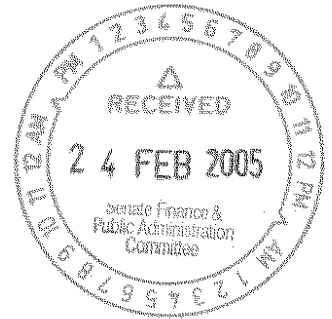


15th February 2005

Committee Secretary
Senate Finance and Public Administration Committee
Department of the Senate
Parliament House
Canberra ACT 2600



Dear Sir

As a follow up to your media release to object to the ASTRAC grant money of \$500,000 given to the Atherton Hotel.

Please find a letters of objection from the Barron Valley Hotel and the Atherton RSL (Dec. 03), a response from Anderson's office (Feb 04), a further submission from the Barron Valley Hotel, Atherton RSL, and the Atherton International Club (May 04), and response (June 04) to Anderson's office.

The undersigned first learnt about the grant for the Atherton Hotel when it was announced in the Cairns Post Nov 2003 headlined "Hotel Funds Slated" and labeling the grant as "the greatest waste ever seen". This all came as a great shock so we all got together and started writing our objections, we as competitors were never consulted as part of the normal due diligence process.

A meeting was then called on the 28th May in Atherton with the undersigned, members from Anderson's office and ASTRAC committee members. A response to that meeting is also attached. Despite all the explanations given by Anderson's office and the ASTRAC committee we all feel the due diligence process was not conducted in a proper manner in accordance to the main selection criteria which clearly states "that the project does not compete directly with existing businesses". We asked the question at this meeting who supported the project and were told that the letters of support were "secret". At this meeting councilor Len Curtis came along as a concerned objector to voice his disapproval as the grant announcement came as a great shock to him. At no time was this project discussed at Atherton council meetings prior to the announcement. The Shire Chairman Jim Chapman who also is on the ASTRAC committee should have kept council members in the loop as car parking is now of great concern as at the hotel in question only has a very small amount of parking available. To meet parking requirements for a 400 seat facility most of the grant would be required to help construct a planned 2 level car park located near the hotel and council office. The whole process just appears to be so underhanded, the general public don't need to know what is happening however existing relevant business's and council members should of been informed for constructive input.

Also what came as a great surprise to us all was that the hotel applied for 21 poker machines soon after the grant was approved. We then spoke with Yvonne Tunney (EO, Atherton ASTRAC office) and Wendy Key (Canberra Ministers office) and both advised us that if they had known that the hotel was applying for poker machines the grant would not of been considered. Only last week the poker machine application was approved for the Atherton Hotel. We all feel that Federal Grant money should not

be used to assist in the development of a Poker Machine venue. Anthony J McMullan even stated in a reply from Anderson's office 8th June 2004 that it would be entirely inappropriate for government funding to be used in the development of a poker machine venue. We all know that the money will not be used for poker machines, however the money they'll generate does not warrant the hotel receiving a \$500,000 lift towards their business at the detriment of others. It also should be noted that the local TAB agency is closing and commencing operation at the Atherton Hotel late February 2005.

To date this project has not commenced and we all feel that at least a proper due diligence process be conducted where existing businesses be approached for letters of support and you will find the imminent grant is unfounded as we have an over-abundance of contemporary conference facilities that will serve us now and into the future.

Yours faithfully

Michael Nasser
Barron Valley Hotel
Atherton



Liz Rose
Secretary/Manager
Atherton Sport and Recreation Inc.




John Palmer
President
Atherton Sub Branch of the RSL



Joe Hill
President
Atherton International Club



Len Curtis
Atherton Shire Councilor



meeting of business and civic leaders.

ATSRAC, which has \$18 million in Sustainable Regions funding from the Federal Government, has been criti-

ATSRAC funds had helped the company go from employing 30 people to 83 employees.

"Ravenshoe Timbers has been able to expand its range and create job opportunities,"

Crowing design and Liana Alba so allowed them machinery so they concentrate on design year, Sonlia Cloth won seven design

Hotel funds slated

MAREEBA shire councillors have launched a bitter attack on the latest \$1.7 million worth of Atherton Tablelands Sustainable Regions Advisory Committee funding, labelling it as "the greatest waste ever seen".

Cr Fred Cattarossi said the \$500,000 given to the Atherton Hotel for an expansion was "straight out competition for something that's already there".

The funding will be used to expand the hotel, including 350-seat and 50-seat conference facilities. The hotel will contribute \$880,000 to the project.

Deputy Mayor Evan McGrath seconded Cr Cattarossi's feelings about ATSRAC.

