

## Perth Casino Royal Commission

**Updated** Witness Statement of SONJA BAUER

22 29 September 2021

- 1 I am Sonja Bauer of c/- Crown Melbourne. **Contains sensitive information**
- 2 This statement is provided in response to:
- a) the witness summons to give evidence dated 6 September 2021 and issued pursuant to section 9 of the *Royal Commissions Act 1968* (WA), which is directed to me by the Perth Casino Royal Commission;
  - b) the list of topics to be addressed by me in written witness statement provided by the Perth Casino Royal Commission on 8 September 2021; and
  - c) the Perth Casino Royal Commission's letter dated 9 September 2021.
- 3 In this witness statement, I set out matters of fact of which I have personal knowledge. I do not intend to take the Commission through the documents in the case. This witness statement sets out my personal knowledge and recollection.
- 4 I provided a witness statement to the Royal Commission into the Casino Operator and Licence, established by letters patent on 22 February 2021 (**Victorian Royal Commission**) dated 5 May 2021. I have referred to my Victorian Royal Commission Statement in preparing this witness statement.
- 5 For the purposes of preparing this statement, I have also referred to the documents in the attached list marked "SB-1".

**MY ROLE***(Questions 1 to 7)*

- 6 I commenced my employment with the Crown Group on 6 June 1994. I will conclude my employment on 30 September 2021.
- My current role*
- 7 I have held the position of Group General Manager Responsible Gaming since 1 April 2017. This role encompasses oversight of the Responsible Gaming (**RG**) departments at Crown Melbourne, Crown Perth and Crown Sydney.
- 8 I am employed by Crown Melbourne Limited.
- 9 I report to the Chief Compliance and Financial Crime Officer of Crown Resorts Limited, Mr Steven Blackburn.

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10 The General Manager Responsible Gaming in Perth reports to me. That role is responsible for, amongst other things, the day-to-day management of the operational aspects of the responsible service of gaming (**RSG**) program at Crown Perth. My current role, and all previous roles in the Crown Group, have been based in the Melbourne Casino. Pre-COVID, I travelled to Perth on average three to four times a year in my current role. As such, I have less direct knowledge of the day-to-day operational aspects of the Perth Casino's approach to RSG.

11 My other direct reports in my current role are:

- a) the General Managers Responsible Gaming in Perth, Melbourne and Sydney;
- b) three Responsible Gaming Psychologists; and
- c) a Chaplain in Melbourne.

*My previous roles*

12 During my 27 year tenure with Crown, I have held the following positions.

<b>Role within Crown Melbourne Ltd</b>	<b>Duration</b>	<b>Reported to:</b>	<b>Responsible for:</b>
Gaming Machines Supervisor	1994 – 1995	Gaming Machines Shift Manager	Responsible for customer experience and employee management including service and performance standards.
Gaming Machines Shift / Operations Manager	1995 – 2002	General Manager Gaming Machines	Leading and mentoring employees to provide an outstanding customer experience. Accountable for gaming machine operations on a shift-by-shift basis.
Senior Gaming Machines Operations Manager	2002 – 2008	General Manager Gaming Machines	Management of a departmental workforce of up to 300 staff and managers. Leading employees to achieve a customer service focussed work culture.
General Manager Responsible Gaming	2008 – 2017	General Manager Legal & Regulatory Services / Executive General Manager Legal & Regulatory Services	The planning, development and implementation of strategies and initiatives of the operational suite of RG services in order to meet the specific key business objectives and legislative requirements. Championing the Crown brand through promoting Crown as a responsible corporate citizen, promoting responsible gaming awareness, building key relationships with internal stakeholders and key external bodies, and managing

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			customer relations with respect to responsible gaming programs.  The management and leadership of the RG teams and the effective and efficient management of all RG Department matters including budget, resource and operational requirements.
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*KPIs and Bonuses*

- 13 My KPIs are as follows. These were last reviewed in 2018 and have not been updated since then.

FINANCIAL OBJECTIVES	
EBITA	Achievement of EBITDA target in the range of 100% - <103%
Business Unit Budget (Cost Centre)	Achievement of Business Unit Budget target in the range 100% - 97%
CUSTOMER OBJECTIVES	
Leadership, Compliance and Training	Presence and profile/visible leadership; ensure all compliance and service training completed and enforced; Ongoing diligence in key areas of focus: Responsible Service of Alcohol, RSG, Law Enforcement Agency Request Compliance, AML.
Communication	Direct and contribute to the implementation of recommendations for responsible gaming information provided to Crown customers. Deliver Code Awareness campaign across the gaming floor. Deliver Responsible Gambling Awareness Week ( <b>RGAW</b> ) 2017.
BUSINESS PROCESSES	
Responsible Gambling Code of Conduct	Conduct the Annual Review of the Melbourne Responsible Gambling Code of Conduct and report to the VCGLR. Ensure the compliance with Crown Responsible Gambling Code of Conduct via relevant compliance audits; update Perth Responsible Gambling Code of Conduct.
Crown Resorts	Prepare Board Reports and Environmental Scans and present to the Crown Resorts Limited Responsible Gaming Committee and follow up and implement as required. Working with Crown Perth Responsible Gaming Department to finalise and implement the identification of synergies and explainable differences and align where possible as directed by the CEO. Assist with the CSR Report and Annual Report; work on the Japan Project as requested and required.
s 25	Contribute to the submission of the s 25 review; participate in meetings and presentations.
Federal Court Action	Assist in documentation, preparation, evidence for Guy Federal Court action.

