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THE AUSTRALIAN ✦ THE WALL STREET JOURNAL.

BUSINESS REVIEW

WEDNESDAY, DECEMBER 14, 2022 P15
theaustralian.com.au/businessreview

S&P/ASX200 7203.3	▲	+22.5
GOLD $US1785.46	▲	+$US4.90
DOLLAR US67.62C	▲	+US0.19c

DATA ROOM {P16}

DATA ROOM

Atlas Arteria looks at taking the wheel of EastLink

MARKETS {P23}

DAVID ROGERS

UBS on top after tough year for equity capital

UNDER ARREST

FTX founder to be extradited {P17}

WATCHDOG ACCUSES CASINO OPERATOR OF MONEY-LAUNDERING FAILURES

ASIC sues Star chair, directors

HAYDEN JOHNSON

Star Entertainment chairman Ben Heap and director Katie Lahey will exit the board within weeks after the corporate regulator accused them, and nine others, of significant money laundering and criminal risk failures.

The Australian Securities & Investments Commission commenced legal action against group's current and former directors and executives in the Federal Court on Tuesday, alleging they oversaw a major expansion of the relationship with figures that had criminal links without addressing money laundering concerns.

Those allegations have already been explored in two state inquiries – one led by Adam Bell SC in NSW and the other by Robert Gotterson KC in Queensland.

Of the 11 named in ASIC's action, including Star's former chief executive Matt Bekier, only Mr Heap and Ms Lahey remain on the company's board.

In a statement late on Tuesday, Star said both would step down in the early part of 2023 once "additional directors are appointed, and appropriate transition arrangements are in place".

"This process … is designed to ensure the company maintains a sufficient number of independent directors at this critical juncture," the company told investors.

Mr Heap said: "I committed to provide stability during a period of significant leadership change and to ensure the company is firmly on the path back to suitability.

"That journey to become a better, more robust and more sustainable company is in progress as necessary improvements continue to be embedded across systems, processes and culture."

ASIC alleges Mr Heap and Ms Lahey, along with Mr Bekier and former executive chairman John O'Neill, breached their directors' duties by failing "to give sufficient focus to the risk of money laundering and criminal associations".

The corporate regulator's case names other directors between 2017 and 2019, including Richard Sheppard, Gerard Bradley, Sally Pitkin and Zlatko Todorcevski.

ASIC, according to documents filed with the Federal Court, alleges directors, when made aware of money laundering risks affecting Star, "did not take steps to make further inquiries of management about those critical risks and that this was a breach of their director duty obligations".

ASIC further alleges Mr Bekier, former company secretary and group counsel Paula Martin and former chief casino officer Greg Hawkins breached their duties by failing to address money laundering risks arising from dealings with Asian gambling junket SunCity and continuing to deal with them despite becoming aware of reports of criminal links.

SunCity, which arranged for international high-rollers to visit Star casinos, delivered $12bn in turnover over the 2017 to 2019 financial years. Documents filed by ASIC note junkets contributed 27 per cent of Star revenue by June 2019. By 2017, SunCity was Star's largest customer, generating $2.1bn turnover.

ASIC also alleges Star leaders ignored an independent KPMG report which detailed the risk of engaging with junkets.

Star's defendants face a multi-million-dollar penalty, with each breach of directors' duties attracting fines up to $1.05m. ASIC is also seeking to have those named disqualified from directorships.

Ms Martin and former Star chief financial officer Harry Theodore are alleged to have "knowingly permitted misleading statements being provided to National Australia Bank" about the use of debit cards issued by China Union Pay at NAB ATMs located on Star's properties. "Those statements disguised the fact that Star was permitting CUP cards to be used for gambling, which was prohibited by CUP," documents filed at the Federal Court state.

ASIC alleges some $900m was obtained by Star customers in this way from 2013 to 2019. The regulator has also alleged Ms Martin, Mr Theodore and Mr Bekier failed to report these matters to Star's board. The company on Tuesday distanced itself from the proceedings, noting it was not a party to the proceedings.

Sources said the defendants' legal costs were likely to be covered by Star's insurance policy.

