

EXTERNAL REVIEW OF THE QUEENSLAND OPERATIONS OF THE
STAR ENTERTAINMENT GROUP LIMITED

BEFORE THE HONOURABLE ROBERT GOTTERSON AO

Counsel Assisting: Mr J.M. Horton QC and Ms A.R. Hellewell

For Star Entertainment Group Limited, Star Entertainment Queensland Pty Ltd
and The Star Entertainment Custodian Pty Ltd: Mr G.D. Beacham QC

On Thursday, 14 July 2022

1 MR GOTTERSON: This is the initial public hearing of
2 Inquiry into the operation of certain Queensland casinos.
3 May have the appearances, please.

4
5 MR HORTON: Yes. If it please you, Mr Gotterson, my name
6 is Horton, initials JM, of Queen's Counsel. I'm appearing
7 with my learned friend Ms Hellewell, H-e-l-l-e-w-e-l-l,
8 initial A. We have been appointed to assist you in this
9 Inquiry and the review.

10
11 MR GOTTERSON: Thank you Mr Horton. And Mr Beacham.

12
13 MR BEACHAM: Thank you, Your Honour. Beacham, initials GD,
14 Queen's Counsel. I'm instructed by King and Wood Mallesons
15 on behalf of three entities that have been granted leave to
16 appear: Star Entertainment Group Limited, Star
17 Entertainment Queensland Pty Ltd and The Star Entertainment
18 Custodian Pty Ltd.

19
20 MR GOTTERSON: Thank you. I have been appointed to conduct
21 this Inquiry under s.91 of the Casino Control Act 1982
22 Queensland. It is into the Queensland operations of the
23 Star Entertainment Group Limited.

24
25 This Inquiry function has all the powers, authorities,
26 rights, privileges, protection and jurisdiction of a
27 Commission of Inquiry under the Commissions of Inquiry Act
28 1950 Queensland. That is Part A of the terms of reference
29 and for that purpose I have been appointed an officer of
30 the Department of Justice and Attorney-General.

31
32 I have also been appointed to give advice to inform an
33 ongoing suitability investigation under s.30 of the Casino
34 Control Act. That investigation is one by the Department
35 and concerns whether the Star Entertainment Group Limited's
36 licensees are suitable to hold their casino licences in
37 Queensland.

38
39 The Star Entertainment Qld Custodian Pty Ltd holds the
40 licence for The Star Gold Coast and the Star Entertainment
41 Qld Limited holds the licence for the Treasury Brisbane. A
42 separate casino licence is held for the Queens Wharf
43 development. That is Part B of the Terms of Reference.

44
45 Part C of the Terms of Reference concerns my giving
46 consideration to whether any improvements to casino
47 procedures, regulations and legislation are warranted and

1 making recommendations in that regard.

2

3 I am bound to conduct this Inquiry and review within the
4 scope of those Terms of Reference.

5

6 The external review which comprises these three parts was
7 established against the background of there having been in
8 recent times allegations of money laundering, criminal
9 infiltration and other integrity issues in casinos in
10 Australia.

11

12 There have been Inquiries in other Australian States and
13 they have found shortcomings in the way casinos have
14 operated. The only Inquiries which have been concluded to
15 finality concern Crown Resorts Limited which, I might say,
16 has no relationship to the Star Entertainment Group
17 Limited.

18

19 Mr Bell SC in Sydney is presently finalising his Inquiry
20 under the Casino Control Act 1992 New South Wales into The
21 Star Pty Ltd. That entity holds the licence for The Star
22 Casino in Sydney. Mr Bell's enquiry has heard of issues
23 regarding the operation of that casino. He is due to
24 deliver his final report to the New South Wales Independent
25 Liquor and Gaming Authority by 31 August this year.

26

27 Evidence presented in that Inquiry, and allegations made
28 elsewhere, have raised concerns regarding the operation of
29 The Star Sydney.

30

31 The shared governance and operational arrangements within
32 The Star Group, and the conduct of The Star Group entities
33 more broadly, are said, within my Terms of Reference, to
34 give context for the inquiry and review which I am charged
35 with undertaking.

