



OFFICE OF RACING, GAMING & LIQUOR
ANNUAL REPORT 1998 - 1999

LETTER OF TRANSMITTAL

Hon. GM Evans MLC
MINISTER FOR RACING AND GAMING

In accordance with the provisions of the *Financial Administration and Audit Act 1985*, I hereby submit for your information and presentation to Parliament, the Annual Report of the Office of Racing, Gaming and Liquor for the financial year ended 30 June 1999.

The Annual Report has been prepared in accordance with the provisions of the *Financial Administration and Audit Act*.



Barry A Sargeant
EXECUTIVE DIRECTOR
8 October 1999



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The events, achievements and initiatives for 1998/99 are detailed in this year's annual report. However, some of the more prominent highlights are listed below.

- This year saw the full impact of the 1998 amendments to the Liquor Licensing Act take effect, with the Director of Liquor Licensing now responsible for determining contested applications for the grant of category A licences. During the reporting year, 35 contested category A applications were determined, of which 12 were granted and 23 were refused. This year also saw a number of decisions handed down by the Liquor Licensing Court and the Supreme Court. The most significant addressed the provisions of section 38(2b)(a) of the Liquor Licensing Act, in relation to the determination of an application for the grant of a liquor store licence and the issue of whether or not the reasonable requirements of the public, for liquor and related services, can be provided by licensed premises already existing in the affected area.
- Significant amendments in relation to Racing and Gaming legislation were also implemented during this year.
 - A Gaming Community Trust and a Gaming Community Trust Fund will be established during 1999/2000 into which all unclaimed moneys, emanating from community and casino gaming, will be paid. In addition, the provisions of the Gaming Commission Act have been strengthened to make "possession" of gaming machines illegal.
 - The Betting Control Act was amended to allow bookmakers to conduct betting at designated sporting events and venues. Responsibility for approving events for the purposes of sports betting has also been transferred from the Minister for Racing and Gaming to the Betting Control Board.
 - The principal elements of the changes made to the Western Australian Greyhound Racing Authority Act included:
 - the removal of the requirement to obtain ministerial consent to changes to the rules of racing, including the adoption of national rules of racing; and
 - the broadening of the framework for making these rules and increasing the range and scope of penalties that may be applied.

- The Betting Control Act 1954 underwent a statutory review during 1998/99. The Minister's report found that gaming and wagering in Western Australia could be more effectively regulated through an amalgamation of the Betting Control Board and the Gaming Commission of Western Australia. Legislation to give effect to the recommendations of the Minister's report will be drafted during 1999/2000.
- During the reporting year, National Competition Policy Reviews were undertaken in relation to the Betting Control Act 1954, the Totalisator Agency Board Betting Act 1960, the Racing Restriction Act 1917, the Racing Restriction Act 1927, Western Australian Greyhound Racing Authority Act 1981, the Liquor Licensing Act 1988, Liquor Licensing Regulations 1989, Gaming Commission Act 1987, Gaming Commission Regulations 1988, Casino Control Act 1984, Casino (Burswood Island) Agreement Act 1985 and Casino Control (Burswood Island)(Licensing of Employees) Regulations 1985.
- The Office finalised the development of its fourth workplace agreement during the year. It is likely that the agreement will come into effect before the end of 1999. The Agreement will primarily focus on the benefits and productivity improvements that will result from a restructure of the operational areas that is also due to occur before the end of 1999.
- The information on the Office website was expanded during 1998/99 to include brochures and application forms for liquor and gaming applications, copies of the Decisions of the Director of Liquor Licensing and the Judge of Liquor Licensing Court and the Liquor Licensing Noticeboard.

The achievements outlined above could not have been fulfilled without the ongoing commitment, hard work and dedication of the staff of the Office of Racing, Gaming and Liquor and I would like to take this opportunity to express my appreciation for their efforts during the year.



Barry A Sargeant
EXECUTIVE DIRECTOR

MISSION STATEMENT

"The Office of Racing, Gaming and Liquor promotes and maintains the integrity of lawful racing, gaming and liquor activities throughout Western Australia."

The Office strives to achieve its mission through the provision of services that maintain public confidence in the racing, gaming and liquor industries. This confidence has been achieved by maintaining confidentiality, applying the principles of fairness and natural justice and by providing appropriate levels of protection and care when necessary.

The Office of Racing, Gaming and Liquor's Customer Service Charter has also committed the Office to providing quality service on a continuing basis to satisfy customer needs for an efficient, effective and responsive service which encompasses the philosophies embodied in the Mission Statement.

The objective of the Office is to ensure that legislation listed under the ministerial portfolio of Racing and Gaming is lawfully administered in an efficient and effective manner consistent with government policy.

ORGANISATION

Responsible Minister

At 30 June 1999, the Minister for Racing and Gaming was the Hon GM (Max) Evans, MLC.

Accountable Officer

As at 30 June 1999 the Accountable Officer for the Office of Racing, Gaming and Liquor was:

Barry A Sargeant
 Executive Director
 Office of Racing, Gaming and Liquor
 87 Adelaide Terrace
 East Perth WA 6004
 Appointed: 16 November 1992
 Contract expires: 9 March 2003

Principal Accounting Officer

As at 30 June 1999 the Principal Accounting Officer for the Office of Racing, Gaming and Liquor was:

Jennifer Ough
 Manager Finance and Administration

Enabling Legislation

The Office of Racing and Gaming was established as a department under the Public Sector Management Act, on 14 December 1984, to assume responsibility for the administration of racing, gaming and liquor activities. The name of the department was subsequently changed to the Office of Racing, Gaming and Liquor on 12 September 1995.

Principal Legislation

The Office of Racing, Gaming and Liquor administers the following legislation —

Betting Control Act 1954

Provides controls over the operation of on-course and off-course betting conducted by bookmakers and totalisators. It also specifies the procedures for the assessment and payment of bookmakers betting levy.

Bookmakers Betting Levy Act 1954

Prescribes the rate of the turnover levy payable by bookmakers under the Betting Control Act.

Casino (Burswood Island) Agreement Act 1985

Ratified and authorised the implementation of the Casino (Burswood Island) Agreement between the State of Western Australia and the Burswood Property Trust. The Casino (Burswood Island) Agreement, scheduled to the Act, provides for the development and operation of the Burswood International Resort and Casino. Although many of the obligations have been satisfied, for example, the obligation to construct and develop the casino complex, the Agreement contains a number of on-going obligations.

Casino Control Act 1984

Provides for the establishment of a casino in Western Australia, for licensing the operation of the casino and for the control of gaming operations therein. In addition to providing for the regulation of casino gaming operations by the Gaming Commission, the Act contains provisions relating to the application for, and grant of a casino gaming licence.

Gaming and Betting (Contracts and Securities) Act 1985

Makes all gaming and betting contracts and agreements null and void unless they arise out of gaming or betting under the Betting Control Act or other legislation that legalises gaming and betting in Western Australia. It also stipulates that bets made under and pursuant to these Acts are recoverable.

Gaming Commission Act 1987

Consolidates the law relating to minor gaming in Western Australia and provides the opportunity for clubs and charities to raise funds through lotteries, bingo, two-up and gaming.

Liquor Licensing Act 1988

Establishes the Licensing Authority to regulate the sale, supply and consumption of liquor and to minimise harm or ill health caused to people, or any group of people, due to the use of liquor.

Racecourse Development Act 1976

Established the Racecourse Development Trust whose primary function is to administer a trust fund established to assist racing and trotting clubs with the development or improvement of facilities at racecourses and training tracks.

Racing Penalties (Appeals) Act 1990

Established the Racing Penalties Appeal Tribunal to hear and determine appeals in relation to penalties imposed by stewards from the three racing codes.

Racing Restriction Acts 1917 and 1927

Established the Western Australian Turf Club and the Western Australian Trotting Association as the principal clubs responsible for the licensing of race clubs. The 1927 Act prohibits racing animals for prize winning, other than horses. (A provision in the WA Greyhound Authority Act exempts greyhound racing from this restriction).

Totalisator Agency Board Betting Act 1960

Established the Totalisator Agency Board (TAB) to administer and control the operation of off-course totalisator betting at agencies approved by the Minister for Racing and Gaming. The

TAB deducts a prescribed commission from all bets from which costs are met and turnover tax paid, with the resultant profits distributed between the three racing codes.

Totalisator Agency Board Betting Tax Act 1960

Sets the amount of tax that the TAB is required to pay to Government. The tax is turnover based and is currently set at five per cent.

Racing Code Legislation

Each of the racing industry's three controlling authorities is established under an Act of Parliament, they are the —

- The Western Australian Turf Club Act 1892;
- Western Australian Trotting Association Act 1946;
- Western Australian Greyhound Racing Authority Act 1981.

Each controlling authority also has by-laws and/or subsidiary rules of racing to cover its administration and racing activities.

The Office provides support services to a number of Government agencies and assists these bodies in administering their legislation.

Associated Agencies

The following agencies are associated with the Office of Racing, Gaming and Liquor:

- Gaming Commission of Western Australia;
- Betting Control Board;
- Racecourse Development Trust; and
- Racing Penalties Appeal Tribunal.

Decision-making powers affecting the Public of Western Australia

Decisions relating to Minor Gaming

Decisions relating to the administration of minor gaming are made by the Gaming Commission or are delegated to the Director of Gaming or to staff acting on behalf of the Director.

Decisions relating to Casino Gaming

Decisions relating to the administration of casino gaming are made by the Gaming Commission of Western Australia or are delegated to the Chief Casino Officer by the Commission. Officers of the Gaming Division carry out detailed reviews and make recommendations to the Gaming Commission for its consideration.

Decisions relating to Liquor Licensing

The Liquor Licensing Act provides for a Licensing Authority to determine applications and other matters under the Act. The Authority comprises —

- the Director of Liquor Licensing; and
- the Liquor Licensing Court.

Each has independent jurisdiction to hear and determine matters under the Act. The division of responsibility between the Director and the Court is outlined under section 30 of the Act.

The Liquor Licensing Court hears and determines —

- any application or matter requiring, or relating to the imposition, variation or cancellation of a condition in respect of a Category A licence where that application or matter would be inconsistent with a condition previously imposed by the Court or which the Court has previously refused to impose;
- any complaint under section 95;
- any matter referred to the Court by the Director; and
- any application for the review of a decision by the Director.

The Director of Liquor Licensing hears and determines all other applications, including the grant, removal or transfer of a Category A or Category B licence and whether contested or not.

ORGANISATIONAL STRUCTURE

SENIOR OFFICERS AS AT 30 JUNE 1999

Executive Director

Barry Sargeant

Director, Gaming

David Halge

Director Liquor Licensing

Geoff Aves

Deputy Director Liquor Licensing

Hugh Highman

Manager Gaming Regulation

Len Nazareth

Manager Licensing and Administration, Gaming

Ray Younger

Manager Licensing, Liquor Licensing

Peter Minchin

Manager Inspections, Liquor Licensing

Eric Romato

Manager Racing

Jon Nichols

Manager Organisation Development

Dorothy McLauchlin

Manager Finance & Administration

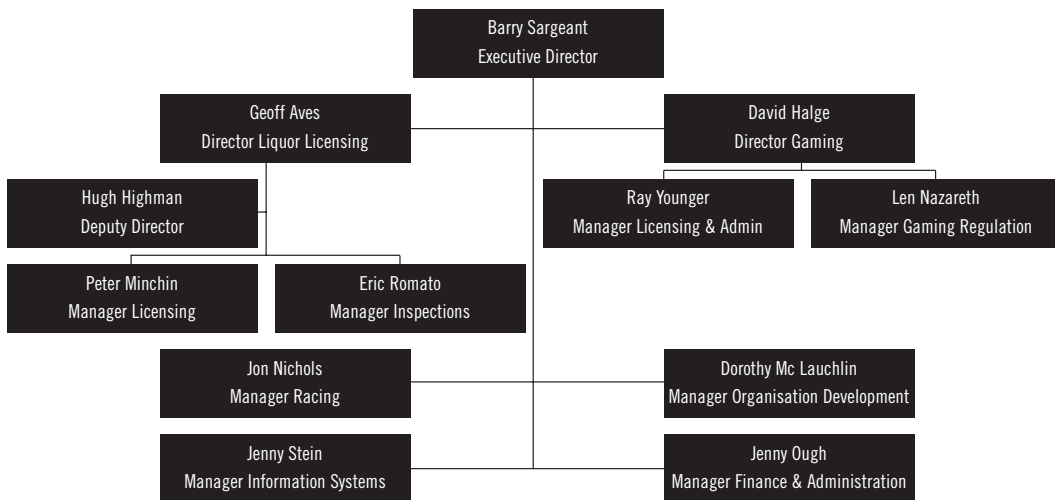
Jenny Ough

Manager Information Systems

Jenny Stein

ADMINISTRATIVE STRUCTURE AS AT 30 JUNE 1999

Office of Racing, Gaming and Liquor Structure



Associated Bodies



Community Liaison

The Executive Director and other senior officers are regularly required to liaise with the media. They have also represented the Office of Racing, Gaming and Liquor at a number of formal and social functions.

The Director of Liquor Licensing, Deputy Director and Manager of Licensing undertake speaking engagements in relation to liquor licensing matters on a continuing basis. The Director and Deputy Director have addressed members of both the West Australian Hotels' Association and the Licensed Clubs' Association and officers of the Liquor Licensing Division have represented the Office at Accord meetings and industry launches.

Officers of the Gaming Division address the attendees of the Croupier Training Schools on a monthly basis at the Burswood International Resort Casino. In addition, they have been involved in the training courses that are conducted for the casino security officers. Senior Gaming Inspectors and officers of the Liquor Licensing Division are also called upon to address members of the Western Australian Police Service as part of their formal training program.

Conferences

In October 1998, Mr Barry Sargeant, Executive Director, and Mr Jon Nichols, Manager Racing, accompanied the Minister for Racing and Gaming to the Racing Ministers' Conference in Auckland, New Zealand. The major issues discussed at the conference included the report of the Officers' Working Party on Interactive Wagering.

Mr Geoff Aves, the Director of Liquor Licensing, attended the annual Liquor Licensing Conference in September 1998. This year the conference was held in Adelaide, South Australia, and discussed alcohol abuse and misuse, harm minimisation and National Competition Policy.

In February 1999, Barry Sargeant, the Executive Director, attended the 7th Australasian Casino's and Gaming Conference that was held in Queensland. The conference ran for three days and discussed a range of issues relating to the casino and gaming industries, including internet gaming and on-line gaming regulation, and the social impacts of gambling.

In April 1999, the Office of Racing, Gaming and Liquor and Gaming Commission had three representatives attend the 1999 Casino and Gambling Regulators' Conference. Lynette Quinlivan, member of the Gaming Commission, Mr David Halge, Director of the Gaming Division, and Ray Younger also of the Gaming Division attended the conference that was held in Glenelg, South Australia. The conference discussed the various issues faced by each jurisdiction in relation to Casino and Gaming regulation.

Mr Doug Smith, Registrar Racing, attended the Racing Penalties Appeal Tribunal Conference that was held in Auckland, New Zealand during June 1999. Mr Smith attended the conference with Mr Dan Mossenson the chairman of the WA Racing Penalties Appeal Tribunal. The Conference discussed a number of major issues including, horse drug testing, suspension and disqualification, judicial review of tribunal determinations and defence of honest and reasonable mistakes.

Restructure

During the coming year the Office of Racing, Gaming and Liquor will undergo a restructure, whereby the operational areas of the Office will be amalgamated to form an Operations Division. The formation of an operational division will result in all matters, whether they relate to racing, gaming or liquor, being dealt with by the one area. Applications for liquor licences and gaming permits will be processed by an applications team and inspections relating to licensed premises, gaming operations and betting venues will be undertaken by a combined inspectorate. It is expected that the amalgamation will result in an improved service to the public. In the long term, clients will be able to have their gaming applications dealt with by the same person that is processing a related liquor licence application. Similarly inspectors visiting a licensed premises will be able to advise on liquor and gaming related issues.

Development of an integrated Liquor Licensing Computer System.

It is expected that stage one of the integrated liquor licensing system will become operational before 31 December 1999. The new system will have the capacity to maintain more information in relation to applications and licensed premises and is expected to improve processing times.

Development of Financial Information Management Computer System.

The development and implementation of the replacement Financial Information Management System will be completed by the end of 1999. The new system will be Year 2000 compliant and makes provision for reporting the outcome and output requirements of Treasury.

Development of Records Management Computer System.

A new records management system will also be implemented during the second half of 1999. The Office will be implementing the TRIM system, which will replace an outdated version of CARMS. The new system will enable the Office to meet all future records' management requirements.

Redevelopment and enhancement of the gaming and casino systems.

As a result of changes to gaming legislation and the development of new technology, a functional requirements specification was commissioned to identify the current and future information needs of the Gaming Division to effectively service casino and community gaming activities in the State. This specification will be used as

the basis to redevelop and enhance the functionality of the existing gaming permit register system, the casino employee licensing system and associated databases. In addition, some existing systems will be discontinued and new systems developed.

Introduction of EFTPOS facilities for the receipt of fees and charges.

EFTPOS facilities will be available during 1999/2000. Clients will be able to pay application fees, licence fees and infringement fines using EFTPOS. The EFTPOS facility will include the use of credit cards. However, a "cash out" service will not be available.

Continuing Lotteries

The Office of Racing, Gaming and Liquor plans to assume responsibility for the licensing functions of suppliers of continuing lottery tickets from the State Revenue Department. This will involve amendments to the Stamp Act 1921 and the Gaming Commission Act 1987 and will be dependent upon Parliament passing the Acts Amendment (Continuing Lotteries) Bill 1999.

Expansion of the Internet site for the provision of information

The Office will continue to review and improve the level of information that is available via the Office Internet. During 1999/2000, the five annual reports produced by the Office will be available on the Internet. The National Competition Review reports are also available on the Internet.

Customer Survey

During 1999/2000 the Office will undertake an extensive customer survey to determine the level of satisfaction with the services it provides. The survey will involve seeking feedback from the holders of gaming permits and occasional licences, liquor licensees and industry associations, race clubs, local government authorities and the police. An internal customer survey will also be conducted to establish how satisfied the operational areas are with level of service provided by Corporate Services. The information collected from the survey will be used to implement changes that in turn should improve the overall level of customer service.

Workplace Agreement

The Office will offer to staff its fourth workplace agreement towards the end of 1999. The agreement will operate for two years and will primarily be based upon the final components of the five-year human resource plan that was developed in 1993. Some of the key initiatives of the productivity strategy will be achieved through the implementation of the restructure.

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The Office of the Director of Liquor Licensing promotes and maintains the integrity of lawful liquor activities by —

- receiving, processing and determining liquor licence applications in accordance with the provisions of the Liquor Licensing Act;
- exercising controls over persons directly or indirectly involved in the sale, disposal and consumption of liquor;
- assessing and collecting licence fees and other revenue; and
- monitoring the standards of licensed premises and the standards of services provided.

SIGNIFICANT EVENTS

Director of Liquor Licensing Now Determines All Licence Applications

On 23 May 1998, the *Liquor Licensing Amendment Act 1998* came into force and introduced some important changes to the regulation of the sale, supply and consumption of liquor in Western Australia.

One practical result of the amendments is that the Director of Liquor Licensing now hears and determines all applications for the grant or removal of a new licence irrespective of whether or not the application attracts objections. During the reporting year the Director of Liquor Licensing determined 35 contested applications for the grant of a category A licence, 12 of which were granted and 23 refused

The Liquor Licensing Court is concerned almost exclusively with the judicial review of the decisions of the Director of Liquor Licensing.

Transfer of responsibility for the administrative management of the Liquor Licensing Court to the Ministry of Justice

Following the amendments to the Liquor Licensing Act in May 1998, administrative responsibility for the Liquor Licensing Court changed from the Office of Racing, Gaming and Liquor to the Ministry of Justice. The change was effective from 1 July 1998.

The move also coincided with the Government's policy for bodies exercising judicial or quasi-judicial powers to be located under the one administrative umbrella, the Ministry of Justice.

The Registry of the Liquor Licensing Court is now located at the Central Law Courts, 30 St George's Terrace, Perth, as an adjunct to the District Court.

The Liquor Licensing Court convenes in courtrooms located within the Central Law Courts complex.

Development of Integrated Liquor Licensing System

An integrated liquor licensing computing system is currently being developed. One important feature of the system is that it is Y2K compliant. It is expected that the system will be operational before 31 December 1999.

National Competition Policy Review of Liquor Licensing Act 1988

The National Competition Policy Review of the *Liquor Licensing Act 1988* was progressed during the year.

The Review was advertised in *The West Australian* and the *Sunday Times* on 14 and 15 February 1998, respectively and 13 submissions were received.

A second draft of the report on the *National Competition Policy Review of the Liquor Licensing Act 1988*, has been submitted to Treasury's National Competition Policy Unit for review.

