



THE STAR

ASX Announcement

9 December 2022

DISCIPLINARY ACTION AND APPOINTMENT OF SPECIAL MANAGER IN QUEENSLAND

Further to its announcement of 4 November 2022, The Star Entertainment Group Limited (ASX code: SGR) (**The Star**) has received written notice from the Queensland Attorney-General, The Honourable Shannon Fentiman MP and the Queensland regulator, the Office of Liquor and Gaming Regulation (**OLGR**), of the following disciplinary action under section 31 of the Casino Control Act 1982 in relation to its subsidiaries, The Star Entertainment Qld Limited (the licensee of Treasury Brisbane (**Treasury Brisbane**)) and lessee of The Star Gold Coast (**The Star Gold Coast**)) and The Star Entertainment Qld Custodian Pty Ltd (the licensee of The Star Gold Coast):

- (a) The Star will pay a total pecuniary penalty of \$100 million by instalments on 31 March 2023 (\$30m), 30 June 2023 (\$30m) and 31 December 2023 (\$40m);
- (b) The Treasury Brisbane and The Star Gold Coast casino licences are to be suspended for a period of 90 days on a deferred basis with effect from 1 December 2023; and
- (c) Mr Nicholas Weeks has been appointed as special manager to monitor the operations of Treasury Brisbane and The Star Gold Coast. The cost of Mr Weeks' appointments will be paid by The Star. The Star notes that Mr Weeks was also appointed as Special Manager of The Star Sydney casino on 21 October 2022.

The Attorney-General today said that that the deferred commencement date of the licence suspensions provides The Star an opportunity to remediate its management and operations and return to a position of suitability prior to the suspension taking effect. Should The Star make satisfactory progress, the Attorney-General may determine to postpone or rescind the suspension of licences.

Copies of the letter from OLGR and the media release issued by the Attorney-General are attached to this announcement.

Authorised by:

Board of Directors

For more information contact:

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In reply please quote: OGR-2149977



Liquor, Gaming and Fair Trading

Department of
Justice and Attorney General

Mr Ben Heap
Chairman
Level 3, 159 William Street
BRISBANE QLD 4000

Mr Robbie Cooke
Managing Director
Level 3, 159 William Street
BRISBANE QLD 4000



Dear Mr Heap and Mr Cooke

Disciplinary Action Decisions – The Star Queensland Casino Entities

I refer to the show cause notices issued to The Star Entertainment Qld Limited (licensee for Treasury Brisbane and lessee for The Star Gold Coast) and The Star Entertainment Qld Custodian Pty Ltd (licensee for The Star Gold Coast) dated 3 November 2022, pursuant to section 31 of the *Casino Control Act 1982* (the Act).

On 9 December 2022, the Governor in Council decided to take the following disciplinary actions:

Special Manager

In accordance with section 31(12)(b)(vi) of the Act, appoint a special manager for:

- a. The Star Entertainment Qld Limited, in its capacity as casino licensee of Treasury Brisbane;
- b. The Star Entertainment Qld Limited, in its capacity as casino lessee of The Star Gold Coast; and
- c. The Star Entertainment Qld Custodian Pty Ltd, in its capacity as casino licensee of The Star Gold Coast.

Casino Licence Suspension (deferred)

In accordance with section 12(b)(v) the Act, suspend:

- a. the casino licence held by The Star Entertainment Qld Limited for Treasury Brisbane, for a period of 90 days, effective from 9.00am on 1 December 2023;
- b. the casino licence held by The Star Entertainment Qld Custodian Pty Ltd for The Star Gold Coast, for a period of 90 days, effective from 9.00am on 1 December 2023.

Pecuniary Penalty

In accordance with 31(12)(b)(iv) of the Act, order the payment of pecuniary penalties as follows:

- a. for The Star Entertainment Qld Custodian Pty Ltd, casino licensee of The Star Gold Coast, the sum of \$30 million, payable by 31 March 2023; and
- b. for The Star Entertainment Qld Limited, casino licensee of Treasury Brisbane and casino lessee of The Star Gold Coast, the sum of \$30 million, payable by 30 June 2023, and \$40 million, payable by 31 December 2023, respectively.

In deciding to take the actions, the Governor in Council considered all relevant matters under section 31 of the Act, including the recommendations of the Attorney-General and Minister for Justice, Minister for Women and Minister for the Prevention of Domestic and Family Violence, the show cause notices and the responses and submissions that were made.

I draw your attention to section 31(23) of the Act, a decision by the Governor in Council made under this section is final and conclusive and shall not be appealed against, reviewed, quashed or in any way called in question in any court on any account whatsoever.

