



**NEW SOUTH WALES INDEPENDENT CASINO COMMISSION**

**THE INQUIRY INTO THE STAR PTY LTD & THE STAR  
ENTERTAINMENT GROUP LIMITED**

**PUBLIC HEARING  
DAY 1**

**MONDAY, 15 APRIL 2024**

**INQUIRY BEFORE MR ADAM BELL SC**

**MR C. CONDE APPEARS WITH MR D. HABASHY AND MS E. HALL AS  
COUNSEL ASSISTING**

**MR L. GYLES SC FOR WITNESS NICHOLAS WEEKS**

**MR B. WALKER SC WITH MR I. AHMED SC, MR D. WONG AND MR H.  
ATKIN FOR THE STAR PTY LTD AND THE STAR ENTERTAINMENT  
GROUP LIMITED**

**DR J. RENWICK SC WITH MS ROY FOR WITNESS ROBBIE COOKE**

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**<THE HEARING COMMENCED AT 10.03 AM**

**MR BELL SC:** These are hearings of an Inquiry into The Star Pty Ltd under the Casino Control Act. Can I have the appearances, please?

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**MR CONDE:** Mr Bell, I appear with Mr Habashy and Ms Hall as Counsel Assisting.

**MR BELL SC:** Thank you, Mr Conde.

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**MR GYLES SC:** May it please you, Mr Bell, my name is Gyles. I'm appearing for the witness who is allocated to be heard this morning, Mr Weeks. I'm instructed by Simon Horton of Horton Rhodes.

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**MR BELL SC:** Thank you, Mr Gyles.

**MR WALKER SC:** Mr Bell, my name is Walker. I'm appearing with Mr Ahmed, Mr Wong and Mr Atkin for Star Entertainment Group Limited.

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**MR BELL SC:** Thank you, Mr Walker.

**DR RENWICK SC:** Commissioner, my name is Renwick. I appear with Ms Roy instructed by Dr Tsacalos from Clayton Utz for Mr Cooke, formerly the CEO.

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**MR BELL SC:** Thank you, Dr Renwick. Yes, Mr Conde?

**MR CONDE:** Mr Bell, I propose to make a short opening to identify the context of this inquiry before you hear from any witnesses.

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On 19 February 2024, you were appointed by the NSW Independent Casino Commission, or NICC, pursuant to sections 143 and 143A of the Casino Control Act 1992 to preside over an inquiry for the purposes of the exercise of the NICC's functions. You have the powers, authorities, protections and immunities conferred on a Royal Commissioner under Divisions 1 and 2 of Part 2 of the Royal Commissions Act 1923. Your Terms of Reference are dated 19 February 2024.

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The first paragraph of those Terms of Reference identifies the all-important question that you have been asked to inquire into and report on, namely, the suitability of The Star Pty Ltd, which I will refer to as The Star, and its close associate, The Star Entertainment Group Limited, which I will refer to as Star Entertainment - it is also referred to in materials as TSEG, T-S-E-G - to be concerned in or associated with the management and operation of the Star Casino in Sydney.

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Less than two years ago, you inquired into and reported on the suitability of The Star and its close associates, including Star Entertainment, to be concerned in or associated with the management and operation of the Star Casino in Sydney. You produced a report dated 31 August 2022, and for the reasons explained in that

report you concluded that neither The Star, nor its close associates - again, including Star Entertainment - was suitable at that time.

5 By letter to the NICC dated 26 September 2022, Star Entertainment accepted the findings in your report, including the finding of unsuitability, and acknowledged the gravity of the conduct that was raised in your report.

10 On 17 October 2022, the NICC appointed Mr Nicholas Weeks as manager of the Star Casino in Sydney. On 9 December 2022, the Queensland Regulator appointed Mr Weeks as Special Manager to Star Entertainment's Queensland licensee companies in respect of its casinos in Brisbane and the Gold Coast. Mr Weeks will be giving evidence to your inquiry, and I will ask him about the course of his work.

15 On 3 October and 24 November 2023, Mr Weeks provided the NICC with a report and then an addendum to that report which together came to approximately 40 pages. Copies of those two documents were provided to Star Entertainment on 29 November 2023.

20 In his first report dated 3 October 2023, Mr Weeks wrote that at the commencement of his appointments, Star Entertainment had been cooperative and engaged constructively. He noted Star Entertainment's work on developing a remediation plan which, if implemented, Mr Weeks said was:

25 "Likely to achieve the remediation of the management and operations of Star Entertainment."

30 Mr Weeks also wrote that there remained what he called a material execution risk for implementing that remediation plan. He warned that for implementation of the plan to be achieved, Star Entertainment:

"... must consistently deliver high quality work in a timely manner, which is not part of its culture that we have observed to date."

35 In this regard, Mr Weeks wrote of concerns that he had about Star Entertainment's ability to identify and manage risks adequately without supervision. Mr Weeks later wrote of:

40 "... a continued lack of rigour in Star's approach to key pieces of work, symptomatic of a lack of regard for casino regulators; a continued poor ability to execute important tasks caused by an absence of expertise, leadership and clear accountabilities; and a continued complacency to, poor perception of, or willingness to continue to court high risks in the business, exposing the casino to heightened risks of criminal infiltration."

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Mr Weeks wrote that:

"The CEO and executive have fallen short of the NICC's expectations on several matters."

5 On 7 December 2023 there was a meeting between the NICC, Mr Weeks and the board of Star Entertainment, excluding the CEO and Managing Director at that time, Mr Robbie Cooke. This meeting included discussions relating to Mr Weeks' reports and the views of the NICC on certain matters.

10 On 23 January 2024, Star Entertainment wrote to the NICC with a response to Mr Weeks' report and addendum. The response was sent under cover of letter from Mr David Foster, the Chair of Star Entertainment, and Mr Cooke, the then CEO and Managing Director. Star Entertainment's response comprised detailed annotations of each of the manager's report and addendum with comments and observations in green text. At various points Star Entertainment expressed its  
15 strong disagreement with Mr Weeks' statements of fact and with his opinions.

It is not suggested that this inquiry will or should be an adjudication of competing views as between the manager and Star Entertainment. Instead, it is an orthodox inquiry into suitability done in accordance with settled principles and practices.  
20 The concept of suitability is something that you considered in detail in chapter 6 of your report dated 31 August 2022. Section 12, paragraph (2) of the Casino Control Act provides a list of matters that the NICC is to consider when deciding whether an applicant for a casino licence is a suitable person to be concerned in or associated with the management and operation of a casino.

25 Those matters include (a) that the person is of good repute, having regard to character, honesty and integrity; (b) that the person is of sound and stable financial background; (c) that the person as a company has or has arranged a satisfactory ownership, trust or corporate structure; (d) that the person has or is able to obtain  
30 financial resources that are both suitable and adequate for ensuring the financial viability of the proposed casino; and (e) that the person has or is able to obtain the services of persons who have sufficient experience in the management and operation of a casino.

35 Section 4B of the Casino Control Act should also be noted. That section was introduced in 2022 as part of implementing recommendations of the Casino Inquiry Report by the Honourable Patricia Bergin SC. Section 4B(2) relevantly provides that in the context of a suitability review by the NICC, there is an onus on a casino operator and its close associates to do two things. First, they must give  
40 the NICC clear and convincing evidence of their suitability in relation to the assessment to be made by the NICC. And, secondly, they must make a full and frank disclosure of any information relevant to the assessment, including any information requested by the NICC in relation to the assessment.

45 The purpose of that section, 4B, was recorded in the relevant explanatory note as being to:

"... place an onus on applicants to provide clear and convincing evidence of suitability for suitability assessments made by the NICC under the Act."

5 Section 4B is relevant here because, as I have already noted, you have been appointed by the NICC to preside over an inquiry for the purposes of the exercise of the NICC's functions in accordance with section 143 of the Act. In that regard, although this inquiry is not a regular review of suitability under section 31, by virtue of section 143 and your Terms of Reference, it constitutes a suitability review for the purposes of section 4B.

10 Paragraph 2 of the Terms of Reference provides that your inquiry will have regard to your 2022 report, the response of Star and Star Entertainment and your earlier recommendations.

15 Paragraph 3 of the Terms of Reference provides that your inquiry is to include consideration of the culture of The Star and Star Entertainment, including risk management culture; whether The Star has or is able to obtain financial resources that are both suitable and adequate for ensuring the financial viability of the Star Casino; The Star and Star Entertainment's management and reporting lines; and  
20 compliance by The Star with its internal control manuals numbered 3, 11 and 12, which relate respectively to customer probity, cage and revenue and anti-money laundering and counter-terrorism financing.

25 Paragraph 4 of your Terms of Reference provides the scope of the inquiry is the period following your report in 2022 until the conclusion of this inquiry.

The present circumstances provide a somewhat special context to your inquiry which differs from last time. The Star and Star Entertainment are in the midst of remediation. There is a manager appointed for the casino in NSW and a Special  
30 Manager in respect of the casinos in Queensland. It follows, in my submission, that your assessment of suitability in the particular circumstances here will involve a recognition that remediation is underway.

In my submission, the question of assessing suitability is not merely a question of  
35 whether right now The Star and Star Entertainment are suitable. Of course, you might be satisfied of that fact. But if you are not, you would continue to consider The Star and Star Entertainment's current progress towards suitability at some discernible future time. Now, I say "discernible" because there would need to be a basis for any such conclusion, and the further that you have to push into the future,  
40 the less certain you can be of what might happen during that time whether for better or worse. In that regard, if it is not possible to discern a future time by which you are satisfied The Star and Star Entertainment appear likely or at the very least capable of becoming suitable, then you would say as much.

45 **MR BELL SC:** Mr Conde, a suitability inquiry typically assesses current suitability, does it not?

**MR CONDE:** Yes, but in context.

**MR BELL SC:** Yes. If I was satisfied as at the date of my report that the Star entities are currently suitable, then, of course, there would be no need for any further analysis of the kind you are submitting. Is that correct?

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**MR CONDE:** Yes.

**MR BELL SC:** And if I was persuaded that it was necessary and appropriate to assess progress towards suitability at some discernible future time, as you put it, what do you submit is the discernible future time against which progress should be assessed?

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**MR CONDE:** Well, that would be a matter for evidence. You would need a basis. And it would be - it would not be useful to try to speculate now but I would point back to section 4B of the Act, that you would need to be satisfied to that standard.

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**MR BELL SC:** Yes, thank you.

**MR CONDE:** The assessment of suitability - including, if applicable, an assessment of progress towards suitability - will have both a quantitative aspect, in the sense of financial suitability, and a qualitative aspect, in the sense of cultural suitability, and those two aspects may, of course, interact. These will be matters to consider in light of the evidence, which will comprise documents produced to the inquiry, answers to written requests for information, and evidence given to this inquiry, both in public and, where applicable, private session.

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On 22 March 2024, Star Entertainment made two announcements to the ASX of departures from its senior executive ranks. The first was that of Ms Christina Katsibouba, Star Entertainment's CFO, and the second was that of Mr Cooke, Star Entertainment's CEO and Managing Director. On the same day, there were reports of the departures of Star Entertainment's Group Chief Customer and Product Officer, Mr George Hughes, and the CEO's Chief of Staff, Mr Peter Jenkins. These departures were in addition to that of Star Entertainment's Chief Legal Officer, Ms Betty Ivanoff, whose departure was notified to the NICC on 6 December 2023. There will be evidence regarding these departures.

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Mr Bell, you will recall the evidence which came before your last inquiry. It revealed extreme misconduct, including disguising about \$1 billion of gaming money as hotel expenses; providing false, misleading and unethical responses to third-party banks about that money; allowing potentially unlicensed casino operations to occur within the casino by a group known to have suspected connections with organised crime; and knowingly misleading the regulator.

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The evidence before this new inquiry will be different in nature and in respect of a shorter period of time. There will be a question for you to consider of whether The Star and Star Entertainment have satisfactorily moved on. The evidence in this inquiry is likely to raise at least the following for your consideration: first, the extent to which Star Entertainment has been and is committed to working

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cooperatively with the manager and the NICC. Secondly, the accuracy of communications from The Star to regulators about incidents at and the affairs of the Star Casino in Sydney. Thirdly, Star Entertainment's disclosures regarding executive departures. Fourthly, whether The Star has adequate processes in place to detect and prevent improper practices and to ensure responsible gaming. Fifthly, financial considerations relating to suitability. Sixthly, considerations of Star Entertainment's current remediation plan and the status of its implementation. And, finally, cultural considerations and whether The Star and Star Entertainment are likely to achieve transformation.

These issues will all fall to be considered in light of the evidence to follow. Unless there is anything else, Mr Bell, I propose now to tender Parts A and B of the Hearing Book, subject to any claims for confidentiality and then to call the first witness.

**MR BELL SC:** Just before you do that, Mr Walker, do you wish to make an opening statement on behalf of Star Entertainment?

**MR WALKER SC:** No. Thank you.

**MR BELL SC:** Yes. Thank you, Mr Conde.

**MR CONDE:** Then, first of all, Mr Bell, I will tender Parts A and B of the Hearing Book which are subject to any final adjudication of claims for confidentiality.

**MR BELL SC:** Those parts will be tendered subject to any remaining claims for confidentiality to be adjudicated.

**MR AHMED SC:** Sorry, Mr Conde. Mr Bell, it's Imtiaz Ahmed. Can I just raise one issue in relation to that. In our submission there should be - I'm sorry, can you hear me, Mr Bell?

**MR BELL SC:** Not very well, no.

**MR AHMED SC:** I'm sorry. I will just move the microphones. Is that better?

**MR BELL SC:** Yes, it is.

**MR AHMED SC:** Thank you. Can I just raise one issue. In our submission, there should be an interim confidentiality order made in respect of the Hearing Book, and that's for three reasons. The first is there are some documents which were provided to us for the first time in the Hearing Book on Friday night. In accordance with the procedural guidelines, we are still working through those documents to identify confidentiality claims, which we anticipate we will be in a position to finish notifying by the end of tomorrow.

The second issue is that there are some issues in relation to whistleblower allegations contained in the Hearing Book. Again, we are in the process of identifying them and will provide them to Solicitors Assisting the inquiry by the end of tomorrow. And the third issue is that we have identified some  
5 inconsistencies in the claims for confidentiality that have been made and we would wish to notify those so that they can be properly the subject of a confidentiality order.

10 **MR BELL SC:** Sorry, Mr Ahmed, what precise order are you seeking?

**MR AHMED SC:** Certainly. What we would seek is an order on an interim basis that confidentiality be maintained over the documents in the Hearing Book until those issues can be resolved. So what we would seek to do is to not have those documents made available to members of the public.

15 **MR BELL SC:** Mr Conde, what do you say?

**MR CONDE:** The necessity for such an order, Mr Bell, is at least presently unclear to me. Because, as I understand it, people are bound by confidentiality deed polls, and certainly in terms of, as I understand it, the way these hearings will  
20 proceed, if I show a witness a document, that does not go up on the live feed. So there is no issue there, I don't believe. So there is really - in my submission, there is really a question of necessity for such an order.

25 **MR BELL SC:** Mr Ahmed, I think we can take a practical course here. The documents in the Hearing Book which will be shown to the witnesses will not be on the live feed. The recipients of the Hearing Book have signed a confidential deed poll. I understand that there are documents in the Hearing Book that have come from third parties where you haven't had the seven days permitted by the  
30 procedural guidelines to make a claim.

If there is any problem in relation to a question that arises from Counsel Assisting, you can raise it with me. There is a five-minute delay in the live feed so I can deal with the matter without it causing any concerns, I believe. I think otherwise it will  
35 just hamstring us for the next couple of days. So that's what I propose to do, Mr Ahmed.

**MR AHMED SC:** Thank you, Mr Bell.

40 **MR BELL SC:** Yes, Mr Conde.

**MR CONDE:** Mr Bell, I will just also clarify we are not proposing to publish documents either at this juncture.

45 **MR BELL SC:** No. Yes, thank you.

**MR CONDE:** So, Mr Bell, I call the first witness, Mr Nicholas Weeks. Mr Weeks, can you hear me?



**MR WEEKS:** Yes.

**MR BELL SC:** Would you prefer to take an oath or affirmation?

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**MR WEEKS:** Affirmation.

**MR BELL SC:** I think someone has got the live feed in the background. If you could turn it off, please.

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Mr Weeks, do you solemnly and sincerely declare and affirm that the evidence you shall give will be the truth, the whole truth and nothing but the truth?

**MR WEEKS:** I do.

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**<NICHOLAS WEEKS, AFFIRMED**

**<EXAMINATION BY MR CONDE**

**MR BELL SC:** Yes, Mr Conde.

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**MR CONDE:** Mr Weeks, can you hear me?

**MR WEEKS:** I can.

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**MR CONDE:** Were you appointed as the manager of the Star Casino in Sydney on 17 October 2022?

**MR WEEKS:** I was.

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**MR CONDE:** In that regard, do you recall signing a document styled Deed of Appointment of Manager on that date?

**MR WEEKS:** I do.

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**MR CONDE:** And were you appointed as the Special Manager of each of Star Gold Coast and Star Treasury in Brisbane on 9 December 2022?

**MR WEEKS:** Yes, I was.

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**MR CONDE:** Is it correct that you are a lawyer by training?

**MR WEEKS:** That's correct.

**MR CONDE:** Did you work at Allens in Sydney and Cravath in New York between 1997 and around 2005?

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**MR WEEKS:** That's correct.

**MR CONDE:** Did you then work at the Australian Rugby Union from 2006?

**MR WEEKS:** Yes.

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**MR CONDE:** What role or roles did you have at ARU?

**MR WEEKS:** I started as a legal counsel, and became General Counsel and then acquired some additional responsibilities over my time there, including People and Culture and Risk and one or two other things. (Indecipherable).

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**MR CONDE:** Did you then spend about eight years at the National Rugby League?

**MR WEEKS:** Yes, I did.

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**MR CONDE:** What role or roles did you have at the NRL?

**MR WEEKS:** I joined the NRL in 2013 to establish their legal function as, I think at that time, their first General Counsel and also to establish their Integrity Unit as the General Manager of Integrity. I was in those roles until about 2017, when I became the Chief Operating Officer of the NRL. I retained oversight for those areas of the business and acquired additional responsibilities in People and Culture, Wellbeing and Education, Government Relations. I left the NRL at the beginning of 2002.

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**MR CONDE:** 2002, Mr Weeks? Well, I think it might be September 2020.

**MR WEEKS:** I'm sorry.

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**MR CONDE:** Is it correct that after the Bergin Inquiry into Crown Resorts in early 2021, you worked at Crown Resorts from about March 2021 to April 2022?

**MR WEEKS:** That's correct.

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**MR CONDE:** And what role or roles did you have at Crown Resorts, as best you can recall?

**MR WEEKS:** My title was the Executive General Manager of Transformation and Regulatory Response. That role was responsible for assisting Crown after it had received the Bergin report to respond to that report and to oversee the development of Crown's initial remediation plan in New South Wales it was also to assist Crown to navigate through Royal Commissions in Victoria and Western Australia in relation to that company's conduct in those jurisdictions.

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My role included a significant amount of work working with the New South Wales Regulator to introduce reforms to its Sydney casino at Barangaroo, which at

that point was ready to open but they weren't permitted to open it because they were unsuitable, given the findings from the Bergin report.

5 **MR CONDE:** Were you then a Director of Wexted Advisors from July to October 2022?

**MR WEEKS:** That's correct.

10 **MR CONDE:** And did that work include acting as an expert advisor to the NICC?

**MR WEEKS:** It did.

15 **MR CONDE:** Do you recall during that time that Mr Bell's report dated 31 August 2022 was published?

**MR WEEKS:** I do.

**MR CONDE:** Do you recall reading it at around that time?

20 **MR WEEKS:** Yes.

**MR CONDE:** What has your role as manager of the Star Casino in Sydney involved?

25 **MR WEEKS:** Well, my appointment as manager requires me to hold the casino licence in my personal capacity. So it has involved being across those aspects of the Sydney casino's operations that are important to me in my assessment, particularly those that are focused on some of the deficiencies that emerged during Mr Bell's first report, and also to be closely over the top of the reform program and  
30 the recruitment of key personnel here at the Star Sydney Casino.

**MR CONDE:** As the holder of the licence, how do you manage responsibility for all that that entails?

35 **MR WEEKS:** Yes, Mr Conde, that's been a difficult process. The initial appointment was for three months. That was then extended for 12 months. In that initial appointment, it was clearly - I needed to make some decisions about how I would execute that role, and on my assessment, it was impracticable to retain a large number of people to come and assist me directly. So I retained a small  
40 number of people to come and assist me to discharge that role and to rely heavily on the existing resources and management team of the casino.

**MR CONDE:** And do you have to make a decision between relying on your team and the resources of the casino you have just referred to?

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**MR WEEKS:** I do, yes.

**MR CONDE:** And how do you make such decisions?

**MR WEEKS:** I tended to focus on those areas of the casino that present the most risk. So I have had my team and myself be very close to those aspects of the business that clearly required significant remediation following the initial report.  
5 So in areas such as financial crime, safer gambling, culture, governance and risk management.

**MR CONDE:** And for parts where you were letting the casino's operations have responsibility, what, if any, role were you taking in respect of them?  
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**MR WEEKS:** Well, I try and be across as much as I can, but one of the representations I think you describe are made by the NICC to the company at the time - and I think this was a public document - was that it was my intention to operate the casino while I held the licence in a similar manner than it had been  
15 operated historically, other than those areas that nearly needed to reform and change.

**MR CONDE:** And, Mr Weeks, where have you been based?

**MR WEEKS:** I am based at Pyrmont in Sydney. Although, I do spend time at both Queensland casinos as well as part of my Special Manager role. So I would ordinarily travel there every three weeks or so and spend time with the Queensland casinos, but otherwise here in Sydney.  
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**MR CONDE:** And was that your choice, Mr Weeks?  
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**MR WEEKS:** It was. I had some experience dealing with the independent monitor at Crown when I was at that organisation, and I felt that it was very important for me to be inside the casino with my staff so we could develop  
30 relationships, see and hear what was happening, and be on The Star's systems, receive confidential information easily. So I thought that was very important and that's what I have done since the commencement of the appointment.

**MR CONDE:** So do you have a Star email address?  
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**MR WEEKS:** I do, yes.

**MR CONDE:** Does that allow receipt of information that is confidential to Star securely?  
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**MR WEEKS:** Yes, I get the benefit of Star's, you know, IT, cybersecurity protections that I wouldn't have if I was operating from a personal account.

**MR CONDE:** And what, if any, arrangements have you had for information that you might want to keep confidential from Star?  
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**MR WEEKS:** Yes. So when I commenced in the role and I was discussing how I would establish the team, where I would sit, IT support and other support, I was in

discussions with the then-CEO of the Sydney property who was assisting me in that, and the company was cooperative and helpful in that process. He provided me with assurances that that information would be confidential, and subsequent to that I have exchanged communications, or members of my team have, with Star personnel to obtain confidential storage and locations of the documents that we might create.

And also more recently in preparation for this inquiry, I received written comfort about the way in which the company would access its IT systems and particularly records of my and/or my teams in responding to summonses and things of that nature.