"It's about time we pulled out, I think, we're not achieving anything by having representation. It's bloody pathetic."

Cr Tom Gilmore said it was important the council "stayed inside the tent" and participated in the ATSRAC process.

Steve Gray
Tableland reporter

Mayor Mick Borzi declined to comment, pointing out he was a member of the selection board which recommended ATSRAC projects to Deputy Prime Minister John Anderson.

ATSRAC chairman Peter McDade said research showed a need for conference facilities of the standard proposed by the Atherton Hotel.

"It has wide regional benefits to attract conferences of a significant size on to the Tableland which would have some difficulty at the moment being accommodated," Mr McDade said. He defended the granting of funds to private enterprise.

"In some way (projects) will be competing with other businesses or planned activities. They are unknowns at the time.

"The granting of money to private enterprise activities is really an issue that has to be handled at the higher government level, not the ATSRAC level."

NZ pork disease a worry for industry

AUSTRALIA'S pork industry could suffer catastrophic losses without safeguards against the introduction of the post-weaning multisystemic wasting syndrome disease from New Zealand.

The NZ Ministry of Agriculture and Forestry

ports of fresh pig meat from NZ. APL spokeswoman Kathleen Plowman said lack of knowledge about the causes of the syndrome made its management and eradication very difficult.

"PMWS has had devastating financial impacts on

CAIRNS POST

Nov. 2003



Ready to ride: Lisa Perrett and

Gruellir

A BROTHER and sister d hoping their 4500km bike on a budget down Austr east coast will help save the of hundreds of blind peop developing countries.

Lisa Perrett, 20, and brother David, 25 — from Snowy Mountains town Cooma — set off from Cair



From the vine: Liz Gallie shows

Art com

6th May 2004

Mr John Anderson
Deputy Prime Minister
Minister for Transport and Regional Services
Parliament House
CANBERRA ACT 2600

Dear Sir

**Re: Atherton Tablelands Sustainable Region Advisory Committee (ASTRAC)
Funding of \$500,000 to the Atherton Hotel**

As a follow up to your response, reference no. 2003120481 (23rd February 2004), stating that the due diligence assessment carried out warranted the approval of the grant going ahead. I guess we have to accept your decision despite the fact that not one competitor was consulted, the usual requirement of the due diligence process.

We the undersigned wish to make you aware of the notice appearing in the local Mareeba newspaper, Tablelands Advertiser, on the 21st April 2004 and 5th May 2004, that the Atherton Hotel is now applying for 21 Poker Machines.

We now request a response to the following question:

“Is it you as Minister and the Federal Governments policy to condone the use of ASTRAC grant money of this nature to assist in the development of a Poker Machine venue.”

Anecdotic evidence shows that infrastructure in small towns which house poker machines are not significant tourist attractions. The main reasons tourists visit the Tablelands is for ecotourism, view scenic and historical attractions. As stated in your reply the primary purpose of the Atherton Hotel’s grant is to attract tourists which will definitely not be the case once pokies become a large part of their business.

The Atherton Hotel is located on a small confined block of land in the main street of Atherton and if the extension goes ahead the conference facility will be unable to escape the impact created by the poker machines which will be placed within or very near to the extension.

Also in your letter you confirm that the project will expand the Tablelands tourism identity. Does this mean that you as Minister and your Federal Government believe that unnecessary additional poker machines will assist in expanding the same?

We as representatives of this business and residential community believe the catastrophic effect of such a grant approval that you and your government is contemplating will have serious consequences.

It would be very sad and possibly detrimental to see an inconclusive outcome to the issues raised above going to the public arena.

We all await a very positive constructive reply from you and your office.

Yours sincerely

Michael Nasser
Barron Valley Hotel
Atherton

Liz Rose
Secretary/Manager
Atherton Sport and Recreation Inc.

John Palmer
President
Atherton Sub Branch of the RSL

Joe Hill
President
Atherton International Club Inc.

Mr John Anderson
Deputy Prime Minister and
Minister of Transport and Regional Services
Parliament House
Canberra ACT 2600

Re: Atherton Tablelands Sustainable Regions Advisory Committee Funding

The recent announcement of ATSRAC Funding of \$500,000 to the Atherton Hotel for a 350-seat and 50-seat conference facility gives them an extreme unreasonable competitive advantage against our well established business of the Barron Valley Hotel which has already similar facilities and can seat at least 350 in a theatre style seating arrangement.

If this project was to proceed which is totally anti-competitive not only to our business but will also be detrimental to several well established Atherton businesses namely the Atherton RSL, the Atherton International Club and the Atherton Motel. There are also a number of immediate regional businesses that will also be affected such as the Ravenshoe Mountains Institute, Mareeba RSL, International Club and Bowls Club. I feel the project flies in the face of your Government Policy on Competition.

