, tourism and lotteries sectors.
- 18 I have served on various committees and boards in a voluntary capacity. In this regard, I am currently:
- a) on the Governing Council of South Metropolitan TAFE; and
  - b) a Board Director for the Perth Football Club.
- 19 I did not have any experience or qualifications with casino operations prior to joining Crown Perth in 2018. Through my current role, I have developed some understanding of casino operations through working closely with, and observing, the various business units to understand the industry and develop marketing activities.
- 20 I also did not have any experience or qualifications with AML/CTF risk management prior to joining Crown Perth. My current understanding on AML/CTF issues is limited to the knowledge I gained from completing the online AML/CTF modules on the CrownLearn platform and recent

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face to face training for managers. The online course was around 30 minutes in duration and is refreshed annually. The face to face course was one hour in duration. My experience with AML/CTF is limited to completing training courses and preparing collateral as requested by business units from time to time.

- 21 I do not have any direct experience or expertise with EGM and FATG risk management. I recall that, as a result of COVID-19 restrictions, Crown Perth imposed capacity limits on the number of available EGM and FATG products on the gaming floor to ensure social distancing requirements were met for the safety of our customers (generally every second machine was switched off).
- 22 I have completed general staff training on the responsible service of gaming (**RSG**). This involved completing an initial online training module and annual refresher courses via CrownLearn. I recently attended a face to face RSG manager course presented by the Crown Perth RSG team to all managers with direct supervision of staff.
- 23 Around two years ago, I was appointed to the Crown Perth Responsible Gaming Management Committee (**RGMC**), which meets three times a year. Also around this time, I was asked to take on a role in providing a secondary review and recommendation for revocation reports. Revocation reports are prepared by the RSG advisors when a patron, who is excluded from the Casino for RSG reasons, applies to revoke their exclusion and return to the property and gaming. My role in reviewing revocation reports is to ensure the report is written clearly, objectively and that the recommendation(s) makes sense from the view point of a layperson with no experience in responsible gaming. I am asked to review revocation reports infrequently; I may receive up to six reports for review in a year.
- 24 I do not have any experience, expertise or qualifications with respect to the International Commission Business operations of Crown Perth or the assessment of the vulnerability of Crown Perth to criminal infiltration.

*Training*

- 25 When I joined Crown Perth, I completed a two day employee induction and orientation program, general meet and greets with other employees across the business, and various online training modules through the Crown Learn platform.
- 26 During the course of my employment at Crown Perth, I completed training courses on issues including: anti-bribery and corruption; consumer protection and anti-competitive behaviour; RSG; privacy; IT and data protection; anti-bullying; emergency response; legal and compliance training; casino awareness; AML/CTF; customer experience and waste management. These courses were conducted either in-person or online. Some of these courses required me to undertake annual refresher courses.

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**GOVERNANCE / MANAGEMENT***Topic 12**Periodic reports*

- 27 I receive daily shift reports for EGM, Table Games and the Pearl Room from the Crown Perth Gaming Operations Team. I understand that these reports are generated from data from various Crown systems such as IGT, SYCO and/or LUI.
- 28 I receive the EGM daily revenue report prepared by the EGM Accountant on a daily basis. I understand this report is generated from data from IGT.
- 29 I receive the following reports by email on a weekly basis:
- a) table games revenue report prepared by Table Games Finance and Analytics, which I understand is generated from data from SYCO;
  - b) EGM patron monitor report prepared by the customer analytics team, which I understand is generated from the customer databases;
  - c) table games patron monitor prepared by the customer analytics team, which I understand is generated from customer databases;
  - d) patron weekly executive pack prepared by the Customer Analytics Team, which I understand is generated from data from the customer database CDW (I was only recently added to the distribution list for this report);
  - e) customer performance report prepared by the customer analytics team, which I understand is generated from data from the customer database CDW;
  - f) hotel performance report prepared by the Executive General Manager Hotels, which I understand is generated from the Opera point of sale system; and
  - g) food and beverage report prepared by the Food and Beverage analyst, which I understand is generated from data from the Micros or Seven Rooms point of sale system.
- 30 I receive the following reports on a monthly basis:
- a) Crown Perth Management Performance Report prepared by the Financial Controller, which I understand is generated from a combination of all data sources for Business Units;
  - b) customer experience report prepared by the market strategy and customer insights team, which I understand is generated from customer feedback captured through onsite

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kiosks, website forms, or the call centre, all of which are collated in the Medallia system;  
and

- c) outstanding training status report prepared by the training and development team, which is generated from the HR system and CrownLearn.

