

# ***Gambling Tourism in PNG- A Grace or a Curse?: Implications of the Proposed Casino Gambling as Perceived by the Community***



**Dr. Joyce Rayel**  
**Mr. Ponnusamy Manohar**  
**Ms. Imelda Atu**  
**Mr. Ronal Raka**

# PRESENTATION OUTLINE

- Definition of key terms
- Introduction
- Casino Gambling in PNG
- Research Problem
- Methodology
- Research Findings
- Conclusion
- Recommendations

# TOURISM



- Tourism contributes trillions of dollars to the global economy, creates jobs and wealth, generating exports and capital investment
- Tourism accounts for 9% of global GDP (2015) and International tourism receipts reached US\$ 1245 billion worldwide in 2014 (UNWTO).
- Destinations worldwide received 561 million international tourists (overnight visitors), 21 million more than in 2015, according to the latest UNWTO World Tourism Barometer.

# GAMBLING

- Gambling is the wagering of money or something of material value (referred to as "the stakes") on an event with an uncertain outcome with the primary intent of winning additional money and/or material goods (Quesada, 2015).



# GAMBLING TOURISM

- It is a form of tourism development where two aspects, gambling and tourism, take part in a unique leisure activity (Alipour and Vughaingmeh, 2010).



# CASINO GAMBLING

- It is the form of legal gambling that is most associated with tourism (Harrill, 2004).



# Introduction

- Tourism as one of the leading and largest economic sectors created a huge platform for product diversification.
- Product diversification and expansion in tourism is found to be an effective approach to trigger demand from existing and potential markets.
- Although some tourism products and activities are conventional and already been embraced by advanced and developed countries, some nations where tourism is at its fledgling stage is still in the process of experimenting and introducing new flavours of tourism within their periphery.
- Casino Gambling is an added flavour to a huge range of products tourism can offer.

# CASINO HOTEL IN PNG

- Casino gambling came into the scene through the passing by the Parliament of the ***Gaming Control Bill 2007*** that allows casinos and internet gambling in PNG.
- The idea of having casino hotel was introduced by the former Prime Minister Sir Michael Somare and was supported by 61 members of parliament.



# CASINO HOTEL IN PNG

## (Continuation)

- All policy-makers who supported Casino Hotel Operations considered casino gambling as a strategy to broaden economic base by creating employment, generate government income and stimulate business activities in the prime city.
- It is also a way of boosting tourism by enticing more international visitors. ***Casino gambling therefore is treated as both economic and tourism strategy by the PNG government.*** This is in same line of thinking with other states, provinces, countries and nations that support casino gambling.

# CASINO HOTEL IN PNG

## (Continuation)

- With the changes in the government leadership in PNG, comes with the changes in the mindset of current political leaders on the issue of casino gambling. The incumbent Prime Minister Peter O' Neill was cited by the local newspaper (The National, May 22, 2013). Accordingly, O'Neill told Parliament that the *country is not yet ready to introduce casinos and his government would not allow them to operate in Papua New Guinea.*
- The current government's major concerns include:
  - problems casinos would create to the struggling PNG families,
  - the absence of law governing casinos in the country,
  - participation of government officials in casino gambling
  - the non compliance of the developer on building standards.

# RESEARCH MOTIVATION/PROBLEM

- In light to these pressing concerns expressed by the current Prime Minister on casino hotel project, the researchers were motivated to conduct an investigation that ***will determine the perceptions of the residents on the socio-cultural and socio-economic implications of casino gambling in Papua New Guinea.***

# CURRENT STATUS OF CASINO HOTEL IN PNG

- The hotel and casino project was signed on March 22, 2007, between CMSS, the State and NCDC.
- In return, the Casino Hotel project is expected to generate foreign investment of more than K100 million over the next 12 months, create 2,500 jobs and earning opportunities for the youth and women.
- However, due to lack of financial support and administrative delays, the project was suspended in 2011.
- With the new investor, AusPNG Ltd, the casino hotel project was relaunched on May 10, 2012 by then Commerce Minister Charles Abel.