One of the main assessment criteria is that "the project does not compete directly with existing businesses, unless it can be shown that there is an unsatisfied demand for the product/service or the product/service can be provided in a new way". In our situation I wish to ask the question, at what stage were all the variables looked into as part of the consultative process both impact on competition and over saturation. None of the existing businesses were approached for a letter of support and I feel the imminent grant is unfounded as we have an over-abundance of contemporary conference facilities that will serve us now and into the future.

I looked into the ASTRAC funding to extend and further develop our conference facility but declined to seek it because I felt that the money would be spent better on community or whole of industry type projects that would benefit all various business operations on the Tablelands rather than help give private enterprise an unfair competitive edge to the tune of half a million dollars. A project that has been mentioned in the press in the past is a cinema and auditorium complex be ASTRAC funded by the Atherton Shire Council that would then benefit all hospitality and other enterprises across the community.

In the interests of Atherton business bodies opposition, and community disagreement in general, a thorough investigation to obviate this seriously questionable grant, be openly and publicly launched as soon as practicable.

Yours faithfully
Michael Nasser
Barron Valley Hotel
53 Main Street
Atherton Q 4883
PH 0740911222

9th December 2003

Motto: "The Price of Liberty is Eternal Vigilance"



The Returned & Services League of Australia
QUEENSLAND BRANCH



To Mr John Anderson
Deputy Prime Minister and
Minister of Transport and Regional Services,
Parliament House
Canberra ACT 2600

ATHERTON SUB BRANCH
1 MAIN STREET
P.O BOX 228
ATHERTON, Q. 4023
Ph (07) 40911163
Fax (07) 40917580
Email Athertoarnl@bigpond.

Re: Atherton Tablelands Sustainable Regions Advisory Committee Funding

The recent announcement of ATSRAC Funding of \$500,000 to the Atherton Hotel for a 350 seat and a 50-seat conference facility gives them an extreme unreasonable competitive advantage against our well-established RSL Sub Branch and Sport and Recreation Club, as well as the International Club and the Barron Valley all of which are established businesses on the Tablelands. We at the RSL have three areas, which can at anytime be used for Functions and Seminars.

The areas within our establishment are a large function room which will seat 250 comfortably, a second area which seats 30 and another area which seats 80 theatre style and also has private entry, bar and kitchen facilities.

All monies generated from the use of our facilities goes straight back into the comfort and well being of our members. At present this is 169 Returned persons and approx. 250 social members. We also contribute greatly to many local charities and sporting groups. As per the criteria I ask how a local hotel will enhance youth enterprise, improve community wellbeing and lead to new job creation (this establishment employes many family members.) Was an impact study on existing businesses done to check the positives and negatives of allowing this project, which will be funded by the Government to proceed? Not that I am aware of.

We ask that you research the grant and do not allow a private enterprise to be handed an unfair competitive edge to the tune of half a million dollars.

Thankyou for your time reading this and hoping you will see that we are disadvantaged by the grant.

Yours truly,

E.A Rose
(Manager)

J Palmer
(President)

P.F Clapin
(Secretary/ Treasurer)

LEST WE FORGET



Office of the Deputy Prime Minister
and Minister for Transport and Regional Services
Leader of The Nationals

Reference:2003120481

23 FEB 2004

Mr Michael Nasser
Barron Valley Hotel
53 Main Street
ATHERTON QLD 4883

Dear Mr Nasser

Thank you for your letter of 9 December 2003 to the Deputy Prime Minister and Minister for Transport and Regional Services, the Hon John Anderson MP, concerning Sustainable Regions Programme funding to the Atherton Hotel. Mr Anderson has asked me to reply on his behalf. I regret the delay in replying.

The application and business case for expansion to the Atherton Hotel's facilities was carefully assessed by the Atherton Tablelands Sustainable Region Advisory Committee (ATSRAC) and underwent an independent due diligence assessment before it was approved for funding. In light of your representations, the Department of Transport and Regional Services reviewed the material facts relating to this application.

The review has confirmed that the project will contribute to expanding the Tablelands tourism identity. Despite having significant tourist attractions, the benefits of tourism have largely by-passed the Tablelands, primarily because it has lacked the infrastructure that is critical to tourism development.

The Atherton Hotel project is an important initiative that will help the region capitalise on its proximity to Cairns and tap into a fast growing tourism market. It will bring significant benefits to the region and will also have flow-on advantages to other tourism operations and local businesses by attracting business and holidaying visitors to spend more time on the Tablelands.

