

## Alliance for Gambling Reform (AFGR) – meetings and other information

### **First meeting**

28 February 2018, held at World Vision Australia headquarters, Burwood East, Victoria

#### Attended by:

Crown Barry Felstead, Ken Barton, Karl Bitar, Sonja Bauer

AFGR Tim Costello, Stephen Mayne, Anna Bardsley

The main points discussed were those raised by TC during the 2017 AGM. BF expressed this meeting should be the commencement of an ongoing dialogue, and that Crown was open to constructive feedback and ideas to improve. TC repeated the sentiments of the comments he made at the 2017 AGM (at 49 minutes of the transcript):

*Just to be really clear James I have always accepted that casino business is very different business to pokies everywhere else, my issue has always been pokies right through the community where you are not even intending to go and play but do your shopping and there's one and your drawn and you get offered a say. A destination business I absolutely accept like a casino is a business, by the way I have never been a prohibitionist either I have always said let's make this safer.*

### **Second meeting**

19 April 2018, held at Crown Melbourne, including a property, Crown College and Responsible Gaming Centre tour.

#### Attended by:

Crown Prof John Horvath, Barry Felstead, Ken Barton, Karl Bitar, Sonja Bauer

AFGR Tim Costello, Stephen Mayne, Anna Bardsley

The main points discussed were the **three things** as described separately below.

### **Third meeting**

6 September 2018, held at Crown Melbourne

#### Attended by:

Crown Prof John Horvath, Barry Felstead, Ken Barton, Karl Bitar, Sonja Bauer

AFGR Tim Costello, Stephen Mayne, Anna Bardsley, Cr Susan Rennie (Mayor of Darebin and AFGR Board member)

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The main points discussed were a continuation of the three things as described below. Additionally, some of the *Sixth Review of the Casino Operator and Licence* Recommendations were discussed including the increase of responsible gaming staff, and Rec 15, which pertains to the sharing of some of the harm minimisation Board data (by the VCGLR) with the Victorian Responsible Gambling Foundation. SR also raised some concerns relating to the Red Carpet Program.

***No further meetings with this group***

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**Meeting with Anna Bardsley (AB) and Sonja Bauer (SB), 30 October 2018.**

SB met with AB to discuss the offer from Barry Felstead to Chair a Crown Responsible Gaming Community Engagement Group. Contemporaneous notes from the meeting:  
*Anna declared she had not made up her mind as yet, and that she did not know if anyone she might recommend would be interested, so it may just "be dead in the water before it starts". She was conscious of protecting her reputation as an advocate and anti-pokies campaigner, and wasn't sure how this might fit. She was also quite strong about it being focussed on Responsible Service of Gambling, not Gaming, and being clear the responsibility of this was the Industry. I also felt that she was looking for this to be quite advisory. She said she would get back to me in the next couple of weeks.*

AB subsequently declined the invitation and the Group was never implemented.

### The three things

The following is an excerpt of the Crown Resorts Responsible Gaming Committee meeting minutes from the meeting held on 31 May 2018.

Updates in red.

It was noted that at the meeting with Tim Costello, Stephen Mayne and Anna Bardsley, the following three requests were made of the Company:

- consider the establishment of an external Customer Advisory Panel to consult with on responsible gaming matters;
- consider the distribution practices for promotional materials to patrons; and
- disclose the Company's revenue from electronic gaming machines in its results.

In relation to the above requests, the Committee discussed the following:

- the proposal for the Customer Advisory Panel to meet on a quarterly basis (or as otherwise agreed), with the first meeting to be scheduled prior to the Company's 2018 Annual General Meeting; the Charter was developed and discussed briefly (high level, not the actual document) at a meeting with Tim Costello, Stephen Mayne, Anna Bardsley, Susan Rennie and from Crown John Horvath, Karl Bitar, Ken Barton, Barry Felstead and Sonja Bauer on 6 September 2018. Barry invited Anna to be the Chair of this Committee.
- a Charter for the Customer Advisory Panel is to be prepared by Sonja Bauer for presentation to Tim Costello, Stephen Mayne and Anna Bardsley in July; A Charter was prepared and Sonja Bauer met with Anna Bardsley 30 October 2018 to discuss her appetite for the appointment. Anna was advised the Charter could be shared with SM and TC. Anna did not commit and was hesitant as she had been appointed to the Victorian Responsible Gambling Foundation 'Lived Experience' Panel and this may be a conflict. Anna undertook to get back to Crown. This never eventuated and the Board Committee decided that this would not be pursued further.
- in relation to the distribution practices for promotional materials, it had been suggested that if someone is identified as having problem gambling behaviours they be removed from the Company's promotional mailing list for a set period of time. The Committee discussed this at length, noting that the suspension period should be between one and six months depending on the behaviours displayed by an individual; and the Mail suspension procedure was effected in October 2018.
- the Board has considered the request to disclose the Company's revenue for electronic gaming machines and is likely to commence this disclosure practice in its 2018 full year results release. This was effected.