Mr Bekier, Ms Lahey, Mr Heap, Mr O'Neill and Ms Pitkin were contacted for comment while Mr Bradley, Mr Sheppard,

Continued on Page 19

ASIC alleges Star directors did not adequately address concerns about money laundering at its casinos

AAP

Corporate chase turns up the heat on all directors

ERIC JOHNSTON
ASSOCIATE EDITOR

The Australian Securities & Investments Commission chair Joe Longo has dramatically raised the stakes over what the regulator expects from boards, including actively challenging management while taking all reasonable steps to minimise material risks when it comes to running a big company.

That's the takeout from the blockbuster legal action centred on troubled Star Entertainment's former board, led by chair John O'Neill, over a string of allegations that largely test whether the board and management team deliberately looked the other way when it came to the casino becoming caught up in money laundering and criminal associations.

The case has been lodged just weeks after Austrac launched its own case against Star over dozens of alleged breaches of money laundering rules, which if proved against the company will result in a heavy fine.

By going after 11 of Star's former and several current directors and former top

Continued on Page 24

MARGIN CALL

CAMERON ENGLAND

Edgewater intrigue intensifies

The mystery surrounding the intensely private owner of the $95m Point Piper harbourfront property Edgewater has deepened, with three of owner "**John" Changjin Li**'s companies placed in liquidation, and a nearby property he recently acquired back on the market just days ago.

Following the lodgement of winding-up orders, liquidators from PKF have been appointed to Vaucluse 29 Pty Ltd, Bayview 66 Pty Ltd and One Lake Macquarie Pty Ltd.

The Kingland Gold owner and director snapped up Edgewater in 2020 – albeit with a three-year settlement which has not yet come into effect – as well as homes in Vaucluse for $10.9m and Bayview for $15m.

Property records indicate that One Lake Macquarie Pty Ltd – which is in liquidation as of early this week – owns two properties on Lake Macquarie which are almost adjacent, with Mr Li snapping up 7 Foreshore St, Eraring, for $6m in 2020, as well as the property three doors down for $3.1m in late 2021.

INSIDE MARGIN CALL:
Liquidators shy over mysterious Mr Li

Vaucluse 29 Pty Ltd appears to have picked up a four-bedroom apartment a hop, skip and a jump down Point Piper's Wolseley Rd from Edgewater for $8.08m. However, property records indicate that it hit the market again in December.

And a Vaucluse property on Hopetoun Ave listed as the home address of **Zhirou Li**, 20, who is a director of Point Piper One and One Lake Macquarie, is also up for sale through expressions of interest.

That was purchased for $6m in mid-2010.

Mr Li is a director of all three companies in liquidation, with

Continued on Page 16

Financial shake-up takes aim at ASX

JOYCE MOULLAKIS

The government is launching a broadside at the ASX through a plan to strengthen financial market infrastructure, including giving the Reserve Bank and other regulators more powers and injecting further competition in clearing and settlement.

Acting on recommendations by the Council of Financial Regulators, the government will unveil measures to provide the RBA with powers to intervene and resolve a crisis at a domestic clearing and settlement facility.

It will also outline plans to introduce legislation to boost competitive outcomes, where the ASX has a near monopoly.

FULL REPORT P17

Woodside, Shell raise alert on gas intervention

PERRY WILLIAMS

Woodside Energy and Shell have suspended talks with buyers to supply new gas into Australia's east coast, blaming the Albanese government's intervention into energy markets and warning the move could lead to shortages and gas rationing.

Woodside, which supplies 20 per cent of east coast domestic demand from Victoria's Bass Strait, followed Shell's dramatic move to freeze sales to customers by also pausing its own process to supply into the market.

Woodside had canvassed commercial and industrial customers to buy 50 petajoules of gas over 2024 and 2025, but said the process had now been suspended.

"Due to the uncertainty created by the government's proposed legislation, Woodside has now suspended that process and paused all other domestic gas marketing activities while we seek to understand the implications of this intervention," Woodside said in a statement.

"That offer was heavily oversubscribed with more than 20 buyers nominating a price they were comfortable to pay."

The national cabinet's sweeping market intervention has caused shock among energy producers with a combination of price caps on gas and coal and a new code of conduct that could result in a requirement for gas to be permanently sold at a reasonable price.