Liquor Subsidy Scheme

The liquor subsidy scheme, which was implemented in 1997 following the High Court's decision in relation to business franchise fees, has now been operating for over 18 months. During 1998/99, Liquor Licensing Inspectors undertook 155 subsidy audit inspections. These inspections primarily related to wine producers. The subsidy scheme provides for producers and wholesalers to claim a subsidy where they have paid the additional wholesale sales tax. In the case of a wine producer, the subsidy is only payable in relation to cellar door sales and mail order sales conducted at the licensed premises, where the wine is produced by that person in Western Australia and sold to an unlicensed person for personal consumption. In the case of a wholesaler, the subsidy may only be claimed in relation to low alcohol products.

An audit inspection conducted by a Liquor Licensing Inspector during the year uncovered an administrative error on the part of a licensee that resulted in the Commonwealth Government transferring \$1.7 million to the State account. The State account was established by the Commonwealth Government to collect the additional 15 per cent sales tax, which was levied to compensate for the fact that the State Governments could no longer collect franchise fees. The money generated from the State account is distributed amongst the State Governments, who in turn pay the subsidy claims. In the above mentioned case, the licensee did not differentiate between the sales tax relating to liquor and the sales tax relating to other goods and therefore the whole amount of sales tax, including the additional 15 per cent, was retained by the Commonwealth Government.

During the reporting year, \$9,014,809 was paid out in liquor subsidy claims.

SIGNIFICANT DECISIONS/PROSECUTIONS

Big Bombers

The application by Austie Nominees Pty Ltd for the grant of a liquor store licence, in respect of premises to be known as Big Bombers, is significant because it provided an opportunity for the Full Court of the Supreme Court to interpret Section 38(2a)(b) of the Liquor Licensing Act 1988, which only came into operation in May 1998.

Section 38 of the Act requires that an applicant for the grant of a Category A licence demonstrate that the grant of the licence is "necessary" to meet the "reasonable requirements" of the public for liquor and related services in the affected area. Following a previous ruling of the Full Court in *Liquorland (Australia) Pty Ltd v Austie Nominees Pty Ltd*, unreported; FCt SCt of WA: Library No 980601; 19 October 1998, the requirements of section 38 were seen to be based primarily on considerations of convenience to the public and public taste and preference as to the manner of shopping.

However, the new test under section 38(2b)(a) was explained by His Honour (Anderson J.), —

"Looking at the section as a whole, and having regard to the legislative history and the obvious policy of special restriction in regard to liquor stores, I am of the opinion that subsection (2b) is not concerned - in the same way that subsection (1) is - with the requirements of the public as to matters of taste, convenience, shopping habits, shopper preferences and the like, but is concerned with the requirements of the public for liquor itself.

I think that, on the proper construction of section 38, an applicant for a liquor store licence is required by subsection (2b) to satisfy the licensing authority that the reasonable requirements of the public for liquor itself (or liquor of a particular type, such as bottled table wines) and related services cannot be provided for in the affected area by licensed premises already existing in the area; that is, cannot be provided for without occasioning substantial difficulty or substantial inconvenience to the relevant public."

In other words, a proper construction of the new section 38 (2b)(a) requires an applicant for the grant of a liquor store licence to demonstrate that the public demand for liquor in the affected area cannot be met by existing licensed premises located within the affected area. This significantly changes an application for the grant of a liquor store licence by placing a more stringent onus on the applicant to demonstrate that members of the public are

substantially inconvenienced on the basis that their reasonable requirements for liquor cannot be provided for in the affected area.

Lakers Tavern

On 22 April 1999, Judge Greaves of the Liquor Licensing Court handed down a decision in respect of an application for review of a decision of the Director of Liquor Licensing, for an application to alter or redefine the Lakers Tavern, Thornlie. The decision is significant because it provides for the packaged liquor sales component (or bottle shop) of a hotel or tavern to be established some distance away from the premises.

The application sought approval to establish a packaged liquor outlet or bottle shop, under its tavern licence, some 100 metres or more from the existing premises and within a supermarket complex. The Director refused the application for the following reasons —

"The proposed variation will create a separate and new business under the licence. Even if the applicant could successfully argue that this was not the case, the mere fact that the new facility is to be located some 120 metres from the tavern, will result in supervision being more difficult than if the new facility simply remained at, or adjacent to, the present tavern. This is an important consideration, as effective supervision/management is fundamental in ensuring the responsible sale and service of alcohol.

From a regulatory point of view, if the proposal is approved, a precedent would be set which would encourage other tavern/hotel licensees to lodge similar variations."

The applicant sought a review of the Director's decision under the provisions of section 25 of the Liquor Licensing Act. In his decision, Judge Greaves found that there was nothing in the concept of "redefinition" and the interpretation of that term under the Act which, in his opinion, could lead to the conclusion that Parliament intended only that buildings and premises contiguous to each other could be the subject of redefinition.

Similarly, Judge Greaves expressed the opinion that —

"... it is not helpful... to apply what is sometimes described as the floodgates approach and contemplate what decisions the Licensing Authority might come to in future cases..."

Accordingly, Judge Greaves granted the application.

Interestingly, a recent decision of the Full Court of the Supreme Court of South Australia found that the South Australian Licensing Court's decision to grant a similar application, which Judge Greaves noted in his decision, was improper.

Gull Petroleum (WA) Pty Ltd Ginger's Liquor Stop

Last year Gull Petroleum (WA) Pty Ltd lodged applications for liquor store licences for five petrol stations in the metropolitan area of Perth. The first of those applications, for premises known as Gull Liquor Stop Ginger's Roadhouse and situated 138 Great Northern Highway, Upper Swan, was heard in August 1998. The decision was handed down on 15 January 1999.

Through the intervention of the Director of Liquor Licensing and the Executive Director, Public Health, the Government expressed its opposition to the sale of liquor as an adjunct to the principal business of selling petrol.

The decision was significant because it considered the amended objects of the Act, in particular object 5(1)(b), which seeks to minimize the harm and ill health caused to people, or any group of people, due to the use of liquor.

The Court found that the primary objects of the Act were both to regulate the sale, supply and consumption of liquor, and to minimize harm or ill health caused to people, or any group of people, due to the use of liquor. It rejected an argument from Gull that those objects were incompatible, and that harm or ill health should be relevant only to the types of conditions to be imposed on licences, as opposed to whether or not a licence should be granted. The Court said that it was required to find a balance, in each case, between making liquor available to the community and curbing the perceived consequences of its consumption and use.

The Court made several very important findings about the notion of harm. It held that this included not only *physical* harm to the consumer, but other types of harm that could occur through an increase in anti-social or injurious behaviour due to the use of liquor. Importantly, the Court found that harm extended to harm caused to people other than the consumer due to the use of liquor.

A wide range of evidence about drinking and public health issues was given at the hearing. The objectors main health-related argument was that the licensing of petrol stations would lead to impulse buying of liquor that would not otherwise occur, and which would lead to impulse consumption associated with driving and potentially more traffic accidents.

Having considered the evidence, the Court concluded that there was little or no direct research about the extent of impulse purchasing of liquor products at licensed premises generally, or in particular, at service stations. The Court concluded that impulse purchasing of liquor regularly occurs at all licensed premises.

The Court did however decide that it was open to infer that, if the application succeeded, impulse purchasing of packaged liquor was

likely to occur at the proposed premises to some extent, that impulse consumption of liquor by drivers was in some cases likely to follow, and that in such cases harm might follow to the consumer and/or third party road users. On that basis, the Court rejected Gull's application as contrary to the public interest.

However, the Court was at pains to point out that its conclusion was based upon the particular location of the proposed premises at the start of a major highway, rather than simply because of the fact that the premises was a petrol station.

Section 95 Complaint - Director of Liquor Licensing v Williams

This complaint concerned disciplinary proceedings against the licensee of the Iron Clad Hotel, Marble Bar, in respect of his conviction for three offences under the Liquor Licensing Act in the Court of Petty Sessions, namely—

- selling liquor in a manner that was contrary to a condition of the licence;
- permitting drunkenness to take place on the licensed premises; and
- permitting a juvenile to enter and remain on a part of the licensed premises where liquor was sold, and the subsequent decision of the Magistrate to find the offences to be at the lower end of the scale and impose relatively minor fines.

In his decision of 3 December 1998, Judge Greaves commented that the Magistrate had not seen the seriousness of the licensee's conduct in its context under the Act and that this was reflected in the penalty.

Judge Greaves also said,

"I do not think that the court should allow the licensee to believe that the Licensing Authority will ignore this kind of conduct for which the licensee is responsible".

Accordingly, Judge Greaves found that there was proper cause for disciplinary proceedings and imposed an additional monetary penalty.

Infringement Notices

During the reporting year, 4793 Infringement Notices were issued by the Police and Liquor Licensing Inspectors. The majority of these (4048) related to offences for "street drinking" and "park or reserve drinking". Infringement notices were also issued in relation to: supplying false or misleading information (124); juveniles entering

or remaining on licensed premises (73); failing to leave licensed premises (70); re-entering licensed premises within 24 hours (78); selling or supplying liquor to a drunken person (3); purchasing liquor for a juvenile (33); juveniles consuming liquor on licensed premises (36); juveniles obtaining or attempting to obtain liquor from a licensed premises (41); and selling liquor to a juvenile (23).

OPERATIONS

Expansion of Mandatory Knowledge Requirement

The requirement for mandatory knowledge relevant to managing licensed premises was first introduced on 1 August 1997.

At that time the requirement applied only to Category A licences. However, since 25 April 1999, the requirements for Mandatory Knowledge relevant to managing licensed premises have been extended to include the approved managers of Category B licences where applications are made:

- for the grant or transfer of the licence;
- for the grant of an extended trading permit; or
- seeking approval to alter or redefine the licensed premises.

This requirement is imposed as a condition on the licence, with a three-month compliance period.

Highlights

- Four hundred and sixty nine hearings were held for the grant and transfer of liquor licences and the grant of extended trading permits in the metropolitan area.
- Liquor Licensing Inspectors undertook 1347 inspections of licensed premises during the reporting year, including financial/subsidy audits and premises and compliance inspections.
- The Director of Liquor Licensing lodged three section 95 complaints, seeking disciplinary action against a licensee, with the Liquor Licensing Court.
- Thirteen section 117 complaints (concerning noise and/or disturbance emanating from licensed premises) were lodged with the Director of Liquor Licensing during 1998/99. Nine of those complaints have been satisfactorily resolved, one is the subject of legal action in the Liquor Licensing Court, two are subject to ongoing monitoring of the premises and one has been adjourned for five months. Two of the complaints resulted in the licensees having restrictions placed on their licences.

CHANGES TO LEGISLATION

Liquor Licensing Amendment Regulations (No. 4) 1998

On 6 October 1998, the Liquor Licensing Regulations 1989 were amended to —

- correct an error in the prescribed proportion of ethanol by volume in a beverage classified as liquor from 0.05% to 0.5%; and
- make changes to the subsidy scheme applying to producers of wine and beer and wholesalers in Western Australia.

Liquor Licensing Amendment Regulations (No. 5) 1998

On 30 October 1998, the Liquor Licensing Regulations 1989 were amended to —

- give effect to the Commonwealth Parliament's passing the Cheques and Payment Orders Act 1986, so that from 1 December 1998, various non-bank financial institutions (such as building societies and credit unions) were able to issue cheques.

Liquor Licensing Amendment Regulations 1999

On 30 April 1999, the Liquor Licensing Regulations 1989 were amended to —

- provide that alcohol based icy-pops and other novelty food items modelled on children's foodstuffs is prescribed as liquor and therefore restricted to sale on or from licensed premises; and
- prescribe the sale of liquor by a manager of a hospital to a patient as an exempt sale.

Liquor Licensing Amendment Bill No 2 1999

As a consequence of the Gull decision (page 15), the Office has commenced drafting an amendment to the Liquor Licensing Act 1988, that seeks, as its primary purpose, to prevent the grant of liquor licences that authorise the sale of packaged liquor from petrol stations.

The Office of Racing, Gaming and Liquor provides executive, operational, administrative and inspectorial support to the Gaming Commission of Western Australia and the Territory of Christmas Island Casino Surveillance Authority, as part of a net appropriation agreement. However, the support provided to the Territory of Christmas Island Casino Surveillance Authority has not been required since the cancellation of the Casino Licence on Christmas Island.



STATISTICS

Comparison of the number of Liquor Licensing Applications lodged

TYPE OF APPLICATION	01/07/95 to 30/06/96	01/07/96 to 30/06/97	01/07/97 to 30/06/98	01/07/98 to 30/06/99
Transfer of Licence	362	297	336	333
Change of Manager	1,107	1,060	1,212	1,011
Grant and Removal of Licence	222	221	323	245
Alterations to licensed premises	239	237	305	299
Variation to licence conditions	198	174	230	276
Extended Trading Permits (long term extended trading hours) ¹	146	164	144	132
Extended Trading Permits (other long term and indefinite) ²	26	37	28	84
TOTAL	2,300	2,190	2,578	2,380

¹ This figure will include those applications that have been made for the renewal of a permit that was granted in the preceding year. Generally, applications for extended trading permits in respect of hotels and taverns which authorise trading until 1 am or 2 am, are only granted for a twelve-month period. Therefore many of the applications referred to in the figures relating to the year ending 30 June 1995, 1996, 1997 and 1998 are likely to be renewals of existing permits. These figures also include extended trading permits granted to authorise liquor store licensees to trade on Sundays.

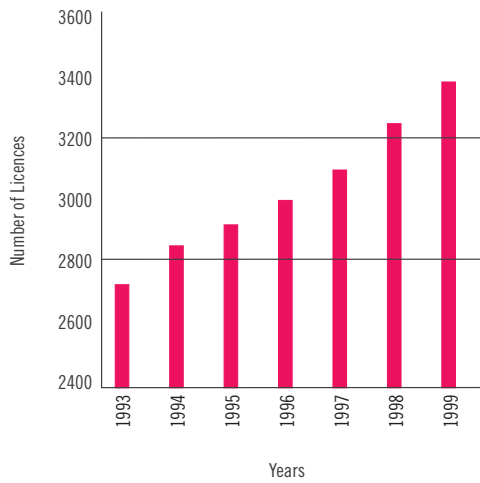
² Applications in this category may also relate to any one of the following:

- Extended Area Permit, authorising the licensee to supply liquor in an area which does not form part of the licensed premises (eg alfresco dining);
- Dining Permit, authorising the sale of liquor, ancillary to a meal in a specified dining area, outside of the normal permitted trading hours;
- Late Delivery Permit, authorising the licensee of a liquor store licence to deliver liquor between 10.00pm and 12.00 midnight Monday to Saturday;
- Association's Permit, authorising a club to sell liquor to the members of another club whilst on the premises for a particular purpose (ie: Lions club meeting);
- Residential Permit, authorising the licensee of a restaurant, which is comprised within residential accommodation, to provide liquor to lodgers without them having to consume a meal;
- 20% Area Permit, authorising the licensee of a restaurant to sell liquor for consumption on the premises, whether or not, ancillary to a meal, during the permitted hours of a hotel licence, provided the liquor is consumed at a dining table and the area set aside does not exceed 20% of the seating capacity.

LIQUOR LICENSING DIVISION

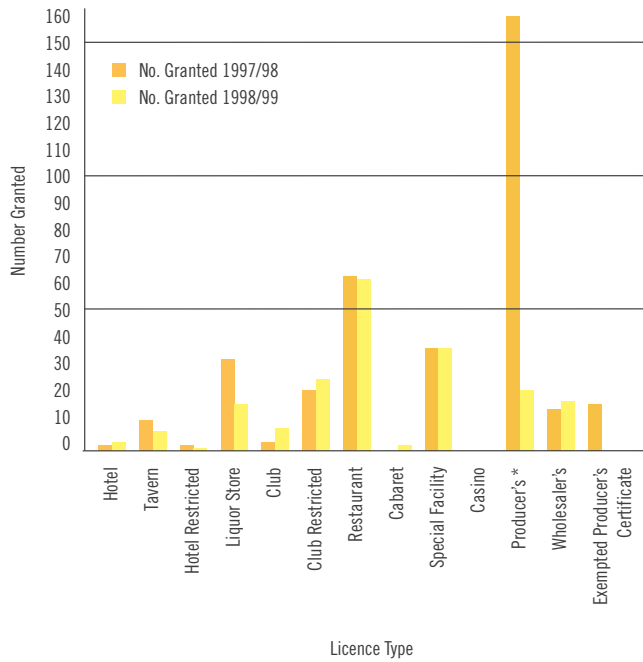
Licence Category	1993	1994	1995	1996	1997	1998	1999
Hotel	358	353	346	340	338	335	333
Tavern	250	256	265	268	269	279	286
Hotel Restricted	35	36	36	35	36	38	36
Liquor Store	362	377	392	395	407	441	457
Club	386	390	384	385	389	389	393
Club Restricted	450	486	490	492	495	505	520
Restaurant	448	486	490	538	565	590	624
Cabaret	44	46	54	55	55	55	57
Special Facility	202	224	236	232	263	282	307
Casino Liquor	1	1	1	1	1	1	1
Producer's	66	77	78	78	80	234	246
Wholesaler's	82	88	86	96	98	102	116
Exempted Producers Certificate	45	51	62	83	99	0	0
TOTAL	2,729	2,853	2,920	2,998	3,095	3,251	3,376

NUMBER OF LICENCES AS AT 30 JUNE



LIQUOR LICENSING DIVISION

NUMBER OF LICENCES GRANTED



*The figure for 1997/98 includes the conversion of Exempted Producer's Certificates as part of the transitional provisions associated with the proclamation of the Liquor Licensing Amendment Act.

Occasional Licences and Extended Trading Permits Granted by the Liquor Licensing Division

	1 July 1996 to 30 June 1997	1 July 1997 to 30 June 1998	1 July 1998 to 30 June 1999
Occasional Licences	2,276	2,974	3,409
Extended Trading Permits	1,984*	1,789*	1,049*

*This figure does not include long term and indefinite extended trading permits.

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The Office's Gaming Division carries out many of the Gaming Commission's operational functions, including the provision of licensing, inspection and audit functions in respect of both casino and permitted gaming, whilst administrative functions, such as financial management and information services, are provided by the Office's Corporate Services Division.

The Gaming Division also provides an inspection, audit and investigation function for the Betting Control Board of Western Australia, and undertakes certain inspectorial tasks for the Director of Liquor Licensing.

SIGNIFICANT EVENTS

Devolution of responsibilities to Burswood Casino

During 1998/99 two functions, previously undertaken by the Gaming Commission, were devolved to Burswood Casino, following a recommendation by an external consultant.

- Inspectors withdrew from being physically present for the daily collection of drop boxes from gaming tables.
- Responsibility for gaming equipment stock was transferred to the operator.

As a consequence, review/audit programs have been developed for each area. These audits are conducted on a regular basis. Additionally, regular checks of equipment used in gaming are carried out as part of the game audit program.

The devolution of these duties has allowed inspectors to undertake other duties within and outside the casino.

Trade Promotion Lottery Approval

By way of gazettal on 23 February 1999, the Gaming Commission authorised the conduct of Trade Promotion Lotteries, without the need to obtain a permit, provided that the following conditions are complied with:

- Participants take part without cost, or by reason of the purchase of goods or the use of services, the cost of which is no more than the cost would be without the opportunity to take part in the lottery.
- If the entry is via a telephone call or other electronic medium, the cost of the call shall not exceed 50 cents.
- The lottery may be conducted for a maximum of twelve months.
- The draw must be conducted within one month of the closure of the lottery.

- The value and/or description of the prize(s) must be printed on the entry coupon or clearly stated in any other advertising material.
- Where the promotion is conducted by audio, visual or other media, the value and/or description of the prizes and conditions of entry shall be clearly stated or otherwise made clear.
- The method for determining the winner shall be clearly stated or otherwise made clear.
- Records relating to the lottery shall be maintained for a period of twelve months and shall be made available to an authorised officer of the Gaming Commission upon request.
- Where practicable, members of the public must be afforded the opportunity to witness the draw. Where not practicable, audit records confirming the prize draw must be made available to an authorised officer of the Gaming Commission upon request.

Development of Gaming System

As a result of changes to gaming legislation and the development of new technology, a functional requirements specification was commissioned to identify the current and future information needs of the Division to effectively service casino and community gaming activities in the State. This specification will be used as the basis to redevelop and enhance the functionality of the existing gaming permit register system, the casino employee licensing system and associated databases. In addition, some existing systems will be discontinued and new systems developed.

Burswood Limited – Participation in Casino, Durban, South Africa

In September 1998, Burswood Limited sought the approval of the Minister for Racing and Gaming to acquire a minority interest in the casino development that was being proposed by Durban Add-Ventures Limited, a South African registered company. Following an investigation into the reputation and integrity of participants in the Durban Casino, the Minister for Racing and Gaming consented to Burswood Limited acquiring a 20 per cent interest in Legend International Resorts (SA) Pty Ltd, also a South African registered company.

Legend International Resorts SA (Pty) Ltd has been contracted to manage the casino and hotel operations. The casino, which will form part of the Thekwini Adventure World, will be located at the Village Green that lies within the Durban Kings Park complex.