36

37 I am to complete my review and give my report and advice to
38 the Attorney-General and Minister for Justice, Minister for
39 Woman and Minister for the Prevention of Domestic and
40 Family Violence by 30 September 2022.

41

42 This means that there is need for the work of this Inquiry
43 and review, for those assisting me, and for the parties who
44 appear before me, to be expeditious and efficient so that I
45 can fulfil what the Terms of Reference require. It is
46 important then that our work move with considerable vigour
47 and focus and this does include the public hearings which

1 are presently planned to take place in late August 2022.

2
3 Finally, I would encourage those who have information
4 relevant to the Terms of Reference to provide that
5 information by making contact with the solicitors assisting
6 the Review. If that material is such as requires it to be
7 explored with witnesses it should be provided as soon as
8 possible.

9
10 Mr Horton and Ms Hellewell.

11
12 MR HORTON: Thank you, Mr Gotterson. Your inquiry and
13 review comes against the background of concern about
14 casinos operating interstate, as you've mentioned,
15 Mr Gotterson, and in particular The Star Sydney, the
16 licence holder for which is The Star Pty Ltd.

17
18 Part C of your Terms of Reference charge you with looking
19 into the operation of The Star Group casinos here in
20 Queensland and within the wider context of the events in
21 the sector over the past few years in Australia.

22
23 The first casinos in Queensland were purpose built. First
24 on the Gold Coast, it was the very first in Queensland,
25 opened in November 1985 as Conrad Jupiters. In 2017 it was
26 re-branded as The Star Gold Coast. In 1986 the Sheraton
27 Breakwater Hotel and Casino was established in Townsville.
28 There is also a casino in Cairns, The Reef Casino. That
29 licence was granted in 1996.

30
31 The casinos in Townsville and Cairns are not part of The
32 Star Group and are therefore not within Parts A or B of
33 your Terms of Reference.

34
35 The first Brisbane casino took over the former Treasury
36 building in 1995 and has operated from there ever since.

37
38 The Star, I use that term generically for a moment, is a
39 50 per cent joint venturer with two Hong Kong based companies in the
40 Queens Wharf development here in Brisbane. Destination
41 Brisbane Consortium Integrated Resorts Operations Pty Ltd
42 holds the licence for the yet to open, but well advanced,
43 Star Brisbane casino.

44
45 Arrangements envisage The Star entity giving up its licence
46 for the Treasury Brisbane as Queens Wharf commences
47 operation. At present Queens Wharf is expected,

1 Mr Gotterson, to open early next year.
2
3 Your Terms of Reference involve mixed functions, as you
4 you've mentioned, Mr Gotterson. May we tender a copy so
5 that that formality is satisfied.
6
7 MR GOTTERSON: Yes.
8
9 MR HORTON: I tender the Terms of Reference.
10
11 MR HORTON: This Terms of Reference is received and will be
12 marked in accordance with the document management protocol
13 that I expect that we will set up. No doubt, Mr Beacham,
14 you've got --
15
16 MR BEACHAM: No objection.
17
18 MR GOTTERSON: -- a copy of the Terms of Reference?
19
20 MR BEACHAM: Yes, thank you very much.
21
22 MR GOTTERSON: Good, thank you.
23
24 MR HORTON: In Part A of those Terms of Reference, as
25 you've mentioned, Mr Gotterson, there's Inquiry under s.91
26 of the Casino Control Act 1982 of this State. As Inquirer
27 you have all the powers, authorities, rights, privileges,
28 protections, jurisdiction of a Commission Inquiry under the
29 Queensland Commissions of Inquiry Act. Those powers attend
30 an inquiry into the operation of a casino, and this phrase,
31 in our submission, is important.
32
33 The Casino Control Act defines casino operations as
34 follows:
35
36 The operation and conduct in relation to a
37 casino of any of the following:
38 (a) gaming;
39 (b) money counting, surveillance
40 accounting, storage and other activities in
41 connection with the operation and conduct
42 of gaming.
43
44 Only two casinos in The Star Group are presently operating
45 in this State, Treasury Brisbane and The Star Gold Coast,
46 we would expect, therefore, the focus of the Inquiry part
47 of your function will be on these casinos, which have been

1 and continue to operate now.

