

ALLIANCE FOR GAMBLING REFORM NEWSLETTER

Dear Supporters, welcome to this special September update from The Alliance for Gambling Reform.

There is plenty going on with the pokies trial of the century underway in Melbourne, media deals opening the way for long overdue sports betting advertising reforms, encouraging signs for the Tasmanian pokies campaign, the 5 yearly review of Crown Melbourne, an upcoming Woolworths AGM, major developments in Wollongong and some exciting new hires at The Alliance.

Click here for all that and more in this lively update.

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1. Pokies on trial – what happened in week one

Poker machines are on trial thanks to the fearless [Shonica Guy](#) and her pro bono lawyers Maurice Blackburn and the first 4 days of hearings before Justice Mortimer in the Federal Court did not disappoint.

There is plenty of background on the case in this [pre-trial Alliance press release](#) and through [Maurice Blackburn’s website](#).

A press conference and supporter event was held at the commencement of the trial last Tuesday and Shonica appreciated the strong show of support which generated extensive [media coverage](#) across Australia and the world.

Here’s a sample of the best of it:

[Australia gambling: landmark slot machine case begins](#)

BBC World

[Poker machines on trial](#)

The Saturday Paper

[Can a court case succeed where politicians failed?](#)

The Conversation

[Pokies trial told machines designed unfairly and mislead](#)

The Guardian

[Shonica Guy leads David and Goliath struggle against gaming giants](#)

Ten Eyewitness News

[Misleading and deceptive pokies designed to cheat Shonica Guy](#)

Seven News

[Tim Costello interviewed on Sunrise](#)

Channel Seven

[Inside Australia's pokies plague as landmark court case begins](#)

News.com.au

We were thrilled to have three prominent Melbourne mayors from our leadership councils – John Hedditch from Brimbank, Henry Barlow from Wyndham and Helen Davidson from Moreland - come along to our [supporter event](#) and the images of the mayors and other supporters standing with Tim Costello have been [broadcast widely](#) in the media.

What happened in week one

The first day of the trial comprised 4 hours of opening evidence from Shonica's team led by Ron Merkel QC, with Crown's QC Neil Young given the final half hour to commence his opening outline of the defence. See reporting of what transpired in [The Age](#) and on [Crikey](#).

Day 2 on Wednesday saw Crown and Aristocrat continue with their openings until lunch time when the Judge adjourned proceeding for the day so the parties and Justice Mortimer could meet for a tour of the gaming floor at Crown, including an inspection of the Dolphin Treasure machines which are in the dock.

Day 3 on Thursday saw Aristocrat wrap up the opening defence in the morning, an experience that observers, including our spokesman Tim Costello, found very frustrating but also quite encouraging as the judge intervened asking a series of probing questions. After that it was the beginning of objections which ran until lunch time with a squabble over whether Shonica and 5 other people who've been harmed by pokies – [Libby Mitchell](#), Robert Ingmire, [Conny McLaughlin](#), Catherin Sommerville and [Anna Bardsley](#) - would be able to give oral evidence. Aristocrat and Crown didn't want to cross-examine any of the so-called "lay witnesses" (ie victims) and fought tooth and nail to stop it from happening. At 2.15pm on Thursday, the judge sided with Crown and Aristocrat, which meant the written evidence was accepted unchallenged but there was no opportunity to present oral evidence. Shonica flew home to Adelaide on Thursday night a little disappointed at not being able to address the court, but gratified by the level of support and progress of the trial during the first three days.

Day 4 on Friday saw more objections in the morning, this time primarily over the evidence of Monash University's Dr Charles Livingstone, one of the most renowned pokies experts in the academic world. Crown and Aristocrat wanted his whole affidavit thrown out on the grounds that he was a campaigner involved in the case and not an independent expert witness. In the end, the parts of Dr Livingstone's affidavit which survived the objections process were all accepted by Crown and Aristocrat, who declined to cross-examine him. Just like with Shonica, fellow expert [Kevin Harrigan](#) was also not required by Crown or Aristocrat, meaning his affidavit will also be accepted into the court file unchallenged.

Look at all the primary court documents yourself

The judge has helpfully arranged for the Federal Court to establish an [online file](#) of the various court documents so that the public and media can follow the case more easily. Here are the key documents which have been presented so far:

Shonica's [statement of claim](#) and [submissions](#)

Crown's [defence](#) and [amended submissions](#)

Aristocrat's [defence](#) and [submissions](#)

The various witness statements will become available too once they've been sworn into evidence, assuming there aren't any suppression orders.

There was some skirmishing over confidentiality on Friday afternoon when Crown's first witness, pokies manager Attila Seci, began his evidence.