National Competition Policy Report

The Office of Racing, Gaming and Liquor has undertaken a National Competition Review of the Gaming Commission Act 1987, Gaming Commission Regulations 1988, Casino Control Act 1984, Casino (Burswood Island) Agreement Act 1985 and Casino Control (Burswood Island)(Licensing of Employees) Regulations 1985. The review reports have been submitted to Treasury's National Competition Policy Unit for review.

Interactive Television Games

During the first half of 1999, TVW Enterprises Ltd (Channel 7) and Swan Television and Radio Broadcasting Ltd (Channel 9) advertised the programs "Chance of a Lifetime" and "Who Wants to be a Millionaire" without consulting the Gaming Division.

The programs were essentially quiz shows that provided contestants with the chance to win up to \$1million. Prospective contestants were required to ring a telephone number and register their interest for a cost of \$1, in relation to the Channel 7 competition and 75 cents in respect of the Channel 9 competition.

The Gaming Division maintained that the games were "games of chance" as defined by the Gaming Commission Act 1987 and, therefore, could only be conducted as a trade promotion lottery (as described above) with the maximum cost of the call being 50 cents.

A trade promotion lottery is defined by the Gaming Commission Act 1987 as:

a lottery conducted to promote the sale of goods or the use of services, in which every participant takes part,

(a) without cost; or

(b) by reason of the purchase of goods or the use of services, the cost of which is not more than that cost would be without the opportunity to take part in the lottery.

Discussions were held with Channel 7 and Channel 9, in association with the Victorian Casino and Gaming Authority, following which the cost of the calls was reduced to 50 cents.

Amalgamation of casino and community gaming inspectors

The amalgamation of the community and casino inspectors has now been completed. Inspectors are rostered to work at the casino on a 12-hour shift or in community gaming on an 11-hour shift.

The amalgamation, and the associated training, has given the Gaming Division the flexibility of being able to call on a bigger pool

of staff to cover 'peaks' and 'troughs' in either area and to extend the Commission's presence in country areas.

While there was some opposition to the amalgamation in the early stages, most inspectors have welcomed the opportunity to widen their level of expertise and have a greater variety of work.

Use of Internet

The Gaming Division has continued to use the Internet to provide a better service to the public of Western Australia. During 1998/99 all information regarding community gaming including application forms were placed on the Internet. Clients are now able to download application forms and associated gaming information from the Office of Racing, Gaming and Liquor website, which will be particularly useful for those located in remote areas.

COMPLIANCE

Internet Gambling

During March and April 1999, an Internet gaming site was hosted in Perth and media reports indicated that the gaming was occurring in Western Australia. Investigations revealed however that the actual Internet casino was located overseas (the Netherlands Antilles). The Internet casino was accessed via the Perth host and it therefore appeared as if gaming was occurring in Perth. The Internet service provider voluntarily removed the site.

The Gaming Commission will continue to monitor the Internet for further Western Australia based game hosts and conduct investigations to ensure that gaming is not being conducted in Western Australia contrary to the Gaming Commission Act and the Casino Control Act.

Laughing Clowns

During 1998 Gaming Inspectors noted that travelling showmen had installed and were operating what were considered to be games of chance every weekend at a number of weekend markets. After obtaining legal advice, the Gaming Division requested that the Laughing Clown machines located at a particular metro market be removed. The operator of the machine issued an originating summons and an interlocutory injunction to stop the Gaming Commission from confiscating the machines until such time as the originating summons was heard.

The matter was heard in the Supreme Court of Western Australia in April 1999. Based on conflicting affidavits and in the absence of expert witnesses being called, the Judge could not rule on whether or not the Laughing Clown machines were lawful under the Gaming Commission Act and accordingly dismissed the case. Notwithstanding this however, the machines have not been re-installed at the markets.

Illegal Gaming Machines - Prosecutions

During the reporting year, two hotels were prosecuted on a total of five charges for the possession and operation of illegal gaming machines. The two prosecutions were successful and resulted in \$3000 in fines plus costs. In addition, an order for forfeiture was issued for the machines and an order for destruction issued in relation to one of the machines. A decision concerning the destruction of the remaining machines has not yet been made. An illegal gaming machine was also located at a pool and snooker parlour. The machine was voluntarily surrendered and destroyed. No charges were laid.

Continuing Lotteries

During the year the Commission revoked four Continuing Lottery permits. Two were in the metropolitan area and two in the country. Revocations occurred because an audit of the financial records held by the permit holders, including banking and disbursements, revealed a shortfall in the amount of money that should have been banked. The permits were revoked for periods ranging from three months to twelve months. At the conclusion of the revocation period, each organisation will, if they wish to reapply for a permit, be required to demonstrate to the Gaming Commission that controls have been implemented to ensure that deficiencies will not occur in future.

Standard Lotteries

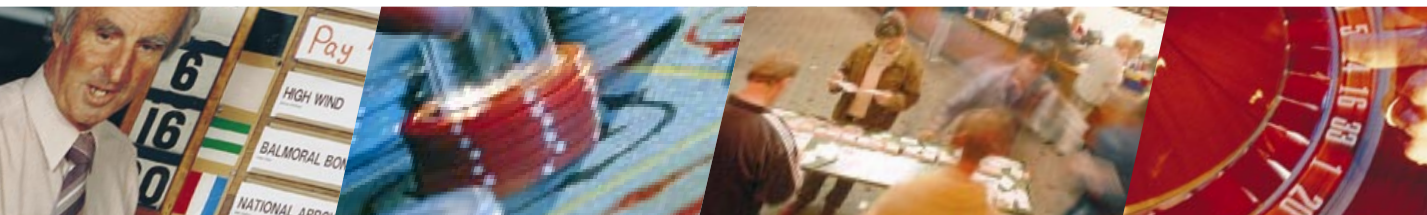
In relation to Standard Lottery permits, one organisation was issued with a number of infringement notices for breaching the conditions of its permit. The organisation was also required to show cause before the Gaming Commission why any further raffle permits should be issued. Another organisation, which contracted with a professional fundraiser to conduct its standard lottery permit, failed to meet a satisfactory net return for organisations that use professional fundraisers. The organisation was required to appear before the June meeting of the Commission to explain the low return and to show cause why its application for a further permit should be granted.

Casino Employee Licences and Gaming Operators' Certificates

Applicants for Casino Employee Licences or Operators Certificates that declare a conviction or fail to declare a conviction are required to appear before the Gaming Commission to show cause why a licence or certificate should be granted.

Employees who hold a casino employee licence are required, under the Casino Control (Burswood Island) (Licensing of Employees) Regulations, to advise the Chief Casino Officer of any conviction within 7 days. Due to random checks by the Casino Investigation Unit it was discovered that some licensees failed to advise the Chief Casino Officer of their convictions.

These people were required to show cause to the Gaming Commission why their licence should not be revoked. The Commission suspended several licences for periods ranging from two weeks to four weeks and in one case a fine of \$250 was imposed.



Infringement Notices/Cautions

During the reporting year the Police and Gaming Inspectors issued a total of 105 infringement notices. The majority of the infringement notices were issued under the Gaming Commission Act for breaches of permit conditions. A number of infringements were also issued in respect of the Casino Control Act for offences relating to re-entering the casino after being barred and cheating. In addition, 36 cautions were issued for similar breaches. Cautions are issued where the issuing officer is of the view that the offence is of a nature that does not justify the issue of an infringement notice.

Type of Action	1997-98	1998-99
Inspections	570	791
Audits	879	1,616
Desk Audits	2,142	486
Cautions Issued	12	36
Infringement Notices issued	46	105
Prosecutions initiated	9	3
Permits revoked	2	4
Country visits	66	92
Permits/certificates/approvals	4,471	4,385
Lotto Duties	201	376

Summary of gaming regulation operational statistics

OPERATIONS

Casino Gaming

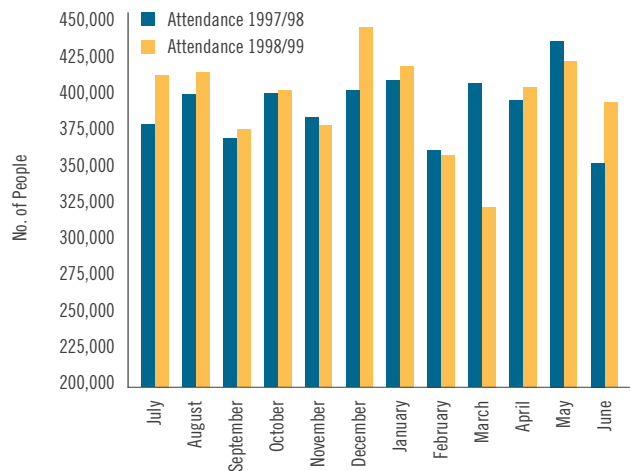
• *Surveillance*

Inspectors carry out continuous physical and closed circuit TV surveillance of all aspects of casino gaming operations, through a series of audit programs. This is designed to ensure adherence to all regulations associated with game rules, accounting, security and surveillance procedures.

• *Patron Complaints*

In most instances, patron complaints can be resolved through discussion with casino gaming staff. However, if this is not possible, the matter will be investigated by Government Inspectors and, where necessary, referred to the Chief Casino Officer for a decision. Casino gaming staff are required to inform the Government Inspectorate of any unresolved complaints from patrons.

**MONTHLY CASINO ATTENDANCE
(BURSWOOD RESORT CASINO)**



• *Checking and Testing of Gaming Equipment*

To ensure that all games are conducted honestly and fairly, the Gaming Commission approves all suppliers of gaming equipment (such as dice, cards and roulette wheels). Equipment is tested regularly to ensure that it continues to meet established standards. The storage, use and destruction of equipment is also monitored.

In 1985, the Gaming Commission determined that, in respect of each video machine installed in the casino, the Casino Operator shall return to players at least 90 per cent of the coins wagered in the machines. To ensure this happens, the machines and associated security systems are extensively checked.

• *Overseeing Revenue Collection and Counting*

Government Inspectors are responsible for checking and verifying casino gaming revenue and casino tax.

• *Video Gaming*

During 1998/99 an International Gaming Technology (IGT) Insight video gaming monitoring system was introduced to replace the existing Electronic Data Technology (EDT) video monitoring system. In addition the following new video games were introduced at the same time-

- Aristocrat Bad Dog Poker
- Olympic Video Money Wheel
- Aristocrat Clown Poker
- IGT Cabaret Keno
- Video Roulette
- IGT Crazy Keno
- Sega Club Roulette

• *Violation Reports*

During 1998/99 the Chief Casino Officer issued 5 violations to the casino licensee. The violations were for a variety of rule and procedural breaches and resulted in letters of censure and fines being imposed based on the severity of the breach.

Permitted Gaming

The Gaming Commission employs Gaming Inspectors to assist in maintaining the integrity of gaming conducted, by sporting clubs and charities, under a permit issued by the Gaming Commission—

• *Physical Inspections*

Gaming Inspectors conduct physical inspections of premises where permitted gaming is conducted to ensure compliance

with permit conditions, adherence to conditions associated with game rules and accounting procedures. Inspections cover the metropolitan and country towns and regions of Western Australia. During 1998/99, Gaming Inspectors conducted 791 Inspections, 92 of these related to country inspections.

• *Video Lottery Terminals*

The number of Video Lottery Terminal permits issued during 1998/99 was 654, compared to the 685 during 1997/98. In spite of the drop in permits issued, the turnover for 1998/99 was \$12.4 million compared to \$12.1 million for the previous year.

During the reporting year Video Bingo, Get Capone, Lucky Dip and Sweet Sevens games were approved by the Gaming Commission. The Commission also approved the introduction of 20-cent games in addition to the 50-cent games already in operation.

• *Auditing Financial Returns*

One of the requirements for many of the permits issued in relation to permitted gaming is the lodging of an appropriate financial return. Gaming Inspectors are responsible for checking and verifying financial returns for accuracy.

• *Detection and Prevention of Illegal Gaming Activities*

The detection and prevention of illegal gaming activities, in collaboration with the Police Service, is central to achieving the Gaming Commission's mission. Gaming Inspectors play a key role in the surveillance; detection and prevention of illegal gaming, especially in relation to illegal gaming machines, many of which are duly confiscated.

• *Lotteries Commission*

Officers from the Gaming Division perform an independent verification of Lotto draws, ticket sales and winner selection for the Lotteries Commission of WA. Officers are required to attend the Lotteries Commission's operations centre and complete audit procedures for each Weekend Lotto, Oz Lotto, Powerball Lotto, Super 66, Cash 3 and Soccer Pools draw. In addition to providing an audit function for the Lotteries Commission of WA, gaming inspectors attest to the winning Soccer Pools numbers from data supplied by the Lotteries Commission of South Australia. During 1998/99, members of the Inspectorate attended the Lotteries Commission on 376 occasions.

ISSUES AND TRENDS

Two-Up in Kalgoorlie

In early 1999, the operators of the Bush Two-Up in Kalgoorlie, requested that the Gaming Commission address the decline in patronage of the traditional two-up game.

The Commission determined that the problem was unique to Kalgoorlie and therefore the community of Kalgoorlie should initiate a resolution to the problem. The Director of Gaming visited Kalgoorlie in May 1999 and convened a meeting with the various stakeholders and local politicians. A number of issues were discussed and it was left to stakeholders to formulate a submission that the Commission could consider. The Commission will consider the submission later in the year.

Internet Gambling

The Gaming Division has received a number of inquiries relating to the legality of Internet gambling in Western Australia and whether applications for an Internet gambling service provider can be made.

The Casino (*Burswood Island*) Agreement provides for a period of exclusivity that precludes the State Government from approving or licensing the conduct or playing, except in the Burswood Casino, of any game that is commonly played in casinos, or any variation or derivative of a game, no matter how played. After the current period of exclusivity, which is due to expire on 24 December 2000, the State may only approve or licence the conduct or playing of a game in another casino constructed pursuant to a casino complex agreement.

"Amusement" type games and machines

The Gaming Commission has been approached by operators, seeking to introduce 'amusement' type games that provide prizes, into amusement parlours and public venues such as shopping centres and licensed premises.

The Gaming Commission Regulations provide for games of skill and some games of chance to be played under certain circumstances and in certain venues.

Government policy in Western Australia provides that there should not be any extension of gaming in the community through new forms of gambling. Consistent with that policy, Gaming Inspectors have been vigilant in identifying any games or machines that could be defined under the Gaming Commission Act as 'games of chance'.

Additionally, the Commission has refused to approve a number of games and machines for use in amusement parlours and the general community where it has been determined that they are a 'game of chance'.

Casino Reconfiguration

Burswood International Resort Casino undertook a major refurbishment in March 1999. The main casino floor was reconfigured to provide a better service to clients with the demarcation of smoking and non-smoking areas. The reconfiguration now permits customers to access most games in either smoking or non-smoking areas.

The refurbishment also included new lighting, a new foyer and an integration of gaming machines with table games. The number of gaming machines also increased by 46 from 1135 to 1181.

Problem Gambling

An assessment of the extent and degree of gambling related problems in Western Australia was undertaken in 1994, with the support of the Lotteries Commission of Western Australia, the Totalisator Agency Board, the Burswood International Resort Casino and the Office of Racing, Gaming and Liquor. The prevalence of problem gambling in Western Australia was estimated at 0.32* per cent of the adult population (*Note: this figure was incorrectly reported in the 1997/98 Annual Report as 3.02 percent).

During the year the Problem Gambling Support Services Committee was re-established with the representatives from the supporting organisations making up the membership of the committee.

Mr Barry Sargeant

Office of Racing, Gaming and Liquor – Chairman

Mr Ed Posey

Burswood International Resort Casino

Ms Jan Stewart

Lotteries Commission of Western Australia

Mr Ray Bennett

Totalisator Agency Board of Western Australia

Mr David Ryder

Edith Cowan University

Ms Shirley Frizzell

Health Promotion Programs & Research

Ms Genevieve Errey

Family & Children Services

Mrs Gail Walker

WA Bookmakers Association

A part time executive officer has been appointed to provide administrative support to the committee.

During 1998, the Problem Gambling Support Services Committee undertook a research project assessing the incidence and ability of people from diverse cultural backgrounds to access support services for gambling related issues. The report identified some of the issues facing people of diverse cultural backgrounds when confronted with problem gambling and presented the Committee with recommendations to improve access. These recommendations are being considered by the Committee.

The Committee is considering the need for a community awareness program for the support service and a program for raising community awareness will be implemented. This will include community awareness programs to communities with diverse cultural origins.

The Committee has continued to fund the provision of counselling services through Centrecare (Break Even), and a 24 hour telephone helpline, G-Line. In 1998/99, there were 280 initial contacts to Break Even, with 214 counselling sessions held. Additionally, there were 306 calls to G-Line for assistance. Of the calls received by G-Line, 58 per cent were males (178), 38 per cent females (116) with the balance not identified by gender. Similar percentages were reported about clients contacting Breakeven and receiving support.

CHANGES TO LEGISLATION

On 4 August 1998, the Acts Amendment (Gaming) Bill 1998 was assented to and came into operation. The Act, which emanated from a review of the Gaming Commission Act 1987 and Casino Control Act 1984, made important changes in the areas of casino and community gaming.

In relation to community gaming, the Act -

- Increased the Gaming Commission to a five-member body.
- Makes provision for the establishment of a Gaming Community Trust and a Gaming Community Trust Fund for all unclaimed moneys emanating from community and casino gaming. All unclaimed moneys above the prescribed amount of 99 cents in due course must be paid into the Trust Fund.
- Strengthened the provisions of the Act to make "possession" of gaming machines illegal.
- Amended the Act to permit the payment of cash prizes in relation to continuing lottery tickets from vending machines. Previously prizes of goods could only be obtained.
- Amended the Act to permit Two-Up after race meetings to be played beyond midnight provided the game is commenced on the race day. Previously, permits expired at midnight and discriminated against trotting clubs which could only commence the game at approximately 11.00 pm.

In relation to casino gaming, the Act -

- Introduced the issue of infringement notices for certain offences.
- Introduced "Controlled Contracts" in relation to the supply of equipment etc to the casino.
- Introduced a fine not exceeding \$100,000 for the casino licensee as an alternative to suspension or cancellation of the casino licence.
- Amended the Act to permit Keno runners to operate outside the approved area, but within an area of the complex specified by the Gaming Commission.
- Amended the Act to give the Minister the power to require a "close associate", holding a controlling interest, to divest any financial interest in any trust or company, which is the subject of a casino complex agreement or casino gaming licence, if the associate is found, or subsequently found, to be of unsuitable character.

STATISTICS

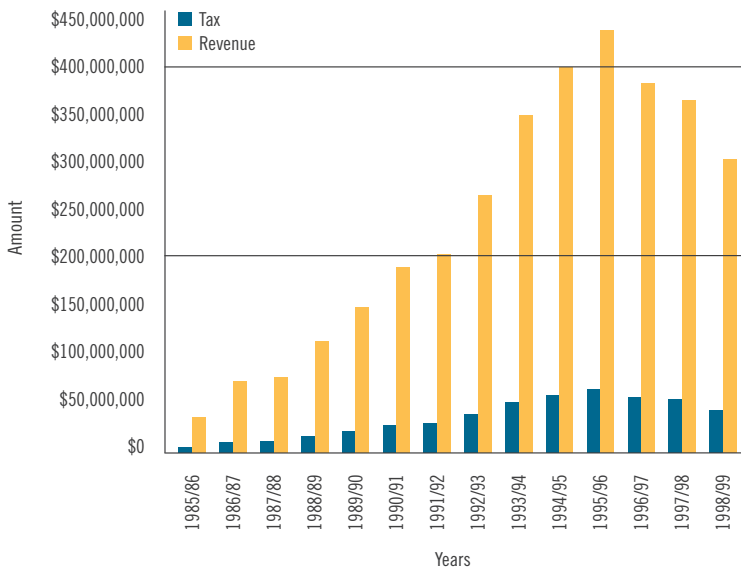
Casino Gaming Revenue

Casino Gaming Revenue of \$298,781,350 was collected during 1998/99 compared to \$358,828,073 in 1997/98. The pie chart below displays the breakdown of revenue by game type.

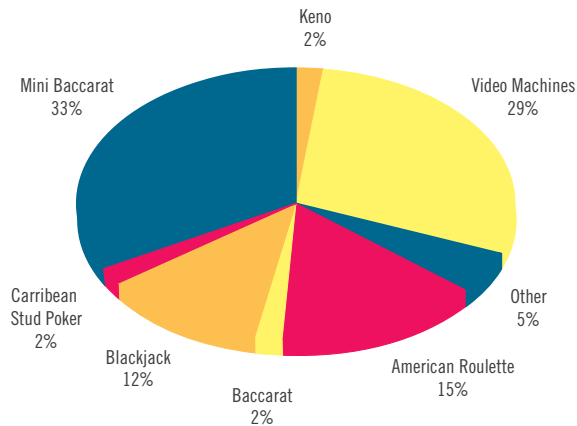
Casino Gaming Tax

Casino tax of \$42,863,833 was collected during 1998/99, compared to \$54,834,954 in 1997/98. The following graph provides a comparison of casino gaming revenue and casino tax collected since the casino opened in 1985.