- 31 I receive a brand tracking report on a bi-monthly basis from the market strategy and customer insights team. The report data is sourced from member and non-member surveying conducted by an external research company.

#### *Other reports*

- 32 I receive customer strategy reports and marketing promotion analysis reports on an ad hoc basis from the customer analytics team. The purpose of these reports is to understand the performance of customer groups and promotions. The report data is sourced from customer databases.

### **INTERNATIONAL COMMISSION BUSINESS AND JUNKETS**

#### *Topics 13 and 14*

- 33 I do not have any knowledge of:
- a) the extent to which RSG staff are involved in the assessment of junket operators or representatives prior to Crown commencing business with those operators or representatives;
  - b) any measures taken or procedures adopted to identify and record the amount of money lost by junket or premium players or the methods by which Crown confirms that those players were not gambling beyond their means; and
  - c) the extent to which RSG staff played an active role in monitoring the gambling activity of junket or premium players.

### **RESPONSIBLE SERVICE OF GAMING**

#### *Topics 15 to 26*

#### *Gambling related harm in Western Australia*

- 34 My personal knowledge and understanding of gambling harm in Western Australia is generally limited to a few research papers I was exposed to as a member of the Responsible Gambling Management Committee, as well as my involvement in that Committee more generally.
- 35 I am generally aware, from RSG training, that approximately 70% of Australian adults have gambled and that approximately 0.5% to 1% of those people identify as at risk of problem

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gambling. My personal expectation is that these figures would be lower in Western Australia due to WA having only one casino, and therefore less per capita gambling expenditure than other states and territories. However, the proliferation of online gambling and sports betting has made gambling more accessible.

- 36 I am not aware if Crown has conducted, commissioned or provided data for any research to ascertain the extent of gambling related harm in Western Australia. It is my understanding that a research scope is currently underway at a Crown Resorts level. I do not know whether this scope covers the Western Australian public or is solely focussed on Crown Rewards members.

*RSG training*

- 37 I understand that all staff at the Perth casino are required to undergo the mandatory Responsible Gaming Online training module through the Crown Learn platform. I do not know what additional training the RSG team itself has to undertake.
- 38 Managers who supervise staff also undergo the Responsible Gaming for Managers training course, which is conducted face-to-face. They are also required to attend annual refresher sessions.

*RSG policies*

- 39 The Crown Resorts Limited Responsible Gaming Policy is accessible through the Crown Intranet. There is also a Responsible Gaming Code of Conduct, which identifies Crown's responsibility and obligations to assist in identifying customers who may show signs of problem gambling.
- 40 All employees have the responsibility to notify the RSG team and security if they identify any customers with observable signs of problem gambling.
- 41 Crown's RSG team are there to provide awareness of our RSG programs and services, and assistance in helping customers manage their gaming behaviour and support of customers. There are RSG advisors rostered at Crown Perth on a 24/7 basis.
- 42 There is a General Manager of RSG for Perth operations. This role reports to a Crown Group Executive position. The General Manager manages the team of RSG advisors. There is also an administrator and an analyst, as well as independent psychologists and external problem gambling support services.
- 43 The RSG programs in place at Crown include:
- a) self-exclusion;
  - b) third party exclusion;

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- c) play safe limits;
- d) revocation of self-exclusion; and
- e) player activity statements on request.