The Sustainable Regions Programme funds represent just under 20% of the total investment by the owner to expand the Atherton Hotel's facilities. This is a solid return to the region for the investment of public monies in the project.

Thank you for bringing this matter to the attention of the Minister.

Yours sincerely

A handwritten signature in black ink, appearing to read 'A J McMullan', with a long, sweeping underline that extends to the left and then curves back to the right.

Anthony J McMullan
Adviser

SUSTAINABLE REGIONS

PROJECT ASSESSMENT CRITERIA

General Assessment Criteria

1. Consistency of proposal with identified regional priorities as determined by the futures planning process and other planning processes.
2. The sustainability of the project and the extent to which it will be of benefit to the region.
3. The extent to which Commonwealth funding is needed to realise the project and the absence of relevant programmes from other Commonwealth agencies and other tiers of Government to fund the project.
4. The provision of sufficient funds and other involvement by the proponent to ensure success of the project.
5. The level of support for the proposal from within the Region, and support from other sources including other spheres of government and the private sector.
6. Demonstrated project management experience to undertake the project including the provision of a project budget and ability to meet Government reporting requirements.
- * 7. The project does not compete directly with existing businesses, unless it can be shown that there is an unsatisfied demand for the product/service or the product/service can be provided in a new way.

Mandatory Requirements

8. Retrospective funding will not be permitted for any projects.
9. The project should not be inconsistent with other Federal Government policy objectives and relevant law.
10. Proposals must comply with relevant planning and environment laws.

How a cheetah mauled the PM's pork-barrel plan

Australian Financial Review, Jul 02, 2004

Lenore Taylor

A lemur died, the brown bears were inadequately enclosed and a cheetah escaped. Those allegations and more mean David Gill, the owner of the Mareeba Wild Animal Park, is now facing court charges and his north Queensland zoo is in liquidation.

But it's more than a shame for him. It's a great shame for the taxpayer.

It was just last June that the federal government was so excited about the zoo's prospects that north Queensland Liberal MP Warren Entsch and National Party senator Ron Boswell went along to hand over a cheque for \$491,000 to Gill, a colourful, Steve Irwin-type character.

Gill thanked them for their "faith and support" and the money, part of an \$18 million fund for the Atherton Tablelands under the government's "sustainable regions" program.

But the excitement was to be short-lived. The zoo closed in March after operating for less than four months.

And the half million of taxpayers' funds?

"Unfortunately, there's no way we can recoup that money," says Peter McDade, chairman of the local body charged with dispersing the funds, the Atherton Tablelands Sustainable Region Advisory Committee.

Eight areas suffering economic and social challenges received money from the \$100million sustainable regions program announced by Deputy Prime Minister John Anderson in 2001.

The Atherton Tablelands, inland from Cairns, received the biggest share - an amount equivalent to \$300 for each of its 60,000 residents.

The tablelands are in the electorate of Kennedy, which the Nationals are trying to win back from their turncoat former member Bob Katter, who is now an independent. Most of the Atherton Tablelands Sustainable Region Advisory Committee (Atrac) cheques are handed over by the hardworking Boswell in front of the local press. Another cheque handover ceremony is planned for next week.

But far from uniting and revitalising a community hit by the closure of the tobacco industry and the woes of the sugar and dairy industries, this government largesse has brought enormous controversy. It has pitted local business owners against one another and now serious questions are being raised about how the money has been allocated, and how much good it will do.

Some of the projects funded have been very successful, but the zoo is not the only one to have foundered.

The government recently rescinded a \$750,000 grant to a proposed kenaf fibre development. Steve Ockerby, general manager of the kenaf company, Nature Trust Australia, says the grant was reversed "because we are not yet ready to commit to the level of expenditure we said we would".

And sweetcorn trials for which Golden Circle received \$347,000 did not prove successful.

"The grant allowed us to do some initial work, but the trials showed us there was a lot of work yet to do," a spokeswoman for the company says. "It could take years."

McDade's committee - which includes all the local mayors - has been attacked for "picking winners", funding individual local businesses to the detriment of their competitors, rather than investing the \$18million in initiatives that would help the economy of the whole region. Of 28 projects so far funded in the Atherton region, 17 are local businesses.

Atsrac criteria clearly state that the government money can be spent only on individual business projects for which there is no direct local competition. But many local business owners say that is not happening in practice.

"The rules say it is not supposed to go to businesses that have competitors, but in quite a few cases that has happened," says Geoff Stocker, vice-president of the Malanda Chamber of Commerce.

"I think the money would have been better spent on projects to benefit the whole community ... it hasn't been put to good use and it has created problems in the community."