COMPARISON OF CASINO REVENUE AND TAX



CASINO REVENUE BY GAME TYPE 1998/99

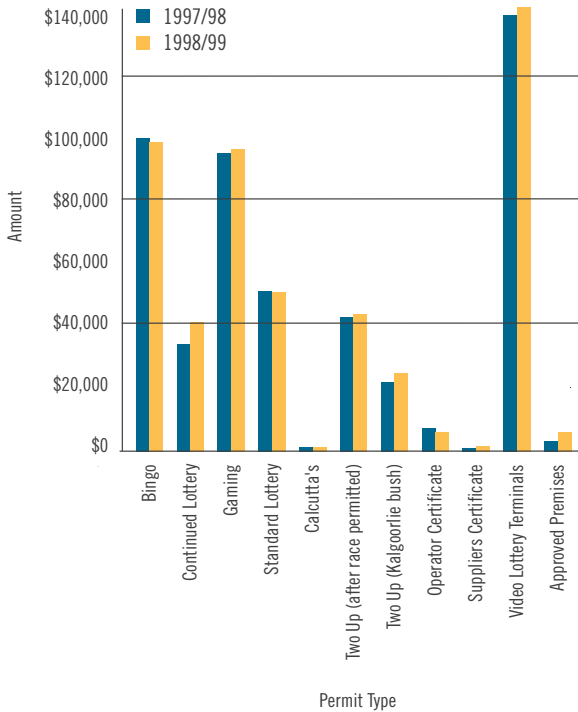


GAMING DIVISION

Permitted Gaming Statistics for 1998/99

Permit Type	No. of Permits	Total Gross \$	Total Net \$
Bingo	304	9,306,928	1,167,358
Continuing Lottery	511	15,095,561	3,114,278
Gaming	671	1,313,809	527,587
Standard Lottery	1,424	21,915,643	10,302,127
Calcutta	31	302,515	65,180
Two Up (after race & permitted)	414	235,953	151,910
Two Up (Kalgoorlie Bush)	2	128,853	57,643
Video Lottery Terminals	654	12,417,706	1,308,000
TOTAL	4,011	60,726,060	16,695,241

COMMUNITY GAMING – REVENUE BY PERMIT TYPE



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The Racing Division of the Office of Racing, Gaming and Liquor provides policy advice and administers legislation relating to racing and wagering issues. It also provides support services to the Betting Control Board, the Racing Penalties Appeal Tribunal and the Racecourse Development Trust. These agencies are statutory authorities and each is required to report separately to Parliament.

SIGNIFICANT EVENTS

The Racing Division embarked on a challenging review program in relation to racing and wagering legislation during the year.

In accordance with the State's obligation under the National Competition Principles Agreement, a range of racing and wagering acts were reviewed in accordance with National Competition Policy guidelines.

Also undertaken on behalf of the Minister for Racing and Gaming was a five year statutory review of the Betting Control Act.

The details of this program are detailed below.

National Competition Policy Legislation Reviews

Western Australian racing and wagering legislation that was required to undergo review:

- Betting Control Act 1954
- Totalisator Agency Board Betting Act 1960
- Racing Restriction Act 1917
- Racing Restriction Act 1927
- Western Australian Greyhound Racing Authority Act 1981

In December of 1997, invitations to make submissions in relation to the reviews were made by written advice to persons and organisations with a known interest in the racing and gambling industries and by public advertisement in local newspapers.

Of the major industry groups, only the Western Australia Bookmakers Association provided a significant submission. The Western Australian TAB was consulted at length during the compilation of the review of the Betting Control Act and the Totalisator Agency Board Betting Act.

Each of the reviews have been conducted in-house by the Office of Racing, Gaming and Liquor with some assistance from an external consultant. Recommendations for legislative change arising from the reviews are to be implemented by 31 December 2000.

Betting Control Act 1954 and Totalisator Agency Board Betting Act 1960

The Betting Control Act 1954 and the Totalisator Agency Board Betting Act 1960 together provide the framework within which on- and off-course betting is conducted in Western Australia. The two Acts are linked through the circumstances of their origins, the controls they impose on the activities to which they relate, and the industries that they service. In view of this inter-relationship, it was considered appropriate to undertake a joint review of the two Acts.

The review has been completed and the review recommendations endorsed by Cabinet. The major recommendations of this review are as follows-

Restrictions to be maintained

- Statutory licensing provisions for bookmakers and their employees, and on-course totalisators.
- Racing clubs not permitted to conduct on-course totalisator betting by telephone.
- Bookmakers restricted to operating only from a racecourse.
- TAB not permitted to conduct credit betting.

Restrictions to be abolished

- A body corporate not permitted to hold a bookmaker's licence. (It is unlikely that any corporate bookmaking operations would be permitted to conduct credit betting.)
- Race bookmakers only permitted to operate (from a racecourse) when a race meeting is in progress.
- Betting not permitted at a racecourse until after 12 noon on Anzac Day.
- Minimum bookmaker telephone betting limits.

Restrictions to be modified

- TAB off-course betting monopoly situation to be modified by establishing provisions to allow the Government, through a State Agreement, to issue a second or subsequent off-course totalisator licence if demonstrated to be in the public interest.
- The TAB and racing clubs to be permitted to modify totalisator commission deductions subject to approval of the Betting Control Board.

Racing Restriction Act 1917

The *Racing Restriction Act 1917* stipulates that-

- no horse or pony race or race meeting for stake or prize may be conducted in Western Australia without a licence from the Western Australian Turf Club; and

- no trotting race or race meeting may be conducted without a licence from the Western Australian Trotting Association.

The review of this Act has been completed and is awaiting consideration by Cabinet. The major issues to be resolved in this review relate to:

- Centralised control of horse racing and trotting.
- Exercise of that centralised control by the Western Australian Turf Club in respect of thoroughbred horse racing and horse racing generally.
- Exercise of that centralised control by the Western Australian Trotting Association in respect of trotting racing.
- Potential conflict of interest in relation to the role of both WATC and WATA as controlling authority and racing club.
- Other forms of racing.

Racing Restriction Act 1927

The *Racing Restriction Act 1927* prevents the use of any mechanical contrivance in connection with the conduct of racing between animals other than horses. It was designed principally to stop the emergence of "tin hare" racing or greyhound racing as it is known today. The *Western Australian Greyhound Racing Authority Act* exempts greyhound racing from the provisions of the *Racing Restriction Act 1927* and it is, therefore, considered to be no longer relevant.

The draft recommendation is that this Act be repealed.

Western Australian Greyhound Racing Authority Act 1981

The Western Australian Greyhound Racing Authority Act 1970 establishes the Western Australian Greyhound Racing Authority as the controlling authority for the conduct and control of greyhound racing in Western Australia.

The review of this act is currently under way. The major issues to be considered in this review focus on the following.

- Centralised control of greyhound racing in Western Australia.
- Exercise of that centralised control by the Western Australian Greyhound Racing Authority.
- Potential conflict of interest in relation to role of the authority as both controlling authority and racing club.
- Restriction on the number of greyhound race meetings that may be held each year.

Statutory Review of the Betting Control Act 1954

In accordance with section 36 of the Betting Control Act 1954 (the Act), the Minister for Racing and Gaming was required to carry out a five yearly review of the operations and effectiveness of the Act. The Racing Division of the Office of Racing, Gaming and Liquor, undertook the review on behalf of the Minister.

The following are the principal findings of the Minister's Report to Parliament.

- The provisions of the Act are effective in attaining its objectives.
- The Betting Control Act is being administered effectively.
- Gaming and wagering in Western Australia could be more effectively regulated through an amalgamation of the Betting Control Board and the Gaming Commission of Western Australia.

Legislation to give effect to the recommendations made by the Minister is expected to be drafted in 1999/2000.

OPERATIONS

Licensing

The total number of bookmakers operating in the State as at 31 July 1999 was 57. This compares with 65 at 31 July 1998. No new licences were issued during the year while 8 licences were surrendered. Details of bookmakers by category are shown in Table 2.

The Board issued 31 bookmaker's employee licences during the year compared with 46 in 1997/98 (see Table 3).

As from 1 August 1992 bookmaker's employee licences were valid for five years only. A total of 4 licences were renewed during the year and 24 were terminated.

The amendments to the Betting Control Act proclaimed to come into operation on 1 August 1998 established provision for the issue of a temporary bookmakers' employee licence to cater for times when a bookmaker needed to urgently licence an employee at short notice. Seven temporary licence were issued during the year.

STATISTICS

Number of Bookmaker's Licences Issued/Terminated

Number as at 31 July 1997	Number as at 31 July 1998	Issued during 98/99	Terminated during 98/99	Number as at 31 July 1999
73	65	0	8	57

Total of Bookmaker's by Licence Category

Category	98/99	97/98	96/97
Grandstand Enclosure	24	28	34
Leger/Country Racecourse	33	37	39
TOTAL	57	65	73

Bookmaker's Employee Licences

	98/99	97/98	96/97
Issued	31	46	73
Renewed	4	16	154
Terminated	24	18	146



PROSECUTIONS

An investigation carried out by the Betting Control Board inspectors uncovered an incidence of unlawful betting by a licensed bookmaker. The offence involved the acceptance of telephone bets at a place other than a racecourse. The bookmaker's authorisation to conduct telephone betting was suspended by the Board for one month.

During the course of the year the Board also issued a number of warnings and censures to TAB agents, bookmakers and racing clubs for breaches of the Betting Control Act and Regulations.

CHANGES TO LEGISLATION

Betting Control Act and Regulations

The Betting Control Amendment Act 1998, passed by Parliament on 9 June 1998, was implemented on 1 August 1998. As described in last year's report, the principal changes achieved by this Amendment Act are to:

- simplify the provisions detailing the procedural requirements for the conduct of betting by bookmakers fielding at professional foot racing meetings and to extend the provisions to other designated sporting events and venues;
- stipulate that the betting levy payable to the Government in respect of sports betting is distributed to sporting organisations as directed by the Minister for Sport and Recreation;
- transfer responsibility for approving events for the purposes of sports betting from the Minister for Racing and Gaming to the Betting Control Board;
- establish flexibility in relation to the requirement to issue betting tickets;
- introduce provisions to recognise prior interstate betting offences;
- establish temporary licensing provisions for bookmakers' employees; and
- simplify the provisions relating to betting conducted at "Calling of the Card" events and direct the betting levy payable on that betting to the relevant race club.

Regulations to support these changes were implemented simultaneously.

Western Australian Greyhound Racing Authority Act

The Western Australian Greyhound Racing Authority Amendment Act 1998, assented to on 30 June 1998, was implemented on 1 August 1998.

The amendments are designed to overcome some technical difficulties associated with the regulation and control of greyhound racing in Western Australia. The principal elements of the changes are —

- to remove the requirement to obtain ministerial consent to changes to the rules of racing, including the adoption of national rules of racing;
- to broaden the framework for the making of these rules and increase the range and scope of penalties that may be applied; and

- to more accurately reflect its role by renaming the Western Australian Greyhound Racing Association the Western Australian Greyhound Racing Authority.

Totalisator Agency Board (Betting) Regulations

The *Totalisator Agency Board (Betting) Regulations* were amended on three occasions during the year. Collectively, these amendments achieved the following changes.

- The range of sports betting products the TAB is able to offer its customers was broadened by including a further 14 classes of events to the list of events approved for sports betting. In addition, the following new bet types were added to the types of bets that the TAB can offer its sports betting customers - "Win", "Place", "Sports Quinella" and "Sports Tierce".
- An amendment to Regulation 16(3) to remove the requirement for the TAB to refund a bet that should not have been accepted.
- An amendment to the provisions relating to *scoop* betting (or sports tipping) provided that, where there is no winning *scoop* bet, or where a match in the series of matches is drawn, and a draw is not a selectable outcome, 20 percent of the dividend pool is to be paid to secondary winning tickets (highest number of winning matches) and the remainder jackpotted to a subsequent pool.
- An amendment to Regulation 59 (Soccer betting) to provide new bet types relating to *first goal scorer* and *pick the score*, each in a selected match.
- An adjustment to widen the term "bank" to "financial institution."

OUTCOMES, OUTPUTS AND PERFORMANCE INFORMATION

OUTCOME

Promotion and maintenance of the integrity of lawful racing, gaming and liquor activities.

Output 1 - Evaluation and determination of applications

Output Description

Receive process and determine applications in accordance with the Liquor Licensing Act 1988.

	1998-99 Budget \$ 000	1998-99 Actual \$ 000
Total Cost of Output	1,504	1,652
Less Operating Revenues ^(a)	23	102
Net Cost of Output	1,481	1,551
Adjustments for non-cash items	(237)	(280)
Cash Cost of Output	1,244	1,271

(a) Includes user charges and fees, net profit on asset disposal, other revenues and resources received free of charge.

Performance Measures for Output 1

	1998-99 Target	1998-99 Actual
Quantity		
Estimated number of licences, permits and decisions issued	8,100	8,184
Quality		
Maximum percentage of appeals lodged sustained	20%	40%
Timeliness		
Minimum % issued within 10 days of (completed) application	90%	96%
Cost		
Estimated average cost of issuing licences, permits and decisions	\$184	\$202

Effectiveness

The evaluation and determination of applications in accordance with statutory criteria will promote and maintain the integrity of lawful liquor activities to the extent that applicants have their needs met, which can be measured by the % of appeals sustained on the basis that the decision-maker erred in law

Note: The cost measure reported in the 1998/99 financial statements should have referred to the estimated average cost of issuing licences, decision and permits and not the estimated costs per application. Accordingly, for reporting purposes the description for the cost measure has been amended as above.

OUTCOMES, OUTPUTS AND PERFORMANCE INFORMATION

Output 2 - Compliance audits and assessment and collection of fees

Output Description

Assess and collect licence fees and other revenue. Assess and pay subsidy claims. Assess the standard of proposed premises that are the subject of an application. Monitor the standard of licensed premises and the standard of services provided.

	1998-99 Budget \$ 000	1998-99 Actual \$ 000
Total Cost of Output	2,176	1,030
Less Operating Revenues ^(a)	109	(96)
Net Cost of Output	2,067	934
Adjustments for non-cash items	(143)	(130)
Cash Cost of Output	1,924	1,064

(a) Includes user charges and fees, net profit on asset disposal, other revenues and resources received free of charge.

Note: Refer to note 27(5) of the Notes to the Financial Statements for an explanation in relation to the variation between the 1998/99 budget and actual figures.

Performance Measures for Output 2

	1998-99 Target	1998-99 Actual
Quantity		
Estimated number of assessments processed	3,200	3242
Estimated number of subsidy forms processed	890	879
Minimum % of licensed premises to be reviewed during the year.	30%	40%
Quality		
% of audited licensees who comply with statutory criteria for:		
• Claiming subsidy payments	100%	81%
• Display of signs	80%	75%
• Plans	80%	74%
• Standard of licensed premises	80%	35% ¹
Timeliness		
Minimum % of licensed premises last reviewed in accordance with audit program		
	4 years	4 years
% of returns lodged to be processed within 5 working days ²	90%	90%
Cost		
Estimated average cost of managing each licensed premises	\$714 ³	\$305

Effectiveness

The conduct of compliance audits will promote and maintain the integrity of lawful liquor activities, which will be measurable by the % of audited licensees who exhibit the behaviour desired by statutory criteria and compliance audits.

- In respect of the standard of licensed premises only, 35 percent of premises inspected complied, that is, no work order was imposed on the licensee. However, it is difficult in this area to accurately define the meaning "as to standard", as the standard is calculated by reference to the number of premises that are issued with a work order. During an inspection a work order may be issued for various things which require attention to ensure that the standard of the premises is maintained. Accordingly, the more work orders imposed may mean that more premises will attain the desired standard. Furthermore, in some cases the order may be relatively minor and with the focus during the year on glass washers, this has resulted in a larger than normal number of orders being imposed specifically to fix glass washers, thereby raising the standard of the licensed premises.
- The relevance of timely processing of liquor returns is no longer applicable as a result of the Hight Court decision that was issued in August 1997 that effectively abolished state liquor licence fees. As a consequence, the Output measures for 1999/2000 have been amended to remove liquor returns from the timeliness indicator.
- The significant difference between the actual figure and the target figure is due to the target figure being based upon the number of licences as at 30 June 1996 instead of 30 June 1997.

Output 3 – Determination of matters referred

Output Description

To ensure that the people of Western Australia are provided with an independent, responsive and effective liquor licensing court.

	1998-99 Budget \$ 000	1998-99 Actual ^(b) \$ 000
Total Cost of Output	526	N/A
Less Operating Revenues ^(a)	12	
Net Cost of Output	514	N/A
Adjustments for non-cash items	(57)	
Cash Cost of Output	457	N/A

(a) Includes user charges and fees, net profit on asset disposal, other revenues and resources received free of charge.

(b) Actual figures for 1998/99 are not available as administrative responsibility for the Liquor Licensing Court was transferred from the Office of Racing, Gaming and Liquor to the Ministry of Justice with effect from July 1999.

Performance Measures for Output 3

	1998-99 Target	1998-99 Actual ^(a)
Quantity		
Number of applications/complaints	90	N/A
Quality		
The decisions of the Court bring to an end litigation between the parties according to law		N/A
Timeliness		
Average courtroom time for each application and complaint heard by the Court	N/A	
Cost		
Average cost of application and complaints referred to the Court for determination	\$5,844	N/A

Effectiveness

Decisions of the Court are effective because in each case they determine the issues between the parties and it is in the public interest that there be an end to litigation. This achieves the objects of the Liquor Licensing Act 1988.

(a) Actual figures for 1998/99 are not available as responsibility for the Liquor Licensing Court was transferred from the Office of Racing, Gaming and Liquor to the Ministry of Justice with effect from 1 July 1998.

OUTCOMES, OUTPUTS AND PERFORMANCE INFORMATION

Output 4 – Policy Advice

Output Description

The provision of timely advice to Government on the racing, gaming and liquor industries.

	1998-99 Budget \$ 000	1998-99 Actual \$ 000
Total Cost of Output	262	256
Less Operating Revenues (a)	4	55
Net Cost of Output	258	201
Adjustments for non-cash items	(20)	(24)
Cash Cost of Output	238	177

Note: Refer to note 27(7) of the Notes to the Financial Statements for an explanation in relation to the variation between the 1998/99 budget and actual figures.

Performance Measures for Output 4

	1998-99 Target	1998-99 Actual
Quantity		
Number of Ministerials, Parliamentary questions, speech notes, Legislation reviews and developed policies	360	375
Quality		
% of first drafts accepted by Minister	100%	100%
Timeliness		
% of Ministerials, and Parliamentary questions not responded to on time	15%	17%
Cost		
Average cost of providing advice to Government	n/a ¹	\$683

Effectiveness

Policies and decisions made by the Office are open to external scrutiny.

¹ a target figure was not determined as the cost indicator was not developed until late in the year

OUTCOMES, OUTPUTS AND PERFORMANCE INFORMATION

OUTCOME

The provision of these functions contribute to the outcomes of the Gaming Commission, Racing Penalties Appeal Tribunal, Racecourse Development Trust and the Betting Control Board.

Output 5 - Functions Performed for the Racing and Gaming Industries

Output Description:

The Office performs functions for the Racing and Gaming Industries to enable them to carry out their objectives. The Office also performs functions for the Commonwealth Government in respect of regulation of liquor and gaming activities on Christmas and Cocos Islands. The cost of these services is recouped by the Office of Racing, Gaming and Liquor and retained as part of a Net Appropriation Determination.

	1998-99 Budget \$ 000	1998-99 Actual \$ 000
Total Cost of Output	4,336	3,655
Less Operating Revenues ^(a)	4,292	3,666
Net Cost of Output	44	(11)
Adjustments for non-cash items	(479)	(110)
Cash Cost of Output	(435)	(121)

(a) Includes user charges and fees, net profit on asset disposal, other revenues and resources received free of charge.

Note: Refer to note 27(8) of the Notes to the Financial Statements for an explanation in relation to the variation between the 1998/99 budget and actual figures.