- 44 Crown Perth has an obligation not to send marketing promotional material to customers who have been excluded or barred from the casino. These customers are removed from the marketing distribution lists and Crown Rewards program.
- 45 Marketing and advertising must comply with the Advertising Code of Ethics as well as Regulation 43 of the *Gaming and Wagering Commission Regulations 1988*, which requires marketing material that promotes gaming to include the RSG logo, the 1800 gambling helpline number and the gambling help online website address. In addition, advertising should not give an unrealistic expectation of winning, encourage irresponsible gambling behaviour or suggest that gambling is a strategy that improves an individual's financial position.
- 46 The marketing approach at Crown is for the customer analytics team to review a patron's (or patron group's) historical visit and playing behaviours and recommend promotion and offer levels for the marketing team to develop direct marketing activities that are not designed to ask patrons to do what they have not done before or spend beyond their historical average level of visit or playing activity.

*Consultation with RSG team*

- 47 Some of the gaming operations managers attend RGMC meetings. I have very limited personal knowledge on the extent to which the RSG team is otherwise consulted or involved in decisions affecting gaming operations at Perth Casino, other than with respect to marketing material (which I discuss below).
- 48 In my observation, the RSG team generally has a collaborative working arrangement with all teams across Crown Perth, to ensure they are able to provide the RSG support services effectively and efficiently to all customers and staff.
- 49 I do not know whether the RSG team are or were provided with analysis of patron gambling data such as **CRW.700.045.6515**.

*Exclusion process for patrons*

- 50 As I understand it, the process by which a customer may seek self-exclusion from Crown Perth begins with the customer approaching the RSG team to request self-exclusion. The self-exclusion applies for a period of 12-months. During this time, the RSG team takes steps to ensure the self-exclusion procedures are put in place, such as flagging the patron's details in the patron databases that inform the Security and Surveillance teams, the marketing database



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lists and gaming operation teams. As discussed above, Crown Perth does not send promotional material to customers who have been excluded or barred from the casino.

- 51 Third party exclusion involves someone other than the patron, such as a family member or friend, applying to the RSG team to have the patron's gambling behaviour reviewed and be potentially excluded.
- 52 Crown has the ability to unilaterally or involuntarily exclude a customer where the RSG team believes that customer is showing signs of harmful gaming behaviour and putting themselves and others at risk.
- 53 I am unaware of the total number of patrons excluded or barred from the Perth Casino in the past five years. A standing agenda item for the RGMC meetings is a report which includes the following information (generally on a three month reporting period):
- a) the number of customer exclusions;
  - b) the breakdown of the type of exclusion; and
  - c) the number of customers who have sought revocation.

*RSG involvement in marketing material*

- 54 The marketing team at Crown Perth undertakes a trimester planning cycle to prepare the marketing plan that outlines the proposed advertising, promotions, offers and events for the Crown Perth property. The Gaming marketing plan is developed and approved with consultation and approval with the gaming business unit teams. The RSG team are invited to the planning presentation meetings with the gaming business unit to review and provide input into the trimester gaming marketing plan. Promotions and offers are discussed based on what the promotion or offer is, how customers are expected to participate and what will be received by way of gift, reward or prizes.
- 55 The plan is operationalised through the marketing campaign process. There is also a secondary point in the marketing campaign process that provides for the actual campaign collateral and communications to be reviewed and approved by Crown's Legal and Compliance Team (in consultation with the RSG team), prior to the campaign material being issued. In the last couple of months, we have updated our process map to obtain approval from each of Legal and Compliance, and RSG teams with respect to proposed gaming marketing campaigns. From time to time, we will seek approval from the RSG team with respect to proposed non-gaming marketing campaigns.
- 56 I regularly meet with the General Manager of Responsible Gaming and the Gaming Marketing Team to seek input and advice on promotions and direct offer development.

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- 57 Since reopening in 2020, the Crown Perth marketing operations team has been using a new gaming initiative form. A new initiative is where a new offer, product, technologies, procedures or service is introduced. The form is a tool to ensure any requirements of risks to anti-money laundering, counter terrorism, financial crimes, security and surveillance, gaming integrity, regulatory requirements and social responsibility are identified, assessed, mitigated and managed. The team has used the form on a couple of occasions to table new initiatives before the RGMC.