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OUR PEOPLE	
Health and Safety	<p>Achievement of the relevant Business Unit (<b>BU</b>) Lost Time Injury Frequency Rate (LTIFR): If the BU FY17 LTIFR result was <math>\leq 2.5</math>, then use A), otherwise use B) [A] The FY18 target is the FY17 result [B] The FY18 target is 2.5 or 10% reduction on the FY17 LTIFR result, whichever is the greater; OR</p> <p>Workplace Inspections: Completion of quarterly (minimum) Workplace Inspections of all Business Unit areas in accordance with requirements, and Health &amp; Safety BU Training Completion Rates Online Emergency Awareness <math>\geq 90\%</math> &amp; EMMaH Online <math>\geq 75\%</math></p>
Leading the People	<p>Communication:</p> <ul style="list-style-type: none"> <li>Regular meetings with all teams to develop and improve relationships and information flow.</li> <li>Team and staff meetings across all groups, regularly review KPOs and individual tracking against these. Working with Legal &amp; Regulatory BU leaders and HR to ensure Employee Engagement within the department is optimised via activities and initiatives both company wide and within the BU.</li> <li>Regular discussions in relation to development of skills and professional behaviours for direct reports, and in turn, team members.</li> </ul>
Participate in professional development	Complete a Performance Development Plan before the next review period.
DAY-TO-DAY ROLE	
Responsible Gaming Best Practice and Strategy	Monitor RG research both nationally and internationally that may impact Crown Resorts Limited. Ensure Crown RSG practices are maintained as leading in Australia and best practice by world standards. Maintain knowledge of RSG initiatives and relevant research to achieve this.
Crown Model	Develop in conjunction with Customer Analytics the Crown Model Trial.
External partnerships and Internal Stakeholders	<p>Lead the contribution to Crown's status in RG through stakeholder engagement and participation in relevant working groups and committees; RGMAC; Gambler's Help relationships; attendance at relevant conferences; RGAW and delivering presentations. Participate in relevant external groups as required (Victorian Responsible Gaming Foundation (<b>VRGF</b>), Australasian Gaming Council (<b>AGC</b>) etc.).</p> <p>Engage with internal stakeholders to ensure good knowledge of RG services and programs as well as appropriate knowledge of the Code. Direct and contribute to the implementation of recommendations for RG information provided to Crown employees.</p>

14 I am eligible to participate in a Short Term Incentive Program (**STIP**). The requirements for a STIP payment include that the business meet financial targets, as well as an assessment of my

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personal behaviours and performance against KPIs. Under this program, in my current role, I was eligible to receive an incentive payment of up to 20% of my salary.

**QUALIFICATIONS, EXPERTISE AND TRAINING**

*(Questions 8 to 11)*

- 15 I obtained a Bachelor of Arts from the University of Melbourne in 1991.
- 16 Prior to commencing my employment at Crown, I held a number of positions within the gaming industry, including:
  - a) between 1992 – 1993, I was the Gaming Manager of a gaming machines venue, The Grand Hotel in Frankston; and
  - b) between 1993 – 1994, I was employed at Tabcorp as a Gaming Training and Venue Set-Up Officer and subsequently, as a Gaming Training and Venue Set-Up Coordinator.
- 17 I have over 25 years' experience working at Crown Melbourne, of which around 13 years has been in the RG department.
- 18 I have obtained the following qualifications:
  - a) Certificate III in Security Operations, in 2006; and
  - b) Completed the Leadership Victoria Williamson Community Leadership Program, in 2016.
- 19 Since 2008, I have participated in professional development by way of:
  - a) participation in Australian National Association for Gambling Studies Annual Conferences;
  - b) participation in international conferences, including:
    - (i) the New Zealand International Gambling Conferences;
    - (ii) a European Conference on Gambling Studies and Policy; and
    - (iii) a Canadian Responsible Gambling Discovery Conference;
  - c) participation in Australian Gaming, Racing and Wagering Conferences; and
  - d) participation in sessions provided by the VRGF and Gambler's Help.
- 20 I am or have been a member of the following industry organisations:
  - a) AGC's Responsible Gaming Executive since 2018;
  - b) Responsible Gambling Ministerial Advisory Council (**RGMAC**) between 2017 and 2019;
  - c) various RGMAC Working Groups between 2010 and 2020;

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- d) various Responsible Gambling Foundation Industry Groups and Committees since 2012; and
- e) National Association for Gambling Studies Australia since 2008.

*Induction at Crown*

- 21 I completed my induction at Crown more than 27 years ago and do not recall all the specific elements.
- 22 While not formal training, I also received briefings from RG staff, senior managers and Psychologists upon joining the RG department in 2008.

*Training during employment at Crown*

- 23 During my employment at Crown, I have attended facilitator-led and online training modules, including in the following broad areas:
  - a) Occupational Health and Safety;
  - b) Consumer Protection and Anti-Competitive Behaviour;
  - c) Emergency and Evacuation Procedures;
  - d) Respecting each other;
  - e) RSG;
  - f) AML/CTF;
  - g) Responsible Service of Alcohol;
  - h) CrownAbility Awareness (Disability Awareness);
  - i) Injury Management;
  - j) Privacy Awareness;
  - k) Anti-Bribery and Corruption;
  - l) Manual Handling;
  - m) Environmental Sustainability;
  - n) IT and Cyber Security; and
  - o) Customer Service.

*AML / CTF*

- 24 In my current role, I have completed the following AML/CTF-related training provided by Crown:
  - a) AML/CTF Business Operations Team Training (09/12/2020);

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- b) AML/CTF Risk Awareness Training Module (21/10/2020);
- c) Anti-Money Laundering (23/06/2020);
- d) AML/CTF Risk Awareness Training – Update Session (11/09/2019); and
- e) Anti-Money Laundering (02/08/2018).

