If Crown's board isn't held accountable .....

Summary:
Crown's board wasn't held accountable because the 2020 virtual AGM enabled the company to dodge the hard questions. A great report from Rita Mazalevskis

Article Information**Category:** Press Releases
Author: Rita Mazalevskis - Bank Warrior
Source: BRN Guest Editorial
Date First Published: 27 Oct 2020

Posted ByPeter Brandson
22 Oct 2020 - 9:31pm

Time to Bring Down Crown?

Following the debacle of my Crown AGM experience, it is clear to me Shareholders can't access the Board and Directors on the only day of the year, where Directors are available to be questioned.

The Corporations Act does not state Shareholders questions are to be limited. It is notable not many Shareholders asked questions. Virtual AGM's technical issues even prevent Shareholders from logging in.

Eleven questions were read out under my name. Nine were mine and two on behalf of Craig Caulfield

who Crown suggested I have read out for him, as Craig was attending the Suncorp AGM at the same time.

Chairman Helen Coonan targeted me, asking the Crown Company Secretary how many questions I had asked. Ms Coonan said she was mindful of other Shareholders asking questions and didn't want one person, referring to me, to have a monopoly on the questions. In fact, Mr Stephen Mayne asked 13 questions.

Ms Coonan refused to address my remaining questions, saying she would take them offline and address them with me privately. This defeats the purpose of ventilating important questions at an AGM, discussing different aspects of the business.

Given the public's interest in the unprecedented failures of Crown exposed by Commissioner Bergin at the NSW Casino Inquiry, public discussion and Shareholder questioning of Crown's business is critical.

Crown filtered questions stating, if any questions are duplicated they will be read together. It's concerning that Crown is grouping questions, justifying why they don't need to read some questions out. Why not just read all of the questions? There was plenty of time.

For example, I asked about the Directors Induction Pack which refers to Crown's Code of Conduct. In my next question I asked about the Board Charter and Compliance of laws; two distinctly different questions, Ms Coonan chose to 'bundle' these together. Ms Coonan stating she had already responded in my previous question - is this misleading or deliberately avoiding answering a question?

With Crown under scrutiny by Commissioner Bergin's NSW Casino Inquiry, it looked as if Ms Coonan cut the meeting short to avoid scrutiny. If this was a physical meeting, given the severity of the problems Crown is facing, the AGM could have gone for six hours, just like the 2019 AGM's where Westpac Shareholders made the Board accountable for Westpac's AUSTRAC failures, or NAB's Shareholders making NAB's Board accountable for AML failures, and failures of the previous Chairman and CEO.

The Chairman, in closing the meeting before all remaining questions were asked, did not act Fairly, Honestly or Efficiently.

One way Shareholders are being misled, is to simply look at the costly advertisement, paid for by Crown Shareholders, where all Directors (Ms Halton admitting being pressured) signed their names to this letter, which misrepresented the true situation.

As a victim of bank malfeasance, I draw comparisons of failures at the Australian Financial Complaints Authority (AFCA), with failures at Crown, both Chaired by Ms Coonan. It is evident Officer Holders of both AFCA and Crown are known to be conflicted in their roles. An inquiry into conflicts within AFCA is required.

My experiences at the Crown, Perpetual, Suncorp, CBA, Bendigo and Adelaide Bank virtual AGM's in the last fortnight, convinces me that this format is a failure! It doesn't allow the older demographic who may be less technically savvy, and Mum and Dad Shareholders, a fair opportunity to meet and greet the Directors and talk about the business, and ask important questions.

Like the Macquarie virtual AGM, why can't Shareholders call in by phone and ask their questions DIRECTLY to the Chairman and the Board, instead of questions being 'triaged' by others and read by someone else? We're pretty sure COVID-19 does NOT travel across phone lines!

