



INQUIRY UNDER SECTION 143 OF THE CASINO CONTROL ACT 1992

ANNOUNCEMENT BY CHAIRPERSON, INDEPENDENT LIQUOR AND GAMING AUTHORITY

The Independent Liquor and Gaming Authority today publishes the report of an Inquiry conducted by Ms Gail Furness SC into certain matters relating to The Star casino.

On 16 February 2012, the Authority announced it had appointed Ms Furness to inquire into, and report upon:

- the circumstances surrounding the cessation of the employment with Echo Entertainment Group of Mr Sid Vaikunta as Managing Director of The Star casino, including in relation to Echo's obligations under the *Casino Control Act 1992* and otherwise to inform the Authority of relevant information;
- any issues relevant to the Authority's responsibilities under the *Casino Control Act 1992* that arise from information received by the Authority or the inquiry in relation to The Star casino since 2 December 2011; and
- any matters relevant to the above.

As the Inquiry progressed, it became apparent that some additional time was needed to accommodate a public hearing process, and to otherwise enable the terms of reference to be fully and properly addressed.

Consequently, Ms Furness was required to submit her report to the Authority by 18 May 2012. She did so yesterday, and the Authority has determined to release it publicly today.

First Term of Reference:

In summary, the Inquiry finds that:

- Echo Entertainment Group properly and thoroughly investigated allegations of unwelcome sexual advances and unwelcome comments of a sexual nature made by two of The Star's managers against the then Managing Director in December 2011;
- the findings from that investigation warranted the cessation of the Managing Director's employment; and
- the investigation occurred free from external influence.

The Authority accepts the findings of the Inquiry on this matter.

Legal advice obtained by the Inquiry, Echo and The Star examines whether any obligations to disclose information to the Authority have been breached with respect to the events covered by this term of reference. The Authority notes Ms Furness' advice in the Inquiry report that this is a matter for the Authority to decide.

The Authority expects to be in a position to make a decision on this shortly.

Second Term of Reference:

The Inquiry considered each of the general allegations made in relation to The Star casino that were brought to its attention and the report addresses them in turn.

The report notes that most of these allegations concerned issues that had been investigated and were the subject of comment in the Authority's Section 31 report published in December 2011. The second largest category of allegations concerned matters outside the regulatory responsibilities of the Authority, including a small number of allegations of suspected drug use at the casino that were referred to the Police. Several new complaints were investigated with none providing any evidence that could form the basis of criticism of the casino operator or recommendation to the Authority.

The Authority notes in particular Ms Furness' observation that:

It has been an important function of this Inquiry to air the allegations made, particularly those made publicly, and properly test them. The fact that many of them have been found wanting is troubling because it results in the public's understanding of the regulation and operation of the casino being based on inaccuracies.

Ms Furness concludes that there was nothing raised during the Inquiry that required any additional recommendations to be made or which suggests that the findings made in the Section 31 report are no longer current and relevant or need to be supplemented.

The Authority accepts these findings and will continue implementing the recommendations contained in the Section 31 report. A report on progress with the implementation of those recommendations will be included as part of the Authority's annual report for 2011/12.

The Authority places on record its appreciation to Ms Furness, the Inquiry's legal team, and officers attached to the Authority for their work on the Inquiry.

Chris Sidoti
Chairperson
17 May 2012

The report of the Inquiry is available at the Authority's website - www.ilga.nsw.gov.au