

LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY

**SELECT COMMITTEE**

**ON THE ESTABLISHMENT**

**OF**

**A CASINO**

**REPORT**

**JULY 1989**



## **Members of the Select Committee**

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## **Secretary to the Committee**

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## **Terms of Reference**

That a Select Committee be appointed to report generally on the proposal to establish a Casino in Canberra and, without prejudice to the generality of the foregoing, the Committee shall report on:

- . the extent to which such a casino may be expected to contribute to Territory revenue having regard to revenue received by State and Territory Governments from casinos established in the respective States and Northern Territory;
- . the practicability and desirability of locating any casino in Canberra at a site in Canberra other than on Section 19, Civic, and the revenue implications of so doing;
- . an assessment of the environmental impact of such a development and an assessment of the findings of the Caldwell Report; and
- . such other implications from the operation of casinos in Australia as may be relevant to the desirability of a casino in Canberra.

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## RECOMMENDATIONS

The Committee recommends that:

1. the ACT Government adopt as a matter of policy the urgent implementation of the Social Impact Survey recommendations relating to the epidemiological studies and the establishment of counselling, referral and education services.
  - . such services be established irrespective of whether a casino is approved.
  - . a proportion of total Government gambling revenue be dedicated to the funding of such services.

(Paragraph 2.31)

2. the Government ensure that sufficient resources be allocated to enable the completion of the community facilities.
  - . the Government examine the feasibility of using a proportion of the casino tax to achieve this end.
  - . the Government seek Federal Government financial assistance for those aspects of the community facilities which fulfil national functions.

(Paragraph 4.19)

3. at the same time as calling for expressions of interest, the Government invite companies to submit alternative proposals for Section 19 and casino development which could also contribute to community facilities.

(Paragraph 5.16)

4. the Government advise the Assembly on its budgeting for the loss of office space in North and South buildings.

(Paragraph 6.8)

5. the Government should consider any proposals to maximise the premium received.

(Paragraph 6.9)

6. the Casino Control Act 1988 be amended to require a casino tax rate of 20%.

(Paragraph 6.15)

7. the Casino Control Act be amended to require full cost recovery of surveillance and assessments.

(Paragraph 6.18)

8. the Government monitor the effects of the casino on the financial viability of racing and other licensed clubs.
- should an adverse effect be observed, the Government review existing taxation, licensing and TAB distribution schemes to ensure viable operations are maintained.
- the Casino Control Act 1988 be amended to stipulate that the minimum wager be the smallest denomination note in circulation.

(Paragraph 6.25)

9. the Casino Control Act be amended to provide that the Casino Surveillance Authority acting on advice be the sole authority to prohibit entry to a casino.

(Paragraph 7.18)

10. the Casino Control Act be amended to require the casino operator to display signs to indicate where a person can seek counselling.

(Paragraph 7.19)

11. if approval is given to proceed with a casino a Select Committee be appointed to review the provisions of the Casino Control Act 1988; and

that the Select Committee consist of members of the Select Committee on the Establishment of a Casino.

(Paragraph 7.20)

## 1. INTRODUCTION

### The Inquiry

1.1 On 25 May 1989 The ACT Legislative Assembly established a select committee to inquire into and report on the establishment of a casino with particular reference to:

- the extent to which such a casino may be expected to contribute to Territory Revenue having regard to revenue received by State and Territory government from casinos; established in the respective states and the northern Territory;
- the practicality and desirability of locating any casino in Canberra at a site in Canberra other than on Section 19, Civic, and the revenue implications of so doing;
- an assessment of the environmental impact of such a development and an assessment of the findings of the Caldwell Report; and
- such other implications from the operation of casinos in Australia as may be relevant to the desirability of a casino in Canberra.

1.2 The terms of reference specified that the Committee should report by 26 July 1989.

1.3 The Committee conducted 5 public hearings and took evidence from 58 witnesses, received 97 formal submissions, inspected the Section 19 site, and held informal discussions in Adelaide and Hobart with welfare agencies, casino regulatory authorities and casino management. While in Adelaide the Committee also inspected the Convention Centre and the Festival Centre and held discussions with the Centres management.

### Previous Assembly Inquiries

1.4 The proposal to establish a casino in Canberra is not new. It has been raised at various points in the history and development of the National Capital, gaining particular prominence in the mid to late 1970's when the possibility of a casino in the civic centre locality was first mooted.

1.5 In July 1976 the then Commonwealth Minister for the Capital Territory made a statement in which he supported the feasibility of a concert hall being built in Canberra by a developer in exchange for the right to build and operate a casino in the ACT. The matter was referred to the ACT Legislative Assembly Standing Committee on Tourism and Recreation which reported in May 1977 that it would support the building of a casino on the following conditions:

- that Legislation modelled on the Tasmanian Casino Company Control Act 1973 be drafted and referred to the Legislative Assembly for consideration;
- that the tax revenue from the casino be placed in an appropriate designated trust fund for the purpose of funding major community and tourism oriented projects, as determined by the Legislative Assembly from time to time;
- that an interim licensing board be empowered to administer, supervise and control the casino for period not exceeding twelve months, pending the establishment of an appropriate commission; and
- that the casino be established only as part of an entertainment complex with appropriate live entertainment and restaurant facilities.



1.6 These recommendations were not accepted by the Commonwealth Government of the day however and the matter lapsed.

1.7 In September 1979, the then commonwealth Minister for Home Affairs advised the House of Assembly of his intention to call applications for the development of an International Hotel/Convention Centre on Section 8, Canberra City (the 'Quadrant' site). He also indicated the possibility of including a casino in the complex and asked for the Assembly's view on this proposal. The Assembly replied on 11 September 1979 that it was still inclined to the opinion that a casino should be built, but only in respect of the conditions mentioned in the 1977 Report. The Federal Government once again decided against permitting a casino to be established, although it continued to canvass interest in the development of the hotel/convention complex.

1.8 In 1981 the Federal Government again called for expressions of interest for the development of a casino in Canberra. In response to this the ACT House of Assembly established a Select Committee to determine whether the recommendations of the 1977 Legislative Assembly remained appropriate. The Committee reported in October that year that the benefits of a casino outweighed any negative effects. Federal Cabinet decided in January 1982, however, that a casino development was not appropriate at that time and the matter lapsed again.

1.9 In 1983 the Commonwealth Minister for Territories and Local Government stated that the Federal Government intended to make a casino licence available as part of a proposed hotel/convention centre and office block development on Sections 11 and 60, and parts of Sections 41 and 59, Canberra City. The House of Assembly again formed a select committee to examine the proposed casino. That committee reported in November 1983 recommending against the establishment of a casino on the grounds that the Casino Control Ordinance 1983 did not provide adequate safeguards. The casino ordinance was subsequently disallowed by the Senate in December 1983.

### **Section 19 Proposal**

1.10 The proposal to establish a casino in Section 19 of the Civic Centre stems from the decision of the Commonwealth Government in 1987 that plans for building a hotel on Block 5, Section 19 would be expanded into a major commercial development to include retail space, offices, a hotel, casino and space for other commercial uses.

1.11 These plans called for the redevelopment of the existing Section 19 site, that area known as North and South Buildings, the Civic Square and the buildings used by the Canberra Theatre Centre and land generally situated between Northbourne Avenue, London Circuit, Vernon Circle and Commonwealth Avenue into a multifaceted complex of inter linking community and recreational facilities, or modules, which were to be paid for by revenues derived from the premium obtained for the commercial site.

1.12 The commercial site itself was to include the casino/hotel/office/retail uses and be located on the corner of Northbourne Avenue and London Circuit to the west of Civic Square. Civic Square would be redeveloped to form an attractive landscaped plaza, and cultural precinct was proposed to the south of Civic Square that could incorporate a Theatre complex, Territorial Library and other Community and cultural facilities.

1.13 The importance or otherwise of the casino to the viability or even the desirability of the project has been source of considerable interest in the local community. While the Committee recognises the very diverse points of view which this issue has engendered in the community, it will confine itself to addressing those matters that were expressed in evidence before it.

1.14 The ACT Government submitted that the extent to which the cultural precinct in Section 19 is ultimately developed will depend on the premiums obtained for the commercial site. As the proposed casino increases the commercial value of the site, the premiums will correspondingly increase. They further argued that the proposed package has a measure of modular integrity and should be seen as a total package, and not in separate parts.

1.15 The Government also submitted that there were a number of important social and economic benefits flowing from the proposed redevelopment. These include employment, a boost to the construction industry and associated areas, and the much needed renewal of community and recreational facilities in the city centre.

1.16 The Committee notes, however, the careful wording of the Government's commitment, which states that:

the Government is committed to using the premium obtained from the commercial site for the funding of facilities which could include a Theatre complex, Territorial Library and/or other community and cultural facilities

This apparent qualification in explanation is the cause for some concern. It will be further discussed below in respect of the chapter and recommendations arising from an examination of the economic implications of the proposed redevelopment (See Chapter 6).

1.17 There were certain concerns expressed by sections of the performing arts community that the proposed mix of a small studio theatre, a 700 seat theatre and a 2,000 seat theatre would favour the large theatre at expense to the smaller theatres. The source of this concern was that the small theatre groups would end up subsidising any loss the large theatre made and the costs associated with running the complex would result in a diversion of funds from support of the arts in general. The Committee notes these views.

### **Social Impact Study**

1.18 When the current proposal to establish a casino in Civic was first raised in 1987 the Commonwealth Minister for Territories and the Arts commissioned a Social Impact Study of the casino proposal to examine the various social and economic related implications. These included the likely impact on individuals and families, on business, the community and the character of Canberra as the Nation's Capital.

1.19 The study was led by Dr Geoffrey Caldwell and included Dr Mark Dickerson, Ms Susan Young and Ms Jan McMiller. It found that the impact of a casino on individuals and families could not be readily quantified. However, the Study Team found that there would be an increase in excessive gambling and recommended that a community based counselling service be established to serve excessive gamblers and their families.

1.20 The impact of the casino on business, especially local clubs, restaurants and the racing industry, was also examined. The team estimated that a casino would lead to a short term (up to 12 month) downturn in these gambling enterprises, particularly in racing, but that this should return to pre-casino levels after this time. The impact on ACT licensed clubs was mainly expected to be in reduced receipts. It should be noted, however, that there has been a move away from betting with bookmakers to other forms of gambling, in part due to the introduction of Sky Channel and improved on-line TAB services. Over the two year period from 1985 to 1987, gambling expenditure increased by less than 26% in the non-casino states of New South Wales, Victoria and the Australian Capital Territory. In the casino states, the growth rate over the same period varied from 50% to 90% except in Tasmania in which the increase was the lowest of all states, 15%.

1.21 It is significant that gambling expenditure in the ACT between 1985 and 1987 increased by 25.7%. It shows that a growth in gambling expenditure already exists, even though the ACT does not have a casino. The Committee however notes that the impact of the casino on this figure remains to be determined.

1.22 The Study concluded that inclusion of a casino in Section 19 would make the whole project much more commercially viable than any other form of development would, and the commercial development would, in turn, support the inclusion of certain community facilities. The proposed theatre complex in particular would greatly enhance the cultural importance of Civic. To the extent the casino and theatre complex are linked, and the link is mainly one in respect of finance and the viability of the total project, the fate of the casino will by necessity determine the fate of the community and recreational facilities. The community will also be affected by the extent to which the redevelopment, if it goes ahead, can be successfully packaged to market Canberra as a thriving vibrant tourist destination. Thus, social and economic considerations are closely and inextricably linked in the way this project will affect the community.

1.23 The SIS group also examined the likely effect a casino would have on the character of Canberra as the National Capital. It did not consider that a casino would lead to any identifiable increase in criminal activity. These conclusions were based on the tight controls placed on casinos elsewhere in Australia and the lack of evidence to suggest that casinos result in increased street crime, prostitution, drug trading and other undesirable activities. The group also considered that a casino would not adversely effect the way Australian residents in general as well as Canberra residents perceive the character of the National Capital.

