

CASINO CONTROL AMENDMENT (BARANGAROO RESTRICTED GAMING FACILITY) BILL 2013

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Bill introduced on motion by Mr George Souris, read a first time and printed.**Second Reading**

Mr GEORGE SOURIS (Upper Hunter—Minister for Tourism, Major Events, Hospitality and Racing, and Minister for the Arts) [4.39 p.m.]: I move:

That this bill be now read a second time.

In October 2012 the Government announced that it had received an unsolicited proposal from Crown Limited to develop a unique six-star hotel with VIP gaming facilities to be located at Barangaroo South. In accordance with the unsolicited proposal process and following rigorous independent analysis, the Government has agreed to accept the proposal from Crown Limited. This bill introduces the necessary legislation to enable the Independent Liquor and Gaming Authority to grant a restricted gaming licence at Barangaroo South. The bill provides that the Barangaroo restricted gaming facility will be situated on the site identified in the map tabled by or on behalf of the Minister in the Legislative Assembly on the day the bill is introduced. I hereby lay upon the table that map. Additionally, the bill requires that a restricted gaming licence, if issued, must contain certain conditions. The bill also will allow me as the Minister responsible to issue directions to the authority in relation to the terms and conditions of a restricted gaming licence. For the benefit of the House and for additional transparency, I lay before the House proposed draft ministerial directions that, subject to the passage of this bill, I intend to issue to the Independent Liquor and Gaming Authority.

The proposed Crown Sydney Hotel Resort will be a world-class tourist offering helping Sydney to compete with other global destinations and it will become a landmark attraction for millions of international and domestic visitors. It is estimated that the construction phase of the project will employ approximately 1,300 people. The proposed project costs spread over the construction period of 2014-18 will be approximately \$1.3 billion. Following the commencement of operations the proposed Crown Sydney Hotel Resort facility will employ approximately 1,250 people and by 2025 it is estimated that it will contribute an additional \$442 million, in 2012 values, per annum net impact on the gross State product. In 2013 there were nearly 2.9 million overnight international visitors to New South Wales, which is approximately 51 per cent of all international visitors to Australia. This was worth a total of \$6.5 billion to the New South Wales economy. This Government is committed to achieving its ambitious target to double overnight visitor expenditure by 2020.

The proposal put forward by Crown will assist in achieving key action items outlined in the independent Visitor Economy Taskforce report. This includes delivering additional accommodation capacity in Sydney and addressing the skills and labour shortage in the tourism industry. The development of Barangaroo, including the addition of the proposed Crown Sydney Hotel Resort, presents a unique opportunity to attract a higher percentage of these visitors, providing a direct economic benefit to the people of New South Wales. The

bill proposes the minimum necessary amendments to the existing Casino Control Act 1992 by creating a special type of restricted gaming licence. Only one such licence may be issued by the Independent Liquor and Gaming Authority [ILGA] and it must be located in Barangaroo South with a maximum area of 20,000 square metres.

The restricted gaming licence is set apart from the existing casino licence because gaming cannot commence before 15 November 2019, poker machines cannot be played in the Barangaroo restricted gaming facility, minimum bet limits must apply to all games, and only members and guests may participate. The New South Wales Government will receive a \$100 million upfront fee in the event the authority grants a restricted gaming facility licence. Crown Limited has also guaranteed that over the first 15 years of full operation New South Wales will receive from the Crown Sydney Hotel Resort at least \$1 billion in gaming taxes, including the \$100 million licence fee, from the operation of its gaming facility. The Barangaroo restricted gaming facility, the Crown Sydney Hotel Resort, will be required to have minimum bet limits for all games. The minimum bet limits will be commensurate with those expected of a VIP facility. The bill sets these limits at \$30 for baccarat, \$20 for blackjack and \$25 for roulette, and it also allows the authority, in accordance with the process contained in the licence, to determine higher limits.

