



Australian Government

Department of Infrastructure,
Regional Development and Cities

COMMUNITY CONSULTATION REPORT

The potential for the establishment of a Casino on Christmas Island



December 2018

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Consultation with the Christmas Island Community



The Australian Government recognises that, while many people on Christmas Island are supportive of a casino as a means to encouraging economic development and employment, there are also concerns about the possible negative impacts on the community.

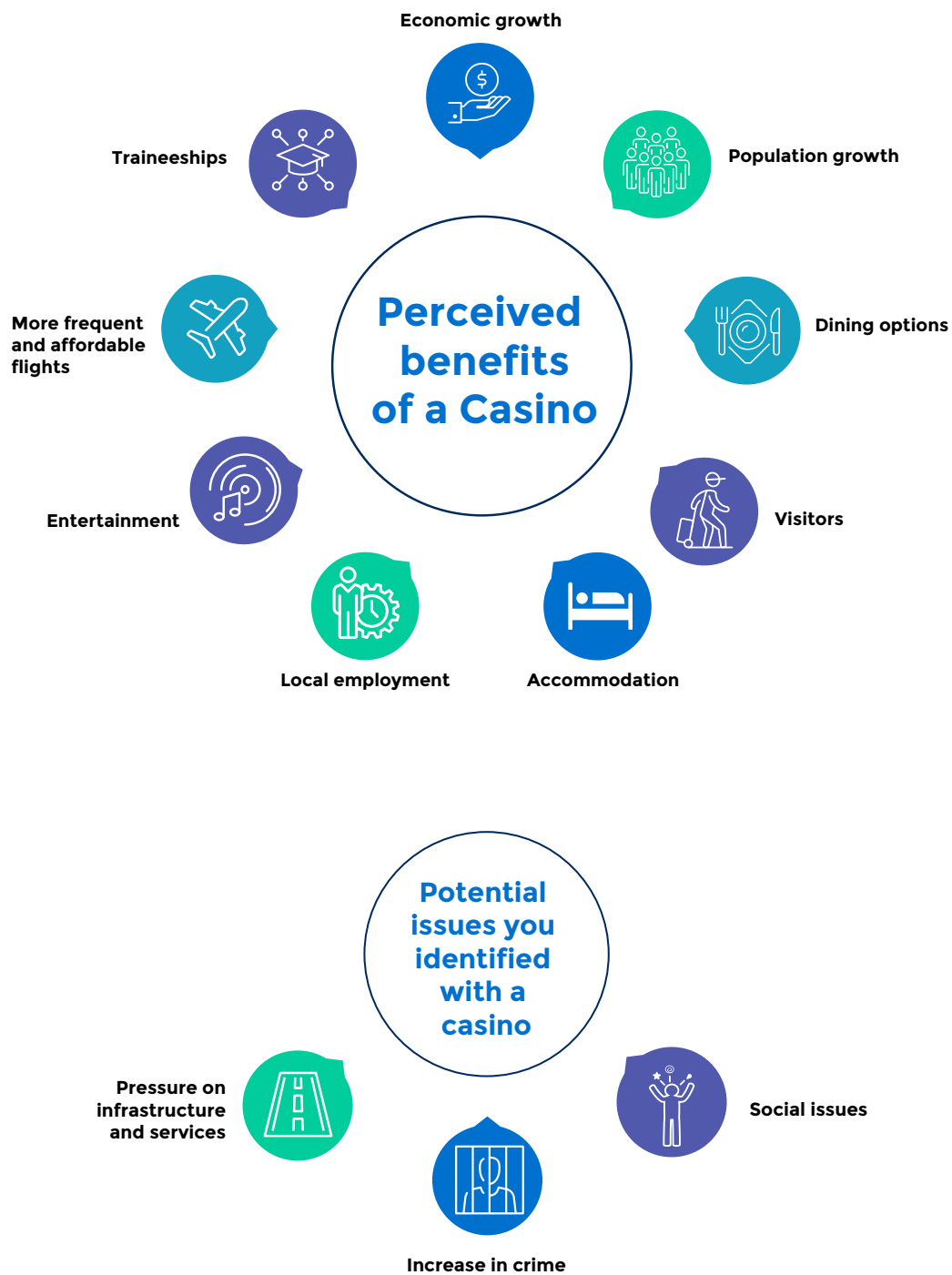
Assistant Minister for Regional Development and Territories, the Hon Sussan Ley MP, asked the Administrator of the Territories of Christmas Island and the Cocos (Keeling) Islands, Mrs Natasha Griggs (the Administrator), and the Department of Infrastructure, Regional Development and Cities (the Department) to meet with the community of Christmas Island to discuss the benefits, challenges and issues associated with establishing a casino on Christmas Island.