1.24 The SIS group received submissions and took evidence from witnesses who represented sections of the community which are opposed to the casino proposal. The evidence of these witnesses centred on the premise that a casino would diminish the character of Canberra, and would be inappropriate in the prevailing economic climate and place pressures on the family unit

1.25 The report of the Social Impact Group concluded that provided an effective control system was put in place, they could see no reason why the Section 19 development with a casino should not proceed. This particular recommendation gave rise to the Casino Control Ordinance 1988.

## Conclusions

1.26 In general the Committee accepts the findings of the Social Impact Study but with some reservation. The Committee particularly supports the findings relating to the establishment of counselling services for excessive gamblers irrespective of whether a casino is established or not.

1.27 The Committee accepts the analysis of the economic benefits in terms of land premium, employment and ongoing revenue implications.

1.28 The Committee closely examined the evidence presented to it relating to organised and community crime and accepts that provided regulatory assessment and enforcement procedures are in place there is little likelihood of problems.

1.29 It is the Committees view that the benefits of the establishment of a casino in Canberra outweigh the adverse effects. The Committee is satisfied that the premium received for the land together with the ongoing revenue received can be used for the benefit of the Canberra community. The Committee notes however that there will be a multi-million dollar shortfall between the premium received for the land and the cost of the

community facilities. The Committee notes with concern that there has been no Government announcement concerning commitments to fund this shortfall from other sources.

**1.30** The Committee concludes that the Section 19 proposal as outlined in the ACT Government submission is the most appropriate development for the site.

**1.31** The Committee was given an extremely short period to complete its investigations. To some extent this limited the ability of the Committee to fully analyse the many complex issues which were placed before it. The Committee is confident however that its conclusions and recommendations are soundly based and commends them to the Assembly and the Government.

## 2. SOCIAL IMPACTS

### Introduction

2.1 Many of the submissions and letters received by the inquiry which were opposed to the establishment of a casino referred to letters, polls and petitions which suggested that a majority of Canberra residents do not favour the establishment of a casino in the ACT. A number of submissions questioned the credibility of those polls which indicated a majority in favour. The Caldwell Report noted that for many the impact of a casino on the character of Canberra was the single most critical issue. The report noted that one submission believed that it is predictable that the national reaction to a Canberra casino would be one of massive distaste.

2.2 The Committee for a Casino-Free Canberra (CFCFC) advised that many indicators consistently and conclusively show the strength of opinion against the establishment of a casino in the ACT namely:

- letters to newspapers have consistently and strongly opposed a casino;
- letters to local MPs have been overwhelmingly against casino proposals;
- the majority of participants in radio and TV polls have said "No";
- a poll conducted by the Canberra Chronicle early in 1988 drew almost 3000 respondents and 79 percent of these voted "No";
- a plebiscite of members was conducted by the ACT Liberal Party, in mid 1988 and 68 percent of respondents were opposed;
- the last time that members of the local branch of the Australian Labour Party voted on the issue, the outcome was opposition to the casino; and
- over the last ten years tens of thousands of people have petitioned the Federal Parliament and more recently the Legislative Assembly expressing their opposition to a casino.

2.3 CFCFC argued that with each of these "opinion gauges", those who wanted a casino have had an equal opportunity to register their views. The CFCFC believed that the only logical conclusion was that of those residents who have a view on the issue, the vast majority do not want a casino.

2.4 It is apparent from the submissions received that many local organisations are opposed to a casino in Canberra. Many of these organisations are themselves peak umbrella groups representing many smaller groups .

2.5 The ACT Churches Council advised that they represent the main stream Christian groups and member churches are unanimous in their opposition to a casino. The witnesses from the Churches Council advised that various clergy and lay bodies within the churches had over overwhelmingly opposed the establishment of a casino. The Council claimed that because of the nature of their membership their view represented a significant proportion of the Canberra community.

2.6 Another witness advised that none of the major parties had a mandate for the establishment of a casino. She advised that a the majority of persons who have a view on the casino are opposed to it. The witness commented that special account should be given to those apposed to the casino because of the intensity of the feeling.

2.7 Other submissions called for a referendum before a decision was made on the casino.

2.8 The Committee accepts that there are many in the community who are strongly opposed to the establishment of a casino. However while letters and petitions and write in polls indicate depth of feeling they do not necessarily reflect the majority view. Referenda, properly designed and conducted polls and the democratic process of elections are the means by which public opinion can be assessed. The results of 3 surveys conducted by National Polling Organisations which were presented in detail to the Committee are discussed in the following paragraphs.

#### **CARD Survey**

2.9 In 1988 the Canberra Association for Regional Development (CARD) commissioned a survey to assess the Canberra community's attitudes to the proposed development of Section 19. The survey found that of those residents who were in some way aware of the proposed project 59% said they agreed with it, while 28% disagreed, and 13% neither agreed nor disagreed. A brief description of the proposed project together with photographs were used to provide information to those previously unaware of the project. On the basis of this information 53% of total sample agreed or strongly agreed with the proposed development, 10% neither agreed nor disagreed and 36% disagreed or disagreed strongly.

2.10 CFCFC advised that a professional statistician had criticised the sequencing of questions because they would have elicited supportive responsive and the wording of two key questions appeared designed to attract a favourable response. Furthermore the survey was criticised in that it did not include a question on whether or not respondents agreed or disagreed with the establishment of a casino. The Committee requested a copy of the written instructions which CARD provided to its pollsters. CARD declined to provide the information on the basis that CARD did not know what form they were in and that they would not be helpful.

2.11 The CFCFC noted that the percentage of respondents who especially disliked the casino as a feature of the Section 19 proposal was not reported and submitted therefore that it was quite possible that the CARD survey actually found that over half of the respondents especially disliked the inclusion of a casino in the Section 19 project.

#### **Channel 10 Poll**

2.12 A survey was conducted amongst 1200 voters in December 1988. The report concluded that a majority of Canberra voters supported the casino with 52% in favour, 38% opposed and 10% yet to decide.

2.13 The CFCFC did not dispute the methodology or the result of the survey but noted however that barely half of the respondents favoured a casino, considerably less than the overwhelming level of support claimed by casino advocates. CFCFC noted that the poll was conducted after some 17 months of controversy over the casino proposal and it was understandable that some people would have come to believe that a casino was a fait accompli and/or that it was futile for the community to continue to oppose it. CFCFC concluded therefore that the claims that the figure showing a narrow margin in favour of a casino and interpreted by casino advocates as representing increased community support indicated more a feeling of resignation by some than any real or significant opinion shift.

## **The Social Impact Study Survey**

**2.14** The terms of reference for the Social Impact Study required it to examine the likely affect of a casino on the character of Canberra as the National Capital. The study commissioned a survey which was carried out by telephone in all capital cities and in Canberra which resulted in a sample of a total of over 2000 persons. The survey was designed primarily to assess people's perceptions of changes in the character of Canberra which might occur if a casino was established. The National Capital aspects of the survey will be discussed later, however in response to the question:

in general do you favour or oppose there being legal casinos in Australia?

55% of the Canberra sample favoured legalised casinos in Australia. The Committee notes that Canberra residents were not asked about their attitudes to the establishment of a Casino in Canberra.

**2.15** CFCFC noted however that the poll found that 29% of Canberrans felt a casino would change the city for worst while only 17% felt the change would be for the better.

## **Canberra as the Nation's Capital**

**2.16** A number of submissions were concerned about the national and international aspects of locating a casino in the National Capital.

**2.17** One submission advised that Australians were being asked to transform Canberra into the "casino capital" of Australia. The submission noted that major developed countries in Europe and America have no public casinos in their capitals. The submission claimed that the major developed democratic countries have been careful to avoid associating casinos with activities of the national capitals. The submission concluded that the proximate association of a casino with the institutions of parliament and government will inevitably diminish in public perception the standing of the National Capital.

**2.18** The SIS survey found that 60% of its sample did not oppose legal casinos in Australia, while 20% were opposed. Nearly half of the survey thought that a casino would not change the character of Canberra, and another 12% could not say if a casino would change things. The remaining 39% of people felt it would result in a change - 15% of respondents identified positive changes while 22% thought they would be for the worse. The Report noted however that the responses indicated changes which would occur to any city rather than changes to the character of Canberra as the Nation's capital.

**2.19** A number of witnesses were highly critical of the questionnaire used in the survey. The key question asked was prefaced by a statement linking the casino with a new cultural centre and a number of submissions concluded that this was unnecessary, irrelevant and potentially prejudicial to participants' responses.

**2.20** In response to Committee members' questions concerning the likely bias in the question, the Study Team defended itself by referring to the first question relating to legal casinos in Australia (not linked to any cultural activities) which indicated a clear majority in favour of legal casinos in Australia. One of the Team however told the Committee that the sort of survey which the SIS conducted is always open to very sound methodological criticisms.

## **Assessment of the Surveys**

**2.21** There is no doubt that there is a section of the Canberra Community who oppose or strongly oppose the establishment of a casino in Canberra. The Committee notes however

that properly conducted surveys have always indicated that a majority of people are in favour of the establishment of a casino in the ACT. The Committee notes that a number of these surveys have been criticised on methodological grounds and that questions were designed to elicit a positive response. Taken together however the results of the various surveys are so similar that the Committee concludes that overall they do fairly represent the views of the community. While some of the questions particularly those linking the community facilities with the casino may appear biased the Committee considers that they would not influence the decisions of those who are opposed or strongly opposed to the casino. They may however elicit positive responses from people who did not have a view on the proposal.

**2.22** The Committee also notes the evidence of the ACT Council of Social Service which stated that a meeting of their members indicated that one third of their membership would be opposed to any form of gambling. The Committee notes that the surveys indicate that generally one third of those surveyed are opposed to the establishment of a casino in the ACT.

**2.23** The Committee also notes the criticisms of the survey conducted by the Social Impact Study team relating to changes in the character of Canberra. It is satisfied however that the results of that survey give a fair indication that a casino will not affect the attitudes of a Australians as a whole. The Committee sees little difference between the effects of the establishment of a gambling casino and the operation of some 50 licensed clubs with poker machines on people's perceptions of the nature and character of Canberra. Indeed the Committee regards today's licensed clubs with drinking, eating and entertainment facilities along with poker and draw poker machines and TAB betting facilities with sky channel as already a style of casino. The Canberra community has accepted this development. The Committee also notes however that the provisions relating to the operation of a casino can be varied without reference to the Assembly. The Committee believes that operating conditions should be specified in regulations of the Casino Control Act which would enable disallowance of any changes to which the Assembly did not agree.

**2.24** The Committee notes the request of some submissions that a referendum be held before a decision is made. A similar request was made before the introduction of poker machines. The Government of the day did not consider it necessary even though in the Committee's view the question of poker machines was as controversial. The Committee does not support a referendum.

### **Excessive Gambling**

**2.25** The Social Impact Study observed that most submissions either predicted or accepted that a casino in Canberra would create some additional excessive gambling together with its related deleterious effects that would impinge on existing welfare agencies. While it is difficult to estimate the increase in excess gambling following the introduction of the casino, the Study estimated an 11.4% increase in excessive gamblers over the present levels. This was an estimate of 86 casino excessive gamblers. This increase would make additional demands on existing welfare agencies but not in sufficient numbers to make the increased demand readily measurable.

**2.26** CFCFC strongly challenged the view that a 10% increase represents a relatively small increase. CFCFC also claimed adverse consequences would arise from levels of gambling activity much lower than excessive. The SIS report did not address the issues of non excessive gambling.

**2.27** The SIS report noted that the estimates of excessive casino gamblers for Canberra is somewhat in conflict with the evidence give by a Gold Coast social welfare counsellor. The data which he presented to the Study suggested that in the social environment of the Gold Coast excessive gambling may have been increased by a factor in excess of the prediction for Canberra. The SIS team stated however that the Gold Coast regional office of the



Department of Family Services was not able to detect any specific impact of the Casino in respect of increased family break downs, domestic violence or other factors.

**2.28** During the course of the inquiry the Committee spoke to various social welfare agencies in Adelaide and with Gamblers Anonymous in Hobart. None of the agencies were able to advise the Committee of the actual impact of the casinos compared with other forms of excessive gambling. It was apparent however that there have been serious effects on some gamblers and their families. The costs of these effects of excessive gambling are difficult to determine but the SIS report noted that for every excessive gambler 10 other people could be adversely affected.