OUTCOMES, OUTPUTS AND PERFORMANCE INFORMATION

Performance Measures for Output 5

	1998-99 Target	1998-99 Actual
Quantity		
Number of gaming audits, investigations and inspections	5,280	6,750
Number of casino operator submissions reviewed	100	168
Number of licence and permit applications determined	4,000	4,555
Number of applications for grants from racing and trotting clubs assessed	65	73
Number of appeals processed	55	43
Number of betting audits and inspections conducted	190	257
Quality		
% of gaming inspections and audits conducted in accordance with the Commission's approved program	95%	95%
% of satisfactory responses on casino submission/matters as rated by the casino operator via a survey	80%	80%*
% of compliance of processing procedures relating to the issue of permits and licences	95%	98%
% of grant applications accepted for consideration by the Trust without further input being required from the support service area	100%	100%
% of appellants who did not raise official complaint after appeal process	100%	97.7%
% of betting inspections and audits conducted in accordance with the Board's approved program	100%	99.9%
Timeliness		
% of gaming audits and inspections completed in accordance with performance agreements	95%	100%
% of casino operator submissions completed within 8 weeks	90%	90%
% of provisional licences issued within 7 days	95%	91%
% of gaming permits and certificates issued within 24 hours	90%	90%
% of grant applications received and referred to next scheduled Trust meeting	90%	100%
% of applications from appellants for stay of proceedings determined on day of lodgement	75%	52%
% of on-course betting service providers inspected or audited every two years	70%	62%
Cost		
Average cost per gaming audit, investigation or inspection	\$427	\$319
Average cost per casino submission reviewed	\$6,399	\$3667
Average cost per licence/permit application determined	\$171	\$142
Average cost per grant application assessed	\$807	\$685
Average cost of processing an appeal	\$1,704	\$2,116
Average cost per betting inspection or audit	\$445	\$354

* estimate only

Effectiveness

The provision of quality support services to the racing and gaming agencies will enable these agencies to discharge their statutory obligations to the racing and gaming industries. Effectiveness will be measured by the extent to which the service expectations of the agencies are met.

Note: The Full Time Equivalents (FTE's) employed in this output during 1998-99 was 48 and is estimated to be 48 for the 1999-2000 Budget.

A centralised Corporate Services Division is maintained to support the Office's operational areas.

The Division provides support in respect of human resources, financial administration, information systems, strategic policy development and research and general administration for the Office of Racing, Gaming and Liquor. Through "functions performed", it also provides support to the Gaming Commission, racing industries, Indian Ocean Territories Trust Fund and the Territory of Christmas Island Casino Surveillance Authority.

There are three branches within Corporate Services —

- Information Systems.
- Organisation Development; and
- Finance and Administration

INFORMATION SYSTEMS

Responsibilities

The Information Systems Branch is responsible for the provision of effective information management services to the organisation.

The Branch aims to —

- establish and maintain effective information management services; and
- provide secure computerised information, office automation, records management and telecommunications systems to its clients.

Information Technology

Major Outcomes

- All personal computers were replaced and upgraded to Microsoft Windows NT/Office 98.
- Windows NT servers were installed and the existing Banyan Vines network phased out.
- UNIX servers, that had reached their end of life, were replaced and operating systems upgraded.
- A new e-mail system was installed to provide both internal and external e-mail.
- Computer Systems for Gaming, Casino, Racing and Timesheets were upgraded and migrated to the new servers.
- Christmas Island computing equipment belonging to Government regulatory officers were decommissioned with the close of the Island's Casino.

- A contract was let for a panel of preferred providers for information technology consultancy, development and network support.
- A functional requirements specification was completed for a new Financial Management Information System capable of meeting current and future needs. FMIS software packages were evaluated and work commenced on the implementation of the selected package.
- Work commenced on the development of a functional requirements specification for the gaming and casino areas with a view to integrating elements of the requirements with the new liquor licensing system.
- A functional requirements specification was completed for the Liquor Licensing Demerit Point System.
- Work commenced on the detailed system design and development of the new Liquor Licensing System.
- Standards were developed for the Office's new PowerBuilder/ Oracle client server environment.
- Regular maintenance and strict security procedures were implemented to ensure that the significant increase in viruses and intruders were effectively managed and blocked.
- The Office's Internet site was enhanced to provide the public with on line access to:
 - gaming application kits
 - liquor licence application kits, and
 - decisions of the Director of Liquor Licensing and the Judge of the Liquor Licensing Court.
- An audit was performed of the Office's telecommunications to identify potential cost savings and input obtained for the development of a strategic telecommunications plan.
- An 1800 telephone number was introduced to provide the public with free telephone calls to the Office from country areas.

Year 2000 Compliance

All operating systems, desktop application, and client/server software were replaced or upgraded to Y2K compliant versions.

Ninety per cent of all non-compliant hardware has been replaced with the remainder scheduled for replacement before the end of 1999.

All Informix database applications have been modified and upgraded to ensure Y2K compliance.

The first phases of the new Financial Management Information System, Integrated Liquor Licensing System and Records Management Systems, which address Y2K requirements, will go live in the December quarter 1999.

Year 2000 contingency requirements have been identified and plans will be finalised once all the new systems are in place.

Records Management*Major Outcomes*

- A functional requirements specification was completed for a software package to meet current and future records management requirements in line with proposed new legislation;
- A request for proposal was issued and responses evaluated for a new records management software package;
- A draft retention and disposal schedule was completed for discussion with the State Records Office, prior to submission to the Standing Committee on Public Records.

Freedom of Information

The Western Australian Freedom of Information Act 1993 gives people a general right of access to documents held by Ministers, State Government Departments and Statutory Authorities. These bodies are called agencies in the Act.

As an "agency" the Office of Racing, Gaming and Liquor complies with the provisions of the Freedom of Information Act. Decision-makers in respect to FOI are the Directors of each of the Divisions (see "Executive and Senior Staff"). The Office's Internal Reviewer is the Executive Director. Requests for Information may be directed to the Freedom of Information Coordinator, Mr Andrew Rosson.

During the reporting year the Office of Racing, Gaming and Liquor received nine Freedom of Information requests.

Freedom of Information

Applications	Liquor	Gaming	Racing	Other	Total
Not finalised from previous year	0	0	0	0	0
Received during 1998/99	4	5	0	0	9
Finalised during 1998/99	2	2	0	0	4
Withdrawn during 1998/99	1	0	0	0	1
Internal review requested	0	0	0	0	0
Not finalised by 30 June 1999	1	3	0	0	4
Average processing time (days)					23

Applications Received Under the Freedom of Information Act 1992

ORGANISATION DEVELOPMENT**Responsibilities**

The Organisation Development Branch provides support for strategic policy development and research, and the development and implementation of policies and strategies to facilitate the recruitment and development of a skilled work force that is able to meet the business needs of the office.

The aims of the Branch are to —

- provide an effective and professional service to its customers;
- ensure compliance with prescribed legislation and other mandatory requirements; and
- provide support to the executive in the development of the organisation to meet future needs.

The Office has in place a five-year human resource management plan. This is providing the direction for the workplace reform process and the development of workplace agreements.

The plan has focused staff and management on the continuous improvement process and specific targets in the areas of —

- Customer Service
- Professional Workforce
- Training and Development
- Flexible Workforce
- Flatter Structures

Customer Focus Plan Status Report

An aim of the Office is to provide a level of service that exceeds the expectations of customers. With this in mind, customer focus has been built into the workplace reform strategy. Specific achievements during the reporting year included further progress in the following areas —

- business plans that reflect the needs of customers;
- an increased availability of inspectors during industry business hours;
- an increase in the number of field trips conducted by inspectors;
- the implementation of a "one stop shop" for customers; and
- continued staff training.

Planned achievements for 1999/2000 include:

- Customer Survey
- Restructure of operating areas
- Formation of a customer service unit.

Customer Complaint Handling ProcedureInternal Process

The importance of resolving customer complaints quickly and effectively is recognised and is central to the Office of Racing, Gaming and Liquor Customer Service Charter. It is an important part of the Customer Service Charter that customers are treated fairly, promptly and in a professional manner which instills confidence in the policy and decision making processes of the Office.

This procedure will ensure that —

- employees of the Office recognise the need to maximise the opportunity to help customers;
- the impact of customers taking their dissatisfaction with the Office to external agencies, or to a political level is reduced; and
- customers have access to a formal dispute resolution process, which will enable their grievance to be resolved at the lowest level possible and within defined time frames.

Definition of Grievance

A grievance is a real or perceived ground for complaint by a customer of the Office. The grievance may include dissatisfaction with a decision, quality of service received, information provided, timeliness of service or efficiency of procedures.

Many complaints are related to legislative requirements. Although it may not be possible to change the requirements at the time, it is important that issues, which cause dissatisfaction for customers, are identified and recorded for future consideration.

Complaints made by patrons of the Burswood International Resort and Christmas Island Casinos against the operators of those casinos are not considered grievances for the purposes of this process. Alternative arrangements exist for their resolution.

Dissatisfaction with decisions, which are appealable under the Liquor Licensing Act 988 are not considered a grievance for the purposes of this process.

Procedure

The procedure is based on three specific principles —

1. Employees at all levels are able to recognise a dissatisfied customer and the need to offer a mutually acceptable solution or refer the dissatisfied customer to the next level of dispute resolution.
2. All employees are aware of the process by which a customer may bring a complaint. This will enable the correct information to be given to customers regarding how complaints will be handled.
3. There will be prompt contact with the dissatisfied customer at each stage of the process to provide assurance that the issue is receiving attention.

The process has three stages, with decisions to be taken by the:

- employee;
- branch manager; and
- director.

The Employee

In all cases of customer contact, employees should be sufficiently familiar with departmental policy and procedures to enable customers to verify information and seek justification for decisions made concerning them.

Once an employee has determined that the customer is dissatisfied and likely to seek further review, the employee should consult with his/her manager who, after consideration of the matter, should make a decision and advise the customer.

The Manager

Once an employee has consulted with the manager, the manager assumes responsibility for communicating directly with the customer on the grievance, as managers are directly responsible for customer service.

If managers cannot satisfy complaints from customers quickly, they should consult with his/her Director. At this point the customer will be handed a brochure describing the review process. Information concerning the available processes should be communicated to the customer in a non-confrontative and rational way, and should be available at the time and place where the dispute occurs.

A customer complaint checklist should be initiated at this stage.

Prior to the matter being referred to the Director, the manager should make contact with the customer and assure them of personal consideration of their case. Details should be verified and a date given by which a decision will be made (where possible a maximum of 10 working days).

The manager should communicate the Director's decision to the complainant. All information on which a decision has been made, other than information that is of a confidential nature, should be available to the complainant as part of routine procedure.

Once a decision has been made by the Director, the decision, and the reasons for it, should be communicated to staff. The customer complaint checklist should be completed and referred to the executive assistant for information and filing. Where the matter has not been resolved to the satisfaction of the complainant, the checklist should form part of the documentation forwarded to the Director.

The Director

The Director should consider all relevant documentation and evidence and should extend consideration beyond the individual complaint to address any wider issues that may have an impact on departmental policy. This process may highlight inappropriate policies or procedures, or policy that does not meet the needs of the client group it was designed to assist. Changes that address the underlying and structural problems that have generated complaints may be a positive outcome of the process.

Policies, procedures or practices that require review or amendment to ensure that other customers are not similarly dissatisfied should be referred back to the Branch Manager for action.

Where the customer remains dissatisfied with the outcome and it is anticipated that the matter may be referred to an external body, the Director should advise the Executive Director.

Conclusion

This process cannot guarantee that customers will not take their complaint or dissatisfaction directly to the Minister, Ombudsman or local Member of Parliament, and employees should not seek to either encourage or discourage this course of action by a customer. However, the process provides a clear sequence of actions for employees to follow in an attempt to satisfy the customer.

Outcome 1998/99

There were no valid complaints received during the year under review.

Workplace Reform/Employee Relations

The 3rd workplace agreement continued during the reporting year. Further progress towards specific targets in the areas of customer service, training and development, flatter structures, professional workforce and flexibility resulted.

All employees, except one, continue to be covered by a workplace agreement. This has provided employees with an increased opportunity to have input into their working conditions and work processes. Teams determine work priorities and agree on standards. Significant input by employees into operational and human resource policies has also been achieved.

The continuation of workplace agreements has improved communication between the senior management of the Office and employees. Internal mechanisms for dealing with grievances have resulted in the early identification of issues and facilitated their resolution.

There was no lost time through industrial action during the year under review.

Industrial Relations

No industrial relations issues arose during the year.

Human Resource Policies and Guidelines

During the reporting year draft policies were prepared in relation to Intellectual Property, Occupational Overuse Syndrome and Driver Safety. In addition, a draft Code of Conduct was prepared in relation to the Gaming Commission, Racecourse Development Trust, Betting Control Board and Racing Penalties Appeal Tribunal.

The Office is currently reviewing its policies in relation to the Public Sector Standards, Internet Access, Probity, Risk Management and Acting (temporary deployment)

Workers Compensation

Comparative Statistics for workers' compensation claims

Workers' Compensation Claims	1998/99	1997/98	1996/97	1995/96	1994/95
Claims lodged	0	2	2	1	1
Average number of days lost per claim	0	0	48	28	0
Estimated cost of claims incurred per \$100 per payroll	0	0.23	0.61	0.34	0.00
Premium rate as % of total salaries	1.02	1.54	0.93	0.005	1.269

Note: Two rehabilitation programs have been required for the year under review.

Major Achievements

Negotiation of fourth Workplace Agreement

Negotiations for the development of the fourth workplace agreement commenced during the reporting year with the establishment of a new Joint Consultative Committee (JCC). The JCC consists of representatives from each work area who are responsible for the dissemination of information concerning the development of the workplace agreement to staff.

In the development of the new agreement, consideration has been given to conditions of employment and future productivity strategy. It is expected that the fourth workplace agreement will be available before the end of 1999.

Negotiation of Enterprise Agreement

During 1998/99, the Office and the Civil Service Association of Western Australia commenced negotiations for the development of an Enterprise Agreement (EBA). The EBA will include a similar productivity strategy to that provided for in the Workplace Agreement (WPA). The main differences between the EBA and the WPA relate to the working conditions.

Development of new organisational structure

The Organisation Development Branch has and will continue to play a crucial role in relation to the implementation of the restructure.

Coordination of training program for Office

The Organisation Development Branch undertook an extensive training needs analysis program during the reporting year. As a result, customised courses in relation to letter writing, customer service, IT and stress management were conducted. In addition, the Licensing Team of the Liquor Licensing Division attended a team building course.

Production of Annual Reports

The Organisation Development Branch is responsible for producing Annual Reports for the Office of Racing, Gaming and Liquor and the Gaming Commission of Western Australia. It is also responsible for printing the reports in relation to the Racecourse Development Trust, Betting Control Board and Racing Penalties Appeal Tribunal.

Coordination of major customer survey

During 1999, Right Marketing Australia Pty Ltd was appointed to undertake a major customer survey to determine the level of customer satisfaction. Questionnaires were forwarded to licensees, industry associations, race clubs and recipients of gaming permits and occasional licences and licensees. The responses will be used to improve the services provided by the Office.

Two Year Plan for Women 1996 - 1998

In accordance with the Government Two-Year Plan for Women 1996-1998, the Office of Racing, Gaming and Liquor has maintained the following initiatives —

- Increased economic independence for women has been achieved through the provision of family leave, consisting of up to five days commuted sick leave per annum, in the Office's Workplace Agreement. In addition, annualised hours enables the Office to utilise its employee resources effectively, whilst allowing employees time-off for recreational purposes and to attend to private issues.
- Legislation administered by the Office of Racing, Gaming and Liquor is gender neutral providing both women and men with social and employment opportunities within the racing, gaming and liquor industries.
- The Office has and will continue to actively seek out the names of suitably qualified women with a view to nomination for membership of the various boards and commissions associated with the Office. During 1998/99, Ms Margaret Nadebaum was appointed as a member of the Gaming Commission.

Summary of Employees by Category (compared to last year)

The table below details the number of employees, by category, employed as at 30 June 1999 compared to 30 June 1998.

Category	as at June 1999	as at June 1998
Manager	10	10
Legal	1	1
Inspector	30	27
Administrative	53	53
TOTAL	94	91

FINANCE AND ADMINISTRATION

Responsibilities

This Branch is responsible for the provision of accounting, financial and administrative support services to the organisation. These services include the preparation, monitoring and reporting of budgets; the accounts payable and receivable functions, including banking; management of the vehicle fleet; financial and whole of government reporting; supply of goods and services; and the coordination of accommodation and building maintenance requirements.

The Finance and Administration Branch aims to provide professional and high quality financial management and administration services to its clients and ensure compliance with relevant legislation and Government instruction, policies and procedures.

Compliance with supply policies

The branch has conducted the function of managing the supply of goods and services in accordance with the Supply Management Business Plan; the "Deed of Devolution" and the relevant supply policies.

Capital Works Projects

The following is a list of Capital Works Projects undertaken during the year:

Completed Capital Works

Project	Total Cost
Replacement/upgrade of computer infrastructure	\$217,976

Capital Works in Progress

Project	Expected year of completion	Estimated cost to complete	Estimated total cost
Liquor Licensing Information System-Stage 1	1999/2000	\$220,697	\$545,235
Gaming Software Development	1999/2000	\$69,360	\$94,560
Financial Management Information System	1999/2000	\$333,720	\$570,825
Records Management System	1999/2000	\$44,995	\$45,564

Major Achievements

- Unqualified audit opinions for the Office and the four statutory authorities serviced by the Finance and Administration Branch for the 1997/98 financial year;
- Implementation of full accrual accounting for internal and whole of government reporting including compliance with substantial changes to the format of monthly reporting to Treasury;
- Preparation of a functional requirements specification for the supply of a packaged financial management information system;
- Preparation and issue of a Request for Tender for the provision of a financial management information system and related services;
- Evaluation, short listing and selection of a successful service provider for the provision of a financial management information system and related services;
- Commencement of Phase I of the implementation of a new financial management information system;
- Evaluation and selection of a new service provider for motor vehicle fleet management;
- Implementation of new Fringe Benefits Tax reporting requirements;
- Net Appropriation agreements, between the Treasury and the Office, administered for the fifth year in 1998/99. The agreements allow the Office to retain certain revenues collected in relation to services provided, and apply the revenues against the cost of providing those services;
- Participation in the ongoing development and testing of the new Liquor Licensing System;
- Participation on the Liquor Licensing System Committee; and
- Participation on the Records Management System Evaluation Panel.

Public Sector Standards and Ethical Codes

The Office of Racing, Gaming and Liquor has adopted guidelines and processes supporting the public sector standards in human resource management and issued a code of conduct in 1995. Policies and procedures are accessible to all staff via the Office's Intranet.

A systems review of the standards and ethical codes was conducted by the Office of the Commissioner for Public Sector Standards during the reporting year. The reviewer was satisfied that the Office had complied with the Standards. However, there were some areas of minor non-compliance in that the procedures were not explicit in the requirements for confidentiality and principles of natural justice. The summary of findings follows:

- Policies, guidelines and procedures designed to ensure compliance had been developed for all Standards, but require updating or further development for the Standards in Secondment and Redeployment

This work is now under way.

In addition, the review concluded that additional checks and controls are required to ensure compliance with Recruitment, Selection and Appointments, Secondment, Redeployment, Termination, Temporary Deployment and Grievance Standards.

Revised checklists are to be developed with the assistance of the Internal Auditor.

The Executive Director is ultimately responsible for compliance with public sector standards and ethical codes. However, managers are also responsible for compliance within their area. This is reflected in Job Descriptions. A monitoring and advisory role is played by the Manager Organisation Development in regards to all Standards.

The Office has not yet fully developed a self-assessment process.

The Office released its Code of Conduct in 1995. The guidelines outline expectations of staff and explain how they might deal with issues or report misconduct. However, responsibility for compliance, monitoring and reporting has yet to be determined. During the reporting year a survey was conducted within the Office by the Office of the Commissioner for Public Sector Standards to assess ethical behaviour and standards. Although formal feedback is scheduled for September 1999, information received indicates the Office performed well when compared against the aggregate.

Breach of Standard Applications 1998/99

Number lodged nil

Compliance with section 175ZE of the Electoral Act 1907 - Government Advertising Expenditure 1998-99

During the reporting year, the Office of Racing, Gaming and Liquor expended \$17,022 on advertising, of which —

- \$9,529 relates to statutory obligations, whereby it is a legislative requirement that particulars of applications appear in the Government Gazette.
- \$6,493 was paid in respect of the advertisements placed in The West Australian for job vacancies, requests for tender and public notices through Marketforce Productions.

The balance of \$1,000 relates to advertisements for job vacancies that appeared in the Intersector.

Disability Service Plan

The Office continues to improve information, access and services to those with disabilities. The following major achievements were accomplished during the year under review —

- continuing staff education and training in the provision of quality customer service, including special needs;
- a range of information concerning Office activities and services is now available via electronic means; and
- identification of those services which can be provided electronically.

Achievements planned for 1999- 2000

- Continue customer service training.
- Increase the services by electronic means.
- On-going consultation with customer and industry groups concerning special needs.
- Redesign of customer access area.

Pricing policies

1. Industries that are determined by Government to require regulation should meet the full costs of that regulation through appropriate licence fees.

- *This policy underpins the Office's approach to the introduction of net appropriations. It has been applied to the gaming and racing industries. It is now proposed that it be applied to the liquor industry. Thus the full costs of regulation should be met by the liquor, racing and gaming industries.*

- *At present the Consolidated Fund subsidises some of the regulatory activities of the Office, particularly in the*

racine area. The Office is proceeding to redress this situation in the context of the net appropriation exercise.

2. The primary purpose for the imposition of fees should be regulatory.

- *This is consistent with advice from the Solicitor General regarding the desirability for fees raised at State level to be regulatory in nature.*

3. Provisions to allow the imposition of a fee should be contained in legislation with the level of fees being established by regulation.

