

# THE POKIES PLAY YOU

## Biggest jump in Vic pokies losses for a decade – time for new legislation

Friday, July 27, 2018

The Victorian Government today released overall and individual pokies venue loss data for the 2017-18 financial year, which revealed the biggest one-year jump in losses for a decade, all of which came after the State Parliament legislated for a softer regulatory regime in November 2017.

Not since the jump of \$94 million to the all-time record losses of \$2707 million in 2008-09 have we seen something like the \$86 million increase in losses to \$2695 that was revealed for 2017-18 by the VCGLR earlier this morning. (See data [here](#).)

The Alliance for Gambling Reform spokesman and director Tim Costello, who was [ejected](#) from the upper house as the legislation was being passed [on November 30](#), said he was deeply disturbed by the figures.

“The figures don’t lie – both of the major Victorian parties legislated for increased harm and today they need to get out of the bunker and explain themselves,” Mr Costello said.

“After a \$7 million drop in losses in 2016-17, in the first 5 months of the 2017-18 year, losses were down another \$2.2 million to \$1137.7 million. Then, sure enough, the monthly increases started coming in December 2017 straight after the legislation gave the industry certainty to plough capital into the latest highly addictive machines and thrash them with increased marketing and sophisticated loyalty schemes.”

Former gambler Anna Bardsley, who in the past year has confronted the boards of Crown Resorts and Woolworths at their AGMs, said she felt betrayed after meeting with more than 10 MPs last year urging them not to pass legislation that would increase losses and harm.

“It is telling that the entire \$86 million increase for the 2017-18 financial year came in the last 7 months and this is expected to translate into a \$140 million increase in the 2018 calendar year if the current trend continues,” Ms Bardsley said.

“Was this what the Parliament wanted? The major party MPs had no mandate to issue new 20 year licences until 2042 and with the harm caused by these deliberately addictive machines now rising, the next Parliament must decisively intervene to reduce the losses.”

Ms Bardsley called on the government and Opposition MPs to front up to people like her who’ve been harmed by a gambling addiction and visit some of the dangerous pokies venues when they are still trading at 4am. She noted the largest owner of Victorian pokies pubs, Woolworths landlord ALE Property Group, told the ASX in February it was enjoying an “improved gaming regulatory framework, especially in Victoria”. (see [p20 of presentation](#)).

City of Whittlesea mayor Kris Pavlidis joined Tim Costello and Anna Bardsley on the steps of Parliament at noon today to call for real reform of the pokies industry.

“Whittlesea is one of the hardest hit council areas with 4 venues in the top 12 in the state, all of which trade the maximum 20 hours a day,” Mayor Pavlidis said. “Our communities losses are up from \$107 million to \$109.5 million and we want a public health approach to pokies which means big changes to the current regime.”

The Alliance and a group of 4 mayors, including Whittlesea’s Kris Pavlidis, unveiled their [Victorian election policy platform](#) on Tuesday which includes cutting the maximum bet from \$5 to \$1, a reduction in the maximum 20 hours of trading, machine redesign, retiring surplus club entitlements and introducing a stronger duty of care on venues and staff.

Councils across Melbourne will be campaigning for these reforms right up until the November 24 Victorian election.

Lowlights from the 2017-18 data include:

# Woolworths and its billionaire joint venture partner Bruce Mathieson remains the most damaging operator through ALH, which took almost \$700 million from its 81 Victorian pokies venues, amounting to 25% of total losses. A staggering 51 of these venues trade the maximum 20 hours a day with 24 closing at 5am this morning after a 20 hour shift – see [full list on p2 of this flyer](#).

# Hotels, particularly those operated by the Woolworths ALH division, extracted almost double the losses of clubs with only one club (Melbourne Racing Club’s Highways Sandown) appearing in the top 20 venues. Total hotel losses rose from \$1705 million to \$1762 million and total club losses were up from \$904 million to \$933 million. Given this data, The Alliance is concerned the recent government decision to transfer 414 lapsed club entitlements to hotels will cause an additional \$50 million in annual losses when it comes into effect in 2022. (See [media release](#)).

# Victorian-based AFL Clubs reached “peak pokies” with losses at the 17 venues owned by 9 clubs rising from \$94 million to \$97.5 million in 2016-17, although this will fall in the current year with Melbourne and Collingwood collectively selling 3 venues which generate almost \$20 million in losses in the coming weeks. Hawthorn once again won the pokies premiership, lifting annual losses from \$23.29 million to \$24.3 million in 2017-18, followed by Carlton.

# Vulnerable communities continue to be targeted with 8 local government areas such as Greater Dandenong, Brimbank, Casey, Whittlesea (up from \$107 million to \$109.5m), Geelong, Hume, and Wyndham (up from \$97.76m to \$105.44m) each incurring annual losses above \$100 million. See full list below.