**2.29** The submission from CFCFC and others noted that existing data systems precluded accurate detection of casino related social welfare problems. This lack of information from official sources was not surprising, the submission stated, as gamblers' problems are often disguised and expressed as other social problems. The Committee's discussions interstate confirmed this view.

**2.30** The SIS team recommended that a service for excessive gamblers be established in the ACT. The study team further recommended that epidemiological studies be completed so the prevalence and characteristics of excessive gambling and its related harmful effects can be estimated and that such a study be undertaken before and after the introduction of any casino.

**2.31** The ACT Government advised the Committee that it is committed to taking a positive and sympathetic approach to developing a strategy to address this important issue. The Government advised that as a starting point for consultation it will use the recommendations made by the Impact Study team. The Committee supports this Government initiative but notes that similar undertakings were given by other governments prior to the introduction of casinos in the States. The Committee was advised that none of these governments to date have abided by those commitments. The Committee has no reason to doubt the commitment of the ACT Government and supports the Government's decision. The Committee recommends that:

- **the ACT Government adopt as a matter of policy the urgent implementation of the Social Impact Survey recommendations relating to epidemiological studies and the establishment of counselling, referral and education services;**
- **that such services be established irrespective of whether a casino is approved; and**
- **that a proportion of total Government gambling revenue be dedicated to the funding of such services.**

### **Casino Crime**

**2.32** The Caldwell report noted the experience in several countries which has shown that organised criminals will attempt to become involved in any activity where there are large amounts of money, either by infiltration of the organisation for substantial profits or by attempting to launder criminal proceeds.

**2.33** Some submissions highlighted this link between casinos and organised crime as one of the key factors in both NSW and Victoria for not permitting casinos in their states.

**2.34** The report of the Board of Inquiry Into Casinos in the State of Victoria (Connor Report) concluded that while there was no evidence of organised crime links with Wrest Point in Hobart, in a city like Melbourne which has a population 16 times larger than Hobart, there is no justification for making the assumption that a similar situation would occur in

Melbourne with the establishment of a casino. However the former Chairman of the Inquiry told the Committee that even though he is still opposed to the introduction of casinos in Victoria if he were to conduct a new inquiry he felt that he would be less apprehensive than he was in 1982 about organised crime. The Study Team, while acknowledging that some petty crime occurs in casinos, was relatively confident that Australian casino controls until now have been able to keep out the organised crime elements such as those which undermined American casino operations.

**2.35** The Premier of NSW in a letter to the Committee advised that the establishment of a casino in the ACT could attract or encourage organised criminal activity and clearly that would be of critical concern to the NSW Government. In this respect, the NSW Government has undertaken not to proceed with the Darling Harbour Casino and has, in fact, repealed the Casino legislation precisely because of the danger of the involvement and association of criminal elements with the Darling Harbour Casino.

**2.36** Examples of criminal activities within the casino were drawn to the attention of the Committee. For example a senior executive resigned from Wrest Point for not abiding by regulations relating to the issue of winnings cheques. The Committee notes that examples such as this relate to individuals and that management and regulatory authorities have taken action.

**2.37** The Committee notes that a fraud action against the Western Australian Casino directors is presently before the court. It appears however that this action relates to a false prospectus and is a matter of "corporate crime" rather than "casino crime". The Committee believes however that ACT authorities should closely observe the proceeding of this case.

**2.38** At the request of a number of organisations the Committee requested crime analyst Mr Bob Bottom to appear before the Committee. Unfortunately Mr Bottom was unable to appear but advised he had no further information to that which he provided to the previous (Legislative Assembly) inquiry. The Committee obtained these documents. In summary Mr Bottom concluded that:

- . casinos are a very attractive area for organised crime;
- . if a casino was to be established in the ACT, organised crime in NSW would attempt to infiltrate the casino or associated businesses; and
- . the application of strict controls can avoid organised crime involvement in an environment such as Canberra, where a situation of crime and corruption is not already established.

**2.39** The Committee will discuss regulatory and assessment arrangements later in the report but is satisfied that provided proper regulatory and assessment procedures are applied the casino can be controlled and operated within Canberra by legitimate companies with little likelihood of any criminal connections.

**2.40** The Social Impact Study found that with regard to community crime and law order issues there was little tangible evidence to support the frequent claim that casinos inevitably result in increased street crime, prostitution, drug trading and fraud.

**2.41** The Committee while in Hobart, discussed this issue with the Commissioner for Police who indicated that there was no evidence of increased street crimes within the vicinity of the casino. The Committee did not have the opportunity to speak to South Australian Police officials but according to the SIS report, data suggested that since the establishment of the Adelaide casino there has been an apparent decline in community crime in the immediate vicinity of the casino.

**2.42** The Australian Federal Police expressed some reservations about the location of the casino in Canberra in an area which at present presents them with difficulties. The SIS report states that the AFP considered Section 19 to be an unsuitable location for a casino. The Committee notes however, the Adelaide experience which indicates that prior to the opening of the Adelaide casino, crime had been a serious problem in that part of that city. The area is now a safer place for citizens and is well patronised at night.

**2.43** Factors which have contributed to this apparent improvement in the street crime problem include improve street lighting, the attraction of a different cliental to that part of the city, changed traffic flows, investment by new businesses and an increase and relocation of policing resources. The Committee has no reason to doubt that the development of the Section 19 site will result in a similar outcome to that which has occurred in Adelaide.

**2.44** The CFCFC believed that examples of casino connected crime associated with Jupiters Casino include:

- . theft to finance casino gambling;
- . defrauding of business and Government; and
- . cheating at the casino.

**2.45** One witness who had worked as a croupier in casinos in Darwin and Hobart advised the Committee of instances of criminal activities within a casino. These related to such things as overpayment but not large scale organised crime.

**2.46** The Committee did not call as a witness the Rev. John Tully, a Gold Coast gambling counsellor, but was able to examine the material which he provided to the SIS team. The references mainly from newspaper reports, but including some case studies suggest that crime is a problem on the Gold Coast – some relating to casino gambling and others relating to gambling in general.

**2.47** The Committee was advised that data collection is inadequate and court records and police charge sheets do not necessarily show the link between excessive gambling and criminal activity. The Commissioner for Police in Tasmania however advised the Committee if there was a significant connection between thefts and casino gambling it would be apparent in the records. No such effects have been observed except in isolated instances.

**2.48** The Secretary of the Tasmanian Law Department in a letter to the Committee advised that there are a number of people who commit crime because of compulsive gambling habits and probation and Parole Officers from time to time have to supervise those people. The letter advised however that they are compulsive personalities in any event and are thus compulsive gamblers. If the casino was not in existence, they would find something to gamble on and that the casino merely provided an additional outlet for such persons. There was no indication that the existence of the casino had contributed to the number of persons who committed crime to support a gambling habit.

**2.49** The letter stated, that the existence of the casino did cause persons to gamble and lose money which put pressure financially on families, which would not otherwise be there but for the gambling. This however is something completely different to saying that the existence of the casino contributes to the crime rate because of the need to commit crime to support a gambling habit.

**2.50** The SIS team concluded that "the crime wave" on the Gold Coast may be more apparent than real. Evidence for this phenomenon relies mainly on media reports. Efforts by the study team to locate more reliable data to confirm this argument were not successful. The study concluded it may be that the casino crime problem is largely the product of media sensationalism and self interested exploitation of any news which can be connected to

casinos. The Committee was advised by one of the members of the SIS team that the newspaper reporting these incidents was opposed to the casino.

**2.51** The Committee from its examination of the Adelaide situation concludes that security systems will ensure that petty casino crime such as cheating can be controlled. Other petty crime related to the casino is not unique to a casino.

**2.52** In terms of street crime the Committee is satisfied by the Adelaide and Hobart experience that this will present no special problems provided that appropriate police resources are available.

### 3. TOURISM

**3.1** Over and above the direct revenue and employment generation expected to flow from a casino-led Section 19 development, it has been argued that the creation of a casino will have a unique and much more widespread effect on the economy through its impact on the tourist market. The Impact Study team noted that the argument has been put that Canberra lacks an identifiable city centre and is a town that dies at night. While residents may know where, say, the good restaurants or the clubs are (frequently in the suburbs) the visitor does not. Both visitors and residents alike would enjoy a lively and safe centre in 'downtown' Civic that provides cultural and entertainment facilities.

**3.2** The ACT Government stated that this lack of an entertainment focus contributes to the fact that Canberra's visitors stay for shorter periods and the reasons for visiting are different to Australian patterns. Some 31% of domestic visitors to Canberra stay for only one night, compared to the National average of 15% staying for only one night. Although Canberra receives some 11% of international visitors, it only receives about 3% of international visitor nights, indicating that international visitors also tend to pass through Canberra without stopping for any significant length of time.

**3.3** The SIS reports notes an NCDC study which found that the ACT fails to attract holiday visitors for a number of reasons. First, it is not thought to have city-type attractions and activities such as shopping, restaurants and nightlife. Secondly, it is not seen as a family-type destination with lots of activities, adventure and suitable accommodation. Thirdly, it is not considered as a particularly scenic place to visit or to stay in for any length of time.

**3.4** The Social Impact Study Team concluded that it would certainly not be possible to repeat the tourism 'miracle' that occurred fifteen years ago when Wrest Point casino opened. However based on more recent information the Study Team concluded that the evidence suggested that a casino would play some direct role in an expanding tourist market.

**3.5** The Government submission stated that the lucrative convention and incentives markets are particularly attracted to casino destinations. Research has shown that these visitors spend three times the average visitor's spending. Since opening the Wrest Point Casino complex, conference facilities to cater for conventions of up to 2,000 delegates have been added. Whilst Canberra already has the facilities to cater for the convention market, it lacks adequate entertainment facilities, which are a high priority for these visitors.

**3.6** The Committee took the opportunity while in Adelaide and Hobart to discuss the effects a casino might have on the Canberra tourist and convention industries. The Tasmania Director of Tourism advised the Committee that he doubted that a casino would have a great impact on attracting domestic tourist apart perhaps for organised day trips from Sydney and Melbourne. He stated that emphasis should be placed on marketing Canberra as the most successful planned city in the world. On the other hand he advised that the convention market is huge, some of which would be attracted to Canberra because of a casino.

**3.7** An executive of the Adelaide casino doubted that an ACT casino would have a significant impact on tourism. The marketing manager for the Adelaide Convention Centre advised that the existence of the casino was not a crucial part in their marketing strategy. The casino was only included in the marketing because it is "next door". If it was located elsewhere in Adelaide it would not be mentioned at all. On the other hand witnesses from the Canberra Convention Centre told the Committee that they had lost business to the Adelaide Convention Centre because of the Casino.

**3.8** Many witnesses pointed to the many attractions which already exist in Canberra. One submission stated that the National Capital is a fascinating place both for overseas visitors

and Australians. Visitors wanted to see the new and old Parliament Houses, museums and galleries, elegant embassy sites, and the setting as one of the world's most beautiful garden cities, with nearby national parks and recreation facilities. The submission stated that nothing must be done which would allow any deleterious distortion and demeaning of that proper, appropriate and positive image. Apart from any other consideration that image was part of the tremendous appeal of Canberra as a tourist resort.

**3.9** The Committee notes that none of the proponents of the casino argued that it would be an attraction in itself but argued that it would be just part of a total package. On balance the Committee agrees with the finding of the SIS report which states that:

The Section 19 development, if carried out properly, would in fact provide a missing ingredient in Canberra as a tourist and visitor attraction and would serve as a catalyst to a more widespread tourist development. The Study Team cannot judge the dimensions of this effect but feels that the evidence does suggest it could be significant. It is not expected that a casino will lead to the 'miracle' tourist increase experienced in Hobart, where the casino was demonstrably responsible for the inception of a tourist industry on the island. However, a casino and entertainment complex in Canberra could, particularly in the absence of casinos in Sydney and Melbourne, prove quite a catalyst.

## 4. COMMUNITY FACILITIES

### Introduction

4.1 One of the major factors in the decision to establish a casino on Section 19 is the premium it will attract for the land. The ACT Government is committed to using the premium obtained for the commercial side for the funding of facilities which could include a theatre complex, a territorial library and/or other community and cultural facilities.