- *This policy has been adopted to ensure that the Parliament has the opportunity to scrutinise any changes to the level of fees, while allowing some flexibility to adjust the levels of fees according to the current economic situation. As the opportunity occurs, legislation will be amended to reflect this approach.*

4. The liquor, racing and gaming industries should perceive that they receive value for money on the context of the regulation of these industries.

- *The Office will be responsible for ensuring that its regulatory services are efficient, effective and appropriate.*

5. Fee structures should be simple.

- Racing Restriction Acts 1917 and 1927
- Totalisator Agency Board Betting Act 1960
- Totalisator Agency Board Betting Tax Act 1960
- Betting Control Act 1954
- Bookmakers Betting Levy Act 1954
- Gaming and Betting (Contracts and Securities) Act
- Kalgoorlie Boulder Racing Clubs Act
- Western Australian Greyhound Racing Authority Act;
- Western Australian Trotting Association Act
- Western Australian Turf Club Act
- Western Australian Turf Club (Property) Act

The Office also provides support services to a number of Government agencies and assists these bodies in administering their legislation.

Legislation Impacting on Activities

In the performance of its functions, the Office complies with the following laws —

- Financial Administration and Audit Act 1985;
- Public Sector Management Act 1994,
- Salaries and Allowances Act 1975,
- Public and Bank Holidays Act 1972,
- Equal Opportunity Act 1984,
- Government Employees Superannuation Act 1987,
- Occupational Health and Safety Act 1984,
- Freedom of Information Act 1992,
- Industrial Relations Act 1979,
- Workplace Agreement Act 1993,
- Minimum Conditions of Employment Act 1993,
- Workers' Compensation and Rehabilitation Act 1981;
- State Supply Commission Act 1991;
- Anti Corruption Commission Act 1988; and
- Disability Services Act 1993.

Other written laws impacting on the Office's activities have been detailed in the body of this report.

STATEMENT OF COMPLIANCE WITH RELEVANT WRITTEN LAW

Enabling Legislation

The Office of Racing, Gaming and Liquor is a department under the Public Sector Management Act.

Legislation Administered

The Office of Racing, Gaming and Liquor administers the following legislation —

- Casino (Burswood Island) Agreement Act 1985
- Casino Control Act 1984
- Gaming and Betting (Contracts and Securities) Act 1985
- Gaming Commission Act 1987
- Liquor Licensing Act 1988
- Racecourse Development Act 1976
- Racing Penalties (Appeals) Act 1990

Statement of Compliance

The financial administration of the Office of Racing, Gaming and Liquor has complied with the requirements of the Financial Administration and Audit Act 1985 and relevant written law, and has exercised controls that provide reasonable assurance that the receipt and expenditure of moneys and the acquisition and disposal of public property and incurring of liabilities has been in accordance with legislative provisions.

At the date of signing we are not aware of any circumstances that would render the particulars included in this statement as misleading or inaccurate.



Barry A. Sargeant
EXECUTIVE DIRECTOR
OFFICER
31 August 1999



Jenny Ough
PRINCIPAL ACCOUNTING
31 August 1999

Competition Seven Card Stud; Competition Burswood Manila; Competition Draw Poker; Competition Draw Poker (Ante); Competition Manila; Draw Poker; Draw Poker (Ante); Manila; AP Go Poker; Roulette; Super Pan 9; Tournament Baccarat; Tournament Baccarat (Burswood); Tournament Blackjack; Tournament Roulette; Tournament Two-Up; Two-Up (Coins); and Two-Up (Dice).

Publications relating to permitted gaming

- Gaming Division Bulletin No. 1
- Rules of Bingo
- Rules for the conduct of a Standard Lottery
- Rules for the conduct of a Continuing Lottery
- Rules of Authorised Games —
Crown & Anchor; Unders & Overs; Beat the Banker; In Between; Your Choice; Races; Manila; Money Game; Horse Race; Poker; Thirty-One; Pick the Card; Dictate; Bar the Ace; Pyramid; and Joker Seven.

Liquor Licensing

- Transactions covered by the Act
- Guide for lodging applications - Licence Grants
- Guide for lodging applications - Transfer of Licence
- Guide for lodging applications - Removal of Licence
- Alterations to Licensed Premises
- Protection Orders and Interim Authorisations
- Objections to Applications
- Occasional Licences
- Extended Trading Permits
- Licence Fees
- Restaurant Licences
- Producers Licences and Exempted Producers Certificates
- Wholesale Licences
- Hotel, Tavern and Hotel Restricted Licences
- Cabaret Licences
- Liquor Store Licences
- Club and Club Restricted Licences
- Conversion from a Club Restricted Licence to a Club Licence
- Special Facility Licences
- Complaints about Licensed Premises
- Plans and Specifications

Corporate Services

- Office of Racing, Gaming and Liquor Annual Report
- Customer Charter

PUBLICATIONS**Racing**

- Racing Industry Status Report
- Betting Control Board Bulletins
- Annual Reports:
 - Racing Penalties Appeal Tribunal
 - Racecourse Development Trust
 - Betting Control Board

Gaming

- Gaming Commission of Western Australia Annual Report.

Publications relating to casino gaming

- Explanatory Bulletin on the Gaming Commission of Western Australia in relation to casino gaming.
- Rules of Authorised Games at the Burswood International Resort Casino (Note: although these rules are not published by the Gaming Commission, they are available for inspection by members of the public) —
Baccarat; Big and Small; Blackjack; Carabin Stud Poker; Craps; Fan Tan; French Boul; Keno; Mini-Baccarat; Mini Dice; Money Wheel; Multiple Action Blackjack; Burswood Manila; Five Card Stud; Six Card Stud; Seven Card Stud; Competition Five Card Stud; Competition Six Card Stud;

This part of the Annual Report contains —

- an introductory statement;
- the Financial Statements;
- accompanying notes;
- certification of the Financial Statements; and
- opinion of the Auditor General.

INTRODUCTORY STATEMENT

- The Office of Racing, Gaming and Liquor is a department defined under the Public Sector Management Act.
 - An appropriation was made from the Consolidated Fund for 1998/99 to cover expenditure of the Office.
 - The Office collects revenue on behalf of the Government. That revenue is paid into the Consolidated Fund.
 - These Financial Statements have been prepared on an accrual accounting basis in accordance with the Financial Administration and Audit Act.
 - The aim of these Financial Statements is to present to the Parliament details of revenue and expenditure for the Office of Racing, Gaming and Liquor in the format determined by the document "Statement of Accounting Standard AAS29: Financial Reporting by Government Departments".
- The Office provides financial management and other corporate services to the following agencies —
 - Gaming Commission of Western Australia;
 - Racing Penalties Appeal Tribunal;
 - Racecourse Development Trust; and
 - Betting Control Board.
 - Expenditure in relation to the services provided to these agencies is included in the financial statements of the Office of Racing, Gaming and Liquor. However, as the commission, tribunal, trust and board are all statutory authorities, separate annual reports and, therefore, financial statements, are prepared for each agency.

OFFICE OF RACING, GAMING AND LIQUOR

OPERATING STATEMENT
for the year ended 30 June 1999

	Note	1998/99 (\$'000)	1997/98 (\$'000)
COST OF SERVICES			
Operating expenses			
Salaries	4	4,074	4,191
Superannuation		368	529
Depreciation	5	280	281
Administration expenses	6	1,344	1,619
Accommodation expenses	7	493	540
Net loss on disposal or transfer of non-current assets	8 (a)	21	0
Total cost of services		<u>6,580</u>	<u>7,160</u>
Operating revenues			
User charges and fees retained under net appropriation agreements	9	3,919	4,049
Other user charges and fees	9	0	74
Total revenue from services		<u>3,919</u>	<u>4,123</u>
Net cost of services	24	<u>2,661</u>	<u>3,037</u>
REVENUES FROM GOVERNMENT			
Appropriations	11	2,796	2,820
Receipts credited to Consolidated Fund	12	0	(74)
Resources received free of charge	10	115	109
Liabilities assumed by the Treasurer	2 (f), 13	368	529
Total revenues from Government		<u>3,279</u>	<u>3,384</u>
CHANGE IN NET ASSETS BEFORE RESTRUCTURING		618	347
NET EXPENSE FROM RESTRUCTURING	8 (b)	<u>22</u>	<u>0</u>
CHANGE IN NET ASSETS RESULTING FROM OPERATIONS		<u>596</u>	<u>347</u>

OFFICE OF RACING, GAMING AND LIQUOR

STATEMENT OF FINANCIAL POSITION
as at 30 June 1999

	Note	1998/99 (\$'000)	1997/98 (\$'000)
CURRENT ASSETS			
Cash and amounts in suspense	2 (h), 14	416	336
Restricted cash	15, 23	556	673
Accounts receivable	2 (h), 16	230	247
Prepayments	17	15	120
Total current assets		<u>1,217</u>	<u>1,376</u>
NON-CURRENT ASSETS			
Furniture and computing equipment	18	<u>1,302</u>	<u>863</u>
Total non-current assets		<u>1,302</u>	<u>863</u>
Total assets		<u><u>2,519</u></u>	<u><u>2,239</u></u>
CURRENT LIABILITIES			
Accounts payable	2 (h), 19	83	315
Employee entitlements	2 (f), 21	620	667
Accrued salaries	2 (h), 20	61	48
Fees in advance		12	11
Trust account	23	556	673
Fees in trust		12	0
Total current liabilities		<u>1,344</u>	<u>1,714</u>
NON-CURRENT LIABILITIES			
Employee entitlements	2 (f), 21	<u>209</u>	<u>155</u>
Total non-current liabilities		<u>209</u>	<u>155</u>
Total liabilities		<u>1,553</u>	<u>1,869</u>
EQUITY			
Accumulated surplus/(deficiency)	22	<u>966</u>	<u>370</u>
Total Equity		<u>966</u>	<u>370</u>
Total Liabilities and Equity		<u><u>2,519</u></u>	<u><u>2,239</u></u>

OFFICE OF RACING, GAMING AND LIQUOR

STATEMENT OF CASH FLOWS
for the year ended 30 June 1999

	Note	1998/99 (\$'000) Inflows (Outflows)	1997/98 (\$'000) Inflows (Outflows)
CASH FLOWS FROM GOVERNMENT			
Receipts from capital appropriations	11	258	172
Receipts from recurrent appropriations	11	2,538	2,648
Receipts credited to Consolidated Fund	12	0	(74)
Net cash provided by Government		<u>2,796</u>	<u>2,746</u>
Utilised as follows:			
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Salaries and related costs		(4,055)	(4,181)
Administration		(1,117)	(1,463)
Accommodation		(491)	(537)
Payments from Trust Fund		(117)	0
Receipts			
User charges and fees		3,937	3,887
Other revenues		0	61
Receipts from fees in trust		11	0
Net cash (used in)/from operating activities	24	<u>(1,832)</u>	<u>(2,233)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for purchase of non-current assets		(1,001)	(260)
Receipts from the sale of non-current assets		0	0
Net cash (used in)/from investing activities		<u>(1,001)</u>	<u>(260)</u>
Net (decrease)/increase in cash held		(37)	253
Cash at the beginning of the reporting period		<u>1,009</u>	<u>756</u>
Cash at the end of the reporting period	14, 15	<u><u>972</u></u>	<u><u>1,009</u></u>

OFFICE OF RACING, GAMING AND LIQUOR

OUTPUT SCHEDULE OF EXPENSES AND REVENUES
for the year ended 30 June 1999

OUTPUT	Output 1 Evaluation and determination of applications		Output 2 Compliance audits and assessment and collection of fees		Output 3 Determination of matters referred		Output 4 Policy Advice		Output 5 Functions performed for the racing and gaming industries		TOTAL
	1998/99 \$'000	1997/98 \$'000	1998/99 \$'000	1997/98 \$'000	1998/99 \$'000	1997/98 \$'000	1998/99 \$'000	1997/98 \$'000	1998/99 \$'000	1997/98 \$'000	
Operating expenses											
Salaries	968	687	602	605	(3)	243	175	128	2,332	2,528	4,074
Superannuation	115	114	55	64	0	18	18	18	180	315	368
Depreciation	68	53	47	34	0	16	7	13	158	165	280
Administration expenses	356	305	218	287	4	174	47	74	719	779	1,344
Accommodation expenses	125	139	102	113	0	39	9	16	257	233	493
Net loss on disposal of non-current assets	6	0	6	0	0	0	0	0	9	0	21
Total operating expenses	1,638	1,298	1,030	1,103	1	490	256	249	3,655	4,020	6,580
Revenues from services											
User charges and fees retained under net appropriation agreements	102	88	96	88	0	0	55	0	3,666	3,873	3,919
Other user charges and fees	0	1	0	1	0	9	0	63	0	0	74
Total revenue from services	102	89	96	89	0	9	55	63	3,666	3,873	3,919
Net cost of services	1,536	1,209	934	1,014	1	481	201	186	(11)	147	2,661
Revenues from Government											
Amounts received from appropriations:											
Recurrent	1,969	1,561	1,390	1,179	0	703	85	182	(906)	(977)	2,538
Capital	258	94	0	0	0	0	0	0	0	78	258
Receipts paid into Consolidated Fund	0	(1)	0	(1)	0	(9)	0	(63)	0	0	0
Resources received free of charge	20	18	15	15	0	1	4	6	76	69	115
Liabilities assumed by the Treasurer	115	114	55	64	0	18	18	18	180	315	368
Total revenues from Government	2,362	1,786	1,460	1,257	0	713	107	143	(650)	(515)	3,279
CHANGE IN NET ASSETS RESULTING FROM OPERATIONS BEFORE NET EXPENSE FROM RESTRUCTURING	826	577	526	243	(1)	232	(94)	(43)	(639)	(662)	618

OFFICE OF RACING, GAMING AND LIQUOR

SUMMARY OF CONSOLIDATED FUND APPROPRIATIONS AND REVENUE ESTIMATES
for the year ended 30 June 1999

	Note	Estimate	1998/99 Actual	Variation	1997/98 Actual
RECURRENT					
Amount required to fund outputs for the year					
Less Retained Revenue - Section 23A Financial Administration and Audit Act 1985	27 (1)	7,972,000	6,271,780	1,700,220	6,273,333
Item 86 Amount provided to fund outputs for the year	27 (1)	(4,682,000)	(3,848,780)	(833,220)	(3,735,333)
	27 (11)	3,290,000	2,423,000	867,000	2,538,000
Amount Authorised by Other Statutes					
- Salaries and Allowances Act 1975		107,000	115,000	(8,000)	110,000
- Liquor Licensing Act 1988	27 (2) (12)	11,200,000	9,205,850	1,994,150	5,423,000
Total Recurrent Services		14,597,000	11,743,850	2,853,150	8,071,000
CAPITAL					
Item 168 Amount provided for Capital Services for the year	27 (3) (13)	440,000	419,476	20,524	250,423
Less Retained Revenue - Section 23A Financial Administration and Audit Act 1985	27 (3)	(182,000)	(87,930)	(94,070)	(78,423)
Less amount provided from internal funds and balances	27 (3)	0	(73,546)	73,546	0
Total financing transactions		258,000	258,000	0	172,000
GRAND TOTAL		14,855,000	12,001,850	2,853,150	8,243,000
Details of Expenditure					
RECURRENT					
Outputs					
Evaluation and determination of applications	27 (4)	1,315,000	1,380,765	(65,765)	1,212,543
Less Retained Revenue - Section 23A Financial Administration and Audit Act 1985	27 (14)	(102,000)	(109,915)	7,915	(93,460)
		1,213,000	1,270,850	(57,850)	1,119,083
Compliance audits and assessment and collection of fees	27 (5) (15)	2,024,000	1,157,677	866,323	904,354
Less Retained Revenue - Section 23A Financial Administration and Audit Act 1985		(100,000)	(93,808)	(6,192)	(93,460)
		1,924,000	1,063,869	860,131	810,894
Determination of matters referred	27 (6)	463,000	6,431	456,569	463,056
Less Retained Revenue - Section 23A Financial Administration and Audit Act 1985		(6,000)	0	(6,000)	0
		457,000	6,431	450,569	463,056
Policy advice					
Less Retained Revenue - Section 23A Financial Administration and Audit Act 1985	27 (7)	239,000	231,441	7,559	217,921
		(1,000)	(54,648)	53,648	0
		238,000	176,793	61,207	217,921

OFFICE OF RACING, GAMING AND LIQUOR

SUMMARY OF CONSOLIDATED FUND APPROPRIATIONS AND REVENUE ESTIMATES *continued*
for the year ended 30 June 1999

	Note	Estimate	1998/99 Actual	Variation	1997/98 Actual
Functions performed for the racing and gaming industries	27 (8)	4,038,000	3,469,309	568,691	3,463,492
Less Retained Revenue - Section 23A Financial Administration and Audit Act 1985	27 (8)	(4,473,000)	(3,590,409)	(882,591)	(3,548,413)
		(435,000)	(121,100)	(313,900)	(84,921)
Recurrent Expenditure		3,397,000	2,396,843	1,000,157	2,526,033
CAPITAL					
Capital Expenditure	27 (3) (13)	440,000	419,476	20,524	199,834
Less Retained Revenue - Section 23A Financial Administration and Audit Act 1985	27 (3)	(182,000)	(87,930)	(94,070)	(78,423)
Capital Expenditure		258,000	331,546	(73,546)	121,411
Amount carried over at beginning of financial year		0	(217,556)	217,556	(45,000)
Amount transferred to operating account (unexpended appropriation)	27 (9)	0	285,167	(285,167)	217,556
Appropriations for administered payments					
Amount carried over at beginning of financial year		0	(147,675)	147,675	0
Amount expended	27 (2) (12)	11,200,000	9,014,809	2,185,191	5,275,325
Amount carried over at end of financial year		0	338,716	(338,716)	147,675
Recurrent		11,200,000	9,205,850	1,994,150	5,423,000
GRAND TOTAL OF APPROPRIATIONS		14,855,000	12,001,850	2,853,150	8,243,000
Details of Revenue Estimates					
Revenues disclosed as Administered Revenues					
Taxes and licences					
Liquor	27 (16)	1,000,000	987,793	(12,207)	14,000,175
Casino Tax	27 (10)	48,000,000	43,285,376	(4,714,624)	54,834,954
Loan Repayments		0	0	0	25,000
TOTAL REVENUE ESTIMATES		49,000,000	44,273,169	(4,726,831)	68,860,129

Explanations of variations between the current year estimates and actual results, and the actual results compared with the immediately preceding year are set out in note 27.

1. DEPARTMENTAL MISSION AND FUNDING

The Office's mission is to promote and maintain the integrity of lawful racing, gaming and liquor activities.

The Office of Racing, Gaming and Liquor is predominantly funded by Parliamentary appropriations. The Office provides financial management and other corporate support services to the following agencies on a cost recovery basis:

- Gaming Commission of Western Australia
- Racing Penalties Appeal Tribunal
- Racecourse Development Trust
- Betting Control Board
- Territory of Christmas Island Casino Surveillance Authority.

In accordance with section 23A of the Financial Administration and Audit Act 1985, the Office may retain moneys received for services provided by the Office for:

- functions performed for the Racing and Gaming Industries
- functions performed for the Commonwealth Government on Christmas and Cocos Islands (administered through the Indian Ocean Territories Reimbursement Trust Fund).

The financial statements encompass all funds through which the Office controls resources to carry on its functions.

In the process of reporting on the Office as a single entity, all intra-entity transactions and balances have been eliminated.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) General statement

The financial statements constitute a general purpose financial report which has been prepared in accordance with Australian Accounting Standards and Urgent Issues Group Consensus Views as applied by the Treasurer's Instructions. Several of these are modified by the Treasurer's Instructions to vary the application, disclosure, format and wording. The Financial Administration and Audit Act and the Treasurer's Instructions are legislative provisions governing the preparation of financial statements and take precedence over Australian Accounting Standards and Urgent Issues Group Consensus Views. The modifications are intended to fulfil the requirements of general application to the public sector together with the need for greater disclosure and also to satisfy greater accountability requirements.

If any such modification has a material or significant financial effect upon the reported results, details of that modification and where practicable, the resulting financial effect is disclosed in individual notes to the financial statements.

(b) Basis of accounting

The financial statements have been prepared in accordance with Australian Accounting Standard AAS 29 as modified by Treasurer's Instruction 1101A (where Australian Accounting Standards and UIG Consensus Views are modified by Treasurer's Instructions, any material or significant financial effects resulting are to be quantified where practicable and disclosed by way of note).

The modifications giving rise to material or significant financial effects are:

The totals of user charges (being fees for services rendered by the Office that are not regulatory in nature), recoups, reimbursements, and proceeds from the sale of assets controlled by the Office are included as operating revenues as they are retained by the Office through a net appropriation agreement. In 1997/98, those amounts or part thereof were required to be paid directly into the Consolidated Fund and

were not controlled by the Office in the sense of being retained by the Office through a net appropriation or otherwise. Inclusion of these amounts in operating revenues discloses a more accurate cost of services which would not otherwise be disclosed. If the provisions of AAS 29 had been followed in 1997/98 and only user charges and fees retained by the Office (under a net appropriation agreement) had been treated as operating revenues, the net cost of services would have been reported as \$3.111m. in that year.

