

Bumper Alliance for Gambling Reform Newsletter

Dear Supporters, welcome to the second Alliance for Gambling Reform email newsletter for 2018 as we go into this Easter long weekend. There's a lot going on, so we've got eight interesting items for you today and are aiming to increase the regularity of these missives in the period ahead. Stand by for a further update in mid-April.

- 1. Woolworths under the pump on pokies like never before**
- 2. NSW legislation – little achieved in a pokies captured state**
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1. Woolworths under the pump on pokies like never before

Not since the Wilkie-Xenophon-Gillard mandatory pre-commitment debate of 2010-11 have we seen [this level of public debate](#) about Australia's world record levels of gambling harm.

Indeed, the Australia Institute recently [released a report](#) detailing how we have 76% of the world's poker machines in pubs and clubs, with Woolworths, the single biggest operator.

Unsurprisingly, it is also Woolworths which is copping the most heat.

News Corp's veteran business commentator Terry McCrann is [now predicting](#) the brand damage is too great and Woolworths will choose to exit the toxic industry, rather than suffer ongoing hits which have rolled out as follows in the past six weeks:

[Fresh food jackpot: how Woolworths became Australia's biggest pokies company](#)
Age/SMH, 17 February, 2018

[Woolworths spying on customers to boost pokies profits](#)
ABC News, 28 February, 2018

[Xenophon skewers Woolies over pokies in SA](#)
The Advertiser, 11 March, 2018

[Woolworths launches fresh review of pokies business](#)
The Age, 19 March, 2018

[Woolworths calls in lawyers and accountants to investigate ALH](#)
The Age, 20 March, 2018

[Gaming watchdog widens Woolworths pokies probe](#)
Age/SMH, 28 March, 2018

Independent Federal MP Andrew Wilkie and his team have been doing an excellent job capturing the evidence of Woolworths whistleblowers who are appalled with some of the practices staff are required to deploy in order to maximise gambling losses.

The Alliance has been engaging directly with Woolworths since before last year's AGM when our director Susan Rennie ran for the board and delivered [this powerful speech](#) which has now been viewed more than 36,000 times.

However, as the lack of action has dragged on, we've progressively taken stronger positions as can be seen through the following media releases distributed as the various scandals have developed:

[Alliance calls for Woolworths to quit AHA amidst misleading SA campaign](#)

11 March, 2018

[Time for Woolies board to take control of ALH, exit pokies industry](#)

28 February, 2018

[Alliance calls for Woolworths to overhaul ALH board, behave more responsibly with pokies](#)

16 February, 2018

It now appears that Woolworths is split with the Sydney-based board wanting to take action and Melbourne-based billionaire Bruce Mathieson, who owns 25% of ALH and has management control under the joint venture arrangements, wanting to stay in the bunker.

Indeed, we understand that the ALH board wasn't even consulted when management resolved to take City of Whittlesea and the Victorian Government to the Supreme Court after losing a 13-day [battle at VCAT](#) over whether pokies could be installed at the heritage Commercial Hotel in South Morang.

2. NSW legislation – little achieved in a pokies captured state

The NSW Gambling Minister (not his real title) Paul Toole [declared it to be](#) the biggest regulatory shake-up in more than a decade, but in reality the package of legislation passed this month was another startling example of pokies industry capture in NSW.

Sydney Morning Herald senior writer Nick O'Malley summed it up best in [this piece](#) in Wednesday's paper.

The Alliance spelt out its concerns strongly in [this press release](#) on March 6 when the legislation was announced and [went into more detail](#) after the Coalition Government and Labor opposition conspired to ram the legislation through both houses of Parliament just eight days later.

Remarkably, even some elements of the gambling industry were [later complaining](#) about a lack of consultation and rushed legislation as the Parliament delivered for their beloved pokies-dominated Clubs NSW to the exclusion of most other stake-holders, particularly those with a lived experience of gambling harm.

If you can stomach reading the Hansard as the Lib-Lab duopoly caved to the pokies clubs, the Legislative Assembly starts on page 42 of the [March 13 Hansard](#) and the Legislative Council debate starts on page 50 of the [March 14 Hansard](#).

Our full position on the NSW legislation is spelt out in greater detail [here](#).

3. Tasmanian election – how industry conspired to buy an election

The Tasmanian Liberals have scraped back with a one seat majority, aided by an estimated \$5 million campaign by the pokies industry which sparked claims from both Labor and the Greens that the industry had bought the election. It's not just the Australian cricketers who don't play fair!

Labor, under the bold leadership of Rebecca White, proposed a policy of removing all poker machines from pubs and clubs by 2023. The full Labor policy package is still available [here](#) and the Tasmanian branch of the party deserves credit for steadfastly retaining the policy after the election. Maybe this is something for the [ALP national conference](#) to debate when they gather in Adelaide in late July, as we're not seeing much Labor appetite for reform on the mainland, particularly in NSW.

The Tasmanian Liberals responded with a [disappointing industry designed pro-pokies policy](#) which will see pokies ownership move to the more dangerous, profitable and competitive venue-owned model, although this will require support in the upper house where the government doesn't have the numbers.

