

HD QLD:Qld favours Chinese casino bids
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CASINOS By Stephen Johnson

BRISBANE, May 29 AAP - Queensland is considering giving two Chinese state-owned firms the right to build casinos in Brisbane and the Gold Coast, a month after Prime Minister Tony Abbott signalled a change of heart on Chinese government-owned firms investing in Australia.

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During the August 2010 election campaign, the then-opposition leader said he was concerned about sovereign wealth funds buying shares in Australian businesses.

"A Chinese business is much more an arm of the Chinese government than an Australian business would normally be an arm of the Australian government," he told the National Press Club in Canberra.

But during an April visit to Shanghai as prime minister, he hailed Chinese state-owned enterprises as having a "highly commercial value", telling business and political leaders he wanted to make it easier for them to do commerce.

This week, Queensland's Liberal National Party government has shortlisted Chinese state-owned property group Greenland Investment for a six-star casino in Brisbane.

Still, the Shanghai-based residential builder's bid to develop Brisbane's second casino is a sensitive issue.

Queensland Deputy Premier Jeff Seeney stressed the group would have to be open with its proposal.

"They will absolutely have to," he told reporters.

"If they are to remain in the process, there will be no secrets by the end of that process."

Another Chinese property firm with state-owned interests, the ASF Consortium, has received pre-approval this week to develop a casino with a cruise ship terminal on the Gold Coast.

The Australian Securities Exchange-listed company has been embroiled in a World Bank corruption and fraud investigation.

"They will now have to open the books and be subject to a financial analysis and probity checks that will be as thorough as they can be designed to be," Seeney said.

Bids by Chinese state-owned firms to invest in Australia have previously worried Labor MPs.

In 2009, the Rudd government blocked China Minmetals's original plan to buy the South Australian Prominent Hill gold and copper mine because it was near a weapons-testing range, although it was later allowed to invest in Oz Minerals.

Three years later, Julia Gillard's team banned Chinese telecommunications equipment giant Huawei from tendering for work on the national broadband network, after Australian spy agencies raised security concerns about the private company.

But in Queensland two of the four shortlisted consortiums to build a casino at Brisbane's Queen's Wharf are Chinese.

Greenland Investment is competing against **Hong Kong**-based Far East Consortium/Chow Tai Fook Enterprises, the **firm** behind the **Hong Kong** Convention and Exhibition Centre and New York's Trump Place **residential** tower.

Also bidding are Crown Resorts, the James Packer-led **group** with casinos in Melbourne and Perth, and Echo Entertainment, which owns casinos in Sydney, Brisbane, Gold Coast and Townsville.

Queensland's government has also given **Hong Kong** billionaire Tony Fung conditional pre-approval to develop a mega casino at Yorkeys Knob, north of Cairns.

While the state government would assess licensing aspects of the casino bids, the Foreign Investment Review **Board** would look at all investment proposals state-owned enterprises put forward, regardless of their value.

But Trade Minister Andrew Robb pointed out that Australia had never outright rejected a **Chinese** state-owned **firm**'s investment application, adding they would continue to be an important source of capital.

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