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Monday 23 April 2011

Hon Campbell Newman MP
Premier of Queensland
Executive Building
100 George St
BRISBANE QLD 4000

Dear Premier

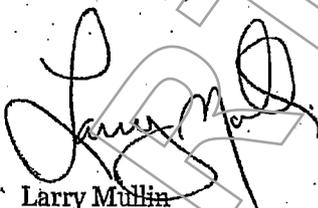
On behalf of Echo Entertainment Group Chairman, John Story, senior executives and the staff of Jupiters Hotel and Casino, I would like to express my sincere thanks to you for launching Jupiters Theatre on Saturday night.

We believe the new Jupiters Theatre provides a world-class venue that will attract the highest calibre entertainers from Australia and internationally. This can only help drive visitation and tourism to the Gold Coast and to our property.

I also had the opportunity to meet and discuss our investment plans with Attorney General and Minister for Justice, Jarrod Bleijie, and I will be in contact with him shortly to continue those discussions.

Once again, thank you for attending on Saturday night and for being a part of a special milestone in Echo's development plans.

Yours sincerely



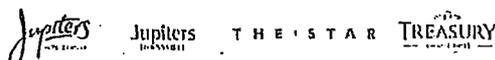
Larry Mullin
Chief Executive Officer

ECHO ENTERTAINMENT GROUP

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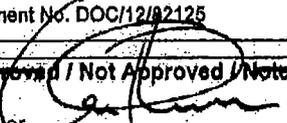
Postal Address | PO Box Q192, QVB Post Office, NSW 1230, Australia



PREMIER'S BRIEFING NOTE

Policy

To: THE PREMIER
Date: 4 May 2012
Subject: Brookfield Multiplex Development Proposal for the Gold Coast Spit

Tracking Folder No. TF/12/10108
Document No. DOC/12/82125
Approved / Not Approved / Noted 
Premier
Date 10.1.12.012
Date Action Required by:
Requested by: (if appropriate)

• RECOMMENDATION

It is recommended that you:

- note that Brookfield Multiplex (BM), in partnership with Echo Entertainment (formerly Tabsorp), has approached the State wishing to develop Contrary to Public Interest (Project Sunrise) on State owned land on the Gold Coast Spit
- note the strong and direct support this project provides to the Government's commitment to a 4 per cent unemployment rate and a 4 pillar economy
- Contrary to Public Interest
- approve that the Department of State Development, Infrastructure and Planning and DPC commence confidential negotiations with BM and Echo Entertainment on Project Sunrise.

• KEY ISSUES

Project Sunrise

- Since 2006, three prior attempts were made by the previous Government (via an expression of interest (EOI) process) to develop state owned land on the Gold Coast Spit.
- On the last attempt in 2011, BM was declared the preferred developer, and one of the proposals pursued was the development of Project Sunrise.
- BM was ultimately forced to withdraw from the process when it was unable to meet the requirements of the previous Government. The EOI process was formally terminated on 5 December 2011.
- On 12 April 2012, BM wrote to me highlighting a desire to revisit its proposed Project Sunrise development with Echo Entertainment (refer to Attachment 1), and I subsequently met with BM representatives on 27 April 2012.
- BM claims that Project Sunrise could create 1000 direct employment opportunities during construction and 2000 direct employment opportunities in the tourism sector. This could make a positive contribution to the Government's 4 per cent unemployment target and its commitment to return Queensland's tourism industry to Number One.

Contrary to Public Interest

Project Sunrise Selection Process

- No impediment is foreseen to the State progressing negotiations with BM via an off-market land transaction, and thereby avoiding another costly EOI process.
- While it is acknowledged that this approach is unusual and could be criticised by media and construction companies, it could be defended on the basis of multiple competitive EOI processes having already occurred, and the fact that BM was the preferred developer in the last round, with a proposal which is considered by this Government to have potential merit.

Action Officer: Graham Marshall Area: Economic Policy Telephone: 32242433	Approvals by Director / ED / DDG documented in notes in TRIM
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PREMIER'S BRIEFING NOTE
Policy

Tracking Folder No. TF/12/10106
Document No. DOC/12/82125

Project Icon

- 500 EGMs have already been approved as part of a Memorandum of Understanding (MOU) between the former Government and Echo Entertainment in 2011 for delivery of Project Icon. This involves a \$625 million redevelopment of Echo's Gold Coast, Brisbane and Townsville Casinos, conditional on the transfer of 500 unallocated EGMs from the EGM cap for hotels, 50 new gambling tables and the transfer of 47 EGMs from the Townsville Casino to the Gold Coast Casino.
- In return for the reduction in EGMs, hotels received a number of concessions which become effective from 1 July 2012, including a reduction in the fixed gaming tax rate (clubs received a comparable concession as well), an increase in the health services levy and an increase in the maximum number of EGMs per hotel from 40 to 45.
- Implementation of agreements reached under Project Icon have already commenced with some new EGMs beginning to be rolled out to Echo's casinos, and Echo has commenced initial planning for its casino redevelopment which is currently being negotiated with the State.