**MARKETING***Topics 27 to 30*

- 58 Crown Perth is an integrated resort destination with a purpose of creating memorable experiences for customers. The marketing department's role is to raise awareness of the Crown brand as a destination of choice for accommodation, restaurants, bars, theatre, conventions, events and gaming activities. Our marketing aims to create personalised experiences for customers through our assets, promotions and events, all of which are communicated through great content.

*Types of advertising channels*

- 59 Crown Perth delivers brand marketing messages and content through a variety of advertising channels to the public including television, radio, digital, social media, outdoor and press coverage. When Crown buys advertising space, [REDACTED]  
[REDACTED] These advertising channels play an integral role in raising and maintaining Crown's brand awareness, building trust and consideration of our brand as a destination to visit. The advertising messages therefore focus on promoting the Crown brand as the destination to celebrate a range of occasions, socialise, have fun and be entertained at a location which offers a variety of services, products and experiences.
- 60 Gaming related messages on mass advertising channels are generally limited to references to the casino as a place for entertainment and fun, or references to food and beverage offers within the casino. Crown Perth generally does not rely heavily on mass advertising channels (e.g. TV, radio, digital and social media) to directly promote gaming messages. On an ad-hoc basis, press advertising may be used to promote a trade promotion lottery, in conjunction with other non-gaming experiences and offers. Also on an ad-hoc basis, Crown may participate with third-party media on a consumer promotion (with Crown supplying the prize), which may be advertised on mass advertising channels (e.g. the Seven Network's SAS cash giveaway).
- 61 Crown Perth also delivers marketing content through direct channels to members and non-members who have opted-in to receive direct communications. It only delivers direct gaming marketing content to Crown Rewards members (member tiers and above) who have opted-in

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to receive direct marketing content and have visited Crown Perth at least once in the past 12 months. Crown does not send direct gaming marketing content to Non-Members or Provisional members who have not visited Crown at least once in the past 12 months.

- 62 Direct marketing content is delivered via direct mail or email (or both). Crown communicates to active members (visited at least once in the past 12-months) through the member's preferred channel of communication. There are approximately 161,000 active members, of which approximately 70% (115,000) members elect to receive communications via email over direct mail. Direct marketing provides Crown with an efficient means to communicate relevant, personalised messages to its members.
- 63 The direct communication is a mix of non-gaming messages (e.g. hotel, food, beverage, events, entertainment, customer service, RSG, parking etc) and, depending on the member's tier level, the member may receive further communication on relevant loyalty privileges, benefits, offers and promotions. Crown Rewards members (Member tier and above, approximately 84,000 emailable members) will receive a mix of gaming and non-gaming related messages. The remaining customers (Provisional members and non-members) will only receive non-gaming messages (approximately 31,000 emailable members).
- 64 Another form of marketing, while ambient in nature, is digital signage and screens. Crown Perth has installed over 2,500 digital screens throughout the casino, including screens on the end of a bank of EGMs, the service window within the EGM product, digital screens at table games and the larger format digital signage across the casino and property. This channel has the ability to reach many members and non-members when they are either at the product device or walking through the casino. This channel plays an important role in delivering and reinforcing our many messages.
- 65 All channels play an important role in advertising and communicating to all customer types. Effort in production of the advertising and communication messages for all channels vary in terms of the resources, expertise and costs required for the campaign.

*Campaigns*

- 66 Campaigns at Crown Perth are varied and can include activities such as:
- a) brand messaging that promotes Crown as a destination that provides variety, value and choice in occasions and experiences that we offer across our hotels, food and beverage, theatre, conventions and casino;
  - b) trade promotion lotteries (promotional draw and giveaway competition);
  - c) jackpots;
  - d) new games launches or gaming tournaments;

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- e) direct offers to members (gift, offer benefits and privileges);
- f) products or service offers to all customers;
- g) events; or
- h) theatre shows or entertainment acts.

67 Campaigns are categorised based on the role they play, the business units involved and the effort required to produce. There are three tiers of campaigns.