**MR BELL SC:** Mr Weeks, what was the name of the CEO who provided you with those assurances?

**MR WEEKS:** Scott Wharton.

**MR BELL SC:** Thank you. Yes, Mr Conde.

**MR CONDE:** Mr Weeks, how many staff in Sydney have you had working for you in your role as manager?

**MR WEEKS:** It has gone up and down a little bit as I brought in different skills and resources, but approximately six here in Sydney and three in Queensland, including - not including myself.

**MR CONDE:** In Mr Bell's first report, he said that the casino operator in New South Wales must have close and direct supervision and governance. To what extent have you been the person providing close and direct supervision and governance?

**MR WEEKS:** I certainly think my role has enabled the casino and regulators to receive a high degree of comfort that direct oversight and governance is being delivered. I think the company still has some distance to travel in terms of setting up structures and governance arrangements to do that in the absence of a manager.

**MR CONDE:** Was it your expectation coming into the role as manager that the role might evolve over time?

**MR WEEKS:** Yes. It is an unusual appointment. The casino - as a manager here in Sydney holding the licence, that gives me significant power over the casino property and those things that happen within the casino boundary, and that was something that I needed to do work with the company in terms of decision-making that was required for the broader group and also even for broader resort property here in Pymont where my appointment and my scope of authority didn't extend beyond that boundary.

So it was always my expectation that that would be something that would be needed to be worked for in a collaborative way with the business to ensure that it provided as little disruption as possible.

5 **MR CONDE:** If I can show you the first document. It's INQ.5002.0001.0115. It is or should be a Star Entertainment ASX release. Now, has that come up for you, Mr Weeks?

**MR WEEKS:** It has, yes.

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**MR CONDE:** Do you see at the bottom it says this has been authorised by the Board of Directors?

**MR WEEKS:** I see that, yes.

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**MR CONDE:** And at that time, is it correct that - this 24 November 2023 - the board included Mr David Foster as Chair and Mr Robbie Cooke as CEO and Managing Director?

20 **MR WEEKS:** Yes.

**MR CONDE:** Do you see the last paragraph:

25 "The Star is continuing to engage with the NICC and the Manager in relation to its remediation plan as it relates to the Sydney Casino (which is yet to be approved in New South Wales) and other matters."

**MR WEEKS:** I see that.

30 **MR CONDE:** Does that paragraph accord with what you understood at the time to be what the leadership of Star Entertainment was committed to doing?

**MR WEEKS:** Yes.

35 **MR CONDE:** If we can call up, please, INQ.5002.0001.0071. This is a Star Entertainment ASX release dated 20 February 2024 - yes - on the appointment of Mr Bell to preside over this inquiry. Has that come up for you, Mr Weeks?

**MR WEEKS:** It has, Mr Conde.

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**MR CONDE:** Do you see, again, at the bottom the announcement was approved by the Board of Directors?

**MR WEEKS:** Yes, I see that.

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**MR CONDE:** In the last part of this announcement it says:

"The Star appreciates it has the opportunity to demonstrate it has the ability to regain suitability and will continue to do all in its power to work cooperatively with all its regulators including the NICC and its appointed manager."

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Do you see that?

**MR WEEKS:** I do, yes.

10 **MR CONDE:** Just focusing on the second part of that sentence, of Star doing all in its power to work cooperatively with, among others, the NICC and with you, again, does that accord with what you understood at the time to be a commitment by the leadership of Star Entertainment?

15 **MR WEEKS:** Yes, it does.

**MR CONDE:** If we can go, please, to the last of these, INQ.5002.0001.0111. I might say it again. INQ.5002.0001.0111. I will move on. I will try one last time. INQ.5002.0001.0111. There it is. It is a Star Entertainment ASX release dated 25  
20 March 2024 on the notification of these public hearings. Again, do you see at the bottom, the announcement was approved by the Board of Directors?

**MR WEEKS:** Yes.

25 **MR CONDE:** And do you see the last paragraph, the same words from the second line that Star:

".. will do all in its power to work cooperatively with all its regulators including the NICC and its appointed manager ..."

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**MR WEEKS:** Yes, I see that.

**MR CONDE:** Again, does that accord with what you had understood to be a commitment by the leadership of Star Entertainment?

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**MR WEEKS:** Yes, it did.

**MR CONDE:** I have taken you to now three public references to Star being committed to working cooperatively with the NICC and with you as manager.  
40 Would you agree that those are positive statements that you would hope and expect to see as a casino operator?

**MR WEEKS:** I agree with that.

45 **MR CONDE:** May I just confirm some dates, Mr Weeks. I will take you through some more detail later. But is it correct that you provided an initial report to the NICC dated 3 October 2023?

**MR WEEKS:** Yes.

**MR CONDE:** And is it correct that you then provided a shorter addendum dated 24 November 2023?

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**MR WEEKS:** Yes.

**MR CONDE:** So far as you are aware, is it correct that copies of those two documents were provided to Star Entertainment on or around 29 November 2023?

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**MR WEEKS:** That's my understanding, yes.

**MR CONDE:** And is it correct that you then had a meeting on 7 December 2023 with the NICC and the board of Star Entertainment but excluding the CEO at the time, Mr Cooke?

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**MR WEEKS:** Yes, that's correct.

**MR CONDE:** And then Star Entertainment provided a written response to your reports under cover of letter from both Mr Foster and Mr Cooke dated 23 January 2024. Is that correct?

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**MR WEEKS:** Yes, that's correct.

**MR CONDE:** Now, if we can call up, please, it is STA.8102.0010.4676. It should be some minutes of the 7 December 2023 meeting. Has that document come up for you, Mr Weeks?

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**MR WEEKS:** Yes, it has, Mr Conde.

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**MR CONDE:** And in terms of the attendees, do you see under the NICC, Mr Philip Crawford is referred to there?

**MR WEEKS:** Yes.

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**MR CONDE:** You are noted there under Manager.

**MR WEEKS:** Yes.

**MR CONDE:** And then for Star Entertainment, there is Mr Foster and other directors.

40

**MR WEEKS:** Yes, I see that.

**MR CONDE:** Do you see the fourth last bullet point on this page:

45

"PC confirmed NICC's view that it had lost confidence in the TSEG CEO to execute the remediation plan as per observed performance to date of RC."



**MR WEEKS:** Yes, I see that.

5 **MR CONDE:** Does that accord with your recollection of something that was said at this meeting?

**MR WEEKS:** Yes, it does.

10 **MR CONDE:** Did you consider it to be significant that the regulator had lost confidence in Mr Cooke and had said as much?

**MR WEEKS:** Yes, I did.

15 **MR CONDE:** And then over the page, please, to page 4677. Do you see the third full bullet point on that page:

20 "TSEG enquired whether the NICC was aware of any specific individual who could step in as CEO at short notice. NICC confirmed that while they are unaware of any particular individual, NICC reflected that senior appointments "parachuted in" (ie with little lead time) take place regularly in distressed organisations."

Do you see that?

25 **MR WEEKS:** I do see that, yes.

**MR CONDE:** Again, does that accord with your recollection of something that was said at the meeting?

30 **MR WEEKS:** It does.

**MR CONDE:** Did you consider it to be significant that the board asked about a possible replacement at short notice?

35 **MR WEEKS:** Yes.

**MR CONDE:** And why is that?

40 **MR WEEKS:** Well, I think that, for me, they were considering the earlier statement from the NICC Chief Commissioner that the NICC had lost confidence in Mr Cooke to deliver the remediation plan and were considering - or interested to understand if the NICC knew of any individual who could step in.

45 **MR CONDE:** As best you can recall, Mr Weeks, did anyone from Star say to the NICC, "I'm not having any of that. Mr Cooke is here to stay"?

**MR WEEKS:** Not at that meeting.

**MR CONDE:** What if any impression did you have at that meeting in December 2023 about Mr Cooke's future as CEO of Star Entertainment?

5 **MR WEEKS:** I don't think I came away with a clear impression other than, clearly, for a company to receive that communication from its regulator in New South Wales was very material and I expected that that would be something that the board would have to consider long and hard.

10 **MR CONDE:** And when you say "in New South Wales", may I just ask you to explain what you mean by that?

**MR WEEKS:** Well, it has a different casino regulator in Queensland, so this was a communication coming from its New South Wales regulator.

15 **MR CONDE:** Still on this page 4677, do you see the first full bullet point:

20 "TSEG confirmed that the first of the manager's reports was overall useful, agreed with many aspects and noted many areas remain a work-in-progress for the business. In contrast, TSEG found the second report from the manager was short on examples and facts. TSEG undertook to provide a written response to the reports."

**MR WEEKS:** I see that.

25 **MR CONDE:** Does that accord with your recollection of things that were said at the meeting?

**MR WEEKS:** It does, yes.

30 **MR CONDE:** Do you recall being left with any other impression about Star's attitude to your reports at that time?

35 **MR WEEKS:** No, I think that's a fair assessment. They did express their general acceptance of the first report, but there was a level of pushback with respect to the second report being an addendum to the first.

40 **MR CONDE:** Now, the response from Star Entertainment was later sent under cover of letter dated 23 January 2024. Just given the time we are having with calling up documents, I might just ask, do you recall seeing that letter on or about 23 January 2024?

**MR WEEKS:** That's from the company to the NICC?

45 **MR CONDE:** That's the letter I'm referring to, yes.

**MR WEEKS:** Yes, I do recall seeing that.

**MR CONDE:** Do you recall who it was signed by?

**MR WEEKS:** My recollection is it was signed by Mr Foster and Mr Cooke.

5 **MR CONDE:** Having had the meeting that you did in December, do you recall having any reaction to that response being signed by both Mr Foster and Mr Cooke?

**MR WEEKS:** Yes, I was - I was both surprised and disappointed.

10 **MR CONDE:** And why is that?

15 **MR WEEKS:** Well, I was surprised because it was a very lengthy response that took issue with many of the findings which was contrary to what the board had told us, particularly with respect to the first report. There was also a very extensive amount of commentary and rejection of findings in that report which, again, I was surprised about, and I had had several meetings both with the board and with - one with Mr Cooke in relation to the report where very few questions were asked. So I was surprised when there was as many comments received back as I did.

20 I was disappointed because the purpose of providing that report to the company was so they could be clear about those things that I considered to be deficiencies and areas that needed to be addressed, and the way they were characterised in the report was "potential impediments to reform". So I was disappointed because the company's rejection of my assessment of many of those deficiencies suggested to  
25 me that there was an enhanced or increased chance that the company was not going to take steps to address those findings and observations which I regarded to be accurate and legitimate.

30 **MR CONDE:** I will take you to the response in detail later, Mr Weeks, but if we can go, please, first, to STA.8100.0063.6873, and to page 6876 of that document, please. I might just say it again. STA.8100.063.6873 and then 6876, please. Now, there should now be an email dated 23 January 2024 at 2.12 am from Mr Cooke to Mr Foster and Ms Monique Rennell. Has that come up for you, Mr Weeks?

35 **MR WEEKS:** Yes, it has.

**MR CONDE:** Is it correct that Ms Rennell was Mr Cooke's executive assistant?

40 **MR WEEKS:** Yes, that's right.

**MR CONDE:** Do you see Mr Cooke asked Mr Foster:

45 "For the letter to NICC - do you have the date you met Nick Weeks in Dec to discuss his reports?"

**MR WEEKS:** Yes.

**MR CONDE:** Then if we can go back a page, please, to page 6875. Thank you. There should be an email at 9.07, towards the bottom, from about two-thirds of the way down the page from Mr Cooke to Mr Foster with a:

5 "Final version of the letter attached for your approval."

Do you see that?

**MR WEEKS:** I see that, yes.

10

**MR CONDE:** Then if we can go, please, to page 6874. It seems to have been finalised. Do you see the message from Mr Foster to Mr Cooke at 10.23 am? It says:

15 "All OK - lets hold on to our hats."

**MR WEEKS:** Yes, I see that.

**MR CONDE:** And Mr Cooke replied to Mr Foster at 10.24:

20

"The fireworks will be bright and loud."

**MR WEEKS:** Yes.

25 **MR CONDE:** Do you see that? Do you have any comment on those messages?

**MR WEEKS:** Well, I - yes, it seems for the Chairman and CEO to be discussing what was a very important matter in those terms strikes me as unusual.

30 **MR CONDE:** Further up the page, do you see Mr Foster asked Mr Cooke at 10.26 am:

"How when what will we share with OLGR."

35 Being the Queensland regulator.

**MR WEEKS:** Yes, I see that.

**MR CONDE:** And there's a response at the top of that page:

40

"Working on that now - think we send identical letter and both reports ..."

Do you see that?

45 **MR WEEKS:** Yes.

**MR CONDE:** If you go back, please, to page 6873, at 10.37 am Mr Foster wrote:

"I will think

I'm inclined to send I wonder if worth meeting first

5 If done right could be a catalyst to get rid of Weeks"

Do you see that?

10 **MR WEEKS:** I do, yes.

**MR CONDE:** What if any comment do you have on the reference there to getting rid of you?

15 **MR WEEKS:** Well, I'm not sure how to respond to that, Mr Conde. I - you know, this was a really important report or really important response, actually, from the company that was going to be delivered four months ahead of a date by which the NICC has said that they would reconsider the licence for Star. So that they were concerned about getting rid of me rather than delivering a response that would be responsive to important matters is a concern for me.

20 **MR CONDE:** At this time in January 2024, did you not consider that Star's attitude to you was one of working cooperatively as per the ASX announcements I took you to earlier?

25 **MR WEEKS:** Yeah. Certainly, the company in all my face-to-face meetings - and there has been many - has never suggest that had they wanted to get rid of me and, in fact, have, in most cases and many cases, expressed the fact that they feel that they have a strong working relationship with me, which is also the view that I have in relation to my relationship with the company.

30 **MR CONDE:** Is it correct that following your 7 December 2023 meeting, the minutes of which I took you to earlier, your understanding was that if Mr Foster wanted to be getting rid of anyone, it was the CEO, not you?

35 **MR WEEKS:** Well, I mean, I - look, I - the NICC made that - made its view known on Mr Cooke in that meeting. I was trying not to get involved in that process and that assessment by the board about Mr Cooke. I had a job to do under my appointment, and my objective was to do that job and work with whoever was at the company.

40 **MR CONDE:** About a week later, is it correct, Mr Weeks, that on 1 February 2024, you had a meeting at the Star Sydney which included representatives from the NICC and some lawyers?

45 **MR WEEKS:** Yes, that's correct.

**MR CONDE:** And as far as you can recall, did the lawyers include someone from Maddocks and someone on secondment from Corrs Chambers Westgarth?

**MR WEEKS:** Yes.

5 **MR CONDE:** Do you recall where at Star Sydney this meeting was held?

**MR WEEKS:** It was held in Star's boardroom in its offices in Union Street.

**MR CONDE:** May I ask you, please, to describe the boardroom.

10 **MR WEEKS:** It is a large - there is a public reception area with five or six offices. The boardroom is the largest meeting, which is for board meetings, as the description implies, but also other meetings with external parties.

15 **MR CONDE:** With this meeting on 1 February, did everyone attend in person?

**MR WEEKS:** No, most people were online.

20 **MR CONDE:** Right. Presumably, then, there was a Teams or Zoom invitation of some kind?

**MR WEEKS:** Yes, there would have been.

25 **MR CONDE:** And as best you can recall, did this meeting involve discussions about Star Entertainment's response to your reports?

**MR WEEKS:** It included a discussion in relation to those responses, together with a discussion around options for moving forward with the NICC.

30 **MR CONDE:** If I can show you STA.8890.0001.0094. If I can ask that that be enlarged. And obviously enough, Mr Weeks, please don't identify anyone's mobile number but can you see the first message is dated 31 January 2024, 4.23 pm.

**MR WEEKS:** Yes.

35 **MR CONDE:** And it's recorded as being from Mr David Foster to Mr Robbie Cooke.

**MR WEEKS:** Yes.

40 **MR CONDE:** And it says:

"Just sent a message 2 law firms attending planning session NICC in our board room."

45 **MR WEEKS:** Yes.

**MR CONDE:** And then do you see the reply from Mr Cooke to Mr Foster:

"Monique just sent to me"

**MR WEEKS:** I see that.

5 **MR CONDE:** I think you said earlier that Monique was the name of Mr Cooke's executive assistant.

**MR WEEKS:** Yes, that's right.

10 **MR CONDE:** Then if we can go over, please, to 0095. There should be another message from Mr Cooke dated 31 January 2024. Do you see it says:

"They are up to something."

15 **MR WEEKS:** Yes, I see that.

**MR CONDE:** Then if we can go, please, to 0096, do you see the message - there is a message from Mr Foster. Maybe scroll up a little bit so that Mr Weeks can see that. Message from Mr Foster to Mr Cooke. Do you see that?

20

**MR WEEKS:** Yes, I can.

**MR CONDE:** It proceeds to identify certain people. The first - I won't name them but do you see there is like a website link and there is a name at the end there?

25

**MR WEEKS:** Yes, I see that.

**MR CONDE:** Was that person, as best you can recall, one of the people you met with on 1 February 2024?

30

**MR WEEKS:** Yes, it was.

**MR CONDE:** And did that person attend your meeting in person, online, as best you can recall?

35

**MR WEEKS:** Online.

**MR CONDE:** If we can go over, please, to page 0097, there should be another message from Mr Foster which identifies a second person, this time from Corrs. Do you see again there is a website link up the top?

40

**MR WEEKS:** Yes, I can see that.

**MR CONDE:** It contains a name.

45

**MR WEEKS:** Yes.

**MR CONDE:** And then there's a Corrs Chambers Westgarth logo and a picture further down. Again, I won't ask you to name them, but as best you can recall, did this person from Corrs attend your meeting?

5 **MR WEEKS:** Yes, I believe she did. I believe she was seconded to the NICC at the time.

**MR CONDE:** Can you recall whether the person attended in person or online?

10 **MR WEEKS:** Online.

**MR CONDE:** Then over the page, 0098, do you see Mr Foster sent another message to Mr Cooke which has a photo, but the contents of that photo, at least, I can't decipher. Is that the same for you?

15

**MR WEEKS:** Yeah, I can't make out that screenshot.

**MR CONDE:** If we go a little bit further down on this page, 0098, though, please. Yes, there is a message from Mr Foster to Mr Cooke. The date is still 31 January 2024. It says:

20

"We better brief KWM and KC ..."

25 And then there appears to be a comment about that unidentifiable photo. If we go over, please, to page 0100, it should be a message of a missed call. Do you see that?

**MR WEEKS:** Yes.

30 **MR CONDE:** And then the next message, 31 January 2024, Mr Foster wrote to Mr Cooke:

"Ok they are prepping for war we better do the same should we talk to ..."

35 And then there is the name of a lawyer from KWM. Do you see that?

**MR WEEKS:** I do.

40 **MR CONDE:** Then the final message here is from Mr Cooke to Mr Foster. There is a reference in the first line to some advice from KWM, which I won't read out. Do you see that?

**MR WEEKS:** Yes, I see that.

45 **MR CONDE:** And then the message continues:

"We are meeting Monday to get ready for war though."



Do you see that?

**MR WEEKS:** Yes, I do.

5 **MR CONDE:** First of all, these messages that I have shown you, Mr Weeks, are all dated 31 January 2024, but you said your meeting was the next day on 1 February.

**MR WEEKS:** Yes.

10

**MR CONDE:** Do you have any comment on that?

**MR WEEKS:** Well, I expect that somehow they have accessed my diary which the entry would have been in ahead of the 1 February meeting, at least by 31  
15 January, on these text messages.

**MR CONDE:** In circumstances where Mr Foster and Mr Cooke knew in advance the location of your meeting and at least some of the attendees, do you agree that these messages suggest a degree of monitoring of you?  
20

**MR WEEKS:** Yes, I do.

**MR CONDE:** And what if any comment do you have on that?

25 **MR WEEKS:** I think it's extraordinary. I - in circumstances where this casino's licence is suspended and I have been appointed to manage the casino and one of the fundamental objectives of The Star is to regain trust and confidence with its regulators, including me as manager, that they were monitoring my diary entries and investigating people I was meeting with, I find to be extraordinary.  
30

**MR CONDE:** Do you have any comment on the content of these exchanges?

**MR WEEKS:** Well, I do. It's - it's difficult to reconcile everything that the company has told me and everything it tells the market and everything it tells the  
35 regulator in relation to its motivations to reform and to work cooperatively with the regulator. To suggest that they want to go to war with the regulator and me in circumstances where their licence is suspended and there is a decision about that suspension that has already been scheduled to occur in June this year is extraordinary.  
40

**MR CONDE:** If we can next pull up, please, STA.8100.0070 -

**MR BELL SC:** Just before we do, Mr Weeks, did you understand that you were in a state of war at this time?  
45

**MR WEEKS:** Not at all. We received a response from the company which I found to be surprising and disappointing but I was still meeting with Mr Cooke,

meeting with Mr Foster and the management team trying to do the job that I was appointed to do and to assist and monitor the company's efforts in reform.

**MR BELL SC:** Yes, Mr Conde.

5

**MR CONDE:** The document I was asking to be pulled up, please, is STA.8100.0070.7706. STA.8100.0070.7706. Now, this should be your Deed of Appointment of Manager dated 7 October 2022. Do you see that?

10 **MR WEEKS:** I do, yes.

**MR CONDE:** If we can please go to page 7711. There should be a clause 4, Manager's Indemnity. Do you have that?

15 **MR WEEKS:** I do, yes.

**MR CONDE:** Just quickly working through that, do you see clause 4.1 provided that:

20 "The Manager is appointed by and is acting under the direction of the NICC."

**MR WEEKS:** Yes.

**MR CONDE:** In clause 4.2:

25

"In carrying out the duties and responsibilities and in the exercise of powers, the Manager does so as agent of The Star ..."

And The Star is responsible for your acts and omissions. Do you see that?

30

**MR WEEKS:** Yes, I do.

**MR CONDE:** In clause 3, which continues over the page to 7712, it provided an indemnity to you from both The Star and Star Entertainment. Do you see that?

35

**MR WEEKS:** Yes.

**MR CONDE:** Then clause 4.4 - this is on page 7712:

40 "The indemnity ... extends to reasonable legal costs ..."

Do you see that?

**MR WEEKS:** I do, yes.

45

**MR CONDE:** But clause 4.5 provided that:

"The indemnity in clauses 4.1 [to] 4.4 does not extend to Claims relating to any act or omission by the Manager that is found by a Court to have breached the Manager's duty to exercise ... powers in good faith."

5 Do you see that?

**MR WEEKS:** I do, yes.

10 **MR CONDE:** Now, so far as you can recall, Mr Weeks, has it ever been suggested to you that you have breached your duty to exercise your powers as manager in good faith?

**MR WEEKS:** No, it hasn't.

15 **MR CONDE:** Could we please pull up STA.8890.0001.0102\_0001. Again, please don't read out any mobile phone numbers. Do you see this is a text message to Mr Foster to Mr Cooke with a date lower down of 1 February 2024?

20 **MR WEEKS:** Yes, I see that. I'm just looking for the date. Yes, I see that. Yes.

**MR CONDE:** Do you see there is a picture which has that clause 4.5 of the deed that we were just looking at extracted in the message?

25 **MR WEEKS:** Yes, I can see that.

**MR CONDE:** If we can go, please, to STA.8890.0001.0102\_0002. And it should be a message from Mr Foster to Mr Cooke dated 2 February 2024:

30 "Another angle is establishing grounds if possible for a class action from shareholders against NW and/or NICC"

Do you see that?