# CURRENT STATUS OF CASINO HOTEL IN PNG (Continuation)

- In 2013, NCDC Building Board publicly commented that the building be demolished on the basis that it is abandoned, rundown, and unsightly, and was dangerous and likely to cause damage.
- Same year (2013), restraining orders have been sought from the Waigani National Court to stop any demolition exercise on the failed construction of a hotel and casino in Port Moresby
- The order issued on Dec 6, 2013, stops any further action against the hotel until a final determination is made on the plaintiffs equitable and legal interests.
- CMSS (PNG) claims that if the demolition goes ahead, it anticipates special damages in the form of capital loss in excess of K80 million and loss of expected earnings in excess of US\$3 billion.

SOURCE: PNG Facts (2014)

**PROPOSED**



**ACTUAL**



# METHODOLOGY

- Quantitative/Positivist
- Survey Questionnaire
- Purposive convenience sampling technique
- Respondents are the local residents and tourism practitioners within Port Moresby.



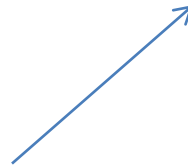
**Gambling  
Tourism**



**Casino  
Gambling**



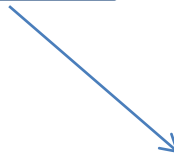
**Growth  
Strategy**



**Tourism Development**



**Economic  
Development**





# FINDINGS ON THE SOCIO-CULTURAL IMPACTS

## OVERALL PERCEPTION OF THE LOCAL COMMUNITY ON THE PROPOSED CASINO GAMBLING

<b>Socio-Cultural Factors</b>	<b>RESIDENTS (Weighted Average Mean)</b>	<b>INTERPRETATION</b>	<b>TOURISM PRACTITIONERS (Weighted Average Mean)</b>	<b>INTERPRETATION</b>
Positive Indicators	2.97	Moderate Impact	2.80	Moderate Impact
Negative Indicators	4.23	High Impact	3.67	High Impact

# FINDINGS ON THE SOCIO-ECONOMIC IMPACTS

## OVERALL PERCEPTION OF THE LOCAL COMMUNITY ON THE PROPOSED CASINO GAMBLING

<b>Socio-Economic Factors</b>	<b>RESIDENTS (Weighted Average Mean)</b>	<b>INTERPRETATION</b>	<b>TOURISM PRACTITIONERS (Weighted Average Mean)</b>	<b>INTERPRETATION</b>
Positive Indicators	3.63	High Impact	3.45	Moderate Impact
Negative Indicators	3.78	High Impact	3.65	High Impact

# CONCLUSION

- Gambling tourism is ambivalent that it creates both positive and negative impacts.
- Casino gambling is not viable in the current political, economic and social environment of PNG.
- Regardless of the nature of work and exposure to tourism related activities, tourism professionals shared the same outlooks with the local residents on the implications of the proposed casino hotel in PNG.
- Current problems associated with gambling (law and order situation, domestic problems, transport issues, etc.), lack of awareness on casino gambling and changing mindset of political leaders attributed the respondents' perception on the socio-cultural and socio-economic implications of the proposed casino hotel in PNG.

# RECOMMENDATIONS

- Policymakers and local residents prudently consider all of the relevant facts before committing themselves and their communities for the operation of casino gambling in PNG.
- A clear-cut policy should be crafted to protect the local residents from the potential dilemma of casino gambling whilst maximizing the foreseen tourism and economic objectives .
- In order to obtain a high level of community support for casino gaming development, the government, casino operators, academics, local community and community leaders have to try their utmost to create awareness and educate the local residents on the casino hotel operations and the cost and benefits casino gambling.

THANK  
YOU

The image features the words "THANK YOU" in a stylized, 3D block font. The letters are light green with dark green outlines and shading to create a three-dimensional effect. The word "THANK" is on the top line, and "YOU" is on the bottom line. The letter "O" in "YOU" is replaced by a cartoon smiley face with a brown face, closed eyes, and a wide, open mouth showing a red tongue. The entire graphic is centered on a plain white background.