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CABINET DECISION

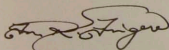
NO. 343

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Submission No.: 297

Title: CASINOS IN THE NORTHERN TERRITORY

Cabinet noted the information provided in this paper.



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

5 JULY 1978

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THE NORTHERN TERRITORY OF AUSTRALIA

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FOR CABINET

SUBMISSION No. 207

Title:	Casinos in the Northern Territory
Cabinet Member	IAN TUXWORTH, Cabinet Member for Mines, Energy and Health.
Purpose:	Status Report as at 30.6.78
Relation to existing policy:	Introduction of casinos in Darwin and Alice Springs
Timing/legislative priority:	N/A
Announcement of decision, tabling, etc.:	N/A
Action required before announcement:	N/A
Staffing implications, numbers and costs, etc.:	N/A
Total cost:	N/A

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(1) ISSUE

Casinos in the Northern Territory

(a) Position Summary as at 30.6.78

(b) Handover of Project to Department of the Treasury

(2) POSITION SUMMARY(a) BACKGROUND

- . A total of 17 Expressions of interest were received resulting in 17 applications (refer Attachment 'A')
- . Preliminary analysis of applications submitted to Cabinet (Cabinet submission No. 248) and on 9.6.78 (No. 330)
- . Nine applicants included on preliminary short list and requested to provide supplementary information in support of their applications by 16.6.78 (Cabinet Decision No. 291) They are:
  - (1) Federal Hotels Limited. Melbourne
  - (2) Travelodge Australia Ltd. Sydney
  - (3) Casan Co. Ltd. Tehran, Iran
  - (4) Westbyrne Financial Services, Camberwell NSW with Playboy Corporation of Chicago USA
  - (5) Darwin Club Inc. Darwin
  - (6) Messrs. Shannon and Russo, Dural NSW
  - (7) Milatos Holdings Pty. Ltd. Darwin
  - (8) International Management and Marketing Inc. Las Vegas/Singapore
  - (9) Telford Property Fund Ltd. Sydney

(b) STATUS AS AT 30.6.78

- . Seven of the nine shortlisted applicants provided the requested supplementary information by the due date. Westbyrne, and Shannon and Russo are still outstanding.
- . Two applicants indicated a merger of their applications and one advised a change of the financial and expertise backing arrangements. They are:-

- Merger: Travelodge and Milatos with Victoria Sporting Holdings Ltd. UK (a not short-listed late applicant)

- Changed backing: Darwin Club

from Landbrokes UK and Yip Hon Hong Kong/Macao  
to Genting Highlands Hotel Berhad, Casino/  
Hotel operators, Kuala Lumpur, Malaysia.

. The present status of the shortlisted applicants is set out in Attachment B.

. In accordance with the approved time table the applicants were advised that individual discussions were expected to commence in the second half of July following the analysis and evaluation of the supplementary information submitted. This phase will have to be given priority if the target timing is to be achieved.

(c) POLICY AND LEGISLATION

. A preliminary analysis of the Tasmanian and Nevada legislation has commenced.

. Formulation of policy principles for the Northern Territory will follow the completion of the legislation analysis and the evaluation of the proposals received.

. Target date for drafting instructions of the Northern Territory Casino legislation is September/October 1978.

(3) HANDOVER OF PROJECT

. With the Lottery and Gaming function being transferred on 1.7.78 to the Department of the Treasury, all files and papers related to the Casino project and the present Betting Control Board operations were handed over to Mr. O. Alder of that Department on 26.6.78 together with relevant action status notes.

RECEIVED APPLICATIONS FOR CASINO LICENCES

- (1) Federal Hotels Limited, Melbourne
- (2) Travelodge Australia Ltd. Sydney
- (3) Casan Co. Ltd. Tehran, Iran
- (4) Westbyrne Financial Services Camberwell Victoria  
with Playboy Corporation of Chicago USA
- (5) Territory Development Pty. Ltd. Adelaide
- (6) Darwin Club Inc. Darwin
- (7) E.C. Marty Cremorne NSW
- (8) Russo and Shannon Dural NSW with Yip Hon of Hong Kong
- (9) Milatos Holdings Pty. Ltd. Darwin
- (10) J.C. Williamson Productions Ltd. Sydney
- (11) Civil and Civic Pty. Ltd. North Adelaide
- (12) P. Hayward, Mataranka Homestead
- (13) L. Underdown, Alice Springs
- (14) International Management and Marketing Inc. Las Vegas  
Nevada/Singapore
- (15) Telford Property Fund Ltd. Sydney
- (16) Kien Huat Realty, Kuala Lumpur Malaysia (Genting Highlands Casino/Hotel)
- (17) Victoria Sporting Holdings Ltd. UK

- (1) Federal Hotels, Melbourne
  - Financial, operational and architectural information submitted.
  - Interested in Darwin and Alice Springs
  
- (2) Travelodge, Sydney
  - Merged application with (7) Milatos Holdings Darwin and with Victoria Sporting Holdings, UK (not short listed late applicant)
  - Financial, operational and architectural information submitted.
  - Proposal covers Darwin only. Alice Springs would be considered if successful with Darwin project..
  - The Company also submitted a research report on casino operations and operators prepared by Industrial Market Research Ltd. London.
  
- (3) Casan, Tehran, Iran
  - Only original expression of interest
  - Detailed information not submitted by set date (16.6.78)
  - 19.6.78 Telex advice that Principal of Casan Co. intends to "look over the situation in Darwin and Alice Springs".
  
- (4) Westbyrne Financial Services, and Playboy Corporation
  - only original expression of interest
  - 11.5.78 Telex advice that Companies intended to proceed with proposal and submit details by due date.
  - Details not received sofar
  - Not indicated whether interested in Darwin and/or Alice Springs project.
  
- (5) Darwin Club, Darwin
  - Advised change of original financial and expertise backers from Ladbrokes UK and Yip Hon Hong Kong/Macao to Genting Highlands Hotel Berhad Casino/Hotel operators, Kuala Lumpur, Malaysia
  - Financial, operational and architectural information submitted.
  - Proposal covers Darwin only. Alice Springs would be considered "subsequent to the successful completion of the Darwin Casino".

- (6) Shannon and Russo, Dural NSW
- Financial and expertise backing by Mr. T. Yip of Hong Kong/Macao
  - 20.6.78 letter from T. Yip outlining briefly some operational and financial details. No architectural information provided.
  - Interested in Darwin and Alice Springs
- (7) Milatos Hodlings Darwin  
Merged application with Travelodge (refer 1)
- (8) International Management and Marketing Inc. Las Vegas Nevada/Singapore
- original expression of interest
  - 15.6.78 Telex advise from Los Angeles submitting operational and financial information
  - No architectural information provided
  - Proposal covers Darwin casino only but indicated interest in any other developmental projects in the Northern Territory.
- (9) Telford Property Fund Ltd. Sydney
- Financial, operational and architectural information submitted.
  - Proposal covers Darwin only. Alice Springs being considered.

*Jan*