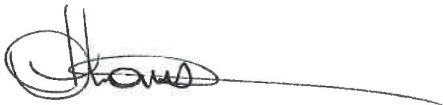
Having decided to appoint a special manager for each of the casino entities as part of the disciplinary action, in accordance with section 90C of the Act, the Governor in Council has appointed Mr Nicholas Weeks as the special manager. As part of the terms and conditions of appointment, Mr Weeks is to engage an individual, approved by the Attorney-General, to be resident in Queensland assisting him in the performance of his functions. I can advise that Ms Terri Hamilton will be the Queensland manager assisting Mr Weeks.

The Office of Liquor and Gaming Regulation (OLGR) will be in contact with you shortly to provide further relevant information about the appointment of Mr Weeks as special manager, including the functions that he and Ms Hamilton will perform and the obligations of the relevant casino entities relating to the appointment.

OLGR will also, in due course, provide you with the details on how to make payment of pecuniary penalties before they fall due.

Should you have any questions, please contact Mr Paul Ryan, General Manager Compliance, OLGR on [REDACTED] or at [REDACTED]

Yours sincerely



Victoria Thomson
Deputy Director-General
Commissioner for Liquor and Gaming

09/12/2022

cc. [REDACTED]

The Queensland Cabinet and Ministerial Directory

Disciplinary action taken against The Star

Published Today at 01:37 PM

Attorney-General and Minister for Justice, Minister for Women and Minister for the Prevention of Domestic and Family Violence

The Honourable Shannon Fentiman

The Star Entertainment Group will be subject to a raft of disciplinary actions, following the findings of Queensland's Gotterson Review and the Attorney-General's determination of unsuitability.

Attorney-General and Minister for Justice Shannon Fentiman said The Star's and other interested parties' responses to the show cause notices issued last month have been taken into consideration when determining appropriate disciplinary action.

"Queensland casinos must operate with integrity – and it is clear that there have been major failings by the Star group and its entities," the Minister said.

"Like many Queenslanders, I was appalled at the extent of the actions of The Star in welcoming excluded persons to their casinos and the exorbitant incentives on offer for questionable gamblers.

The Attorney said that following Governor in Council approval today, The Star would face the following disciplinary actions under the *Casino Control Act 1982*:

- Pecuniary penalties totalling \$100 million to be paid over 12 months.
- The appointment of an experienced independent special manager to monitor The Star's operations in Queensland, with the cost to be recouped from the relevant casino.
- The suspension of Treasury Brisbane and The Star Gold Coast's casino licences for a period of 90 days, the commencement of which is deferred until 1 December 2023.

"The reason these significant penalties could be applied is due to recent reforms to the Act which passed in the Queensland Parliament in October," the Attorney said.

"And I can assure Queenslanders that The Star will be sent the bill for the cost of the special manager's work."

The Attorney-General also said that the deferred commencement date of the licence suspensions will give The Star an opportunity to remediate its management and operations and get back to a position of suitability.

"Should The Star make satisfactory progress towards rectifying these issues, the special manager and I may determine to postpone or rescind the suspension of licences.

"Mr Nicholas Weeks will be appointed as the special manager. He was also appointed by the Independent Casino Commission (ICC) to oversee The Star's operations in New South Wales," the Minister said.

"Having a special manager that monitors the operations of The Star in both states will ensure they will be looked at as one operating entity and provide consistency across jurisdictions.

"It's also important that we have a person on the ground here in Queensland, which is why Ms Terri Hamilton will be the Queensland Manager Assisting, and will join Mr Weeks' very skilled and capable team," she said.

Mr Nicholas Weeks brings more than 20 years experience in corporate law, governance, risk and integrity, and he has held the positions of COO and Head of Integrity at National Rugby League.

Mr Weeks was also appointed the Executive General Manager of Transformation and Regulatory Response at Crown Resorts following the publication of the Bergin Report in early 2021.

Ms Terri Hamilton is currently the deputy chair of the Queensland Portable Long Service Leave Authority and Chair of its Finance, Audit and Risk Committee.

Admitted as a solicitor of the Supreme Court of Queensland in 1985, Ms Hamilton has a wealth of experience in the regulated financial services industry. This includes leading the risk, compliance and governance teams at Sunsuper, and as their anti-money laundering and counter terrorism financing officer.

New South Wales Independent Casino Commission Chief Commissioner Philip Crawford said Mr Weeks' appointment was a sensible approach.

"Installing Mr Weeks as Queensland's special manager will underscore collaboration with our Queensland regulatory counterparts," Mr Crawford said.

"This will ensure The Star acts consistently in compliance with its obligations – no matter which state they operate in."

The Attorney said she expects The Star to make every effort to remediate and achieve suitability.

"This is an opportunity for The Star to return to suitability, however they have a long way to go," she said. "If relevant entities do not take significant steps to improve their operations, we will not hesitate to take further action."

ENDS

This statement replaces the statement which was posted at 11:00 Friday 9th December 2022.

Media contact: Phoenix Campbell 0439 949 719