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## Star secret: The bombshell casino report we can't print

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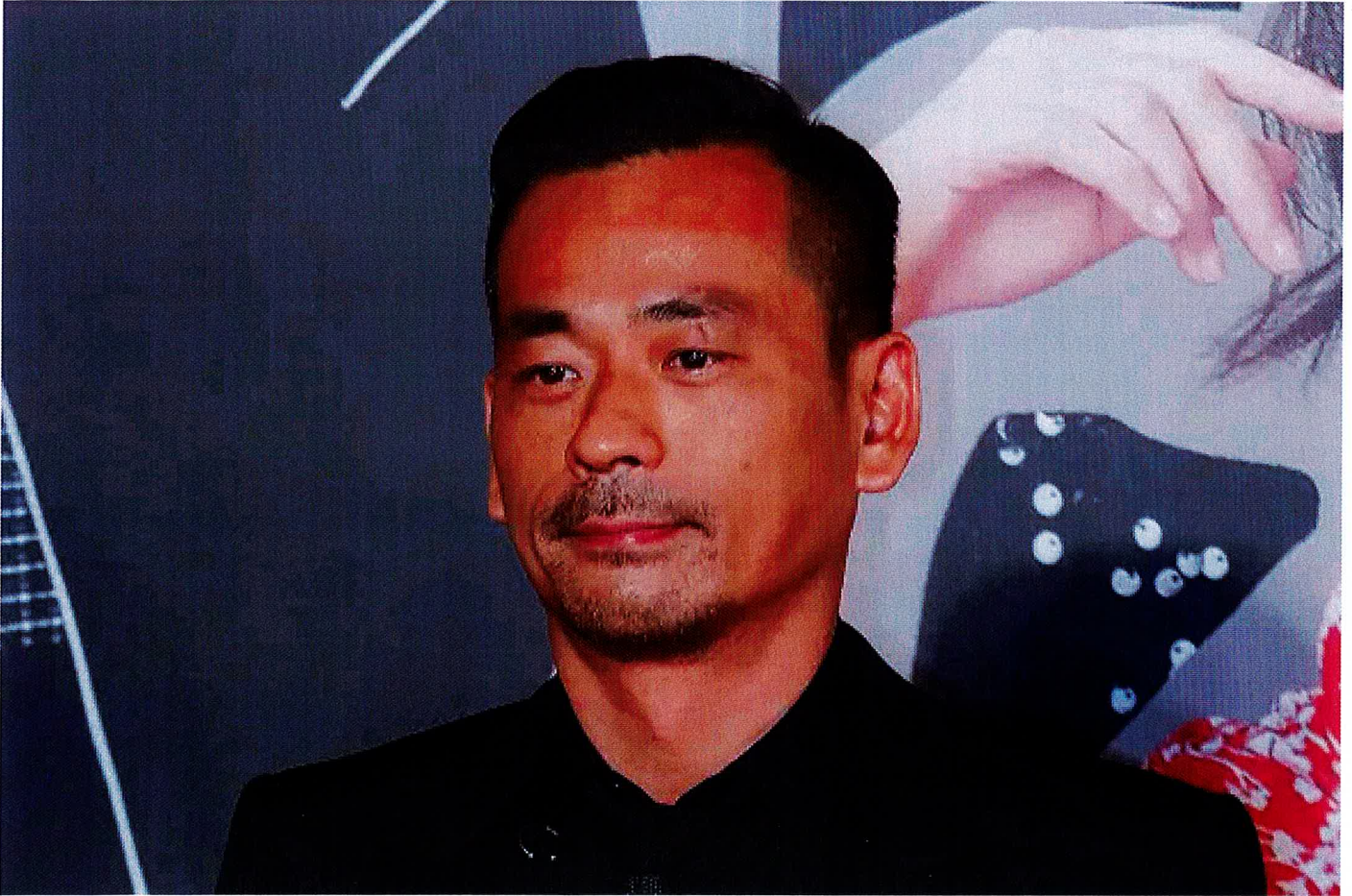


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A bombshell leaked probity report into a new casino crucial to Star Entertainment's battle to stave off financial collapse will stay secret after the company's Hong Kong-based partner took legal action to prevent it being published.

