

Rising tide of tourism boosts Queens Wharf

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Star Entertainment is ramping up the size of its Queens Wharf project in Brisbane to gear up for future demand, as inbound tourism from Asia shows no signs of slowing.

Floor space for the project's integrated resort will increase by a quarter, to allow for more retail, food and beverage, gaming and hotel space.

Capex on the project, which is expected to open in 2022, will increase by \$600 million, with additional facilities now taking the overall project from \$3 billion to \$3.6bn.

"That's driven by our demand analysis that says long-term prospects for Queensland and Brisbane in particular are very positive," Star chief executive Matt Bekier told *The Australian*.

"You've got strong fundamentals such as domestic population growth, domestic migration, international migration and then in particular tourism, which is showing absolutely no signs of abating.

"Now if we take all of this into the mix, we arrive at the conclusion that says: 'look, this is a once-in-a-lifetime opportunity to build something, we may as well build something that can absorb additional future capacity and demand' — and that's what driving the expansion of this integrated resort in Brisbane."

It comes as Australia pursues new laws aimed at countering foreign interference, which has angered Beijing.

Mr Bekier yesterday reiterated his view that Australia's recent spat with China could have a short-term impact on tourism flows.

Earlier this month, Mr Bekier said: "The political environment and debate is not helpful."

But he yesterday said lack of hotels was holding back Australia's inbound tourist capacity, despite high numbers of Asian



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Star chief executive Matt Bekier says long-term prospects for Queensland are very positive

tourists looking for safe, welcoming places with fresh air and authentic experiences. "We don't have enough hotels — that's what we're trying to address — we're building a lot of hotel capacity," he said.

Mr Bekier said the company was seeing tourism trends consistent with trends over the past 10 years — double-digit inbound growth from international tourists, with a skew to Asian countries and the largest number of inbound tourists coming from China.

"There's no doubt in my mind that it's not going to be a straight line up but ultimately there's significant wealth creation in Asia and we know that with increasing wealth creation people's behaviour is changing," he said.

"China is just at that cusp, really, of starting to see very significant growth of global outbound tourism and Australia is very much in the sweet spot of what they're looking for as tourists, so that's what we're tapping into.

"These customers are higher-spending customers than other

nations and they have greater propensity to stay in high-quality hotels, which is what we're offering, and to visit the sorts of restaurants and facilities that we offer, especially gaming."

Hong Kong firms Chow Tai Fook Enterprises and Far East Consortium International, which each hold a 9.99 per cent voting share in Star, had pumped a combined \$1 billion into the Queens Wharf project for the development of its apartment complex.

Star and its partners, who had each put about \$1bn in the \$2bn

integrated resort, excluding \$213m in government payments, will split the additional \$600m investment equally.

In a presentation yesterday, Star said its revenue had risen in the second half on the back of growth in Queensland and its international VIP business.

Normalised gross revenue was up 16.4 per cent for January 1 to May 23, compared to the previous corresponding period.

The company said its international VIP rebate business "continues to show strong growth".