

OPENING

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In 2011 the then Casino, Liquor and Gaming Control Authority conducted an investigation into the suitability of the Star to hold a casino licence and whether it was in the public interest that the casino licence should continue in force. That investigation, under s.31 of the Casino Control Act, had to be undertaken because the legislation required such an investigation to be undertaken every five years. It was not held in response to any particular complaint, allegation or event. The investigation was completed by 2 December 2011 and the report released on 22 December 2011.

Following the investigation, the Authority formed the opinion that the Star Pty Limited is a suitable person to continue to give effect to the casino licence and it is in the public interest that the casino licence remains in force. The findings and opinion of the Authority based on the report were communicated to the Minister.

It is, however, relevant to this Inquiry and important to note that the report was not, as appears to have been suggested by some, a “clean bill of health” in relation to the operation of the casino. In fact, the investigation highlighted a number of matters of concern in relation to the operation of the casino and made a number of recommendations. Recommendations were made to

- ensure compliance with responsible service of alcohol obligations,
- revise the indicators of problem gambling,
- ensure that key performance indicators are not linked to the number of incidents reported,
- make sure that cash disbursements are properly made,
- the operation of junkets,
- the complaint handling process,
- entry to the private gaming rooms,
- relationships with law enforcement agencies and
- ensure quick responses to criminal conduct.

A copy of the summary of the report and list of recommendations will be made available today.

Events subsequent to the s 31 investigation

Following the investigation under s 31 of the Act, a number of events occurred relating to the casino. It is those subsequent events that have given rise to this Inquiry, which is under a separate provision of the legislation. This Inquiry should not be considered to be some continuation of the s. 31 investigation.

First, on the 2nd of February this year, Echo Entertainment Group Limited, which through the Star Pty Limited, operates the Star, issued a Stock Exchange announcement which informed the market, amongst other things, that the employment of the Managing Director of the Star, Mr Sid Vaikunta, had “ended” as a result of his “behaviour in a social work setting.” Perhaps because of its proximity to conclusion of the s 31 investigation, this announcement generated a good deal of public discussion and debate about the operation and management of the Star. The discussion and debate included whether Echo was obliged to notify, or should have notified, the Authority of this event and the circumstances that led to it.

Shortly following being made aware that Mr Vaikunta’s employment with the Star had ended, pursuant to s. 32 of the Act the Authority required the Star and Echo to provide it with further information concerning the circumstances of that departure. Whilst information was supplied pursuant to that requirement, given that information and the surrounding public interest, the Authority decided to hold this Inquiry under s. 143 of the Act.

It is this specific event, the end of Mr. Vaikunta’s employment with the Star in early February this year which is the subject matter of the first term of reference of this Inquiry, which is:

First term of reference

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.

Since the Inquiry commenced on 16 February, the Star and Echo have been summoned to and have produced a very large quantity of relevant documents concerning its investigation into the allegations made against the former Managing Director. Those documents include transcripts and notes of the accounts given by the complainants and all witnesses. Private hearings have been held and evidence obtained from all relevant participants including the complainants, the investigating team and the decision makers.

As has already been made clear, the events which were the subject of the Star and Echo investigation into the conduct of the former Managing Director happened after the s.31 investigation had been completed and after the report had been written and provided to the Authority. It follows, therefore, that none of the material obtained as part of this s.143 Inquiry formed part of, or could have formed part of, the material that was gathered and considered as part of the s.31 investigation process.

The Inquiry has formed the opinion and is satisfied that it is in the public interest that an account of how the Star and Echo responded to the allegations be given in public. This can and will be done without revealing the identities of the two individuals who made complaints against Mr. Vaikunta. This is a matter that need not and should not be made public. The complainants will be referred to in the evidence and in any submissions as the "first complainant" and the "second complainant." An order under s.143B of the Act will be sought after this opening prohibiting the publication of any evidence which reveals the name or any identifying information of the first complainant or of any evidence which reveals the name of the second complainant.

It is also not intended to elicit in public any evidence which would reveal the precise conduct complained of; to do so would further no proper public interest. Suffice to say, the conduct the subject of complaint was in the nature of unwelcome sexual advances in one case and unwelcome comments of a sexual nature in the other.

