

**BETTING CONTROL BOARD  
OF WESTERN AUSTRALIA**

**ANNUAL REPORT**

**2000/2001**

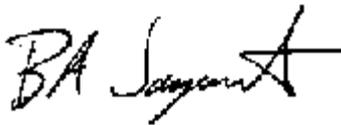
**STATEMENT OF COMPLIANCE  
FOR THE YEAR ENDED 31 JULY 2001**

MINISTER FOR RACING AND GAMING

**BETTING CONTROL BOARD ANNUAL REPORT - 2000/2001**

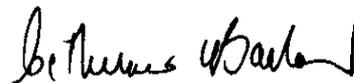
In accordance with section 66 of the Financial Administration and Audit Act 1985, we submit for your information and tabling in Parliament, the Annual Report of the Betting Control Board of Western Australia for the year ended 31 July 2001.

The report has been prepared in accordance with the provisions of the Financial Administration and Audit Act 1985.



CHAIRMAN

DATE 24 September 2001



MEMBER

DATE 24 September 2001

**STATEMENT OF COMPLIANCE  
WITH RELEVANT LAW**

**ENABLING LEGISLATION**

The Betting Control Board is established under the *Betting Control Act 1954*. The Board is responsible for regulating on- and off-course betting conducted pursuant to the *Betting Control Act 1954* and *Totalisator Agency Board Betting Act 1960*.

**LEGISLATION ADMINISTERED**

*Betting Control Act 1954*

**LEGISLATION IMPACTING ON ACTIVITIES**

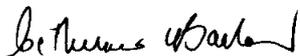
In the performance of its functions, the Board complies with the following relevant written laws:

- *Financial Administration and Audit Act 1985*
- *Totalisator Agency Board Betting Act 1960*
- *Public Sector Management Act 1994*
- *Salaries and Allowances Act 1975*
- *Public and Bank Holidays Act 1972*
- *Equal Opportunity Act 1984*
- *Library Board of Western Australia Act 1951*
- *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 1998, and*
- *Disability Services Act 1993*

In the financial administration of the Betting Control Board, the Board has complied with the requirements of the *Financial Administration and Audit Act 1985* and relevant written law. It has exercised controls that provide reasonable assurance that the receipt and expenditure of moneys, the acquisition and disposal of public property and incurring of liabilities have been in accordance with legislative provisions. At the date of signing we are not aware of any circumstances which would render the particulars included in this statement, misleading or inaccurate.



CHAIRMAN  
24 September 2001



MEMBER  
24 September 2001



PRINCIPAL ACCOUNTING OFFICER  
24 September 2001

**CONTENTS**

- 1. Chairman's Overview**
- 2. Corporate Governance**
- 3. Board Membership**
- 4. Report on Operations**
- 5. Statistical Information**
- 6. Budget Information and Output Measures**
- 7. Financial Statements**
- 8. Key Performance Indicators**

## 1. CHAIRMAN'S OVERVIEW

I am pleased to present the Annual Report for the Betting Control Board of Western Australia for the period 1 August 2000 to 31 July 2001. The Board was reconstituted in 1996 and this report covers the new Board's fifth full year of operation.

From a national wagering perspective, the focus was again on the issue of interactive gambling. Following its 12 month moratorium on interactive gaming, the Commonwealth Government introduced into Parliament the *Interactive Gambling Bill 2001*, which proposed a ban on all interactive gaming and wagering. In recognition of the potential impact on the racing industry, the Bill was modified to exclude race wagering, sports wagering prior to the sporting event commencing and non-instant lottery products, placing the focus of the ban on interactive casino style gaming.

The Bill was passed by the Commonwealth Parliament on 28 June 2001 and assented to on 11 July 2001.

After an extensive TAB agency audit program in 1999/2000, the Board, through the agency of the Department of Racing, Gaming and Liquor Inspectorate, carried out a reduced program of 54 agency audits. These audits returned a high rate of compliance. However, isolated instances of credit betting were detected with the Board successfully prosecuting one agent in relation to two counts of credit betting and two counts of betting with an intoxicated person. The prosecution of another TAB agent for credit betting has been authorised by the board and is pending.

A further 104 bookmaker and on-course totalisator inspections and audits were carried out on behalf of the Board. A similar program will be conducted in 2001/02.

In terms of National Competition Policy (NCP), the drafting instructions to give effect to most of the recommendations arising from the NCP Review of the *Betting Control Act 1954* and the *Totalisator Agency Board Betting Act 1960*, were finalised by the Department of Racing, Gaming and Liquor during the year. A number of recommendations requiring only regulatory amendments have been implemented and the remainder of the amendments are expected to be progressed during 2001/02.