2

3 Second, in Part B there is, as you've mentioned,
4 Mr Gotterson, an advice function as to what is said to be
5 an ongoing suitability review of Star Group licensees to
6 hold casino licences, and The Star Group, to be associated
7 with the operation of a casino under the Act.

8

9 There are three relevant casino licences: The Star Gold
10 Coast, the holder of which is The Star Entertainment
11 Queensland Custodian Pty Ltd, Treasury Brisbane, the
12 licensee for which is The Star Entertainment Qld Limited.
13 Third, for the forthcoming Queens Wharf development,
14 Destination Consortium Brisbane Integrated Resort
15 Operations Pty Ltd. We take these to be The Star Group
16 licensees referred to in Part B of your Terms of Reference.

17

18 The Department of Justice and Attorney-General commenced a
19 formal suitability investigation on 28 June 2022, but
20 before this time Inspectors under the Casino Control Act in
21 Queensland had been collecting material to inform its work,
22 including by issuing requisitions to The Star. Five
23 requisitions in all have been issued and have been answered
24 to date.

25

26 This material has been collated and you have issued a
27 summons to the Office of Liquor and Gaming Regulation so
28 that you may have access, as part of your inquiry and
29 review, to what was provided by The Star to the OLGR. The
30 Star indicated it did not have been opposition to this
31 course and we're grateful for that indication.

32

33 The third part of your function, Part C, is to consider and
34 make recommendations about whether improvements should be
35 made to casino procedures, regulations legislation and
36 whether that's warranted to enhance integrity, minimise the
37 potential for harm, ensure probity and restore public
38 confidence in casino operations.

39

40 Over the past few years there have been inquiries and
41 investigations into casinos in Victoria by The Honourable
42 Ray Finkelstein AO, Western Australia chaired by The
43 Honourable Neville Owen AO and New South Wales by the
44 Honourable Patty Bergin SC.

45

46 Independent Inquiries in those States found some Crown
47 Resorts entities unsuitable to operate a casino or hold a

1 casino licence. You have been provided with each of these
2 reports. While they provide context about relevant events
3 in this sector, it's important, in our respectful
4 submission, to bear in mind that these Inquiries did not
5 concern the activities of or operations of any entity
6 within The Star Group, or its casinos and, as you've said,
7 Mr Gotterson, with respect quite correctly, there is no
8 relationship between The Star Group and the Crown Resorts,
9 at least in a corporate sense.

10
11 In recent weeks South Australia announced an independent
12 review of the licensee of the casino in Adelaide. There
13 that's the SkyCity Entertainment Group.

14
15 The Star itself has been the subject of Inquiry in New
16 South Wales conducted by Mr Bell SC which began in
17 September of last year. That Inquiry has conducted public
18 hearings over some 46 days and has already heard closing
19 oral submissions and is scheduled to deliver its final
20 report on 31 August 2022.

21
22 That Inquiry concerned The Star Casino Sydney, but that
23 evidence may inform your work in this Inquiry. We would
24 like to explain several reasons why we make that
25 submission.

26
27 First, the Star Entertainment Group Limited is the ultimate
28 holding company for two of the three casinos in Queensland,
29 The Star Gold Coast and Treasury Brisbane, and for
30 50 per cent of the Queens Wharf development. The ultimate
31 holding company is the same as for the entity that holds
32 The Star Sydney licence.

33
34 Could we tender a corporate family tree of The Star
35 Entertainment Group Limited for your reference,
36 Mr Gotterson.

37
38 MR GOTTERSON: Yes. Thank you. That will also be received
39 as an exhibit and in due course will be marked in
40 accordance with the document management protocol.