35 **MR WEEKS:** Yes, I see that.

**MR CONDE:** What, if any, comment do you have on that?

40 **MR WEEKS:** Well, I find it extraordinary that the chairman of a listed company and the CEO are exchanging messages contemplating a class action from shareholders against me personally and the NICC in circumstances where their public position and position with me is that they are working cooperatively to address deficiencies they need to address.

45 **MR CONDE:** If we look at Mr Cooke's response, STA.8890.0001.0102\_0003, please. Do you see there is a message:

"Will run that by KWM Monday."

**MR WEEKS:** I see that, yes.

**MR CONDE:** Do you have any comment on this being run past solicitors?

5 **MR WEEKS:** Well, it just - I mean, the initial option that was raised as between the chairman and CEO is extraordinary. But the fact that they feel that it has sufficient merit that they want to run it by their lawyers makes it all the more extraordinary, in my view.

10 **MR CONDE:** At this time in early February 2024, did you consider that your relationship with the chair and CEO of Star Entertainment was such that they would be looking at the indemnity in your deed of appointment and discussing this issue?

15 **MR WEEKS:** No.

**MR CONDE:** You said earlier that your understanding was that Star's leadership was committed to working cooperatively with the NICC and with you as manager consistently with the ASX statements. I have now shown you private messages  
20 referring to Star's response to your reports as an opportunity to get rid of you, referring in advance to your meeting with the NICC and lawyers, referring to war with you and/or the NICC, and querying grounds for a possible class action against the NICC and you and taking advice from KWM in that regard. Do you have any comment on Star Entertainment's public statements as compared with  
25 those private ones I have shown you?

**MR WEEKS:** Well, I think it is impossible to reconcile the two.

**MR CONDE:** If I can show you another document. It is STA.8100.0065.9375.  
30 This is an email chain Mr Foster has written:

"Good faith?"

On 15 February 2024 at the top. Do you see that?  
35

**MR WEEKS:** I do, yes.

**MR CONDE:** And it was in response to being forwarded, with two exclamation marks from Mr Cooke, an email you had sent dated 15 February in relation to a  
40 results presentation. Do you see that?

**MR WEEKS:** Yes, I can see that.

**MR CONDE:** And do you recall sending that email, Mr Weeks?  
45

**MR WEEKS:** Yes, I can.

**MR CONDE:** What was the email about?

**MR WEEKS:** Well, I attended, I think that day on 15 February, an audit committee meeting which was convened by that committee to consider a draft of the director's report for its half-yearly financial statements. Now, there are some important disclosure matters that the audit committee was working through. I participated in a meeting. I was asked a question. I provided clarification of what I said in that email. But then as those matters - that is, disclosure matters for financial accounts - do not form part of my responsibilities as manager, I was communicating to the company that I wouldn't provide any further views on that and I would leave it with the company to settle those accounts.

**MR CONDE:** Is it correct that you considered ASX disclosure obligations for Star Entertainment to be beyond your role as manager and Special Manager?

**MR WEEKS:** Yes, that's correct.

**MR CONDE:** And do you consider that to be a controversial or debatable proposition?

**MR WEEKS:** No, that's been a consistent position throughout my appointment.

**MR CONDE:** Do you have any comment, then, on the email being forwarded with two exclamation marks by Mr Cooke?

**MR WEEKS:** Yeah, I don't understand why he would do that. I don't think it's controversial. It's a matter for the company to settle those things.

**MR CONDE:** And what if any comment do you have on Mr Foster's response of "Good faith?"?

**MR WEEKS:** I don't. I mean, I don't know what David was thinking when he wrote that because I don't know what it has to do with anyone's good faith, particularly mine.

**MR CONDE:** Do you consider at the time that you were acting in good faith?

**MR WEEKS:** Yes, I did.

**MR CONDE:** On the - if we can now pull up, please, INQ.5002.0001.0112. Just while that's coming up, Mr Weeks, do you recall that on 22 March, Star Entertainment made two announcements to the ASX, the first one being Ms Katsibouba's departure and the second relating to that of Mr Cooke?

**MR WEEKS:** Yes, I recall that.

**MR CONDE:** And I see - has an ASX announcement dated 22 March 2024 in relation to the CFO role come up for you?

**MR WEEKS:** It has, yes.

**MR CONDE:** Did the news of Ms Katsibouba's departure come as a surprise to you in or around 22 March 2024?

5

**MR WEEKS:** No, it didn't.

**MR CONDE:** Why not?

10 **MR WEEKS:** I had met with Christina - I think it might have been in that first week of March and she had shared with me a range of matters, including the fact that she had been in discussions with the company since, I think, December 2023 about leaving, and Christina and the company had shared documents in terms of the terms of that departure. So I knew that that was something that was being  
15 worked on.

**MR CONDE:** So far as you can recall, did Ms Katsibouba tell you any reasons for wanting to depart?

20 **MR WEEKS:** She did. She shared with me a range of reasons, including the fact that her working relationship with the CEO and the board had deteriorated. The - Christina shared with me the fact that she considered the group leadership team, which is the most senior management team, to be dysfunctional and to have been dysfunctional for some period of time, and that she had lost faith and  
25 confidence in the integrity of the CEO.

She also said to me that she needed to prioritise her wellbeing as the last - I think really she dated it back to about June 2023 had been a very difficult period for her personally, and that was with some reluctance leaving an organisation she had  
30 been at for a long time, but she felt that that was the best thing for her to do.

**MR CONDE:** Do you see in this ASX announcement it says in the first sentence that Ms Katsibouba:

35           ".. has decided to step down ..."

And then there is a reference in the third paragraph again to Ms Katsibouba having decided to leave. Is it correct that those statements accorded with your own understanding of Ms Katsibouba's circumstances?

40

**MR WEEKS:** Yes.

**MR CONDE:** And still in this ASX announcement, there is a quote attributed to the Chair of Star Entertainment, Mr Foster, about halfway down the page where he is quoted as saying:  
45

"Christina stepped into the CFO role following the Bell inquiry in 2022 and after two challenging years has decided the time is right to move on. She

leaves with both the board's and my personal thanks for her tireless efforts as CFO, and as an executive with the Group. We wish her well."

5 Now, again, is it correct that the reference there to Ms Katsibouba leaving accorded with your own understanding of Ms Katsibouba's circumstances?

**MR WEEKS:** Yes.

10 **MR CONDE:** If we can call up, please, STA.8122.0001.0009. Has an email 22 March 2024 sent at 6.32 pm styled "A note from the Chairman" come up?

**MR WEEKS:** It has, yes.

15 **MR CONDE:** Do you see it says:

"Hi everyone,

20 I am writing to inform you that our Group Chief Financial Officer, Christina Katsibouba, has decided to resign from The Star after nine years to pursue new opportunities."

**MR WEEKS:** Yes, I see that.

25 **MR CONDE:** Again, that first paragraph accords with your understanding of Ms Katsibouba's departure?

**MR WEEKS:** It does, yes.

30 **MR CONDE:** If we can call up, please, INQ.5002.0001.0116. This is an email a few days later, 27 March 2024, sent at 12.40 pm from Mr Foster to the NICC. Do you see that?

**MR WEEKS:** I do, yes.

35 **MR CONDE:** Just under that first heading "Management change" the first bullet point, do you see Mr Foster wrote:

40 "Last Friday terminated without cause CEO Robbie Cooke, CFO, Christina Katsibouba ..."

**MR WEEKS:** Yes.

45 **MR CONDE:** Now, I will ask you about Mr Cooke's departure later but focusing on Ms Katsibouba, what if any comment do you have on the reference there to her having been terminated without cause?

**MR WEEKS:** That - that wasn't the understanding I had or I think was reflected in those earlier documents you took me to.

**MR CONDE:** Is it correct, Mr Weeks, that whatever might be the precise or technical meaning of the expression "termination without cause", it's your understanding that Ms Katsibouba resigned and had indicated her intention to do that from at least December 2023?

**MR WEEKS:** That's my understanding.

**MR CONDE:** If we can go, please, to INQ.5002.0001.0113. Do you see this is an ASX announcement dated 22 March 2024 regarding the departure of Mr Cooke and the appointment of Mr Foster as executive chairman?

**MR WEEKS:** Yes, I see that.

**MR CONDE:** How did you first learn about Mr Cooke's departure in March 2024?

**MR WEEKS:** I read it in the Australian Financial Review.

**MR CONDE:** Did learning about Mr Cooke's departure in the Fin Review surprise you?

**MR WEEKS:** It did, yes.

**MR CONDE:** How would you expect to have learnt of Mr Cooke's departure?

**MR WEEKS:** Given my position there as manager and licence-holder of the Sydney property, I would have expected to have learnt that directly from the company rather than through the newspapers.

**MR CONDE:** Did the news of Mr Cooke's departure generally come as a surprise to you?

**MR WEEKS:** It did not.

**MR CONDE:** And why is that, Mr Weeks?

**MR WEEKS:** Well, I was aware of the meeting that we have spoken about in December where the regulator had communicated that it had lost confidence in Mr Cooke to deliver the remediation plan. That was clearly something the board needed to consider very carefully in circumstances where the regulator had also communicated that it intended to reconsider suitability in June 2024. I was also aware of, through discussions with a number of group leadership team members, that there was a high level of dissatisfaction with respect to the leadership of Mr Cooke within his leadership team and that - that management forum was clearly, in my assessment, based on those discussions, dysfunctional.



I was also aware of a formal complaint that had been made against Mr Cooke that had been referred to an external law firm to investigate. Those things, together with the fact that this inquiry had been called and was pending was such that it was not a surprise to me when I saw that Mr Cooke was departing.

5

**MR CONDE:** Mr Weeks, when you referred to a complaint, is that a whistleblower complaint?

**MR WEEKS:** Yes, that's right.

10

**MR CONDE:** I will ask you about that later but still with this ASX announcement of 22 March 2024, do you see the language there in that first sentence that Mr Cooke:

15

".. will depart as Group CEO and Managing Director ..."

**MR WEEKS:** I see that, yes.

20

**MR CONDE:** Then if we can go over, please, to page 0114 the first sentence reads:

"Mr Cooke will remain a consultant to the company for a period of six months to enable an orderly leadership transition and provide continuity across business activities."

25

Do you see that?

**MR WEEKS:** I see that.

30

**MR CONDE:** Mr Weeks, what is your understanding of Mr Cooke's consultancy?

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**MR WEEKS:** It's quite unclear at the moment. I met with the chairman on the Thursday evening before the Easter break and I asked him what Mr Cooke had been engaged to do by the company. In response to that, he gave me an email which just was a little bit like a shopping list. It had five or six words on it with the things that Mr Cooke was going to be asked to do by the company in that consulting agreement. I subsequently wrote to the chairman on Easter Monday asking for clarification and a copy of the agreement, the documents, Mr Cooke's revised engagement with the company, but I haven't received that.

40

**MR CONDE:** Have you been provided with a copy of Mr Cooke's Separation Deed which contains a Form of Consultancy Agreement as Schedule 5?

45

**MR WEEKS:** No, I haven't.

**MR CONDE:** But you have asked for a copy of the consultancy agreement; is that correct?

**MR WEEKS:** Well, I asked for clarification from Mr Cooke about the matters that he was being asked to do as part of the consulting - and as part of that, I recollect saying in my email to David that I expected the company would have engaged - would have signed an amended form of employment arrangement with  
5 Mr Cooke to reflect the fact that he was stepping down as CEO and Managing Director and taking on a consultant agreement. I don't know if that document exists but I haven't seen it, nor have I received clarification about what his role is.

**MR CONDE:** Has any statement been made to you about Mr Cooke being  
10 involved or not involved in casino operations during his consultancy?

**MR WEEKS:** Yes, part of that discussion I had with Mr Foster on the Thursday before Easter when he described and sent me a short email with the activities that Mr Cooke would be asked to do, he assured me that Mr Cooke would not be  
15 involved in any casino operations, and when I met with Mr Cooke last week and I followed up that clarification, he said that it was pending, but rest assured Mr Cooke is not involved in any casino operations whilst he remained a consultant with the company.

**MR CONDE:** And just to clarify, then, was it your understanding that  
20 that - ceasing being involved in casino operations was from 22 March 2024, being the date that Mr Cooke departed?

**MR WEEKS:** Yes, that's right.  
25

**MR CONDE:** Mr Bell, I see the time. I think you indicated a break at 11.30.

**MR BELL SC:** I will take a short adjournment now until 11.45.

**<THE HEARING ADJOURNED AT 11.30 AM**  
30

**<THE HEARING RESUMED AT 11.47 AM**

**MR BELL SC:** Yes, Mr Conde.  
35

**MR CONDE:** Mr Weeks, is it your understanding that if someone ceases to be a close associate of a casino operator, there needs to be a notice given to the NICC of that fact as part of what is called a Minor Change in the State of Affairs of the Casino Operator?  
40

**MR WEEKS:** I believe that is correct, yes.

**MR CONDE:** And if I can ask that STA.8122.0001.1519 be brought up please. Do you see a letter dated 22 March, 2024 from Mr Scott Saunders, the Group  
45 Chief Risk Officer addressed to the NICC with the subject "Notification of a Minor Change in the State of Affairs" has that come up?

**MR WEEKS:** Yes, I can see that.

**MR CONDE:** Strictly speaking, you are the operator as the holder of the licence. So in this instance, notice was given by Star Entertainment. Is it correct that this is the sort of responsibility where, as manager, although you are the operator, you let Star's current team attend to that task?

**MR WEEKS:** I do, yes. The licensing of staff is quite a significant job for the casino so I leave it with them.

10 **MR CONDE:** And do you see in the text of the letter the document begins:

"In accordance with section 35(2) of the Casino Control Act ... please be advised ..."

15 And then the first bullet point:

"Mr Robbie Cooke has tendered his resignation as the Group Chief Executive officer and Managing Director, effective today, 22 March 2024."

20 **MR WEEKS:** Yes, I see that.

**MR CONDE:** Then below the second bullet point, it says:

25 "Mr Cooke will continue as a consultant for six months to support an orderly transition."

While Mr Jenkins, who is referred to above:

30 "... will cease to be a close associate of The Star."

Do you see that?

**MR WEEKS:** I do, yes.

35 **MR CONDE:** Do you agree there is a degree of lack of clarity here about whether Mr Cooke will be continuing as a close associate because, on the one hand, it is notice of someone ceasing to be a close associate, but on the other hand it refers to his consultancy for the next six months?

40 **MR WEEKS:** Yes, it is clear - unclear, rather, particularly with respect to what it says about the second executive, who will "cease to be a close associate."

45 **MR CONDE:** Now, so far as you were aware, Mr Weeks, has Mr Cooke been involved in casino operations since the time of his departure as CEO and Managing Director?

**MR WEEKS:** Well, my assessment of being involved in casino operations would include reviewing and being provided access to information about the operations

of the casino, and I am aware of the company providing Mr Cooke with a document that my team prepared, which was a focus group report on the operations and staff at the Sydney casino, and that occurred after 22 March. I was shown that email by an executive of the company. But I have not seen any other communications that suggest to me that Mr Cooke remains involved with casino operations.

5  
10 **MR CONDE:** Is it correct, though, that, at least in respect of that report, you would not have been expecting Mr Cooke to have received it.

**MR WEEKS:** No.

**MR CONDE:** If we can go, please, to STA.8122.0001.1553. This is a letter from Mr Saunders dated 22 March 2024 to the Queensland OLGR. Do you see it has the subject:

"Changes to The Star Pty Ltd Group Leadership Team"?

20 **MR WEEKS:** Yes, I see that.

**MR CONDE:** The letter purported to be given by The Star Pty Ltd. Is that a Queensland licensee entity, so far as you are aware?

25 **MR WEEKS:** I can't see that. "The Star Pty Ltd". No, that's the Sydney licensee.

**MR CONDE:** So - yes. But, in any event, do you see it is on Star Entertainment's Group letterhead, if you go down the bottom of this page? Sorry, if the bottom of the document could be shown to the witness, please. Do you see it has addresses for Sydney, Gold Coast and Brisbane?

30 **MR WEEKS:** Yes, I see that.

**MR CONDE:** And Mr Saunders is the Group Chief Risk Officer as recorded there. Do you see that?

35 **MR WEEKS:** Yes.

**MR CONDE:** Do you see paragraph 1.1:

40 "Mr Robbie Cooke has tendered his resignation as the Group Chief Executive officer & Managing Director, effective today 22 March 2024."

**MR WEEKS:** Yes, I see that.

45 **MR CONDE:** Before asking you further about that, I need to show you another document. STA.8122.0001.3881. Do you see this is a letter from Mr Foster as chair to Mr Cooke dated 22 March 2024?

**MR WEEKS:** Yes, I see.

**MR CONDE:** Do you see the first paragraph:

5 "This letter provides notice of termination of your employment without cause pursuant to clause 10.1 of your employment agreement with The Star."

**MR WEEKS:** Yes.

10 **MR CONDE:** Now, so far, on 22 March 2024, from the documents I have shown you, the ASX was told Mr Cooke had departed. The New South Wales regulator was told Mr Cooke had tendered his resignation. Queensland regulator was told that he'd tendered his resignation. And Mr Cooke himself appears to have been told that he was being terminated without cause in accordance with his  
15 employment agreement. Do you have any comment on these communications?

**MR WEEKS:** Well, in addition to that, I have been trying to seek clarity on exactly the status of Mr Cooke, and I don't think my efforts or these  
20 communications make it at all clear.

**MR CONDE:** If we can bring up, please, STA.8122.0001.0010. And do you see this is an email from Mr Cooke to all Star staff and it's recorded as being blind carbon-copied to Ms Anne Ward and dated 22 March 2024.

25 **MR WEEKS:** Yes, I can see that.

**MR CONDE:** And for the attachments, it records attaching a pdf. Do you see that? At the top of the page, it says "Group CEO Exit Statement pdf".

30 **MR WEEKS:** Sorry, I can't see that PDF. I might not be looking at - I'm sorry. I can see it Mr Conde, yes.

**MR CONDE:** That should be the same as the email but more legible, so I will take you to that. If we can go, please, to STA.8122.0001.0012.

35 **MR WEEKS:** Yes.

**MR CONDE:** Do you recall reading this document on or around 22 March 2024?

40 **MR WEEKS:** Yes, I do.

**MR CONDE:** Before going to any specific paragraphs, do you have any general comment about this statement being sent by Mr Cooke at the time and in the way that it was?

45 **MR WEEKS:** Yes, I - when I - I got it in my email box, I think, at the same time as other - well, the same time as staff here at Star received it on that Friday. My initial reaction was that I was surprised that that - a communication of this nature

was distributed in connection with the decision by the board to change Mr Cooke's role.

**MR CONDE:** And why were you surprised, Mr Weeks?

5

**MR WEEKS:** Well, my - my immediate reaction when I read it was that it assigned responsibility or blame on the Chief Commissioner of the NICC for Mr Cooke's departure, and in circumstances where the company has a suspended licence, it is important for the company to rebuild confidence and trust with its regulator. I don't think that was a prudent positioning of Mr Cooke's exit among Star's employees.

10

**MR CONDE:** Do you see the sixth paragraph down, which begins "A number of matters"?

15

**MR WEEKS:** Yes.

**MR CONDE:** Now, is the reference there to "my decision" both in the first line and in the second line - do you see those two references?

20

**MR WEEKS:** I do, yes.

**MR CONDE:** And do you have any comment on that expression?

25

**MR WEEKS:** Well, I suppose it's difficult to understand whether it was, in fact, Mr Cooke's decision to leave or it was the board's decision.

**MR CONDE:** And he records a view - he says:

30

".. a view I formed recently that my continuing in the Group CEO role was not going to be conducive to the ... (NICC) determining to find The Star suitable to hold a casino licence in NSW."

35 Can I just ask what, if any, comment you have on, first of all, that view and, secondly, the statement that he'd formed it recently?

**MR WEEKS:** Yes. Well, I think that that view is accurate and fair. It would at least have been in December 2023 that the board was informed that the NICC had formed a view that they had lost confidence in Mr Cooke's ability to deliver reform. So it's not clear to me yet or at all whether or not Mr Cooke was informed at that point that that was the regulator's view or not.

40

**MR CONDE:** Would you have expected that to have been relayed to Mr Cooke at the time?

45

**MR WEEKS:** Well, I would have expected the board to have done something about it and applied some consideration to the NICC's view and to have responded to the NICC about what it planned to do in response to the view the NICC had

communicated in December. I'm not aware of any communication in that regard, and I would imagine that any consideration by the board about what to do with respect to the NICC's communication about its lack of confidence of the CC - CEO, rather, would have been discussed by the CEO at some point.

5 Particularly, Mr Conde, if it was the board's view that they weren't going to remove the CEO, then I would expect that they would take steps to address concerns about Mr Cooke's management to appease the NICC.

10 **MR CONDE:** And in the seventh paragraph of the statement, Mr Cooke wrote the view which he had recorded in the preceding paragraph:

15           ".. is informed by my understanding that the NICC's Chief Commissioner had issues with my decision to retain a number of existing executives on my senior leadership team. Noting these individuals were not on The Star's executive committee at the time the offending conduct identified in the original Bell Inquiry occurred, and I am not aware of any basis to suggest they were bad actors. Secondly, it also seems that the Chief Commissioner did not consider I was moving with sufficient speed with the reforms and changes being implemented at The Star - a view with which I respectfully and  
20           fundamental disagree."

Do you have any comment on this paragraph?

25 **MR WEEKS:** I do. I think with respect to the last part first, Mr Conde, in relation to the speed of reform, I think it is a fair reflection that the NICC did not consider that the company was moving quickly enough. I think that was communicated to the company in December and in prior meetings. I don't think I would characterise that as the view of the Chief Commissioner alone, but the full Commission of the NICC, based on my engagement with them.

30 In relation to the first part, I have made in my report some observations about the company's decision as at 3 October to retain a large number of long-term Star executives in its executive team, and the observation I made was that I considered that that decision that Star had made may impede or complicate or make more  
35 difficult the task of cultural reform. That was the observation that I had made. I hadn't made any findings about bad actors or anything else of that nature.

40 So I don't know whether the view that Mr Cooke has expressed in this paragraph is a reference to the view that I provided to the NICC or whether it is with respect to something else.

45 **MR CONDE:** Given the context of this announcement where the departure of Ms Katsibouba was announced on the same day, do you think that this paragraph was fair to her?

**MR WEEKS:** Well, I think that it is possible that people, having read the ASX announcement about Ms Katsibouba's departure and this reference to bad actors and the apparent Chief Commissioner's view on that, I think that people could

connect the two and consider that, potentially, Ms Katsibouba was a bad actor, which I don't have any evidence to suggest that's the case.

**MR CONDE:** And -

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**MR WEEKS:** In that regard, Mr Conde, then to answer your question, I think to the extent that people would form that view, I think that would be unfair.

**MR CONDE:** And I think you mentioned earlier Ms Katsibouba, so far as you were aware, had expressed a desire to leave since at least December 2023. Does that bear on your consideration of the fairness of this paragraph?

**MR WEEKS:** Yes, I think that's - that is correct. I mean, as I understand it, Ms Katsibouba and the company had been in discussions for, at this point, close to four months about her departure, so to announce it on the same day as the CEO together with this message, I think, again, people - people could draw the conclusion, and that is unfair.