*Electronic gaming machine (EGM) and fully automated table games (FATG) risk management*

- 25 I do not have any specific training in relation to EGM or FATG risk management.
- 26 I have operational experience with gaming machines from my previous roles in the Gaming Machines department at Crown Melbourne and my previous employment at The Grand Hotel and Tabcorp, however, not specifically with gaming machines risk management.
- 27 I do not have risk management experience with FATGs.

*International Commission Business*

- 28 I have not had any specific training in International Commission Business or junket operations risk management.

*Vulnerability of criminal infiltration.*

- 29 In 2020, I participated in Anti-Bribery and Corruption training provided by Crown Melbourne.

**REPORTS FOR SENIOR MANAGERS***(Question 12)*

- 30 In my current role, I am responsible for preparing the Crown Australian Resorts Responsible Gaming Reports and Environmental Scans for the Crown Resorts Limited Responsible Gaming Committee. The report includes property specific activity reports provided by the General Managers Responsible Gaming from each resort, statistics, and an Executive Summary and Environmental Scan. The latter two components are prepared by me.
- 31 In my current role as Group General Manager Responsible Gaming, I receive the following reports:
- a) Crown Melbourne Monthly Performance Review Report. This is a monthly financial statement generated by the Financial Controller for the Business Operations Team members and above. The purpose of this report is for the review of the current financial status of Crown Melbourne and the primary source of the report data is financial reporting from Crown Melbourne departments.
  - b) Crown Melbourne Complimentary Issuance Monthly reporting which reports employees' provision of complimentary food and beverage to customers and non-customers. This report is provided to all senior managers for review of complimentary

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use for their department and the primary source of the report data is the food and beverage reporting of complimentaries for employees at Crown.

- c) At times, I have received monthly reports of training completion at both Crown Melbourne and Crown Perth. The report provides training completion status and its purpose is to track the completion of training. The primary source of the report data is 'Crown Learn', the training management system.
- d) Crown Melbourne and Crown Perth Daily Security and Surveillance Reports which provide information in relation to Security and Surveillance activities for the 24 hour period. The purpose of this report is to inform and advise and the primary source of the report data is the Security and Surveillance department.
- e) Responsible Gaming Management Committee (**RGMC**) meeting papers, which include reporting of statistics, for Crown Melbourne and Crown Perth. The primary source of the report statistics for Crown Perth is a databased called iTrak.
- f) Daily Operations Reports from the Responsible Gaming Advisors (**RGAs**) at Crown Melbourne and Crown Perth.
- g) Crown Melbourne Daily Self Exclusion Advice which is a list of individuals who are subject to self exclusion. This list is also able to be accessed by the Victorian Commission for Gambling and Liquor Regulation.
- h) 'News for Gaming' Reports which are a daily media reports focusing on National and International gaming news.
- i) 'Isentia' reports which are daily media reports focussing on Crown mentions in the media.
- j) Crown Group Person of Interest Committee meeting papers, which include reports concerning persons of interest for the Committee's deliberations. Persons on this list are identified because of concerns with their conduct; primarily in relation to security, financial crime, AML issues or other undesirable behaviour.

**INTERNATIONAL COMMISSION BUSINESS AND JUNKETS**

*(Questions 13 and 14)*

- 32 The Crown Group has ceased dealings with junket operators and junket representatives. There are currently no international players at the Crown casinos. My answers set out below with respect to the list of topics on International Commission Business and junkets relate to the period of time when there were still junkets and international players at the Crown casinos.
- 33 The RG team were not, to my knowledge, involved in the assessment of junket operators or junket representatives prior the Crown Group commencing business with those patrons.



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- 34 I am not aware of measures that were taken or procedures that were adopted to identify and record the amount of money lost by junkets or international premium/privileged players to ascertain whether the players were gambling beyond their means.
- 35 All Crown employees (including Gaming staff and Hosts interacting with junket and international players) are trained in RSG. This training includes training in 'Observable Signs', which are seen or reported behaviours or patterns of behaviour which are potential indicators that a person may be experiencing problems with their gaming behaviours. Staff are trained that when they observe these behaviours, they are referred to an RGA or to management for referral to an RGA.
- 36 The usual practice of monitoring for Observable Signs that may indicate potential problems with gaming behaviours was applied to junket and international players.
- 37 From an RG team perspective, my understanding is that any junket or international players in the main gaming areas or Pearl Room would be treated the same as other players. If the junket or international players were playing in the private salons at the Perth Casino, then my understanding is that the RGAs did not usually traverse those areas in their day-to-day operations, and would rely on referrals from the Gaming staff.
- 38 If a player from the premium areas or salons was referred to an RGA, a member of the RG team (an RGA) would attend to observe, assess and interact with the player.
- 39 For customer service and privacy reasons, the RGA would usually work with the Host or Managers to manage the interaction with the player and convey the RSG message in the most appropriate manner. On the main gaming floor, there is more opportunity for the RG team to interact with players without drawing attention to the interaction. The environment in the premium areas or salons is different, so the RG team adjust their approach to interact with the player more discreetly.
- 40 An international player referred to the RG team would be assessed by the RGA in the same manner as other players, and appropriate actions taken, having regard to the individual considerations applying to that player, including how long they are staying. Referring the international player to a local gambling help service may not be appropriate for international players, although it would be open to the RGA to do so depending on the particular circumstances of the player. In the case of an international player, the type of gambling tends to be different as the player is here for a defined time period and often with a defined amount of front money; this kind of consideration may be relevant to the assessment of the individual player by the RGA.
- 41 When Crown proposed to refine its 'Play Periods' policy recently (as part of the RG Enhancement Plan announced in May 2021), there was an understanding that international play was not occurring at Crown Perth. Consequently, the focus was on the policy with respect

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to domestic and interstate players, with an understanding that Crown Perth would deal with the policy for international play if and when junket players and international players came back.