The statements have been prepared on the accrual basis of accounting using the historical cost convention.

Administered assets, liabilities, expenses and revenues are not integral to the Office in carrying out its functions and are disclosed in schedules to the financial statements, forming part of the general purpose financial report of the Office. The administered items are disclosed on the same basis as is described above for the financial statements of the Office. The administered assets, liabilities, expenses and revenues are those which the Government requires the Office to administer on its behalf. The assets do not render any service potential or future economic benefits to the Office, the liabilities do not require the future sacrifice of service potential or future economic benefits of the Office, and the expenses and revenues are not attributable to the Office.

As the administered assets, liabilities, expenses and revenues are not recognised in the principal financial statements of the Office, the disclosure requirements of Australian Accounting Standard AAS 33, Presentation and Disclosure of Financial Instruments, are not applied to administered transactions.

(c) Appropriations

Appropriations in the nature of revenue, whether recurrent or capital, are recognised as revenues in the period in which the Office gains control of the appropriated funds. The Office gains control of the appropriated funds at the time those funds are deposited into the Office's bank account.

(d) Operating accounts

Amounts appropriated are deposited into the account and any revenues which are the subject of net appropriation determinations are also deposited into the account. Revenues not subject to net appropriation determinations are deposited into the Consolidated Fund. All payments of the Office are made from the operating account.

(e) Depreciation of non-current assets

All non-current assets having a limited useful life are systematically depreciated over their useful lives in a manner which reflects the consumption of their service potential.

Depreciation is provided for on the straight line basis, using rates which are reviewed annually. Major depreciation periods are:

Wood furniture	10 years
Metal furniture	15 years
Office equipment	5 years
Computer equipment	3 years

Computer equipment purchased prior to 30 June 1996 is depreciated over five years. From 1 July 1996 all computer equipment purchases are depreciated over three years with the exception of servers which are depreciated over 5 years and client server software which is depreciated over 10 years.

(f) Employee entitlements

Annual and long service leave

These entitlements are calculated at current remuneration rates. A liability for long service leave is recognised after an officer has completed three years of service.

The Office of Racing, Gaming and Liquor provides employees with the opportunity to work under workplace agreements or to continue under the award system. The introduction of workplace agreements has resulted in changes in the recognition of long service leave as a liability. For those employees employed under the Collective Workplace Agreement, long service leave entitlements become due as follows:

5 years service	-	6 weeks leave
7 years service	-	a further 3 weeks leave
10 years service	-	a further 4 weeks leave.

Those employees employed under the Individual Workplace Agreement and the award system accrue 13 weeks leave after seven years of continuous service.

An actuarial assessment of long service leave was carried out at 30 June 1999. The actuary has calculated the present value of long service leave liabilities as at 30 June 1999 in accordance with the requirements of Australian Accounting Standard AAS 30 "Accounting for Employee Entitlements". Notional superannuation oncosts were included in the calculation this year for the first time. The financial effect of this was an increase in the liability of \$55,455.

Superannuation

Staff may contribute to the Superannuation and Family Benefits Act Scheme, a defined benefits pension scheme now closed to new members, or to the Gold State Superannuation Scheme, a defined benefit and lump sum scheme now also closed to new members. All staff who do not contribute to either of these schemes become non-contributory members of the West State Superannuation Scheme, an accumulation fund complying with the Commonwealth Government's Superannuation Guarantee (Administration) Act 1992.

The superannuation expense comprises the following elements:

- (i) change in the unfunded employer's liability in respect of current employees who are members of the Superannuation and Family Benefits Act Scheme and current employees who accrued a benefit on transfer from that Scheme to the Gold State Superannuation Scheme; and
- (ii) notional employer contributions which would have been paid to the Gold State Superannuation Scheme and West State Superannuation Scheme if the Office had made concurrent employer contributions to those Schemes.

(The superannuation expense does not include payment of pensions to retirees as this does not constitute part of the cost of services provided by the Office in the current year. The total unfunded liability for pensions and transfer benefits assumed by the Treasurer at 30 June 1999 in respect of current employees is \$2.19m (1998: \$2.22m), and for pensions payable to retirees is \$10.01m (1998: \$10.48m).

(g) Leases

The Office has entered into operating lease arrangements for motor vehicles and office accommodation where the lessors effectively retain all of the risks and benefits incident to ownership under the operating lease. Equal instalments of the lease payments are charged to the operating statement over the lease term as this is representative of the pattern of benefits to be derived from the leased properties.

(h) Accounts Receivable, Accounts Payable and Accrued Salaries

Accounts receivable are recognised at the amounts receivable as they are due for settlement no more than 30 days from the date of recognition.

Collectability of accounts receivable is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off. A provision for doubtful debts is raised where some doubts as to collection exist and in any event where the debt is more than 60 days overdue.

Accrued salaries suspense account consists of amounts paid annually into a suspense account over a period of 10 financial years to largely meet the additional cash outflow in each eleventh year when 27 pay days occur in that year instead of the normal 26. No interest is received on this account.

Accounts payable, including accruals not yet billed, are recognised when the Office becomes obliged to make future payments as a result of a purchase of assets or services. Accounts payable are generally settled within 30 to 60 days, in accordance with Treasurer's Instruction 308.

Accrued salaries represents the amount due to staff but unpaid at the end of the financial year, as the end of the last pay period for that financial year does not coincide with the end of the financial year.

(i) Net Fair Values of Financial Assets and Liabilities

Net fair values of financial instruments are determined on the basis of carrying amounts of current assets, current liabilities and non-current liabilities as those amounts are considered to approximate net market value.

3. OUTPUTS OF THE OFFICE

The Budget for 1998/99 was framed in terms of outputs, consequently financial reporting for the year is also analysed in terms of outputs.

Information about the Office's outputs, and the expenses and revenues which are reliably attributable to those outputs is set out in the Output Schedule. Information about expenses, revenues, assets and liabilities administered by the Office are given in the Schedule of Administered Items.

The five outputs of the Office and their purposes are :

Output 1 - Evaluation and determination of applications

Receive, process and determine applications in accordance with the Liquor Licensing Act 1988.

Output 2 - Compliance audits and assessment and collection of fees

Assess and collect licence fees and other revenue. Assess and pay subsidy claims. Monitor the standard of licensed premises and the standard of services provided.

Output 3 - Determination of matters referred

To ensure that the people of Western Australia are provided with an independent, responsive and effective liquor licensing court.

Administrative responsibility for this output was transferred to the Ministry of Justice from 1 July 1998.

Output 4 - Policy advice

The provision of timely policy advice to Government on the racing, gaming and liquor industries.

Output 5 - Functions Performed for the Racing and Gaming Industries

The Office performs functions for the Racing and Gaming Industries to enable them to carry out their objectives. The Office also performs functions for the Commonwealth Government in respect of regulation of liquor and gaming activities on Christmas and Cocos Islands. The cost of these services is recouped by the Office of Racing, Gaming and Liquor and retained as part of a Net Appropriation Determination.

	1998/99 (\$'000)	1997/98 (\$'000)
4. SALARIES		
Salaries	4,067	4,229
Change in annual and long service leave entitlements	7	(38)
	<u>4,074</u>	<u>4,191</u>
5. DEPRECIATION		
Furniture & equipment	30	33
Computing equipment	250	248
	<u>280</u>	<u>281</u>
6. ADMINISTRATION EXPENSES		
Expenses incurred during the year	1,230	1,513
Resources received free of charge	114	106
	<u>1,344</u>	<u>1,619</u>
7. ACCOMMODATION EXPENSES		
Expenses incurred during the year	492	537
Resources received free of charge	1	3
	<u>493</u>	<u>540</u>
8. NET LOSS ON DISPOSAL OF NON-CURRENT ASSETS		
(a) Net loss on disposal or transfer of non-current assets		
Furniture and equipment	0	0
Computing equipment	21	0
	<u>21</u>	<u>0</u>
(b) Net expense from restructuring		
Furniture and equipment	4	0
Computing equipment	18	0
	<u>22</u>	<u>0</u>

The net expense from restructuring is the result of the transfer of the Liquor Licensing Court, and its related assets, to the Ministry of Justice at 1 July 1998.

OFFICE OF RACING, GAMING AND LIQUOR

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 1999

	1998/99 (\$'000)	1997/98 (\$'000)
9. USER CHARGES AND FEES		
Recoups for services provided:		
<u>Net Appropriation Revenues</u>		
Gaming Commission of W.A.	2,794	2,736
Racing Penalties Appeal Tribunal	86	100
Racecourse Development Trust	47	54
Betting Control Board	94	103
Indian Ocean Territories Trust Fund	640	880
Commonwealth Government	187	176
Departmental revenue	71	0
	<u>3,919</u>	<u>4,049</u>
<u>Other Revenues</u>		
Departmental revenue	0	74
	<u>3,919</u>	<u>4,123</u>
10. RESOURCES RECEIVED FREE OF CHARGE		
Administration expenses	114	106
Accommodation expenses	1	3
	<u>115</u>	<u>109</u>
Resources received free of charge have been determined on the basis of the following estimates provided by agencies :		
Department of Productivity and Labour Relations		
- human resource & personnel services	2	2
Department of Land Administration		
- access to land information system	2	1
Department of Contract and Management Services		
- access to contract services	17	0
Office of the Auditor General		
- audit services	18	18
Treasury		
- financial services	4	3
- property management services	1	3
Ministry of Justice		
- legal services	71	82
	<u>115</u>	<u>109</u>
11. APPROPRIATIONS		
Consolidated Fund		
Recurrent	2,538	2,648
Capital	258	172
	<u>2,796</u>	<u>2,820</u>

OFFICE OF RACING, GAMING AND LIQUOR

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 1999

	1998/99 (\$'000)	1997/98 (\$'000)
12. RECEIPTS CREDITED TO CONSOLIDATED FUND		
Miscellaneous Recoups and Sundry Income	0	(74)
	<u>0</u>	<u>(74)</u>
13. LIABILITIES ASSUMED BY THE TREASURER		
Superannuation	<u>368</u>	<u>529</u>
14. CASH AND AMOUNTS IN SUSPENSE		
Operating Account	282	218
Accrued Salaries Suspense Account	128	112
Cash on hand	6	6
	<u>416</u>	<u>336</u>
<p>Accrued salaries suspense account is represented by a cash balance and is therefore equivalent to the net fair value</p>		
15. RESTRICTED CASH		
Indian Ocean Territories Reimbursement Trust Fund	<u>556</u>	<u>673</u>
<p>The amount held in this trust fund represents funds received in advance from the Commonwealth Government for the purpose of regulation of casino and gaming matters on Christmas and Cocos Islands.</p> <p>Funds owing to the Commonwealth are repayable if not utilised.</p> <p>The carrying amount of the Trust Fund approximates its net fair value.</p>		
16. ACCOUNTS RECEIVABLE		
Accounts receivable for goods and services supplied	<u>230</u>	<u>247</u>
<p>The Office has a significant exposure to the Gaming Commission of WA. The Gaming Commission is expected to settle its debt of \$195,564 (1998: \$195,801) in due course.</p> <p>The carrying amount of accounts receivable approximates their net fair values.</p>		
17. PREPAYMENTS		
Prepayments	<u>15</u>	<u>120</u>

OFFICE OF RACING, GAMING AND LIQUOR

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 1999

	1998/99 (\$'000)	1997/98 (\$'000)
18. FURNITURE AND COMPUTING EQUIPMENT		
Furniture and equipment		
At cost	243	293
Less Accumulated depreciation	<u>143</u>	<u>162</u>
	100	131
Computing equipment		
At cost	2,197	1,969
Less Accumulated depreciation	<u>995</u>	<u>1,237</u>
	1,202	732
Total	<u><u>1,302</u></u>	<u><u>863</u></u>
19. ACCOUNTS PAYABLE		
Amounts payable for goods and services received	<u>83</u>	<u>315</u>
<p>The carrying amount of accounts payable approximates their net fair values.</p>		
20. ACCRUED SALARIES		
Amounts owing for the four working days from 25 to 30 June 1999 (1997/98: three working days, 26 to 30 June 1998)	<u>61</u>	<u>48</u>
	<u>61</u>	<u>48</u>
<p>Accrued salaries are settled within a few days of the financial year end. The carrying amount of accrued salaries is equivalent to the net fair value.</p>		
21. EMPLOYEE ENTITLEMENTS		
Current liabilities		
Liability for annual leave	189	205
Liability for long service leave	<u>431</u>	<u>462</u>
	620	667
Non Current liabilities		
Liability for long service leave	<u>209</u>	<u>155</u>
	<u>829</u>	<u>822</u>
<p>Employee entitlements have been calculated using the method described in note 2 (f). It is considered that this method reflects the net fair value of the entitlements. The non-current portion of long service leave entitlements approximates the present value of the estimated future cash flows to employees, discounted at the applicable government bond rate.</p>		
22. EQUITY		
<p>Equity represents the residual interest in the net assets of the Office. The Government holds the equity interest in the Office on behalf of the community.</p>		
Accumulated surplus/(deficiency)		
Balance at the beginning of the year	370	(70)
Prior period adjustment	0	93
Change in net assets resulting from operations	<u>596</u>	<u>347</u>
Balance at the end of the year	<u><u>966</u></u>	<u><u>370</u></u>

OFFICE OF RACING, GAMING AND LIQUOR

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 1999

1998/99
(\$'000)

1997/98
(\$'000)

23. INDIAN OCEAN TERRITORIES REIMBURSEMENT TRUST FUND

The Indian Ocean Territories Reimbursement Trust Fund was established in March 1996 and became operational in July 1996.

The purpose of this trust fund is to hold monies received from the Commonwealth, in advance, for services provided by the Office in relation to the regulation of casino and gaming operations and the sale, supply and consumption of liquor on Christmas and Cocos Islands, pending transfer to the Consolidated Fund. The balance of the trust fund at the end of the financial year is held in the Office's operating account.

The figures presented below for the Trust Fund have been prepared on a cash basis.

Year	Opening Balance	Receipts	Payments	Closing Balance
\$	\$	\$	\$	\$
1998/99	672,773	669,089	786,249	555,613
1997/98	612,366	1,224,447	1,164,040	672,773

24. RECONCILIATION OF NET CASH USED IN OPERATING ACTIVITIES TO NET COST OF SERVICES

1998/99
(\$'000)

1997/98
(\$'000)

For the purposes of the Statement of Cash Flows, 'cash' has been deemed to include cash on hand and amounts in suspense

Net cash used in operating activities (Statement of Cash Flows)	(1,832)	(2,233)
Decrease/(Increase) in liability for employee entitlements	(7)	38
Increase in accrued salaries	(13)	(48)
Decrease/(Increase) in accounts payable	232	(248)
Increase in fees in advance	(1)	(11)
Decrease/(Increase) in trust account	117	(61)
Increase in fees in trust	(12)	0
Loss on disposal or transfer of non-current assets	(21)	0
Depreciation	(280)	(281)
Resources received free of charge from government	(115)	(109)
Superannuation	(368)	(529)
(Decrease)/Increase in non-current asset accruals	(239)	241
Decrease in prepayments	(105)	(38)
(Decrease)/Increase in receivables	(17)	242
Net cost of services (Operating Statement)	(2,661)	(3,037)

OFFICE OF RACING, GAMING AND LIQUOR

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 1999

1998/99
(\$'000)

1997/98
(\$'000)

25. LEASE COMMITMENTS

The Office has subrogated commitments in respect of leasing arrangements made by the Government Property Office for office accommodation and the State Supply Commission for motor vehicles. The Office's commitments under the leases arranged by those agencies are as follows:

Operating lease rental commitments payable:

Not later than 1 year	603	465
Later than 1 year and not later than 2 years	593	581
	<u>1,196</u>	<u>1,046</u>

26. REMUNERATION AND RETIREMENT BENEFITS OF SENIOR OFFICERS

Remuneration

The number of senior officers whose total of fees, salaries and other benefits received, or due and receivable, for the financial year, who fall within the following bands is:

\$	No.	No.
10,001 - 20,000	0	1
20,001 - 30,000	0	0
30,001 - 40,000	1	0
50,001 - 60,000	0	6
60,001 - 70,000	7	2
70,001 - 80,000	0	0
80,001 - 90,000	1	1
90,000 - 100,000	1	1
110,001 - 120,000	1	1
	<u>11</u>	<u>12</u>

The total remuneration of senior officers is:

<u>772</u>	<u>754</u>
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Senior officers includes the third level of management.

Retirement Benefits

The following amounts in respect of retirement benefits for senior officers were paid or became payable for the financial year:

Total notional contributions to Gold State Superannuation Scheme
and West State Superannuation Scheme

<u>99</u>	<u>96</u>
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One senior officer is a member of the Superannuation and Family Benefits Act Scheme (1997/98: one senior officer).

27. EXPLANATORY STATEMENT

The Summary of Consolidated Fund Appropriations and Revenue Estimates discloses appropriations and other statutes expenditure estimates, the actual expenditures made and revenue estimates and payments into Consolidated Fund, all on a cash basis. The following explanations are provided in accordance with Treasurer's Instruction 945:

Significant Variations Between 1998/99 Estimates and Actual Results

1. Amount provided to fund outputs for the year

The favourable variance of \$867,000 arose as a result of an appropriation in excess of requirements for safety net administration costs (see further explanation at note 27 (6) below) and the transfer of funds of \$317,000 and administrative responsibility for the Liquor Licensing Court to the Ministry of Justice from 1 July 1998.

2. Amount Authorised by Other Statutes - Liquor Licensing Act 1988

Subsidies are paid in respect of cellar door sales by wine producers and sales of low alcohol products by wholesalers. The subsidies are paid when claim forms are lodged by producers and wholesalers. The claims lodged were significantly lower than anticipated.

3. Amount provided for Capital Services for the year

The variation in expenditure of \$20,524 was due to timing differences - some capital items were received but not paid for prior to 30 June 1999. The variance in retained revenue of \$94,070 was the result of deferral of capital projects in relation to software development for the Functions Performed for the Racing and Gaming Industries output. Additional capital expenditure on computer hardware was funded from internal funds and balances.

4. Evaluation and determination of applications

The variation in expenditure of \$65,765 was the result of a combination of factors: there were savings in Corporate Services overheads, prepayments made in 1996/97 for data processing charges were amortised and additional funding of \$146,000 was allocated to this output to fund activities which transferred to the Office when the Liquor Licensing Court transferred to the Ministry of Justice.

5. Compliance audits and assessment and collection of fees

An appropriation of \$1,000,000 was provided for safety net administration costs related to liquor subsidies. \$550,000 of this appropriation was not required and was returned to Treasury.

There were savings in expenditure in relation to Corporate Services overheads, staff vacancies, some office and equipment maintenance projects were deferred, prepayments made in 1996/97 for data processing charges were amortised and a major software development project is still in progress.

6. Determination of matters referred

Administrative responsibility for the Liquor Licensing Court transferred to the Ministry of Justice from 1 July 1998.

7. Policy advice

Due to legislative changes, the Sports Betting Levy and Other Betting Levy was retained by the Office in the month of July 1998. From 1 August 1998 these amounts were paid into a trust fund administered by the Betting Control Board. Funds of \$42,388 were received from the Betting Control Board for the purpose of legislative reviews. These funds have been applied to meet the cost of a number of reviews.

8. Functions performed for the racing and gaming industries

The variation of \$313,900 was a result of savings in expenditure of \$568,691 partially offset by a shortfall in revenue of \$882,591.

The savings in expenditure arose because the cost of providing services to the Gaming Commission and the Indian Ocean Territories Trust Fund were lower than expected due to savings in the areas of salaries, staff related expenses, accommodation, and services and contracts. The casino on Christmas Island closed during the year resulting in a significantly lower recoup from the Commonwealth Government.

The revenue shortfall is due to the expenditure savings and a timing difference – funds totalling \$229,408 were due and payable at the end of the year but will not be recouped until the 1999/2000 financial year.

9. Amount transferred to operating account (unexpended appropriation)

This represents funds on hand at the end of the financial year which were primarily due to the application of Treasurer's Instruction 308. This instruction broadly requires payments to be made in the month following the month of receipt of claims for payment. The amount carried over will be applied to outstanding amounts due and commitments under software development projects and general creditors.

10. Taxes and licences

The variance in Casino Tax revenue of \$4,714,624 was due to Casino Gross Revenue falling short of expectations over the period during which the tax is calculated.

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Significant Variations Between the 1998/99 and 1997/98 Actual Results

Variations which have been explained in the sub-sections 1 to 10 of this note have not been repeated here in the interests of concise reporting.

11. Amount provided to fund outputs

The amount provided to fund outputs was reduced by \$317,000 as a result of the transfer of the Liquor Licensing Court. Increases in funding were provided for safety net administration costs and salary increases.

12. Amount Authorised by Other Statutes - Liquor Licensing Act 1988

The amount required for liquor subsidies represents a full year of subsidies in 1998/99 - in 1997/98, claims were paid by Treasury in the first half year and the scheme was in operation for approximately 11 months.