A discussion paper was released by the Department on 1 November 2018 to the community to inform discussions as part of community consultations. Following the release of the discussion paper, the Department hosted community consultation meetings on Christmas Island between 6 and 9 November and members of the community were also invited to submit written feedback. All documentation provided to the community was translated into the three community languages of English, Chinese and Malay.

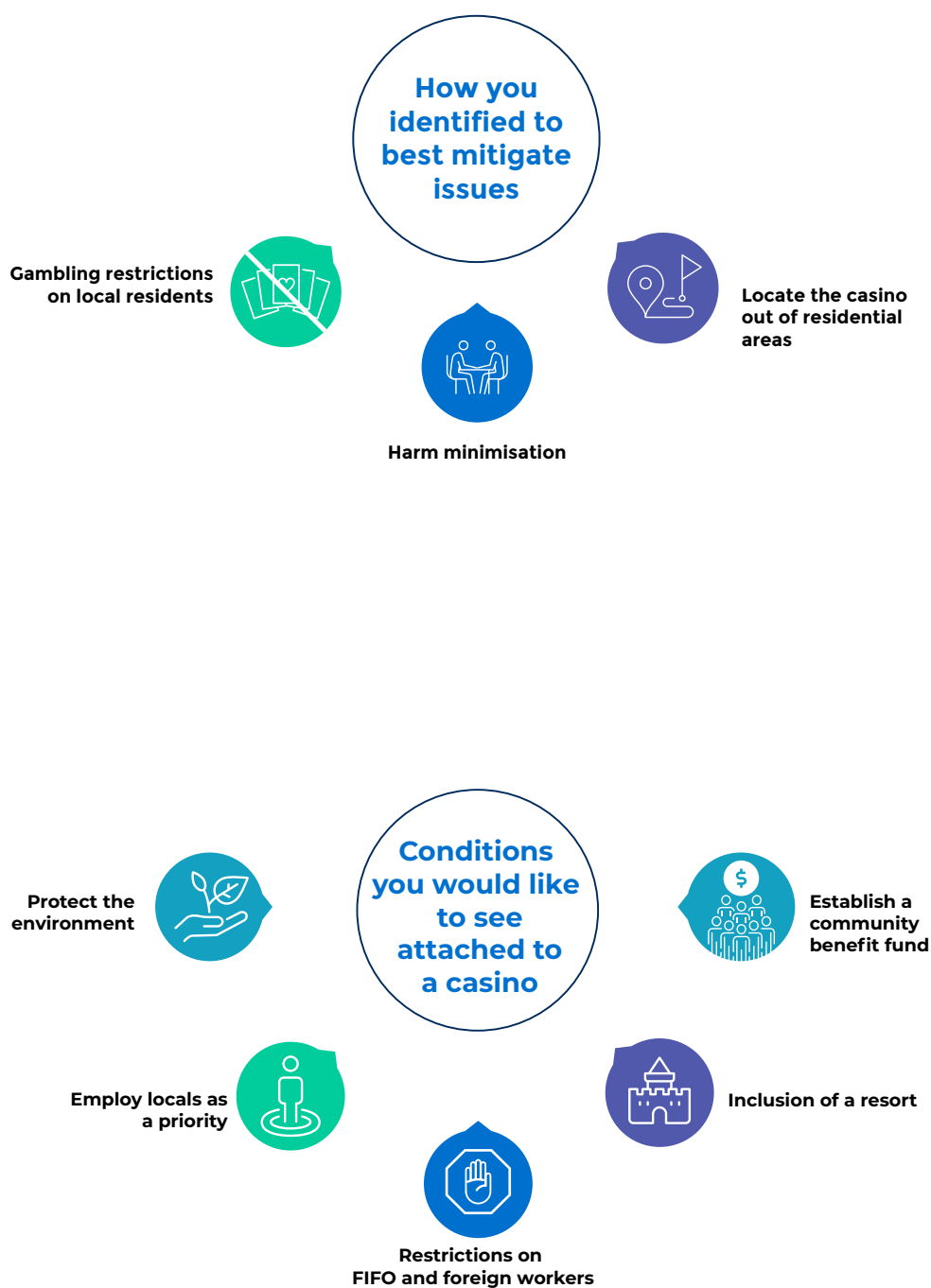
The purpose of community consultations was to seek the full diversity of views held by the community on the potential establishment of a resort with a casino licence Christmas Island. Small group meetings and a Town Hall meeting were held over four days. In addition 35 written submissions were received. Feedback forms completed in Chinese and Malay were accepted as well as those in English, with submissions in Chinese and Malay being translated into English. In addition, an accredited interpreter in the three languages was engaged to support consultation meetings with the Chinese and Malay communities in particular, as well as the Town Hall meeting.

