

THE POKIES PLAY YOU

Casino Review
Victorian Commission for Gambling and Liquor Regulation
GPO Box 1988
Melbourne VIC 3001
E-mail: casino.review@vcglr.vic.gov.au

Monday, October 2, 2017

The Alliance for Gambling Reform supports the submission to the 6th Victorian Casino licence review by the Victorian Interchurch Gambling Taskforce.

In addition, we would like to draw the VCGLR's attention to the following developments since the last review was completed in 2013:

Instability and turnover in chairmanship and senior executive ranks at Crown Resorts

After a long period of stability with James Packer as chairman and Rowan Craigie as CEO of Crown Resorts, the following changes have been made at the most senior levels of the company since the last 5 yearly review was completed:

September 2013: 1 year contract of "executive deputy chairman" John Alexander extended to an indefinite contract.

Nov 2014: Rob Rankin announced as proposed co-chairman of Crown Resorts, alongside controlling shareholder and long-time chairman James Packer.

July 2015: Rob Rankin formally appointed to Crown board after clearing probity.

August 2015: Rob Rankin appointed non-executive chairman with former non-executive chairman and controlling shareholder James Packer becoming a "senior executive director" on a remuneration package to be negotiated.

December 2015: James Packer resigns from Crown Resorts board after "transitioning overseas", settling his family estate with sister Gretel and becoming comfortable with Ron Rankin as the new chair. Remuneration proposal dropped.

January 2017: Crown announced executive deputy chairman John Alexander will succeed Rob Rankin as chairman on February 1, 2017.

January 2017: Crown announces intention to re-appoint James Packer as a director, subject to regulatory approval.

February 2017: Crown Resorts CEO Rowan Craigie departs with 5 days notice for investors after 20 years with the company, the last 10 as group CEO. John Alexander becomes executive chairman.

May 2017: Crown announces James Packer passes probity tests to re-join board, with formal appointment in next three months.

June 2017: Rob Rankin formally resigns as a Crown director.

August 2017: James Packer formally rejoins the Crown Resorts board.

In addition to this instability in the leadership at Crown, there have been some well publicised incidents and strategic backflips involving Mr Packer and Crown Resorts which The Alliance believes are relevant for the current review. They include the following:

2016-17: Crown staff in China charged and convicted with breaking laws banning the promotion of gambling – see [media reports](#).

2016-17: Corruption investigation in Israel involving Prime Minister Benjamin Netanyahu – see [media reports](#).

May 2014: Street brawl in Sydney with Nine Entertainment Company CEO David Gyngell – see [media reports](#).

January 2016: James Packer gets into physical confrontation with Crown security staffer – see *Herald Sun* [report](#).

2016-17: abrupt exit from Macau and North American investments to focus on Australian market – see [media reports](#).

2016-17: plans to establish a separately listed Australian property trust housing Crown's hotels were [announced](#) and then [abandoned](#) less than 6 months later.

Given all of this instability, The Alliance believes the VCGLR should request access to appropriate documents and formally interview Mr Packer as part of this 5 yearly review to gauge his suitability to retain unfettered control of Crown Resorts.

In light of the recent developments mentioned above, we believe there is merit in the VCGLR considering imposing a maximum shareholding limit on any individual shareholder in the licence holder of 20%. This is above the legislative maximum shareholding for the combined Tabcorp-Tatts entity if that proposed merger proceeds.

Given Mr Packer's current shareholding of almost 50%, it would be appropriate to structure the implementation of such a shareholder restriction to occur over a number of years, giving Mr Packer time to organise his affairs.

Integrity of political associations

There have also been ongoing political associations with Crown Resorts that trouble The Alliance. Political donations from Crown associates have continued, as have the hirings of former political figures, with former Federal Communications Minister Stephen Conroy and former Tony Abbott chief of staff, Peta Credlin, being two of the more recent examples.

The Alliance would like to see a new licence condition imposed which prevents Crown or its associates from making donations to registered Australian political parties and also from hiring former members of Parliament in any capacity for at least two years after they have retired from Parliament. A similar provision applies to elected representatives in New Jersey.

For further information:

Stephen Mayne

Communications Adviser, The Alliance for Gambling Reform

Email: Stephen@agr.org.au, Mobile: 0412 106 241