Shell, operator of the QCLNG gas export plant in Queensland, said a tender process offering 50 petajoules of gas to buyers in 2023 and 2024 had been put on hold by its QGC business as it assessed the fallout from Labor's proposal to permanently control prices.

Continued on Page 19

CSL boss Perreault to depart after 10 years

JARED LYNCH
ELI GREENBLAT

CSL chief executive Paul Perreault says he will step down in March after a decade at the helm of the biotechnology giant.

The company's chief operating officer, Paul McKenzie, is to succeed Mr Perreault, who will stay on at CSL until next September in an advisory capacity to ensure an "orderly transition".

Mr Perreault said it was his intention to retire after joining the company in the late 1990s, initially serving as president at CSL Behring and executive president of commercial operations and business development, before becoming chief executive and managing director in 2013.

During his tenure, CSL briefly became the biggest company on the ASX, in 2020 overtaking the Commonwealth Bank and BHP – excluding the mining giant's then London-listed shares.

"Leading CSL during the last decade has been a privilege as we grew, innovated and globalised to new levels – all while fostering a values-based culture focused on our promise to patients and public health around the world," Mr Perreault said.

"In working closely with Dr McKenzie for more than three years, I am confident he will continue to innovate and build on CSL's track record of growth for years to come."

Dr McKenzie said one of his key missions would be to continue the work started by his predecessor on CSL's strategy to mould the global biopharmaceutical company into a growth business.

"Over the last three and a half years, I've had the opportunity to work with Paul (Perreault) … to

Continued on Page 16

Improving the gender balance

JILL ROWBOTHAM

A flawed system of promotion is holding women back from achieving partnership and equity and law firms are pinning their hopes for change on remediation measures while they cast about for more circuit-breakers.

A number of firms have women chief executive partners or chairs – including appointments in the past week at Clayton Utz, where Emma Covacevich will succeed Bruce Cooper as chief executive partner in July, and Herbert Smith Freehills, which announced Kristin Stammer would succeed Andrew Pike as executive partner for Australia and Asia from May. Baker McKenzie's Anne-Marie Allgrove will succeed Anthony Foley as national managing partner for Australia from July and Hall & Wilcox appointed Emma Woolley as its first woman chair from January.

THE AUSTRALIAN
Legal Partnership Survey
See the full tables online at theaustralian.com.au

Such announcements show some progress, but women partners still only make up 31.8 per cent of the total across firms in The Australian Legal Partnership Survey, as counted by the full time equivalent measure.

This is almost the same as in the June survey, where the proportion was 31.9 per cent. For women in equity partnership, measured by headcount, the average was 28.3 per cent, up by almost a full percentage point.

Almost one-fifth of firms surveyed have reached or exceeded 40 per cent of FTE women partners – the widely accepted goal for gender leadership parity in the workplace, where 40 per cent are men and the other 20 per cent are any gender. Many more are heading there, but the survey averages show the distance yet to cover.

This is an issue the Law Society of NSW will be taking up anew, says its president, Joanne van der Plaat, who has identified equal pay and flexible working as among the conditions crucial to retaining women in the pipeline to promotion. "Remuneration and career opportunities are vital to retaining high-performing staff," she said.

"It's about saying to firms, 'Look at this with a business lens that improves productivity, it improves performance. Clients are looking at this in terms of your competitiveness and how you're growing'."

Continued on Page 19

Webuild back in box seat for Clough

NICK EVANS
PERRY WILLIAMS

Webuild is back in the box seat as the most likely buyer of Clough, only one week after the Italian company's decision to walk away from a deal that sent the century-old West Australian contractor into administration.

The Australian understands Clough administrator Deloitte has sidelined rival bidders, including ASX-listed NRW Holdings, and is dealing exclusively with Webuild as the Italian construction giant picks over the bones of Clough's best projects.

Deloitte was appointed as voluntary administrators to Clough after Webuild's December 2 decision to pull out of a deal to buy the company for $500,000, plus the forgiveness of about $350m owed by its South African parent company, Murray & Roberts.

While the company's local management is believed to have tried to find an alternative buyer ahead of Deloitte's appointment, inviting NRW to return to the table, sources say Deloitte is now dealing only with Webuild in an effort to stitch together a new deal that could be flagged at the first meeting of the company's creditors on Thursday.