4.2 In 1987 and 1988 the NCDC commissioned studies which assessed the need for additional public performance centres in the ACT. These studies concluded that three new performance venues should be provided in the new Civic Square cultural precinct namely:

- a lyric theatre of 1800 to 2000 seats;
- a play house of 600 to 800 seats; and
- a studio/theatre of up to 300 seats.

4.3 The ACT Administration commissioned Murray Edmonds to examine the reports in consultation with arts organisations and venue managers. Murray Edmonds reported in May 1989.

4.4 The Canberra Theatre Trust advised the Committee that the Canberra Theatre Centre is 23 years old and was built at a time when there was no other examples of this sort of building in Australia. As a leader in its field the centre was visited by all major Arts groups and the relatively small population was well served in the performing arts. The Trust advised however that over the last ten years the Centre has suffered by comparison with buildings such as the School of Music and arrange of cheaper and more flexible venues for some of the events that were previously hosted by the centre.

4.5 Changes to the economics of the industry have worked against the regular tours of major events to Canberra. The Trust argues that a purpose built quality range of venues is required. Several new performing art centres have been recently completed in regional Australia (eg Wollongong) as well as Brisbane and Melbourne, and several more are been planned. In the state capitals the provision of performing arts facilities has provided a national circuit for major tours which now exclude Canberra.

### The Edmonds Report

4.6 The Edmonds report confirmed the findings of the previous investigations including the need for a lyric theatre of 2000 seats. The report however found that it seemed that local companies would make more use of the lyric theatre than has been indicated or assumed. With the development of the Centre because of Canberra's location between Melbourne and Sydney and especially because of its status of a National Capital, Canberra would be extremely well placed take advantage of Australia's developing live theatre circuits.

4.7 The report concluded that the proposed centre could achieve its aims with an annual operating budget of around \$2.5 million. If other non theatre associated revenue sources were made available to it this amount could be reduced accordingly.

## **Attitudes to the Cultural Facilities**

**4.8** The Edmonds report observed that most people favoured strongly the idea of some form of high standard performing arts facility within the Section 19 development. The report noted however that many had doubts about the need for the lyric theatre, doubts either about its costs about the Canberra community's ability to provide the audiences such a theatre would call for, and/or fears about its cost impact upon current funding for other arts organisations and activities.

**4.9** Witnesses from theatre groups advised that while there was nothing wrong in having a lyric theatre it was essential that other groups which have the majority of demand for spaces within the ACT do not have subsidise the minority of groups which want to use a lyric theatre. The Committee was advised that before the centre is constructed a proper management regime must be in place, that there be proper costings and assurances given that small groups will not be adversely effected.

**4.10** Many witnesses doubted the ability of Canberra to attract touring groups which would fill a 2000 seat facility. One submission advised that Adelaide, Brisbane and Perth with population each about 4 times that of Canberra have theatre facilities comparable with those proposed for the Section 19 development and still could not attract large budget shows such as Cats and Les Miserables because their population base was not larger enough. The submission claimed that it was not the lack of a large theatre in Canberra which prevented these shows from opening in the City, but the fact that the population is not large enough to fill the theatre often enough to justify the investment of large capital sums.

**4.11** The Committee raised the question the size of the lyric theatre with the manager of the Canberra Theatre Centre, with Murray Edmonds and the management of the Adelaide Festival Centre. All agreed that it was essential for Canberra to develop a theatre with a 2000 seat capacity. This capacity they argued was essential if large budget popular shows were to be held in Canberra. The seating capacity of this size enables a short season with a large number of persons enabling the productions to be performed economically.

**4.12** The Committee took little evidence relating to the other cultural facilities such as the arts centre and the library, but accepts the concept that the community facilities must be seen as a whole and not as individual components. Therefore any decision to proceed with the cultural facilities should be based on overall planning concepts relating to the total requirements of the site. The Committee believes that the fully completed arts complex must provide the symbolic focus of the Section 19 development. The architectural dominance of the complex and the diverse and vibrant activity it will generate will be the centre of attention. The casino will be adjacent but it will not dominate. While its presence has been controversial, in the context of the whole Section 19 development its physical presence will be minimal.

## **Financing the Facilities**

**4.13** The Committee was provided with confidential financial information relating to the premium which would be received from the sale of the commercial site. The Committee was also provided with financial details of what an idealised community facility would cost. The facility includes a lyric theatre, play house, performance studio, library, regional art gallery, heritage centre, civic square upgrade, infrastructure and car parking.

**4.14** While the Committee does not propose to divulge the likely premium, nor the costs of the proposed facility, it is apparent that the premium obtained could only finance approximately 50% of these facilities. While the Committee does not suggest that there has been any attempt to mislead the Canberra Community it is apparent that there is a perception that the premium obtained would be sufficient to finance the total community package. This is clearly not the case.



**4.15** It is interesting to note the careful wording in the Government submission to the inquiry relating to its commitment to the community facilities. The Government submission states:

the Government is committed to the construction of community facilities from the premium obtained from Section 19.

the extent to which these facilities can be established will depend on the premium obtained for the commercial site and other budget priorities.

**4.16** There is no indication how or if the government would be willing to meet the multi-million dollar short fall between the premium received and the costs of a fully integrated community facility. The Committee warns the ACT community that the vastly increased level of performance and attendances required to utilize the complex adequately as envisaged by Murray Edmonds and others will not easily be achieved. The Committee is concerned that the additional \$1.8 m over existing funding levels on funding support by the ACT Government may turn out to be considerably more. The Committee has acknowledged the concern of some in the broad arts community that funding may be diverted from them to sustain the new complex .

**4.17** The Committee is concerned about the stages of development of the proposed theatre complex. Until the value of the premium is known, it is not possible to predict what development will occur. Nevertheless, it is clear that the premium will not meet the cost of the full range of facilities. It may be that the worst option would be to replace the existing theatre with a Lyric Theatre. The 600 & 300 seat theatre spaces will be those predominately utilised by the local community and must have high priority. The Government must explore avenues of financing and sustaining the whole complex so its construction can proceed at the same time as the other development. After consulting with the Theatre Trust and other groups, the Government must make a statement concerning the total development of complex.

**4.18** The Committee notes the comments made in the Edmonds report relating to role of the centre as a 'national' performing arts centre. The report concludes that the extent to which the facility fulfils a role beyond that required or justified by the local community itself these costs should be borne by the wider Australian community. The ACT Government submission does not refer to possible Federal Government assistance.

**4.19** The Committee supports the Government's commitment relating to the use of the premium. However it believes that there should be a commitment relating to the development of the total community facilities. The Committee notes that there will be ongoing revenue derived from the casino tax. It is the view of the Committee that a proportion of this revenue should be used for the completion of the community facilities on Section 19. Accordingly the Committee recommends that:

- . **the Government ensure that sufficient resources be allocated to enable the completion of the community facilities;**
- . **the Government examine the feasibility of using a proportion of the casino tax to achieve this end; and**
- . **the Government seek Federal Government financial assistance for those aspects of the community facilities which fulfil national functions.**

## 5. ALTERNATIVE PROPOSALS

### Introduction

5.1 The Committee's terms of reference required it to examine the practicability and desirability of locating any casino in Canberra at a site in Canberra other than Section 19 Civic. The Committee received only two submissions from proponents for a Canberra casino which offered alternatives to the Section 19 proposal. One related to a different concept for Section 19 but included a casino on the site and the other suggested the relocation of the casino to the Kingston Foreshores. In addition one of the Members presented an alternation development for the whole of City Hill.

### The Significance of Section 19

5.2 The ACT Churches Council believed that the symbolic significance of Section 19 could not be underestimated. It lies on one of the vertices of the Parliamentary Triangle. At one vertex of the Triangle is the Parliament House of the nation as a whole. At the other is the Department of Defence and the third vertices is Section 19. The Council believed that this site was seen as a symbol of the highest cultural aspirations of the nation. The Churches Council concluded that because of the great significance of Section 19 for the nation as a whole and the for the people and government of the Australian Capital Territory that at the very best it would be irresponsible to place a casino there.

5.3 Apart from the symbolic value of the site it has been identified as unique in Canberra not only is it the centre piece of the civic centre of Canberra but it is a site suitable for a development of national significance.

5.4 Many believe that this site is too important to be entrusted to piece meal development and that it is appropriate for the site to be subject to an international competition to provide a design for the total staged development of the "doughnut". The site presents an opportunity for the area to be developed as a major community centre related to Canberra as a city state. The location of the square also provides for the local government centre to be located there.

5.5 While the Committee accepts the importance of this area it does not believe that the Section 19 development proposals are inconsistent with all these principles.

### Alternative Locations

5.6 Seven sites were suggested by the ACT Government as possible casino sites and were subject to detailed analysis by Jebb and Associates. The sites were:

- . Section 19 Civic
- . Acton part
- . West basin
- . Lennox Gardens
- . Barton
- . East Lake
- . Yarramundi

5.7 Jebb and Associates examined the value of the alternative sites in terms synergy or potential relationships between the existing and proposed elements on or near the sites. Casinos are only one of a number of attractive options available to the general public. There are other attractions such as floor shows, cabaret, night clubs, circuses, theme parks and cinemas, all of which are complementary attractions.

**5.8** The ACT Government submission advised that casinos being heavy generators of people movement are especially useful components of mixed use developments. The submission states that Jebb and Associates placed a good deal of weight on the ability of sites considered to be able to accommodate additional components which would assist the overall mix and hence add site value. The Civic Square Section 19 complementary attractions are the casino, the hotel, the theatre the convention centre and the surrounding commercial accommodation retail space and the restaurants. The submission advised that at this stage none of the other sites have any other major complementary attractions in close proximity.

### **Concrete Constructions**

**5.9** Concrete Constructions advised the Committee that existing documentation does not address the potential benefits which may relate to a total master plan for the City Hill precinct. Section 19 as currently planned leaves a dislocated site which precludes the possible needs for a future ACT Assembly building. Research conducted by the company indicates:

- . Canberra has adequate five star hotel facilities;
- . Canberra lacks a suitable interstate bus interchange facility;
- . Canberra has no significant city tourist attraction; and
- . City Hill remains dislocated from the civic centre.

**5.10** The advice received from the witnesses for the ACT Government and their consultants indicated that in their view the economics of the proposal were doubtful and that the proposed development for Section 19 was more attractive in terms of land premium and ongoing revenue.

### **Australia Centre Project**

**5.11** The Australia Centre Project is a proposal to locate on the Kingston foreshores a major theatre, arts, recreation communication and entertainment area. The witnesses from the company believed that this site was the most appropriate location for a Canberra casino.

**5.12** The Group believed City Hill should be redeveloped, but believed the reasoning behind the proposal to site the casino and the theatre complex at Section 19 was not sound. The company was critical about successive Federal administrations because of their inability to understand the true nature of the Australia Centre Project and its futuristic components. The Australian Institute of Valuers suggested that the Power House site would be just as suitable location as Section 19.

**5.13** The Master Builders Construction and Housing Association of the ACT (CHA) believed that the idea of putting a casino on the lake in the vicinity of the Kingston Power Station was nonsensical. CHA believed that it would take considerable time in community consultation before that sensitive area of the lake could be ready for any major development. The Association believes that attempts to open up that area of the lake for consideration of the casino would simply delay the process of getting a vital development for Canberra under way and would lead to endless acrimonious debate.

## **Northbourne Plaza Proposal**

**5.14** A member of the Committee submitted an alternative proposal to the Committee. The proposal is for the construction of twin tower buildings (8–12 stories) in London Circuit on the corners of Northbourne Ave opposite the Melbourne and Sydney Buildings. Casino rights would be sold to the Lakeside, North and South Buildings would be retained and a new performing arts centre would be constructed between London Circuit and Vernon Circle adjacent to the Lakeside. The value of the casino rights and the two corporate sites was estimated to be \$80 million. The estimated cost of the performing arts centre, City Square refurbishment and other costs were estimated to be \$80 million. However this proposal even without the casino is likely to provide a premium similar to that which will be obtained for the Government proposal for Section 19.