VIDEO LINKS

Rita Mazalevskis #BankWarriors AFCA Chair, also Fundamentally Unfair?
Video link >> https://youtu.be/grJW8_7nsJw

Craig Caulfield #BankWarriors Chairman's Record Number of Roles
Video link >> https://youtu.be/wAPFX-uu6uo

Rita Mazalevskis #BankWarriors Chairman's Workload
Video link >> https://youtu.be/Hd_qmE9X2uk

Craig Caulfield #BankWarriorsDirector Jane Halton will you Step Down?
Video link >> https://youtu.be/sGLHVdNzc1U

Rita Mazalevskis #BankWarriors Director Appointments Induction Pack
Video link >> https://youtu.be/gA8jRqzgGJQ

Rita Mazalevskis #BankWarriors Board Charter 3.3 Compliance with Laws
Video link >> https://youtu.be/JUl1r-GvrT0

Rita Mazalevskis #BankWarriors Board Legal Experience?
Video link >> https://youtu.be/8hbFJkl5ktk

Rita Mazalevskis #BankWarriors AGM Shareholders, Corporations Act
Video link >> https://youtu.be/DGEnBzFxEBA

Rita Mazalevskis #BankWarriors Poor culture, a slew of bad practices!
Video link >> https://youtu.be/FO3hismBpSo

Rita Mazalevskis #BankWarriors Other questions,? Chair targets Rita
Video link >> https://youtu.be/4kqclDYL5rU

Rita Mazalevskis #BankWarriors ANZ Director Conflict of Interest?
Video link >> https://youtu.be/4SFEh_KCfRQ

Rita Mazalevskis #BankWarriors No questions! Chair takes Rita offline!
Video link >> https://youtu.be/77COXowyrgY

CROWN AGM 2020 - QUESTIONS

Corporations Act - READ
Chair, re Shareholders participation in the AGM. The Corporations Act states – s250S- Questions and comments by members on company management at AGM (1) The chair of an AGM must allow a reasonable opportunity for the members as a whole at the meeting to ask questions about or make comments on the management of the company. (2) An offence based on subsection (1) is an offence of strict liability. NOTE: For strict liability, see section 6.1 of the Criminal Code. RITA MAZALEVSKIS

CHAIRMAN'S WORKLOAD - READ
Chair, on your appointment you said "I have adjusted my workload in such a way that when I become chair, I was able to devote sufficient time to it". You said your other roles are all "very light duties" including AFCA. The Boards duty is to oversee Risk, Governance, Compliance with Anti-Money Laundering Laws, & Crown failed in all these areas. Do you think you devoted sufficient time to your Crown role which has oversight of all the areas now under the spotlight in the current inquiry? RITA MAZALEVSKIS

FUNDAMENTALLY UNFAIR OUTCOMES FOR SHAREHOLDERS & CUSTOMERS - READ NOT ANSWERED
Chair, As Chair of AFCA you said, "This is what access to Justice post Royal Commission requires. This is the Fairness revolution in action – Putting Customers First. Also, "black-letter law" arguments, even if legally sound & well-articulated, would not succeed if they delivered fundamentally unfair outcomes for consumers". Isn't this now the case for Crown Shareholders and customers where the Board has assisted in delivering

fundamentally unfair outcomes for Shareholders and customers? RITA MAZALEVSKIS

COMMUNITY EXPECTATIONS – SUBMITTED NOT READ
Chair, you said the inquiry currently being conducted by the NSW independent Liquor & Gaming Authority is an opportunity to improve the Regulatory environment as a whole and for Crown to reflect on how we as an organisation can better meet Community Expectations. Why did it take an inquiry to prompt Crown? Shouldn't we also have an inquiry into AFCA so as Chair, it will give you and AFCA an opportunity to also improve so it can better meet Community Expectations, which it is not? RITA MAZALEVSKIS

POOR CULTURE, SLEW OF BAD PRACTICES - READ
Chair, as AFCA Chair you said "Poor culture in financial institutions has been identified as the main culprit that permitted a slew of bad practices, appalling treatment of consumers and small business and in many cases arrogant indifference to regulatory and compliance risk". Is this not the exact position Crown is in now with oversight of the Crown Board? How did the Board meetings fail to address the serious issues raised through the inquiry? RITA MAZALEVSKIS

