

Hotel land sale link to sports stadium

EXCLUSIVE

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The WA Government told James Packer's Crown Limited it could buy 5.8ha of land for a new six-star hotel at Burswood on the condition that it allowed the Government to build its new 60,000-seat sports stadium elsewhere on the peninsula, according to letters presented to the Supreme Court this week.

The revelations, contained in the previously unreleased letters between the Government and Crown, prompted Opposition accusations Colin Barnett had misled

the public and Parliament when he repeatedly claimed the issues of the stadium and hotel developments were not linked and had been treated separately by his Government.

The Premier denies the claim.

The seven letters are dated between August 2011 and July 2012 and detail the ongoing negotiations involving Mr Barnett, his Department of Premier and Cabinet chief Peter Conran, and Crown Perth chief executive Barry Felstead.

In one letter, dated July 13, 2012, Mr Conran sought on behalf of the Government to incorporate "all necessary approvals" for the

stadium into the deal to sell the 5.8ha of former golf course land to Crown for \$60 million.

These approvals became conditions in the agreement for the sale and development of the land that was eventually signed by Mr Barnett and Mr Felstead.

Under the Act that governs the operation of the casino, Crown — as trustee of the Burswood Park reserve — is required to give its

approval to any change of use of land on the Burswood peninsula, including the former golf course where the Government wants to build the new stadium.

In August 2012, Mr Barnett announced the Government would

sell land to Crown for a new hotel, as well as agreeing not to oppose Crown's application to the Gaming Commission for an extra 500 gaming machines and 130 gaming tables over five years.

Mr Barnett has repeatedly asserted the stadium and the hotel were separate issues and treated as such by his Government and Cabinet. "This Government has been scrupulous to keep the issues of the stadium entirely separate to issues to do with the casino and the development of a new hotel. That is entirely proper," he told State Parliament on September 27, 2012.

On the same day, he said: "The

negotiations around the development of the hotel and the expansion in the number of gaming machines and tables were not related at all to the stadium issue."

But on July 13, 2012, Mr Conran wrote to Mr Felstead, inviting the Crown chief to make an offer to buy the 5.8ha of land subject to "the matters set out below".

One of those matters was that Crown "consent to land on the Burswood Peninsula being excised from the Reserve for the development of the new major stadium for Perth (located on the northern nine holes of the exist-

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ing golf course) and the associate sports precinct on the balance of the golf course, and all necessary approvals thereto”.

A spokeswoman for Mr Barnett said yesterday: “The Premier’s previous statements are accurate and consistent. The Government always managed these negotia-

tions and arrangements separately and they have always been treated as such by the Government and Cabinet.

“The requirement for Crown to give consent to land being excised from the Burswood Peninsular is a requirement under the legislation governing Burswood.

“While the two cases have been treated separately, we cannot ignore the legislative

requirements of the Act.”

Mr Felstead said he could not comment because the matter was before the courts.

Shadow Treasurer Ben Wyatt said yesterday: “It is clear that despite what the Premier told Parliament, there was clearly a link between the Government’s proposed hotel development and the stadium location.

“This is not the first time

that Mr Barnett has misled the Parliament and in the ordinary course of the Westminster system when a Minister lies to the Parliament they resign. Unfortunately, the Premier has lost all perspective of what is true and what he tells Parliament so I suspect he has convinced himself whatever he says to the Parliament is the truth, regardless of the facts.”

March 24, 2011

Colin Barnett meets with James Packer. Mr Barnett said the meeting

was about plans for Mr Packer’s proposed third Burswood hotel but leaked notes of the meeting describe how the “Stadium at Burswood would complement what they are trying to do”.

June 28, 2011

Colin Barnett announces new 60,000 seat stadium will be built on northern nine holes of Burswood golf course.

August 22, 2011

Burswood Entertainment Complex (now Crown Limited) chief executive Barry Felstead writes to the Premier describing a “long term vision to further improve our facilities and the complex as a whole” and seeking support for 500 extra gaming tables, 130 extra gaming machines, the ability for international and interstate VIP patrons to play “spinning reel” poker machines, and the ability to acquire land around the Burswood Dome and adjacent to the existing property on the golf course.

“If supported and approved, these initiatives would provide our board of directors with a significant level of certainty about the future and allow us to proceed with additional major projects with a high degree of confidence.”

October 19, 2011

Mr Barnett replies to Mr Felstead, saying the Government is “very much aware” of the considerable capital Crown Limited has invested at Burswood and recognises “the complex must continue to develop and renew in order to meet competition from interstate”. However, Mr Barnett knocks back the proposal for spinning reel poker machines because even restricted access “may be seen as contrary to the Liberal Nationals Government’s broader gambling policy”. The Premier is, however, supportive “in principal” of Burswood’s efforts to acquire more land “provided they are consistent with the overall plans for the Burswood peninsula”.

January 13, 2012

Mr Felstead writes to the Premier to unveil and request support for a “new and exciting proposal to further develop the complex” — a

new, six-star luxury hotel that will require a further 5.8ha of Burswood golf course land.

Mr Felstead seeks the 5.8ha of land “at a nominal charge, or alternatively a long term lease at peppercorn rent”.

“As you would be aware the economics of a project of this size are marginal at best and as a consequence we are also seeking formal approval for additional gaming product (as outlined in the August 2011 letter).”

March 20, 2012

The Premier writes a letter of reply that is broadly supportive of the new hotel but pushes back against the idea the land will be granted for free, saying the Government must balance a fair and reasonable valuation with the benefits to accrue to the community and Burswood in the form of increased revenue and profits. Mr Barnett says the Government has received a preliminary valuation of the 5.8ha of land and suggests a possible Burswood Dome land swap or deferred payment schedule may be appropriate.

Mr Barnett says while the Government will support Burswood’s application for extra gaming tables and machines, it is ultimately the decision of the Gaming and Wagering Commission.

July 13, 2012

Department of Premier and Cabinet chief Peter Conran writes to Mr Felstead, noting “that over the past several months” the Government and Burswood have been in discussion regarding a third hotel. “The matter has now been formally considered by the Western Australian Government,” Mr Conran wrote, and he invited

Mr Felstead to make an offer for the 5.8ha of land subject to a number of matters including:

- The sale price be above Burswood's previous offer of \$50 million;
- Burswood bear all the risk of remediation;
- That land is sold for the purpose of a hotel and is not to be resold;
- That development commences within 12-18 months;
- That Burswood agree to consent to land on the Burswood peninsula being excised from the reserve as defined by the casino legislation for the development of a new major stadium for Perth;
- The Government would support the increase in gaming product subject to revisions to the casino tax rate.

July 18, 2012

Mr Felstead replies to Mr Conran with an formal offer to buy the land for \$60 million.

Mr Felstead's letter also agreed to consent for the stadium land to be excised from the Burswood Park reserve "and all approvals required".

July 27, 2012

Mr Conran replies that Mr Felstead's offer is acceptable to the Government.

September 27, 2013

Colin Barnett tells State Parliament:

"This Government has been scrupulous to keep the issues of the stadium entirely separate to issues to do with the casino and the development of a new hotel ... The negotiations around the development of the hotel and the expansion in the number of gaming machines and tables were not related at all to the stadium issue."