**RESEARCH INTO GAMBLING RELATED HARM IN WESTERN AUSTRALIA**

*(Questions 15 and 16)*

- 42 My understanding is that the last time there was any investigation as to the nature, extent and severity of gambling related harm in Western Australia was as part of the Productivity Commission Inquiry Report into Australia's Gambling Industries in 1999. That survey identified a problem gambling rate in Western Australia of around 0.7%.
- 43 There was a further report into gambling by the Productivity Commission in 2010. Unlike the 1999 review where the Productivity Commission had a specific remit to conduct research, the 2010 report relied upon prevalence studies that the various States had already undertaken.
- 44 I am not aware of any government or committee generating any other kind of gambling harm measure survey or report with respect to Western Australia. My understanding is that Western Australia does not have a body that funds or commissions gambling research, like the VRGF and the Office of Responsible Gambling in NSW do.
- 45 To my knowledge, Crown has not conducted, commissioned or provided data for any independent research to ascertain the extent of gambling related harm in Western Australia or in relation to harm related to casino gaming.
- 46 For the purposes of the Victorian Royal Commission, I identified all the instances in which Crown Melbourne and Crown Perth had been asked to participate in problem gambling research, and Crown's response to those requests. This information is available at **CRW.510.052.8491**. None of those requests were for data for research to ascertain the extent of gambling related harm in Western Australia. I do not recall Crown receiving any requests for such data.

**RESPONSIBLE SERVICE OF GAMBLING TRAINING**

*(Questions 17 and 18)*

*Training of RG team*

- 47 In my role, I do not supervise the training of RGAs in Perth. I rely upon the General Manager Responsible Gaming in Perth (Ms Melanie Strelein Faulks) to manage that training.
- 48 My understanding is that the training program in place for new RGAs in Perth incorporates:
- a) training on performance of the role itself, covering matters such as Observable Signs, how to conduct a self exclusion, how to interact with Gambling Help WA and the like, and practical matters such as how to enter things into the IT systems; and

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b) training conducted on shift, in a 'buddy system' with experienced RGAs.

- 49 My understanding is that the new RGAs' competency is assessed by existing RGAs and the General Manager Responsible Gaming in Perth.
- 50 There are no available external courses on problem gambling and RSG practices for the role of an RGA.
- 51 My understanding is that the RG team in Perth further develop their understanding and awareness of RSG issues with ongoing engagement with the counsellors at Gambling Help WA, the sharing of research from time to time by the General Manager Responsible Gaming and the Responsible Gaming Psychologists in Melbourne.

*Training of other employees*

- 52 All Crown employees are trained in RSG when they commence working at Crown. The orientation day training is facilitator-led. All Crown employees then undertake online training, the frequency of which for refresher training has recently changed from every two years to annually.
- 53 The training includes training on Observable Signs. Staff are trained that when they observe these behaviours, they are required to refer to the RG team or to management for referral to an RGA.
- 54 The online module requires a completion of an individual assessment, requiring 100% correct answers to pass.
- 55 My understanding is that facilitator-led RSG training is also delivered to VIP Gaming staff and Security staff when they commence at Crown Perth.
- 56 Earlier this year, Crown Perth introduced additional facilitator-led RSG manager training for staff with a manager or supervisor role, with a focus on gaming staff. This training will also have to be refreshed annually.
- 57 Crown Perth also undertook a significant training program on RSG for dealers and inspectors when Crown Perth introduced EFTPOS at Tables Games.
- 58 I understand that the training materials for the RSG training delivered at Crown Perth have been produced to the Commission.

**RSG PROCESSES AND CULTURE**

*(Questions 19 to 22 and 23)*

- 59 Crown Perth has a Responsible Gaming Code of Conduct **CRW.700.025.0133**. Crown Perth also applies the Crown Resorts Limited Responsible Gaming Policy **CRW.510.045.0192**.

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- 60 Historically, Crown Perth also had a Responsible Gaming Operations Manual, but the RG team in Perth is in the process of working towards operating under an overarching RG policy framework encompassing all Crown Australian Resorts, with detailed policies and procedures recorded in Workplace Instructions. This will be so in all the Australian Resorts.
- 61 The RG team at Crown Perth is led by Ms Strelein Faulks (the General Manager Responsible Gaming), who reports to me.
- 62 There is a RGMC in Perth. There is a charter for the RGMC **CRW.700.010.0182**.
- 63 There is also a Crown Resorts Limited Board Responsible Gaming Committee, whose role it is to monitor responsible gaming programs and policies for Crown's Australian Resorts Group, including Crown Perth. It also has a charter **CRW.512.016.0006**.
- 64 The Crown Resorts Responsible Gaming Committee has appointed a Responsible Gaming Advisory Panel (**Panel**). The Panel is chaired by Emeritus Professor Alexander Blaszczyński, with additional members Professor Lia Nower and Professor Paul Delfabbro. The Panel was formally constituted in 2019. The Panel has reviewed Crown's RG framework and provided a report, including recommendations, on how to improve Crown's RG framework. This report is **CRW.526.007.7005**.
- 65 The Responsible Gaming Operations Working Group (comprising the General Managers for Responsible Gaming at each property and two Responsible Gaming Psychologists) has carriage of the implementation of those recommendations. I have oversight over that Working Group. Progress is reported to each of the meetings of the Crown Resorts Limited Responsible Gaming Committee. The latest table provided to the Committee reporting on the implementation is **CRW.510.121.0035**.

