

## 18/678: Aquis Unsolicited Bid November 2018

Summary of Impacts	
	<ul style="list-style-type: none"> <li>The proposed redevelopment of the casino precinct stands to provide a range of economic and social benefits. In addition to this, there are also a number of potential social disbenefits that will require consideration and in certain circumstances mitigation.</li> <li>To date, a number of these potential social disbenefits have been managed through harm minimisation measures entrenched in the Casino (Electronic Gaming) Act 2017, however, there are a number of further social impacts that will need careful consideration should the proposal progress. Environmental impacts are expected to be minimal and manageable.</li> <li>The proposal supports the Government's priority of growing the economy (through additional tax revenue, jobs, investment and visitation) and appears consistent with urban renewal goals.</li> <li>It should be noted that since the Aquis' Stage 2 Business Case was lodged, a number of decisions have been made by Government which is likely to impact the modelling and deliverables outlined by Aquis in their original proposal. Notwithstanding that, this TBL Summary is based on the original Stage 2 Business Case, as it remains the most comprehensive document available.</li> </ul>

Key to impacts: Red – negative, Blue - neutral and Green - positive.

### Social

<b>Gambling harm</b>	<ul style="list-style-type: none"> <li>Electronic Gaming Machines (EGMs) and Fully Automated Table Games (FATGs) in a casino may induce higher gambling participation with pull factors such as entertainment etc.</li> <li>The <i>Casino (Electronic Gaming) Act 2017</i> legislates for the inclusion of a centralised monitoring system, mandatory pre-commitment and maximum bet limits, bringing together the strongest possible harm minimisations measures possible.</li> <li>The sufficiency of harm minimisation strategies in relation to the number and type of gaming machines the casino proposes to operate will be considered in the context of the Social Impact Assessment process the casino must undertake.</li> </ul>
<b>Impact on community clubs</b>	<ul style="list-style-type: none"> <li>Clubs ACT have run a well-publicised campaign citing that if the casino were to receive permission to operate EGMs, some clubs would close (citing Sydney and Melbourne experiences). They have claimed this would further affect jobs and local supply contracts.</li> <li>Support for small and medium sized community clubs has been built into the Territory's recent <i>Casino (Electronic Gaming) Act 2017</i>. The Act mandates for at least 50 per cent of authorisations acquired by the casino be purchased from small or medium clubs or club groups and class B (hotel and tavern) licensees.</li> </ul>

### Economic

<b>Growth and investment</b>	<ul style="list-style-type: none"> <li>Deloitte modelling (commissioned by Aquis) indicates a contribution to Gross Territory Product of \$61 million per year once fully operational. Based on high level information to date, these net economic benefit figures appear possible.</li> <li>The Evaluation Panel through analysis conducted by Treasury supports the economic assumptions made in the Stage 2 Business Case, including: <ul style="list-style-type: none"> <li>gross state product contribution of between \$82 and \$96 million in 2015-16 terms once fully operational;</li> <li>over the 15 years to 2030, the stream of gross state product gains amount to between \$478 million and \$541 million in the central and high scenarios; and</li> <li>diversification of the ACT economy.</li> </ul> </li> <li>The proposed investment from Aquis is \$336 million.</li> </ul>
<b>Tax Revenue</b>	<ul style="list-style-type: none"> <li>The modelling indicates an additional \$125 million in ACT Government tax receipts to 2030.</li> </ul>
<b>Jobs</b>	<ul style="list-style-type: none"> <li>The modelling suggests around 200 Full Time Equivalent (FTE) jobs would be created during the construction peak. Ongoing new FTE job creation estimates range from</li> </ul>

	270-300 through to the end of Stage 1, to 365-420 by 2030 (mostly in entertainment/hospitality/retail).
<b>Visitation</b>	<ul style="list-style-type: none"> <li>• Aquis estimates that the development will receive up to 730,000 annual visitors by 2030, 27 per cent of which will be international visitors. The figures include multiple visits by individuals so should be considered with some caution.</li> <li>• The casino and hotels are products that will appeal to international visitors who have the highest propensity to visit casinos (17 per cent for Chinese, double that of New Zealand at 9 per cent and are claimed to move the ACT international tourism growth rate 66 per cent closer to the Australia wide average.</li> </ul>
<b>Urban Renewal</b>	<ul style="list-style-type: none"> <li>• The redevelopment offers the potential to contribute positively to city rejuvenation and social outcomes including: <ul style="list-style-type: none"> <li>○ the capacity to provide inbound demand to support direct international flight services;</li> <li>○ a foundation project to support the City to the Lake project and the work of the City Renewal Authority;</li> <li>○ the development of international standard 6-Star and 5-Star hotels, currently a gap in the Canberra accommodation market;</li> <li>○ flow-on benefits to other hotels, tourism and hospitality related businesses in the ACT resulting from the development of demand driving infrastructure;</li> <li>○ catalyst for urban renewal in the south of the city; and</li> <li>○ the integration and activation of the surrounding precinct with Glebe Park that will create the opportunity to host new events.</li> </ul> </li> </ul>
<b>Other businesses</b>	<ul style="list-style-type: none"> <li>• Construction will generate local demand. There are also expected flow on benefits to other hotels and tourism and hospitality business in the ACT resulting from the development of demand driving infrastructure. The impact on nearby businesses (e.g. restaurants, retail) could be tested in community consultation although the proposed redevelopment is a different (upscale) product offering.</li> </ul>
<b>Environmental</b>	
<b>Land Sale</b>	<ul style="list-style-type: none"> <li>• The ACT Government's long-term priority for Block 24, Section 65, City is for the potential future relocation of Coranderrk Pond to allow for alterations to Parkes Way and improved water quality. Any other uses for the site must be consistent with its future use as a stormwater control pond.</li> </ul>