# The 11 most lucrative venues were all pubs operating the maximum 20 hours a day in state seats held by the Labor Government, with 4 of these operated by Woolworths/ALH.

## Victoria's 12 biggest pokies venue for losses in 2017-18

1. Epping Plaza Hotel (Whittlesea): *attached to a [major shopping centre](#) and slightly reduced losses from \$20.96m to \$20.79 million. Trades [9am until 5am](#). Owned by pubs mogul [Alex Robertson OAM](#).*
2. Plough Hotel (Mill Park, Whittlesea): *Woolworths/ALH venue increased losses from \$19.37m to \$19.44m. Has a huge sign on the pub promoting trading hours of [8am until 4am](#).*
3. Berwick Springs Hotel (Berwick, Casey): *owned by Zagame family which is currently trying to sell. Lifted losses from \$17.83m to \$18.94m. Trades the maximum 20 hours.*
4. Keysborough Hotel (Greater Dandenong): *Woolworths/ALH venue decreased losses from \$18.9 million to \$17.83 million. Trades 9am-5am.*
5. Gladstone Park Hotel (Hume): *owned by the Hunter family. Losses fell from \$18.34m to \$17.67m as currently renovating accommodation. Still trades maximum 20 hours.*
6. Skyways Taverner (Airport West, City of Moonee Valley): *[Woolworths/ALH venue](#) trading from 8am until 4am. Increased losses from \$17.2 million to \$17.51 million.*
7. Kealba Hotel (Sunshine, City of Brimbank): *[owned by Melbourne Storm](#). Trades [9am until 5am](#). Increased losses from \$15.95m to \$17.51m.*
8. Bundoora Taverner (Whittlesea): *Woolworths/ALH venue infamous for ['kids eat free' offers](#). Increased losses from \$17.16 million to \$17.44m. Trades 9am-5am.*
9. Rosstown Hotel (Carnegie, Glen Eira): *increased losses from \$16.03m to \$17.27m. Owned by Nikakis family and trades [9am until 5am](#).*
10. Roxburgh Park Hotel (Hume): *increased losses from \$15.87m to \$17.05m and trades [9am until 5am](#). Owned by [wealthy Scerri brothers](#) which have 3 of the top 20 venues (Chase Hotel and Dorset Garden Hotel are the other two.)*
11. Excelsior Hotel (Thomastown, City of Whittlesea): *the 3<sup>rd</sup> Woolworths/ALH venue in Whittlesea in the top 10. Increased losses from \$16.25m to \$17.04m. Trades [10am until 6am](#).*
12. Dorset Gardens Hotel (Croydon, City of Maroondah): *the biggest venue in a state Liberal seat (Croydon). Owned by Scerri family. Increased losses from \$16.3m to \$16.73m. Trades [9am until 5am](#).*

## The past 10 years of pokies losses in Victoria:

**2008-09:** up \$94m to \$2707m  
**2009-10:** down \$110m to \$2597m  
**2010-11:** up \$54m to \$2651m  
**2011-12:** up \$30m to \$2681m  
**2012-13:** down \$191m to \$2490m  
**2013-14:** up \$14m to \$2504m  
**2014-15:** up \$68m to \$2572m  
**2015-16:** up \$44m to \$2616m  
**2016-17:** down \$7m to \$2609m  
**2017-18:** up \$86m to \$2695m

**The top ten LGAs for player loss in 2017-18 (2016-17 losses) were:**

1. City of Brimbank - \$139.507 million (\$134.142 million)
2. City of Casey – \$131.514 million (\$127.094 million)
3. City of Greater Dandenong – \$121.420 million (\$118.190 million)
4. City of Greater Geelong – \$117.520 million (\$114.136 million)
5. City of Monash – \$111.942 million (\$109.201 million)
6. City of Whittlesea – \$109.478 million (\$106.995 million)
7. City of Hume – \$109.624 million (\$105.766 million)
8. City of Wyndham – \$105.458 million (\$97.761 million)
9. City of Kingston – \$86.281 million (\$83,017 million)
10. Shire of Mornington Peninsula – \$83.996 million (\$82.563 million)

**Gambler losses at venues operated by AFL clubs:**

- Hawthorn (2 venues) - \$24.302 million
- Carlton (4 venues) - \$18.399 million
- Collingwood (2 venues) - \$13.180 million
- Essendon (2 venues) - \$11.555 million
- Melbourne (2 venues) - \$10.387 million
- Geelong (1 venue) - \$6.280 million
- Western Bulldogs (2 venues) - \$6.092 million
- Richmond (1 venue) - \$5.261 million
- St Kilda (1 venue) - \$2.090 million

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