## Other noteworthy information

On 9 August 2019, the AFGR released the following media statement

# THE POKIES PLAY YOU

## Crown reveals pokies losses of \$715m in Melbourne and Perth

Thursday, August 9, 2018

The Alliance for Gambling Reform today welcomed the first-time disclosure of poker machine losses by Crown Resorts at its casinos in Melbourne and Perth.

Crown's billionaire controlling shareholder James Packer promised to look at improving transparency following Alliance questioning at the Crown Resorts AGM in October 2017 and the 2017-18 results [released to the ASX today](#) showed gamblers lost \$450 million on Crown's 2682 poker machines in Melbourne and a further \$265 million on its 2429 poker machines in Perth. (see [p5 of this presentation](#)).

Alliance spokesman and director Tim Costello welcomed the improved transparency but said the figures showed that world record levels of gambling harm from pokies in Australia were even worse than expected.

"Victorian pokies losses were not really \$2.7 billion in 2017-18 as the [Government recently revealed](#) but \$3.145 billion when you include the Crown losses which comprise 14.3% of all poker machines losses in Victoria," Mr Costello said.

"And with \$10 maximum bets vs \$5 everywhere else, 24 hour trading and a highly sophisticated loyalty scheme, is it any wonder that Crown Melbourne's machines are 65% more lucrative each year than the average across Victoria."

There were [26,528 poker machines](#) operating in 497 pubs and clubs across in Victoria 2017-18, each generating an average of \$101,590 in annual losses based on the [\\$2695 million lost state-wide](#). The average annual loss per machine on Crown Melbourne's 2682 pokies, up to 1000 of which have [special rules](#) to allow continuous play, was \$167,785.

Crown Perth is the only pokies venues in Western Australia and the data today showed that its 2429 pokies comprised 47% of total gambling losses for 2017-18, being \$265.1 million out of a total of \$564.6 million.

At Crown Melbourne, pokies losses of \$450 million represented 25.2% of the \$1781 million in total dropped by gamblers in 2017-18. (See [p5 of this presentation](#)).

This is what James Packer said about transparency at the 2017 Crown Resorts AGM:

*It's been made abundantly clear that there is a desire from some of our shareholders or some people who are representing legitimate particular groups for there to be more transparency in Crown both on the revenue side and the allocation of revenue between tables and slots, and also on the regulatory side. And I think that that is fair enough.*

*From my perspective I think it's a conversation that the board should have because we are living in a world of more and more transparency... companies have to be more transparent today than they were 10 years ago.*

Crown Melbourne is one of the biggest casinos in the world for gambling losses from its 2628 poker machines, 540 tables, 414 semi-automated table games and 250 fully automated table games. Total losses across all forms of gambling reached \$1781 billion in 2017-18, the third highest on record.

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Anna Bardsley, who suffered harm playing pokies at Crown Melbourne and confronted Mr Packer and the board at the 2017 AGM, today said she welcomed the increased transparency but was shocked by the scale of the losses and harm being caused by Crown's 5057 poker machines in Melbourne and Perth.

"Crown Melbourne is clearly the biggest pokies venue in Australia and one of the biggest in the world, but as the [recent VCGLR report](#) said, they need to lift their game when it comes to reducing gambling harm," Ms Bardsley said.

"I call on Crown Melbourne to pro-actively manage down their pokies revenue to below \$400 million in 2018-19 by implementing the VCGLR reforms such as using data from the loyalty program to intervene when a gambler is suffering high levels of losses over a sustained period."

Ms Bardsley said the real harm caused by pokies in Australia is understated because [official statistics](#) exclude losses on pokies at casinos, such as Crown Melbourne, Crown Perth and The Star in Sydney, which together will drain more than \$1 billion from pokies gamblers in 2017-18.

"Officially, Australians lost \$12 billion on pokies in 2015-16, but this data is already out of date and the honest truth is that total pokies losses in calendar 2018 will probably reach \$14 billion of the estimated \$25 billion in total, especially given the [growth forecasts revealed](#) in the latest Victorian, NSW and Queensland budgets." Ms Bardsley said.

The Victorian Government recently concluded its 6<sup>th</sup> [5 yearly licence review](#) of Crown Melbourne and amidst the 20 recommendations were a raft of suggestions about doing more to reduce gambling harm.

The Alliance believes the size of pokies losses at Crown reiterates the need for both the board and the Victorian Government to do far more to reduce gambling harm.

## **Links to some of the media coverage following the 2017 Crown AGM:**

[James Packer admits Crown needs to be more transparent](#)

Seven News, 26 October 2017

[Anna Bardsley and Tim Costello at the Crown AGM](#)

Ten News, 26 October 2017

[James Packer to discuss better Crown transparency with board](#)

THE AUSTRALIAN, 26 October 2017

[Improved Crown transparency should start with media access and transcripts](#)

THE GUARDIAN, 26 October 2017

[Anna Bardsley tackles James Packer at Crown AGM](#)

ABC radio THE WORLD TODAY, 26 October 2017

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