Gaming Machines and Legislation

- While Queensland permanently caps the number of EGM licenses for clubs (24 075) and hotels (originally 20 000 but an amendment to reduce this to 19 500 has already been made, but doesn't commence until 1 July 2012) in the *Gaming Machine Act 1991* (with numbers prescribed in regulation), EGM numbers in casinos are not legislatively capped.
- Section 62(3D) of the *Casino Control Act 1982* provides the Honourable Jarrod Bleijie MP, Attorney-General and Minister for Justice, with the authority to approve additional gaming machines for a casino.
- Possible options for providing BM with additional EGMs include:
 - transferring unallocated EGMs from clubs (currently 375 EGM entitlements surplus)
 - Contrary to Public Interest
 - the State granting additional casino EGMs.
- National debate is currently centred on regulating EGMs to reduce harm. However, the Department of Justice and Attorney-General consider that there is nothing in the national discussions on gambling reform which would stop the State progressing negotiations with BM on its Project Sunrise proposal.
- The Honourable Jeff Seeney MP, Deputy Premier, Minister for State Development, Infrastructure and Planning, is also being briefed on this matter.

• CONSULTATION

- Department of Justice and Attorney-General, Queensland Treasury.

Comments (Premier or DG) -
Contrary to Public Interest


Jon Grayson
Director-General

Action Officer: Graham Marshall Approvals by Director / ED / DDG
Area: Economic Policy documented in notes in TRIM
Telephone: 32242433



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12th April 2012

Mr Jon Grayson
Director-General
Department of the Premier and Cabinet
Level 15, 100 George Street
Brisbane QLD 4000

By Email: director.general@premiers.qld.gov.au

Dear Mr Grayson,

Gold Coast Spit Development

Firstly, congratulations on your recent appointment as Director General in the Department of Premier and Cabinet.

Prior to the election we were selected by DEEDI as the preferred developer of the State owned lands known as the Gold Coast Spit Development (GCSD) lands.

Our investment proposal was based on a fully funded Venture to be formed between Brookfield Multiplex and the existing Gold Coast Casino (Jupiter's) operator, Echo Entertainment Ltd, to develop

Contrary to Public Interest

Contrary to Public Interest

Brookfield Multiplex pursued a more traditional hotel resort development scheme (without Echo) but we withdrew the Proposal as we felt the alternate venture was fraught with financing and sales risk given the current state of the local tourism and residential development markets (we knew this first hand having just completed the new Hilton Surfers Paradise Hotel and Residences project). The Government accepted our request and subsequently terminated us from the formal GCSD process.

Subsequent to these events we re-approached Government through your Department (via Mr John Bradley) and started discussion with Government about submitting the original Project Sunrise investment proposal on an unsolicited basis as senior staffers in both DEEDI and Treasury felt that our original proposal had significant merit and should be considered further. As we were talking through the process the State Election was called and the rest is history as they say.

We were pleased to hear of the Government's four pillar approach to fixing up this great State and how our own Project Sunrise will assist Government in meeting its growth objectives and financial recovery for Queensland:



Project Sunrise	Government Financial Outcomes - Direct	100 Day Plan	Tourism Pillar – 2,000 direct employment opportunities	Construction Pillar – 1,000 direct employment opportunities
Create new Public Access zones to Broadwater	Ongoing rental income for 999 Years	Expands public access to Gold Coast Waterways	Invests and creates new tourist activities.	Total of \$624 million investment.
New 501 Suite Hotel and associated Entertainment, Function and Leisure Facilities	Ongoing rental income for 999 Years. Estimated net increase in annual State revenues of \$60 million.	Opportunity to announce Project Sunrise as one of the first investment projects under Queensland Projects	Investment in Queensland's Tourism infrastructure to attract growth in International and Domestic visitors and spending patterns (20-25% targeted potential increase in arrivals).	Total of \$624 million investment.
Iconic Cultural Building (Optional)			Investment in Queensland's Tourism infrastructure to attract growth in International and Domestic visitors and spending patterns (20-25% targeted potential increase in arrivals).	\$75 Million additional investment
Commonwealth Games Facilities (Optional)	Potential significant saving in Commonwealth Games Budget.			
Gold Coast Cruise Terminal (Optional)	Opportunity for integration and collaboration with consortium proposing the Gold Coast Cruise Terminal project		Investment in Queensland's Tourism infrastructure to attract growth in International and Domestic visitors and spending patterns (20-25% targeted potential increase in arrivals).	