James Boyce, author of the fabulous book "[Losing streak: how Tasmania was gamed by the gambling industry](#)", provided an excellent fact checking service through his [Twitter account](#) during the campaign as the pokies industry made all sorts of misleading claims. James has backed up with another [excellent column](#) in *The Mercury* this week calling on the Hodgman government not to cut pokies taxes for the Federal Group's hotels in Hobart and Launceston.

The lies about jobs and investment are already starting to be exposed as you see in [this story](#) in *The Advocate* today where a \$20 million investment is still on hold, despite the Liberals being returned.

Finally on Tasmania, here are some useful links to media coverage during and immediately after the election campaign:

[Mungo MacCallum: Pokies industry wins in Tasmania](#)
The Monthly, 4 March, 2018

[The letters between Rebecca White and Sydney Rich Lister Greg Farrell](#)
The Examiner, 2 March, 2018

[James Boyce makes the case for Tasmanian pokies reform](#)
The Mercury, 2 March, 2018

[David Walsh blog post on Tassie pokies choice: do you feel lucky, punk?](#)
MONA website, 1 March, 2018

[Will Hodgman confuses key detail of his Tasmanian pokies policy](#)
Fairfax network, 22 February 2018

[Tim Costello debates pro-pokies Tasmanian shock jock Brian Carlton](#)
Tasmania Talks Network, 21 February, 2018

[Fact Check on claims pokies policy will threaten 5000 jobs in Tasmania](#)
The Conversation, 21 February, 2018

4. The Beach Hotel at Byron goes proudly pokies free as Byron Shire gets on board

[Impact Investment Group](#) (IIG) has now settled on the \$70 million acquisition of the Byron Bay Beach Hotel and, as promised, the pokies have been removed. Well done! What a great example for Australia's circa 5000 pokies venues.

Tim Costello and Alliance deputy chair Allison Keogh both made separate trips to Byron in February, meeting with investors and local stakeholders.

This engagement driven by the team at Impact Investment Group led to Byron Shire unanimously supporting this excellent motion (see [p30 of the agenda](#)) put up by Cr Paul Spooner at the March 22 council meeting:

That Council:

- 1. Write to the new owners of The Beach Hotel endorsing their deliberate decision to remove poker machines from their venue to improve the wellbeing of the Byron Shire community and set a precedent for other venues across Australia to follow.*
- 2. Write to all remaining poker machine venues in Byron Shire opening a dialogue to gauge their interests in pursuing a similar strategy to divest their poker machines and offering Council support if they wish to investigate alternative business models.*
- 3. Undertake a review of Council's potential interests and involvements with poker machines by researching:
 - i) council investments with regard to the Ethical Investment Policy;*
 - ii) any council or crown land leases that may involve poker machine venues; and*
 - iii) planning controls that may be available (or potentially available) for limiting the use of poker machines within the shire.**
- 4. Prepare a report for the May Ordinary Meeting outlining options to develop a comprehensive gambling policy to reduce the harm in the Byron Shire from the use of poker machines.*

You can listen to the debate in the Byron Shire chamber starting 31 minutes into [this audio file](#) and running for 17 minutes. All [Byron councillors](#) were in attendance at the meeting and voted in favour of the motion as Cr Spooner told his colleagues: "Poker machines harm people and they harm families."

Finally, check out how one of the local papers, *The Northern Star*, [covered the story](#) after the vote.

With movement in Byron and Northern Beaches (see [December 2017 newsletter](#)) it will be interesting to see which NSW council will be next to get on board the pokies reform train.

5. Around the grounds – some good local wins

We are continuing to see great work by Victorian councils pressuring the pokies industry. The City of Greater Bendigo has taken a strong stand on the pokies since the 2016 elections and this bore fruit when Bendigo Stadium [recently withdrew](#) its VCAT appeal to try and install pokies at The Wellington Hotel, which is across the road from a primary school.

Bendigo Stadium is a not-for-profit which has loans from council and operates pokies facilities on council-owned land, so it is open to influence. *The Bendigo Advertiser* has also done well [shining a light](#) on the issue.

City of Hume is also continuing to do great work. Cr Joseph Haweil moved [a strong motion](#) at the March 13 council meeting about the Woolworths pokies division ALH which was carried unanimously. You can listen to the recording of the debate 2 hours and 48 minutes into this [audio file](#).

It will be interesting to hear how ALH deals with the formal letter from City of Hume seeking a response as to whether any of the practices identified by the Woolworths whistleblowers who went to Andrew Wilkie are deployed at their pokies venues within Hume.

Meanwhile, City of Wyndham is also doing great work, unveiling a tough new [draft gambling policy](#) which bans all council events at pokies venues. This is the sort of leadership which NSW and Queensland councils need to explore.

For instance, rather than promoting the idea of building a casino at the old Horton Park Golf Course in Maroochydore, Sunshine Coast Council could learn from what Wyndham is doing. We have been heartened by the strong local campaign which the LNP Federal member for Fisher, Andrew Wallace, has run against the council's casino plan. Check out [his petition](#), plus some local media on the mayor's [disappointing response](#).