**MR CONDE:** If we can bring up, please, this page, 0012 and then 0013 side by side. It is just there is a bullet point missed. Actually, I'm sorry, the operator earlier was able to connect the pages just so that it was to scroll through. Perhaps if we adopt that approach. Do you see, though, on the bottom of this page, 0012, it says:

25                   "While I find the position I'm in today exceptionally disappointing, I do take some comfort in what we have as a business and as a team achieved ..."

And then there is a list. Do you see that? And the list starts on this page.

**MR WEEKS:** I see that.

30

**MR CONDE:** I'm just going to ask you, please - we will go through the list and I will ask what comment, if any, you have on the bullet points. Starting with the first one is the shareholder class actions.

**MR WEEKS:** Yes. Well, look, just overall, the company has been very busy. In the period I've been here, they have had an enormous amount of objectives and critical business objectives to advance, and Mr Cooke notes many of them here. The four shareholder class actions, I'm not close to those proceedings, but that is a process that the company needs to manage in terms of its response to those class actions.

40

**MR CONDE:** And then the next, please.

**MR WEEKS:** The AUSTRAC proceedings. The status and discussions that are occurring with AUSTRAC in relation to the statement of claim issued to the company in November 2022 is not something that I'm close with. I know that it's taken a considerable amount of time from the legal team in responding to that, and there is both a legal process in train and discussions that occur from time to time, I

45



think, between the company and AUSTRAC, but I'm not close to those proceedings.

**MR CONDE:** And then if we can work through the list on 0013, please.

5

**MR WEEKS:** So the ASIC civil proceedings, I don't think the company is a party to those proceedings. That would be the former directors and officers, but I would expect that there is some documentation and other administrative matters that the company would be required to take care of in respect of those proceedings. Would you like me just to step through the bullets, Mr Conde?

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**MR CONDE:** Yes, please.

**MR WEEKS:** Yes. The next matter in relation to gaming duty rate, the proposed increase, that was a very significant matter that the company worked on and spent a lot of time and effort trying to work with a new State Government to adjust the impact of the proposed tax increases or gaming duty increases to make the company's financial viability stronger than it otherwise may have been. So that was a matter I know took up a lot of time.

15

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Two equity raisings, one in February/March last year, the following - I think it was August/September, to the best of my recollection. Important transactions that did take up a lot of time and energy from a range of people at the company. Mr Cooke certainly had a lot to do with that, I expect.

25

The dispute with the contracted builder of the Queen's Wharf Brisbane development in Queensland was a significant ongoing dispute that the company was involved in, and I have no doubt that its resolution was time-consuming for the company, and that was resolved I think in late December 2023, as it says here.

30

The company - I think it was around April 2023 - in response to a reduction in its revenues from its three casinos, undertook quite a significant - I think what was described as a cost-out, which unfortunately for many people involved redundancies of approximately 500, many of which were here in Sydney. Not all of which but many. That was a significant undertaking by a large number of people in the business.

35

The replacement of the New South Wales internal controls - I think "complete replacement" isn't quite right. There was a new set of internal controls, or ICMs as they are referred to in the business. I think there was a new set of documents. I think within that document, about 60 per cent were new and 40 per cent or so, in rough numbers, were existing controls.

40

The organisational restructure, that has not been executed well by Star and I - I - I don't think - to the extent that this is documenting achievements or successes, I wouldn't include it as one of those to the extent that it's documenting work that was undertaken. There was work undertaken but it was far from complete. It has not, in my assessment, been done well.

45

The new organisational strategic vision, that's an important piece of work. There was a considerable amount of activity in relation to that which culminated in a new - I think "organisational strategic vision" is - there was a vision statement.  
5 There is an interim strategy. There is not a documented substantive strategy yet. But there is a new purpose statement and set of values and principles which were introduced, I think, on 31 October last year.

10 The development and approval of the remediation plan was a very significant amount of work for the company. It commenced around March 2023 and I think concluded with approval from the Queensland Attorney-General in November last year. So that was a significant amount of work for the company, and its involved in implementing that plan now. I think the next one, by the looks of it, might be a duplicate of the one above in relation to the duty agreement, if I'm correct. I might  
15 be wrong, but I think it looks like it's the same thing.

Star had a joint venture interest in a hotel on the Gold Coast. That was sold last year. The Financial Crime Team have rewritten the AML/CTF program. That is correct. Expanded time-play management, that was introduced as part of the new  
20 internal controls that I touched on a moment ago. Again, I think if this is a list of achievements or successes, I would be hesitant to include it on the list given some implementation difficulties that have emerged in Sydney that I expect we will talk about at some point.

25 Deloitte did undertake a root cause analysis in 2023. A new "Raise It" campaign was introduced across the business. That is true. And The Ethics Centre did do a culture review, and the board has been largely replaced from the board I think that was involved with the company when Mr Bell conducted his first inquiry.

30 So there is certainly a long list of activity in the business during Mr Cooke's time and certainly he, on my observation, has worked exceptionally hard to try and advance all those interests together with reform, and that's been a very difficult, I think, job for anyone.

35 **MR BELL SC:** Mr Weeks, can I take you back to the bullet point in the middle of the page:

40 "Organisational restructure to create a simpler framework with more decision-making power at a property level while maintaining appropriate oversight from a Group level."

You said in your assessment that's not been done well. I would like to have a more precise understanding of why you say that's the case.

45 **MR WEEKS:** Yes, Mr Bell. In January or February 2023, a draft organisational strategy was I think provided to the board, and I was provided with a copy of that and asked for my views. What that draft organisational strategy contemplated was what they described as operational business units that would operate at each of the

three casinos that are part of Star's Group. And I think the description in that document and in subsequent announcements was that that would involve end-to-end accountability for profit and loss at that property for the CEO and end-to-end accountability for regulatory obligations and compliance.

5

And on my assessment in January/February, that was the right direction for the company to move in terms of its management structures. Unfortunately, it took a considerable amount of time to get there. That draft in January or February was not announced to the broader business until July last year, and when it was announced, it was announced with the absence of CEOs of each of the three casinos. And I think that absence of leadership has really undermined Star's capacity to deliver that organisational restructure that was put to me and the board at the beginning of 2023.

10

15

CEO didn't arrive at the Gold Coast property until October last year and only at the Brisbane and Sydney properties in February, I think, this year, and until that leadership is in place with teams that are delivering that end-to-end accountability for P&L and the regulatory matters, I don't think that structure has been delivered. And that has, in my assessment, been an impediment to reform. In addition to the management restructuring, the operation of subsidiary board and compliance committees is progressing, but not quite at the pace that I think me or regulators would like to see.

20

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But in recent months, I think, there has been a bit - the company is moving more quickly in that area, but over the past really 12 months or more now, that has been a source of a level of disappointment from me and regulators about the pace of execution of that restructure.

**MR BELL SC:** Yes, thank you Mr Conde.

30

**MR CONDE:** While leaving this up on the screen, Mr Weeks - I will come back to another question later on that - the fifth-last bullet point which you've mentioned of expanded time-play management rules for patron safe gambling, are you aware of what has been called Operation Falskur?

35

**MR WEEKS:** Yes, I am.

**MR CONDE:** What is your understanding of that?

40

**MR WEEKS:** Well, that operation is the name of an investigation that the Investigations team is undertaking here in Sydney, but now with a broader outreach to the Queensland properties as well. And the genesis of that investigation relates to a new control the company was required to introduce in Sydney, and that is to ensure that patrons gambling in the casino on electronic gaming machines or slot machines do not gamble for a period of three hours or more without an interaction from a member of staff of Star here at Sydney called a Guest Support Officer or Guest Support Manager.

45

And what occurred earlier this year was some inspectors from Liquor and Gaming were in the casino doing their work and they observed a patron who, on their assessment, had been sitting at a slot machine for longer than three hours and they had not observed an interaction with that patron as is required under the new regulatory obligations. On making inquiries, the L&G inspectors worked with Star and they looked at the documentation on which those Guest Support Officers record interactions, and the record said that an interaction occurred, which wasn't in accordance with what L&G inspectors had observed.

They then looked at the surveillance footage and it became clear that there was no interaction as was required and the record that was on Star's system of interaction was false. Now, that identification by L&G then initiated a broader investigation by Star, and it became evident reasonably quickly that a practice of falsification of records of interactions with patrons by Gaming Support Officers and potentially others was endemic in that team, in that it appeared to be occurring very often and that a large proportion of the team were involved in that conduct.

The investigation is ongoing. It is not - and it is impeded a little bit by the absence of video or surveillance footage, which is only kept for three months. So I think that obligation commenced on 1 July. The company is only able to look back three months from when the investigation commenced, which I think was December, possibly. So that's my understanding of that investigation.

**MR CONDE:** Did you - does this incident concern you as the holder of the licence in New South Wales?

**MR WEEKS:** It is very concerning, yes. Particularly - it is concerning in that the company's operating under a suspended licence. I am the licensee and I hold responsibilities for what is occurring at the casino. And as we discussed earlier, I have, in order to discharge this function, had to rely heavily on Star's management team and personnel. Based on the investigation to date, it appears as though I have been let down by these people. That's concerning to me. It is concerning to me in that, at least based on the evidence to date, this was a very widespread practice and nobody raised it in the casino.

One of the items on this list for Mr Cooke is the "Raise It" campaign, and it appears in relation to this incident, that campaign wasn't something that employees of the casino considered it would use or raise the matter. So that's concerning because that is a real impediment to transition to a type of culture that Star wants to move it but also regulators want to see the casino move to. So it is very concerning in the current circumstances that such a significant and widespread breach relating to - apparently, based on the information, delivering falsification of records has occurred.

**MR BELL SC:** Mr Weeks, you referred to an endemic falsification of records. Have you been able to form any view yet as to what has caused this?

**MR WEEKS:** No, I don't. And I think that is apparent part of what Star will do, to do a root cause analysis on why this has occurred. It is a new type of job, Mr Bell, that people are doing at the casino based on the regulation, and I think it's a difficult role. And I expect there will be a range of causes that people will point to, but that will be an important aspect of the work Star needs to do once it identifies exactly what's actually happened.

**MR BELL SC:** Thank you. Mr Conde?

**MR CONDE:** Mr Weeks, do you have any comment on this issue coming to light as a result of an inquiry from Liquor and Gaming and not from within The Star?

**MR WEEKS:** Well, I think we always prefer it to come from people within The Star, particularly people on the casino floor who identify or notice activity which is clearly in breach of obligations. So that would be the preference. In this case, the inspectors at L&G who have a role also in regulating the casino have identified it. It is concerning to me. It does appear to be widespread and ongoing for a long time, and it was fortunate that the L&G inspectors did identify this breach rather than it - or it could have been continuing.

**MR CONDE:** Mr Bell was asking you earlier about the compliance committees and - I can take you to it, but - actually, I will. It's STA.8105.0002.0608. And then the page that I wish to go to, please, is 0622. It should be ICM 2. Do you see it is an extract but it says up the top ICM 2 and it is effective from 1 July 2023?

**MR WEEKS:** Yes, I see it.

**MR BELL SC:** Mr Conde, I understand that there has been a confidentiality claim about ICMs, so I imagine you will tread carefully when you deal with this topic.

**MR CONDE:** Yes. Yes.

If I could ask you, Mr Weeks, to note the paragraph beginning right at the bottom.

**MR WEEKS:** Yes.

**MR CONDE:** And then if we go over the page, please, to 0623, and it's - if I can ask that you scroll down a little further, please, (c).

**MR WEEKS:** Yes.

**MR CONDE:** Is that, to your understanding, something likely to be considered or being considered?

**MR WEEKS:** That being the investigation that we just discussed?

**MR CONDE:** No, I'm sorry, this is on the issue of licensee boards and the committee.

**MR WEEKS:** Yes. Yes, so that compliance committee is a committee of the operator, so of Star Sydney Pty Ltd. That is the intent of the ICM. It does have a dual reporting role, I think, as it identified here, both to report to that subsidiary board, together with The Star Entertainment Group Board as identified in (c).

**MR CONDE:** I will move on. In general terms, Mr Weeks, would you agree that however an executive's departure might be described in form, there will be a question of substance about whether the departure was initiated by the employer or by the employee?

**MR WEEKS:** Yes.

**MR CONDE:** On your reading of Mr Cooke's statement, remembering that we were working through that bullet point and so forth, on your reading of that statement, do you agree that it's suggested it was his decision made as a result of views of the NICC with which he disagreed?

**MR WEEKS:** Yes, that appeared from - clear from that communication.

**MR CONDE:** If I show you a document - it is STA.8890.0002.0011. I'm sorry, it is STA.8890.0002.0011. Sorry, I believe that was my mistake. This has been produced to the inquiry as an exchange between Mr Cooke and Mr Foster. In the middle, do you see there is a message:

"Ok - happy to join that call  
Also, it is important for that I can send my note (exit statement) to the team to coincide with the ASX release - I am assuming that is still ok."

**MR WEEKS:** Yes, I see that.

**MR CONDE:** And the response is, "Yes, it is." You see that message?

**MR WEEKS:** Yes.

**MR CONDE:** Then if I can ask that INQ.5002.0001.0116 be brought up, please. It is the first bullet point under "Management change." I asked you earlier about the communication in relation to Ms Katsibouba but it says:

"Last Friday terminated without cause CEO Robbie Cooke ..."

What, if any, comment do you have on that communication in respect of Mr Cooke?

**MR WEEKS:** Well, I suppose this document I'm looking at from Mr Foster to the NICC characterises the decision to part company with Mr Cooke as a termination, but the earlier text message response between Mr Foster and Mr Cooke, you know, with his authorisation of the exit statement we have been through is

agreement from the Chair and Board that he could characterise it with staff in a different way than it was with the regulator.

5 **MR CONDE:** Mr Weeks, I won't ask you to name anyone but are you aware of any other likely departures from the GLT?

**MR WEEKS:** Yes, I'm aware of what I understand to be a pending departure of a GLT member.

10 **MR CONDE:** And how are you aware of that person's possible departure?

**MR WEEKS:** They told me.

15 **MR CONDE:** If we can now go back to, please, to 3 April 2022. I ask INQ.5002.0001.0195 be brought up, please. I'm sorry, 0195. INQ.5002.0001.0195, please. Yes. Do you see there is an ASX announcement dated 3 April 2023 with the subject heading "Executive Team Update"?

20 **MR WEEKS:** Yes.

**MR CONDE:** And do you see the first paragraph, Star Entertainment announce the resignation of Mr Scott Wharton on 23 April 2023 as the CEO of The Star Sydney and as Group Head of Transformation, effective 28 April 2023.

25 **MR WEEKS:** Yes.

**MR CONDE:** The first paragraph has a quote attributed to Mr Cooke that:

30 "We are well-positioned to announce shortly Scott's successor as CEO for The Star Sydney."

Do you see that?

35 **MR WEEKS:** Yes, I see that.

**MR CONDE:** Do you recall reading that at the time?

40 **MR WEEKS:** I'm sure I would have, but I don't recall reading that in April last year.

**MR CONDE:** If I can ask that MGR.0001.0001.3706 be brought up, please. Sorry, I will just say that again. MGR.0001.0001.3706. That's a letter dated 11 August 2023 come up for you, Mr Weeks?

45 **MR WEEKS:** Yes, it has.

**MR CONDE:** Is it correct that the CEO position had not been filled and you were writing about that?

**MR WEEKS:** Yes, that's correct.

5 **MR CONDE:** In general terms, how would you describe the purpose and intent of this letter?

10 **MR WEEKS:** The intent of the letter was to encourage the company to get moving on the appointment of a CEO in Sydney. In that ASX announcement, they identified that it was likely that Mr Wharton's successor would be identified - I can't remember the exact words but soon. This is now August. And this also followed the announcement of the organisational structure to the business in July, which identified the new GLT, the Group Leadership Team, and the operational business units but did not identify CEOs for any of the three properties.

15 So I was - I thought that was something that required me to intervene to try and encourage the company to move more quickly to appoint leadership roles not just at Sydney but separately in Queensland as well.

20 **MR CONDE:** Is it correct that around 19 May 2023, Star had sought your endorsement for a candidate and you had responded that you hadn't been involved closely but you were content for Star to appoint its preferred candidate?

**MR WEEKS:** Yes, that's accurate.

25 **MR CONDE:** And is it correct that no appointment had been made since that time, by the time of this letter in August?

**MR WEEKS:** That's correct.

30 **MR CONDE:** May I just refer you, please, to the sixth paragraph where you wrote:

35 "This absence of leadership in my view has manifested within several ways in the casino. For example, it created challenges with the NSW ICM process."

Do you see that?

**MR WEEKS:** Yes, I do.

40 **MR CONDE:** What did you mean by "challenges with the ICM process"?

45 **MR WEEKS:** Well, that was a very significant piece of work that the company was required to do. It was really introducing a large number of additional controls that delivered more prescriptive regulatory settings in important areas like financial crime and safer gambling. It is difficult to do that in a casino of this nature. And the previous CEO announced his departure in the beginning of April and left at the end of April. The majority of those ICMs were introduced by 30



June. So there was a gap in leadership to really drive that process of doing it well and doing it effectively.

**MR CONDE:** Do you see you then referred to - you wrote:

5

"It has also impeded progress on the renewal of Star Sydney's culture and governance processes ..."

**MR WEEKS:** Yes.

10

**MR CONDE:** What did you mean by that?

**MR WEEKS:** Well, in my assessment, the job for Star to transform its culture is very difficult. It is very difficult, particularly in circumstances where it was juggling a large number of very important and critical business objectives. And necessarily - and we saw the list a little while ago - Mr Cooke and the board were engaged in other activities like capital raises and cost-out and things of that nature.

20 So at the Star Sydney property, in my assessment, the cultural transformation required leadership and new leadership to really start communicating a vision for what that property will be and what that casino will be and motivating staff there to embrace a new culture. The absence of a leadership - a new leader or a CEO in that area, I think, impeded that.

25 In terms of governance processes, there are additional governance processes that have been introduced in the casino and that is improving the risk profile of the company, for example, the property risk committee with a dedicated risk officer. However, without having a CEO in that position who is the leader of the casino driving cultural change, driving a better risk culture, that - those governance processes are difficult to progress, particularly in circumstances, as I said, where  
30 much of the group leadership, including Mr Cooke, was working very hard - very hard - on a range of other competing objectives.

**MR CONDE:** And still in that sentence, there is a reference to extra burdens on Star's existing senior staff.

35

**MR WEEKS:** Yes.

**MR CONDE:** Is that in addition to what you have already mentioned or -

40

**MR WEEKS:** I think it is. The point I was making there is that, for example, they had asked Mr Peter Humphreys to step up as an interim Chief Operating Officer, and I enjoyed and continue to enjoy a good relationship with Peter, and I think he has done a good job holding the fort for what's been a very long time. But that's an additional responsibility on him and others. So the absence of leadership, I do  
45 think, imposed significant additional workload on people.

**MR CONDE:** If we can go over the page, please, to 3707. Is it correct that you directed Star Entertainment to provide certain information in relation to the process of finding a new CEO?

5 **MR WEEKS:** Yes.

**MR CONDE:** Now, if we can go, please, to a response dated 16 August. It is MGR.0001.0001.3776. Do you recall receiving that letter?

10 **MR WEEKS:** I do, yes.

**MR CONDE:** And if we can go to page 3777, what was your understanding of Mr Cooke's explanation for failing to have a Sydney CEO?

15 **MR WEEKS:** I just need to remind myself. If you don't mind, I might just read this for a moment, Mr Conde.

**MR CONDE:** Perhaps, then, I will ask you to read it and then I will ask you what, if any, comment you have on what's recorded there.

20

**MR WEEKS:** Yes, sure. Yes. Yes. Yes, I recall this now. The rationale for the delay in large part was - and that I had been introduced to, who the company had identified on May. The company, on the words here that they use, said that it couldn't ethically or in good faith induce the identified candidate to leave his job because the company was in financial difficulties and they weren't sure if the company would make it financially.

25

Now, I don't - I understand the issue but also, I think with respect to listed companies and in corporate Australia, people assess whether or not to join companies at different times in different ways, and it was open to a candidate for the CEO role to recognise some risks attached to joining the company at that time and to negotiate arrangements, financial and otherwise, that may compensate him or her if that job didn't last very long because of the financial predicament of the company. So I didn't think the reason that Mr Cooke provided in his letter was particularly compelling.

30

35

**MR CONDE:** Are you aware that Star Entertainment announced a CEO on 25 January 2024, Ms Janelle Campbell, who was announced to be starting in her role on 25 February subject to all necessary regulatory approvals?

40

**MR WEEKS:** Yes.

**MR CONDE:** And are you aware that Ms Campbell has attended Star Entertainment board meetings as an observer while her approval is pending?

45

**MR WEEKS:** I think that is correct, yes.

**MR CONDE:** Is it correct, so far as you are aware, that Mr Humphreys remains the Acting CEO while Ms Campbell's approval is pending?

5 **MR WEEKS:** Yes, I'm not certain, Mr Conde, if his title is Acting CEO or Acting COO, but he is certainly acting as the leader of the casino whilst Ms Campbell's probity or licensing is pending.

10 **MR CONDE:** And so in terms of the Sydney CEO role, is it correct that, so far as you are aware, it has not had a permanent person before 25 February 2024 and the role remains in the hands of an acting person?

**MR WEEKS:** Yes, that's the case.

15 **MR CONDE:** And what, if any, comment do you have on that?

20 **MR WEEKS:** Well, you know, I think that in circumstances where the casino's licence is suspended, it has been - there is a pending assessment - in fact, there was a pending assessment of suitability at the end of my term in October - I'm sorry, I think it was January this year, and that was extended at that time. So I would have expected, in those circumstance, the company to move with urgency to ensure that key leadership positions in the casino were filled quickly to give it the best prospect possible of retaining its licence and setting itself on a pathway to suitability. In my assessment, that has not occurred.

25 **MR CONDE:** Mr Weeks, are you aware of what has been called Operation Varkaus, the TICO fraud event?

**MR WEEKS:** Yes, I am.

30 **MR CONDE:** What is your understanding of this?

35 **MR WEEKS:** That occurred in around June and July 2023. There are kiosks, so a bit like an ATM machine but not an ATM machine called TICO machine. That is acronym for ticket out, cash - sorry, ticket in, cash out. And what that enables patrons of the casino to do is to take a ticket that might be produced by a slot machine, for example, that allows - they take that ticket with the barcode or some other device. You insert it in the TICO machine and it gives the customer cash.

40 So that's the way, effectively, they cash out rather than having an attendant go to a slot machine, for example, that may have been the case historically. What happened at the casino in that time period was there was a defect with the software for those TICO machines, and the impact of that defect was to provide that if a customer inserted two tickets - which I believe is possible in those machines, such that it would just add the two tickets up and just provide the aggregate amount of cash to a customer - if the customer put two tickets out - in, rather, it would  
45 dispense the amount of cash for the aggregate of both tickets, but it would also spit out one of those tickets. So the customer could then reuse that ticket again and again.

And what the machine should do is take both those tickets off the customer, provide the customer with the amount of cash signified by the ticket, and the customer leaves, the machine takes the ticket. That wasn't happening. And what occurred was small additional amounts of cash were being provided to customers in circumstances when they shouldn't have received it because of that defect. And then over a six-week period, very large amounts of cash were provided to customers in circumstances where they should not have received it because of the defect.

