

THE POKIES PLAY YOU

Alliance welcomes Woolies pokies, ALP & RSL should be next

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The Alliance for Gambling Reform today welcomed [the announcement](#) by Woolworths that it was divesting its enormous pokies business and called on other prominent industry players such as the ALP, the Catholic Church, RSL Victoria, NRL clubs, AFL clubs and the CFMEU to follow suit.

Today's news was particularly welcomed by people who have been harmed by poker machines.

Shonica Guy, who spent 14 years battling a pokies addiction and ended up taking Federal Court action against Aristocrat and Crown Resorts in 2017, made the following comment:

"This is a huge win for the thousands of people whose lives have been torn apart by Woolworths/ALH pokie dens. The public know how toxic this industry is, now Woolworths knows too. Now it's time state governments took serious action to reign in this cowboy industry"

Similarly, Bar Sinclair, a Sydney grandmother whose family has been impacted by a long term pokies addiction, made the following comment:

I've personally talked to Woolworths senior management about what their machines have done to my family. Every owner and regulator of these machines should have to face up to the damage their machines cause.

Alliance director and spokesman Tim Costello made the following comments:

This is a globally significant moment for the gambling divestment movement, not unlike Rio Tinto getting out of coal. And if Coles and Woolworths no longer wish to be associated with such a toxic industry, why does the ALP continue to operate 6 pokie dens in Canberra and Sydney? I call on Anthony Albanese to start a debate inside Labor about getting out of the pokies.

Woolworths, Australia's biggest retailer, has buckled to the public pressure and decided it can no longer risk the reputational damage of running the world's biggest chain of gaming rooms across 286 different hotel venues.

Australians are the world's biggest gamblers with \$24 billion a year in losses and Woolworths is responsible for more than \$1.5 billion of this through its 12,000 addictive machines in 286 pokies hotels across Australia.

Woolworths CEO Brad Banducci was wrong this morning to claim pokies only deliver about 7% of the \$10 billion in revenue for the enlarged Endeavour Group and I call on Woolies to immediately release its total pokies revenue, something it refused to do when asked at the 2018 AGM.

With the two major Australian super market chains, Coles and Woolworths, now committed to getting out of the pokies business, increasing pressure will be brought to bear on the various pokies-

addicted state governments which sit back and turn a blind eye to what is effectively state-sponsored abuse in our most vulnerable suburbs.

It is good to see Woolworths regularise the corporate structure of its pokies empire, diluting the power currently held by billionaire joint venture partner Bruce Mathieson, who owns 25% of the current ALH joint venture but has management control through his son, ALH CEO Bruce Mathieson Junior. The Mathieson family will own 14.6% of Endeavour Group and have one board seat, so the days of aggressively running it like a private company will soon be over.

ALH has long been Australia's biggest, most aggressive and most irresponsible pokies operator, pushing hard on loyalty schemes, offering up free liquor to gamblers and operating for the maximum amount of hours as the law allow. It was also overly focused on running pokies pubs, rather than conventional bars. Only one in five Victorian pubs have poker machines, but ALH has pokies in 78 of its 81 Victorian pubs, proving that it is primarily a gambling focused pubs business rather than a liquor business which reluctantly operates a gaming division.

BACKGROUND INFORMATION

- # It was Woolworths whistleblowers working with Andrew Wilkie who first [exposed dubious practices](#) inside Australia's biggest pokies empire in 2017-18.
- # Today's exit follows a sustained campaign for Woolworths to exit the pokies industry, including Alliance deputy chair Susan Rennie running for the board in 2017. (Watch video [here](#).)
- # The Woolworths pokies division profit was up 17% to \$163m for the December half – which was a record 11.46% of total \$1.43 billion operating profit. Click [here](#) for full history of pokies profit share since 2004. This only reflects 75% of the profit as Bruce Mathieson owns 25% of ALH.
- # Woolworths controls 330 hotels across Australia (see [full list](#)) which are targeted on operating dangerous poker machines for as many hours as possible as is legal in each state. Woolworths keeps 51 of its 81 Victorian pokies venues open the maximum 20 hours a day. (See [full list here](#).)
- # Woolworths has the biggest pokies market share in Australia, snaffling more than \$1.5 billion of the nearly \$14 billion lost annually on pokies (including at casinos) in 2018. Victoria is its most lucrative state where it accounts for about 40% of the losses in pubs (\$670m of \$1.8b).
- # Australia has 76% of the world's pokies in pubs and clubs because most countries go with dedicated casinos or don't allow alcohol and pokies to mix in suburban venues. There are approximately 5000 pokies venues across Australia and 200,000 poker machines, amounting to 18% of all pokies in the world. See 2017 Australia Institute [report](#).
- # The largely Sydney-based Woolworths board have not been hands on in the ALH business, which is run out of Melbourne. Indeed, none of the Woolworths directors sit on the ALH board which features 7 men and no women. See Alliance [press release](#).

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