This report summarises the feedback received from community consultations and written submissions. All feedback is being carefully considered by the Department and will inform the development of a proposal for consideration by the Australian Government. The Administrator and the Department appreciate the time and effort of individuals, organisations and the community in preparing submissions and attending consultation meetings.

Key messages from consultations



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Summary of community views on the potential establishment of a casino on Christmas Island

Overall, respondents supported the re-issuing of a casino licence as a catalyst for the opening of a resort, which would bring economic development and employment opportunities. However, a significant number of respondents, including the Islamic Council of Christmas Island, were opposed to the re-issuing of casino licence and concerned about negative impacts a casino may have on the community. There was a general sense that lessons should be learned from the previous casino experience, both positive and negative. Feedback received in written submissions, small group meetings and the Town Hall meeting focused on several key themes presented below.

Integrated resort business model

The majority of feedback received identified a preference for an integrated resort that would include a hotel with a casino together with entertainment facilities, retail and dining. Respondents indicated that an integrated resort would address concerns surrounding a lack of higher end accommodation for tourists and limited entertainment and recreational activities for tourists and residents. The options of a boutique casino and 'online casino' were also identified with the condition that either option be attached to a resort.

It was widely acknowledged that a casino on Christmas Island would need to target Asia's casino market and existing Asian casinos may affect viability. With regard to the latter, respondents highlighted that the safety and anonymity of Christmas Island is a competitive advantage for an Asian market. Respondents indicated that the competitive advantage of the previous casino relied on a visas on arrival for gamblers from Indonesia which no longer exist.

Anticipated economic stimulus and opportunities for tourism

Many respondents supported the re-issuing of a casino licence to generate economic growth following a decline in economic activity associated with the move of the Immigration Detention Centre into hot contingency and the anticipated closure of the phosphate mine. The casino, if integrated with a resort, is perceived as providing a new baseline for businesses to grow. It is expected an integrated resort will increase and diversify tourism through the provision of high end accommodation and activities alternate to adventure and nature tourism. It is further expected that increasing tourist numbers will increase the frequency and affordability of flights making Christmas Island a more accessible and affordable tourist destination.

Even though the community identified it would benefit from a casino enhancing the tourist industry it was well understood that Christmas Island is susceptible to 'over-tourism' given its size, protected environment and dependence on the mainland for cargo. Members of the community stressed the importance of a casino licence limiting tourist numbers to sustainable levels and complying with environmental laws to ensure Christmas Island does not lose its appeal of remoteness and unexplored environments that currently attract tourists.

Opportunities for local employment and traineeships

Respondents indicated that a casino would diversify the job market and provide much needed local employment and training opportunities. It is understood that industry on Christmas Island has a history of employing fly-in-fly-out (FIFO) workers resulting in local unemployment and a deterioration of a skilled labour force. Members of the community suggested restrictions on FIFO workers and local procurement and employment targets be a condition of a casino licence.