10 And the upshot was that it was not identified for some period of time and, at that stage, about \$3.2 million had been taken from the casino by customers who had detected this fraud either inadvertently or deliberately and had taken money that they ought not have.

15 **MR CONDE:** If we can pull up, please, STA.8000.0013.0001. Has that come up for you Mr Weeks, a document styled "OPERATION VARKAUS: The TICO Fraud Event" dated 28 September 2023?

20 **MR WEEKS:** Yes, it has.

**MR CONDE:** I'm just pausing, Mr Weeks, because Mr Bell is not appearing on my feed, at least.

25 **MR WEEKS:** Not on mine either.

**OPERATOR:** Mr apologies, Mr Conde. I can confirm Mr Bell has left the call. In lieu of that, we might adjourn momentarily to have him online again.

30 **MR CONDE:** Thank you very much. I think we should.

**<THE HEARING ADJOURNED AT 12.47 PM**

**<THE HEARING RESUMED AT 12.51 PM**

35 **MR BELL SC:** Yes, Mr Conde.

40 **MR CONDE:** I had asked that STA.8000.0013.0001 be brought up, please, if we can go to that. And go to page 0005. Mr Weeks, do you see under the executive summary in the third paragraph, it says:

45 "In the period between 7 July and 24 July 2023, 43 patrons of TSS received a combined amount of \$3,219,420.00 which they were not entitled to because of a flaw in Ticket In, Ticket Out ..."

It should be cash out:

".. machines with coin reject functionality."

Do you see that?

**MR WEEKS:** Yes, I do.

5

**MR CONDE:** If we then go over to page 0008, in the row for item 3, do you see, on the right, the first two paragraphs it says:

10 "The Investigations Team finds that there were numerous failures (human, process and technological) that more than likely prevented the fraud from being identified at an earlier opportunity than 24 July 2023.

15 When considering the consistent visibility of the TICO balance errors across both The Cage and Revenue Audit between 7 June and 24 July 2023, and, most significantly, 11 to 24 July which was the peak period of fraud investigation, the Investigations Team find that the staff who had visibility from these respective Business Units failed to appropriately escalate, investigate and raise the increasing TICO Balance Errors."

20 Do you have any comment on those findings or comments from Investigations Team?

25 **MR WEEKS:** Yes, I think the observation I have - and I held this at the time shortly after this - was that what this incident identified to me was the cultural problem in parts of the casino in relation to the level of rigour through which controls are followed, the level of care in which work is conducted, and the desire from people in the business to drill down on things in circumstances where they don't appear that they are correct.

30 So I was concerned about the cultural issues. I was also concerned about the control environment. Because this is - you know, balancing the books and counting money was one of those things that I had anticipated the casino would be very good at, having done it for many years.

35 **MR CONDE:** In your view, did this event reveal concerns around organisational structure and accountability?

40 **MR WEEKS:** I did identify this event with the company as something that I felt illustrated one of the problems with the absence of new leadership at the casino. I think in circumstances where there was a new leader with the right risk culture, they would set expectations and standards among the business that would reduce the prospect of this type of very significant failure across a large number of people and teams from occurring. That was the view that I put to the company.

45 **MR CONDE:** Do you still have that those concerns today?

**MR WEEKS:** I do.

**MR CONDE:** Why is that?

5 **MR WEEKS:** Well, I think that the safer gambling issue that we - that we discussed, rather, just a little while ago is different to this, but it reveals, perhaps, some similar issues. That is, there was, in both cases, an absence of people speaking up and saying, "We have got a problem here" and escalating issues. And, you know, I think until the new leadership takes hold and really sets a different expectation and standard among team members, these type of incidents may continue to occur.

10

**MR CONDE:** Mr Bell, I see the time. I was about to move to another quite substantive change in topics. So this might be an appropriate time.

15 **MR BELL SC:** Okay. Thank you. In those circumstance, I will adjourn until 2 pm.

**<THE HEARING ADJOURNED AT 12.56 PM**

**<THE HEARING RESUMED AT 2.00 PM**

20

**MR BELL SC:** Yes, Mr Conde.

25 **MR CONDE:** If we can please bring up MGR.0001.0001.0001. This should be of 3 October 2023 report, Mr Weeks. Has that come up for you, Mr Weeks?

25

**MR WEEKS:** Yes, it has.

30 **MR CONDE:** And if we can go, please, to the Executive Summary from page 0003. Just looking down the bottom, do you see the last two paragraphs, it says:

30

"Once the priorities we set had been advanced, we directed TSEG to commence the development of a remediation plan that could be approved under section 91AC of the Queensland CCA.

35

This process has taken six months. It has involved several drafts and several rounds of detailed written feedback. During the process, external expertise has been engaged to supplement capability gaps. TSEG has engaged with historical reports to inform the content of the plan and has forecast a material investment to deliver the plan over several years. We have observed the board and executives engage with the remediation plan."

40

Just to get the timing right, Mr Weeks, at this point in your report dated 3 October 2023, that was two days before Star Entertainment submitted its remediation plan for consideration by regulators on 5 October 2023, wasn't it?

45

**MR WEEKS:** Yes, I think that's right.

**MR CONDE:** At the time of this report, were you referring to an advanced draft of the plan?

5 **MR WEEKS:** I think in the report itself, there is reference to some modest or minor changes to the last draft that we had seen that was going to be submitted by the company, but the draft referred to here was materially the same as the final version.

10 **MR CONDE:** I see. If we could turn, please, then, to page 0004. Do you see the second paragraph on that page, it says:

15 "On balance ... our assessment is that the remediation plan presents a basis on which TSEG can commence delivery of the remediation program. If it is implemented, it is likely to achieve the remediation of the management and operations of TSEG."

Do you see that?

20 **MR WEEKS:** Yes, I do.

**MR CONDE:** And just to understand - if I can just understand what you have written there. May I ask, please, that STA.8100.0054.6546 be called up, please. Sorry, 6546 rather than 6747. Yes. Has a document come up that says "TSEG Remediation Plan Submission - 5 October 2023"?

25 **MR WEEKS:** Yes.

**MR CONDE:** Now, if we can turn, please, to page 6552, there should be a heading Plan Architecture. Yes. It is about midway on the page it says, Plan Architecture. Do you see that?

30 **MR WEEKS:** Yes, I do.

**MR CONDE:** Then there were three levels: Workstreams Initiatives and Milestones. Do you see that?

35 **MR WEEKS:** Yes.

**MR CONDE:** And how would you describe those different levels?

40 **MR WEEKS:** Well, starting at Level 1, that's really the area of the business that is the significant functional area, if you like, so governance. What are all the things that need to be fixed in the governance of the Star Entertainment Group that have been identified by inquiry reports and others? And then there is culture, financial crime. So it's the - I suppose, at the - in terms of the architecture, it's the top of the tree.

And then it filters down into more granular levels of details in the plan - excuse me - to Initiatives, which is the next most significant. So it's areas within those Workstreams. And then finally Milestones, which are individual tasks, all of which combine to - for Star to achieve what they have described in the plan as a target state or the state of the company as they wish it to be at the conclusion of delivery of the Milestones in this plan.

5  
10 **MR CONDE:** And is it correct that there is a very large number of milestones? I think the number I had was 638.

**MR WEEKS:** Yes, it was about that number.

**MR CONDE:** Okay. And if we can look, please, at page 6557, I will just give an example. Okay. About two-thirds of the way down the page, do you see it says:

15 "Workstream 1 - Governance"?

**MR WEEKS:** Yes, I do.

20 **MR CONDE:** Then there is a "Problem Statement" of governance frameworks not being a standard befitting an ASX-listed company with the board and executive management being effective in setting a tone from the top. Do you see that?

**MR WEEKS:** I do yes.

25 **MR CONDE:** And then if we can go to the next page, please, 6558, there is a "Target State" of:

30 "Seek to ensure that the company has effective and sustainable governance frameworks in place to establish a new 'tone from the top' that clearly focuses on embedding a new risk and compliance culture."

Which includes fit for purpose practices and so on. Do you see that?

35 **MR WEEKS:** Yes, I do.

**MR CONDE:** Then further down the page, there are some Key Initiatives, namely, for governance frameworks. It includes a parent company, board and committee membership, executive governance and accountability. And then in the second bullet point, "Clear 'tone from the top'", meaning the board and senior management, promoting the right tone from the time. And a third bullet point of "Strong and clear individual and collective accountability statements". Do you see all of that?

45 **MR WEEKS:** Yes, I do.



**MR CONDE:** Then there is a "Resourcing" section below that, and "Budget" should be over the page. Yes, there is a "Budget" section. And obviously we don't refer to any of the numbers which are in blue for confidentiality purposes.

5 **MR WEEKS:** Yes.

**MR CONDE:** Okay. If I can ask, please, that we now go to 6602. Okay. And this has some Milestones. Do you see there is a Milestone 0.1.9?

10 **MR WEEKS:** Yes.

**MR CONDE:** And in the fifth column, it talks about developing a cultural framework, engaging key stakeholders and so on?

15 **MR WEEKS:** Yes, I see that.

**MR CONDE:** So as a summary from these things I have taken you to, would it be correct - do you agree with this summary. The remediation plan has an overall approach of identifying, in various workstreams, particular target states that are to be achieved and then, as part of that, there are key initiatives requiring resources and budget.

**MR WEEKS:** Yes.

25 **MR CONDE:** And across the entire plan there are then milestones to be achieved.

**MR WEEKS:** Yes, I think that's a fair assessment.

**MR CONDE:** And is it correct that remediation, in your view, will involve something more than just completing certain identified tasks, but it involves a sort of a broader transformation of the organisation?

**MR WEEKS:** Yes, that's important.

35 **MR CONDE:** And why is that?

**MR WEEKS:** Well, I think it is important that this isn't seen as a list to be ticked off, of things that have to be done, because if they are done - you have taken me to a culture milestone here. If a large number of culture milestones and initiatives are ticked off, but the culture of the organisation, its decision-making, the way people think and make decisions and act does not change to meet the target state, then they won't have achieved what they set out to achieve. So I think it's more than just a process of doing milestones, ticking them off. There is a broader object in mind.

45

**MR CONDE:** And would this also be correct, just to pick up the language of the remediation plan. If Star Entertainment were to achieve or be well on track to achieving each of the target states and key initiatives identified in the remediation

plan, then that would likely mean achieving remediation, whereas, by contrast, achieving the milestones is very important but unlikely even of itself to be enough to amount to remediation.

5 **MR WEEKS:** I think that's fair, yes.

**MR CONDE:** Is it correct than Star's achievement of milestones is audited by KPMG?

10 **MR WEEKS:** Yes, they are providing assurance over those milestones.

**MR CONDE:** I will come back to milestones and KPMG, but if we can now return, please, to your report we were looking at earlier. This is MGR.0001.0001.0001 at 0004. So, when I was asking you before about that second paragraph "on balance" and just looking at that second sentence:

"If it is implemented, it is likely to achieve the remediation of the management and operations of TSEG."

20 **MR WEEKS:** Yes.

**MR CONDE:** Is it correct that, taking those statements I put to you earlier, that you are referring to achieving target states and key initiatives, not just milestones?

25 **MR WEEKS:** Well, I am, but I think it is important, Mr Conde, to note that some of the milestones are - have what is described as embedded criteria. So KPMG will do work to see if the change that is described in the milestone has been embedded in the organisation, and that will involve a deeper level of testing to see if the relevant change generated by the milestone has been achieved. So that will provide, I think, a little bit more comfort and confidence for the company, but also regulators that when a milestone is achieved, it is, in fact, embedded and operating effectively.

35 **MR CONDE:** Right. If I can ask then about the first paragraph on this page. You identified a range of risks facing the implementation of the remediation plan and by my count there were three:

40 "Executives and the board must stay closely involved in the plan's execution. Delivery must be supported by adequate budget and resources. TSEG must consistently deliver high quality work in a timely manner, which is not part of TSEG's consult that you are that we have observed to date."

And then you wrote:

45 "We have concerns as to TSEG's ability to identify and manage these risks adequately without supervision."

What sort of supervision were you referring to there?

**MR WEEKS:** I think this report was advice to the regulator about my perspective and what I had observed over 12 months. My term of appointment was coming up - would expire in January and my assessment was some form of oversight was required, whether it be a manager role or something else - that was a matter for the NICC - to carefully scrutinise to delivery of the remediation plan.

**MR CONDE:** There is then a heading on this page "Risks and impediments to reform" and an italicised section "Governance". Do you see that? It is two paragraphs down.

**MR WEEKS:** Yes.

**MR CONDE:** You wrote:

"We have observed the Board being more inquisitive, demonstrating more effective oversight and starting the process of setting an appropriate tone from the top, which are all positive developments. However, the timing, quality and content of Board reporting remains deficient."

Are you able to elaborate, please, on that statement as to what you considered to be deficient about the timing, quality and content of board reporting?

**MR WEEKS:** Yes, I'm happy to do that. The board met a lot. It's been very busy meeting on many occasions through 2023 leading up to this report. I would be - I would attend not all but most of those board sessions as an observer in my role as Manager and Special Manager. I would receive papers for those sections of the meeting that I was interested in. So there was some sections - some papers I wouldn't receive, but most of the papers I would get, and the company would provide them to me.

My observations over the period leading up to October when I wrote this report last year was often papers would be delivered very late, and they would often be voluminous, sometimes as much as 1,000 pages for directors to review in a short space of time. And that - I understand in some respects the reasons why that was happening, how busy the company was, how often it was meeting, how busy executives were. But that is difficult for a board to make - to absorb, consider and provide useful feedback on those papers if they are so voluminous in a short space of time.

The quality and content - my observations were that it was always a large amount of information, but often it was short on insights about the business. And I have seen some improvement in that since writing this report, but that was - they were my observations up to October last year.

**MR CONDE:** And you also write in the next sentence:

"The Board had tolerated this for too long and effective oversight has been compromised as a result."

Did that relate to the materials being provided?

5

**MR WEEKS:** Yes, I think the general quality of reporting to the board, I would have expected the board to be pretty direct with its management team about improving that more quickly than it did.

10 **MR CONDE:** And what would you have expected them to say or do?

**MR WEEKS:** Well, in my experience, one thing they would say is, "You have got to have the papers to us at least seven days before the meeting. We don't want to have 1,000 pages of documents. We want you to take more care in the work you are preparing and ensure that it is concise and contains all the information we need to make a decision." Now, I think that's what I would expect to see in an orderly, well-organised company. In part, during last year, this company was not those things. It was bringing on executives, had a lot to deal with, but I think more could have been done more quickly to improve this.

15

20

**MR CONDE:** In the final sentence in that paragraph it says:

"Subsidiary governance arrangements are not yet operational, and the establishment of compliance committees is incomplete."

25

Just to confirm, did you mean by that statement that the recommendations from Mr Bell's report regarding licensee boards and compliance committees had not yet been completed?

30 **MR WEEKS:** I think that's right, yes, at that point.

**MR CONDE:** Is that the matter we were discussing earlier? You were discussing interactions with Mr Bell?

35 **MR WEEKS:** Yes, that's correct. So I don't think the subsidiary boards met at all during the period from my appointment until October 2023. The compliance committees did meet, a compliance committee for Sydney, but it was at that point still finding its feet in terms of those issues that it needed to have oversight for and the reporting that it was receiving.

40

**MR CONDE:** You then wrote that nine of 12 - I'm sorry, under "Leadership" - yes. Do you see the section heading "Leadership", there is a statement that there are new executives but the time taken has slowed the pace of reform? And you wrote that:

45

"Nine of 12 direct reports to the CEO were senior leaders in an organisation that enabled a culture which cultivated and tolerated widespread misconduct."

If we can just jump ahead, please, to page 0023 of this document. There should be a table. Is it correct that the nine - there are nine executives identified in the table about a third of the way down the page, and those are the executives you are referring to?

5

**MR WEEKS:** Yes.

**MR CONDE:** Is it correct that you would have expected some kind of inquiry or assurance to have been undertaken for Star Entertainment to satisfy itself that any of these longer-term executives had neither known of nor been involved in past misconduct?

10

**MR WEEKS:** Yes, I would expect that to have occurred.

**MR CONDE:** Can we go to STA.8110.0001.0722, and then over, please, to 0723. It should be an email from Ms Kim Lee to Paula Hammond dated 9 May 2022 at 10.07 pm. Do you see that?

15

**MR WEEKS:** Yes, I do.

20

**MR CONDE:** And do you see from the email it was a matter from a board meeting which included, as highlighted there, declarations by the respective executives that they had no knowledge of and had no involvement in any of the matters raised in the Bell Review?

25

**MR WEEKS:** Yes, I see that.

**MR CONDE:** At the bottom of the page Ms Hammond asks a partner at KWM on 10 May 2022 - I don't think it has come up yet - if I can just scroll to the top of this page please. Yes, do you see Ms Hammond sends an email 10.22 at 8.01 am to a person at KWM. It says:

30

"Can you assist with drafting the highlighted below?"

**MR WEEKS:** Yes, I can see that.

35

**MR CONDE:** If we can go back, please, to page 0722, can you see that there is an email dated 10 May 2022 at 3.50 pm and it says:

40

"Hi Paula,

I have prepared a draft declaration, set out below."

Do you see that?

45

**MR WEEKS:** Yes, I can see that.

**MR CONDE:** Then there is a declaration and there is a list of issues like use of CUP debit cards, providing temporary cheque cashing facilities, suspicious transactions in Salon 95, incomplete responses to ILGA and so on. Do you see that?

5

**MR WEEKS:** Yes, I see that.

**MR CONDE:** And the approach is for the person making the declaration to say "No knowledge or involvement except as disclosed" and then there is an opportunity to make any disclosure which arises. Do you see that?

10

**MR WEEKS:** Yes, I see that.

**MR CONDE:** And would you agree that obtaining a declaration like this would have been a positive thing to provide a measure of comfort to Star Entertainment about any executive's lack of knowledge of or involvement in serious misconduct of that kind?

15

**MR WEEKS:** Yes, I think that would - is right.

20

**MR CONDE:** The senior executives whom you had identified were included in a definition of "continuing executives" in a request for information that was issued from this inquiry. I want to show you the response. It's INQ.5000.0003.0006. And the first paragraph - do you see there is a question in italics under Item 1 and then another question in italics under Item 2?

25

**MR WEEKS:** Yes, I see that.

**MR CONDE:** You can take it from me that the "Continuing Executives" referred to in Item 1 are defined later but they are those nine executives.

30

**MR WEEKS:** Okay.

**MR CONDE:** And so then the first paragraph in answer, do you see it says:

35

"No formal procedures specific to each of the Continuing Executives were undertaken to make an assessment of the type described above."

**MR WEEKS:** I can see that.

40

**MR CONDE:** And then I ask you to read the rest of that page down to the bottom, please, including the footnote.

**MR WEEKS:** Yes, I have read that now.

45

**MR CONDE:** If we can go over, please, to page 0007. Do you see there is a reference at the top of the page to the Code of Conduct?

**MR WEEKS:** Yes.

**MR CONDE:** And then further down there is a table with references to probity checks and approvals. Do you see that?

5

**MR WEEKS:** Yes.

**MR CONDE:** Then if we can go over, please, to page 0008, there should be references to the Managing Director's understanding about (a) matters outlined above and historical processes not identifying concerns, and (b) character assessments made. Do you see that?

10

**MR WEEKS:** Yes.

**MR CONDE:** There is then a reference to the draft form of declaration prepared by KWM that I took you to earlier, and it mentions that it was for two interim executives. Do you see that?

15

**MR WEEKS:** Yes.

20

**MR CONDE:** But then it says - see the second-last paragraph:

"Inquiries to date suggest that the declaration was not implemented."

25

**MR WEEKS:** I see.

**MR CONDE:** Then the final paragraph at the bottom of the page, the board had then at that point in March 2024 asked for a declaration to be provided by the executives by 18 March. Do you see that?

30

**MR WEEKS:** I see that, yes.

**MR CONDE:** What, if any, comment do you have on the fact that, following Mr Bell's report in August 2022 recording the things that it did, by March 2024, Star Entertainment had not undertaken a formal procedure specific to its most senior continuing executives to be reassured that none of them had been aware of or participated in the misconduct recorded in Mr Bell's report?

35

**MR WEEKS:** Yes, I'm surprised that that work wasn't done, particularly in circumstances where the certification had been prepared and was ready and also in circumstances, I think, where concerns from me and the regulators about the number of longer-term employees had been raised, that that inquiry should have been made by the company of its continuing executives.

40

**MR CONDE:** Would you agree that, so far as you are aware, it may well have been the case that continuing executives would have been willing to sign such a document, had they been asked?

45

**MR WEEKS:** Indeed, yes.

5 **MR CONDE:** Do you have any comment on the fact that it was in response to this inquiry's prompting that a further form of declaration was sought from the continuing executives?

10 **MR WEEKS:** I think it points to a lack of proactivity by the company. That sometimes important matters attended to once regulators or an inquiry of this nature forces the company to do it, rather than the company considering that it's important to do it in its own right.

15 **MR CONDE:** If we can return now to your 3 October 2023 report, MGR.0001.0001.0001 and still on page 0004. Has that come up for you, Mr Weeks?

**MR WEEKS:** Yes, it has.

20 **MR CONDE:** Do you see you wrote halfway down the page in the leadership paragraph:

"TSEG's leadership team is not yet acting as a collective and has not authentically or clearly communicated a strong tone from the top in a unified way that would ignite enterprise-wide cultural change."

25 **MR WEEKS:** Yes.

**MR CONDE:** What did you mean by the leadership team not yet acting as a collective?

30 **MR WEEKS:** Well, the information I was receiving and my observation suggested that it wasn't unified at that point. And I think, in fairness, it had only been formed in July. I can't recall the date. But - so this was relatively soon after the GLT was formed. But at that point, we hadn't observed that, and I think a collective unified Lead team is an important tool for accelerating cultural change.  
35 At this point in time, we hadn't seen it.

**MR CONDE:** What did you mean by "enterprise-wide cultural change"?

40 **MR WEEKS:** Well, what I meant by that is what the company has aspired to achieve following the casino inquiries, the first round, was a change in its culture to address deficiencies and shortcomings identified in the reports of Mr Bell and Mr Gotterson and other reports. That needs to happen enterprise-wide, and it is part of the remediation plan, and it will take a long time, but we haven't seen signs of that yet.

45 **MR CONDE:** And does that change need to start or be ignited, to use your word there, from the most senior leadership within the organisation?



**MR WEEKS:** I think the board and Group Leadership Team is critical in underpinning cultural change, yes.

5 **MR CONDE:** And it was your impression, writing on 3 October 2023, that that had not occurred.

**MR WEEKS:** That was my impression at that time, yes.

10 **MR CONDE:** You then addressed capability. Do you see the next paragraph?

**MR WEEKS:** Yes.

**MR CONDE:** You wrote:

15 "Capability has improved from a low base, but it remains inconsistent, impeding TSEG's ability to build an influential and valued strategic risk function."

20 Now, was one of the key points in relation to capability that at the time you were writing this report, Star Entertainment had failed to have permanent CEOs in place for any of its three casinos?

**MR WEEKS:** Yes, that was important.

25 **MR CONDE:** Just below that under the heading "People and culture" - well, sub-heading - do you see in the third sentence you wrote:

30 "TSEG's culture is deeply entrenched. Its staff have long tenures and have been socialised into legacy behaviours."

