

## THE POKIES PLAY YOU

### Time for Woolworths to take control of ALH pokies division

Friday, February 16, 2018

The Alliance for Gambling Reform today called for the Woolworths board to step up and revamp the board of its hotels division ALH, which continues to operate Australia's biggest pokies business in an aggressive and irresponsible manner.

Alliance director and spokesman Tim Costello said a range of recent decisions by Melbourne-based ALH warranted a strong intervention by the Sydney-based Woolworths board which is not currently directly represented on the 7 man ALH board, despite Woolworths owning 75% of the joint venture with Melbourne-based pokies billionaire Bruce Mathieson.

The Alliance is specifically objecting to the following 4 recent moves by ALH to influence gambling regulation and further spread gambling harm through the community:

# After a record [13 day VCAT hearing](#) last year, ALH just won't take no for an answer and this week lodged a [Supreme Court appeal](#) against the refusal of its application to install 40 poker machines at the heritage Commercial Hotel in South Morang on Melbourne's northern fringes.

# ALH has erected [blatantly political billboards](#) on its [5 Tasmanian pokies venues](#) during the Tasmanian election when Australia's biggest retailer should remain politically neutral. It has refused Alliance requests to take them down.

# ALH [reportedly paid for](#) a cosy fundraising dinner at Young & Jacksons in Melbourne on July 4, 2017 which was attended by Victorian Premier Daniel Andrews just three days before his Government [announced plans](#) to issue new 20 year pokies licences which were [subsequently legislated](#) on November 30 last year.

# The [latest political donations data](#) for 2015-16, confirms that Woolworths continues to aggressively fund politicians and political campaigns as the largest corporate member of the Australian Hotels Association, which is currently helping fund a deluge of pro-pokies advertising during the Tasmanian election campaign.

Mr Costello said the Commercial Hotel Supreme Court appeal provided an insight into the ruthless and aggressive culture at ALH which just won't take no for an answer.

"After a 13 day VCAT hearing last year against both City of Whittlesea and the Victorian Government's gambling regulator, I am appalled that ALH has decided to go to the Victorian Supreme Court in an attempt to force pokies into the Commercial Hotel in South Morang," Mr Costello said.

"Woolworths is already the nation's biggest pokies operator with annual losses on its 12,000 machines approaching \$2 billion of the world record \$13 billion a year lost on pokies in Australia."

"Only 18% of Victorian pubs have pokies yet Woolworths is aiming to have pokies in 100% of its Victorian pubs. It pushes the envelope harder than anyone, even choosing to keep [51 of its 81](#) Victorian pokies venues open the maximum 20 hours a day, which explains how it was able to extract [\\$669 million](#) from Victorian gamblers in 2016-17, or 25% of the total \$2.61 billion lost."

“Woolworths already has 3 of Victoria’s most lucrative pokies venues operating 20 hours a day in the City of Whittlesea with collective losses of \$52.7 million in 2017 so why can’t they accept the umpire’s decision and not impose further harm by converting its only pokies free Victorian pub into yet another venue spoilt by these addictive machines?”

Rather than arrogantly taking council and the state government to the Supreme Court, The Alliance believes Woolworths should instead voluntarily reduce the trading hours at its 3 Whittlesea venues which are all currently running at the maximum 20 hours a day as follows:

- # Plough Hotel in Epping: \$18.984m lost in 2017 and operates 8am-4am 7 days a week
- # Excelsior Hotel in Thomastown: \$16.486m lost in 2017 and operates 10am-6am 7 days a week
- # Bundoora Taverner in Bundoora: \$17.236m lost in 2017 and operates 9am-5am 7 days a week

Monthly LGA loss data and 6 monthly venue data is available [here](#).

## THE POLITICAL ACTIVITIES OF WOOLWORTHS

The Alliance wrote to Woolworths chairman Gordon Cairns earlier this month requesting that it remove [blatantly political signage](#) at its 5 Tasmanian pokies venues but, after deferring to ALH chairman Roger Corbett, Mr Cairns declined to intervene.

The Alliance is now calling for Woolworths to adopt a policy of zero political donations or political expenditure and an overhaul of the all-male ALH board which currently comprises:

**Roger Corbett, Chairman:** appointed by Woolworths in 2016  
**Bruce Mathieson senior:** billionaire publican who owns 25% of the ALH joint venture  
**Bruce Mathieson junior:** son of the founder and current CEO of ALH  
**Ross Blair-Holt:** long time Mathieson executive  
**Colin Storrrie:** ex Qantas CFO and current Group Portfolio Director at Woolworths  
**Martin Smith:** head of Woolworths liquor business  
**Richard Dammary:** Woolworths company secretary and general counsel.

After chairman Gordon Cairns’ [strong statements](#) on pokies at the recent Woolworths AGM, Mr Costello said the failure of any mainboard Woolworths directors to join the ALH board indicated a lack of attention at the highest levels.

“The ALH business is run out of Melbourne, giving the Mathieson family disproportionate influence given their 3 Melbourne-based nominees on the board are all long time pokies operators whereas Woolworths has 4 Sydney-based directors sitting on the ALH board, none of whom sit on the main Woolworths board,” he said.

“As the 75% controlling shareholder in ALH, Woolworths has to be accountable for the harm it is inflicting on the community, the aggressive legal tactics deployed to extend that harm and the blatantly political activities of ALH to influence gambling polices in the country with the largest per capita gambling losses in the world.”

“At the very least, Woolworths chairman Gordon Cairns and CEO Brad Banducci should sit on the ALH board so they have full visibility into what is happening within the business. Instead, Woolworths tries to downplay its involvement. At the moment, Woolworths and ALH don’t even list the directors of their pokies business on their websites.”

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