6. AFL pokies debate rolls on, will NRL follow suit with new chairman Peter Beattie?

As this [AFL pokies fact sheet](#) shows, the Victorian AFL clubs remain heavily into the pokies industry, although nowhere near as badly as the NRL which former Victorian Gaming Minister Tony Robinson [famously described](#) as being "a franchise of the pokies industry".

Former Queensland Premier Peter Beattie has [just taken over](#) as the new NRL chairman and he will be an interesting man to engage with on the pokies issue once he settles into the role after delivering the Commonwealth Games next month.

Meanwhile, for now, all the reform action and debate remains with the AFL.

Pokies billionaire Bruce Mathieson was smoked out of his bunker by [this page one story](#) in the *Herald Sun* off the back of some more excellent research by Dr Charles Livingstone, linking the prevalence of AFL club-owned poker machines with the incidence of family violence.

Mathieson returned served by [claiming](#) that he saved Hawthorn Football Club by gifting them a pokies revenue stream in the late 1990s.

Port Adelaide chairman David Koch subsequently [got stuck into](#) current Hawthorn President Jeff Kennett for his club's excessive reliance on pokies revenue, which exceeds the other 17 teams in the competition as our [league ladder of losses](#) shows.

The New Daily also produced [this excellent piece](#) analysing AFL club revenue and pokies dependence. Despite all the publicity and public debate, we are yet to see a solution from the AFL. Clearly, clubs should be given an incentive to follow the excellent lead of North Melbourne and exit their pokies venues.

There has been talk of clubs asking for a compensation payment from the AFL amounting to 4 times their pokies profits.

Whatever the formula, the AFL has a lot of cash and power and it's time to actually put a plan into action which reduces pokies capture.

Once real progress is observable from Australia's biggest and most successful sporting code, it will be onto the NRL for the much harder challenge of unscrambling its comprehensive entanglement with the predatory pokies industry.

As was outlined in [our last newsletter](#), Alliance volunteer and Champion for Change Stuart McDonald ran for the Western Bulldogs board in January on a platform of pokies divestment. It's this sort of direct action from people with a lived experience of gambling harm that we need to see more of in the period ahead.

7. Wrapping up Shonica's Federal Court pokies trial

Justice Deborah Mortimer handed down [her judgment](#) in the [great pokies trial](#) on February 2 and whilst disappointed with the decision, The Alliance was heartened to once again have the issue of predatory poker machines front and centre in public debate.

For comprehensive background on the case and a range of links, revisit the September 2017 [Alliance newsletter](#).

Shonica Guy and Jennifer Kanis from law firm Maurice Blackburn held a press conference outside the court once the decision has been digested and here are links to some of the media coverage from that day:

[Ten News coverage](#)

[Seven News coverage](#)

The case won't be appealed and The Alliance is very grateful to Maurice Blackburn, along with all the barristers involved, for boldly taking on Crown and Aristocrat and generously running Shonica's case pro bono.

The [172 page judgment](#) ran to 69,000 words and has opened up opportunities for further regulatory reform and potential litigation down the track. The judge specifically mentioned the opportunity for further research into the relationship between the design and features of pokies and development of an addiction to gambling. The last page of the judgment also talked about the need for Crown, Aristocrat and regulators to critically assess and consider amending the "return-to-player" information provided to patrons.

The Federal Court has a great online system for making all the documents available in major cases with a strong public interest and on March 21 they published [the full court book](#) from Shonica's case, which will be an excellent reference point for documents into the future.

Shonica is one of the most active "Champions for Change" and has continued to campaign against the pokies, including asking questions at several candidates forums during the South Australian election. You should also listen to her excellent [interview on Adelaide radio station 5AA](#) on February 18.

8. Latest Alliance media releases and media monitoring

2018 has been a busy time in the media for The Alliance and here are links to the 9 press releases we've issued since the [last newsletter](#) went out on January 31:

[Lib-Lab duopoly capitulate to Clubs NSW and lock in world record pokies harm](#)

15 March, 2018

[Alliance calls for Woolworths to quit AHA amidst misleading SA campaign](#)

11 March, 2018

[NSW reveals weak pokies "reform" as industry capture continues](#)

6 March, 2018

[Time for Woolies board to take control of ALH, exit pokies industry](#)

28 February, 2018

[James Packer and Crown fail the pokies transparency test](#)

22 February, 2018

[Tim Costello takes on the pro-pokies Tassie shock jock as pokies debate heats up](#)

21 February, 2018

[Alliance calls for Woolworths to overhaul ALH board, behave more responsibly with pokies](#)

16 February, 2018

[Loopholes galore in TV ad ban as WA, SA and NT kids given less protection](#)

8 February, 2018

[Alliance calls for ban on gambling donations after latest shocking data release](#)

1 February, 2018

We've also put together [this useful page](#) chronologically capturing interesting media stories on gambling, which is now up to [almost 200 links](#).

If you know of any other stories which should be added – no matter how old – send the links through to stephen@agr.org.au and we'll make them available. The same goes for interesting academic research papers or submissions to government regulators.

That's all for now. We'll be back with another edition around the middle of April.

Do ya best, The Alliance team.