41
42 MR HORTON: Thank you. Mr Gotterson, the column on the far
43 left-hand side is, in effect, the Sydney arm of the Group
44 and you'll see there in the second row of the first column
45 The Star Pty Ltd is there as the licensee of the Sydney
46 Star.

47

1 MR GOTTERSON: Yes.

2

3 MR HORTON: On the fourth column from the left we
4 understand to be the Queensland entities, and you'll see
5 there the Star Entertainment Queensland Custodian in the
6 second row of the fourth column, that is the Gold Coast
7 casino licence holder.

8

9 MR GOTTERSON: Yes.

10

11 MR HORTON: And above it The Star Entertainment Queensland
12 Limited, being the holder of the Treasury licence for
13 Brisbane. And then the third-last column on the right we
14 understand to be, at this early stage, those entities
15 associated with the Queens Wharf development most directly,
16 but we'll make further inquiries about that. That's just
17 our present understanding. And you'll see the ultimate
18 parent there is The Star Entertainment Group Limited.

19

20 MR GOTTERSON: The name suggests that, doesn't it?

21

22 MR HORTON: Yes.

23

24 MR GOTTERSON: Referred Brisbane holdings.

25

26 MR HORTON: Yes. The second reason why we suggest that the
27 evidence in the Bell Inquiry may inform your work is that
28 that Inquiry considered the suitability of The Star Pty Ltd
29 as licensee of The Star Sydney. As part of that
30 assessment, however, that Inquiry also considered corporate
31 close associates of The Star and their suitability, the
32 Star Entertainment Sydney Holdings Limited, which is the
33 immediate parent of The Star Pty Ltd in the far left-hand
34 column, EEI Services Hong Kong Limited and The Star
35 Entertainment Group, the latter being, of course, that
36 ultimate holding company which is common as the head of the
37 group.

38

39 Thirdly, it seems to us the governance of The Star Sydney
40 and of the Gold Coast and Treasury Brisbane casinos may
41 have had some shared elements and perhaps more than that.

42

43 Fourthly, at an operational level a number of employees of
44 The Star Entertainment Group and/or The Star Pty Ltd seem
45 to have performed their functions jointly for The Star
46 Sydney, The Star Gold Coast and, relevantly, Treasury
47 Brisbane.

1
2 Fifthly, some key functions within The Star Group appear to
3 be shared between the various casinos. One example is what
4 is called treasury within The Star Group, which we think,
5 at this stage, administered and oversaw the Group bank
6 accounts. Here that seems to have involved dealing with
7 National Australia Bank about queries from China UnionPay.
8 The legal department of The Star Group was, we understand
9 at this early stage, to have been common to all relevant
10 Star entities. So too was a reporting, we think at this
11 early stage, at a senior level to the Chief Risk Officer
12 within the Group.

13
14 We mention these factors because in closing oral
15 submissions to the Bell Inquiry, The Star Pty Ltd accepted
16 that the evidence there in that context permits findings of
17 significant deficiencies and failings due to behaviour not
18 in adherence to the company's Code of Conduct and related
19 risk and compliance policies approved by the Board.

20
21 As at the commencement of that Inquiry The Star Pty Ltd had
22 accepted it had not been a suitable person to hold a casino
23 licence.

24
25 The immediate parent of The Star Pty Ltd is, as I've
26 mentioned, The Star Entertainment Sydney Holdings Limited.
27 It accepted in the Bell Inquiry that it is open for that
28 review to conclude that it was not suitable to be a close
29 associate of the casino licence holder as at the
30 commencement of the Inquiry, on the basis that it is a
31 subsidiary of The Star Entertainment Group.

32
33 The conduct of other entities in The Star Group is, in any
34 event, relevant to the advice you have been asked to give
35 to the Attorney-General as part of the ongoing suitability
36 investigation in Part B of the Terms of Reference.

37
38 The fact of a connection between the entities who operate
39 and who are to operate casinos in Queensland and The Star
40 Pty Ltd is relevant to an assessment of their suitability.
41 Section 30 of the Queensland Casino Control Act speaks of
42 all persons, and here that includes corporations, we
43 submit, who are associated or connected or to be associated
44 or connected with the ownership, administration management
45 of the operations or business of the licensee, lessee or
46 operator being suitable.