The Queensland government waved through Chow Tai Fook Enterprises (CTFE) as a suitable casino operator in May, declaring the evidence did not substantiate that the company had deliberately concealed its relationship with jailed "junket king" Alvin Chau.

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“Junket king” Alvin Chau was sentenced in 2023 to 18 years in jail for fraud and organised crime activities. AP PHOTO/VINCENT YU

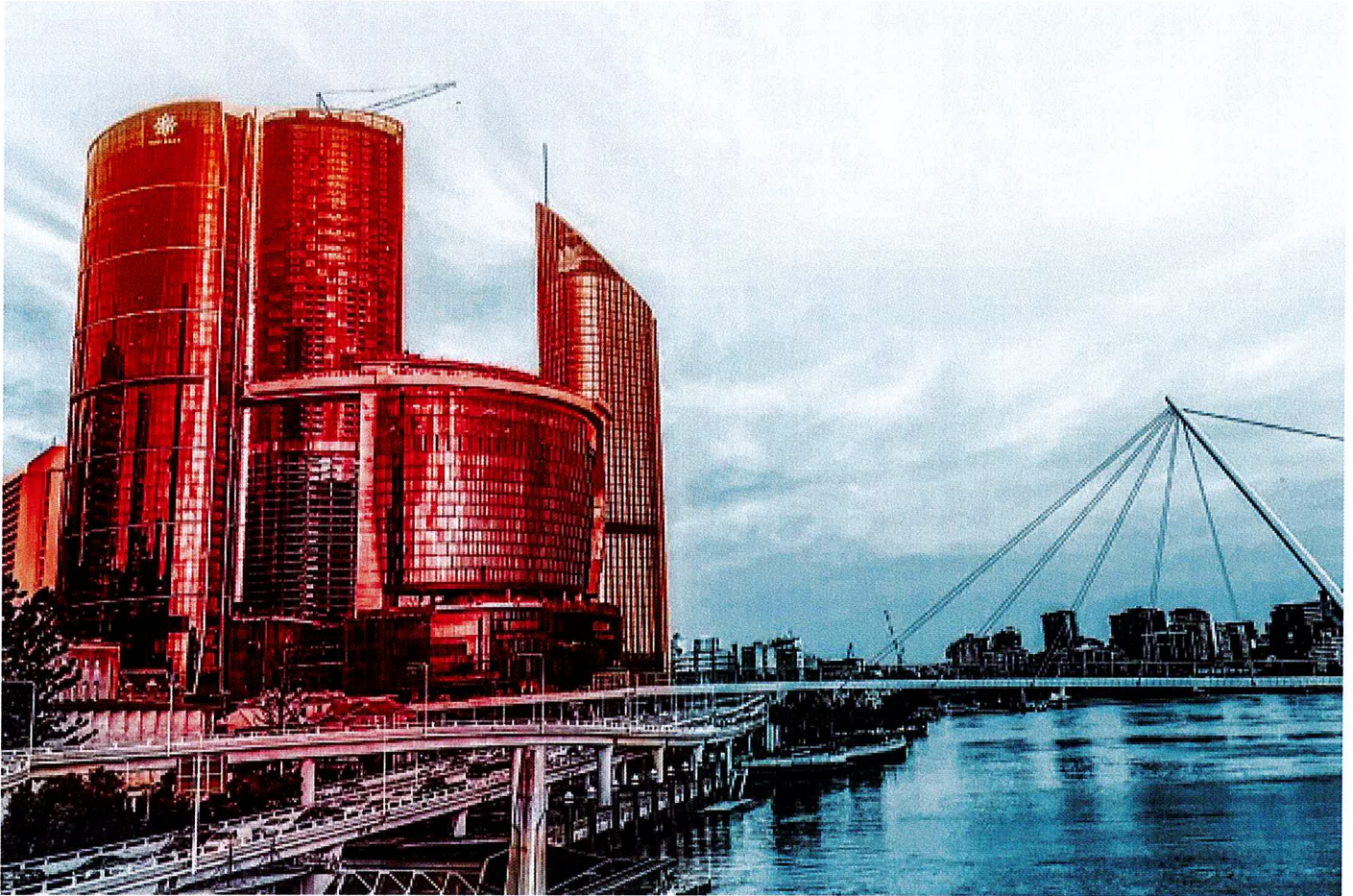
But in the lead-up to the opening of The Star’s new casino at the \$3.6 billion Queens Wharf precinct in Brisbane last week, CTFE went to extraordinary pains to prevent this masthead detailing the full contents of the report by taking out an injunction in the Queensland Supreme Court.