68 Tier 1 campaigns are the largest and most involved type of campaign, as it promotes the entire Crown property (accommodation, food, beverage and gaming). It is typically a brand-led campaign focused at the mass public, that provides awareness of Crown as the destination to celebrate an occasion, theme or season. Examples include Spring at Crown and the World Comes Alive at Crown.

69 Tier 1 campaigns include multiple Tier 2 and/or Tier 3 campaigns (promotions and offers) to bring them to life and provide variety, choice, entertainment, fun and value for customers. Tier 1 campaigns cover a two to three month timeframe and typically cost (including Tier 2 and Tier 3 campaigns) between \$750,000 to \$1,000,000 to produce (excluding the cost of any associated promotional prizes). They are promoted through all advertising and communication channels.

70 Tier 1 campaigns are project managed by one marketing team member. It involves every area of marketing, and the entire marketing operations team of 30 people actively contributes, with other team members of marketing, events and visual design providing support. Tier 1 campaigns also rely on the operational teams which contribute to the creation of the campaigns (planning, review and approval) and who are integral in the service delivery of the campaign offers and promotions.

71 Tier 2 campaigns involve the promotion of at least two business units. For example, the Footy Fever campaign includes food and beverage and gaming promotions to win tickets to the AFL Grand Final. Tier 2 campaigns are generally promoted through onsite signage and direct marketing channels. They are conducted over a one to two month timeframe and typically cost between \$10,000 to \$20,000 to produce (excluding the cost of associated promotional prizes). Tier 2 campaigns are project managed by one marketing team member, with active input by up to ten marketing team members to develop the campaign material. Tier 2 campaigns also rely on the operational teams which contribute to the creation of the campaigns (planning, review and approval) and who are integral in the service delivery of the campaign offers and promotions.

72 Tier 3 campaigns are solely focused on the promotion of one business unit. Examples include the launch of a new food product item (Food and Beverage), a Responsible Gaming awareness message (RSG) or a gaming machine jackpot, trade promotion lottery or direct loyalty benefit

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or offer (Gaming or Non-Gaming). Tier 3 campaigns are generally promoted through onsite signage and direct marketing channels. They are conducted over a two to eight week timeframe and typically cost between \$5,000 to \$10,000 to produce (excluding the cost of associated promotional prizes).

- 73 My role in the campaigns is to ensure the marketing team develops the annual marketing plans in collaboration with business units to meet their objectives. Once the plan is approved, my role is to operationalise the marketing plan and deliver the campaign within budget and responsibly through the marketing team, in accordance with the marketing campaign processes. I review and approve all brand advertising and cross property Tier 1 campaign creative and communications (which is also reviewed and approved by relevant Crown Perth executives within Hotels, Food and Beverage, the CEO, as well as Mr Emery as Crown's Chief Marketing Officer). I review and approve Tier 2 campaign creative and communications (which is also reviewed and approved by senior managers of the business units relevant to the campaign). The Tier 3 campaign creative and communications are approved by the Heads of Marketing positions in conjunction with the relevant senior managers of the business units. However, I am generally consulted through the development of the creative and communications of many of them.

*Identification of persons for direct marketing*

- 74 As mentioned above, campaigns that rely on direct marketing are sent to Crown Rewards members only. Crown Rewards members are identified and selected based on a range of factors, including:
- a) the category or purpose of campaign;
  - b) the Crown Rewards member's tier level;
  - c) the rooms to which the Crown Rewards member has access (which depends on their tier level);
  - d) the type of product or service preference; and
  - e) the visit and playing behaviour of the Crown Rewards member.

- 75 These factors are used by the Customer Analytics team to identify and select members, and recommend to the marketing team to assist in designing and creating the campaigns and promotions along with the direct marketing member lists to communicate to the members.

*Regulation 43*

- 76 My understanding is that regulation 43 of the *Gaming and Wagering Regulations 1988* sets out how Crown can advertise and market gaming products and services. Gaming advertising must

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not be false or misleading, make unrealistic claims, show unrealistic expectations of winning or display minors.

77 I recall that regulation 43 was amended in May 2019 to prohibit gaming advertising and marketing to offer benefits, consideration and reward to a person for opening a betting account. This also included referring a person to open a betting account. Crown Perth has not provided any betting accounts to customers during my period of employment.

