
The Star Gold Coast
Treasury Brisbane
Special Manager's Report to the Office of Liquor and Gaming Regulation

8 April 2024

This report provides an update on certain matters since the 20 March 2024 report and, in light of that, provides my advice in relation to the deferred suspension of the licences for The Star Entertainment Group's (TSEG or the Company) Queensland Casinos.

1 Recent Developments

1.1 Executive Changes

In the 20 March 2024 report, we noted several executive changes that have occurred at the Company since the October 2023 report. In recent weeks, the following additional executive changes have occurred:

- On 22 March 2024, the Group CEO and Managing Director, Mr Robbie Cooke, stepped down from that position. Mr Cooke has been appointed as a consultant to the company for a six-month period. We have sought information about the scope of that consulting role and its terms.
- Mr David Foster has accepted additional duties as Executive Chair while a search for a replacement CEO & MD is conducted.
- Ms Christina Katsibouba, the Group Chief Financial Officer, stepped down from her role on 22 March 2024, and was replaced by an interim Group CFO, Mr Neale O'Connell.
- Mr Peter Jenkins, the Chief of Staff, stepped down from that role on 22 March 2024. He has not been replaced.
- [REDACTED]
[REDACTED] A PwC resource has been engaged to run the transformation office in Ms Burke's absence.

Currently there are several important positions in TSEG's senior leadership team that are vacant or filled on an interim basis – Chief Executive Officer (interim), Chief Financial Officer (interim), Chief Legal Officer (interim), Chief Transformation Officer (interim), Chief of Staff (vacant), and Group Chief Customer and Product Officer (vacant).

TSEG has not yet clarified the operation of its revised organisational structure, amended delegations of authority or reallocated role accountabilities to accommodate these changes in the organisational structure.

1.2 Remediation Plan

TSEG is continuing to dedicate significant resources to the delivery of its remediation plan. Notwithstanding this commitment, TSEG is falling behind deadlines. These deadlines for the delivery of assured plan milestones had been proposed by TSEG and were reinforced by a direction from the Special Manager.

In the 20 March 2024 report, we observed that there was a significant degree of pressure on the business to provide milestones to KPMG (the assurance provider for the remediation plan) in a timely manner with the requisite level of supporting evidence. That pressure is continuing to build and the Company's difficulties in meeting assurance requirements and delivering the plan have heightened in recent weeks. The absence of TSEG's Chief Transformation Officer will further challenge the effective implementation of the remediation plan.

As a result of challenges TSEG is experiencing with delivery of the plan and senior leadership changes, the Company has informed us that it intends to develop a proposal to amend aspects of the remediation plan. Such a proposal is likely to require approval from the Attorney-General.

1.3 Bell Inquiry

The second Bell Inquiry in NSW announced on 19 February 2024 initially contemplated hearings to be held in private with a report scheduled to be provided to the NSW Independent Casino Commission by 31 May 2024. On 25 March 2024, the NICC announced that the Inquiry was to be extended such that a report is now due to be provided by 31 July 2024 and that hearings are to be open to the public. The NICC has indicated that it intends Mr Bell's report to be made public. It is unclear when that release will occur, but based on the current timetable it will be after 31 July 2024. The Manager appointment in NSW is also in the process of being extended to September 2024.

2 Consideration of Deferred Suspension

In correspondence dated 14 March 2024 the Queensland Attorney-General and Minister for Justice indicated that she was considering recommending to the Governor in Council that the commencement date of suspensions for The Star Gold Coast and Treasury Brisbane casino licences be changed from 31 May to 27 September 2024. We noted in the 20 March 2024 report that we considered a deferral to this date to be prudent in the circumstances.

I considered that a deferral of this nature had merit because the inquiry to be conducted by Mr Adam Bell SC in NSW was likely to result in the publication of a report in June 2024, which would allow for this information to be considered by the Attorney-General in advice she was minded to make before 27 September 2024. We also considered that the proposed deferral date would provide a better opportunity to assess the Company's capacity to consistently implement its remediation plan in an effective and sustainable manner.

Since 20 March 2024, the Bell Inquiry has been extended, TSEG has undergone further senior leadership changes and it is clear that TSEG will seek to amend aspects of its remediation plan to enhance the prospects of its effective implementation.

On 2 April 2024, I met with the Attorney-General to provide a briefing on recent developments at TSEG, including the matters described in this report. Based on these developments the Attorney-General questioned whether a deferral of the suspension until 27 September 2024 would provide adequate time to consider all relevant information prior to making a recommendation in relation to the deferred suspension. On balance, given these recent developments, the Attorney-General considered that deferring the suspension for a longer period would enable a more considered assessment of any findings from the Bell Inquiry, an assessment of TSEG's ability to rebuild its executive team, and a longer period of observation of TSEG's remediation plan delivery. The Attorney-General considered an appropriate date to be one toward the end of this calendar year, which may coincide with or be close to the expiry date of the Special Manager's term in December 2024. I consider this to be prudent, given recent developments as outlined in this report.