But sources say that meeting is likely to be a complicated affair, with Clough holding significant debts to its trade creditors, as well as owing about $20.1m in accrued employee benefits at June 30, according to the company's last annual financial returns.

Clough's financial statements also show it owes $87.8m from a loan from the joint venture with Webuild on its Snowy 2.0 contract. In addition, it is not clear how banks backing performance bonds over Clough projects will be treated during the administration and sale process.

A spokesman for Deloitte declined to comment on details of the negotiations on Tuesday, but said discussions with potential buyers were "well progressed".

"Interest in the business and projects has been encouraging. Discussions with interested parties are well progressed," he said.

Major clients of Clough have already been forced to step in to reassure the company's subcontractors they will be paid for ongoing work amid threats to withdraw services. Mitsui E&P Australia and Beach Energy – the owners of the Waitsia gas project – this week said they had stepped in to make payments to sub-contractors working on the job, handing cash to Deloitte to be passed on to subcontractors. "Mitsui and Beach have facilitated with Clough's administrators, Deloitte Australia, a payment for amounts due to subcontractors of the Waitsia Gas Project Stage 2," Mitsui said in a statement.

"This payment was made using funds advanced by Mitsui and Beach to Clough's administrators for this purpose. This latest payment follows the provision of funding to Clough's administrators by the Waitsia joint venture to ensure payments continue to flow to those who have amounts owing in respect of the Waitsia Gas Project Stage 2."

> 'Discussions with interested parties are well progressed'
>
> A DELOITTE SPOKESMAN

Clough held a meeting with staff on Tuesday and sources said all employees should be paid for December with hope that subcontractors would also receive payments.

The collapse of the engineering firm has created uncertainty over a string of projects including some of the biggest energy developments in Australia. These include the government's Snowy 2.0 hydro expansion, WA's Waitsia project and the 900km EnergyConnect power cable linking South Australia and NSW.

Clough's demise has already delayed a $6.2bn Pilbara fertiliser project, with Perdaman Chemicals boss Vikas Rambal confirming last week he would be forced to delay a final investment decision on the Burrup manufacturing plant. Perdaman had previously been targeting a final investment decision by Christmas for the facility, but Mr Rambal said that timeline would now slip into 2023 as it weighed a rescue plan following Clough's fall.

Webuild last week confirmed it had stepped in to safeguard the federal government-owned hydro expansion in NSW.

It is understood all blue-collar workers on the Snowy project are employed by the Future Generation joint venture and will not be hit by the collapse of Clough.

Clough and Spain's Elecnor were building the EnergyConnect cable between the states, but Transgrid, responsible for the NSW portion of the project, said the 900km line would still be delivered by late 2024.