Is this where you were picking up a point about shadow value?

35 **MR WEEKS:** I'm not sure if I was picking it up precisely here. I think that was really a statement of fact. The casino - and it's the casino industry is generally comprised of people who have been in it for a long time, and as we know now from inquiries that have been held not just at Star but in other operators, there have been legacy behaviours in the industry that will be difficult to shake, and that will take time, and I think it was certainly the case - it is certainly the case at Star.

40 **MR CONDE:** With the concept of "shadow values", what are they?

45 **MR WEEKS:** Shadow values were identified by The Ethics Centre in its culture report that was provided to the company around June last year. So the company has its stated values which appear on its website and are discussed with team members and personnel here at Star. But then what The Ethics Centre identified through quite an extensive piece of work was a series of shadow values that were the actual behaviours and mindsets that influenced decision-making at the casino, which is different from the stated values.

**MR CONDE:** If we can go, please, to page 0026 still of this report, do you see about two-third of the way down the page there are some bullet points?

5 **MR WEEKS:** Yes, I see that.

**MR CONDE:** And those are the shadow values identified by The Ethics Centre; is that correct?

10 **MR WEEKS:** Yes.

**MR CONDE:** Just working through each of them, the first, "profit matters most", do you have any observations about that shadow value?

15 **MR WEEKS:** Observations, Mr Conde, in relation to where it came from or its status currently?

**MR CONDE:** Where it came from and how you were referring to it in this October report.

20

**MR WEEKS:** I think in this section of the report, we were simply identifying that these shadow values had been identified by The Ethics Centre through the work that they did. So "profit matters most" was a value, a shadow value that was documented which reflected the historical behaviour and conduct, much of which was identified in Mr Bell's first report: CUP cards, money laundering activity, safer gambling, many of which were underpinned by mindsets and values of the business that placed profit over everything else.

25

**MR CONDE:** Does that remain a - do you remain concerned about that as a value today?

30

**MR WEEKS:** Look, I think that to the extent that these - these shadow values are difficult to change - and behavioural change is difficult and takes time - then I am concerned that it still exists. But I don't think it's reasonable to expect that Star would have been able to eradicate that by now.

35

**MR CONDE:** If I might ask you about the next one, "just get it done"?

**MR WEEKS:** Yes. So that is, again, another shadow value that The Ethics Centre emerged - sorry, identified. That's one thing - I see a little bit of that still particularly in relation to the remediation plan, and I expect we will talk about that in more detail at some point. But there is a lot of dates in there that the company is striving to meet, and it's placing the business and its executives under a lot of pressure. And I think there is a tension that has existed in the company over the last four or five months about just getting it done so we can meet those dates.

40

45

And I do think - and I have discussed this with the company and had fairly productive discussions recently about re-looking at some aspects of that plan to try

and alleviate a little bit of this sort of reflex that I have seen a little bit of "Just get it done" because we have dates to meet rather than the quality of the work.

5 **MR CONDE:** Does that get back to what were you saying earlier about milestones, that although - I think you also noted there is that concept of them being embedded and so on as assured by KPMG?

**MR WEEKS:** Yes.

10 **MR CONDE:** But the role of milestones, I think you said completing them in and of itself would not amount to remediation.

**MR WEEKS:** Indeed.

15 **MR CONDE:** The third shadow value that's identified there of "play politics to stay alive and thrive"?

20 **MR WEEKS:** Yes, that's not a shadow value that I have sort of observed behaviours in the time I have been here that are of material concern to me.

**MR CONDE:** "Stay in your swim lane"?

25 **MR WEEKS:** A similar comment on that one. It's not something that I've observed which concerns me materially.

**MR CONDE:** And "do more with less"?

30 **MR WEEKS:** This has concerned me a bit, and I think in part because of the financial position of the company - and that's quite public. It has been very challenged by an industry that's changing, and the financial model is under considerable pressure. At the same time as Star has been trying to take costs out of the business, it's had to put a lot of costs into the business to fix things and to invest in areas that have been under-invested for a long time. So this is - I do see some decision-making business that looks a little bit like the company trying to do  
35 as much as it can be less, which is, I think, a reflection in large part of the volume of work plus the financial position that the company finds itself.

40 **MR CONDE:** If we can go, please, to page 0005 of this document in relation to financial crime, do you see toward the end of that first full paragraph on this page you wrote:

45 "The tolerance for patron risk remains unclear and governance processes continue to lack transparency and rigour. The quality of patron data and TSEG's ability to report accurately on this to enable high-quality decisions remains low."

Is that going to an issue of risks associated with patrons bringing very large amounts of money into the casino?

**MR WEEKS:** Yes, it includes patrons bringing large amounts of money but also just being able to adequately and carefully assess patron risk more generally.

5 **MR CONDE:** If we can go forward, please, to page 11 of this document, 0011, about two-thirds of the way down the page it says - it is the first full paragraph after the bullet points:

10 "Overall, our assessment was that TSEG had very little knowledge of and intelligence on its customer base."

Do you see that?

15 **MR WEEKS:** Yes, I see that.

**MR CONDE:** Does that mean that risks around financial crime, money laundering and the like are increased?

20 **MR WEEKS:** Yes, that's true. Mr Conde, I might just mention, I think this section of the report is that section that deals with our early observations. Is that correct?

**MR CONDE:** I think that's right.

25 **MR WEEKS:** Yes, I think that's right. And that was a true statement at that time.

**MR CONDE:** Right. What is your opinion of that issue today?

30 **MR WEEKS:** I think it's improved but only modestly, in my assessment.

**MR CONDE:** And why is that?

35 **MR WEEKS:** The company has materially increased investment and resourcing in financial crime, and I think the risks associated with financial crime in the casino are much less than they were when Mr Bell conducted his first review. Now, in large part, that's due to enhanced controls environment that have been imposed by regulators, and also decision by the company to step out of junket play and other high-risk business channels.

40 That said, whilst the investment has been significant, the quality of data upon which decisions are made in the financial crime remains, on our assessment, weak, and if the data quality is not strong, then it's difficult to consistently make good decisions. Not to say that those decisions are right or wrong, but it's difficult to be confident that you can consistently make good decisions where the data quality and rigour applied to decision-making is of a low quality.

45 **MR CONDE:** If you can go back, please, to page 0005. There is an italicised section on "harm minimisation". Do you see that?

**MR WEEKS:** I see that.

**MR CONDE:** Towards the middle to end of that paragraph it says:

5

"The prospects of successfully implementing the cultural transformation required in harm minimisation will rely to a large degree on TSEG instilling a culture of collective accountability for safer gambling among its leaders and throughout the organisation."

10

What did you mean by the expression "culture of collective accountability"?

**MR WEEKS:** What I mean by that is there is a safer gambling department, and there are executives who are responsible for the company's adherence to safer gambling obligations. What the company needs to, I think, to successfully transform this part of its business is to ensure that the company doesn't view the responsibility for adherence with good harm minimisation practices to those people whose job it is to do it. It needs to be everybody's job.

20 So key decision-makers at the casino who are considering new business plans, people who are assessing customers, it needs to be seen as a collective accountability so everyone is accountable rather than just those who have that name in their title.

25 **MR CONDE:** And you said in that final sentence:

"We have not yet observed evidence of this collective accountability."

It was an opinion expressed then.

30

**MR WEEKS:** Yes.

**MR CONDE:** What is your opinion now?

35 **MR WEEKS:** I think it's improving. Still quite some distance to go. And then we conducted some focus groups, for example, in Sydney earlier this year with a large number of casino team members, and there is a greater awareness of the company's responsibility to protect customers who are susceptible to gambling-related harm. So there is clearly more visibility about the need to be better at that. But equipping and arming people in the casino with the skills and training required to do that, I think, is - in its early stages of implementation.

40

**MR CONDE:** Do you see, finally, under the section "Conclusion", in the last paragraph of this page, if we can just - I think scrolling down, please. Yes, it's the - sorry, from the second line of that last paragraph:

45

".. our view is that continued oversight, scrutiny, guidance and reporting to casino regulators is required from an independent party. This will be required,

in our view, until TSEG can demonstrate a consistent ability to detect and manage risk to its operations in a timely, rigorous way and a capacity to deliver high quality self-driven uplift."

5 Again, that was your opinion then. In your opinion today, has Star Entertainment demonstrated what you have described there as a consistent ability to detect and manage risks to its operations in a timely rigorous way and a capacity to deliver high-quality self-driven uplift?

10 **MR WEEKS:** Not yet.

**MR CONDE:** And why is that, Mr Weeks?

15 **MR WEEKS:** I think in the period since I wrote this report in the beginning of October and now, there has been progress in some areas, but not sufficient progress to cause me to change that opinion that I formed in October.

20 **MR CONDE:** Thank you. If I can now show you MGR.0001.0001.8345. Has a document come up for you, Mr Weeks, that says "Post Implementation Review of ICM Controls NSW Phase 1 Report"?

**MR WEEKS:** Yes, it has.

25 **MR CONDE:** And it is dated 11 October 2023. Do you see that?

**MR WEEKS:** Yes.

**MR CONDE:** Is this a document that you recall receiving?

30 **MR WEEKS:** Yes.

**MR CONDE:** And what is it?

35 **MR WEEKS:** My recollection is that it was an internal audit report that assessed the operational effectiveness of a number of new controls that were implemented or introduced into the casino as part of the ICM uplift that we spoke about a little bit earlier.

40 **MR CONDE:** If we go over to page 8346, please. Do you see there is an overall report rating of unsatisfactory?

**MR WEEKS:** Yes.

45 **MR CONDE:** And it says:

"The overall report rating for this engagement is unsatisfactory. This rating reflects the volume and nature of findings identified during this engagement. The ICM project is a key foundation for the Star's Pathway to Suitability,

with the effective operation of underlying controls critical to the Group's ability to operate. In general, the controls tested during this engagement are not yet sustainably embedded or operating effectively with consistency."

5 Do you see that?

**MR WEEKS:** Yes, I do.

**MR CONDE:** And what, if any, comment do you have on that?

10

**MR WEEKS:** I don't think when we received that report we - I didn't expect to see a glowing report, and I don't think that is a criticism of the company. The controls were new. The control environment generally is weak. So that finding was, in some respects, not surprising but concerning, because the controls are those things that allow the company to ensure that it is compliant with its regulatory obligations. So there is concern there, and that concern was shared by other recipients of this report in the company when it was received.

15

I was pleased that this reporting of internal work was being done because that was something that, historically, the company had under-invested in, and we have seen an improvement in that, so at least this type of reporting is coming through.

20

**MR CONDE:** And are you aware of a Phase 2 report?

25 **MR WEEKS:** Yes.

**MR CONDE:** I think before going to that, chronologically, I should stay with your 24 November 2023 addendum. So perhaps if we can have that brought up, please. It is MGR.0001.0001.0039. Do you see, Mr Weeks, in the second paragraph it says the NICC had asked you to provide further observation on matters and themes that had emerged and continued following the issue of your report?

30

**MR WEEKS:** Yes, I see that.

35

**MR CONDE:** As best you can recall, was there any particular reason that you can remember for why you were asked to provide the addendum?

**MR WEEKS:** Since providing the 3 October report, I would meet on a weekly basis with the NICC. I have done that since I have been appointed into this role. And there are a number of things that have occurred between the 3 October report and when the NICC asked me to produce this that they wanted me to record in writing to assist with decision-making that they were about to make.

40

45 **MR CONDE:** On this page, 0039, the last bullet point under "Overall view", do you see it says:

"The CEO and executive have fallen short of the NICC's expectations on several matters."

**MR WEEKS:** Yes.

5

**MR CONDE:** As best you can recall, what were you referring to there?

**MR WEEKS:** Well, there were several things. One was the ongoing lack of progress in organisational structure. So from the 3 October report to this end of November report, there had been no progress in Sydney. There had been a Gold Coast CEO appointed but not in Sydney. There was an issue that had emerged during that period in relation to what I regarded to be a very important matter in relation to the company's conduct of enhanced customer due diligence on a large group of Star customers that I was concerned about.

15

There was a process to introduce or re-introduce, perhaps, complimentary alcohol to private gaming rooms in the casino, and there are aspects of that work that had been brought to my attention that concern me. In addition to that, there was a cashless trial that had been scheduled to occur, I think, in October that was delayed and commenced, I think, in January or February this year. And the delay in that trial was concerning, given that the August 2024 date to introduce cashless and card play across the casino. So there may have been some other matters that we discussed, but there is some examples.

20

**MR CONDE:** And do you see in the next paragraph, it says, underneath the bullet points:

25

"We noted in our report that the Board has played a passive role over the last year. This has not changed since our report. The Board has a low level of visibility and it has not overseen an investment in building the expertise needed for a significant cultural transformation. Each of the above matters have been raised with the Board, but it has failed to take steps to improve things. We are concerned that if the Board remains passive and continues to acquiesce to Star's executive, the change required will not occur and Star's remediation will fail."

30

35

Those were your opinions then. Do you continue today to have those opinions?

**MR WEEKS:** I'd say a couple of things about that. The board has taken some steps since this report, I think, to increase its visibility. I have seen some directors attend town halls for staff. So I'm not sure if that was a conscious response to this or a decision which was always planned. The company also, since this report, it has been a pretty consistent message from me to the company that I was concerned about the company's capability and resourcing of people who have experience in complex cultural transformations.

40

45

I and my team didn't consider that those - that that expertise resided in the company. It is just in the last few weeks the company has retained someone called



Elizabeth Arzadon, who has a good reputation and someone that is regarded highly in this area. So in terms of cultural transformation, that is a positive. I would have preferred that that happened much earlier. And so I think there has been some changes and improvements since writing this set report, but I do think  
5 that there is a - some of the matters we discussed earlier this morning, Mr Conde, sort of point to the board's role in overseeing management and ensuring things are done when and as they should be needs to improve.

10 **MR CONDE:** If we can call up, please, STA.8102.0010.8333. Yes. Has a letter come up for you, Mr weeks, dated 29 November 2023 on NICC letterhead addressed to Mr Foster, Chairman of Star Entertainment?

**MR WEEKS:** Yes, it has.

15 **MR CONDE:** Do you see further down the page it provides copies of your report and addendum to Mr Foster?

**MR WEEKS:** Yes.

20 **MR CONDE:** Then over to page 8334, please, to the third paragraph on the page:

"The NICC asks that you ..."

25 That is Mr Foster:

".. bring this letter to the attention of the full Board. We look forward to meeting with yourself and the non-executives directors on 7 December 2023. We have requested Nick Weeks also attend that meeting."

30 Do you see that?

**MR WEEKS:** Yes.

35 **MR CONDE:** Now, do you recall discussing this letter with Ms Betty Ivanoff, the Chief Legal Officer, at or about this time?

**MR WEEKS:** I'm not sure if I discussed this letter, but I did discuss around this time the reports. I can't recall precisely, Mr Conde, about the letter.

40 **MR CONDE:** Do you recall if she had seen your reports?

**MR WEEKS:** I recall the discussion was she had not seen the reports. That was one of the things we discussed.

45 **MR CONDE:** Do you recall receiving a message from Mr Foster afterwards asking you not to discuss the NICC's letter with anyone other than the board?

**MR WEEKS:** Yes, I do remember receiving that.

**MR CONDE:** And, to your understanding, did that mean excluding the GLT, save for Mr Cooke, the CEO?

5 **MR WEEKS:** Yes.

**MR CONDE:** What, if any, comment do you have on that?

10 **MR WEEKS:** Well, I was a bit surprised when I received it, and initially I didn't agree to make that commitment to Mr Foster. I didn't feel that I needed to do that, but I did agree, ultimately, we were meeting that week, that I would do that and I wouldn't speak to any GLT members about the reports until we had met on the Wednesday, I think, that week, from memory. I was surprised that the reports weren't immediately shared with the executive team.

15

**MR CONDE:** And why is that?

20 **MR WEEKS:** Well, the reports identify potential impediments to reform. And in order, in my assessment, for the company to respond appropriately to those potential impediments, it needs the full executive shoulders to the wheel working to try and do that. I don't think it's something that Mr Cooke or the board can do alone. So I was surprised that it wasn't shared immediately and that the executive didn't put their heads together to develop a plan to work out how they would respond to it.

25

**MR CONDE:** You then had the 7 December 2023 meeting with the NICC and the directors, which we have already discussed.

30 **MR WEEKS:** Yes.

30

**MR CONDE:** At that meeting, do you recall whether there was any discussion either at the meeting or perhaps around this time about sharing those reports with the GLT?

35 **MR WEEKS:** I - I'm not sure if it happened at that meeting but I did have a discussion with the chairman later in December when I asked him if that was the intention, and he said it wasn't, that it was going to be confined just to the board and Mr Cooke as the Managing Director. And I asked him why. His response was he felt it would damage morale if it was shared with the executive team. And I  
40 asked him who was going draft the response and he said that that would be Mr Cooke and the board. Although, he did say that sections of the report would be shared with management to assist in that process.

45 **MR CONDE:** And do you have any comment on that?

**MR WEEKS:** Again, I'm a little bit surprised. I think, you know, on my assessment, the reports are quite balanced. They provide an identification of issues that were important for the company to address. In order to assess those

observations properly, I think it needed the broader executive team who had functional responsibility for the different areas, both in terms of assessing the report but also in developing a plan, to address areas of concern or deficiencies that had been identified. So I was surprised that that wasn't the process they followed.

5  
10 **MR CONDE:** If I can turn now to enhanced customer due diligence, or ECDD. First of all, Mr Weeks, I will just ask you to explain in general terms what is ECDD.

**MR WEEKS:** It's a prescribed form of due diligence that the company is required to make or to undertake with respect to high-risk customers of the casino. It is a process that is documented in the AML/CTF laws but is also addressed in the ICMs, and particularly the uplifted ICMs. And the purpose of it is to enable the company to make good risk decisions with respect to customers that attend the casino by understanding their background more and being able to assess the risk.

15 **MR CONDE:** And do you consider it, therefore, to be a very important role?

20 **MR WEEKS:** Yes, very important, particularly for Star. Because, historically, they knew very little about their customers, and they needed to undertake a process to learn a lot more so they could make better decisions - better risk decisions about the customers.

25 **MR CONDE:** If I can then show you an extract. It is STA.8000.0037.0109. This should be a Star Entertainment Risk Appetite Statement document. First of all, do you see, Mr Weeks, on the front page of this document, it is dated 1 March 2024 and it is said to be Version 4, approved by The Star Entertainment board?

30 **MR WEEKS:** Yes.

**MR CONDE:** So far as you - sorry, pausing there, have you seen this document.

**MR WEEKS:** I have, yes.

35 **MR CONDE:** So far as you are aware, is this the most current version?

**MR WEEKS:** As far as I'm aware, it's the most current approved version. There is an amended draft version that went to the board for consideration on 27 or 28 March, but that wasn't approved at that time. So I think this Risk Appetite Statement is the current approved statement.

40 **MR CONDE:** If we start at page 0114, please, do you see towards the top there is a green, amber and red explanation of risk appetite.

45 **MR WEEKS:** Yes.

**MR CONDE:** So green is in risk appetite, amber is in risk but early warning indicator that action is required, and then red is out of risk appetite, which requires immediate action. Do you see that?

5 **MR WEEKS:** I do, yes.

**MR CONDE:** And so far as you can recall, has the proposed new version of this document changed this threshold table?

10 **MR WEEKS:** Not as far as I recall, no.

**MR CONDE:** If we go, please, to page 0127. You see about two-thirds of the way down the page, there is a row that says:

15 "Number of Enhanced Customer Due Diligence (ECDD) reviews completed late"?

**MR WEEKS:** Yes.

20 **MR CONDE:** And this is a risk appetite metric where the details given there are that the risk of:

"ECDD reviews not completed within the prescribed regulatory time period for the month."

25

Do you see that?

**MR WEEKS:** Yes.

30 **MR CONDE:** And then the calculation is:

"Total number of ECDD reviews not completed within the prescribed regulatory time period."

35 With the source of TrackVia?

**MR WEEKS:** Yes.

40 **MR CONDE:** Then the green number is zero; amber, three; and red is greater than three. Do you see that?

**MR WEEKS:** Well, I actually have the video sitting over the greater than three, but I will take it as red, Mr Conde.

45 **MR CONDE:** Well, is it correct that if there are three reviews, at least on your understanding of how this appetite statement is to work -

**MR WEEKS:** Yes.

**MR CONDE:** If there are three reviews not completed within time, is it correct that that is out of risk appetite and requires immediate action?

5 **MR WEEKS:** Yes. No, sorry, that's amber and so it is an early warning sign that should require attention.

**MR CONDE:** Sorry, and then greater than three -

10 **MR WEEKS:** Yes.

**MR CONDE:** You are taking it from me it says that for red, and then that requires immediate action.

15 **MR WEEKS:** Yes.

**MR CONDE:** So first of all, do you have any comment on this metric which relates to time?

20 **MR WEEKS:** Yes. I - and I communicated this to the board when I met recently. I don't regard this as a particularly useful indicator of risk - financial crime risk in the casino. I think this is a helpful indicator of the ability of the Financial Crime team to process things within time, but I don't think it's particularly insightful in terms of the prevailing risk to the business.

25

**MR CONDE:** What do you think is a better indicator?

**MR WEEKS:** Well, I think there would be opportunities to include something here which provided some insight to the quality of ECDD decisions. Now, that would require some thought or attention by experts to consider some metrics which would give the board and management visibility about the quality of decisions, but I think that's what's, to me, missing from this page. Because that is a very important risk that I think is currently prevalent in the casino.

30

35 **MR CONDE:** Do you agree that although quality should be the governing consideration, time is not irrelevant to that?

**MR WEEKS:** No, indeed. Time - it is important to do things on a timely basis and to do them well.

40

**MR CONDE:** And is there any number, whether it be three or some other number, that you think should be fitted in here for triggering amber or red?

45 **MR WEEKS:** Well, I think one of the things - there is a lot of remediation work that needs to be done by the casinos. So there is some large backlogs, if you like, of ECDD and transaction monitoring works that need or have needed to be dealt with by the casino. I don't - in a normal operating environment, once all that remediation work is done, I don't have a strong view on the number. I would take

advice from people who are expert in financial crime about what is an appropriate level to trigger immediate action.

5 **MR CONDE:** Do you recall preparing a memorandum to the NICC dated 29 November 2023 regarding concerns that you had in relation to customers not being subjected to ECDD properly and indeed within the relevant time?

**MR WEEKS:** Yes.

10 **MR CONDE:** If we can go to that, please. It is MGR.0001.0001.0103. Has that come up for you, Mr Weeks? It is a memorandum dated 29 November.

**MR WEEKS:** Yes.

15 **MR CONDE:** Then, if you can go over the page, please, to 0104. There should be a heading "The Transitional Provision".

**MR WEEKS:** Yes.

20 **MR CONDE:** Do you see that? It is just after paragraph 7.

**MR WEEKS:** Yes, I do.

25 **MR CONDE:** Would this be a fair summary. Ordinarily, the ICM required ECDD to be commenced within a given period - it is identified in paragraph 8 - and completed within a period that is identified there. And Star had a backlog of about 10 to 11 thousand customers, needing three or so hours each, and there just wasn't going to be enough time to complete those checks properly within the timeframe.

30 **MR WEEKS:** Yes.