## **Conclusions**

**5.15** In terms of its assessment of alternative locations for the casino and alternative developments for the Section 19 proposal, the Committee is in the unfortunate position that it has been provided with a detailed proposal for the Section 19 site, detailed costings and an apparent commitment by both the Government and most developers. On the other hand alternative proposals which were presented to the Committee contained less detail and were difficult to assess.

**5.16** The Committee notes however that these alternative proposals have been examined by the Government and considered not as appropriate as the proposed Section 19 development. The Government was able to provide detailed consultants' reports and a reasonable comparative analysis of the alternatives. Accordingly in terms of maximising the premium and these providing, to a yet undetermined extent, highly desirable city facilities, the Committee accepts the proposal outlined in the Government's submission. The Committee notes the alternative proposals submitted to it and there may be others of which the Committee is unaware. Accordingly the Committee recommends that:

**at the same time as calling for expressions of interest, the Government invite companies to submit alternative proposals for Section 19 and casino development which could also contribute to the provision of community facilities**

## 6. ECONOMIC ASPECTS

### Introduction

6.1 The Canberra Development Board advised that at no time in the history of the ACT has private sector expansion been so vital to its ongoing prosperity. The Board advised that the Federal Government has made it clear that its supplementation of the ACT budget will not continue to be held at its current level beyond 1991. Even with this level of federal funding there will be a substantial short fall. The board believed that a healthy and expanding private sector is the major avenue of obtaining such revenue not through increase charges but rather through an expanding revenue base (submission).

6.2 Many industry organisations point to the need for a healthy private sector for the creation of new employment opportunities. The Master Builders Construction and Housing Association of the ACT (CHA) advised that over the next four years approximately 2000 young people will leave school or tertiary institutions and seek employment in Canberra. Over the last several years 60% of new jobs have come from the private sector. Prior to that 60% of jobs were in the Government sector. The association advised that in 1988-89 not one new government job was created in the ACT. The private sector now employs about half the work force and must create all new jobs within the ACT economy (submission p5).

6.3 CHA together with the Canberra Association for Regional Development (CARD) considered that Canberra's regional functions contain the most under - utilised potential for the future growth and diversification of the ACT economy. Civic Centre is one of the smaller regional shopping centres in Southern New South Wales despite the fact that it serves the City with the largest population. CHA provided the committee with the following data. The Committee notes however, that this argument does not take into account the different nature of the Canberra retail market with its dispersed Town Centre. The figures do show that based on populations, the overall retail market in the ACT is not as strong as some of the other regional centres.

### Retail Turnover for Southern NSW & ACT

City	\$ Million
Wagga Wagga	331
Phillip ACT	319
Albury NSW	310
Shoalhaven (inc. Nowra)	294
Belconnen Town Centre	214
Fyshwick ACT	186
Goulburn NSW	159
Wingecarribee (inc. Bowral)	150
Queanbeyan NSW	146
Canberra City	137
Bega Valley	128
Giffith NSW	122

Source: Master Builders Construction and Housing Association

6.4 All but two of the submissions from construction organisations and developers advised that the Section 19 development is essential to Canberra's wellbeing. Most pro-casino submissions were also apposed to the location of the casino on sites other than Section 19. The proponents of the casino argue that the establishment of a casino would have direct economic and social benefits for the ACT. These benefits include an increased premium for the land, employment and ongoing revenue.

### **Land Value**

6.5 While the actual premium for the land is confidential the ACT Administration advised that it was their estimate that the Section 19 project including a hotel and casino would attracted a premium which would be double that of the next best alternative. The CFCFC believed that the viability of the current Section 19 proposal was doubtful and therefore the estimated premium of \$40 million site valuation is highly questionable. They argue that the report of Jebb Associates grossly understated the existing supply of first class accommodation in the Canberra market.

6.6 While many of the details of the premium are confidential it is apparent that the Jebb report takes full account of the existing over supply of first class accommodation. The report concludes that the hotel market in Canberra was going to be extremely competitive over the next 6 years and as a result it was anticipated that there would be a considerable degree of discounting by the hotels in order to attract patronage. The report concludes however that the new hotel would have a competitive advantage because of the casino which would assist greatly in attracting weekend patronage.

6.7 In the absence of detailed alternative advice the Committee accepts the conclusions of the Jebb report concerning the premium for the land.

6.8 The Committee notes that the demolition of the North and South Buildings will require the Government to find approximately \$3 million rental annually or provide capital funds for replacement buildings. The Committee is not aware of measures the Government proposes to take nor is it aware of how this will affect the amount of money available for the community facilities. Accordingly the Committee recommends that:

- **the Government advise the Assembly on its budgeting for the loss of office space in North and South Buildings.**

6.9 In line with its conclusions relating to alternative proposals the Committee recommends that:

- **the Government should consider any proposals to maximise the premium received.**

### **Taxation Revenue**

6.10 The Social Impact Study estimated that assuming a 20 percent government tax on revenue \$5.4 million would be available to the community in the first year of operation of the casino. Confidential financial data which was provided to the Committee shows that on the basis of revised figures the government tax would be in excess of this amount increasing to something like four times that figure by 2001.

6.11 The CFCFC commented that the casino tax of \$5.4 million seemed very optimistic when compared with the performance of Australian's other small casinos. CFCFC noted that of the small casinos that largest tax payment was made by Wrest Point, Australia's oldest casino, which paid \$2.5 million. The submission commented that it would appear more realistic to anticipate a tax collection of about \$2 million in Canberra, which was slightly

more than reported for Townsville. Although per capita income is higher than Townsville both centres are similar in terms of population size and the role of administrative functions and tourism in their local economy. In addition in each city tourism centres around distinctively local attractions.

**6.12** One witness who has shares in Jupiters Casino advised that in his view a large proportion of the patrons play poker machines. Given that a casino in Canberra would be the only place in Australia where a casino would have to compete with poker machines he doubted that it would attract Canberra people the way casinos in the states attract locals. This would make the Canberra casino less profitable.

**6.13** The Committee notes that Jebb report took account of competition with clubs but gave no details of their assessment of the effects.

**6.14** The Committee considers that revenue will be well in excess of the \$2 million estimated by CFCFC.

**6.15** The Committee notes that the submission from CFCFC stated that the tax rates for the smaller casino's is 15% or less and that casinos particularly in Tasmania were able negotiate a reduction in Government share in revenue. The Committee was advised that in the case of Tasmania this reduction was not the result of casino profitability but rather the need for the casino operators to divert income to other developments such as the construction of a convention centre in Hobart. The Committee is concerned however that the Casino Control Act does not set the tax rate. The power rests with the Minister. It is the Committee's view that the taxation level should be for the Legislative Assembly to decide. Accordingly the Committee recommends that:

**the Casino Control Act 1988 be amended to require a casino tax rate of 20%.**

**6.16** Such an amendment to the legislation will ensure that the Assembly itself determines the tax levels and any variation would require an amendment to the legislation rather than rely on ministerial discretion.

**6.17** Whatever the level of revenue contributions from the casino, the CFCFC considered that it was necessary to determine the net contribution after allowing for various costs involved. These would include the reduced revenue from other gambling activities the cost of surveillance and other regularity aspects and increased welfare costs. The Committee notes that the Social Impact Study concluded that the revenue will in part represent a transfer of revenue derived from other forms of gambling but that it was expected that there will be a net gain for the Government due to the expansion of the gambling dollar and greater visitor gambling revenue.

**6.18** The Committee also notes that the casino license fee will be set at a level which will cover the costs of surveillance. All applicants for the development and/or the casino license will be required to pay an amount of money which will cover the costs of the detailed investigations which will be required. In addition all gaming staff will be subject to assessment but the costs of this assessment will be paid by the licensee. None of these costs will be met from the revenue derived from the casino tax. The Committee believes that while this is government policy total cost recovery should be stipulated in the legislation. Accordingly the Committee recommends that:

**the Casino Control Act be amended to require full cost recovery of surveillance and assessments.**

**6.19** The Committee has examined the confidential figures of Jebb and Associates, the company responsible for the economic analyse of the Section 19 Project. The consultants also appeared before the Committee as witnesses. The Committee is satisfied with the explanation's relating to the estimates and the methodology used in arriving at these figures.

## **Effects on Other Gambling Revenue**

**6.20** The Social Impact Study Team, examined this issue and found that there had been significant Australia wide shifts in expenditure on various gambling forms during the period 1972/73 to 1986/87. In particular there had been a significant shift in expenditure in percentage terms from racing to expenditure on gaming (i.e. lotto, casinos, instant lotteries, etc). The Study Team also found that in areas with legal casinos that the gambling revenue generated by the casino had added considerably to boost total gambling turnover. The ACT Government submission advised that there are several important factors that emerge from analysing comparative gambling turnover figures:

- the decline in racing in percentage terms of total gambling expenditure is evident in both casino and non-casino states;
- this decline in racing is particularly evident in relation to bookmakers turnover where actual declines in turnover were experienced in 1987/88 in NSW, Queensland, South Australia, ACT and Northern Territory;
- this decline in bookmakers turnover is explained by a number of factors including increased competition from other non-gambling leisure industries, competition from TABs with wider appeal via Sky Channel television broadcasts in clubs and hotels) and other gambling forms such as lotto, instant lotteries and casinos;
- although TAB turnover was initially affected when casinos were introduced the figures have now recovered, particularly with the introduction of Sky Channel race broadcasting and extended betting options, and
- initial downward trends were also experienced in lotto and instant lottery turnovers, however these trends have also been reversed and increases are now evident. This trend was particularly evident in Western Australia and Queensland following the introduction of casinos.

**6.21** Following an assessment of relevant factors the ACT Social Impact Study Team concluded that it anticipated that in the first year of operation of a casino, there would be a significant downturn in the growth of racing and TAB turnover, followed by a return to pre-casino levels of growth thereafter. The Study Team made a similar conclusion in relation to gaming machines.

**6.22** The Study Team analysed gambling expenditure for the years 1984/85 to 1986/87 in non-casino and casino states. In non-casino states the increase in gambling expenditure was 20.5% in NSW, 18.7% in Victoria and 25.7% in the ACT. In the States with casinos introduced during the period 1984/85 to 1986/87 the increase in gambling expenditure was 51.3% in Queensland, 64.6% in South Australia and 74.7% in Western Australia. The Study Team concluded that the evidence suggests that other gambling industries may not be so significantly impacted upon by the casino given the likely expansion in the gambling dollar.

**6.23** After considering the experiences of other Australian States and the conclusions reached by the Social Impact Study Team, the ACT Government was of the view that the introduction of an ACT casino could be achieved with minimum disruption to other gambling industries and hence Government revenue provided from these sources.

**6.24** The Committee received evidence from both the Licensed Clubs' Association and the ACT Racing Club. The Association advised that if gaming machines and small denomination wagers were allowed in a casino, the club industry would be decimated. The Racing Club did not oppose a casino provided that measures could be agreed upon to relieve its probable adverse effect on racings betting turnover.



**6.25** The Committee notes the important contribution made by the racing and club industry to Canberra's economic and social environment, particularly to employment. While the balance of evidence suggests that in the medium term the impact of the casino will be insignificant this may not necessarily be the case. According to the Committee recommends that:

- **the Government monitor the effects of the casino on the financial viability of the racing and other licensed clubs;**
- **should an adverse effect be observed, the Government review existing taxation, licensing and TAB distribution schemes to ensure viable operations are maintained; and**
- **the Casino Control Act 1988 be amended to stipulate that the minimum wager be the smallest denomination note in circulation.**

### **Employment – Construction Phase**

**6.26** The Social Impact Study Report presented estimates of the potential employment impacts of the construction of the proposed development which are as shown in the following table.

**Employment Generated in the Construction Phase of Section 19**

<b>Development Component</b>	<b>Direct</b>	<b>Indirect</b>	<b>Total</b>
Five star hotel	850	260	1,110
Casino	350	100	450
Retail and Offices	160	50	210
Carparking Stage I	200	70	270
Theatre	340	120	460
Library	110	40	150
Infrastructure	10	15	25
<b>Total</b>	<b>2,020</b>	<b>645</b>	<b>2,700*</b>

\* Rounded to the nearest hundred  
Source: Social Impact Study

**6.27** The direct employment generated by the construction phase refers to the jobs created in the building and construction activities (steel fixers, carpenters, bricklayers, plumbers, etc) as well as those jobs created in industries directly supplying goods and services to the project (wholesalers, retailers, finance and business services, manufacturers, transport operators, etc). This includes both on-site and off-site jobs.