Legal firms search for ways to improve the gender balance

THE AUSTRALIAN'S LEGAL PARTNERSHIP SURVEY: WOMEN IN LAW

	Fte women partners	% Fte women partners	6 Month change %	12 Month change %	Women graduates	% Women graduates
MinterEllison	79.6	31.99	-5.24	1.14	65	61.9
HWL Ebsworth	72.9	26.6	0	2.53	85	66.41
Ashurst	71.75	40.3	3.39	16.86	47	60.26
King & Wood Mallesons	59.2	32.93	2.42	11.7	11	55
Herbert Smith Freehills	55.9	34.27	-0.18	10.69	70	69.31
Allens	52.4	34.86	-2.42	10.55	74	61.67
Clayton Utz	52.1	30.01	8.32	5.68	43	55.12
Moray & Agnew	44	41.59	4.02	10	7	77.78
Hall & Wilcox	39.6	34.74	5.6	18.92	36	76.6
Corrs Chambers Westgarth	38.72	26.93	1.36	13.55	47	70.15
Lander & Rogers	37.9	46.28	0.53	10.82	13	54.17
Gilbert + Tobin	34.85	35.84	23.36	19.35	30	54.55
Sparke Helmore	33.8	37.47	9.74	10.46	19	55.88
Mills Oakley	33	24.44	0	17.02	29	65.91
Maddocks	32.7	38.11	-1.51	6.86	16	53.33
Thomson Geer	31	22.79	3.33	10.71	28	58.33
Gadens	29.8	36.21	4.93	20.16	13	68.42
Baker McKenzie	23.75	28.07	0.21	10.98	13	50
Dentons	22.2	29.21	4.72	-1.77	13	59.09
Holding Redlich	21.6	31.08	-8.47	-10	19	65.52
Russell Kennedy	21	41.5	5	12.3	6	60
Jackson McDonald	21	41.18	NA	NA	4	50
Wotton + Kearney	21	37.5	32.91	60.31	5	55.56
Johnson Winter Slattery	20.9	26.16	5.03	58.33	10	50
Piper Alderman	19.8	24.21	-2.94	-1.98	6	66.67
DLA Piper	19.5	26.24	-4.88	5.41	13	68.42
Hamilton Locke	18.9	34.12	50	75	6	60
Norton Rose Fulbright	18.4	17.9	-49.45	-49.31	28	58.33
Colin Biggers & Paisley	16	23.19	-11.6	-5.88	15	65.22
PwC Legal	15	32.61	NA	7.14	0	0
Macpherson Kelley	13.9	33.13	14.88	14.88	7	70
Gilchrist Connell	13.2	39.76	10	10	5	71.43
EY Law	12	54.55	9.09	NA	0	0
Barry Nilsson	11.8	34.1	NA	NA	0	0
White & Case	11.4	38.78	29.55	46.15	7	63.64
Clyde & Co	11.4	29.69	0	NA	11	73.33
McCullough Robertson	11	21.24	-8.33	-1.79	2	66.67
HopgoodGanim	11	26.19	-12.7	-9.84	11	73.33
K&L Gates	10.4	16.2	NA	NA	17	60.71
Kennedys	10.2	50.5	0	54.55	2	50
KPMG Law	9.8	42.98	0	-2	45	40.18
Arnold Bloch Leibler	9.8	22.9	0	16.67	11	35.48
Pinsent Masons	9.6	40.68	23.08	NA	2	33.33
Jones Day	9	30	2.27	15.38	0	0
Cooper Grace Ward	8.8	42.31	0	-2.22	1	20
Squire Patton Boggs	8.4	32.06	NA	7.69	4	50
Banki Haddock Fiora	7	70	0	NA	2	50
Addisons	6.8	36.17	0	0	4	80
Holman Webb	6	31.58	-11.76	-11.76	1	50
Swaab	5.8	36.71	0	-14.71	0	0
HFW	5	21.74	-26.47	4.17	0	0
Seyfarth Shaw Australia	4	40	0	0	0	0
Results Legal	0	NA	NA	NA	1	20
TOTAL	**1264.57**	**31.8**	**0.06**	**0.25**	**904**	**59.74**

KEY: International · Top tier · Top tier/international

NA denotes no corresponding data
For the six months to Jan 1, 2023

Source: Eaton Strategy + Search

Continued from Page 15

The society has invited signatories to its Charter for the Advancement of Women and other leading law firms to roundtable discussions of pay gaps emerging with early career lawyers and plans to issue new guidance notes in the next six months.

"Challenges that are systemic in the industry as well as in society ... result in women not progressing at the same rate as their male peers," Maddocks chief executive David Newman told the survey. In the last decade the proportion of women partners at the firm has risen from 18 per cent to almost 40 per cent, with 31.4 per cent of equity partners being women. "There's certainly greater awareness of the systemic inequality within the system," Lander & Rogers chief executive partner Genevieve Collins confirmed.

Graeme Walsh, principal of the 36-partner firm Barry. Nilsson. Lawyers, where women make up 34.1 per cent of partners but only 7.7 per cent of equity partners, acknowledged the legal profession had traditionally made few concessions to assist women to advance to higher levels. "The fundamental flaw is the system, focused on time-based billing rather than quality or value, disadvantages those who take a step back for parental leave and to care for young children, particularly in comparison to counterparts who do not," Mr Walsh said. "The system has not been designed to support anything less than full-time work and for any lawyer who works part-time it is challenging to fit in all that's required for advancement, both financial and non-financial performance factors.

"As a result, senior females can be disadvantaged in meeting criteria for advancement, with many leaving law firms to go to in-house and government roles to get away from timesheets."

