

Iemma has new casino talks

The prospect of a second NSW casino has re-emerged after it was confirmed yesterday that a Hong Kong billionaire talked to the Premier before the election about setting one up.

Stanley Ho, whose son Lawrence is involved in casino interests with James Packer in Macau, had a private discussion with Morris Iemma, the Premier's office confirmed yesterday.

There is speculation that the possibility of a casino at Tweed Heads is being used by the Government in its negotiations with Tabcorp, the owner of Star City Casino, which wants to extend its exclusive licence to run the state's only casino.

Electoral returns in February showed that Mr Ho – who Forbes magazine says has tied for 104th-richest person in the world this year, and who monopolised gaming in Macau for 40 years – was a big donor to Labor last year.

He bought several items at a fund-raising auction, and declared donations of AUD 109,000. Although he paid AUD 48,000 for a lunch with Mr Iemma, the Premier's office confirmed yesterday that Mr Ho did not attend.

A spokesman for Mr Iemma said yesterday: „He [Mr Iemma] attended a speaker's luncheon [in June 2006] where Stanley Ho was also an attendee.

„The issue of casino licences was informally raised [by Mr Ho], but no formal discussions have ever taken place. There were no subsequent meetings or discussions about a casino.“

Mr Iemma and the NSW Treasurer, Michael Costa, are also understood to have met Star City officials at a dinner just before the election and gave no guarantees about whether Star City's 12-year exclusive licence would be extended. The licence, which Tabcorp bought from the Government in 1995 for

AUD 376 million, runs out this year.

The head of the NSW Office of Liquor, Gaming and Racing, Michael Foggo, and a senior treasury official are understood to be discussing an extension to the licence with Star City officials. The Government is also said to be negotiating an increase in the level of gaming machine tax Star City pays. At present it is 24.5 per cent.

If the talks fail, it is understood Mr Costa is likely to be brought in to break any impasse.

If the Government is not satisfied with Star City's offer for a licence, it could choose not to extend it, leaving open the prospect of the establishment of a lucrative new casino licence.

The Opposition's gaming and racing spokesman, George Souris, said any process involving a second casino would have to be transparent. He was concerned about the prospect of Labor donors being involved in talks with ministers or the Premier.

„The Government must demonstrate it's got an entirely arm's-length approach to the negotiations both with Star City and a second casino, which must be subject to an open and accountable tender [if established],“ he said.

„Prior to the election, in all Mr Iemma's Government's public pronouncements, a one-casino policy remained firm while at the same time [he was] accepting representations over dinner from prospective operators of a second casino somewhere in NSW,“ Mr Souris said.

Mr Iemma's office was quoted in December as saying there were no plans to establish a second casino in a regional area. Labor lost the marginal seat of Tweed at the election. In June, Mr Iemma refused to rule out a second casino to the Herald.

The offices of the Premier, the Treasurer and the Minister for Racing and Gaming said they could not comment on the casino negotiations.