**MR CONDE:** So is it correct that the NICC approved a three-month extension for that ECDD to be completed to 30 September 2023?

35 **MR WEEKS:** That's correct.

**MR CONDE:** And did you consider that the ECDD could be achieved in that timeframe?

40 **MR WEEKS:** I thought it would be challenging with respect to the original amount of ECDD cases, which they estimated to be 10 to 11 thousand. That number grew rapidly to somewhere between 25 and 30 thousand. So, in my assessment, to do that, based on the amount of time Star told us it takes to do one and the resources available to it, I anticipated that three months would be  
45 inadequate and the company would need to approach the NICC for additional time, as they had been invited to do if needed.

**MR CONDE:** I will show you a letter dated 30 September 2023. That's INQ.5001.0001.0239. Do you see this is a letter from Star to Liquor and Gaming New South Wales dated 30 September 2023?

5 **MR WEEKS:** Yes, I see that.

**MR CONDE:** Do you see the second paragraph:

10 "On 01 September, TSEG notified Liquor, Gaming and Fair-trading Office of Liquor and Gaming Regulation that the remediation cohort had increased by 14,618 ..."

Which took the customer remediation cohort to a total of 32,205.

15 **MR WEEKS:** Yes, I see that.

**MR CONDE:** I think you said earlier the number was 25 to 30 thousand. Do you have any comment on that number there of 32,205?

20 **MR WEEKS:** No, I accept that that must have been right.

**MR CONDE:** And then still on this page, the second-last paragraph, do you see it says:

25 "As at 30th of September, all customers identified in the ECDD cohort (32,205) have been completed."

**MR WEEKS:** Yes.

30 **MR CONDE:** If we can go over, please, to page 0240, do you see there is a table with various - with a number of columns.

**MR WEEKS:** Yes.

35 **MR CONDE:** And they are recording measures and then rows of either "Not started" "In progress" or "Completed".

**MR WEEKS:** Yes, I see that.

40 **MR CONDE:** May I just ask you, please, to step through each of these measures to explain what they are. First of all, KYC?

**MR WEEKS:** Yes, that's the processes the company needs to undertake to safely identify that the customer is who they say they are.

45

**MR CONDE:** And Measure 2, "PEPs"?

**MR WEEKS:** That's to identify whether or not a customer be a politically exposed person and, therefore, subject to extra scrutiny.

5 **MR CONDE:** Is Measure 3 checking whether or not they are subject to sanctions?

**MR WEEKS:** Correct.

**MR CONDE:** Similarly, adverse media for Measure 4?

10 **MR WEEKS:** Yes, that's right.

**MR CONDE:** Measure 5 is Source of Wealth?

15 **MR WEEKS:** Yes, Source of Wealth check. Yes.

**MR CONDE:** And then Measure 6, what, to your understanding, does Transaction analysis involve?

20 **MR WEEKS:** Transaction analysis requires the company to analyse a customer's transaction so they can understand more about their gaming activity and if there are any red flags in that.

**MR CONDE:** And for "Review", do you know what that measure is?

25 **MR WEEKS:** Yes, it is the process that has been approved by Liquor and Gaming or NICC - one or the other. It requires ECDD to be completed by analysts and then subject to review by a more senior manager in the company.

30 **MR CONDE:** Right. And all seven of those columns have 32,205 customers recorded as completed for each of those measures. Do you see that?

**MR WEEKS:** Yes, I see that.

35 **MR CONDE:** If we can go back to your note, MGR.0001.0001.0103, and at page 0104. In paragraph 16 of your memorandum, do you see you refer to Star's 30 September 2023 letter?

**MR WEEKS:** Yes.

40 **MR CONDE:** And you noted a similar communication in paragraph 17. Do you see that?

**MR WEEKS:** Yes.

45 **MR CONDE:** If we can go over, please, to page 0105, in paragraph 20 you noted that you were:



".. advised that Star had changed the ECDD process for the Remediation Cohort."

And you:

5

".. were not informed about this prior to its implementation and understood that neither L&G nor the NICC had been advised."

**MR WEEKS:** That's correct.

10

**MR CONDE:** And do you see paragraph 24, you wrote that your concerns were substantiated?

**MR WEEKS:** Yes.

15

**MR CONDE:** Now, would it be fair to say that the ECDD checks were not conducted in the manner that you had expected would occur?

**MR WEEKS:** That's fair.

20

**MR CONDE:** And why was that?

**MR WEEKS:** Well, we understood that there was a process that was compliant with the procedures required in the ICMs, and those procedures, among other things, require certain steps to be done. It is not a discretionary option for the company. One of those steps is Source of Wealth checks. Now, based on the information that had been provided to me, I formed a view that those Source of Wealth checks had not been undertaken with respect to almost all of the ECDDs that were performed as part of this cohort. So I was concerned about that.

25  
30

I was also concerned about the review process which requires an ECDD case to be reviewed by a more senior manager, and the information that I received from the company suggested that they had undertaken what is described as a bulk processing. So they had aggregated customers within that cohort with similar characteristics and processed them in bulk, which I don't think was part of what had been approved as through this ECDD process.

35

**MR CONDE:** If we go to page 0106, I think there is detail around the bulk issue you just mentioned. So, do you see the first subparagraph ii, it mentions that:

40

"This did not occur for 22,384 customers ..."

They were said to demonstrate similar characteristics and, on that basis, were approved in bulk. What, if any, comment do you have on that approach of a bulk approval?

45

**MR WEEKS:** Well, part of the reason why there is a review process is that these decisions need to be carefully made and based on the individual characteristics of

each ECDD case. Now, in some circumstances, it might be reasonable to bulk approve a large number of customers, but that would have to follow a very rigorous and careful assessment of the process through which that was proposed to be done. And I - well, (1) I don't think L&G were approached to alter the approved process. And (2) I didn't see evidence of a careful and well thought through process to identify a bulk approval of a cohort.

5  
10 **MR BELL SC:** Mr Weeks, should I understand this bulk approval included Source of Wealth checks?

**MR WEEKS:** I think that is right, Mr Bell.

**MR BELL SC:** How can you bulk approve Source of Wealth for multiple customers.

15 **MR WEEKS:** Yes, well, I think in this case, the company didn't receive any Source of Wealth information. So that might have been one of the common characteristics that were - formed the bulk of customers to be approved.

20 **MR BELL SC:** Sorry, I'm still not quite understanding this. How could the ECDD process have satisfactorily occurred without Source of Wealth checks?

**MR WEEKS:** Yes, well, that is fundamentally the point that I have made to the company and I think results in, at least on my assessment, a breach of the ICMs.

25 **MR BELL SC:** Yes, thank you. Mr Conde.

**MR CONDE:** Mr Weeks, on the question of Source of Wealth, is it correct that what Star had done was emailed 32,000 customers to say, "The next time you come in, you will be required to complete a Source of Wealth check but you can complete one now if you want to"?

**MR WEEKS:** Yes, they did do that. They did also mark those customers as inactive on their system who didn't complete that Source of Wealth, but that is the process through which they tried to obtain Source of Wealth information.

**MR CONDE:** If a customer is marked as inactive, does that mean they are barred from entered entering the casino?

40 **MR WEEKS:** No. It means they can't enter - or if the systems are working effectively, they can't enter a private gaming area because they would need to show a card, and that card should identify them as inactive. And they can't use a card on the gaming floor. And if they did approach the cage and engage in a transaction of a sufficiently large level that required them to identify themselves, then if the controls are working appropriately, that should be identified. But it's very difficult to prevent them from entering the casino. Their facial images, for example, aren't uploaded on the facial recognition technology.

**MR CONDE:** So if they don't present a card or gamble at a sufficiently high level, they would be able to gamble at the casino.

5 **MR WEEKS:** Yes, I think it would be difficult to detect them if they did those things.

**MR CONDE:** In terms of transaction analysis which is listed under subparagraph C here, you wrote that:

10 "Transaction analysis was only conducted for customers that had transacted with Star in the last 12 months."

15 And it would that approximately 30,000 customers within the remediation cohort were not subject to any transaction analysis. What, if any, comment do you have on that approach?

20 **MR WEEKS:** I think it places the company at risk of making poor decisions in relation to a customer. So what that would mean is that if a customer hadn't been in the casino for 12 months but they had been consistently prior to that and they had a large amount of transactions that were capable of being analysed, that wouldn't be done.

25 **MR CONDE:** And in paragraph d, when you talk about inactive customers, is the point in ii there the one that you were making earlier that we were discussing?

**MR WEEKS:** Yes, that's right.

**MR CONDE:** And iii as well about facial recognition. Do you see that?

30 **MR WEEKS:** Indeed, yes.

**MR CONDE:** You have then identified in paragraph 26 some concerns that you held in relation to this:

35 "A. Compliance with ICMs;  
B. Governance and risk management practices; and  
C. Culture and transparency in dealing with regulators and ourselves."

40 I might just ask you about the last one, culture and transparency in dealing with regulator and with you. Do you consider that Star failed to be frank and transparent?

**MR WEEKS:** I do.

45 **MR CONDE:** If you consider the 30 September 2023 letter which I took you to where Star wrote that:

"As at 30 September all customers identified in the ECDD cohort (32,205) have been completed."

How would you describe that communication?

5

**MR WEEKS:** I think it's potentially quite misleading.

**MR CONDE:** And why is that?

10 **MR WEEKS:** Well, I don't think it was completed. I think what the company could have done is - well, two things: (1) given the escalation in the number of ECDD cases beyond the initial 10 or 11 thousand, I think, in that letter you took me to, then I think the company should have approached me and regulators and said, "We have got a much larger number of customers. We have got some  
15 problems getting through this. This is what we would like to do. Can you let us know if that's okay?"

That didn't happen. I think it should have happened. And even if it didn't happen, when the company wrote to the regulator and said, "We have completed ECDD",  
20 there was an opportunity then to say, "We have completed ECDD with respect to this number of customers. With respect to the following customers, we have been unable to complete it because we have been unable to source, Source of Wealth information, but this is our plan to deal with those customers appropriately." I think that would have been a much more transparent and candid piece of  
25 communication with the regulator.

**MR CONDE:** And is the approach that Star took something that could be characterised as a risk-based approach?

30 **MR WEEKS:** I think it is, yes.

**MR CONDE:** And so is it the case that although the ICMs might not take a risk-based approach, that explanation could and should have been given, in your  
35 view?

35

**MR WEEKS:** Yes, I think that it certainly should have been explained as to how that risk-based approach was taken, but I think before it was taken, a careful and proper assessment of the ability of the company to do that in light of the ICMs should have been work completed by Star.

40

**MR CONDE:** And would you agree that complying with an ICM is very important for the casino to do?

**MR WEEKS:** Yes, I would agree.

45

**MR CONDE:** And so the better approach, perhaps, would be to try to amend the ICM?

**MR WEEKS:** Well, I think in this case the better approach would have been to have approached the regulator to identify that large backlog and to discuss ways in which this could be done in an orderly and careful way. That didn't happen. If Star felt that it needed to approach the regulator to amend the ICM, then certainly it should go through the front door and do that.

**MR CONDE:** Mr Bell, I was moving to another document, so this might be an okay time for your afternoon break.

10 **MR BELL SC:** Yes, I will adjourn now until 3.45 pm.

**<THE HEARING ADJOURNED AT 3.28 PM**

**<THE HEARING RESUMED AT 3.46 PM**

15 **MR BELL SC:** Yes, Mr Conde.

**MR CONDE:** If we can still have up please MGR.0001.0001.0103. There was a further question I wish to ask Mr Weeks. At page 0104, if I could ask that paragraph 9 be enlarged, please, for Mr Weeks. Do you see, Mr Weeks, paragraph 9 and the reference there to submissions that Star had made about the time taken?

**MR WEEKS:** Yes.

25 **MR CONDE:** And in particular, in subparagraph (b) that:

"It takes 2.5 hours to complete one ECDD review ..."

And a further three-quarters of an hour to complete a quality check?

30 **MR WEEKS:** Yes.

**MR CONDE:** Now, you agreed earlier that Star had later made - taken a risk-based approach. Would you agree that a risk-based approach is quite different from the approach contemplated there in paragraph 9?

**MR WEEKS:** Yes.

40 **MR CONDE:** If I can now show you an earlier communication to a different regulator. It is MGR.0001.0001.4838. In fact, it might be better if we use a version STA.8000.0029.0054. I believe it's the same document. Yes. Do you see this is a letter from Allens dated 14 July 2023?

**MR WEEKS:** Yes.

45 **MR CONDE:** And addressed to the Australian Government Solicitor?

**MR WEEKS:** I see that.

**MR CONDE:** And this relates to - final part of the subject that says:

"AUSTRAC concerns relating to EGM and cash activity"?

5

**MR WEEKS:** Yes, I see that.

**MR CONDE:** If we can go over, please, I think it will be 0057. It is paragraph 12 that I would like to go to, please. Yes. Do you see it says:

10

"Your letter also identified concerns that customers exhibiting unusual transactional activity are not being referred for ECDD and are permitted to continue to engage in highly unusual transaction activity and that Star's systems and controls for identifying and reporting suspicious matters are deficient."

15

First of all, has that come up for you, Mr Weeks?

**MR WEEKS:** Yes. If you wouldn't mind, allow me to just read that quietly.

20

**MR CONDE:** Yes.

**MR WEEKS:** Yes, I have read that. Thank you.

**MR CONDE:** Was this the sort of issue that the ICM was meant to address?

25

**MR WEEKS:** I think - I think it was in the sense that some of the discretionary or risk-based decision-making that is permitted under AML/CTF laws has been removed from casino operators to provide a more prescriptive approach to those customers that ECDD must be conducted with respect to and how that ECDD must be undertaken.

30

**MR CONDE:** If I could ask that paragraph 13 be brought up, please. And I just refer you to the second sentence:

35

".. Star is in the process of performing or re-performing ECDD measures on relevant Schedule 1 customers in order to assess the ML/TF risks by the customer."

**MR WEEKS:** Yes.

40

**MR CONDE:** So far as you are aware, Mr Weeks, at the time of this letter in July 2023, were the ECDD measures that Star was performing the same measures that were the subject of the 30 September 2023 letter to Liquor & Gaming?

45

**MR WEEKS:** Well, is the - is the question if the schedule 1 customers referred to here - I think they were schedule 1 to an AGS letter. Is that right, Mr Conde?

**MR CONDE:** Yes.

5 **MR WEEKS:** Yes. Are they the same customers who were part of the ECDD backlog, which was the matter we were previously discussing? I'm not sure if they were all the same or if there was some overlap.

**MR CONDE:** I'm sorry. I was also wanting to ask you, though, about the actual ECDD measures themselves.

10 **MR WEEKS:** Yes.

**MR CONDE:** Perhaps I will ask this. Are you aware of any other ECDD measures undertaken by Star at about this time?

15 **MR WEEKS:** Yes. Well, at this time, what Star was doing is they had what they described as their BAU ECDD, which was their business as usual, and then their backlog ECDD, which is the type of approach they applied to that 32,000 customer list, so - and that was a - the backlog ECDD was much quicker and less rigorous than what Star considers its BAU ECDD to be. So they had decided to  
20 take a different approach with respect to their remediation cohort than their business as usual, so if a new customer was identified as high risk and needed ECDD.

25 **MR CONDE:** And so if we look at paragraph 14, please, if we can have that brought up, I will just ask that you read that, Mr Weeks, please.

**MR WEEKS:** Yes, I have read that.

30 **MR CONDE:** Is it correct that so far as you are aware, the reference to "Star is taking further steps", you don't know whether that's the BAU or remediation cohort?

35 **MR WEEKS:** Well, I think the reference here is - well, there is a remediation plan, Mr Conde, that Star had developed. It does contemplate enhancements to its financial crime operations. And there has been a number of reviews recently that have identified ECDD as being deficient. All of those, of course, after this  
40 correspondence. So I am not certain that I have seen, from the date of this correspondence in July last year, a material uplift or improvement in the types of ECDD that the company has told AUSTRAC that it is undertaking.

**MR CONDE:** I see. If we can turn, then, to paragraph 17 of this letter. I think it will be 0058. If I could ask you, please, Mr Weeks to read that.

45 **MR WEEKS:** Yes. Yes, I have read that.

**MR CONDE:** Do you have any comment on that paragraph?

**MR WEEKS:** I think that some of what is said here, particularly in (a), is a fair reflection of the sort of broader uplift that is anticipated to be delivered through the remediation plan, and some of the concessions that Star makes in relation to areas of improvement are appropriate. I'm interested a little bit in this reference to  
5 the 18,000 customers. That looks like at least a subset or a part of the 32, to me, in that they were identified after the customer risk assessment model was rolled out in July.

10 And they say there that:

"Star is in the process of carrying out ECDD in relation to its customers in accordance with its ECDD standard."

15 Now, I would expect what Star ought to be doing is carrying out ECDD in relation to those customers in accordance with its regulatory obligations in the ICMs rather than the standard.

**MR CONDE:** And were you aware of this communication in or around July  
20 2023?

**MR WEEKS:** Yes, I recall this letter was provided to me.

**MR CONDE:** And do you recall when?

25 **MR WEEKS:** I can't recall when, Mr Conde. I think it was around the time that it was sent to the AGS, but I'd have to check.

**MR CONDE:** I see.

30 **MR BELL SC:** Mr Weeks, what is the ECDD standard, as you understand it, referred to in subparagraph (b)? And what is its relationship to the ICM obligations?

35 **MR WEEKS:** Yes. I believe, Mr Bell, that is a standard which I think now is called the Standard Operating Procedure, or SOP, which are procedural documents that help the company ensure that it can comply with its ICM. They are documents that are not approved by the regulator, but the company has them such that it can be confident that it can comply with the ICM obligation.

40 **MR BELL SC:** So if it's referring to a standard operating procedure, that would necessitate it being consistent with the relevant ICM, would it not?

**MR WEEKS:** It should, yes.

45 **MR BELL SC:** Yes, thank you. Mr Conde.

**MR CONDE:** Now, is it correct that in December 2023, you engaged Oliver Wyman to undertake a rapid review of certain AML/CTF controls?



**MR WEEKS:** Yes, that's correct.

5 **MR CONDE:** Is that in the context of your concerns regarding the 32,000 cohort of customers that we were discussing?

10 **MR WEEKS:** Not so much with respect to those customers. I had formed a view about the way in which the company had performed that ECDD and provided that report to the regulator. What I was interested in with Oliver Wyman's assistance is to provide some independent expertise and advice over Star's financial crime practices in sort of three discrete areas: KYC, Know Your Customer information collection; ECDD, the processes that they undertake; and the processes of assessing unusual activity reports and filing suspicious matter reports with AUSTRAC. So they were the three things that I wanted to get some insights from, 15 from Oliver Wyman.

**MR CONDE:** And in general terms, Mr Weeks, how would you describe the conclusions from Oliver Wyman in relation to those matters?

20 **MR WEEKS:** Well, they made observations which were consistent with many of mine, but they have a much deeper financial crime expertise than I did, so they were able to support some of those observations with their own knowledge from other markets, industries including the casino industry. They reported that, with respect to ECDD, there were a number of improvements that the company could and should make. They reported similar findings with respect to the way in which 25 the company creates unusual activity reports and submits SMRs. And they also found a number of - or made a number of recommendations with respect to the collection of patron information.

30 They also made some findings or recommendations with respect to the technology that exists with the casino and the accessibility and quality of information available to analysts. The information - the report was helpful and I think identified many of the things the company has also identified that it needs to address and improve as well.

35 **MR CONDE:** Perhaps if we can call that up. It is MGR.0001.0001.0111. Thank you. Has that come up for you, Mr Weeks, the Oliver Wyman report dated December 2023?

40 **MR WEEKS:** Yes, it has.

**MR CONDE:** If we can go please to page 0116. Now, you will see this is a document produced with - the doc ID is MGR. To the extent there are sums of money referred to on this page, I would ask you not to refer to those publicly.

45 **MR WEEKS:** Yes.

**MR CONDE:** But I know you have already told Mr Bell about your general understanding of Oliver Wyman's conclusions in relation to each of KYC, ECDD and UAR. I just ask for you to take a moment to refamiliarise yourself with their summary there, and is there anything that you wish to note?

5

**MR WEEKS:** Yes. Mr Conde, one of the reasons I commissioned Oliver Wyman's work was I felt that I had been raising issues, particularly in relation to ECDD, for some time, and the company didn't seem to either accept or feel compelled to action some of those observations quickly. So I think this work, particularly in relation to ECDD, identified a number of the shortcomings that I had identified and provided a good piece of direction for the company to address, which they have included in a plan, I think, that is going to the board later this month.

10

15 **MR CONDE:** Sorry, a plan that you have prepared, Mr Weeks?

**MR WEEKS:** No, a plan that the company has prepared that - in terms of - there is a plan they have developed already but there has been another report that the company has commissioned from Kroll, and there is also, I think as you know, a compliance auditor report, all of whom have made recommendations. And I think the work the company is doing now is to consolidate those recommendations and actions that ought to flow out of those three different reports.

20

25 **MR CONDE:** And just pausing there, Mr Weeks, are those recommendations all relating to ECDD? Or are they across -

**MR WEEKS:** No, they will be broader than just ECDD. They will be - Kroll made some observations on ECDD but other matters and the compliance auditor made some recommendations as well. So they will cover quite a field, I think.

30

**MR CONDE:** And is it your understanding that the recommendations are being put to The Star Entertainment board imminently or -

**MR WEEKS:** I - my understanding is that consolidated documents - so there is a single view, if you like, of those three reports, is due to go to the board later this month. That's my understanding.

35

**MR CONDE:** And just on the specific question of ECDD and the remediation cohort and the concerns you expressed, so far as you are aware, what is the status of that?

40

**MR WEEKS:** Well, I think in the response to the Oliver Wyman report, the company has identified a number of reforms and milestones in the remediation plan that it identifies as responding to areas of the report. So those matters will be attended to on the dates set out in the remediation plan. I would need to revisit the company's plan with respect to Oliver Wyman to look at some of the other responses that they have provided. I don't recall all of them.

45

**MR CONDE:** Yes. Now, I asked you earlier about the 7 December 2023 meeting involving the NICC, Star Entertainment and you.

**MR WEEKS:** Yes.

5

**MR CONDE:** Star Entertainment had confirmed that your first report was - I think the expression was "overall useful" and that Star Entertainment agreed with many aspects of that report. Do you recall that?

10 **MR WEEKS:** Yes.

**MR CONDE:** Now, Star Entertainment's response in writing dated 23 January 2024 comprised a cover letter and then a mark-up of each of your reports. Do you recall that?

15

**MR WEEKS:** I do, yes.

**MR CONDE:** If we can go to the cover letter first. There is a reference - sorry, it is STA.8100.0066.1187. Did that come up for you, Mr Weeks?

20

**MR WEEKS:** Yes, it has.

**MR CONDE:** There is a reference at the top to two briefing sessions between the manager and Mr Foster on 18 December and then the manager - you - and Mr Cooke on 4 January.

25

**MR WEEKS:** Yes.

**MR CONDE:** Do you recall those sessions?

30

**MR WEEKS:** I do, yes.

**MR CONDE:** As best you can recall, what was the general content of each?

35 **MR WEEKS:** In relation to the 4 January session, I remember that well. So, I had organised to meet Robbie online because it was around Christmas/New Year, and I was meeting with one of my colleagues as well. I spent a fair bit of time refreshing my memory on our reports, anticipating - I think we put aside an hour and a half to discuss them. But Mr Cooke, I think, had two specific questions on  
40 the reports that he wanted to discuss.

