

# External Review of the Queensland operations of The Star Entertainment Group Limited

## Terms of Reference

### Context

Allegations of money laundering, criminal infiltration and other integrity issues have, over the last two and a half years, prompted several major public inquiries and regulator investigations into Australian casino operations.

Crown Resorts Limited (Crown) has been the subject of an inquiry in New South Wales (NSW) and Royal Commissions in Victoria and Western Australia. In each instance, Crown entities were found to be unsuitable to operate a casino and/or hold a casino licence. This has not resulted in immediate licence cancellation, but remedial action that must be taken prior to further assessment of ongoing suitability.

The Star Entertainment Group Limited (Star Group) is currently involved in the operation of The Star Sydney and two casinos in Queensland – The Star Gold Coast and Treasury Brisbane. The Star Group is also an associate of the licensee for The Star, Brisbane, due to open as part of the Queen's Wharf Brisbane development in 2023. The Star, Brisbane, will also be operated by a subsidiary of Star Group, The Star Brisbane Operations Pty Limited.

The operator of The Star Sydney is currently the subject of an independent review by Mr Adam Bell SC, who has been appointed by the NSW Independent Liquor and Gaming Authority (ILGA). Terms of reference for the Bell review include considering the suitability of The Star Sydney and its close associates, including the Star Group.

Evidence presented during public hearings raises significant concerns regarding the operations of The Star Sydney and given the shared governance and operational arrangements, the conduct of Star Group entities more broadly.

The external Review will have three parts as outlined below.

### **Part A – Inquiry into the operation of casinos under s.91 Casino Control Act 1982**

The Attorney-General and Minister for Justice, Minister for Women and Minister for the Prevention of Domestic and Family Violence, the Hon. Shannon Fentiman has decided to inquire into the operation of The Star Gold Coast and The Treasury casinos under s. 91 *Casino Control Act 1982*. The person conducting the inquiry under Part A shall have and may exercise all the powers, authorities, rights, privileges, protection and jurisdiction of a commission of inquiry under the *Commissions of Inquiry Act 1950* consistent with s. 91(2) of the *Casino Control Act*.

The inquiry will broadly examine whether the casinos operate in a way that is consistent with achieving the objectives of the Act. Without limiting the scope, the inquiry is not required to inquire into particular matters that have been sufficiently and appropriately dealt with by the Bell review.

The inquiry will examine but not be limited to:

1. Commitment to anti-money laundering/ counter-terrorism financing (AML/CTF) responsibilities, including detecting and preventing money-laundering risks, implementation of know your customer systems, and enhanced and ongoing customer due diligence obligations, particularly as they relate to high risk and high value customers;

2. Management of VIP patrons, high rollers and international patrons, including the management of associated bank accounts, transfers, credits and deposits;
3. Use of China UnionPay debit or credit card facilities and other arrangements to help facilitate gambling by Chinese nationals despite Chinese currency movement restrictions;
4. Management of exclusions, in particular those patrons excluded from The Star Sydney at the direction of the NSW Police Commissioner, and whether patrons excluded by NSW Police were actively encouraged or incentivised to attend Star Group's Queensland casinos;
5. Approach to gambling harm minimisation, including fitness for purpose, implementation, and resourcing.

The inquiry may seek information relevant to Part A in ways consistent with s. 91 of the Act. This may include public hearings, submissions, and direct questioning of Star employees or other relevant persons, as well as available evidence and the findings of the Bell review and the Office of Liquor and Gaming Regulations' investigations.

### **Part B – Advice to inform ongoing suitability investigation under s.30 Casino Control Act 1982**

The Review will provide advice relevant to the Attorney-General's considerations about the ongoing suitability of Star Group licensees to hold a casino licence and the Star Group to be associated with the operation of a casino under the Act.

### **Part C – Enhanced Regulation**

The Casino Control and Other Legislation Amendment Bill 2022 (Bill) currently before the Queensland Parliament, seeks to strengthen casino regulation including by increasing penalties, and introducing self-reporting obligations and the ability for the Minister to direct a casino operator to engage an approved external adviser, on terms decided by the Minister, to inquire into and report on any matter relevant to the conduct of casino operations.

Having regard to the findings of the s.91 inquiry, the Bill, the Casino Control Act and the approved control systems for The Star Gold Coast and Treasury Brisbane casinos, the Review will consider whether any further improvements to casino procedures, regulations and legislation is warranted to enhance integrity, minimise the potential for harm, ensure probity and restore public confidence in casino operations. This may include, but not be limited to, recommendations about arrangements for periodic reviews of licensee suitability, in line with best practice and a nationally consistent approach.

Public submissions regarding any aspect of Part C will be welcomed.

The Review will report to the Attorney-General and Minister for Justice, Minister for Women and Minister for the Prevention of Domestic and Family Violence by 30 September 2022.