One controversial project is the Atherton Hotel, a country pub in the main street of Atherton, advertising "bikini babes" on Wacky Wednesday night and bands like the Buzerk Brothers playing until 2am on Fridays and Saturdays.

Its proprietor, Giuseppe Barletta, has been allocated \$500,000 from Atsrac to help extend his premises to include a 4 star business conference centre, a 350-seat function room and 10 four-star hotel rooms. According to McDade, the

project will mean the Atherton Hotel will become the sole local venue able to "compete in the corporate conference market, which now all goes to Cairns".

But Barletta's competitors have cried foul. They say there are already six venues in Atherton that can host conferences and at least two of a similar standard. And they say none of these venues was contacted during the due-diligence investigation into Barletta's application.

"We don't get that many business conferences up here," says Liz Rose, club manager of the Atherton RSL. "So this will certainly affect our businesses."

The aggrieved competitors wrote to Anderson, first receiving what Rose calls a "too bad, so sad" response. But they haven't given up. They are now asking that conditions be imposed to make sure the grant is not used to extend Barletta's pub to house 21 new poker machines, for which he has recently applied for licensing.

Barletta's son Fred says it's just "sour grapes" from competitors who are not in the four-star market and cannot offer an air-conditioned venue for a conference or a large wedding with accommodation on site.

"They just don't want the competition ... I mean the government's not silly, they're not just going to give away this money willy nilly," he says.

A similar controversy has erupted over a recently announced grant of \$204,000 that went to a kitchen-making business to build a new showroom for a "timber heritage display" for local woodworkers to showcase their wares.

Annette Alwood, the owner of Tolga Woodworks, less than 50 metres down the road from the site where the new showroom is being built, says she doesn't mind the competition, but doesn't think it's fair it should get \$200,000 from the government for a business that she says will duplicate her own.

"We've built our business up over 20 years ... no one even contacted us about this and when I wrote to John Anderson about it, I didn't even get a reply."

And several tableland bed-and-breakfast owners were angered by a grant of \$186,000 to the Eden House B & B to build a day spa and extra accommodation. The bed and breakfast and the site for the day spa, complete with council approvals, are now on the market. Any buyer would have to reapply for the Atrac grant, which McDade says is now "on hold".

Eden House owner Susan Chuck says she and her husband are selling because an appeal against their development has "taken its toll physically and financially". They have not received any grant monies.

The proprietor of the Crater Lakes Rainforest Cottages, and vice-president of the Yungaburra Business and Citizens Association, John Wright, is one of many local accommodation providers who object to competitors getting government handouts.

He says neither Eden House nor several other local accommodation providers who have received grants should have been considered for the money in the first place.

"I think this money should have been used for marketing the whole region, not to benefit one business ahead of other businesses. I think that's wrong, just dead wrong."

At least one of Anderson's own departmental officers seems to agree with some of the criticisms of how Atrac has allocated its funds.

"What strikes me as I look at the projects that have been supported in the Atherton region is that it is hard to see how a number of the smaller projects contribute to a more sustainable future, viewed on a regional basis," the department's First Assistant Secretary for Regional Programs, Leslie Riggs, told a Senate estimates hearing in Canberra last month.

Riggs implied Atrac was to blame, because it was up to the local committee to assess whether projects met the "strategic priorities" for the region.

But McDade rejects the criticisms, saying his end of the process is working just fine.

He says the \$10 million spent so far will create about 150 jobs.

A recent "mid-term review" vindicated the committee's decision-making and the committee is always looked for factors that differentiated a funding applicant from local competitors, he says.

When asked whether the zoo or some of the other proposals should have been scrutinised a bit harder, he points the finger the other way.

"We have nothing to do with the due diligence. We make recommendations to John Anderson and his department and they engage independent contractors to conduct due diligence."

In the case of the Mareeba Wild Animal Park, the department says there was no way the due diligence could have predicted the project's rapid failure.

But those contracted to do the due diligence did not contact the Australasian Regional Association of Zoological Parks and Aquaria (Araza), the peak body

for Australia's zoo industry, to ask about Gill, according to its executive officer, Jonathon Wilcken.

Later last year, Arazpa found Mareeba Wild Animal Park had "very seriously" breached the association's code of conduct and ethics. That finding was made after the due diligence would have been undertaken.

But Wilcken says that at the time the due diligence was under way, inquiries would have been referred to the UK Federation of Zoos, because Gill already ran an animal park in the UK.

That organisation's director, Miranda Stevenson, says Gill resigned in 1999, after he had been removed from its council for riding on the back of a rhinoceros, and subsequently had not been re-elected. "Riding on a rhinoceros is not exactly the image of zoos we seek to portray," she says.