78 There are allowances within regulation 43 which makes provision for Crown to advertise a trade promotion lottery and Crown Casino with inclusion of food, accommodation and other non-gaming goods and services. Gaming advertising must include the RSG logo and gambling helpline number and not offer persons free or discounted alcohol if a person participates in gaming. Regulation 43 also refers to other codes such as the advertising, television and radio codes of practice.

*RSG approval of campaigns*

79 I have already explained the involvement of the RSG team in reviewing and approving marketing campaigns.

80 To my knowledge, there has been no specific research commissioned by Crown Perth in the past, to ascertain if our advertising and marketing campaigns might cause or contribute to gambling related harm. However, it is my understanding that a research scope has commenced in the past few months at a Crown Resorts level.

**LOYALTY PROGRAMS**

*Topics 31 to 33*

81 Crown Perth operates the Crown Rewards loyalty program. This commenced in November 2016. The Crown Club loyalty program existed prior to this time.

82 My team does not have any oversight into the strategy development or program design of the Crown Rewards program. As such, I only have a general level of understanding of the program.

83 The Crown Rewards program is a whole of property program. It has a number of purposes:

- a) it is a means of getting to understand our customers better;
- b) it allows us to personalise our communications so that customers know what is happening across Crown Perth and the various promotions, offers and benefits that may apply to them across hotels, food and beverage, entertainment and gaming; and
- c) it provides permission for us to communicate directly to customers.

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- 84 Members who join Crown Rewards accrue loyalty points when they visit and dine, stay or play at Crown Perth. The number of points accrued differs depending on the particular activity. Points are accumulated and can be used towards Crown services, products and experiences.
- 85 The number of points accumulated also contributes to earning membership status credits. This determines how a member progresses through the various tiers of membership. Certain benefits and privileges align to membership levels.
- 86 There is a publicly available brochure in relation to Crown Rewards **CRW.700.041.0039** which outlines information such as:
- a) the number of Crown Rewards points earned for various activities;
  - b) the purposes for which Crown Rewards points can be redeemed;
  - c) how Crown Rewards points can be used in gaming;
  - d) membership tiers and how to accrue status points to progress through the membership tiers; and
  - e) benefits received according to each tier.
- 87 There are approximately 210,000 Crown Rewards members, of which 160,000 have been active in the last 12 months.
- 88 Crown Perth tracks loyalty member's rated revenue on Gaming Products (EGMs, Table Games and FATG). My general understanding is that, based on this rated data, loyalty members contribute 50% of total gaming revenue. From my general understanding of the business, I estimate that it also contributes around 50% of the total gaming contribution each year.
- 89 I am not aware of the extent to which RSG principles were taken into account in the design of the Crown Rewards program or any review or amendment to it. The program was created prior to my employment with Crown Perth and is not part of my area of responsibility.
- 90 I am aware that there are meetings between the RSG, Gaming Operations, Crown Rewards Operations and the Crown Rewards Loyalty teams, however, I do not generally participate in all these meetings. As explained above, the RSG team also provides input into the marketing plan and campaign approval process, and this includes any promotions directed at Crown Rewards members.
- 91 I am not aware of any research conducted by Crown Perth to ascertain whether the Crown Rewards program may cause or contribute to gambling related harm. However, I understand that a research scope is being undertaken at a Crown Resorts level.
- 92 My Marketing Operations team supports the loyalty program through the provision of communications to the Perth loyalty membership base regarding the program entitlements, benefits and offers available throughout the membership cycle.