For other types of games not specified in the bill the authority can approve appropriate limits in accordance with the process contained in the licence, taking into consideration the type of game and the limits in place at other VIP facilities. The bill requires the authority to publish any decision made in relation to minimum bet limits on its website. The bill prohibits the Barangaroo restricted gaming facility from operating poker machines. The bill also amends the Gaming Machines Act 2001 to include a provision that would prevent the authority from authorising poker machines or any other gaming machine elsewhere in the hotel facility. For example, if a hotel licence was issued under the Liquor Act 2007 anywhere in the remaining 80 per cent of the building's floor plan, the authority would be prevented from authorising gaming machines in that hotel. The Productivity Commission recently reviewed the social and economic impacts of gambling in Australia and it has concluded that less than 1 per cent of Australians—between 80,000 and 160,000 adults—suffers significant problems from gambling.

In New South Wales the prevalence rate is 0.8 per cent. This rate is among the lowest in Australia. Most of the harm from problem gambling comes from poker machines, which will not be permitted on the new premises. Crown Limited has made a commitment to provide responsible gaming support services at the Crown Sydney Hotel Resort. This commitment will form a condition of the proposed restricted gaming licence and Crown Limited has signed a memorandum of understanding with Mission Australia in relation to these services. The tax rate for the Barangaroo restricted gaming facility also includes a 2 per cent contribution to the Responsible Gambling Fund. The Responsible Gambling Fund provides grants to counselling and support services throughout New South Wales and the 24-hour, seven days a week Gambling Help Line service. Gambling help services operate at more than 200 locations across the State, providing free, confidential and effective counselling and

support to problem gamblers and their families. In the 2012-13 State budget funding to problem gambling counselling and support services was increased to a record \$10.6 million, and in 2013-14—the first year of the new funding round—funding increased to \$10.7 million.

Over the four years of the new funding round, 2013-14 to 2016-17, the New South Wales Government has committed to spending up to \$48 million supporting the delivery of these important services. Despite the record funding provided in the latest funding round, the additional tax stream from the proposed Crown Sydney Hotel Resort will provide a greater pool of funding for future services, enabling the fund to provide an increased level of service across New South Wales. The bill requires that the operator of the Barangaroo restricted gaming facility only allow gaming to be conducted by members of the facility, members' guests or guests of management, in accordance with the conditions that will be set out in the restricted gaming licence. Any licence granted will include a condition that ensures the authority will be able to conduct audits to ensure that the requirements for the membership and guest policies are being met.

In relation to New South Wales residents who may wish to participate in gaming at the facility and who cannot demonstrate that they have VIP membership status at other similar casinos, there will be a minimum 24-hour cooling-off period before their application for membership can be approved, in accordance with the membership policy. The operator must also review a person's membership at least annually to ensure that that person's membership continues to meet the requirements. The bill exempts the Barangaroo restricted gaming facility from the Smoke Free Environment Act 2000 for the gaming areas only. This puts the facility on a similar footing with The Star, which also permits smoking in specific areas of the VIP rooms at the casino. However, the bill requires the authority to impose conditions in the restricted gaming licence that the operator of the facility must install international best-practice air quality equipment and that the operator must appoint an independent expert to test the equipment quarterly. The independent person must report annually to the Minister for Health on the results of those tests. The Minister for Health must table each annual report as soon as practicable in both Houses of Parliament.

Additionally, it is to be a further condition of the licence that the operator will also be required to provide copies of the quarterly reports to nominated health and safety representatives of employees. Every 10 years an independent expert must be engaged to provide a review and advice on whether the air quality technology should be upgraded to ensure that it remains equal to international best practice. Where required, upgrades must be implemented. In summary, the proposed amendments to the Act will facilitate the introduction of a high-quality tourist resort in the Barangaroo district, combining world-class accommodation and tourist activities with a highly regulated members-only gaming facility. I commend the bill to the House.

Debate adjourned on motion by Mr Richard Amery and set down as an order of the day for a future day.