*Responsible Gaming Centre and RG team at Perth Casino*

- 66 There is a Responsible Gaming Centre that is located close to, but away from the casino gaming floor, at Crown Perth. It is staffed by RGAs and support staff in the RG team. All services and programs are available 24 hours a day, seven days a week (either in person or via telephone) when gaming is operating.
- 67 RGAs are specially trained staff who are responsible for the implementation and delivery of RG programs with the aim of minimising harm for customers and their families. The RGAs work a 24 hour/seven day roster. The RGAs assist in the identification of potential problem gaming behaviours, and are usually the first escalation point for RG enquires, and problem gaming behaviour assistance.
- 68 The RGAs at the Responsible Gaming Centre provide the following services:
- a) assisting customers with strategies in managing their gaming behaviours;

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- b) providing RG information and assistance in preventing difficulties from arising;
- c) facilitating referrals to government funded problem gambling and financial counselling support services, welfare services and providing contact with and information about these bodies;
- d) providing information regarding self exclusion and managing the Self Exclusion Program for customers who wish to exclude themselves from the casino gaming floor;
- e) managing the Third Party Exclusion Program where a family member, friend or other person, can apply to have Crown Perth review a person's gaming behaviour due to concerns about the effects the person's gaming may be having on themselves or others; and
- f) assisting with information about Crown's Play Safe Limits program, a time and loss limit setting program available to Crown Rewards members who play EGMs and FATGs.

*Direct observation and referral to the RG team*

- 69 While Crown Perth has an RG team, all employees are responsible for RSG.
- 70 Table Games, EGM and VIP Hosting staff play an integral role in actively assisting RGAs to monitor the casino gaming floor, identify patrons displaying Observable Signs, remind patrons about their length of play, refer patrons to the RG team and identify patrons who may be excluded from Crown.
- 71 All Crown employees (including but not limited to Tables Games, EGMs, Food and Beverage, Hotel, Security and VIP Hosting staff) are trained in Observable Signs. Staff are trained that when they observe these behaviours, they are referred to an RGA or to management for referral to an RGA. The RGA will then take the necessary steps to observe and interact as appropriate. A player may be asked to take a break or leave the Casino.
- 72 RGAs themselves, when patrolling the casino gaming floor and observing and interacting with customers, may note Observable Signs and interact with the customer as appropriate.
- 73 When a customer comes to notice, an RGA will follow up on the concerns. This can be by observation or interaction, following which appropriate action may be taken such as further observation, interaction and monitoring. When interacting with a customer, an RGA may refer them to internal services and programs as provided by the RG team (including the Self Exclusion Program), and external problem gambling assistance programs.

*Exclusions*

- 74 Crown Perth operates a Self Exclusion Program, where a player can self exclude from the Perth Casino if they are experiencing problem gaming behaviours. At Crown Perth, a self exclusion

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is given effect through an agreement between the player and Crown Perth. A self exclusion takes effect for a minimum of 12 months.

- 75 Players can also participate in the Time Out Program, where a customer can elect via an agreement to ban themselves from the casino gaming floor for a three or six month period in circumstances where they may be experiencing potential problem gaming behaviours.
- 76 Crown Perth also operates a Third Party Exclusion Program, where a family member, friend or other person, can apply to have Crown review a person's gaming behaviour due to concerns about the effects the person's gaming may be having on themselves and/or others. An exclusion may be the result of this review.
- 77 In January 2019, Crown implemented the Cross Property Self Exclusion Program, whereby a person who elects to self exclude at Crown Melbourne or Crown Perth, will be excluded at the other property.
- 78 Crown Perth will, in cases where the RG team believes the customer is at significant risk of gaming harm to themselves or others, issue a notice barring that person from the Perth Casino.
- 79 Players who are excluded under a self exclusion, third party exclusion or an involuntary exclusion have to go through a formal process to have their exclusion revoked before they can return to gaming at the Perth Casino. Players are monitored on their return to gaming.

*iTrak*

- 80 The RG team record interactions they have with customers whether by phone, email, observation or conversation, as well as those reported by other Crown employees and third parties, in an IT database called iTrak. These records assist in the identification of interactions that are of an isolated or infrequent nature, or whether there is a trend or more frequent observations that may indicate potential problem gambling behaviours.

*Play Periods policy*

- 81 Aside from direct observation and referral, Crown Perth also uses the 'Play Periods' policy to assist in identifying potential problem gaming behaviours.
- 82 An electronic system is used to capture the times a domestic customer uses their Crown Rewards card for gaming, and a series of alerts are generated at pre-determined points based on the period of time the customer is recorded as being in the Casino from the first recorded event.
- 83 These alerts are directed to RGAs and Gaming staff, for the purpose of monitoring the time a customer has been playing and potentially in the Casino, and action is taken including alerting the customer of their time in the Casino, requesting a customer to take a break and to ask the customer to leave when they reach the maximum play period under the policy.

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- 84 At present, the maximum play period is 18 hours, with alerts at 12, 14 and 16 hours. This will change to a maximum play period of 12 hours with earlier alerts, when the new 'Play Period' policy (approved as part of the RG Enhancement Plan in May 2021) is implemented in Perth in October 2021.

#### *Play Safe Limits*

- 85 Crown operates a voluntary pre-commitment system called Play Safe Limits, which is available to Crown Rewards members who play EGMs or FATGs.
- 86 Play Safe Limits allows a Crown Rewards member to set a daily limit on spend and time when playing EGMs or FATGs.
- 87 The availability of this program is advertised throughout the Casino gaming floor, including in brochure form at the Crown Rewards desk.

#### *Player activity statements*

- 88 Player Activity Statements provide information on a Crown Rewards member's EGM and FATG play, including all wins and losses for the period of the statement.
- 89 Player Activity Statements are provided to members at Crown Perth on request.