When it comes to allegations of "picking winners", Wendy Key, the department's Assistant Secretary for Region Programs, says she would expect "all or a significant sample" of a project's potential competitors to be contacted during the due-diligence process.

In fact, according to McDade, only one proposed project from Atsrac has failed due diligence, although Anderson has asked for "more information regarding the appropriate levels of regional benefit" about a couple more. Anderson has never rejected a project, McDade says.

A spokesman for Anderson says the minister considers the sustainable regions program "an overwhelming success".

"Some things in the Atherton area haven't worked as well as we might have liked, but we think they're relatively minor," he said.

And he accuses the ALP of "demonising" the program because it intends to cut it.

Queensland Labor senator Jan McLucas says that's certainly not her motivation. In fact, she says, she fervently hopes the rest of the Atherton money is spent, but allocated more wisely.

"So far this fund has been spectacularly successful in dividing the local community. It's had no clear strategy, and blame for the whole debacle lies squarely at the feet of the federal government," she says.

Labor's spokesman for regional development, Martin Ferguson, concedes that some of the "sustainable regions" - for example, the Playford/Salisbury area in South Australia - had used their money well.

But others had squandered it, he says, and the processes set up by the government for dispersing the funds had done nothing to stop them. As for Labor's plans, the future of the program would be announced with the policy.

"There are serious questions about how the money has been spent and I'd suggest that's because the government has been more interested in securing short-term political opportunity," he says.

As for Katter, he has no doubts "the government has done everything humanly possible to use this money for political purposes".

The irony is, given the deep local discontent it has generated, he suspects this "pork barrel" may have done his former colleagues more harm than good.



Office of the Deputy Prime Minister
and Minister for Transport and Regional Services
Leader of The Nationals

Reference: 2003120481

23 FEB 2004

Mr Michael Nasser
Barron Valley Hotel
53 Main Street
ATHERTON QLD 4883

Dear Mr Nasser

Thank you for your letter of 9 December 2003 to the Deputy Prime Minister and Minister for Transport and Regional Services, the Hon John Anderson MP, concerning Sustainable Regions Programme funding to the Atherton Hotel. Mr Anderson has asked me to reply on his behalf. I regret the delay in replying.

The application and business case for expansion to the Atherton Hotel's facilities was carefully assessed by the Atherton Tablelands Sustainable Region Advisory Committee (ATSRAC) and underwent an independent due diligence assessment before it was approved for funding. In light of your representations, the Department of Transport and Regional Services reviewed the material facts relating to this application.

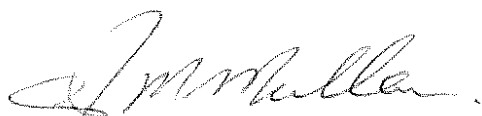
The review has confirmed that the project will contribute to expanding the Tablelands tourism identity. Despite having significant tourist attractions, the benefits of tourism have largely by-passed the Tablelands, primarily because it has lacked the infrastructure that is critical to tourism development.

The Atherton Hotel project is an important initiative that will help the region capitalise on its proximity to Cairns and tap into a fast growing tourism market. It will bring significant benefits to the region and will also have flow-on advantages to other tourism operations and local businesses by attracting business and holidaying visitors to spend more time on the Tablelands.

The Sustainable Regions Programme funds represent just under 20% of the total investment by the owner to expand the Atherton Hotel's facilities. This is a solid return to the region for the investment of public monies in the project.

Thank you for bringing this matter to the attention of the Minister.

Yours sincerely

A handwritten signature in cursive script, appearing to read 'A J McMullan'.

Anthony J McMullan
Adviser

Queensland Office of Gaming Regulation
Locked Bag 180
Albert Street Business Centre
BRISBANE QUEENSLAND 4002

7th May 04

Re : NOTICE OF APPLICATION FOR A GAMING MACHINE LICENCE

Dear Sir/Madam,

I write in regard to the proposed application of Mr. Guiseppe Barletta to establish gaming machines at the Atherton Hotel, 90 Main Street, Atherton.

I wish to express Atherton community concerns who oppose the abovementioned application.

Background

The applicant, Mr. G. Barletta, has recently refurbished the Atherton hotel at 90 Main Street Atherton, to a standard which more than meets contemporary licensed premises requirements.

The applicant has modernized public bar, lounge dining area, and provided four star accommodation areas.

For this Mr. G Barletta is to be congratulated.

