

## STATEMENT

Thursday, 5 March 2026

# Federal Court Star Entertainment judgment

The Australian Institute of Company Directors notes the Federal Court's decision in the proceedings brought by ASIC against former directors and executives of Star Entertainment Group.

While the decision remains subject to appeal, it is a key case on the directors' duty of care and diligence. It is the first time a case has been brought against a board for alleged breaches of the duty in the context of oversight of non-financial risk. ASIC was unable to make the case against the directors in this instance.

Nonetheless, the decision provides some clarity on key questions including the role of the board versus management, the volume and quality of board papers and the need for active board oversight.

The judgment reinforces much of what the AICD teaches and promotes as good governance principles.

ASIC's proceedings reflect a sharpened regulatory focus on board-level accountability. The clear message for boards is that active oversight of non-financial risk must be a focus, and especially so in high-risk, highly regulated sectors.

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