#### *Promotion of RG services and programs*

- 90 Crown promotes the availability of the RG team and its RG services and programs. This includes: the availability of RG brochures at Casino entrances, the Crown Rewards desk and at the Casino Cage; via electronic means such as at Table Games screens, ATM screens, EGM bank end screens; information on Gaming Information Terminals throughout the casino gaming floor and in information guides at Crown hotels.

#### *The Crown Model*

- 91 Crown has developed a predictive data modelling tool called the 'Crown Model', which is designed to assist in identifying potential problematic play in the general Crown Rewards member population. The Crown Model is part of suite of tools that the RG team and Casino might use to identify potential problems with gambling behaviour. It will not replace direct observations.
- 92 The Crown Model was first trialled at Crown Melbourne in 2018 – 2019.
- 93 In adapting the Crown Model for Crown Perth implementation, the data scientists have found that the Crown Melbourne predictive model did not work well for Crown Perth based on the generic Crown Melbourne data, and the predictive model would be most likely to be successful if it was based on "in situ" data. The data scientists have had to do further work to adapt the predictive model for Perth. The Crown Model is planned to go live in Perth in October this year.

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*Question 20 - Importance placed on RSG in relation to gaming operations*

- 94 My view is that RSG has always been part of the culture at the Perth Casino. I form this view based on observations I have made since joining the RG department in 2008, as I interacted on occasion with the Crown Perth RG team.
- 95 My impression is that the RG team in Perth is very involved with the other departments and management responsible for gaming operations at the Perth Casino. The Crown Perth RGMC has been in place in Perth for many years. The RG team works with the Gaming departments on a daily basis. The RG team has regular meetings and catch-ups with gaming management and gaming teams.

*Question 20 - Resourcing and remuneration*

- 96 In my current role, Ms Strelein Faulks has on a number of occasions over time raised concerns with me that resourcing and remuneration for the Perth RG team in Perth should be raised. I in turn escalated these concerns to my former manager, Mr Joshua Preston, former Chief Legal Officer.
- 97 Early in 2021, the remuneration of the RG teams was raised by the General Managers Responsible Gaming.
- 98 On 14 April 2021, the Crown Resorts Responsible Gaming Committee agreed that the former Executive Chairman Helen Coonan would work with management to review the remuneration and resourcing of the RG teams. A copy of the minutes of the Crown Resorts Responsible Gaming Committee's 14 April meeting are **CRW.512.129.0008**.
- 99 I asked the General Managers Responsible Gaming for each of the Crown properties to specify what resources and remuneration they wanted for their teams in an ideal world.
- 100 The General Managers Responsible Gaming prepared a paper addressing their collective recommendations on RG resourcing and remuneration. This paper was provided to myself and Mr Blackburn by email on 20 April 2021 **CRW.700.046.1457** and **CRW.700.046.1458**.
- 101 In terms of the remuneration of the RG roles, there was not a clear benchmark to determine the appropriate bands of remuneration of the roles. The approach taken was to benchmark the RG roles against the remuneration offered to Gaming roles at equivalent levels.
- 102 The increases requested by the General Managers Responsible Gaming were approved with some minor changes to reporting lines by the Crown Resorts Limited Board in May 2021 as part of the RG Enhancement Plan.

*Question 21 - Consultation with the RG Team*

- 103 Consultation with the RG team with respect to the day-to-day gambling operations would generally be at Perth Casino level (and handled by Ms Strelein Faulks) and would not



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necessarily be reported to me. However, my general impression and understanding is that there is good interaction between the RG team in Perth and the Gaming departments at Crown Perth.

- 104 I do not know whether the RG team in Perth is consulted or involved in the selection of new EGMs games at the Perth Casino.

*Question 22 – Analysis of patron gambling data, such as Top Player Spreadsheets*

- 105 The RG team in Perth have access to, and use, data on the gambling history of individual players when assessing those players from an RG perspective.
- 106 I am not aware of whether the RG team in Perth have been provided with general analysis of patron gambling at Crown Perth, such as 'top player' spreadsheets like **CRW.700.045.6515**.
- 107 There may be some utility to the RG team in reviewing such an analysis in terms of considering players that move in or out of such a list, or players who have previously self excluded or come to the attention of the RG team. But being a 'top player' in itself does not mean that a player has a problem with gambling, if they have the capacity to service that level of play.
- 108 Conversely, players who are not 'top players' may have a problem with their gambling behaviour. The Crown Model uses all 'carded play' data of patron gambling at Crown's Casino to identify players at risk, using a complex predictive model designed to seek to identify such players at risk, rather than just 'top players'.
- 109 In terms of RG measures applying to 'top players', there are a greater number of 'eyes' on players by the VIP Gaming staff in the Pearl Room to observe and report concerning behaviours. There is also a process by which applications by players for access to the Pearl Room go through a review by the RG team in Perth.

### **EXCLUSION FROM THE PERTH CASINO**

*(Questions 23 to 25)*

- 110 The RG team in Perth will arrange for a patron to be unilaterally excluded or barred from the Perth Casino (for a minimum of 12 months) as an escalation measure if a patron breaches their self exclusion.
- 111 Unilateral exclusion (for a minimum of 12 months) is also used by the RG team in Perth as a tool to manage a patron where the RG team has significant concerns with the player's gambling behaviours and the player refuses to self exclude.
- 112 The RG team in Perth maintains statistics of the number of patrons who have been excluded or barred from the Perth Casino either through self exclusion, third party exclusion or a unilateral exclusion (pursuant to either s 26(2) of the *Casino Control Act* or an Notice Revoking Licence)

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and the number who have sought revocation of their barring. The data for these statistics comes from the electronic database (iTrak) used by the RG team in Perth to log activities.