The evidence that will be elicited during this public component of the Inquiry will essentially be limited to the nature and timing of the response of Echo and the Star to the complaints made in relation to the conduct of Mr. Vaikunta. That evidence will be led from a senior officer of Echo who was a key member of the team of persons who responded to and investigated the complaints. For obvious reasons, neither of the complainants will be called to give evidence in public.

The second event that has given rise to this Inquiry, and these public hearings, is in some ways related to the events surrounding Mr. Vaikunta's termination and the response of Echo to the allegations. It also falls within the first term of reference.

Two weeks after the commencement of this Inquiry, a number of text messages and emails between the second complainant and Mr Peter Grimshaw were disclosed to two media outlets and were published. Mr Grimshaw was a former Media and Government Relations Director of the Star (when it was known as "Star City") and is the Communications Director of the Office of the Premier. He was also, during the relevant period, in a personal relationship with the second complainant.

The disclosure of these communications generated a good deal of media and public discussion and debate. Much of that discussion and debate concerned matters that are not considered to be matters properly the subject of this Inquiry. The relevant questions and issues that the communications do give rise to concern whether a course of conduct was pursued by certain persons with the intention of interfering in the investigation that was being conducted by Echo and the Star and achieving the outcome of the removal of the former Managing Director of the Star. It is only in this context, and because it is within the terms of reference, that evidence is to be called in public about those communications.

The Inquiry is satisfied that it is in the public interest for evidence relating to some of these communications to be heard publicly because they have already been the subject of considerable media and public discussion. Any confidentiality that otherwise might have attached to them has been lost. A good many of the

communications are, however, purely personal in nature and will not be addressed at all in the evidence.

As already indicated, the second complainant's identity will not be revealed and she will not give evidence publicly about those messages. The main witness in relation to the communications will be Mr Peter Grimshaw. Evidence will also be elicited from Mr Norm Lipson, who is the media advisor to the Minister for Tourism, Major Events, Hospitality and Racing. Mr Lipson is referred to in some of the relevant communications.

That brings us to the second term of reference, which is:

Second term of reference

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.

As indicated earlier, the events the subject of the first term of reference happened after the report of the s.31 investigation was completed. The publicity surrounding the announcement of the cessation of the former Managing Director's employment and the announcement of this Inquiry resulted in, or was at least followed by, a number of people making claims and allegations against the Star and its operator. Most of these claims and allegations were made privately and some were made anonymously. Some of the claims and allegations, however, were made publicly and in circumstances where the person making the claim identified themselves.

Of the two dozen or so persons who have approached the Inquiry, just under one third of their allegations have been referred to the Police. A number of these allegations cover the same types of matters. They generally relate to suspicions of drug taking and concerns about the presence of criminals at the casino. About another third of the allegations made raised concerns not relevant to the Authority's functions as a regulator or relate to events that occurred many years earlier.

In relation to the remaining matters, some concern the events covered by the first term of reference. Investigations are underway or have been completed in relation to a small number of specific accounts of, primarily, bullying and harassment of individual staff members.

Since 2 December, four people have publicly identified themselves and made complaints about the casino which are relevant to the functions of the Authority. They have been summonsed to give evidence about those allegations at this public hearing. Their names are Tim Roach, a former Dealer/Supervisor with the Star, Mark Boyd, Secretary, United Voice NSW, Elizabeth Ward, a former acting Casino Duty Manager with the Star and Annika Soraya, a former trainee security officer with the Star.

It should be emphasised that, whilst these four witnesses have publicly aired their claims after 2 December, many of the claims and issues raised by them were investigated as part of the s. 31 investigation and were addressed in the report. Indeed, some of the evidence that will be led from some of these witnesses relates to an event that was detailed in the s. 31 report as a case study about the response of the casino to a substance found in the private gaming rooms in 2010. The adequacy of this response continues to be raised. That is why it is again to be the subject of some public evidence in this Inquiry.

The Investigations Manager for the Star will also be called to give evidence about the Star's responses to some of the allegations and the investigations that have been conducted. James Robins, a casino gaming manager will be called to give evidence about the case study. It is also expected that a senior Echo official will be called to give evidence.