We would be pleased if it would be possible to continue discussions with the Department of Premier and Cabinet and to provide a briefing to you at your earliest convenience. In this regard it would be appreciated if your office could please contact us to make a suitably convenient time to meet with you.

Yours sincerely

John Shepherd
Regional Director

C.C. Mr Shane O'Kane, Partner, Brookfield Financial
Mr John Gaskin, Regional Director, Brookfield Multiplex

DSDIP - BRIEF FOR NOTING	Date: 18 May 2012
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SUBJECT: Options for dealing with a Development Proposal by Brookfield Multiplex on the Gold Coast Spit.

NOTED or APPROVED/NOT APPROVED

Hon. Jeff Seeney MP
Deputy Premier, Minister for State Development, Infrastructure and Planning

Date:

RECOMMENDATION:

It is recommended that you:

- note the commencement of work by the department to prepare a process for consideration by the Deputy Premier regarding possible future dealings with Brookfield Multiplex (BM) for any development proposal on State land at the Gold Coast Spit
- note that a copy of this brief has been concurrently sent to Jon Grayson, Director-General, Department of the Premier and Cabinet (DPC) for his noting.

BACKGROUND:

On 12 April 2012, BM wrote to the Director-General Department of Premier and Cabinet (DG DPC) highlighting a desire to revisit its proposal to develop, in partnership with Echo Entertainment (Attachment 1) Contrary to Public Interest ('Project Sunrise') on State owned land at the Gold Coast Spit.

On 27 April 2012, the DG DPC met with representatives from BM.

The Premier was subsequently briefed by DPC officers on this matter. The Premier noted the context of the meeting, however did not approve the commencement of direct negotiations with BM on this matter.

KEY ISSUES:

This brief provides you with options for the further consideration of a development proposal by BM relating to State land on the Gold Coast Spit.

Previous Process and Dealings

In April 2011, BM was selected as the only shortlisted proponent following a competitive Expression of Interest (EOI) process to develop State owned land adjacent to SeaWorld on the Gold Coast Spit. BM was subsequently asked to submit a detailed proposal for the development of site.

BM initially sought to pursue 'Project Sunrise', an integrated casino/resort development. In July 2011, BM was provided with advice regarding the previous governments' gaming policy Contrary to Public Interest Contrary to Public Interest

BM sought, but was unable to develop, a viable non-gaming alternative development proposal. On 31 October 2011, BM withdrew from the process when it became clear that it could not secure project finance. Accordingly, BM did not submit a final detailed proposal for consideration by the State.

The EOI process was formally terminated by the previous Government on 5 December 2011.

Endorsed by: Damien Walker, DDG Business Group: Infrastructure and Land Telephone: 3898 0430 / 0459 841 870	Endorsed by: David Edwards Director-General Telephone: 322 78451
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Ref No: MBN12/128

Probity and procurement matters preclude the recommencement of the previous EOI process as this process was formally terminated.

Accordingly, any further approach from BM, or any other interested party that is not invited by the State via a State initiated and sponsored process, would be considered an unsolicited proposal. An unsolicited proposal can only be initiated by a proponent.

OPTIONS:

Unsolicited proposals

There is currently no formal framework or criteria in place by which the State can consider and evaluate an unsolicited proposal of the nature BM may propose

Contrary to Public Interest

Contrary to Public Interest

The Department of State Development, Infrastructure and Planning (DSDIP), in collaboration with DPC, will expeditiously develop an unsolicited proposal assessment process by Friday 25 May 2012, which could be utilised should BM submit an unsolicited proposal.

This process would require further consideration of and direction regarding specific objectives/outcomes sought by the Government and criteria by which the proposal would be assessed. Merit based risk analysis (both quantitative and qualitative) would be used to consider any unsolicited proposal, and to determine any subsequent requests for further development proposal information that the State may require to conclude its analysis.

Additionally, the process would also need to address the following matters:

- Clarification of the Government's gaming policy position
- An assessment of key economic and commercial matters
- A position on land tenure arrangements (long-term lease from the State or freehold sale)
- Confirmation of responsibility for resolving native title over the site
- Probity and procurement procedures.

Analysis and recommendation to Government of any unsolicited Gold Coast Spit development proposal submitted by BM, could be completed by DSDIP Infrastructure and Land Group, within three months from the receipt of any such proposal.

State Initiated competitive process

The Government is not obliged to consider any unsolicited proposals received.

If however, the Government wishes to consider options for development on the Gold Coast Spit, DSDIP in consultation with DPC, can implement and execute an open-market competitive process. This comprehensive activity could take between 6 -12 months to complete and would be the fourth occasion such an activity was conducted.