BOARD MEMBERS LEGAL EXPERIENCE? - READ
Chair, could you please advise which Board members have legal experience, or a legal background.RITA MAZALEVSKIS

DIRECTOR APPOINTMENTS - READ
Chair, a Directors induction pack upon appointment, among other things, includes a letter agreement which the Director must countersign. It sets out the Director's powers and duties, and obliges Directors to comply with all Crown Policies, Procedures and the Code of conduct. Can you tell us how this is measured throughout the Directors appointment? RITA MAZALEVSKIS

BOARD CHARTER 3.3 COMPLIANCE OF LAWS - READ NOT ANSWERED
Chair, under the Board Charter 3.3 Compliance with laws and internal codes of conduct states that "The directors must comply with all relevant requirements of law, including those set out in the Corporations Act and relevant common law duties. In addition, all directors must comply with the Code of Conduct for Directors developed and approved by the Board from time to time" Chair, could you tell us how the Board monitors this compliance. RITA MAZALEVSKIS

CROWN FINANCIAL CRIMES DEPARTMENT – SUBMITTED NOT READ
Chair, the new Financial Crimes Department, can you tell us if this will incorporate any independent parties to ensure Crown transparency, accountability and reporting obligations. RITA MAZALEVSKIS

DIRECTOR JANE HALTON CONFLICT OF INTEREST? - READ
Director Jane Halton – 'The Conversation' reported that you're a member of the Morrison government's National COVID-19 Coordination Commission who liaise with business and advise government on how to mitigate the economic and social impacts of the pandemic. Does this create a conflict of interest in your role given your Board position with the ANZ Bank? RITA MAZALEVSKIS

Craig Caulfield questions (submitted as advised by Crown)

CHAIRMANS RECORD NUMBER OF ROLES - READ (as Rita)
Madam Chairman It appears you have more Chair & Directorship roles than any other ASX top 100 Chairman. Given you spend 4 days a week on Crown and you have nine other important positions including Chair of AFCA, how will you allocate more time surely needed to turn Crown around in light of AUSTRAC, regulatory and numerous failures exposed at the NSW Casino Inquiry. CRAIG CAULFIELD

DIRECTOR JANE HALTON - READ (as Rita)

© Bank Reform Now™ - Australian Non Profit Organsiation - campaigning to put a stop to predatory, unconscionable banking practices.

Ms Halton, as Director of ANZ you were part of the campaign that a Royal Commission into banking was a bad idea. The evidence exposed otherwise. Given the failures exposed at Crown under your Directorship including AUSTRAC, regulators, the full page ad you signed reassuring all Australians there was no wrongdoing and the NSW Casino Inquiry will you simply step down to allow an untarnished Director in? CRAIG CAULFIELD

BRN Comments

What an explosive month we have had. How our politicians crowed, well before the banking Royal Commission - about the powerful and effective "cops on the beat." Yes APRA and ASIC have been very powerful. They have been powerfully and effectively running a protection racket for dodgy and criminal characters using our biggest corporations to fleece customers, shareholders and taxpayers. The two uppermost ASIC heads - Shipton and Crennan are right now jumping ship. Coonan on the board of Crown and AFCA - what a laugh. PM Morrison is up in arms about gift watches..!! How about getting a little hot under the collar about regulators not doing the job when companies are blatantly acting against the interests of stakeholders.

Morrison needs to have a fair dinkum inquiry into the boards and executives of the large banks who just haven't done their jobs properly. How could both major parties turn a blind eye to the banks and their many documented scandals and misconduct? How many lives and businesses must be ruined by predatory crooks masquerading as financial service providers?

Source URL (modified on 28 Oct 2020 - 7:19pm):
https://mail.bankreformnow.com.au/node/608

© Bank Reform Now™ - Australian Non Profit Organsiation - campaigning to put a stop to predatory, unconscionable banking practices.