



THE STAR

ASX Announcement

19 December 2022

POTENTIAL REFORMS TO NSW CASINO TAX REGIME

The Star Entertainment Group Limited (ASX code: SGR) (**The Star**) notes the media release from the New South Wales Treasurer, The Honourable Matt Kean MP, in relation to potential increases to casino tax rates in New South Wales.

The release references proposed gaming tax increases for the two casinos in New South Wales, anticipated to commence on 1 July 2023 and forecast to raise an additional \$364 million over the next three years.

Mr Kean said on poker machine taxes: "It's important that casinos pay their fair share of tax. These reformed tax rates will replace the existing regime under which casinos pay less tax on poker machines than hotels and clubs."

At this stage, no other details have been made available in relation to the potential reforms (including as to how the taxes would be levied or applied). There has been no consultation from the NSW Government with The Star on this matter.

The potential impact of these proposed changes, if implemented, will depend on the details of the proposed reforms and the implications to pre-existing arrangements which apply to The Star's operations in Sydney.

The Star's CEO and Managing Director Robbie Cooke said: "We are not sure how the Government modelled its financials nor the basis for suggesting The Star does not pay its fair share of taxes. Specifically, in addition to state gaming taxes, The Star also pays millions in corporate taxes, with total taxes paid as a percentage of The Star's profits being around 70%, and as high as 80% in the last 5 years when all the tax regimes are considered."

The Star is seeking to urgently engage with the NSW Government as to the sustainability of the proposed tax changes and the impact on The Star's business as The Star seeks to fast track cashless gaming and carded play to deliver safer gambling, whilst also continuing on a remediation path to return to suitability and earn back the trust of the community.

Authorised by:

Board of Directors

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