

GLAI Background Briefing Note

Gaming Industry calls for Minister for Justice to publish rules on casinos urgently

- Existing operators could create 2,000 sustainable jobs and draw in more tourists -

- Resort Casinos will not work in Ireland -

The decision by An Bord Pleanála to grant planning permission for a large scale leisure complex, including provision for a 6,000 sq. m (1.48 acre) casino at Two Mile Borris has attracted a lot of media attention and generated hope for the Tipperary region but it is, in our view, misplaced and misleading pie in the sky thinking. We need a more realistic and well thought out approach that starts with putting in place rules and regulations on gaming in Ireland. It is putting the cart before the horse to grant planning permission while we are still the only country in the E.U. without 21st Century legislation on gaming as a whole and indeed the only EU Member State without any regulated casinos at all.

The real issue here is the absence of any regulation of casino type gaming which renders this planning decision pre-emptive in the extreme. The issue is not where casinos should be built but what is appropriate and sustainable in Ireland.

Minister Shatter has indicated that he is currently examining this issue of regulating gambling in the overall interest of the country and not with any single project in mind. This is the correct approach and we welcome this sensible and prudent approach.

There is undoubtedly a demand among tourists for a casino offering, as many tourists to Ireland are from jurisdictions where casinos are formally regulated and considered an enjoyable form of entertainment. However, this demand would be more than adequately serviced by smaller 'registered-style' casinos as referred to in the 'Options to Regulate Gaming' published last December.

There is now a real opportunity to grow this sector in a careful and prudent fashion. All of our members are city centre based and therefore in line with sustainable development. Our operations, if properly regulated, could easily be expanded and create at least as many if not more jobs than Two Mile Borris. A resort style casino requires a large local population with ample disposable income together with a large number of visiting tourists. These basic ingredients simply do not exist on the size and scale required in one location in Ireland. With a widely dispersed population of 4 million, a number of smaller casinos in keeping with cities and towns in which they are located is far more appropriate for the Irish market, both local and tourist. 20 such operators each employing approximately 100 people would generate an additional 1,600 on top of the 400 that already exist in the sector, the key factor being that these jobs would be genuinely sustainable.

A report for the GLAI, by DKM Economic Consultants, entitled, an 'Economic Assessment of a Regulated Casino Gaming Sector' concluded that approximately 2,000 jobs could be created in the land based sector, with an additional 10,000 jobs created in the online sector over the next nine years if an appropriate licensing system were put in place.

A well regulated gaming sector would also help boost tourist numbers throughout the year and would provide a vital shot in the arm for our hard pressed hotel and restaurant sectors.

Massive resort casinos are simply inappropriate in Ireland. The major casino operators in Las Vegas have found it difficult to get such stand alone resorts to work and the challenges in Ireland, given the size of the market, would be even greater. The size of the market does not support these huge developments. A casino like that proposed in Tipperary would need between 22,000 to 25,000 patrons per week, that is 1.3 million punters per annum, and our view is that is not viable in one location, no matter where it is located. There are many unanswered questions. Where will these customers stay? How will they get there and where will they come from? It is just not good enough to say build it and they will come.

Currently casino gaming in Ireland accounts for approximately 2% of the entire gambling industry, therefore, a super casino with a gaming floor equivalent to 1.48 acres (6,000 sq. metres) is excessive in the context of the Irish market.

It is very difficult to see how a €130 million scheme could be sustained given these facts. We have to shed this 'celtic tiger' thinking, and get back to reality.

ENDS