On-course wagering results for the year were again in decline. Bookmaker turnover totalled \$159.1 million, a decrease of 11.4 per cent on 1999/2000 despite bookmaker numbers not changing. Sports betting turnover continues to improve with turnover increasing by 16.6 per cent to \$11.1 million. This represents only seven per cent of overall bookmaker turnover. Four bookmakers conducted sports betting during the year compared to three the previous year. Bookmaker telephone betting declined by 6.3 per cent to \$51.1 million. On-course totalisator turnover increased by 0.5 per cent to \$65.2 million.

The Board's success in meeting its objectives has been significantly influenced by the dedication and commitment of the employees of the Department of Racing, Gaming and Liquor. I take this opportunity on behalf of the Board, to express appreciation for their efforts.

Barry A Sargeant  
CHAIRMAN



## 2. CORPORATE GOVERNANCE

### INTRODUCTION

The *Statutory Corporations (Liability of Directors) Act 1996*:

- declares that the members of all Government “corporations” established for a public purpose owe to the “corporation” the same duties that the directors of a company under the Corporations Law owe to that company; and
- imposes on the “directors” of Government owned “corporations” responsible for business activities, specific duties to act honestly, to exercise reasonable care and diligence and not to make improper use of their information and position.

For the purposes of the *Statutory Corporations (Liability of Directors) Act 1996*, “corporation” means a body corporate established for a public purpose by a written law and, if the affairs of the corporation are managed by its members, a “director” means a member of the corporation.

While the Betting Control Board is not specified in Part 3 of the Act, the principles of corporate governance laid down in the Act have been adopted by the Board for the purposes of reporting. The following statements outline the Board’s purpose, constitution, scope of responsibility, and operational framework.

#### **The Betting Control Board of Western Australia**

The principal purpose of the Betting Control Board is to administer and control the conduct of on- and off-course betting in Western Australia in accordance with the *Betting Control Act 1954* and the *Totalisator Agency Board Betting Act 1960*.

#### **Responsible Minister**

The Minister for Racing and Gaming is responsible for the Racing and Gaming portfolio. At 31 July 2001, the Minister for Racing and Gaming was the Hon Nick Griffiths, LLB MLC.

#### **Composition of the Board**

The Betting Control Board is established by the *Betting Control Act 1954*. Membership of the Board comprises of:

- (a) the chief executive officer of the Department of Racing, Gaming and Liquor who holds office ex-officio;
- (b) the chairperson of the TAB, who holds office ex-officio, or a member of the TAB nominated by the chairperson and approved by the Minister;
- (c) one person nominated by the Western Australian Bookmakers’ Association and appointed by the Minister;

## 2. CORPORATE GOVERNANCE

- (d) one person nominated by the Western Australian Turf Club and appointed by the Minister;
- (e) one person nominated by the Western Australian Trotting Association and appointed by the Minister;
- (f) one person nominated by the Western Australian Greyhound Racing Authority and appointed by the Minister; and
- (g) one person, not being a member of any of the organisations mentioned in (c), (d), (e) or (f), appointed by the Minister.

Prior to filling a vacancy on the Board, the relevant nominating organisation is required to submit three names for consideration of appointment by the Minister. The *Betting Control Act 1954* stipulates that the Minister may appoint either the chief executive officer of the Department of Racing, Gaming and Liquor, or the person appointed in accordance with (g) above as chairman of the Board.

### Legislative Responsibilities

Section 6G(1) of the *Betting Control Act 1954* describes the Board's responsibilities as:

- (a) to administer the law relating to the regulation of betting carried on under the *Betting Control Act 1954* or the *Totalisator Agency Board Betting Act 1960*;
- (b) to review the conduct, extent and character of that betting, including the provision, use and location of the betting facilities, and to cause licences, permits and authorizations relating to that betting to be issued as appropriate;
- (c) in conjunction with the Gaming Commission and the racing industry controlling authorities, taking into account the requirements and interest of the community as a whole, to formulate and implement policies for the scrutiny, control and regulation of that betting;
- (d) to -
  - (i) licence; or
  - (ii) grant, refuse or revoke any permit, approval, or authorization in respect of, persons, premises, facilities, equipment and betting operations concerned with betting or in relation to whom or which a licence, permit, approval or authorization is sought;
- (e) to advise the Minister, either of its own motion or upon request of the Minister, as to any matter relating to that betting;

## 2. CORPORATE GOVERNANCE

- (f) to make recommendations to the Minister in relation to the control or supervision of particular kinds of betting or betting in particular circumstances, and as to the fees and charges to be prescribed;
- (g) to administer a scheme for the collection and verification of the payments of bookmakers' betting levy -
- (i) to be remitted under section 15 (5) (b); or
  - (ii) deliverable under section 16 (3) (c),
- together with any additional levy payable under section 18B, and to cause to be paid into the Consolidated Fund all such moneys as are from time to time received by the Board; and
- (h) to enforce, and to prosecute persons contravening -
- (i) the *Betting Control Act 1954*; and
  - (ii) the *Totalisator Agency Board Betting Act 1960*.