Walsh is among the leaders of surveyed firms who say things may improve because of the disruption of work patterns caused by Covid-19, where hours worked became less important than getting the job done. There may also be a seachange with the ascension of women leaders in client firms and the increasing number of men taking parental leave.

Many firms say they expect progress as current initiatives take hold. "Women have increasing pathways to leadership roles in our firm and we are confident this trend will continue to be reflected at the partnership level," Norton Rose Fulbright chief executive partner Alison Deitz said. "Our sponsorship programs are achieving results, along with other inclusive gender-neutral policies. We also think that with hybrid work now being more commonplace, more of the traditional barriers for women are coming down."

However, Piper Alderman managing partner Tony Britten-Jones stressed the need for continual and strenuous effort.

> 'More of the traditional barriers for women are coming down'
>
> ALISON DEITZ
> NORTON ROSE FULBRIGHT CHIEF EXECUTIVE PARTNER

About 18 per cent of the firm's equity partners are women. "The demands of high-level legal practice are not reducing and that means firms must work harder at supporting staff over the course of their work cycle," Mr Britten-Jones said. "Flexible work arrangements, better technology and more generous parental leave entitlements assist, but are not a complete answer."

Norton Rose Fulbright is among firms that have increased the proportion of women equity partners, to 23.5 per cent. Others included Ashurst, up from 26.5 to 30.2 per cent; Holding Redlich, up from 23.9 to 28.3 per cent, while MinterEllison dropped back from 33.1 per cent in the last survey to 32.5 per cent. All of the firms's partners hold equity. "In 2022, we have seen increased numbers of women stepping into leadership roles, with 50 per cent of the office managing partners roles and over 40 per cent of our practice group leader roles occupied by women," managing partner Virginia Briggs said. "The firm has a healthy pipeline of talented women aspiring to partnership, which sees it tracking well to achieve its target of 40 per cent women represented in the partnership by 2025."

Pipelines were a common theme. Gilbert + Tobin, which improved to 35.7 per cent women equity partners from 33.3 per cent last survey, said many women were on track for partnership. "Our internal promotions over the last four years have been half women," partner and chief operating officer Sam Nickless said. "We've also brought in a number of women as lateral recruits."

Pinsent Masons, which had no women equity partners in the last survey, now has one. "Our pipeline of female talent on the pathway to partnership is strong," human resources manager for Australia Scott Jenkins said.

DLA Piper managing partner for Australia, Amber Matthews, said that with 26.2 per cent women partners, "we still don't have enough female representation at partner level". "We are focusing on supporting and empowering our senior female lawyers to become partners through coaching, mentoring and sponsorship. We are pleased 50 per cent of our candidates for partnership in 2023 are women."

More than half of EY's equity partners are women. "This makes us a very attractive proposition for young female lawyers – they see (this) as a place where women are rewarded and achieve at the highest level," EY law leader for Oceania Sarah Ralph said.

Measures to level the playing field include reduced billing targets following leave; equal representation on leadership development programs for partnership aspirants; and intervening early to foster young women.

Energy giants raise alarm on price cap

Continued from Page 15

"QGC confirms that the expression of interest process under way to offer additional gas to domestic customers in 2023 and 2024 is temporarily paused while we assess the impact of the proposed reforms on our gas marketing plans," a Shell spokeswoman said.

"Pausing the EOI process was not an option we wanted to take. However, QGC needs to consider whether the design of the current EOI will meet the new regulatory requirements, including the 2023 price cap and the proposed mandatory code. An update will be provided in due course."

Credit Suisse analyst Saul Kavonic said "the damage" had already started.

"Nearly all gas contracting has shrivelled up in the last few days. Previously agreed funding for new supply developments has already been pulled. No one in the market has any idea how to plan for the months ahead, let alone agree on a contract," Mr Kavonic said.

Woodside chief executive Meg O'Neill called for a meeting with Labor to find an alternative solution to the proposed policies ahead of parliament meeting on Thursday to push through the legislation.

"Woodside calls on the federal government to reconsider this unprecedented intervention and bring energy companies, retailers, manufacturers and infrastructure owners together to properly engage on a solution," Ms O'Neill said.