47

1 Both The Star Entertainment Sydney Holdings and The Star
2 Entertainment Group submitted to the Bell Inquiry that they
3 were, as at the date of closing submissions in that
4 Inquiry, recognising there had been some 46 hearing days,
5 that they were suitable to be close associates of The Star
6 Pty Ltd, and much had occurred in the meantime, which we'll
7 come to.

8
9 Your work, Mr Gotterson, concerns The Star Entertainment
10 Group's licensees in Queensland. We have mention who they
11 are earlier in these opening remarks.

12
13 The Queens Wharf development is not, as we said, operating
14 at present and so will not be the subject, in our
15 respectful submission, of the work we do in preparation for
16 your s.91 Inquiry, but it would seem to fall, in our
17 submission, within the parts of your work that are about
18 suitability and enhanced regulation, being Parts B and C.

19
20 There may be reasons to distinguished what happened in
21 Sydney from operations and activities in this State and we
22 want to explore that as part of making submissions to you
23 about whether, and to what extent, findings yet to be made
24 by Mr Bell might be apt here and relevant to the Terms of
25 Reference of this Inquiry and Review.

26
27 One key question we want to ask is this: to what extent
28 were any problems in New South Wales ones which came over
29 the border either because of common governance and
30 practices, or by gamblers excluded there being allowed entry
31 to casinos here, or even being encouraged or incentivised
32 to do so?

33
34 In the course of the interstate Inquiry many of the senior
35 management of The Star resigned and had left. All of the
36 board of The Star Entertainment Group, as we understand it,
37 have changed since the commencement of the Bell Inquiry.
38 This means the context in which your Inquiry takes place is
39 rather different from when matters began in New South Wales
40 in late last year and we intend, subject to your direction,
41 Mr Gotterson, to act in light of that different context.

42
43 We are interested in pursuing within the Terms of Reference
44 the following general lines of inquiry - I'll come to more
45 specific ones in due course - but they are these.

46
47 1. Whether and to what extent the operations of the

- 1 casinos by The Star Group in Queensland are, for the
2 purposes of your inquiry, Mr Gotterson, to be distinguished
3 from its activities in 2017 to 2022 at The Star Casino
4 Sydney.
- 5
- 6 2. The extent to which findings made, presently to be
7 made, by Mr Bell SC in his review of The Star Pty Ltd under
8 the Casino Control Act New South Wales are applicable for
9 the purpose of your Inquiry.
- 10
- 11 3. The incidence of person excluded from casinos
12 interstate being permitted to enter Star Casinos in
13 Queensland and any knowledge, involvement, encouragement of
14 The Star in such occurrences.
- 15
- 16 4. Commitment to and compliance with anti-money laundering
17 responsibilities, particularly in relation to high risk and
18 high valued customers at The Star Queensland casinos.
- 19
- 20 5. The contribution of Star Queensland casinos to gambling
21 harm and what resources, activities, systems it has that
22 are directed to its minimalisation.
- 23
- 24 6. The relationship with VIP patrons, high rollers,
25 international patrons and, in particular, as to associated
26 bank accounts, transfers, credits and deposits of The Star
27 Queensland casinos.
- 28
- 29 7. Use of China UnionPay debit or credit facilities and
30 other arrangements to facilitate gambling by Chinese
31 nationals at Stars Queensland casinos.
- 32
- 33 8. Commitment to and compliance with ensuring the probity
34 of those involved in the conduct of gambling at Star's
35 Queensland casinos, including those with links to criminal
36 organisations.
- 37
- 38 9. Presence and detection of illegal and undesirable
39 activities of people in casinos, including money lending
40 and any loan sharking at Star's Queensland casinos.
- 41
- 42 10. Commitment to and compliance with restrictions with
43 respect to credit, wages and other matters mentioned in
44 section 66(1) of the Queensland Casino Control Act at
45 Star's Queensland casinos.
- 46
- 47 11. Adequacy of the surveillance processes and facilities

1 at Star's Queensland casinos, including the use of facial
2 recognition technology.