There were no Dorothy Dixers from Crown's legal team so Ron Merkel took it through until stumps during a fascinating session where we learnt that Aristocrat shares in the profits of particular machines on the Crown floor and Crown gets the maximum Aristocrat discount once it has bought at least 400 machines. There has been a 70 page supply agreement between Crown and Aristocrat in place for 3 years since 2013, which has now been extended.

Long-serving Aristocrat executive [Natalie Bryant](#) will be first up today at 10.15am with [Peter Gray QC](#) from Shonica's team leading this cross-examination. The opening session will be accessible for the public before the court will be closed for some more sensitive cross-examination of Ms Bryant. After that, Attila Seci will be back to finish his cross-examination by Ron Merkel QC in closed session, after which the court will be opened again to hear from [Sonja Bauer](#), who runs Crown's responsible gaming program in Melbourne.

Justice Mortimer is clearly a supporter of open justice, with the online file decision, plus her call to erect a large screen so the public gallery can see what is appearing on her screen.

She was also very reluctant to close the court, declaring that it would only happen once during this trial and that will for be for part of this morning.

The whole exercise has been fascinating to watch so far and is scheduled to run through until Thursday, September 28. If you can drop in to court 8G at the Federal Court in Melbourne above Flagstaff Station (corner of Latrobe and William opposite the Flagstaff Gardens), you won't be disappointed. Proceedings generally run from 10.15am until 12.45pm and then from 2.15pm until 4.15pm each day. There is room for about 60 people in the public gallery and it was only over-flowing on the morning of day 1.

Remember that the case is not a class action and Shonica isn't seeking any compensation, just a declaration of unconscionable conduct and that the machines are misleading and deceptive.

Yes folks, in the country where citizens lose a staggering \$12 billion on these machines, the pokies really are on trial!

2. It's footy finals time and the ads are still playing

The Alliance conducted an ad count of the AFL and NRL finals on Seven, Nine and Fox Sports over the weekend and it was disappointing to encounter an on-going avalanche of gambling ads. Sportsbet was the major offender with more than 10 ads, but William Hill, Ladbrokes, CrownBet and Bet365 all paid big bucks for air-time as well.

With the media reforms now through the Parliament, The Alliance will be stepping up the pressure for a concrete time-table to get these ads off our screens during live broadcasts.

Communications Minister Mitch Fifield was interviewed on ABC TV's *Insiders* program yesterday and talked about the "community dividend in the form of further restrictions on gambling advertising".

Well, the media laws have changed, more than \$100 million worth of licence fees have been cut and the ads are still coming. It's time for a concrete timetable and real action. Fast.

It was pleasing to see the Victorian Government get on the advertising ban program yesterday when Gaming Minister Marlene Kairoutz [announced](#) that public transport and major roadways would soon be free of all gambling ads.

According to the press release: "The Labor Government calls on the Federal Government to extend restrictions on broadcast gambling advertisements during live sport to include the entire match."

We agree!

Meanwhile, The Alliance remains hopeful about progress with the AFL after it established a [high level working party](#) to examine the reliance of the AFL and its clubs on poker machine revenue.

The Sunday Herald Sun had an [interesting story](#) yesterday revealing that the clubs want compensation from the AFL to encourage them not to pay deposits to renew their entitlements by February next year, in accordance with the state government's planned but unlegislated timetable.

With the upcoming Northcote by-election (which could produce a minority government in Victoria), Shonica's court case, a bunch of AFL Club AGMs and the forthcoming legislation, it is going to be a big few weeks for the pokies in Victoria – weeks which will shape the next 25 years of pokies regulation.

3. Hopes rising in Tasmania

There has been an avalanche of publicity in Tasmania of late as the pokies industry attempts to [heavy the Labor Party](#) to come out in favour of long term new commitments for pokies in pubs and clubs. Victoria and Tasmania are the only states which don't have perpetual licences, which explains why the pokies debate is

running hot in both states at the moment. Under the Tasmanian regime, they could be out of pubs and clubs by 2023, unless the Parliament decides to do another deal with incumbent Federal Hotels.

As James Boyce out-lined in his fabulous book – [Losing streak: how Tasmania was gamed by the gambling industry](#) – Australia’s only island state has a unique opportunity to wind back the pokies to just casinos in Hobart and Launceston.

With the likes of independent Federal MP Andrew Wilkie and MONA founder David Walsh pushing hard for decisive action ahead of next year’s Tasmanian election, the [door is opening](#) for meaningful reform.

The local industry is sounding increasingly shrill as they [threaten to campaign](#) for pokies entrenchment, seemingly oblivious to the fact that the Australian community is over the gambling deluge and wants it seriously wound back.

As for Tasmanian Liberal Treasurer Peter Gutwein, the former publican is going close to being labelled the most pro-pokies politician in Australia.