**6.28** Additional flow-on (indirect) employment would be created by those industries supplying goods and services to the industries directly associated with the project. These flow-ons include a component arising from the increased business activity that would be generated by the wages and salaries of the additional workers. Generally these impacts result in further increases in employment in retailing, finance and business services and entertainment activities.

6.29 The Committee received no detailed criticism of the employment figures for the construction phase of the project. One submission however stated that the Social Impact Study Team did not include an expert with skills in either financial and economic analysis and therefore little or no reliance could be placed on the Study Team's conclusions relating to employment.

6.30 The submission however did not indicate in which areas the figures may be questionable.

6.31 In the absence of any detailed criticism the Committee accepts the employment figures provided in the report. This is not to say however that alternative proposal for Section 19 or other sites would not generate similar employment figures.

6.32 The SIS report noted that contrary to popular belief the bulk of construction workers on the Parliament House site were locals. It is reasonable to assume therefore that the majority of the positions created during the construction phase of Section 19 will be filled by persons resident in the region.

### Employment – Operational Phase

6.33 The employment estimates made for the operational phase were criticised by a number of witnesses. The SIS report concluded that the total number of jobs created during the operation of the development would likely be 1400. This would be both full and part-time positions.

#### Employment Generated by the Operations Phase of Section 19

Development Component	Direct	Indirect	Total
Five star hotel (with casino)	500	110	660
Casino	510	100	610
Retail	130	30	160
Carparking	20	10	30
Theatre	40	10	50
Visitor expenditure	250	60	310
Total	1,450	320	1,800*

\* Rounded to nearest hundred.  
Source: Social Impact Study

6.34 The Committee for a Casino Free Canberra (CFCFC) believed that on the basis of their analysis of the job creating prospects of the proposed hotel and casino, the forecast employment levels of 500 and 510 are grossly overstated. The total hotel/casino requirements of 370 seemed a much more realistic forecast than 1010.

6.35 The CFCFC advised that a comparison between the employment results at Jupiter's Casino/Conrad Hotel and the projections for the casino/hotel components of the Section 19 proposal gave a indication of exaggerated job forecasts. Jupiters/Conrad is Australia's largest casino/hotel complex comprising 622 hotel rooms and a 120 table casino yet employs

2000 people. This compares with the 300 room hotel and 40 table casino with projected employment figures of 1010 for the Section 19 proposal.

**6.36** The Committee was advised by the ACT Government officials that the calculations used by the CFCFC indicate a misunderstanding of the methodology used in calculating employment figures. The CFCFC figures for Jupiters relate to those only on the casino and hotel payroll. The figures used in the Social Impact Study relating to direct employment include those on the hotel/casino payroll as well as people employed in services and trade directly linked to the enterprises operating within the development (eg butchery, florist, laundry, that service the hotel or casino). Using the same methodology for the Jupiter's example, employment figures generated through the operation of the hotel and casino would be expected to be a total of about 5,500 jobs in the hotel and casino and other local industries such as finance and business services retail and wholesalers trade manufacturing and transport.

**6.37** The 5,500 estimated jobs created are both direct and indirect and would therefore be compared to anticipated Canberra operating figures of 1450 direct and 320 indirect.

**6.38** Assuming that the projected development proceeds as proposed the Committee accepts the estimates of the direct and indirect positions created. The Committee however received information which shows that initially there would be a down turn in other forms of gambling. No figures were given on the effect this down turn might have on employment. It is the Committee view that there would be some loss of jobs in the short term but employment levels would increase with the overall increase in gambling.

## 7. REGULATORY ARRANGEMENTS

### Casino Control Act

7.1 The ACT Government submission advised that there was no room for complacency. In any business producing large cash flows there are elements in the community waiting for the opportunity to infiltrate that system or gain some control over that revenue source. The submission stated that in these circumstances the Government is conscious of the need to develop an effective casino control regime accompanied by close involvement with law enforcement agencies. The Australian Federal Police (AFP) were consulted during the development of the ACT Casino Control Act and consultation would continue through the developer/casino licensee selection process and when the casino commences operation.

7.2 The AFP advised the Committee that there would need to be some changes to the legislation but these were matters of detail and would be minor. South Australian casino regulatory authorities advised the Committee that they constantly referred to the ACT legislation in the current review of their own legislation.

7.3 The basis for the ACT casino control system is the ACT Casino Control Act 1988. The Government believed that this Act contained the most stringent control measures reflecting the latest legislation developed by various State Governments and has received strong endorsement from experts in casino legislation.

### The Casino Surveillance Authority

7.4 The Act establishes an authority consisting of 5 persons, the Chairman of which is legally qualified. The functions of the Authority are to:

- supervise the operations of the casino;
- make recommendations as to the suitability of the casino developer, casino licensee and any casino proprietor, lessee or casino licence assignee;
- grant casino employee's licences;
- assess the suitability of contractors with the casino licensee;
- inquire into and make recommendations to the Minister on matters relating to the control of the casino or of the operations of the casino;
- make recommendations to the Minister as to the laws that should be made on matters relating to the control of the casino or of the operations of the casino, and
- make recommendations on any other matter referred to it by the Minister.

### Casino Development and Ownership Arrangements

7.5 The Act provides power for the Minister to enter an agreement with a developer for the development of the casino. The Minister is prohibited from entering such an agreement unless he is satisfied that the developer meets relevant suitability requirements and any director, secretary or other officer of the developer who would be likely to be involved in the development of the casino is a fit and proper person to be involved.

**7.6** Provision is made for the situation where the developer elects to either lease or sell the casino. In both circumstances the prospective lessee or purchaser will be subject to relevant suitability requirements.

### **Casino Operations**

**7.7** The Minister has power, subject to the recommendations of the Casino Surveillance Authority to grant a casino licence to the developer, proprietor or a person nominated by the developer or the casino proprietor. A casino proprietor is a person or company which the Minister has approved to purchase the casino from the developer.

**7.8** The granting of the initial casino licence is, however, subject to the Minister being satisfied that proper arrangements have been made for the timely provision of community facilities associated with the redevelopment of Section 19 Division of City in the Australian Capital Territory (i.e. the site of the proposed casino).

**7.9** A potential casino licensee must be able to meet relevant suitability requirements and the Minister has power to suspend or cancel a casino licence where one or more grounds for suspension or cancellation are established. The Ordinance makes provision for the casino licensee to assign the casino licence to another person with the approval of the casino proprietor and the Minister. Again the Minister can only approve assignment of the licence if the assignee can satisfy relevant suitability requirements. Provision is also made for the Minister to appoint an administrator for the casino where the casino licence has been suspended or cancelled.

**7.10** The Act also contains provisions covering the following casino operational matters:

- establishment of and procedures for the payment of a casino licence fee and tax on gross profit;
- maintenance of facilities;
- approval and variation of the casino layout;
- approval of operating hours;
- the authorisation of games and rules for authorised games;
- the purchase, storage and checking of gaming equipment and chips;
- procedures for the conduct of gaming;
- procedures for banking, accounts, records and audit;
- procedures for specifying the table limits for authorised games;
- requirements to be observed by the licensee when advertising the activities of the casino.

### **Anti-Crime Provisions**

**7.11** In addition to the controls over corporate crime involvement provided by the inclusion of suitability requirements for the developer, casino licensee, any lessee, assignee or proprietor, the following provisions are also included in the Act:

- the appointment of casino inspectors with wide ranging powers;

- the power for the Authority to initiate investigations in connection with the casino or the operation of the casino;
- the scrutiny and power to terminate prescribed contracts entered into by the casino licensee for the supply of goods or services;
- procedures for the exclusion of certain persons from the casino both by the casino licensee and by direction of the Commissioner of Police;
- offence provisions covering matters such as cheating, forgery, bribery, obstruction of inspectors, false information, false representation and conflict of interest;
- procedures for the screening and licensing of all casino employees and the power to suspend or cancel such licenses;
- powers of search, entry and seizure and detention of suspected persons;
- procedures for the restriction of credit;
- procedures to restrict the opportunity for money laundering including compliance with the recording requirements of the Cash Transactions Reporting Act;
- procedures for the supervision and control of the counting of money and the movement of chip stock in the casino, and
- provisions in relation to the security of the casino including the manner of installation and positioning of closed circuit and catwalk surveillance systems.

### **Revenue Provisions**

**7.12** The Act makes provision for application to be made for a review of decisions to the Administrative Appeals Tribunal. The list of decisions that are reviewable is broad with the main exceptions being security related decisions where the Minister or Authority has issued a certificate stating that the decision has been based on a matter relating to the security of an authorised game or to the security of the casino.

**7.13** The ACT Government is committed to developing a strong control regime based on the Casino Control Act. In this regard the Social Impact Study Team recommended that 'before any final decision is made about legislation and before the regulatory system is established, the senior casino regulators should be appointed and required to examine thoroughly all the Australian control systems in operation and to consult with other regulatory authorities to produce the most effective controls possible for Canberra'.

**7.14** Although the Casino Control Act has been enacted the accompanying Regulations have been deliberately left to allow input from the Chief Casino Inspector, a position which the ACT Government is committed to filling at an early stage.

### **Conclusion**

**7.15** The Committee did not examine the legislation in detail and was not required to do so by its terms of reference.

**7.16** There are a number of matters which the Committee believes should be included in the legislation which would assist people who experience problems with gambling. The Committee notes from its discussions interstate that casino management is reluctant to display notices

identifying "help" agencies should a compulsive gambler require support. It is the Committee's view that these notices should be mandatory under the Act.

7.17 The second aspect relates to the means by which a person can be banned from the casino. The Committee was advised in Hobart that the casino was reluctant to refuse access to the casino of gamblers who had identified themselves as compulsive and had previously requested that they be refused admission. The casino believed this may present legal difficulties but would accept a lawyer's or doctor's letter. The Committee believes that the Act should be amended to enable not only the gamblers to request they be barred but also enable other persons to seek to have a person refused entry to the casino. The Committee believes that the power to prohibit entry to the casino should be the sole responsibility of the Casino Surveillance Authority acting on advice from the individual gamblers, their families and associates, police and Government and community social welfare agencies.

7.18 Accordingly the Committee recommends that:

- **the Casino Control Act be amended to provide that the Casino Surveillance Authority acting on advice be the sole authority to prohibit entry to a casino.**

7.19 The Committee further recommends that:

- **the Casino Control Act be amended to require the casino operator to display signs to indicate where a person can seek counselling.**

7.20 The Committee notes that it has not examined the legislation in detail. The Committee has recommended a number of amendments. It also notes that the legislation was introduced by the Federal Parliament and has not been examined by the Legislative Assembly. Accordingly the Committee recommends that:

- **if approval is given to proceed with a casino a Select Committee be appointed to review the provisions of the Casino Control Act 1988; and**

- **that the Select Committee consist of members of the Select Committee on the Establishment of a Casino.**

GARY HUMPHRIES  
CHAIRMAN

JULY 1989

## APPENDIX 1

### DISSENT BY MR JENSEN

#### INTRODUCTION

This report has been prepared to enable me as a Committee member to express my dissent from particular conclusions or comments and make my own comments where my views were not accepted for inclusion in the report by the majority. It is in three parts: Part One – Comments on Committee Recommendations, Part Two – Specific Comments and Part Three – Conclusions.

#### PART ONE – COMMENTS ON COMMITTEE RECOMMENDATIONS

The following are specific comments on the conclusions reached by the Committee:

- 1.26 – Noted.
- 1.27 – Noted. However, the Committee was not able to subject the Jebb & Associates Pty Ltd/Price Waterhouse Urwick figures to detailed analysis.
- 1.28 – Noted. However, I do not accept the term "little likelihood" used as this almost says that it could never happen. I am not prepared to dismiss totally any possibility of such problems happening in the future.
- 1.29 – My comments below indicate that it is more than just a cost benefit analysis of the project. However, I fully endorse concerns about the multi-million dollar shortfall in premium and support the call by the Committee for the Government to make a statement on this issue. This conclusion also makes no comment on the need for the Federal Government to help fund the community facilities proposed.
- 1.30 – I do not accept that alternative proposals for development on the Section 19 site have been fully explored by the ACT Administration and the Government. One could rightly ask where the push for this type of development on this particular site is coming from. This was not clear during our deliberations.