Furthermore the applicant recently had a \$500,000 Government grant approved. He intends to expand the Atherton Hotel by providing a large conference room/s facility and accommodation

The Atherton community will benefit from this expansion, however a number of existing business houses in Atherton which already has similar facilities will suffer from this extreme unreasonable competitive advantage of a Government grant given to the Atherton Hotel which will now assist in the development of a poker machine venue.

Objections

Regarding the issue of introducing gaming machines as an "added extra" to the Atherton Hotel business, there is disquiet amongst our community because of the following reasons.

1. Gaming machine location, (first sensitivity)

It is understood the applicant intends to locate 21 gaming machines in what is now being utilized as a breakfast servery and general meals room.

This locale is situated **on the main street in full view of pedestrian and vehicular traffic on the very busy Atherton, Main Street.**

The proposed location is totally unacceptable as it is placed on the same side of the street, only 30 metres from Pip Squeak's Child Care Centre, 92 Main Street, Atherton.

The only buffer between the hotel and the child care centre is a small employment agency called NEATO and a tiny hairdressing salon called Shoals.

As an occasional patron to the Atherton hotel, I have observed it is regular for young mothers and carers to park in the main street parking bays adjacent to the hotel to pick up their toddlers.

It is feared with the introduction of gaming machines there may be an element of enticement for these citizens to kill time at the gaming facility with questionable consequences.

2. Gaming machine location, (second sensitivity)

The Atherton Hotel is situated directly opposite the Atherton Police Station which is next door to the Atherton Courthouse.

During court session intervals, court attendees and public mingle on the courthouse main street footpath, which is diagonally opposite the Atherton Hotel.

Again there may be an element of temptation for these people to patronize the gaming facilities with disruptive consequences such as the advent of compulsive gambling.

3. Gaming Machine Numbers in Atherton

The Atherton Shire community is already more than adequately catered for by numerous gaming machines at:

The Carrington Hotel, Main Street Atherton - 30

The Atherton International Club - 40

The Returned Services Club, Main Street Atherton - 12

A further 40 have been approved for the Barletta Tavern opposite the Atherton International Club, this project is still pending.

An influx of another 21 gaming machines should not be tolerated, as without question, this would add to the current gambling woes in our community.

4. Community Socio-Economics

Our regional area has very recently suffered:

- a demise of the tobacco growing industry
- a downturn in the sugar growing crop
- tropical dairy deregulation and farmers forced out of business
- stagnation of small business with many empty shops already in the Main Street
- horticultural farming downturn due to overseas import threats

These factors above have a negative flow-on to our community at large and have stretched the average family's purse.
Creation of another gambling venue will only exacerbate this condition further.

Conclusion

It is ironic that I am writing this letter during "Domestic Violence Week" as one of the primary triggers of family discord is family earnings squandered at gaming venues.

To this end, the subject application needs to be carefully assessed and measured so our community can be left with a win/win solution and it is in my opinion this application does not warrant approval.

Yours faithfully,

1st June 2004

Mr John Anderson
Deputy Prime Minister
Minister for Transport and Regional Services
Parliament House
CANBERRA ACT 2600

Dear Sir

Re: Atherton Tablelands Sustainable Region Advisory Committee (ASTRAC)
Funding of \$500,000 to the Atherton Hotel

Thankyou for giving us the undersigned a hearing in Atherton Friday 28th May. Our objection to the Atherton Hotel receiving the \$500,0000 grant to develop a conference facility still stands. However after our discussions we realise our plight was maybe all in vain.

Towards the end of our discussions the conditions of use were mentioned. It was suggested a clause/addendum be included in the contract. The conference facility that the grant is going towards be used only for "conferences" and not for any other activities listed below for the foreseeable future. A review should be carried out after 5 years to study the outcomes projected in the initial strategic market research.

1. Entertainment and night club type activities (Live bands & DJ's)
2. Any form of gaming (Pokies, Keno or TAB)
3. Private and catered functions such as weddings, private parties etc.
4. Pool Table Hall

When a licensee makes an alteration/extension to a licensed premises they are deemed unlicensed (the new area) until approval is given by the Liquor Licensing Division. This conference extension to the Atherton Hotel should only be allowed a Limited and Special Facility Licence in accordance with trading hours prescribed pertaining to a conference. Their current General Purpose licence trading hours are Sunday to Thursday 10am till 12 mid night and Friday/Saturday till 2am. A conference facility certainly does not require these hours of trading to operate.

As far as policing the use of this conference facility we feel it should be the responsibility of the Atherton Shire Council. This would not be a difficult task as any activity would be advertised the week before in the local newspaper. At this point we wish to alert you to the possibility of very questionable activities pertaining to item 1 above. We have attached sample of weekly newspaper adverts. The proposed conference facility area is planned to join the existing bar area that currently hosts this undesirable activity and if the extension is to go ahead it must be separated with a separate wall.