The advice to be submitted to the Deputy Premier, following development of the unsolicited proposal assessment process by 25 May 2012, will also detail a competitive market process and seek guidance on which option was preferred at that point.

CONSULTATION:

The Department of the Premier and Cabinet was consulted in the drafting this briefing note.

RIGHT TO INFORMATION: Contents/attachments suitable for publication Yes No

ATTACHMENT 4- Background with regards to development of the South Port Spit, Gold Coast
(supplied by Economic Policy, DPC)

Since 2006, three prior attempts were made by the previous Government (via an expression of interest (EOI) process) to develop state owned land on the Gold Coast Spit.

On the last attempt in 2011, Brookfield Multiplex was declared the preferred developer, and one of the proposals pursued was the development of Project Sunrise, a hotel and casino complex.

BM was ultimately forced to withdraw from the process when it was unable to meet the requirements of the previous Government. The EOI process was formally terminated on 5 December 2011.

In April 2012, Brookfield Multiplex (BM), in partnership with Echo Entertainment (formerly Tabcorp), has approached the State wishing to develop Contrary to Public Interest (Project Sunrise) on State owned land on the Gold Coast Spit.

A briefing note to the Premier dated 4 May 2012 sought the Premier's approval for the Department of State Development, Infrastructure and Planning and DPC to commence confidential negotiations with BM and Echo Entertainment on Project Sunrise.

The Premier did not approve confidential negotiations commencing with BM and Echo Entertainment.

A Director-General's briefing note will shortly be prepared advising of options for possible future dealing with the land on the Gold Coast Spit.

LAUNCH OF THE NEW THEATRE AT JUPITERS HOTEL AND CASINO, GOLD COAST

5 MINS:

Acknowledgements:

I would like to acknowledge the traditional owners and custodians of the land, on which we meet, Elders who are with us today and those who have passed

- Tim Nicholls, Treasurer and Minister for Trade, and Mrs Mary Nicholls
- Jarrod Bleijie, Attorney-General and Minister for Justice, and Mrs Sally Bleijuie
- Jann Stuckey, Minister for Tourism, Major Events, Small Business and the Commonwealth Games
- Ray Stevens, Member for Mermaid Beach
- Steve Ciobo, Federal Member for Moncrieff
- Daphne MacDonald, Acting Mayor, Gold Coast City Council, and Cliff Giles
- John Story, Chairman, Echo Entertainment, and Mrs Georgina Story
- Larry Mullin, Chief Executive Officer, Echo Entertainment
- Geoff Hogg, Managing Director, Treasury Brisbane, and Mrs Praveena Hogg
- Craig Peachey, Acting Managing Director, Jupiters Gold Coast, and Mrs Paul Peachey
- Mark Brodie, Chairman, NRA (Qld), and Mrs Jane Brodie

Speaking Points

- I'm delighted to be here this evening to officially open this \$20 million redevelopment of Jupiters Gold Coast Hotel and Casino's theatre.
- Echo Entertainment, which owns this complex as well as Jupiters in Brisbane and in Townsville, has announced that this is the first stage of a \$525million investment program in all three properties.
- I see this program as absolutely endorsing my government's commitment to the tourism industry as one of the four pillars of the Queensland economy.
- We're off the ground and running on fulfilling this election commitment through my announcement on Wednesday that our inaugural DestinationQ industry forum will be held in Cairns in the first 100 days of my government's taking office.
- This forum will see industry leaders and operators gather with key ministers, councils and senior officials to determine an action plan for the tourism industry in Queensland.
- Participants from all over the state will come together to focus on what needs to be done to kick start the tourism industry in the short, medium and long term.
- The economic importance of tourism cannot be over-estimated. The industry directly generated income of \$7.8 billion in the

year to December last and a further \$9.2 billion indirectly, according to Tourism Queensland.

- The tourism industry employed 118,000 people directly and 102,000 indirectly
- There are 115,500 tourism-related businesses in Queensland, 28.5 per cent of the state total.
- It's important to remember, too, that the majority of those jobs are located in regional Queensland and it's the regions that benefit mostly from that economic input.
- The potential, especially from the emerging giant economies of China and India, is tremendous.
- Well, Echo Entertainment is certainly doing its part to take advantage of present opportunities and prepare itself for future growth.
- This new theatre has more than double its predecessor's capacity to 2,000 seated or 2,300 general admission guests.
- It's going to deliver exciting world-class entertainment beginning with Jabbawockeez tonight.
- There will be many more world class acts to come.
- So I am very pleased to officially open the new Jupiters Theatre and to welcome Jabbawockeez to the Gold Coast for their first Australian performance.