## PART TWO – SPECIFIC COMMENTS

### OPINION SURVEYS

#### The CARD Survey

The statement that "properly conducted surveys have always indicated that a majority of people are in favour of a casino in the ACT" is disputed.

This is because there is some argument about the efficacy of some of the polls referred to; a problem identified by the Committee (paragraph ). However, the statement by the majority of the Committee that because the results are fairly similar this cancels out the problem with survey is not supported.

The counter to this suggestion is that this may be the reason why the polls do agree because the questions were slanted to provide a particular result.

Concern is also expressed that the Chairman did not consider it necessary to pursue CARD about the instructions given to the pollsters despite a strong request from this member. (See Evidence pp. 144–146). It is submitted that the CARD survey was a poll designed to assist in the justification of the Section 19 proposal because "people were going around saying 80 per cent of people were opposed to it (the Casino) in Canberra" (Evidence pp. 146). Because this poll did not ask two simple questions, "do you want a casino in the ACT" or "do you want a casino on Section 19", it lost a perfect opportunity to resolve the opinion on a casino for Canberra and Section 19.

#### Social Impact Statement Survey – Chapter 7

Once again the results of a survey are called into question. Despite an attempt by Dr Caldwell et al to defend the survey (Evidence pp. 401–401) at least one member of the team (Dr Dickerson) acknowledged that the type of survey they conducted was open to "very sound methodological criticism". (Evidence pp. 402).

Another opportunity was lost to ask a sample of Canberra residents whether they wanted a casino in Canberra or on Section 19.

#### A Referendum?

While noting the majority report by the Committee on the conduct of a referendum it is submitted that a properly conducted plebiscite would settle this matter once and for all. I am prepared to accept and abide by a decision of the people provided it includes an opportunity for voters to also comment on the suitability or otherwise of a casino on Section 19 or adjacent to City Hill.

A compromise suggestion is that an accepted polling organization be contracted to conduct a poll on the issue. The key to general acceptance of the results of such a poll would be the need for all peak groups with an interest in the issue to be involved in the preparation of the question. I would be prepared to accept the poll results if this procedure was followed.

## **TOURISM**

### **General**

I express disappointment that the ACT Administration did not make the Director of the Tourism Development Board available for questioning by the Committee. It is understood that while the Director had been involved with the preparation of the Government's submission, neither the ACT Administration or the Government considered that it was necessary for the Director to be available for questioning. A lesson for the future from this experience is that Committees must be prepared to make an issue out of seeking further evidence from Government officials it considers appropriate, especially when there is some resistance to the request without any real reason.

### **Effect on the Tourism Industry**

There is no argument with the suggestion that a casino would have some effect on the tourist industry. However, the degree of this effect is questioned. I suggest a major promotion of the National Convention Centre, particularly in relation to a campaign to have convention participants return with their families to see the unique National Capital aspects of our City, could provide similar returns. It is not considered that a casino is absolutely necessary for such a campaign to succeed. This would avoid the need to sell the centre of our city, a city we hold in trust for all Australians, for another hotel in an already crowded market place, and a casino.

### **Support for the National Capital Convention Centre**

Evidence was also provided by the Government (Submission 4 pp. 11) that Civic lacked atmosphere and was boring. It should be noted that in both cities with casinos visited by the Committee, while both were associated with convention complexes and one was adjacent to a cultural centre, they were not close to a major shopping complex as the Section 19 casino is proposed to be.

Advice was also received from the Promotions Manager of the Adelaide casino that the casino was only a minor aspect in promoting the centre. Promotional material provided to the visiting Committee members included the casino in a paragraph with other attractions and was not emphasised. It was even suggested that their visitors were "too busy to attend the casino". While this final comment may have been an exaggeration, the argument that a casino is necessary to ensure the viability of the National Convention Centre (Evidence pp. 215-216) must be questioned.

It should also be acknowledged that the convention centre and associated hotel were developed without any undertaking that a casino would be constructed in the City or in Canberra. (Evidence In Camera and Evidence pp. 228)

### **Civic Square Upgrading**

While it is accepted that Civic, particularly Civic Square is not an exciting place at present. Provided there is a will it would be possible to make the square exciting and interesting. The excitement of Adelaide during the Adelaide Festival of Arts and the Grand Prix and Civic during the Canberra Festival show that it can be done.

If development is accepted as a driving force behind redevelopment it is suggested that the refurbishments of Monaro Mall and the Section 38 development will provide a catalyst for redevelopment of Garema Place and Ainslie Square. These areas, along with the City Walk and Boulevard Centre will have to do this to compete with current Civic development and redevelopment.

Any proposal to upgrade Civic Square along with the refurbishment of North and South buildings to remove the office component from the ground floor of these buildings and replace with restaurants and sidewalk cafes and other facilities to encourage gatherings would provide a similar response. There is no argument with the unsatisfactory nature of the current internal set up with in these buildings. However, it is possible to refurbish these two buildings and more work should be done on such a project.

A casino and a hotel are not necessary to allow this work to commence provided the will and the money is available. Ways of providing some of the premium for such a redevelopment are suggested below.

## **Conclusions**

While it is accepted that a hotel and casino on Section 19, plus a redeveloped Cultural Centre, will provide a much needed boost to Civic life, it is not the only way. Some lateral thinking is required to remove the blinkers we have had fitted to us by the government sales pitch on the current proposals for Section 19. The perception that the hotel and the casino will be the saviour of our economy by boosting the tourist and construction industry should and can be questioned.

Tourism has been touted as the gold at the end of the employment rainbow, however, we all know that pots of gold are generally illusory and rainbows are never permanent. It should also be remembered that those who come in on the end of a boom will more often than not get their fingers burnt. Australia is already over supplied with casinos and a change in policy in Melbourne and Sydney would immediately change the equation.

Tourism is not the only way ahead for employment. Some lateral thinking and promotion of a major city on the main route between our two major urban centres can not only provide employment but also premiums which we as landlords can use to improve or renew our community facilities.

## **ALTERNATIVE PROPOSALS**

### **Northbourne Plaza**

An alternative proposal for development of the area around City Hill was submitted by me to the committee to consider. This proposal provided a number of alternatives and has already been described in Chapter 5. It should be remembered that this proposal is only in concept form and warrants further consideration by Civic Square Project Group.

This proposal would require some modification to the Civic Centre Policy Plan and consideration by the National Capital Planning Authority because of building height restrictions. However, it is suggested that the proposal could provide an equivalent premium to that suggested for the site for the hotel and the casino on Section 19. A major feature of the proposal is to open up access to City Hill Park and link the East and West sides of Civic and also provide an open Plaza for the Northbourne Avenue London Circuit intersection.

The proposal provides an alternative to the premium suggested for the sale of the North Building and Playhouse Theatre site for a casino and hotel in the Government's proposal. It also removes the casino from Section 19 and could assist in reducing the degree of opposition to the current government proposal. Further opposition could be removed if any suggestion of a casino is removed from this proposal as well. The extra premium for a casino off the Section 19 development included in this proposal, is not necessary to enable this project to compete with the premium suggested for the Section 19 site.

It is strongly recommended that this proposal be submitted to the same process applied to all other alternatives and also be considered by the Civic Square Project Group. Particular emphasis could be placed on the development of the office space in the buildings proposed for the sites opposite Sydney and Melbourne buildings.

### **Concrete Constructions Proposal**

While verbal comments were given on the efficacy of this proposal, it is considered that it should be subjected to the same degree of examination as other alternative proposals before it is rejected out of hand.

### **Federal Government Participation**

While this factor has been considered by the Committee, its importance can not be stressed enough and it should have been mentioned in the conclusion. The site provides a perfect opportunity for the Federal government to offer the people of Australia and the citizens of Australia a National Entertainment Centre that could be available well before the celebrations of 200 years of Australian federalism.

No one expects that this project should be funded totally by the Federal government or even that the majority of the funds should not be provided by the ACT government. However, we should at least expect that the Federal government should provide the Assembly building it promised and contribute some funds to what would be in effect a National Performing Arts Centre to match the National Convention Centre and other national monuments and institutions we have here in Canberra.

It is strongly recommended that this proposal be submitted to a similar analysis to that given to the Section 19 proposal and other alternative proposals put forward by the government.

## PART THREE - CONCLUSIONS

### Premium from the Sale of the Site

The total arguments for the Section 19 proposals put forward by the government are based on the need for the premium from the hotel/casino site on Section 19 to provide the funds to replace existing unsatisfactory community facilities. No alternative methods of providing the same amount of premium for the site were put to the Committee. All alternatives were based on the need for a casino in association with some form of hotel development. There has been little public acknowledgement by the government that the community facilities the people of Canberra have been led to expect would be provided by this development can be partly funded by the premium from the Section 19 proposal.

It has been suggested that the balance will depend on "other budget priorities" (ACT Government Submission No. 3 pp. 2). This statement provides enough holes to drive an ACTION bus through and has only been made under duress and not as publicly as the alleged benefits from the projects. The government has made no attempt to consider any other means for providing these community facilities and has been mesmerised by the alleged benefits from the easy money they see coming from the casino development. Building casinos and hotels is not the only way the construction industry can be encouraged.

The arguments are based on the suggestion that if there is no casino there are no new jobs, no new tourists and no replacements for our theatres. While the Committee has acknowledged that there are some holes in the argument put forward by the government, the majority have either not understood the hollowness of this argument or are not prepared to send the government back to the drawing board. They have been seduced by the "no casino, no development, no jobs" argument. Such arguments show up a government policy looking for the "quick fix" and not long term development.

In Canberra we the voters and ratepayers own the rights to the land. Let us consider what other areas that may be able to provided for different types of development which will allow us to redevelop our Civic Square, upgrade our theatres and libraries and open up access to City Hill Park. Does it really need to be in Civic? The government and its advisers must remove the blinkers and look elsewhere before we sell the centre of our City, and our souls, for the dubious benefits of a casino and another five star hotel on a market already reeling from oversupply.

### New Ideas

Canberra is located in the centre of the major population concentration of our Nation and has many unique facilities and attractions that not only can be sold to potential developers and tourists. Those that come in on the end of a particular boom seldom reap the rewards. It is time to look elsewhere for ideas to not only have those who use our convention facilities return but provide opportunities for appropriate new technological developments to set up their operations here. There is bound to be a new boom that we can get into on the ground floor. If the ACT is not careful we will find out too late that we have been seduced by the old boom of a casino led recovery and miss out on new opportunities we were too idle to seek out.

In view of this, while accepting many of the comments made in this report, I do not accept the main recommendation of the report which will lead the ACT down the so called easy road to recovery it is alleged this proposal will provide. It is time for some imagination and hard work rather than reliance on the illusions of the pot of gold at the end of the rainbow that the government submission tried to sell to the Committee. I for one am not prepared to accept the argument that the Section 19 proposal as outlined in the ACT Government decision is the only appropriate development for that site. I strongly urge my fellow members of the Assembly to carefully consider the evidence before making a final decision in support of the ACT Administration proposal.

Canberra as we know it today was built in accordance with the vision of great Australians like Sir John Overall. We must enter the third century of Australian Federalism with a new vision for Canberra already completed or well under way.

NORM JENSEN

JULY 1989

## APPENDIX 2

### DISSENT BY MR STEVENSON

Pursuant to Standing Order 251, I add this dissent to the Committee's Report.

The Casino inquiry highlighted quite widespread opposition to an ACT Casino. As this matter involves more than an economic decision, the people of Canberra should have the right – and responsibility – to make the decision by Referendum.

Another matter of concern is the time allowed for the Committee to assess the quite complex financial data presented to it. Committee members were placed in the position of taking the Governments figures relating to the premium and tax revenue at face value. None of the members was able to subject these estimates to detailed analysis.

