

INVESTIGATIONS

\$1.2bn Chinese claim on Queensland casino alleged



An artist's impression of the ASF consortium's proposed Gold Coast integrated casino resort.

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A Chinese government-owned company allegedly claimed to have a \$1.2 billion legal action against Queensland taxpayers if its plans for a casino mega-resort on the Southport Spit are not approved by the state government.

China State Construction Engineering Corporation, through the ASX-listed ASF Group, is planning to build a \$3bn casino resort with five high-rise towers on land between Sea World and Palazzo Versace on the Gold Coast. The project was initially to be built on Wave Break Island, north of the current site, but in 2015 the new Palaszczuk Labor government fulfilled a pre-election promise to ban development on the island.

Prominent Gold Coast town planner Ross Heatley told *The Australian* he had been in negotiations with CSCEC over another potential multi-billion-dollar Queensland project about a year ago when one of the company's senior executives told him about the massive potential legal action over the planned casino resort.

"We were in discussions over another matter and she said that when the rug was pulled on Wave Break Island they received legal advice they had an action against the state government for \$1.2bn," Mr Heatley said.

In a surprise move in August 2015, just four months after abandoning the Wave Break Island casino development, the Queensland government announced the project would proceed, but on the current five-hectare Southport Spit site. CSCEC and the ASF Group declined to comment on Friday, but did not deny the allegation.

The office of State Development Minister Anthony Lynham also refused to comment but did not deny the claim.

Dr Lynham, the minister in charge of the project who previously spruiked its benefits, has refused to make any public comment about the casino project since *The Australian* began raising questions more than a week ago. His department said it was unaware of any CSCEC legal threat.

ASF Group, which created a "consortium" to handle the casino project, is in severe financial difficulty, having lost \$92 million of \$102m raised from investors.

However, consortium member CSCEC, as a state-owned enterprise, has a vast balance sheet and is the main proponent of the \$3bn casino project.

The Queensland government's willingness to allow a Chinese government company to develop the casino has raised serious questions, given that gambling is illegal in China and three Australian Crown Resorts employees are being detained in China over "gambling" offences.

Mr Heatley said there was "non-existent" transparency surrounding the casino project and the public was being offered a "consultation period", though not provided with any detailed information about what would be built.

Mr Heatley said the government would not provide any detail about its contracts with ASF Group. "The issue is, did the (previous) Newman government fail to put in the standard government clause voiding liability for costs incurred by private enterprise when bidding on government projects?"

"It's been impossible to get any briefs or any documents".

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