- 113 I am generally aware of those statistics as they are reported to the Crown Resorts Limited Responsible Gaming Committee meetings six times a year. I prepare those reports with assistance from the General Managers Responsible Gaming at each of the Crown properties.
- 114 In my current role, I have access to these statistics through the RG team in Perth. I have not collated the statistics requested by the Perth Casino Royal Commission as I understand that those figures have already been collated by the RG team and provided to the Commission by Ms Strelein Faulks.

**RG ENHANCEMENT PLAN**

*(Question 26)*

- 115 On 24 May 2021, Mr Blackburn presented, and the Crown Resorts Board adopted, a series of recommendations in relation to Crown's delivery of RSG. A copy of these recommendations, known as the 'RG Enhancement Plan' is **CRW.701.005.5439**.
- 116 I know and understand the changes to the RG program contained in the RG Enhancement Plan because I had some involvement in the formulation of these changes. When Mr Blackburn was given management responsibility for the RG function in February 2021, he sought my views on some initial enhancements to Crown's RG approach, whilst he was also developing a more detailed transformation program.
- 117 In early to mid-May, I and a number of others, consulted with Mr Blackburn to assist him to prepare the RG Enhancement Plan. This consultation was primarily oral, and, from recollection, involved, variously, Mr Xavier Walsh (Chief Executive Officer Crown Melbourne), Mr Lonnie Bossi (Chief Executive Officer Crown Perth), Mr Peter Crinis (Chief Executive Officer Crown Sydney), Mr Chris Reilly (Director Corporate Affairs), Mr Mark Mackay (Executive General Manager Gaming Machines), Mr Tim Barnett (Executive General Manager Table Games) and Mr Karl Bitar (Executive Vice President).
- 118 I asked the General Managers Responsible Gaming from each of Crown's properties to prepare a paper outlining a 'wish list' of proposed recommendations to improve the RG function. This resulted in the preparation of a paper, which was provided to me on 19 May 2021. A copy of the email and the paper is **CRW.512.124.0019** and **CRW.512.124.0064**. I discussed the contents of this paper with Mr Blackburn during a meeting which occurred on the same day.
- 119 On 19 May 2021, I attended a meeting with Mr Walsh and others from Crown Melbourne to discuss a document titled 'Proactive Responsible Gaming Proposals' which contained a list of the proposed enhancements. I understand that the document had been prepared by Mr Reilly. Following this meeting, I sent an email to Mr Blackburn attaching the document and recording

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what had been agreed with respect to each of the proposals in that meeting. A copy of the email and the 'Proactive Responsible Gaming Proposals' is **CRW.510.073.0812** and **CRW.510.073.0814**. My discussion with Mr Blackburn about the paper from the General Managers Responsible Gaming came before this meeting.

120 Following this meeting, I made some further amendments to the 'Proactive Responsible Gaming Proposals' document. I discussed the content with Mr Bossi, Mr Walsh and Mr Crinis. I sent a copy of the revised document to Mr Blackburn on 19 May 2021. A copy of that email and the revised proposals is **CRW.512.124.0021** and **CRW.512.124.0023**. The revised Proactive Responsible Gaming Proposals ultimately became the RG Enhancement Plan adopted by the Crown Resorts Board on 24 May 2021.

121 In advising Mr Blackburn on the RG Enhancement Plan, in addition to the consultation I describe above, I considered the RG resourcing and remuneration paper referred to at paragraphs 99 – 100 above. I generally considered the contents of the report by the independent Panel prepared following a review of Crown Perth and Crown Melbourne's RG policies and procedures referred to at paragraph 64 above.

**MARKETING MATERIAL**

*(Question 27)*

122 I understand that Ms Strelein Faulks is involved in reviewing marketing material for the Perth Casino, like gaming promotions, but I am not aware of whether she reviews all advertising.

123 One of the commitments in the RG Enhancement Plan is around controls regarding what offers are directed to Crown Rewards members. The first step was to remove the use of gaming coupons when members signed up to the Crown Rewards program. Crown is currently commissioning research to guide further steps (as I discuss below in my statement).

**LOYALTY PROGRAMS**

*(Questions 28, 29 to 31)*

124 The loyalty program operating at the Perth Casino is called Crown Rewards. It is a benefit program for customers. It allows Crown to have a greater understanding of our customers.

125 The Crown Rewards program can also provide useful information for RG purposes. The 'carded play' data from the Crown Rewards program is used by RGAs to review a customer's play history when assessing a customer from an RG perspective. The 'carded play' data also allows Crown to develop RG initiatives like the 'Play Periods' program and the Crown Model.

126 I do not have an understanding of the extent to which the loyalty program and Crown Rewards members contribute to the earnings and profit at the Perth Casino.

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- 127 There has been some input by the RG team over the years with respect to the operation of the Crown Rewards program, particularly in relation to compliance-related elements (i.e. in Victoria, it is mandatory to have the YourPlay logo on the back of a card). I cannot now recall, and point to, specific instances of consultation with the RG team on the design of the program in terms of the status credits and tiers, or the earning and redemption of points.
- 128 To my knowledge, there has not been any specific research or analysis conducted to ascertain whether, and if so to what extent, the Crown Rewards program might cause or contribute to gambling-related harm. Going forward, Crown is commissioning research to determine if any aspects of the Crown Rewards program are causing such harm and what measures can be used to control those risks. The independent Panel has been involved in the design of the research. The research project is being managed by Mr Nic Emery (Crown's Chief Marketing Officer).