Many members of the community expressed concern regarding the movement of the 18 to 40 year old demographic to the mainland for employment, education and training. The community expects this trend to continue following the closure of the mine. It has been suggested that the casino could also offer school leaver programs and part time and casual opportunities to engage youth and encourage them to pursue further employment and training on Christmas Island.

Properly considered and expeditious process

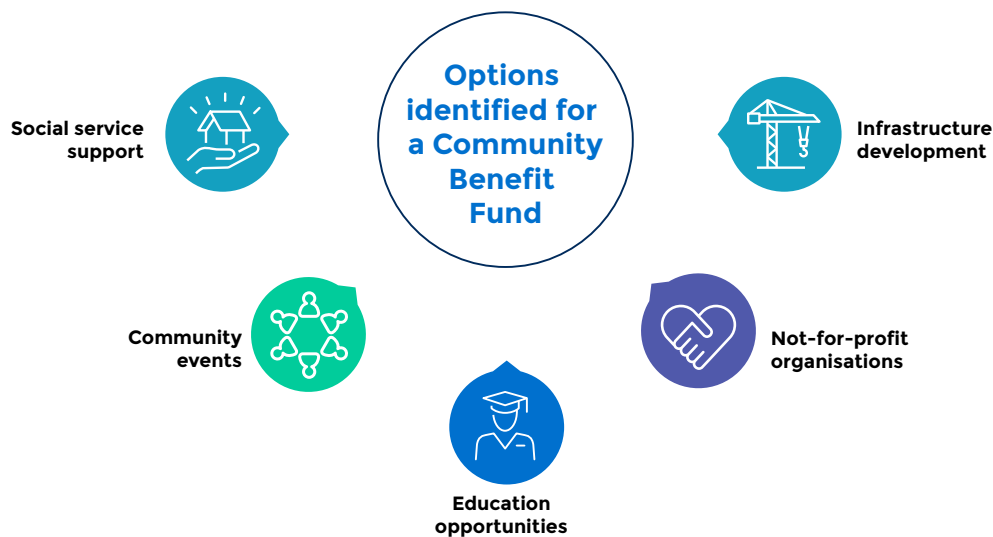
Respondents stressed the importance of an expeditious process for a decision regarding the re-issuing of a casino licence. There is significant community support, in particular from the Shire of Christmas Island and the Union of Christmas Islander Workers, for the licence to be issued to the current resort owner. In contrast, participants in small group consultations indicated a preference for the issuing of a licence to be through an open tender process. Respondents also highlighted the community is experiencing fatigue from the 'boom and bust' cycles of economic expansion and contraction in the past and seek assurance that a sustainable model for a casino can be achieved prior to any licence being issued.

Community Benefit Fund

There was overwhelming support for a Community Benefit Fund (CBF) as a condition of casino operation and for funds to be managed by an independent body or board separate from the Australian Government and Shire of Christmas Island. Respondents indicated a CBF could provide financial assistance towards:

- infrastructure development that supports long term economic diversification such as improving tourist infrastructure
- harm minimisation services to address the emergence of social issues from the operation of a casino
- programs managed by not-for-profit organisations
- education opportunities such as scholarships; and
- social and cultural events for the community such as sports carnivals and Chinese New Year celebrations.

Options identified for a Community Benefit Fund



Impacts on the community

The community identified key issues that could arise with the establishment of a casino - an increase in criminal activity, heightened social issues and pressure on existing infrastructure and services. Respondents indicated that the establishment of a casino may be associated with an increase in criminal activity such as money laundering and human and drug trafficking. This would require an increase in enforcement services including policing and border protection.

There was significant concern that a casino could intensify certain social issues in the community such as drug and alcohol abuse and associated violence, domestic violence, prostitution and gambling addiction. Respondents identified this could affect the family friendly status and reputation of the community. Particular concern was identified for the senior community exhausting their retirement funds, as a casino would make gambling more accessible. The community identified that extensive social support services including counseling and child protection could be required to manage social issues. In addition, measures suggested for harm minimisation include: gambling restrictions for local residents and locating the casino out of residential areas to reduce accessibility of the casino to the local community.