We won’t be surprised if he finishes up working with pokies monopolist Federal Hotels, which has a long history of hiring politically connected executives, including former Tasmanian Labor Premier Paul Lennon who is the company’s current chief lobbyist for Federal Hotels. We kid you not!

4. Make a submission to the 5 year review of Crown Melbourne

Crown Melbourne is one of the biggest casinos in the world with annual player losses of [\\$1.52 billion in 2016-17](#).

Under Victoria’s Casino Control Act, the state regulator conducts an overall review of the licence and operations of Crown every 5 years and the current process is under way.

Public submissions close this Thursday, September 21, and Alliance staff and directors have been busy meeting with VCGLR officers providing input into the process.

There have been a number of interesting developments since the last review, including Crown’s [legal breaches in China](#), the sudden exit from Macau, proposed expansion through construction of the [tallest building](#) in the southern hemisphere and even the controlling shareholder’s [fisticuffs on the streets of Sydney](#).

You too can make a submission with all the information on how to do that available [here](#) on the VCGLR website.

5. Pencil in November 23 for Woolworths AGM in Melbourne

Australia's biggest pokies operator, Woolworths, [have confirmed](#) that its AGM will be in Melbourne on November 23.

The Alliance launched [this petition](#) on Friday calling for the board to get out of the dreadful business, which is now producing a record 11.7% of total group profit, as was outlined in this recent [Alliance press release](#).

The biggest pokies pusher in Australia will definitely be hearing from us at their AGM in Melbourne on November 23, so why not make a diary entry now and try to come along on the day.

6. Diana O'Neil joins The Alliance as we push further into NSW

In some great news, please welcome our new Champions of Change coordinator Diana O'Neil to The Alliance! Diana has a strong background in public health, most recently as the coordinator of the South Australian 'Consumer Voice' program, training and supporting people who've been harmed by gambling to be community educators. She's also worked as a financial counsellor, developed guidelines for consumer participation in health in South Australia, and has done academic research in the field. As you see from [the advertisement](#) on Ethical Jobs, the Champions of Change program seeks to empower people with experience of gambling harm to participate in reform advocacy and provide opportunities to with The Alliance in a number of ways that are meaningful to them.

We've also advertised for a NSW campaign co-ordinator – details of that exciting opportunity are [here](#).

7. Clubs NSW, Barry O'Farrell, Peter Newell and busy times in Wollongong!

The Gambling Impact Society of NSW attracted an excellent range of speakers at its recent [one-day seminar](#) on gambling harm in Wollongong, as and you can see from some of the media coverage in [The Illawarra Mercury](#) and on [ABC Illawarra](#).

Wollongong Lord Mayor Gordon Bradbery opened the day and we were pleased to see he has [been returned](#) for another term, defeating pokies industry veteran John Dorahy.

Cr Dorahy admitted to The Alliance that he was responsible for arranging this Clubs NSW [letter](#) to all candidates in the just-completed Wollongong council elections. Unfortunately, the letter failed to mention that Wollongong City Council has 68 pokies venues, 3145 machines and is one of the 10 worst affected council areas in NSW with annual losses approaching \$200 million. By way of comparison, the worst affected Victorian council, Brimbank, had \$134 million of pokies losses in 2016-17.

Wollongong is an important battleground for pokies reform as it hosts the long-term chairman of Clubs NSW, Peter Newell, who was the former general manager of the local newspaper, *The Illawarra Mercury*.

The Alliance has called for Newell to resign as Clubs NSW president after last week's revelations that The Steelers, where he is also the long-term chairman, has suffered a \$1 million fraud.

Yes, the CEO of a major pokies club in NSW [stole more than \\$1 million](#)...to feed his gambling addiction. And this happened on Peter Newell's watch, forcing the debt-ridden club onto a payment plan with the ATO.

As you can see from [this feature](#) on news.com.au, Clubs NSW continues to embark on obfuscation and denial as it clings to the world's worst rates of pokies harm courtesy of the \$10 maximum bets that are available in 2600 pokies venues across the state. It's time for some new leadership at Clubs NSW – and for the NSW Government to step up and shake themselves free from the influence of the pokies lobby, which Tim Costello has equated to the NRA in America.

Ever since then NSW opposition leader Barry O'Farrell signed a notorious [Memorandum of Understanding](#) with Clubs NSW in 2010, the pokies industry has run amok with tame regulations and permissive policies in Australia's biggest state.

Lo and behold, the former NSW Premier is a keynote speaker at the upcoming Clubs NSW [annual conference](#) in Sydney.

O'Farrell told The Alliance yesterday that he wasn't being paid for this gig, but seeing as he's already a full time lobbyist for the gambling industry as [CEO of Racing Australia](#), that's not a surprise.

That's all for now.

Do ya best, The Alliance team.