**CORPORATE CULTURE / STAFFING***(Question 32 to 34)**Question 32 – Corporate culture at the Perth Casino*

- 129 I am not well placed to answer this question of the corporate culture at the Perth Casino (with respect to the relative importance of revenues or profits, and staff conditions, safety and satisfaction), due to being located in Melbourne and only visiting the Perth Casino approximately three to four times a year from 2017 to the end of 2019.
- 130 Prior to my first visit in 2017 (after having been promoted to the Group role effective from 1 April 2017), I had never visited the Perth Casino. When the COVID-19 pandemic began and interstate travel was no longer possible, I was no longer able to visit the Perth Casino.
- 131 My general observations are limited to the Perth RG team.
- 132 For three of my visits to the Perth Casino in a year, I would usually stay there for several days at a time. The visit would usually be timed so that I would attend the RGMC meeting while there.
- 133 I would also generally visit one additional time each year, during the concurrent RGAW in Perth and the Gambling Harm Awareness Week in Melbourne. There would be a number of events scheduled in both Perth and Melbourne. For this visit to Perth, I would generally travel for the day or stay one night to attend a particular event, and then return to attend the related Melbourne event.
- 134 I found the Perth RG team to be engaged and understood there to be a positive level of engagement between the Gaming and RG teams. There were system driven elements that contributed to this positive level of engagement as well. For example, there were committee meetings and also informal meetings and catch-ups with the Gaming team.

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135 I was not really involved in issues pertaining to the Perth Casino operations.

136 I was not privy to information in relation to the revenues or profits of the Perth Casino outside of annual reports.

*Question 33 – Staff Concerns or Complaints*

137 I am not able to offer a detailed response in relation to this question about the treatment of staff concerns and complaints at the Perth Casino. My observations also only relate to the RG team and my personal observations.

138 I never had the sense that there was a culture in the Perth Casino that an employee could not raise concerns or make complaints.

139 I do recall one instance not long after I stepped into the Group role in 2017 where a staff member was having some difficulties. I recall that there was a lot of involvement with the HR team in relation to the employee. My impression is that this was not part of a trend and there was not a global staff issue at the Perth Casino, but instead this was a very localised issue.

*Question 34 - Welfare Processes*

140 In response to this question, I can comment more easily in relation to Crown Melbourne. However, I can also provide observations in relation to Crown Perth. Further, again my responses are limited mainly to the RG team.

141 In relation to questions 34(a) and (b), my impression is that the RG team is very staff focused. We understand that staff are dealing with people who at times present in distress or with complex personal issues. There was always a culture of ensuring that the 'helpers' had a good opportunity to have formal supervision. The RGAs are encouraged to speak with an external counselling service periodically, and at least once a year and more often as required.

142 I recall that in general, staff welfare was very much a topic of conversation between Ms Strelein Faulks and me. From what I observed within the Perth RG team, staff welfare was also very important.

143 Staff in both Melbourne and Perth are offered access to the Employee Assistance Program (**EAP**), which offers confidential counselling services. I recall information pertaining to this posted in staff areas, including seeing posters outside the staff restaurant in Crown Perth promoting access to the EAP.

144 The EAP is raised by the RG team in Melbourne in inductions for new starters. My understanding is the Perth orientation program is modelled in part on the Melbourne program.

145 In relation to question 34(c), as noted above, I can only really comment in relation to the process or procedure for receiving misconduct complaints in respect of Perth Casino employees who were part of the RG team.

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- 146 When I first joined the team in around 2017, there were approximately 10 members of the Perth RG team. It has increased to around 17. Because there were so few people, I was not privy to any misconduct complaints.
- 147 In relation to question 34(d), I understand from my experience with the RG team that HR deals with these, but I do not have a real sense or knowledge of how misconduct complaints were resolved in Perth in general.

**POLICIES AND PROCEDURES***(Question 35)*

- 148 There is a process by which applications by patrons for access to the Pearl Room are reviewed by a number of departments. My understanding is that all applications are reviewed by each of the Gaming or VIP, AML, Compliance and RG departments at Crown Perth. In reviewing the applications, the RG team review the applicant's gaming history and any past interactions with the RG team to assess whether there are any concerns with the application from an RG perspective. I am not directly involved in the review process which is undertaken by the RGAs at Crown Perth, who report to Ms Strelein Faulks.
- 149 I am not aware that Crown Perth provides credit or lends money to customers for the purpose of gaming.
- 150 Ms Strelein Faulks sends monthly reports to the Gaming and Wagering Commission with statistics from the operations of the RG team at Perth, dealing with the number of exclusions and concerning behaviour reports and the like. Those statistics are prepared by Ms Strelein Faulks and her team in Perth. I assume those statistics are generated from iTrak.
- 151 Occasionally specific correspondence with the Gaming and Wagering Commission is included in the reports to the Crown Resorts Limited Responsible Gaming Committee, but I am not otherwise aware of the nature of the reporting of operational information to the Gaming and Wagering Commission.
- 152 The RG team was not involved in:
- a) due diligence upon, and probity investigations in connection with, gaming activities at the Perth Casino, of prospective junket operators, junket representatives or international premium/privileged players; and
  - b) the review, affirmation, cancellation or termination of approvals or arrangements with junket operators, junket representatives and international premium/privileged players.
- 153 I have no direct knowledge of the systems, policies or procedures that were applicable to these matters. I do not know which persons or positions were responsible for these matters.

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**PROVISION OF 'GRATUITIES' AT THE PERTH CASINO***(Additional Questions 1 and 2)*

- 154 I am aware that there are entitlements to gratuities under the Crown Rewards program, but I am not aware of the details. I expect that there have been gratuities (such as free dinners) provided to patrons at Crown Perth outside the Crown Rewards program, but I am only surmising as I do not have any direct knowledge in this respect. I do not know of any guidelines relating to the provision of gratuities, or which persons were authorised to provide them.
- 155 I am not aware of whether there has been any input by the RG team into decisions to award gratuities to patrons at Crown Perth.

Contains sensitive information

**SONJA BAUER**

Dated: 22 September 2021