13. Amount provided for Capital Services for the year

A significant computer equipment and infrastructure upgrade program commenced late in 1997/98 and was completed early in 1998/99. This is part of the regular maintenance and upgrade of computer equipment and infrastructure.

14. Evaluation and determination of applications

The increase in retained revenue is due to retention of revenue previously attributable to the Liquor Licensing Court.

15. Compliance audits and assessment and collection of fees

The increase in expenditure of \$253,323 primarily relates to the development of a new Liquor Licensing system.

16. Taxes and licences

The decrease in Liquor revenue of \$13,012,382 is due to the Government's decision to discontinue collection of *ad valorem* liquor licence fees from August 1997.

28. ADDITIONAL FINANCIAL INSTRUMENTS DISCLOSURES**(a) Interest Rate Risk Exposure**

The Office's exposure to interest rate risk and the effective interest rates on financial instruments are:

	Total Non-interest Bearing 30 June 1999 (\$'000)	Total Non-interest Bearing 30 June 1998 (\$'000)
Financial Assets		
Cash and amounts in suspense	416	336
Restricted cash	556	673
Accounts receivable	230	247
Total Financial Assets	<u>1,202</u>	<u>1,256</u>
Financial Liabilities		
Accounts Payable	83	315
Employee Entitlements	829	822
Accrued Salaries	61	48
Total Financial Liabilities	<u>973</u>	<u>1,185</u>

(b) Credit Risk Exposure

All financial assets are unsecured.

Amounts owing by other government agencies are guaranteed and therefore no credit risk exists in respect of those amounts. In respect of other financial assets the carrying amounts represent the Office's maximum exposure to credit risk in relation to those assets.

The following is an analysis of amounts owing by other government agencies:

	1998/99 (\$'000)	1997/98 (\$'000)
Western Australian Government agencies	<u>229</u>	<u>196</u>

29. OTHER COMMITMENTS

The Office has commitments under two software development contracts for systems development. The amounts committed under these contracts as at 30 June 1999 were \$291,448.

30. CONTINGENT OBLIGATIONS

To the best of our knowledge we are not aware of any circumstances which may result in a contingent liability.

31. EVENTS OCCURRING AFTER BALANCE DATE

We are not aware of any matters or circumstances that have arisen since the end of the financial year to the date of this report which has significantly affected or may significantly affect the activities of the Office, the results of those activities or the state of affairs of the Office in the ensuing or any subsequent year.

OFFICE OF RACING, GAMING AND LIQUOR

SCHEDULE OF ADMINISTERED ITEMS
30 June 1999

OUTPUT	Output 1 Evaluation and determination of applications		Output 2 Compliance audits and assessment and collection of fees		Output 4 Policy advice		Output 5 Functions performed for the racing and gaming industries		TOTAL	
	1998/99	1997/98	1998/99	1997/98	1998/99	1997/98	1998/99	1997/98	1998/99	1997/98
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
ADMINISTERED EXPENSES AND REVENUES										
EXPENSES										
	(i)									
Transfer payments	0	0	8,879	5,911	0	0	0	0	8,879	5,911
Refunds of revenue	3	6	6	13	0	0	0	0	9	19
Doubtful debts expense	0	0	0	60	0	0	0	0	0	60
Total administered expenses	3	6	8,885	5,984	0	0	0	0	8,888	5,990
REVENUES										
	(ii)									
Appropriations for transfer	0	0	9,206	5,423	0	0	0	0	9,206	5,423
Taxes collected under the Casino (Burswood Island)	0	0	0	0	0	0	0	0	47,667	54,835
Agreement Act 1985	590	569	347	385	0	0	0	0	937	954
Fees collected under the Liquor Licensing Act 1988	0	0	0	0	0	25	0	0	0	25
Loan repayments	0	0	0	162	0	0	0	0	0	162
Write back of provision for doubtful debts	590	569	9,553	5,970	0	25	0	0	57,810	61,399
Total administered revenues	590	569	9,553	5,970	0	25	0	0	57,810	61,399
ADMINISTERED ASSETS AND LIABILITIES										
ASSETS										
	(iii)									
Current	1	2	339	148	0	0	0	0	340	150
Cash	0	0	57	61	0	0	4,382	0	4,439	61
Accounts receivable	1	2	396	209	0	0	0	0	4,779	211
Total administered assets	2	4	792	418	0	0	4,382	0	9,558	422
LIABILITIES										
	(iii)									
Current	0	0	500	636	0	0	0	0	500	636
Accounts payable	1	2	0	0	0	0	0	0	1	2
Fees in trust	1	2	500	636	0	0	0	0	501	638
Total administered liabilities	2	4	500	636	0	0	0	0	501	638

NOTES

i) Transfer payments

The Office of Racing, Gaming and Liquor is responsible for the transfer of appropriations to liquor merchants and producers consistent with the requirements of the Liquor Licensing Act 1988. The Office does not control amounts for transfer but acts only as an agent.

(ii) Taxes and fines

The Office of Racing, Gaming and Liquor is responsible for collection of casino tax and liquor fees. These are not classified as operating revenues and are paid directly to Consolidated Fund.

(iii) Administered Assets and Liabilities

Cash

The cash balance mainly represents unexpended funds on hand at year end that were appropriated for the payment of liquor subsidies to liquor merchants and producers.

Accounts receivable

The accounts receivable balance represents liquor licence fees and casino tax receivable as at 30 June 1999.

Accounts payable

The accounts payable balance relates to liquor subsidy claims owing as at 30 June 1999.

**STATEMENT OF CERTIFICATION –
FINANCIAL STATEMENTS**

The accompanying financial statements of the Office of Racing, Gaming and Liquor have been prepared in compliance with the provisions of the Financial Administration and Audit Act 1985 from proper accounts and records to present fairly the financial transactions for the year ended 30 June 1999 and the financial position as at 30 June 1999.

At the date of signing we are not aware of any circumstances which would render the particulars included in the financial statements misleading or inaccurate.



Barry A Sargeant
EXECUTIVE DIRECTOR
16 August 1999



Jenny Ough
Manager Finance and Administration
16 August 1999



Auditor General

To the Parliament of Western Australia

**OFFICE OF RACING, GAMING AND LIQUOR
FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 1999**
Scope

I have audited the accounts and financial statements of the Office of Racing, Gaming and Liquor for the year ended June 30, 1999 under the provisions of the Financial Administration and Audit Act 1985.

The Executive Director is responsible for keeping proper accounts and maintaining adequate systems of internal control, preparing and presenting the financial statements, and complying with the Act and other relevant written law. The primary responsibility for the detection, investigation and prevention of irregularities rests with the Executive Director.

My audit was performed in accordance with section 79 of the Act to form an opinion based on a reasonable level of assurance. The audit procedures included examining, on a test basis, the controls exercised by the Office to ensure financial regularity in accordance with legislative provisions, evidence to provide reasonable assurance that the amounts and other disclosures in the financial statements are free of material misstatement and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial statements are presented fairly in accordance with Accounting Standards, other mandatory professional reporting requirements and the Treasurer's Instructions.

The audit opinion expressed below has been formed on the above basis.

Audit Opinion

In my opinion,

- (i) the controls exercised by the Office of Racing, Gaming and Liquor provide reasonable assurance that the receipt and expenditure of moneys and the acquisition and disposal of property and the incurring of liabilities have been in accordance with legislative provisions; and
- (ii) the Operating Statement, Statement of Financial Position, Statement of Cash Flows, Output Schedule and Summary of Consolidated Fund Appropriations and Revenue Estimates and the Notes to and forming part of the financial statements are based on proper accounts and present fairly in accordance with applicable Accounting Standards, other mandatory professional reporting requirements and the Treasurer's Instructions, the transactions for the year ended June 30, 1999 and the financial position at that date.

G M ROBERTSON
ACTING AUDITOR GENERAL
September 17, 1999

INTRODUCTION

Performance Indicators are required by section 62 of the Financial Administration and Audit Act 1985 and are provided to assist interested parties such as Government, Parliament and community groups in assessing an agency's performance in the production of outputs and the achievement of government desired outcomes. Performance Indicators measure the efficiency and effectiveness of an agency. In this regard efficiency indicators relate outputs to the level of resource inputs required to produce them and effectiveness indicators detail the extent to which outcomes have been achieved.

OUTCOME

The Office of Racing, Gaming and Liquor has two specified outcomes, namely:

- 1. Promotion and maintenance of the integrity of lawful racing, gaming and liquor activities.**
- 2. The provision of these functions contribute to the outcomes of the Gaming Commission, Racing Penalties Appeal Tribunal, Betting Control Board and Racecourse Development Trust.**

1. Promotion and maintenance of the integrity of lawful racing, gaming and liquor activities.

Effectiveness Indicator

The evaluation and determination of applications in accordance with statutory criteria will promote and maintain the integrity of lawful liquor activities to the extent that applicants have their lawful needs met. This can be measured by the number of appeals sustained on the basis that the decision-maker erred in law.

	1998/99	1997/98
Appeals sustained on the basis that the decision-maker erred in law.	Nil	Nil

Note: The above indicator is based upon those decisions of the Director of Liquor Licensing that are appealed where the reviewing Judge determines that the appeal should be sustained on the basis that Director erred in law when making his decision.

Effectiveness Indicator

The conduct of compliance audits will promote and maintain the integrity of lawful liquor activities, which will be measurable by the percentage of audited licensees who exhibit the behaviour desired by statutory criteria and compliance audits.

	1998/99
Percentage of audited licensees who exhibit the behaviour desired by statutory criteria and compliance audits ¹	35%

¹ In respect of the standard of licensed premises only 35 percent of premises inspected complied, that is, no work order was imposed on the licensee. However it is difficult in this area to accurately define the meaning "as to standard", as the standard is calculated by reference to the number of premises that are issued with a work order. During an inspection a work order may be issued for various things which require attention to ensure that the standard of the premises is maintained. Accordingly, the more work orders imposed may mean that more premises will attain the desired standard. Furthermore in some cases the order may be relatively minor and with the focus during the year on glass washers, this has resulted in a larger than normal number of orders being imposed specifically to fix glass washers, thereby raising the standard of the licensed premises.

Note – no comparison figures are available for this indicator, as this is the first year that it has been reported.

PERFORMANCE INDICATORS

Output 1

Evaluation and determination of applications.

Output Description

Receive, process and determine applications in accordance with the Liquor Licensing Act 1988.

Efficiency Indicator

Average cost of processing and determining applications based upon the total expenditure of Output 1 by the number of licences, decisions and permits issued.

	1998/99	1997/98
Estimated cost of issuing licences, decisions and permits.	\$202	\$177

Note: The figure for 1997/98 is the estimate figure that appeared in the 1998/99 Budget Statements. The increase in cost from the estimate of 1997/98 to actual the figure of 1998/99 can be attributed to an increase in the budget allocation from 1997/98 to 1998/99.

Note: The Cost measure reported in the 1998/99 Budget Statements should have referred to the estimated average cost of issuing licences, decisions and permits and not the estimated cost per application.

Output 2

Compliance audits and assessment and collection of fees

Output Description

Assess and collect licence fees and other revenue. Assess and pay subsidy claims. Monitor the standard of licensed premises and the standard of services provided.

Efficiency Indicator

Average cost of managing each licensed premises based upon the total expenditure of Output 2 by the number of licences as at 30 June.

	1998/99	1997/98
Average cost of managing each licensed premises.	\$305.00	\$339.00

Notes: The indicator reported above is similar to that reported in the 1997/98 report except that the figure used to determine the average cost of managing a licence related to the program "Liquor Industry Regulation"(being both Output 1 and Output 2). The above cost is calculated using the figure of only Output 2.

The decrease in cost for this output can be attributed to the increase in the number of licensed premises.

PERFORMANCE INDICATORS

Output 3

Determination of matters referred.

Output Description

To ensure that the people of Western Australia are provided with an independent, responsive and effective Liquor Licensing Court.

Efficiency Indicator

	1998/99	1997/98
Average cost of applications and complaints referred to the Court for determination.	N/A ¹	\$4,629

¹ Comparison figures are not available for 1998/99 as responsibility for the Liquor Licensing Court was transferred to the Ministry of Justice with effect from 1 July 1998.

Output 4

Policy Advice.

Output Description

The provision of timely policy advice to the Government on the racing, gaming and liquor industries.

Efficiency Indicator

Average cost of providing advice to the Government based upon the total expenditure of Output 4 by the total number of Ministerials, Parliamentary Questions, Speech notes, Legislation reviews and developed policies.

	1998/99
Cost of providing advice to Government	\$683.00

Note: Whilst the above indicator is similar to that reported in the 1997/98 Annual Report, the method of calculating the cost has been modified to include parliamentary questions, speech notes, legislation reviews and developed policies. Therefore a 1997/98 comparison figure is not available.

Note: The above figures do not include those occurrences when officers, particularly the Executive Director, are required to personally brief Ministers, including the Minister for Racing and Gaming, and members of the Parliament in relation to racing, gaming and liquor matters.

2 The provision of these functions contribute to the outcomes of the Gaming Commission, Racing Penalties Appeal Tribunal, Racecourse Development Trust and the Betting Control Board

Effectiveness Indicator

The provision of quality support services to the racing and gaming agencies will enable these agencies to discharge their statutory obligations to the racing and gaming industries. Effectiveness will be measured by the extent to which the service expectations of the agencies are met.

Right Marketing Australia Pty Ltd was engaged to conduct a survey to determine the extent to which the service expectations of the agencies were met.

The research sought to measure the extent to which the Office of Racing, Gaming and Liquor had met the expectations of the Gaming Commission, Racing Penalties Appeal Tribunal, Racecourse Development Trust and the Betting Control Board in relation to:

- Providing timely advice and assistance;
- The quality of the information;
- Processing applications for permits and licences;
- Conducting inspections; and
- Meeting the overall service requirements.

The chairman of the Racing Penalties Appeal Tribunal and each member of the Gaming Commission, Racecourse Development Trust and Betting Control Board were provided with a questionnaire that they were asked to complete and return. In total, sixteen board members were surveyed and questionnaires were returned from all but one.

The questionnaires asked the board members to indicate the extent to which the Office of Racing, Gaming and Liquor was able to meet their overall service requirements: (the scale being "not met", "almost met", "usually met", "consistently met" or "consistently exceeded").

The results were as follows:

Failed to meet	Almost met	Usually met	Consistently met	Consistently exceeded
-	-	13%	53%	33%

Output 5

Functions Performed for the Racing and Gaming Industries

Output Description

The Office performs functions for the racing and gaming industries to enable them to carry out their objectives. The Office also performs functions for the Commonwealth Government in respect of regulation of liquor and gaming activities on Christmas and Cocos Islands. The cost of these services is recouped by the Office of Racing, Gaming and Liquor and retained as part of a Net Appropriation Determination.

PERFORMANCE INDICATORS

Efficiency Indicator

Average cost of performing functions for the Racing and Gaming industries based upon the total expenditure of Output 5 by the number of:

- gaming audits, investigations and inspections;
- casino operator submissions reviewed;
- licence and permit applications determined;
- applications for grants from racing and trotting clubs assessed;
- number of appeals processed; and
- number of betting audits and inspections conducted.

	1998/99
Cost of gaming audits, investigations and inspections	\$ 319
Cost of reviews of casino operator submissions	\$3,667
Cost of licence and permit applications determined	\$ 142
Cost of applications for grants from racing and trotting clubs assessed	\$ 685
Cost of appeals processed	\$2,116
Cost of betting audits and inspections	\$ 354

Note: There are no comparison figures available for this indicator, as this is the first year that it has been reported.

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STATEMENT OF CERTIFICATION - PERFORMANCE INDICATORS

I certify that the performance indicators presented here are based on proper records and fairly represent the performance of the Office of Racing, Gaming and Liquor for the financial year ended 30 June 1999.



Barry A. Sargeant
ACCOUNTABLE OFFICER
16 August 1999



Auditor General

To the Parliament of Western Australia

OFFICE OF RACING, GAMING AND LIQUOR
PERFORMANCE INDICATORS FOR THE YEAR ENDED JUNE 30, 1999

Scope

I have audited the key effectiveness and efficiency performance indicators of the Office of Racing, Gaming and Liquor for the year ended June 30, 1999 under the provisions of the Financial Administration and Audit Act 1985.

The Executive Director is responsible for developing and maintaining proper records and systems for preparing and presenting performance indicators. I have conducted an audit of the key performance indicators in order to express an opinion on them to the Parliament as required by the Act. No opinion is expressed on the output measures of quantity, quality, timeliness and cost.

My audit was performed in accordance with section 79 of the Act to form an opinion based on a reasonable level of assurance. The audit procedures included examining, on a test basis, evidence supporting the amounts and other disclosures in the performance indicators, and assessing the relevance and appropriateness of the performance indicators in assisting users to assess the Office's performance. These procedures have been undertaken to form an opinion as to whether, in all material respects, the performance indicators are relevant and appropriate having regard to their purpose and fairly represent the indicated performance.

The audit opinion expressed below has been formed on the above basis.

Audit Opinion

In my opinion, the key effectiveness and efficiency performance indicators are relevant and appropriate for assisting users to assess the Office of Racing, Gaming and Liquor's performance and fairly represent the indicated performance for the year ended June 30, 1999.

A handwritten signature in black ink, appearing to read 'G. M. Robertson'.

G M ROBERTSON
ACTING AUDITOR GENERAL
September 17, 1999

LIST OF EMPLOYEES AS AT 30 JUNE 1999

AMBLER, Dorothy
ARMSTRONG, Roslyn
AVES, Geoff

BEECROFT, Mark
BELLING, Janine
BLAKE, Keith
BOLAND, Angela
BORGWARD, Yvvette
BOUSFIELD, Glen

CARLETON, Brian
CHAMI, Rostam
CONNOLLY, Michael
CROMPTON, Bianca

D'SOUZA, Cassandra
DELPRETE, Sandy
DENNIS, Beryl
DUTTON, Trevor

EVANS, Joanne

FERNANDES, Maureen
FLOWERS, Lisa

GARRETT, Jack
GORDON, John
GRAY, Colin
GREGOR, Richard

HALGE, David
HARRISON, Carole
HEAD, Trevor
HERRING, Jacqueline
HICKS, Craig
HIGHMAN, Hugh
HOBSON, Murray
HUGHES, Joanne
IOANNIDIS, Mary

KEMPSON, Josephine
KENNEDY, Donna
KRAWEC, Otto
KIRIAKOFF, Jim
KUSUNOSE, Julie

LEACH, Rita
LEEK, Kelvin

MANNINO, Santo
MARWICK, Julie

MAYO, Rebecca
MCGANN, Star

McLAUCHLIN, Dorothy
McSWAIN, Christine
MILLER, Glenn
MINCHIN, Peter
MITCHELL, Robert
MUIR, Gordon

NAZARETH, Len
NG, Terry*
NICHOLS, Jon

OLDFIELD Allison
OLIVER, Max
OUGH, Jenny

PEZAJ, Mirella
PITCHER, Owen
POW, Sonia
PRICE, Lynne
PRICE, Phillip

REID, Pamela
REISS, Toni
ROMATO, Eric
ROSS, Glen
ROSSON, Andrew
ROWLES, Christopher

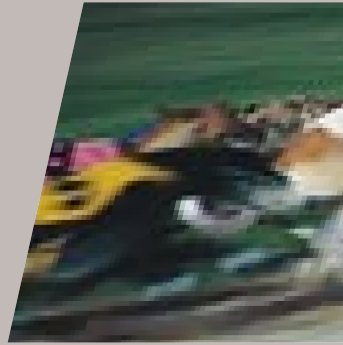
SALTER, Pat
SANSALONE, Renato
SARGEANT, Barry
SAUERACKER, Peter
SCHNEIDER, Rob
SCHULZE, Charles
SEPHTON, Kenneth
SHIRLEY, Cushla
SITA, Anthony
SLOAN, Tarnie
SMITH, Douglas
SNELL, Brett
STEIN, Jenny
STEPHENS, Jocelynn
SYME, Wayne

TOYNE, Nick
TRPCEV, Alic
TUCKER, Garry

WATT, Aileen
WEBB, Vanessa

YOUNGER, Raymond

* indicates that officers are seconded from another department.



ACKNOWLEDGMENTS

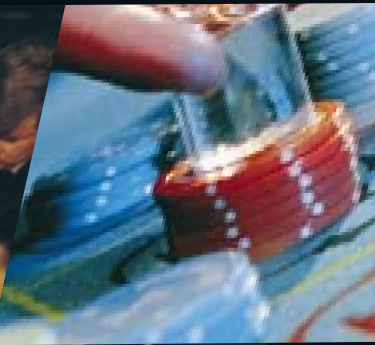
Project Team Co-ordinator:
Jacqui Herring

Financial Statements:
Jenny Ough

Design and Production:
The Creative Page

Photography:
Hollands Photographics,
Aaron Bunch Photography &
Martial Fatton Photographic Studio.

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& Western Australian Tourism Commission.



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