45 He made some observations about how he felt that the reports don't adequately or appropriately address some of the other sort of non-casino-related matters that the company has had to contend with over the past 12 months or so. And he made some observations that he felt that the Special Managers in Victoria's reporting in relation to Crown was more favourable to Crown, and he would have preferred that my reports included some of that style of material. That was the meeting on the 4th.

5 In relation to the 18th, I had a meeting with Mr Foster on that day. I don't recall  
talking about the reports at all, other than Mr Foster asked me what the company  
needs to prioritise to have a good prospect of returning suitability or at least being  
put on a pathway to suitability, and I said to Mr Foster that those matters are  
identified in my report. There were some matters in relation to psychological  
safety that Mr Foster raised with me on that day, and there was one other matter as  
well that I - that it related to an engagement that one of my team members had  
with The Star person.

10

**MR CONDE:** But otherwise, to the extent relevant to your reports, have you  
identified the interactions with Mr Foster that you can recall?

15 **MR WEEKS:** We didn't discuss any specific aspect of the reports on 18  
December.

**MR CONDE:** Right. At the bottom of this page, do you see - if we can bring up  
the last - yes, it says:

20 "The attached annotated versions of The Manager's Reports provide The  
Star's detailed observations and comments (in green font) in relation to the  
matters raised by the Manager, however in overview we make the following  
overarching comments."

25 And it starts on this page "Historic matters". Do you see that?

**MR WEEKS:** Yes.

30 **MR CONDE:** If we can again just work through the list, and if I can ask you in  
respect of each what - yes, if we can show Mr Weeks, please, the bottom of 1187.  
Yes, thank you. So, as to the first issue of historic matters, what, if any, comment  
do you have on what is written there?

35 **MR WEEKS:** Well, the reports - the 3 October report was a document that  
documented for the NICC what I had observed since commencing the appointment  
in October 2022. So some of those observations were historical. That, I suppose, is  
a statement of fact.

40 **MR CONDE:** Yes. As to the second issue, I think, that's flagged is "Lack of  
Recognition of Proactive Steps", do you have any comment on that?

45 **MR WEEKS:** Yes, I - I don't think - I think there was appropriate recognition of  
proactive steps in the report. And I also, I think, made the comment to Robbie in  
that 4 January meeting that the company had an opportunity at the same time,  
when the company had called for a submission from Star in relation to the decision  
the NICC was going to make on or around the time I delivered that 3 October  
report. So there was opportunities for the company, which they took, to raise many  
of the proactive things that the company had done.

**MR CONDE:** In relation to point 3, "Lack of Recognition of Operating Environment", do you have any comment on that?

5 **MR WEEKS:** Look, there is no doubt there was a busy period for the company, very busy period for the company. There is acknowledgement of that in the report. Mr Cooke and the board considered that that ought to be greater. Many of those matters do not relate to casino regulations and suitability. I'm content with the recognition of the operating environment in that report.

10

**MR CONDE:** I will come back to - there is actually a list in the attached document for point 2. I will come back to that. But I will ask you, please, about number 4, "Remediation Plan Timing". Do you have any comment on that?

15 **MR WEEKS:** I - I don't accept the observation that the report infers that Star has been slow to develop its remediation plan. That was a long process. It was a detailed plan. It took about, I think, six months from March, when the company started that process in earnest, but it's a very complex plan. It needed to go through regulatory consideration in two jurisdictions. So I don't think that the report  
20 observes the company was slow in that process.

**MR CONDE:** If you could look then to point 5 "Organisational Restructure Timing". Do you have any comment on that? If that could be brought up, please.

25 **MR WEEKS:** Yes. Look, I just don't accept any real - well, I don't regard this as at all compelling. The company proposed an organisational structure in January or February '22, and it is still not settled. So I don't think there is any real merit in contesting that that process has been slow.

30 **MR CONDE:** Point 6, "Time to Appoint Key Personnel" - and I think this does run over the page, so if I could ask that all of point 6 be brought up, please.

**MR WEEKS:** Is that the extent - sorry. Yes. Well, in relation to this point, the company often refers to typical recruitment processes. And what they say is  
35 probably true of typical recruitment processes of companies in ordinary times. Star by any measure was in extraordinary times, and it needed to move rapidly. I don't think it had the luxury of considering itself to be in an ordinary operating environment and, for example, if an executive had a long notice period of six or nine months and that was the preferred option, then it might have been something  
40 the board considered to go to the next best option if that person could start more quickly.

So I think the company's sort of reference to what it normally takes a company is - ought to be considered in the context in which the company was operating at  
45 the time.

**MR CONDE:** If I can then show you point 7, which should be "Resourcing."

**MR WEEKS:** Yes. So, the observation we made in the reports that nine of 12 - nine of Mr Cooke's 12 direct reports were existing employees was accurate. I think what Mr Cooke is asking in this paper is to accept that if you were looking forward it would be different. But we weren't looking forward. It was a point in  
5 time assessment on 3 October, and it was accurate.

**MR CONDE:** If we - I will bring that - I will go to that one in the annotated report. STA.8100.0066.1119. Then if we can go, please, to page 1158. Do you see about halfway down the page in black text is the language that would have been in  
10 your report?

**MR WEEKS:** Yes.

**MR CONDE:** And if we go over, please, to page 1159, you had pointed out that 15 nine of the 12 direct reports to the CEO had been at Star for four or more years and Star contends here that the GLT properly viewed is fifty-fifty. Do you see that?

**MR WEEKS:** Yes, I see that.  
20

**MR CONDE:** It's correct, isn't it - what you had written is correct. What Star wrote was also correct but just related to a future structure?

**MR WEEKS:** Yes, and one was not yet in place. Mind you, the Group Chief 25 Audit Officer doesn't commence until the end of the month. So, yes, but the observation we made that time was accurate. I'm not sure why the company chose to contest it.

**MR CONDE:** In that green text in the first paragraph, last sentence, do you see it  
30 says:

"Also, as would be appreciated by anyone who has run a major corporate operation, the GLT composition will continue to evolve over time to reflect organisational needs/requirements and development."  
35

**MR WEEKS:** Yes.

**MR CONDE:** Do you recall expressing any written or oral opinion that the GLT composition couldn't continue to evolve?  
40

**MR WEEKS:** No.

**MR CONDE:** That wasn't your point, was it?

**MR WEEKS:** No, it wasn't at all.  
45

**MR CONDE:** Okay. If we can go back, please, to STA.8100.0066.1187. And then to 1188, please. I'm sorry, 1189. So that's point 7. If I could ask you about point 8 "Culture". Do you have any comment on that?

5 **MR WEEKS:** Only to say that I don't disagree with the proposition that cultural change is a multi-year process. I never contested that. The observation that I made in that report that, on our assessment, only modest progress had been made to date. Now, that's probably consistent, actually, with the proposition that long-term cultural change takes a long time.

10

**MR CONDE:** Point 9 is called "Regulatory Deprioritisation". Do you have any comment on this?

15 **MR WEEKS:** Yes. Well, it was my assessment that the company was trying to progress a large number of critical business objectives. Some of them were casino-related; some of them weren't. Some of them were finance-related. Some of them related to tax reform. Some of them related to financial and capital management. All of those things were progressed, but, on my assessment, what hasn't been progressed in a timeframe that is acceptable to me and the regulators is casino reform. And so, on that basis, it was my assessment that the company had deprioritised that in favour of other competing objectives.

20

**MR CONDE:** And finally, 10 is "Quality of Board Reporting".

25 **MR WEEKS:** This did strike me as an unusual position for the company to take in circumstances where, at board meetings, I have heard and observe board directors express a level of frustration at times with the reporting that's provided. Not always, but from time to time. And in my discussions with the chairman during last year when I asked him what his assessment was, he described it as embryonic. So I considered that to be a surprise to me when the company responded that it considers its board reporting to be at a level significantly higher than most ASX-listed entities.

30

35 **MR CONDE:** Now, if we can go, please, to STA.8100.0066.1119. So this is the annotation of your first report. And then to pages 1121 and 1122, please. Another list to work through. Actually, if we start on 1121. I think it might be too small with both of them side by side. This is to the point about the lack of recognition of steps taken, and there is a large number of bullet points there. I would just like to work through them, please.

40

**MR WEEKS:** Yes.

**MR CONDE:** So, if we can scroll down please. It is the second, it is under "Recognition of Actions Taken." Do you see the first one:

45

"Enhancing the Group's Risk Appetite Statement and risk metric reporting"?

**MR WEEKS:** Yes, well, on that assessment, that work has not been complete. Not only is the group risk assessment statement - was rejected by the board at its last meeting, those metrics haven't been downstreamed yet to the operating subsidiary risk committee. So there is substantial work required to address that.

5

**MR CONDE:**

"Introduction of new processes and forums for breach escalation ..."?

10 **MR WEEKS:** Yes, there has been work done in that area.

**MR CONDE:** New whistleblower governance?

**MR WEEKS:** Yes, that's been implemented across the business.

15

**MR CONDE:** "Updated safer gambling policy"?

20 **MR WEEKS:** I know there is a draft Safer Gambling Strategy that the board has considered and I believe approved recently. That's coming through as part of the remediation plan. I'm not sure if the reference to policy there is the same as strategy or not.

**MR CONDE:** The next bullet point is:

25 "Establishment of a Safer Gambling, Ethics and Governance Board Committee."

30 **MR WEEKS:** Yes. That was, I think, a commitment from the company when it provided the submission to the NICC in September 2022 when the NICC was considering disciplinary action.

**MR CONDE:** The next one is:

35 "Quadrupling the safer gambling team resourcing from 18 to 82 full-time employees."

40 **MR WEEKS:** Yes, I'm not exactly sure on the numbers but there has certainly been a very large growth in that team to comply with the ICM requirement to have at least four staff - Safer Gambling staff on the floor at all times in the casino.

**MR CONDE:** Is that the team in respect of which the Guest Support Officer issue arises?

45 **MR WEEKS:** Yes, it is. Also, Mr Conde, I think that's a group level number rather than a Sydney-specific number.

**MR CONDE:** Next bullet point:



"Introducing expanded time-play management rules ..."

5 **MR WEEKS:** Yes, so those rules have been introduced as part of the ICMs that were mandated by the NICC. And that's the area where, as we discussed before, there is some problems with adherence to that.

**MR CONDE:**

10 "Creation of standardised exclusions and exclusion revocation processes ..."?

**MR WEEKS:** Yes, that's been undertaken and it's part of the Workstreams of remediation, but a lot of work has been done there.

15 **MR CONDE:** There's then a bullet point over on the next page of:

"Engagement with global leaders in safer gambling to develop solutions ..."

Are you aware of that?

20 **MR WEEKS:** I'm not aware of the detail of that level of engagement. I know the new General Manager in Safer Gambling is from Canada, and I expect that he is well-connected with experts outside of Australia.

25 **MR CONDE:**

"Enhanced safer gambling reporting including at-risk patron reports, intervention reports, controls checklists and time play analysis".

30 **MR WEEKS:** Yes, I would need to ask some questions just about that. I'm not familiar with that. That's not to say it hasn't happened; I'm just not familiar with that.

**MR CONDE:** The next one about:

35 "Updated and enhanced safer gambling training ..."?

40 **MR WEEKS:** Yes, I think there has been some additional training, but one of the observations that's been made recently is that training across the group needs substantial improvement and, pleasingly, Star has recruited someone recently who I think appears well-equipped to lead that project.

**MR CONDE:** So far as you are aware, is the identity of that person confidential?

45 **MR WEEKS:** No.

**MR CONDE:** Who is it?

**MR WEEKS:** Mr Banning. I think it might be Tim Banning.

**MR CONDE:** The:

"Development of an internal predictive model ..."?

5

**MR WEEKS:** Yes, I think this might be at its early stages of enhancement, but I don't think - well, I could be wrong. I don't - I haven't seen anything that is a sophisticated final product, but I have seen some work that suggests that it's underway.

10

**MR CONDE:**

"Increasing the overall AML/financial crime team from 26 to 115 full-time personal ..."?

15

**MR WEEKS:** Yes. Not 100 per cent certain on the numbers, but certainly that looks like the type of escalation that is being required to really strengthen that part of the business.

20 **MR CONDE:** And:

"Separation and clarification of accountabilities ..."?

25 **MR WEEKS:** Yes, that's not very clear at the moment. There is a significant level of, I think, ambiguity around accountabilities in the business generally, and certainly some discussions within the company in recent weeks about further changes.

30 **MR CONDE:** The next one is:

"Implementation of enhanced risk assessment processes ... know your customer processes ..."

35 And so forth.

**MR WEEKS:** Yes, look, there has certainly been enhancements. I mean, the risk assessment processes are the ECDD process we have been speaking about, so I'm not convinced that that's close to a mature stage just yet.

40 **MR CONDE:**

"Total re-write and approval ... of the AML/CTF Program Manual;"?

45 **MR WEEKS:** Yes, I believe that's been done.

**MR CONDE:**

"Establishment of new governance forums ..."?

**MR WEEKS:** There are new governance forums in financial crime. I think one of our observations to the board particularly in relation to a key forum called the Patron Risk Advisory Task Force is that it is not a forum that operates at a high level just yet but there is improvement with some other forums.

**MR CONDE:** The next one:

"Enhancement of the Credit and Collections Committee ..."?

**MR WEEKS:** I'm sorry. Yes, I know there is a Credit and Collections Committee that has been developed. There is representation from Financial Crime and Risk to assess risks associated with recovering debts from historical customers. So that is in place.

**MR CONDE:** Then:

"Establishment of specialised and dedicated assurance activities over financial crime ..."?

**MR WEEKS:** Yes, there is an Assurance team, and the Line 2 team in Financial Crime, on our assessment, has progressed materially over the last 12 months. So in financial crime, there is good assurance that the rest of the business, in terms of its line 2 assurance needs work, but Fin Crime has done a fair bit of work there.

**MR CONDE:**

"Remediation of significant customer cohorts ..."?

**MR WEEKS:** Yes, that - that is not something that I would regard as an achievement. I think that could be a very significant area of noncompliance in relation to enhanced customer due diligence.

**MR CONDE:**

"Material enhancements to governance and controls environments and operationalising and embedding these processes and controls including the establishment of a program of work to prioritise the review and uplift of the Queensland Internal Control Manuals with Phase 1 and Phase 2 ICMs submitted to OLGR;"?

**MR WEEKS:** Yes, there is work going on in the business and a lot of work to identify the controls, identify those that are weak. You saw the internal audit report a little while ago. I would describe the control environment as quite weak, but there is work going on to fix it. It's going to take a long time.

**MR CONDE:** There is reference in the next bullet point to:

"Implementation of facial recognition technology at The Star Gold Coast ..."

Do you have any comment on that?

5 **MR WEEKS:** No, that did occur since I've been the Special Manager there.

**MR CONDE:**

"Risk committees established for each casino property;"?

10

**MR WEEKS:** Well, that is true, but I was required to issue a direction with respect to the Queensland properties to - for that to happen. It was - didn't happen prior to that direction being issued, and I think in relation to the operating effectiveness of those committees, Sydney is probably a little bit further ahead because it's been going now since, I think, October 2022, but it still is a distance from having the type of impact and oversight that I think is - was expected when the Operational Business Unit was developed and some of Mr Bell's first observations from the first report about having a Head of Risk in the Sydney property.

15

20

**MR CONDE:** Then:

"Compliance committees established for each casino entity;"?

25 **MR WEEKS:** Compliance committees have now been established. I think there is - I think the committee members would accept that it's at the early stages of maturity in terms of the work it is doing in integrating with the broader governance framework for the casino, but it has been established.

30 **MR BELL SC:** Mr Weeks, in my 2022 report, I recommended that the Compliance Committee for The Star Sydney report to the board of The Star Pty Ltd, that is, the board of the casino operator.

**MR WEEKS:** Yes.

35

**MR BELL SC:** At least prior to its suspension. As I understand it, the structure that has been established is for the Compliance Committee, the Sydney Compliance Committee, to report to the board of Star Entertainment. Is that correct?

40

**MR WEEKS:** There is a reference in that ICM that we looked at earlier today to the Compliance Committee being a committee of the casino operator, so that is Star Sydney Pty Ltd, but reporting to Star Entertainment. It's my assessment, Mr Bell, that that would have to report to both the operator and the Group board.

45

**MR BELL SC:** So your understanding is it's - the reporting structure is to report to both the board of The Star Pty Ltd and the board of Star Entertainment. Is that correct?

**MR WEEKS:** That is what I think the structure should be. That is not what is reflected in the most recent charter, I think, of the Compliance Committee that I have seen.

5

**MR BELL SC:** What is reflected in the most recent charter?

**MR WEEKS:** My understanding is that that is - it is a committee of the Group board in that charter reporting into the Group board only. I would need to double-check that, but when I did look at that in the last couple of weeks, that was my recollection. And I don't think that complies with what the ICMs require.

10

**MR BELL SC:** So just so I'm clear, as you understand it, is there a Compliance Committee dealing solely with The Star Sydney which reports to the board of The Star Pty Ltd or is there not?

15

**MR WEEKS:** There is certainly a Compliance Committee for Star Sydney. I think the reporting lines set out in the charter of that committee are currently unclear. And there was a charter which came to us through the remediation program that we said wasn't in acceptable form. But not for that reason, actually, for a different reason.

20

**MR BELL SC:** Yes, Mr Conde.

**MR CONDE:** Then a:

25

"New board membership established for each casino entity;"

Do you have a comment on that?

30

**MR WEEKS:** I don't think that's been completed. At the moment, I don't think the boards of the subsidiaries - well, they may have been populated, but what is expected from regulators is that the board of each subsidiary would be the Group Chair, the Group CEO, the Managing Director and the Property CEO. Now, at the moment, the Group Chair and the Group CEO are one and the same person, and the Property CEO in Sydney does not have probity yet to sit on that board. So I don't think it's accurate to say that those boards have been populated with the people that are required to sit on them.

35

**MR CONDE:** The next is:

40

".. development of a strategic north star along with ... a new purpose statement and a new set of values and principles being initiated;"?

**MR WEEKS:** Yes, that has been done.

45

**MR CONDE:** The next one:

"On 30 June 2023, replacing all Sydney internal controls ..."?

5 **MR WEEKS:** Yes. It is not, in my assessment, accurate to say all controls were replaced. It was a new set of ICMs. I think, in round terms, about 60 per cent of the controls in those ICMs were new. The balance had been in existence for some time.

**MR CONDE:**

10 "Development of The Star Remediation Plan;"?

**MR WEEKS:** Yes.

**MR CONDE:** And then:

15

"Taking a leadership role in working with other Queensland casino operators to develop a Statewide safer gambling code of conduct."

20 **MR WEEKS:** Yes, I'm aware are that that work has been ongoing.

**MR CONDE:** Having worked through that list, did this response cause you to reconsider opinions that you had expressed in your earlier reports?

25 **MR WEEKS:** No.

**MR CONDE:** And do you have any comment on the inclusion of this list in Star's response?

30 **MR WEEKS:** Well, one comment I would make is that I think at times that Star attempt to identify activity as progress, and if a lot of things are happening, then they are making a lot of progress. And sometimes that is right, but I think a lot of the things on this list are either things that aren't working - but not a lot. Some of the things on this list have been important achievements. Some of them are things that should have been done in the ordinary course. Some are things that haven't  
35 been done particularly well.

40 What I would say is that it doesn't cause me to change some of the observations and conclusions in my reports. I was aware of all these things happening when I wrote those reports.

**MR CONDE:** I see. May I show you a document. It's MGR.0001.0001.8302. Has the document Post Implementation Review New South Wales ICM Phase 2 - and it is dated 12 February 2024 - come up?

45 **MR WEEKS:** Yes, I see this.

**MR CONDE:** Do you under this to be the second phase to the phase 1 document I showed you earlier?

**MR WEEKS:** Yes, I do.

5 **MR CONDE:** And do you recall in general terms the conclusions or results of this review?

10 **MR WEEKS:** Yes, I recall that it was an improvement from the Phase 1 Review. I think in the Phase 1 Review, about half of the controls tested were - the conclusion was that they were ineffective. With respect to this review, I believe the number was closer to a-third of the controls were tested were found to be ineffective. So, on that measure, directionally, the company is moving in the right direction.

15 **MR CONDE:** And if we can turn, please, to page 8307. And do you see under "Overall Result" there is, about halfway down that page, it says:

"The CMP thresholds for control assessment are:

20 Effective is 100 per cent pass rate  
Partial is greater than 80 per cent pass rate"

And:

25 "Ineffective is less than 80 per cent pass rate"?

**MR WEEKS:** Yes, I see that.

**MR CONDE:** Then the sentence:

30 "Based on scope of work performed and a pass rate of 68 per cent, in our opinion the overall control of the effectiveness of the controls implemented as part of the NSW ICM implementation (May-June tranches) is ineffective."

35 Is this to be understood on - I think you said earlier that - is the path to remediation and one understands it in that light?

**MR WEEKS:** Sorry, could you repeat that, Mr Conde?

40 **MR CONDE:** I think you said earlier in relation to ICM Phase 1 that there is a kind of path to remediation and one should understand these reviews in that light?

**MR WEEKS:** Yes. Yes.

45 **MR CONDE:** And is that how one should read this?

**MR WEEKS:** Well, I mean, I think you need to be a little bit careful. These are important controls that are designed to ensure compliance with casino regulations. So I think these findings should make - they make me as the licensee currently

quite uncomfortable, and they should make the broader management quite uncomfortable. Because what it says is there is a significant - it is an ineffective finding and there is significant amount of controls that are ineffective.

5 Now, that's going to have to be amended rapidly. This is a better report than the first one, but it's still quite poor, still ineffective, and I think it still poses significant risk for the casino.

10 **MR BELL SC:** Mr Weeks, should I understand that this is a report prepared by Star Entertainment Internal Audit Team?

**MR WEEKS:** Yes, that's right.

15 **MR BELL SC:** And who, as you understand it, is the head of that team?

**MR WEEKS:** James Gough is the head of that team but there is a Chief Group Audit Officer, I think, arriving before the end of this month who will take over leadership.

20 **MR BELL SC:** Thank you. Yes, Mr Conde.

**MR CONDE:** Is it correct, Mr Weeks, you would expect to see these figures higher?

25 **MR WEEKS:** Well, I would - I think I, the board and others would expect to see a much higher level of controls that are operating effectively, as that will give everyone greater confidence that the casino can control - comply with its regulatory obligations.

30 **MR CONDE:** And this document is dated 12 February 2024. Are you aware of what, if anything, has been done in response to this?

35 **MR WEEKS:** I - I'm - I would have to check, Mr Conde. I'm not sure where the company is up to with responses to this.

**MR CONDE:** Mr Bell, the next topic I'm about to move on to is one in respect of which I believe Star might have an application. Mr Ahmed. I don't know whether it is better to address that first thing tomorrow, in light of the time, or whether it would be better to proceed now.

40 **MR BELL SC:** What I might do is adjourn the public hearings for the day but move into private session, so I understand what the issue is. Operator, can we move into a private hearing, please.

45 **<THE HEARING IN PUBLIC SESSION ADJOURNED AT 4.48 PM**