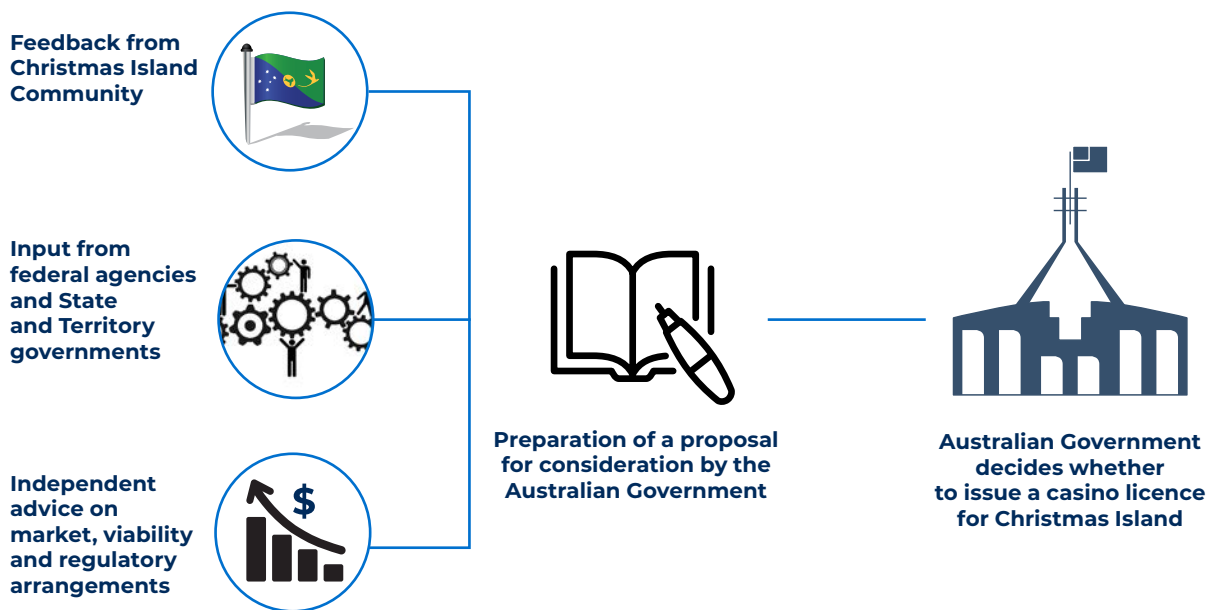
The pressure on existing infrastructure and services such as health, public housing, water and power was also identified as an issue associated with an increase in visitor numbers and residents expected with the establishment of a casino. In addition, it was identified that an increase in population could strain the private housing availability causing an increase in rent prices and potentially excluding local residents from the housing market.

Alternative industry options

Respondents identified that a high level of support for a casino stems from the need for new industry on Christmas Island to support employment and the economy. Other industry options were raised as an alternative or in addition to establishing a casino. This included international research and education supported by the unique ecological landscape, the establishment of an agriculture industry, and improving tourist infrastructure to expand the current tourist industry focused on natural assets (diving, bird watching).

Next steps:

Feedback from consultations, summarised in this report, will inform the development of a proposal for consideration by the Australian Government outlining the key benefits and challenges associated with establishing a casino. The proposal will also be informed by consultation with other Australian Government agencies; consultation with State and Territory governments; and independent advice on the market, viability and regulatory arrangements for a casino. If a proposal is supported by the Australian Government, a new legislative and regulatory regime would need to be established to provide the basis for re-issuing a casino licence for Christmas Island. Legislation for this new regime would be passed through the Parliament.



Details of consultation:

Community groups consulted with	Attendance
Australian Government department and agency representatives	5
Business representatives	5
Chinese Community	20+
Christmas Island District High School students grades 7 – 10	30+
Christmas Island District High School staff	5
Ex-casino employees	6
Indian Ocean Territories Group Training Association	1
Malay Community and Islamic Council	30+
Shire of Christmas Island	6
Tourism representatives	7
Town Hall meeting	120+
Wellbeing representatives	3
Written submissions	Total received: 35

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