

NewsRoom

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Kennan expects \$100m windfall from state casino

Robyn Dixon

Melbourne's casino development could be worth up to \$1billion, and could earn the State Government \$100million a year in revenue, the Deputy Premier, Mr Kennan, said yesterday.

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The Premier, Mrs Kirner, and Mr Kennan yesterday launched an international campaign in search of a developer for an open casino with between 150 and 200 gaming tables. The casino will also have 2500 gaming machines.

Mrs Kirner said the Government would advertise internationally to attract interest in the US, Asia and Europe. "Melbourne's future clearly depends on our ability to create new industries and to encourage investment from new sources." "This is a new industry. It represents thousands of jobs for Melbourne, in terms of tourism, in terms of construction and in terms of manufacturing," she said.

Mr Kennan said the casino could be the largest of its kind in the world.

The Government has not specified what sort of features, such as hotels and restaurants, should be part of the casino development.

"This means that the potential development could be very big indeed. You might be talking of a total development in terms of construction of between half a billion and a billion (dollars) _ which is very big," Mr Kennan said.

He said it was expected there would be an average 20,000 daily visitors to the casino and 40,000 on Saturdays. He expected a lot of interest from overseas companies.

"Clearly, to put it bluntly, where you are starting a new industry which is a legislated monopoly _ that is, by legislation there is only one open casino to be allowed in the foreseeable future in Melbourne _ that will attract, of course, enormous interest." Mr Kennan said the Government could net up to \$100million a year from the casino, depending on its size.

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"But we also expect considerable community benefit, not just tax. I mean, I think the kick along that this can give Melbourne in terms of generation of tourism, generation of jobs, of promoting Melbourne generally, is in fact a main benefit rather than a specific dollar return," he said.

The casino operator will have to pay a licence fee, an annual fee of at least \$600,000 and a "community benefit levy" of one per cent of takings.

Mr Kennan said there would be a minimum annual tax rate of 30 per cent on the casino.

Expressions of interest close at the end of February and the Casino Control Authority will then vet applications. The authority has to check short-listed applicants for criminal records and business experience.

"Every necessary check will be undertaken to ensure that the final licensee is clean," Mr Kennan said. Work could start on the casino within two years.

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