We feel any other use for this Government funded conference facility is in breach of public money and in direct competition to the already existing businesses.

If the grant for the conference centre is to proceed we the undersigned request the above conditions of use be included in the final contract. We all await a very positive reply from you and your office.

Yours sincerely

Michael Nasser
Barron Valley Hotel
Atherton

Liz Rose
Secretary/Manager
Atherton Sport and Recreation Inc.

John Palmer
President
Atherton Sub Branch of the RSL

Joe Hill
President
Atherton International Club Inc.

Len Curtis
Atherton Shire Councillor



Office of the Deputy Prime Minister
and Minister for Transport and Regional Services
Leader of The Nationals

Reference: 2004050369

Mr Michael Nasser
Barron Valley Hotel
53 Main Street
ATHERTON QLD 4883

- 8 JUN 2004

Dear Mr Nasser

Thank you for your letters of 6 May and 1 June 2004 to the Deputy Prime Minister and Minister for Transport and Regional Services, the Hon John Anderson MP, concerning Sustainable Regions Programme funding to The Atherton Hotel. Your letters were co-signed by Ms Liz Rose, Mr John Palmer and Mr Joe Hill. Mr Anderson has asked me to reply on his behalf.

Before replying to your letter of 6 May I asked that the Chairman of the Atherton Tablelands Sustainable Region Advisory Committee (ATSRAC), Mr Peter McDade, and officers of the Department of Transport and Regional Services meet with the signatories to your letter to provide an opportunity to discuss the issues of concern to you in some detail. I am advised this meeting took place in Atherton on 28 May 2004.

As Mr McDade has explained to you, the application and business case for expansion to The Atherton Hotel's facilities was carefully assessed by his Committee and underwent an independent due diligence assessment before being approved for funding by the Minister. Competition issues and community support are important parts of the assessment process.

The application, supporting business case and due diligence all point to the findings of various studies that the Tablelands lacks appropriate tourism infrastructure and service standard skills, particularly at the 'upper-end' of the market. For instance, an independent report commissioned for Tourism Tropical North Queensland in 2001 reported that "...while Hotel/Motel rooms represent 19% of the accommodation available (in the region), only a small percentage would fall into the three to four star standard commonly sought by regional visitor segments with best yield potential, including the corporate traveller."

Despite the many attractions and natural beauty of the Tablelands, the region is not well placed at present to gain much benefit from the two million domestic and international visitors who visit Cairns each year. This is where The Atherton Hotel project will fill an important infrastructure gap. It will not solve the problem of the shortage of quality facilities and high service standards alone but it represents a significant step in developing a new image for the Tablelands region that will help to grow the accommodation, conference and speciality tourism markets.

Parliament House, Canberra ACT 2600
Tel: (02) 6277 7680 Fax: (02) 6273 4126
john.anderson.mp@aph.gov.au

The convenience associated with a facility that can provide these 'upper-end' accommodation needs linked with the availability of corporate conference facilities further strengthens The Atherton Hotel's business case.

The facilities are unlikely to compete against other accommodation houses and conference venues as they will focus on different market segments. As well as targeting the 'upper-end' accommodation and conference facility market, The Atherton Hotel intends to attract entertainment acts that would usually by-pass the region altogether given the current lack of suitable venues.

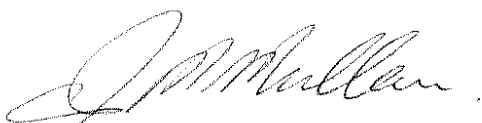
On the question of community support, the project was supported at both State and local government levels as well as through a survey of business and community representatives from within and outside the Atherton community.

The Minister understands your concerns about the Atherton's application for 21 gaming machine licences. It would be entirely inappropriate for government funding to be used in the development of a poker machine venue. Accordingly, the Department has included a clause in the draft funding agreement that the Sustainable Regions funds and the applicant's contribution to the project cannot be used for the purchase, installation or construction of space to house gaming machines. This clause is acceptable to the applicant.

There is a public consultation process in relation to applications for gaming machine licences and you have an opportunity to lodge your concerns with the appropriate Queensland authorities. I am advised that the Mayor of Atherton, Councillor Jim Chapman, is taking up the strong concerns held by the local community with the Queensland Government.

Thank you once again for bringing this matter to the attention of the Minister.

Yours sincerely



Anthony J McMullan
Adviser

ROUGH SKETCH.

F.Y.I.

"CONDITIONS OF USE TO APPLY TO NEW CONFERENCE EXTENSION + BE SEPARATED WITH PERMANENT WALL."