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**CORPORATE CULTURE / STAFFING***Topics 34 – 36*

- 93 We rely on our staff to deliver exceptional, memorable experiences to our customers, consistently and responsibly. I do not believe Crown Perth prioritises revenue or profits over staff conditions, staff safety or staff satisfaction.
- 94 To the best of my knowledge, staff concerns or complaints regarding activities or incidents at Perth Casino are properly investigated. I am not aware of there being any adverse consequences to staff members who raise concerns or make complaints in respect of activities or incidents at Perth Casino.
- 95 The process and activities undertaken by myself and my team to protect the welfare of staff include referring to and utilising the policies, processes and procedures available to assist Crown team members, such as Crown's Code of Conduct and the Bullying and Harassment Policy. I personally welcome new members to the team and let them know that they can approach me at any time for any help they may need. Management and leadership training is offered to new supervisors and managers in the team to develop their skills as leaders, and to develop the skill sets to enable them to provide direction, coaching and support to their staff members. Crown provides staff with access to the free employee assistance program (Benestar). We support and promote national welfare awareness days, such as RUOK day and Wear it Purple Day. In the marketing team, we promote an open and collaborative, supportive team environment in which all staff members can safely share ideas. We have a weekly stand up information sharing session to ensure the entire team (not just the marketing operations team) have the forum to share what they are working on and request assistance from other teams if required. We have a "marketing stars" monthly recognition program for members of our team, to nominate fellow team members for the contribution they make. The monthly winners are openly acknowledged with the team, providing a great forum for celebrating successes. The winners from our team awards are submitted to the 'Crown Stars' recognition program.
- 96 In my opinion, the support activities and services provided to marketing staff members are adequate to protect their welfare.
- 97 There is an Employee Grievance and Assistance policy and process. The process for receiving misconduct complaints is facilitated by the Human Resources Team. To the best of my knowledge, there is a fact finding process, including the gathering of statements. Assistance and support is provided to the staff member.
- 98 The person responsible for undertaking investigation or review of received misconduct complaints is, generally, the Human Resources Manager of the particular business unit in which the employee is employed.



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**POLICIES AND PROCEDURES – GENERAL***Topic 37*

- 99 I am aware that Crown Perth no longer accepts junkets and that junket operations were overseen by the International VIP Gaming Team. I have no knowledge of junket representatives or the due diligence processes associated with junket operators or junket representatives.
- 100 In relation to domestic premium players, I have a general understanding that Crown AML policies and procedures require collection of proof of identity information. I am aware that there is a risk review process undertaken which requires Gold tier members and above to declare their wealth and source of funds. I understand that the relevant policy, processes and procedures are addressed and actioned by the Premium Gaming team, Gaming Integrity and Compliance team, as well as the Compliance, Security and Surveillance, AML and Risk teams. I am not aware of the fine details of the processes and procedures.
- 101 In relation to patrons being offered access to the Pearl Room, again, I have a general understanding that there is an application process. There are qualification criteria to meet, including a minimum Gold tier membership status, as well as demonstrating a turnover level (\$100,000 in the past year). The application process requires the customer to provide proof of identity and declare their source of funds and wealth which will be used to access their suitability for access.
- 102 Again, I understand that this application process is undertaken by the Premium Gaming hosting and operations team, with input and direction from the Compliance, Security and Surveillance, AML, RSG, Gaming Integrity and Risk teams.
- 103 I have no knowledge of the systems, policies, procedures, persons and positions responsible for reviewing, affirming, cancelling or terminating approvals or arrangements with junket operators, junket representatives, premium/privileged players and patrons, in connection with gaming activities at a Crown casino.
- 104 I have no knowledge of the systems, policies, procedures, persons and positions responsible for extending credit to patrons or reporting decisions to extend credit to patrons.
- 105 I have no knowledge of the process for reporting gaming, security and matters of concerns and the format of this information to the Gaming and Wagering Commission.

**GRATUITIES***Topic 38*

- 106 I am aware that patrons can receive gratuities such as hotel accommodation and tickets to concerts and other events. This process is undertaken by the Gaming Operations Hosting

## Witness Statement of Kelly Christine Townson

teams. My team is not involved in the process of determining or providing gratuities. It is my understanding that the Customer Analytics team have, on an ad-hoc basis, been directly requested by the Gaming Operations team to assist in customer analysis, identification and creating customer lists for selection.

107 I am not aware how these gratuities are determined, the existence of any guidelines or whether the RSG team has an involvement in the decision to award gratuities.



**KELLY CHRISTINE/TOWNSON**

Dated: 15 September 2021