

# The Sydney Morning Herald

News Review  
**Packer's right-hand man**

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1,806 words  
21 April 2018  
The Sydney Morning Herald  
SMHH  
First  
27  
English  
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A loyal - and divisive - figure has been entrusted with the steering of the Crown ship, writes Nick Toscano.

James Packer steps out into the hotel's ritzy reception hall, dressed in a dark suit, sipping from a cardboard coffee cup. His two female bodyguards trail half a beat behind him. His trusted advisers are in lockstep all around.

"Here they come," announces a cameraman in the press pack.

In the towering billionaire's shadow, you might hardly notice a figure just by his side. He is a slight man, 173 centimetres, and looks even shorter against Packer's hulking frame. But his influence runs deep.

"There's no doubt James Packer has the right people around to look after his interests," says Vas Kolesnikoff, executive director at Institutional Shareholder Services. "And John Alexander has been around for decades."

Many people tend to tell one of two stories about John Alexander: he is a masterful operator, or he is inconceivably cruel. Most agree he is both. And given the task at hand, Alexander himself may not mind either moniker.

Right now, Packer and his \$9 billion casino giant, Crown Resorts, in which he has a 47 per cent stake, are at a crossroads. Alexander is the man he has entrusted with the steering.

His loyalty to the Packers is long and absolute. He is often brought in to fix thorny problems or effect major change. The top job at Crown could hardly be more important given the gaming company's turbulence of late: criminal convictions in China, volatile high-roller volumes, an embarrassing retreat from foreign expansion plans.

Then last month, another shock: Packer steps down from the board, announcing an indefinite absence to deal with mental health problems.

"James absolutely trusts him," says a former colleague, "and John always does the best thing by James."

Other observers are less confident in the Alexander approach. Some privately accuse him of being a "blunt instrument" who has proven adept at reining in costs and steadying the ship but lacking the vision, gaming and hospitality experience, and sensitivity to risk.

One example is a high-profile bust-up with Victoria's militant electrical union last year. The Electrical Trades Union (ETU) maintains the 2600 poker machines at Crown's flagship Melbourne casino. Alexander wanted to outsource 17 pokies technician jobs to a contractor linked to former Liberal premier Jeff Kennett, where wages and conditions would be reduced. It was a small cost saving overall, but one that shattered Crown's long period of industrial harmony. The dispute triggered demonstrations, political intervention from Labor and a whistleblower campaign that led to a share price plunge of \$500 million in a single day. Crown eventually reinstated the sacked staff.

"We told the casino on four occasions what would be in store if they went down this road," ETU state secretary Troy Gray says. "I would've thought he would have resolved this dispute sooner, but the people who worked with him said he's not of that demeanour."

Sources familiar with the affair say Packer was far from happy. For all his personal extravagances, he adopts a conservative approach to the critical relationships that come with managing a heavily-regulated business, working hard to build ties with media proprietors Kerry Stokes and Lachlan Murdoch, who control tabloids in Crown casino towns Perth and Melbourne, and courting both sides of politics.

Then there's Crown's solid relationship with union United Voice - which covers many of its employees - which helped it avoid a backlash by the ALP in NSW when Packer announced his hotel and casino plans at Barangaroo.

Allowing a small dispute over the maintenance of poker machines to blow up in a way that crossed over into politics and the market is a reminder that Alexander's judgment is not always perfect.

The rise of the man known as JA has bordered on astonishing: from a copy boy and journalist on The Sun to the editor's chair at Fairfax's Financial Review and Herald. A newspaper clipping from the 1990s summed him up in seven words: "Mercurial style, dynamic mind, keen political sense."

When he was brought into the Packers' media and gaming conglomerate, PBL (Publishing & Broadcasting Ltd), he also entered their inner sanctum. He controlled Australia's top-rated TV network, Channel Nine, and headed up its biggest magazine empire, Australian Consolidated Press. He was made Crown's executive chairman at the start of last year.

Such influence must seem a world away from the 66-year-old's roots, growing up in a family of six children in public housing in Sydney's outer north.

"Alexander was an unusual fellow in some ways, coming from a relatively modest background," says Gerard Noonan, whom JA replaced as head of the Financial Review in the early '90s. "But he seemed determined to shuck off his humble beginnings."

"He is a connoisseur," says Glenn Burge, the SMH business editor during the time of Alexander's reign. "He has always enjoyed five-star restaurants, good wine and nice suits."