However, it was clear that the premium will not pay for a Theatre Complex (three theatres) and a Library. The one Lyric theatre would seem to be the maximum.

Evidence presented at the inquiry shows that there will be a significant social welfare cost if a Casino proceeds. This will include marriage break-ups, possible suicides (as in Tasmania), and an increase in crime brought about mainly by gamblers trying to fund their addiction. Though it is difficult to quantify such increases – due to Governments in Australia ignoring recommendations from many inquiries to do just this – they will be appreciable.

Assuming the estimated extra 86 habitual gamblers (Government Submission) succumb to their addiction and that they and their families require social welfare assistance, psychiatric and rehabilitation assistance etc., then the estimated cost to the community could well be:

86 X average family welfare annual payments	=	\$ 1,066,400.00
86 X loss of average family annual tax payments	=	588,000.00
if only 65% require counselling/psychiatric help (conservative estimate) at \$19,000 each per annum	=	1,140,000.00
		<hr/>
Total annual community welfare cost	=	\$ 2,794,400.00

This has not taken into account the extra cost of police manpower and facilities necessary to ensure that street crime does not increase. Nor has any allowance been made for short term job loss in the licensed club or other gambling associated industries.

The financial cost to the community could well exceed the anticipated annual casino tax revenue.

The majority of submissions to the inquiry were opposed to a Casino but also strongly opposed to siting a Casino where gamblers are exposed to "impulse gambling". This major concern was that if a Casino is built, it should not be in the Central Business District. This was also the recommendation of the Australian Federal Police and Justice Xavier Connor.

In relation to the location of a Casino, it is obvious that Section 19 is not the only feasible site. Logically there are many, none the least being the Australian Centre Project "Powerhouse" site as recommended by the Australian Valuers Association. The committee was also told that the premium for the "Powerhouse" site could fund a Community Theatre without need for a Casino.

It is common for those in favour of a Casino to offer a community "bribe". The suggestion is that the community will not get their "bribe" – in this case a Lyric Theatre – unless they accept a Casino. This was the tactic used in the ACT in 1983 when Canberrans' were told they wouldn't get a convention centre unless a Casino was included. Though the Casino was stopped, the Convention Centre was built.

During the inquiry, it was ascertained that the directors of two companies involved in the running of Casinos' in Australia, have come to police notice because of criminal matters or impropriety. A further indication of concern is that the NSW Government recently rejected as unsuitable, the only four applicants for a Casino license.

The questions raised by these matters remain unanswered to this inquiry. It is unfortunate that we were not able to question Governments in NSW and Victoria (who have both rejected casinos') or police in NSW, Victoria, South Australia, or Mr Bob Bottom in relation to these and other important matters.

This Government should not allow a casino to proceed unless it is clearly shown that the majority of Canberrans' want a casino.

DENNIS STEVENSON

JULY 1989



## APPENDIX 3

### STATEMENT BY MR B WOOD

Because of what a casino is – a place where the easy acquisition or disposal of money is the only value – the first and basic question to be decided is whether such a presence conforms to the moral and social values of Canberra people. If the casino cannot be justified in these terms it should not proceed, regardless of other factors.

I have concluded that a casino does conform to local values. Gambling is as much a characteristic of our citizens as of Australians generally and it occupies a most prominent place in the life of our city. Extensive gambling facilities are everywhere to be seen.

That being the case, what other major factors require consideration? I have rejected some of the claims on each side of the debate. For example, the argument that casinos promote crime and corruption is not supported by evidence. And there is no logic in the argument that we need building construction for employment. That's akin to saying that we must cut down forests to keep jobs.

While no one has argued that, on its own merits, a Casino is desirable, it can be justified on the context of the whole Section 19 development and the impact of that on Canberra. The prospect of excellent and much needed community facilities, though their full extent is still uncertain, and the impetus this adds to the rejuvenation of Civic lead me to support the proposal.

The physical presence of the casino will be insignificant. I strongly assert that the substantial arts complex will provide the vibrant architectural and social focus for this important vertice of the Burley Griffin design.

BILL WOOD

JULY 1989

## APPENDIX 4

### LIST OF SUBMISSIONS

ACT Civil Engineering Contractors' Association, Deakin  
ACT Council of Social Service, Inc  
ACT Women's Consultative Committee  
Aitchison, Dr G J and Mrs S C, Deakin  
Allen, Mrs M, Lyneham North  
Australian Capital Territory Churches Council Casino Sub-Committee  
Australian Capital Territory Racing Club Inc., Lyneham  
Australian Democrats, ACT Division  
Australian Federal of Construction Contractors, Canberra  
Australian Peoples Representative Council, Ovingham, SA  
Australian Tourism Industry, Association Ltd, Canberra  
Barry Simon Consultancy, Kingston  
Bates, M and others, Weston  
Batterham, K R and E S, Fisher  
Booth, Mrs M, O'Connor  
Brazil, Ms W, Canberra  
Building Owners and Managers Association of Australia Ltd  
Cains, Mrs B, Garran  
Cameron, Mr and Mrs A W, Red Hill  
Canberra Accommodation Industry Association, Dickson  
Canberra Chamber of Commerce  
Canberra Development Board  
Canberra Property Owners Association Ltd  
Canberra Southern Cross Club Ltd, Phillip  
Canberra Symphony Orchestra  
Carr, C E and M R, Canberra  
Carr, Mr C, Kingston

Christie, P R, Ainslie  
Civil and Civic, Canberra  
Committee for a Casino-Free Canberra  
Concerned Burswood Unitholders Committee, Scarborough, WA  
Concrete Construction (ACT) Pty Ltd, Barton  
Driver, Mr M, Fisher  
Emm, I D, Griffith  
Faulkner, D J and J E, Aranda  
Fyshwick Chamber of Commerce, Fyshwick  
Gordon, Mr I, Hawker  
Haldane-Stevenson, Rev J P and Mrs J T, Reid  
Herring, S G, Gowrie  
Hindex, Mr P, Curtin  
Hirst, Mr I, E, Yarralumla  
Hirts G, Mawson  
Hood, Miss B, Braddon  
Hurley, Mr R H, Tasmania  
Jacobson, Mrs I, Kaleen  
Jones, Mr P D, Dickson  
Jones Land Wootton, Canberra  
Kalms Family, The, Torrens  
Kehrev, Mr J, Woden  
Kinloch, Dr H G, M.L.A.  
Kirschbaum, Mrs S, Civic Square  
Lantry Holdings Pty Ltd, Kingston  
Licensed Clubs' Association of the ACT Inc, Turner  
London, T, Gowrie  
McMillen, Ms J, Queensland  
McMurtrie, Ms B and others, Griffith  
Mackay Sim, J, Campbell

Manidon, Mr R S, Mawson

Mannall, Mr G E, O'Connor

Martin, Miss E, Griffith

Mason, Mr W, Pearce

Master Builders' Construction and Housing Association of the ACT

Minius, Mr M, Cook

Morris Consolidated Pty Ltd, Canberra

National Convention Centre, Canberra

National Council of Women of the ACT

Newman, G A S, Kambah

O'Hanlon, Mrs M V, Ainslie

O'Laghlin, P B and Ms R, Melba

Peters, F E, Curtin

Petersilka, Mr A, Braddon

Purdex, Mr D A, Giralang

The Real Estate Institute of the Australian Capital Territory Ltd, Deakin

Residents Rally, Civic Square

Richards, Mr J R, Curtin

Rickerby, Mr M, Ainslie

Robertson, M, Victoria

Rydges Hotel Group, Sydney

Savvdudion, T, Oxley

Sellars, Mr L G, Griffith

Sheraton Hotel Group, Sydney

Shorthouse, D & E, Shorthouse

Sledge, Miss, Chapman

Society of St Vincent de Paul, Phillip

Stanton, K, Wanniasa

Stewart, Mrs, Canberra

Stewart, Mrs J H, O'Connor

Telensy, C, Chifley

Thomson, Mr N J, Yarralumla

West, Mrs K, Kingston

Whitefield, Mrs, D M, Hackett

Whittakker, G K, Latham

Wigely, Mr R, Ainslie

Wilford, Ms K, Turner

Worth, Mr B E, Canberra

Wrest, Mr N and Mrs J, Melba

## APPENDIX 5

### LIST OF WITNESSES

Adrian, Dr C	Acting First Assistant Secretary Industry Division Office of Industry and Development
Andrews, Ms C	Canberra Theatre Trust
Barwick, Fthr J	ACT Churches Councils Casino Subcommittee
Bastian, Mr D J	Canberra Theatre Trust
Bates, Mr B	Assistant Commissioner, ACT Region Australian Federal Police
Bennett, Mr G A	Executive Director Licensed Clubs Association
Berry Mr R W	Manager Concrete Construction Pty Ltd
Bolton, Mr J E	Acting Chief Planner National Capital Planning Authority
Brinkler, Mr B S	Detective Superintendent City District Crime Branch, ACT Region Australian Federal Police
Brokenshire, Mr P R	Manager National Convention Centre, Canberra
Byford, Rev E C	ACT Churches Councils Casino Subcommittee
Cains, Mrs B	Secretary Australian Family Movement
Caldwell, Dr G	Director Centre for Continuing Education Australian National University
Champion, Mr S P	Committee Member Cultural Industries Council
Christian, Mr P R	General Manager of the Capital Parkroyal and National Convention Centre
Cook, Mr R M	Manager ACT Arts Bureau
Connor, Mr F X	Chairman Victorian Government Inquiry into Casinos 1983
Cooper, Mrs S	Citizen
Dawkins, Mr S	Canberra Theatre Trust

Dickerson, Dr M	Department of Psychology Australian National University
Fisher, Mr R C	Senior Vice-President Licensed Clubs Association of the ACT
George Mr J W	President ACT Bookmakers Association
Goode, Mr D	General Manager Pavilion Hotel, Canberra
Grace, Mr M A	Director of Architecture National Capital Planning Authority
Grove, Ms J	Committee Member Cultural Industries Council
Guild, Mr P N	Acting First Assistant Secretary Development Division Office of Industry and Development
Haberecht, Mr N	Committee Member Committee for a Casino-Free Canberra
Hicks, Mr P J	Secretary Committee for a Casino-Free Canberra
Hinchliffe, Ms M	Acting Assistant Manager ACT Arts Bureau
Hirst, Mr I E	Manager Australian Centre Project
Holland, Mr P G	Director of Jebb and Associates Economic and Development Associates
Kenway, Mr N T	Chairperson ACT Arts Bureau
Killen, Dr D	Committee Member Committee for a Casino-Free Canberra
King, Mr L	ACT Director Australian Federation of Construction Contractors
Kinloch, Dr H	Private Citizen
Lawrence, Mr W E	Acting Executive Director Canberra Association for Regional Development
Mason, Mr W	Citizen
McCann, Mr M J	Communications Manager Australian Centre Project
McMillen, Ms J	Lecturer in Politics and Public Administration

	Queensland University of Technology
Miller, Mr M	ACT Churches Councils Casino Subcommittee
Minius, Mr M	Citizen
Morrison, Ms	President Australian Family Association Canberra Branch
Muir, Mr J F	Chairman Canberra Development Board
O'Hanlon, Mrs M	Citizen
Owens, Mr M	Secretary/Manager ACT Racing Club
Proctor, Ms D	President ACT Council of Social Service
Reeson, Rev R D	ACT Churches Councils Casino Subcommittee
Sellars, Mr L	Citizen
Smart, Ms E	Treasurer Committee for a Casino-Free Canberra
Smeed, Mr R	General Manager Civic Square Project Group
Smith, Mr M P	Acting Chief Executive National Capital Planning Authority
Snow, Mr G R	Chairman Canberra Association for Regional Development
Stuart, Mr D M	Chairman ACT Racing Club
Tomlinson, Mr J R	Director ACT Council of Social Service
West, Mrs K	Independent Candidate for the Federal Electorate of Canberra
Williams, Mr J	Associate Director Price Waterhouse Urwick
Wilson, Mr R J	Member ACT Arts Development Board
Worthy, Mr L C	Commander ACT Crime Division, ACT Regional Australian Federal Police