"No one wants to see energy shortages and gas rationing. We must develop a comprehensive, longer-term solution that addresses gas supply and reliability, the overall energy mix and infrastructure, without undermining the market-based economy."

The government has maintained it has the right and was duty-bound to directly intervene in the energy market to force companies to sell their resources at lower prices.

However, analysts say Anthony Albanese had "declared war" on the industry and the move would lead to energy shortages and job losses.

"The Prime Minister last Friday correctly acknowledged that Australia has not invested enough in its own energy security. And yet the unprecedented market intervention announced risks driving investment out of the system," Ms O'Neill said.

"The policy will not address falling domestic gas supply and the increasingly critical role of gas in providing dispatchable power. These are the primary factors that are driving higher energy prices in the east coast gas market, rather than solely the impact of the tragic war in Ukraine."

Labor plans to cap domestic wholesale gas prices at $12 per gigajoule ext year, while the price of thermal coal would also be capped in the east coast market at $125 a tonne.

The Australian Aluminium Council said the move to cap prices was the correct call by the government.

"Currently the pendulum has swung too far in favour of exports, to the detriment of domestic consumers," the council's chief executive, Marghanita Johnson, said in its submission to the government.

Big aluminium producers, which had sought to recontract for gas in the past 12 months, had seen prices increase up to 300 per cent, compared with prices seen only a year ago, the council said.

> 'No one in the market has any idea how to plan for the months ahead, let alone agree on a contract'
>
> SAUL KAVONIC
> CREDIT SUISSE ANALYST

"This is not sustainable when energy typically accounts for 30-40 per cent of the industries' cost base and therefore is a key determinant of their competitiveness," the council said.

"Without price relief, unsustainable will become unviable."

In the short term, the earnings of major producers are not expected to take a major hit because most sell their gas and coal under long-term contracts, and are therefore sheltered from the temporary 12-month caps, which will be in effect next year.

However, the threat of an extension, and the risk of cuts to exploration and growth programs, made investors nervous on Monday, prompting a major sell-off in Origin Energy. Origin regained some ground on Tuesday, rising 1.25 per cent to $7.28.

There are fears the government's intervention could scupper a $18.4bn takeover bid for Origin from Brookfield and US investment giant EIG Partners.

Chairman, director to exit as ASIC sues Star

Continued from Page 15

Mr Hawkins and Ms Martin could not be reached.

Mr Todorcevski told The Australian: "I deny breaching the law and I intend to defend myself when proceedings commence."

In Star's statement, Mr Heap – who joined the company in 2018 after a lengthy career at UBS and became its chair in 2022 – said he and Ms Lahey intended to contest the Federal Court allegations.

"To remain on the board beyond the transitional period would be a distraction to the company when remediation needs to be our unwavering focus," he said.

"I am proud and privileged to have had the opportunity to lead The Star during a difficult and important time in the company's history, and will continue to do so until an appropriate handover is complete.

"I would like to take this opportunity to thank the board and management for their support since becoming chairman."

ASIC deputy chair Sarah Court said it was a "significant action" for the regulator to sue an entire board and executives of a top 200 ASX company.

"There is an elevated risk of criminal activity in casinos – the board should have been focused on these risks as part of their day-to-day practices," she said. "This action that ASIC is taking is the only action that is focused on the individuals that were sitting at the top of this company – including the most senior executives.

"This does send a signal to directors."

Star's Queensland and NSW operations have been put under the control of administrator Nick Weeks following the conclusions of the two inquiries into the company's conduct. The Queensland government on Friday handed Star a $100m fine and threatened to suspend its licence if it fails to reform within 12 months.

Austrac, the financial crimes regulator, has also exposed the seamy underbelly of Australia's second-biggest casino operator through its Federal Court action.

Austrac claims accused sex slave traders, a murderer for hire, loan sharks and drug traffickers were allowed to gamble billions of dollars at Star for years, despite details of their crimes being publicly available.

In a statement of claim, totalling more than 2000 pages, Austrac alleged "widespread non-compliance", which led to the Sydney and Queensland casinos being exposed to infiltration by organised crime gangs.

Star shares closed 1c, or 0.4 per cent, lower at $2.57.