3

4 12. Compliance with the approved casino operations control
5 system for The Star's Queensland casinos, including the
6 accounting system and procedures in connection with the
7 conduct of gaming.

8

9 13. The operation of junket operations and dealings with
10 junket operators at Star's Queensland casinos, particularly
11 in the present context, that is in contemporary times.

12

13 14. The Star's corporate culture in its Queensland's
14 operations, with a focus on training, education and
15 accountability compliance.

16

17 Much of the work on these lines of inquiry will be done
18 with the benefit of material to be obtained. The Office of
19 Liquor and Gaming Regulation, as we have said, have
20 requisitioned material from The Star and a great deal was
21 produced to the Bell Inquiry, but there are legal and
22 associated considerations to be met and we would hope that
23 we can draw on some of that material at least to gain
24 efficiencies and not duplicate what's been done to date.
25 But we would seek to draw on that also because of the need
26 to focus on matters which are Queensland specific and
27 specific to Queensland operations of The Star and which
28 bear upon its suitability in this State to hold those
29 licences.

30

31 We're giving careful consideration to the extent to which
32 law and fairness permits the use of this material in your
33 Inquiry and your Review and we expect to be able to report
34 to you soon about that.

35

36 In addition to that material we do expect to have questions
37 and requests for information from The Star. To the extent
38 this informs your Inquiry under s.91 we'll seek to ask you
39 to exercise your powers under the Commissions of Inquiry
40 Act to the extent that's necessary, but to the extent
41 material might only be relevant to ongoing suitability,
42 that's something to be done by the Department on advice
43 from you, in our respectful submission, in the way the
44 Terms of Reference work.

45

46 The specific issues which I indicated we'd mentioned which
47 seem most appropriate to give particular focus to are

1 these.

2

3 One, the acceptance of China UnionPay debit cards at
4 Queensland casinos and whether transactions were credited
5 to patron's hotel rooms and the funds used to gamble at the
6 casino. You might be aware there have been allegations
7 that there was, and I think it's fair to say some
8 acceptance by The Star in the other Inquiry, that this had
9 occurred, at least in Sydney, and that there were practices
10 that were inappropriate and that what it did in this
11 regard:

12

13 obscured the true nature of the
14 transaction and masked that fact or that
15 the funds were being used for gaming.

16

17 The second area of focus that seems to occur to us at
18 present is whether and to what extent, and in what
19 circumstances, persons were allowed to gamble at The Star
20 Gold Coast or Treasury Brisbane but who had been excluded
21 from gambling in New South Wales and, indeed, perhaps in
22 other States.

23

24 There are provisions in the Casino Control Act here (s.94),
25 as well as in the New South Wales Act that empower Police
26 Commissioners to direct a casino operator to give a person
27 an exclusion order. The casino operator can also do so of
28 its own accord for a person's own safety or well-being
29 (s.92), or it can do so for persons who are problem
30 gamblers (s.93A).

31

32 This is really a question of upholding, in our respectful
33 submission, the efficacy of exclusions and making sure that
34 exclusion means just what it says and the problem is not
35 pushed over the border or avoided by crossing a State
36 jurisdictional line.

37

38 The third area of focus is, and a related one, were persons
39 permitted to gamble in Queensland casinos about whom The
40 Star - I use that term generally for a moment - had adverse
41 information from law enforcement agencies and, fourth,
42 whether the apparent weaknesses in The Star's anti-money
43 laundering arrangements are the same for Queensland as may
44 have been the case in New South Wales.

45

46 We do hope, Mr Gotterson, consistent with the more focused
47 nature of this Inquiry, to call witnesses in the last week

1 of August before you in public hearings and we'd ask that
2 you reserve 23 to 26 and 29 August of this year for that
3 purpose.

