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CABINET DECISION

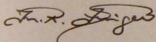
NO. 417

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Submission No.: 362

Title: CASINO DEVELOPMENT ACT 1978

Cabinet approved the introduction of Casino legislation as amended.



(M.R. FINGER),  
Secretary to Cabinet.

6.9.78

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## THE NORTHERN TERRITORY OF AUSTRALIA

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FOR CABINET

SUBMISSION No. ....

362

Title:	Casino Development Act 1978
Cabinet Minister Member	M B Perron, Treasurer
Purpose:	To provide a legislative framework for the Treasurer to enter into agreement/s to establish Casinos in Darwin and Alice Springs
Relation to existing policy:	Consistent with publicly stated policy to establish two Casinos in the Northern Territory
Timing/ legislative priority:	<u>URGENT</u> - Presentation to the House of Assembly in the September 1978 sittings
Announcement of decision, tabling, etc.:	No announcement required prior to second reading stage
Action required before announcement:	Drafting approval
Staffing implications, numbers and costs, etc.:	Nil increase
Total cost:	Nil increase

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CASINO DEVELOPMENT ACT

Comment by  
Director of  
Finance:

This submission has been prepared on the basis  
of Treasury input as required, and is supported.

Approved/Not Approved



A B ASHLEY  
UNDER TREASURER

Signed:

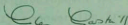
Date:

29 August 1978

Comment by  
Public Service  
Commissioner:

No immediate staffing implications.  
No objections.

Approved/Not Approved  
XXXXXXXXXXXXXXXXXXXX



C. CASILL  
FOR Public Service Commissioner  
25 August 1978

Signed:

Date:

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1. THE ISSUE

Recommendations for the necessary action to allow for the establishment of two Casinos in the Northern Territory.

2. BACKGROUND

- \* A status report as at 30 June 1978 prepared by Mr Ian Tuxworth, informed Cabinet that nine applicants were on the short list. Two applicants have since merged.
- \* Of the eight, Westbyrne Financial Services has since been discarded by the Panel for insufficient supplementary information.
- \* The current list for final interview now stands at seven and the Panels' advice to these applicants was forwarded on 21 August 1978. Interviews are scheduled to take place in the last week of September and first week of October with a recommendation due to Cabinet about mid to late October.
- \* Cabinet, at a meeting on 15 August gave the Panel a number of policy guidelines to follow and applicants have been asked to update their submissions accordingly.
- \* Upon Cabinet's acceptance of a suitable applicant/s, the Treasurer will be required to enter into an agreement, so that developmental planning and construction can proceed.
- \* This is the basis of this submission.

3. CONSIDERATION OF THE ISSUES

- \* The Casino Development Act is designed as an interim Bill to not only empower the Treasurer to legally enter into an agreement for Casino development in the Territory, but also to provide him with the scope for such development and subsequent operating criteria.
- \* In essence the Development Act allows for:

1. Casinos to be built and licenced within 30 km of either Darwin or Alice Springs Post Offices.
2. Agreement/s to be entered into and which will not come into effect until they have ratified by a subsequent Act, such agreement/s to provide for:
  - 2.1 Licences to be issued only when the Treasurer is satisfied that premises have been completed to his satisfaction.
  - 2.2 Premises to include substantial hotel development and amenities built to international standards.
  - 2.3 The type of games of chance that can be played.
  - 2.4 The payment of licence fee for each Casino not to exceed \$5,000 per calendar month.
  - 2.5 The monthly payment of a tax on gross profit, not to exceed 27½% of same.
  - 2.6 Other items and conditions as the Treasurer may deem necessary.

NOTE 2.4 and 2.5 specify upper limits and shall be negotiable with the successful applicant/s on a show cause and effect basis.

\* It is intended to introduce a Casino Licencing and Control Act as soon after an agreement has been drawn up. This Act will supercede the Development Act and will embrace all terms and conditions under which a licensee will be able to operate.

4. OPTION

1. To wait until a successful applicant is known and

having agreed terms and conditions to propose appropriate legislation on a one time basis only.

This option would have the effect of setting Casino Development back about 4 - 6 months as legislation could not be introduced until early 1979.

5. PUBLIC IMPACT OF THE RECOMMENDATIONS

\* Whilst the public is aware of the proposal, their overall reaction may depend largely on two aspects.

1. How well we are prepared to promote the advantages to the Territory of such a development especially in relation to the increased tourist activity.
2. How well we are able to convince Casino adversaries that social injustices and welfare problems will not necessarily prevail.

\* In the final analysis the actual siting of the Casinos will have a major bearing on public reaction.

6. FINANCIAL CONSIDERATIONS

\* NIL - Costs involved, apart from limited administrative costs, will be labour intensive only. This is likely to apply for the next twelve to eighteen months.

7. EMPLOYMENT CONSIDERATIONS

<u>Immediate</u>	Nil
<u>Long Term</u>	Casino Inspectorate staff would be required in approximately 2 years hence.

8. RECOMMENDATION

That Cabinet approve of drafted legislation being introduced into the Assembly.

  
M B PERRON

22 August 1978