But for Burge and countless others who have worked alongside him over the years - in newspapers, magazine publishing and at Crown - it is Alexander's razor-sharp intelligence that most defines his leadership. "Very talented, very smart," says Burge. "And he has always been very ambitious."

Some of the country's most celebrated news identities rank JA among the great editors. Gutsy, assertive, effective.

"He really pushed people to achieve," a colleague recalls. "But he was pretty brutal at the same time."

He is also described in other terms: Machiavellian, ruthless, intimidating, cold. He speaks through the side of his mouth, and instils fear in those he is speaking to. As a former senior colleague puts it: "JA is someone who manages by fear ... but when you're running a business, that can work well."

At Fairfax and later at ACP magazines, he was known to play favourites, splitting his staff into an A-team and B-team. The A-team would be handsomely paid, escorted to long lunches at some of the city's best Italian restaurants, no expenses spared. The others, some say, "wouldn't be given the time of day" or worse, would be "treated with contempt". And the two teams could fluctuate without warning from one week to the next.

In May of 1998, JA was called to a meeting with Fairfax chief Bob Muscat, who fired him on the spot. The meeting was brief, the reasons unknown. Some have speculated it was over suspicions that he had been consorting with the enemy. He was known to be close to the Packers, who were widely rumoured to be considering an attempt to take over Fairfax. He had been sighted on Packer snr's luxury cruiser, Arctic P, in Fiji with senior executives from PBL. Others say his dismissal was more to do with workplace politics.

Alexander did not stay jobless for long. He was brought into the Packer family vehicle, PBL, to run the ACP magazine stable. In a very short space of time, he completely turned the place around, a friend says, reeling in many of his best former Fairfax colleagues, cutting costs, boosting circulation and sending profits soaring.

The Packers propelled him even higher, into the new position of chief executive of PBL Media, overseeing magazine publishing and the Nine Network. His brief, as it was reported at the time: to slash costs at the broadcaster by \$30 million.

"He destroyed value with brutal cost-cutting and needlessly provocative fights with executives," says shareholder activist Stephen Mayne.

Ian Johnson, former CEO at Channel Nine, said he decided to cut short his time in the position and return to Melbourne in part because of Alexander's management.

"Crown is a fabulous business, and John is the executive chairman, so he must be doing something right," he says. "He's an exceptionally good executive, but what you think of him as an individual ... that could be a different story."

When Kerry Packer's godson, David Gyngell, also quit as the boss of Nine, he blamed multi-layered management. Sources close to Gyngell say it had much to do with Alexander.

The slashing at the broadcaster won him little popularity, but great favour with James Packer, who credits his hard work and tough decision-making in securing the \$5.6 billion sale of the businesses to private equity in 2006.

When the Packer flagship PBL split into separate media and gaming companies in 2007, Alexander picked up a \$15 million redundancy payout. He would go on to earn a further \$15 million in five years for sitting on the boards of the two new entities, Crown and Consolidated Media Holdings.

For some time Alexander sat in the back of the Crown boardroom as a humble director. But when tumult arrived he was sent to the fore.

The start of last year was a bad one for Crown. In the fallout from its China scandal, ever-important VIP casino gambling programs from mostly Asian high-rollers had dropped from \$1 billion in 2016 to about \$605 million. Normalised net profit took a heavy hit, falling 5.5 per cent to \$343 million. Packer's overseas expansion ambitions in Macau and Las Vegas lay in tatters.

The business was considered "bloated" under chairman Rob Rankin, and Rankin had fallen out with Packer. So with Alexander's reputation for protecting the family's interests, cleaning house and cutting fat, he was tapped to step up.

Some observers say Alexander's colleagues question his value beyond slashing. "They hate him in there," says one source familiar with Crown's board. "[He's] good at sacking people, but the business needs strategy."

Other Crown executives, however, insist that Alexander is proving a "good exec, across the board".

"Obviously he is not well-liked across the company because of the budget cuts, but they had to happen," an insider says.

Much of his legacy still hangs in the balance. Will he decide to act on the proposed One Queensbridge skyscraper development in Melbourne? Crown and the Schiavello Group have received conditional planning approval to build Australia's tallest skyscraper on a site adjacent to the casino - 90 storeys including a new 388-room, six-star hotel, and 700 luxury apartments.

But that window is closing quickly, with sources saying a decision will be required within 12 months before the approval lapses.

Alexander was unavailable for interview.

Chris Warren, of journalists' union the MEAA, regards Alexander as one of the huge characters of Australian media who have shaped the industry "for good and for ill".

"A lot of people in management pass through the industry without a trace," Warren says.

"You could never say that about JA."

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