4
5 We do not yet know the identity of witnesses but we'd
6 expect them to be in these broad categories: Those
7 concerned with gambling harm from Queensland casinos.
8 Those dealing with the exclusion, or non-exclusion as the
9 case may be, of persons, including those excluded from
10 casinos elsewhere who were permitted, encouraged even
11 perhaps, to gamble at Star casinos in Queensland. The
12 third category is the nature of The Star's operations here
13 in Queensland and to what extent, if at all, they differ
14 from those which have been the subject of the Bell Inquiry
15 in New South Wales. For that purpose we think we'll have
16 to call at least one witness or more from The Star to
17 ascertain those matters.

18
19 As you mentioned, Mr Gotterson, the time at which you
20 report requires considerable efficiency and focus by us and
21 by parties. We do not wish to re-cover ground if it's
22 unnecessary to do so. The time available is not long.
23 Matters have already been explored in at least one other
24 forum, and to some extent we would think adequately for
25 present purposes.

26
27 There is also of course as previously mentioned the fact
28 there have been many departures from senior management of
29 The Star and one would hope there is a sense of beginning afresh
30 down a different path.

31
32 Since the Inquiry and Review was announced a small
33 contingent within the Office of Liquor and Gaming
34 Regulation have been assisting us with logistics for today,
35 gathering documents for the Review. We would hope soon to
36 have solicitors appointed to assist once procurement tender
37 processes have been completed.

38
39 Meanwhile Ms Hellewell, junior counsel assisting me, and I
40 have been reading the material that is publicly available
41 in the Bell Inquiry so that we can understand what
42 territory has already been covered and to what extent
43 relevant to Queensland.

44
45 We've liaised with interested parties, particularly in the
46 field of gambling harm. We've read the reports of the
47 Crown Casino's inquiries interstate to better understand

1 the sector and the kinds of issues which have arisen in
2 those contexts in recent times. I understand you too have
3 had access to those reports, all of which are publicly
4 available.

5
6 In terms of the advice that you've been asked to give to
7 the ongoing suitability review by the Department, we will
8 assist in gathering the necessary material. As I indicated
9 it may be that you advise on the steps which might be taken
10 in the course of that investigation to ensure its
11 efficiency, its focus and its efficacy, and that advice as
12 you've noted in the Terms of Reference requires it be
13 provided to the Attorney-General.

14
15 In terms of Part C, the final part of the Terms of
16 Reference, we mention a few matters we might consider bears
17 upon your consideration of enhanced regulation.

18
19 First, the Queensland Casino Control Act was passed in
20 1982. It was modelled on the New Jersey regulatory regime,
21 which was then in place and considered then by many to be
22 the best in the world. One question we wish to explore in
23 our work for you is whether this model remains apt for
24 modern circumstances, and in light of the events in recent
25 times which we have referred to above.

26
27 Second, the regulatory regime in Queensland was modelled,
28 as I've said, on the New Jersey regime but which is one
29 that comes from the 1970s. Changes were made to it in
30 accordance with recommendations of Justice Lusher who'd
31 conducted an inquiry in New South Wales in that decade.
32 That inquiry concerned the legalisation of casinos. Sir
33 Laurence Street conducted a similar further Commission in
34 1991.

35
36 It was in 1981 that Cabinet in Queensland approved in
37 principle the establishment of two casinos, which began the
38 industry as we see it today and the different form into
39 which it's evolved.

40
41 When that Act was passed, recognising it was now some time
42 ago, the then Deputy Premier and Treasurer noted the
43 importance of casino operators having integrity. This was
44 said in the Hansard in the second reading speech for the
45 bill: It is clear to me that unless a casino licence
46 holder and those associated with the operation are persons
47 of proven integrity, the Government will be faced with

1 immense control problems in the future. It is therefore
2 important that the Governor in Council be fully satisfied
3 that such persons are suitable in all the respects laid
4 down in the relevant clause of the Act.