It was supported in its application by the Queensland government, which agreed to act as a witness for CTFE. The government had earlier tipped off the company that this masthead had seen a copy of the report.

The Queens Wharf hotel and casino precinct is expected to create around 3000 jobs and is crucial to the Queensland government’s masterplan for the Brisbane CBD and future tourism growth, including the 2032 Olympics.

But cost blowouts on the project and a legal stoush with builder Multiplex have caused financial turmoil at The Star, which owns half the project in a joint venture that also includes CTFE.





A probity report into Queen's Wharf Casino will remain secret. MICHAEL HOWARD

The Star entered a trading halt on Friday instead of unveiling its full-year results while it lobbies banks and investors for additional financial support. It has asked the NSW and Queensland governments for a tax reprieve, which the NSW government has ruled out because it believed such assistance would primarily be used to prop up Queens Wharf.

Queensland Premier Steven Miles is considering the request.

The existential crisis now facing The Star follows years of disquiet over the suitability of its partner CTFE to develop and operate a casino in Queensland.

CTFE is a multibillion-dollar conglomerate owned by the Chengs, one of the wealthiest families in Asia, and operates a lengthy portfolio of jewellery, hotel, transport and casino businesses across the world. In Australia, it owns Alinta Energy and Victoria's Loy Yang B power station.

In 2022, the then attorney-general Shannon Fentiman ordered an investigation into the suitability of CTFE to develop and operate a casino following [revelations by the ABC](#) that the company was associated with Chau through a shared interest in Hoiana Casino Resort in Vietnam.

Chau – a colourful gambling entrepreneur who brought Chinese high rollers to the Crown and Star casinos through his junket company, Suncity – had been arrested in Macau the previous year on nearly 300 charges including organised crime and fraud.



But he had long been suspected of links to the crime syndicate 14K triad. This masthead had reported in July 2019 that he was suspected by Australian law enforcement agencies of large-scale money laundering and the Department of Home Affairs barred him from entering the country.

By 2020, Chau had pulled his business out of Australia.

The Queensland government's 16-month investigation canvassed the adequacy of its 2015 probity report into CTFE that deemed the company suitable, and whether CTFE had since concealed from the state regulator an ongoing relationship with Chau.

The government announced on May 2 that it had approved CTFE to retain its 25 per cent stake in Queens Wharf, stating that with the benefit of further advice from King's Counsel, "the evidence falls short of finding that the concealment was deliberate".

The investigation had not established that CTFE knew Chau was a person of poor repute during their business association, and it ended the relationship when he was arrested in 2021, the attorney-general concluded. Therefore, the company had no reason to intentionally conceal the relationship.

"The attorney-general found that CTFE lacked candour and fulsomeness in several dealings with [the regulator]," the statement said.

"This is understood to be based on differences in cultural and organisational expectations."

However, this masthead obtained a full copy of the report that laid out the evidence on which the attorney-general drew those conclusions and was on the verge of publishing its contents when CTFE took out an injunction against their disclosure.

This masthead agreed last week not to further contest the injunction for reasons that cannot be disclosed until after a further court appearance.

The injunction bought CTFE enough time to avoid a potentially embarrassing story before the Queensland government granted the casino its licence to operate. That licence was given on Wednesday and the casino opened its doors on Thursday – almost two years behind schedule and significantly over budget.

In the meantime, increased regulatory costs and a lack of customers have eroded The Star's ability to make a profit. It is responsible for paying half of a \$1.6 billion loan that funded the development and is due to mature next year, though the battered casino business is worth a fraction of what it was when it agreed to guarantee the loan.

Queensland's opposition justice spokesman Tim Nicholls said it would be inappropriate for taxpayers to subsidise The Star.

"The Queens Wharf project is far too important to be tainted by any allegations or suggestions of wrongdoing by any of the parties involved," Nicholls said.

"Queenslanders have every right to expect the highest level of probity, but unfortunately we don't seem to be seeing that. Hidden reports and a failure to provide or release information just don't give us confidence that the government is doing the right thing."