5
6 The Deputy Premier and Treasurer noted the very real risk
7 of casinos attracting illicit and antisocial activities and
8 behaviour. The then Deputy Premier and Treasurer said
9 this:

10
11 A regulatory system that is initially above
12 reproach may be corrupted over time without
13 the application of a constantly vigilant,
14 competent and honest control personnel and
15 management staff. Any unsavoury seepage of
16 this kind must be rejected if the public
17 confidence and trust that are so essential
18 for a successful operation are to be
19 obtained and if the good reputation and
20 honour of this Government is to be
21 preserved. I do not want to labour to
22 excess the point of integral and essential
23 element of the regulation control of casino
24 facilitated by the State rests in public
25 confidence and trust in the credibility,
26 integrity of casino operations and control
27 functions.

28
29 It can be seen in our respectful submission that this
30 regulatory regime is one which was always thought to need
31 constant diligence and fine-tuning. The review part of
32 your function we read as being an occasion to ask whether
33 and in what way this regime might be updated and better
34 adapted to meet the problems that have become apparent in
35 recent years, and indeed because of the different and
36 evolving and modern nature of casinos as we now see them in
37 this State.

38
39 One particular aspect we are interested in exploring is
40 whether, in terms of Part C in the Terms of Reference,
41 there ought to be periodic external reviews. At present
42 this is not a feature of the Queensland regime but it does
43 exist for example in New South Wales and it might give the
44 ability to do a real due diligence from time to time on the
45 operations of casinos and their operators to check they
46 remain lawful, orderly and act with integrity.

47

1 Your Terms of Reference make specific reference to inviting
2 submissions on Part C, which is the enhanced regulation
3 component of your functions. Could I, with respect, repeat
4 your invitation to those wishing to make submissions on
5 this part to do so as soon as possible. We as counsel
6 assisting would benefit in assisting you from input from the
7 public, from experts and from all people and bodies with an
8 interest in how casinos might be better regulated, to give
9 their ideas, their experience, their expertise. This is a
10 moment we wish to submit at which there's an open avenue
11 towards these important questions.

12
13 You've considered on the papers and granted leave to appear
14 with respect to Part A to the entities mentioned this
15 morning by Mr Beacham. I also understand that you'll soon
16 make and publish procedural guidance for principally the
17 Inquiry part of your functions, and you've published on the
18 Inquiry website, Mr Gotterson, that you require that any
19 persons wanting leave to appear or to be legally
20 represented at any public sitting to send a brief written
21 application to the website thestarreview@qld.gov.au
22 as soon as possible but by no later hopefully than 18 July
23 2022. This will allow time for the consideration of these
24 opening remarks by those parties who are considering their
25 course and for interested persons then to consider their
26 positions.

27
28 A web page has been established to give information about
29 the Inquiry and Review. That's on the Department of
30 Justice and Attorney-General's website and it can be found
31 under the project and initiatives tabs.

32
33 Mr Gotterson, these are the matters which we to date as
34 counsel assisting at this early stage of work had by
35 opening remarks. We'll set about collating documents and
36 engaging with The Star's legal representatives about
37 procedural and related matters, and indeed with any other
38 parties who are granted leave to appear.

39
40 What we propose at this stage, unless things change, you'd
41 sit again to commence public hearings in those dates in
42 August I've mentioned, commencing Tuesday 23 August.

43
44 Unless there's anything further that's what we had by way
45 of opening remarks, Mr Gotterson.

46
47 MR GOTTERSON: Very well. I should indicate at this point,

1 thank you for the opening remarks and that I will reserve
2 the dates in August that you mentioned for public hearings.

3
4 MR HORTON: Thank you.

5
6 MR GOTTERSON: I wonder if Mr Beacham may wish to make some
7 submissions at this point?

8
9 MR BEACHAM: The only thing we wish to say, Mr Gotterson,
10 is that The Star Entertainment Group will be fully
11 cooperating with this Inquiry.

12
13 MR GOTTERSON: Thank you. That is gratifying to hear and
14 thank you for that.

15
16 I think on that note we will adjourn now to 23 August 2022.
17 Adjourn the hearing.

18
19 ADJOURNED UNTIL TUESDAY 23 AUGUST 2022