### Board Meetings

The Betting Control Board meets monthly or as required and every member is required to attend all meetings. If a member is unable to attend, arrangements are made for the deputy member to attend in his or her place. *If a member of the Board is absent, without the permission of the Minister, from four consecutive meetings of the Board, the office of that person becomes vacant.*

Dissenting members have the right to require their dissenting vote and any underlying reasons to be recorded in the minutes if they deemed it necessary.

### Delegation of Board Powers

The Betting Control Board has delegated some of its powers in the event that an urgent approval is required which cannot or need not wait until the next Board meeting.

For example, decisions relating to some routine licensing matters have been delegated to the Chairman and the Secretary as follows:

- Applications for the grant or renewal of a bookmaker's employee licence where the applicant has not incurred a conviction of a dishonest or serious nature.
- Approval for amendments to sporting event betting contingencies.
- Requests for authorisation to conduct telephone betting or to use a computerised betting ledger and the approval of equipment for these purposes.

## 2. CORPORATE GOVERNANCE

### **Boundaries to be Observed by Delegates**

Where the Betting Control Board has resolved to delegate its powers to the Chairman, or any officer of the Board, either generally or as provided in an instrument of delegation, the delegate may perform a power or duty only in accordance with that delegation and, when so exercised or performed, that power or duty shall be deemed to be exercised or performed by the Board.

### **Betting Control Board Financial Controls**

The Betting Control Board is responsible for keeping proper accounts and maintaining adequate systems of internal control to provide a reasonable assurance that the receipt and expenditure of moneys, the acquisition and disposal of property and the incurring of liabilities is in compliance with the requirements of the *Financial Administration and Audit Act 1985*, Treasurer's Instructions and other relevant written law.

The Department of Racing, Gaming and Liquor provides financial services and support to the Board. While the Board's Principal Accounting Officer (Manager, Finance and Administration, Department of Racing, Gaming and Liquor) is responsible for the financial administration of the Board, primary responsibility for the detection, investigation and prevention of financial irregularities always rests with the Betting Control Board. Internal audit services are provided to the Board by the Department of Racing, Gaming and Liquor.

As part of its annual reporting obligations, the Betting Control Board is required to submit its Statement of Financial Performance, Statement of Financial Position and Statement of Cash Flows as part of its Financial Statements to the Auditor General of Western Australia.

### **Independent Professional Advice**

In carrying out official duties, each member has the right to seek independent professional advice at the Board's expense, where the member considers it necessary to carry out his/her duties and subject to prior agreement of the Chairman, which cannot reasonably be withheld.

### **Access to Resources and Information**

Each member is entitled to obtain such resources and information from the Board and/or the Department of Racing, Gaming and Liquor, including direct access to agency staff, as they may require after notifying the Chairman.

## **2. CORPORATE GOVERNANCE**

### **Support for Board Operations**

Support for the Board is provided by the Department of Racing, Gaming and Liquor. The Department recoups the cost of providing these services from the Board. From 28 June 1996, the Board became self-funded and now draws its operating funds principally from bookmaker and totalisator licence fees and an annual contribution from the TAB, the amount of which must be approved by the responsible Minister.

### **Equity, Access and Customer Focus**

The Betting Control Board of Western Australia does not employ staff but has a net appropriation agreement with the Department of Racing, Gaming and Liquor relating to the functions carried out on behalf of the Board by staff of that agency.

As such, the Betting Control Board does not maintain plans for —

- *Equal Employment Opportunity;*
- *Public Sector Standards;*
- *Plan for Women;*
- *Language Services;*
- *Disability Services;* and
- *Customer Focus,*

and relies on the relevant plans of the Department of Racing, Gaming and Liquor. Accordingly, the Betting Control Board does not report on the outcomes of those plans. Details of the relevant plans and outcomes are available in the Department's Annual Report.

### **3. BOARD MEMBERSHIP**

The membership of the Betting Control Board as at 31 July 2001 was as follows:

#### **Chairman**

Mr Barry Sargeant, Director General, Department of Racing, Gaming and Liquor, is an ex-officio member and appointed Chairman of the Board. Mr Sargeant assumed this position in November 1992 when appointed Executive Director of the Office of Racing, Gaming and Liquor. Mr Sargeant's deputy is Mr David Halge, Director Operations, of the Department of Racing, Gaming and Liquor.

#### **Chairperson of the TAB**

Mr Raymond Walker AM, Chairperson of the Western Australian TAB, is an ex-officio member of the Board. Mr Walker assumed this position in February 1999 when he replaced Mr Roger Hussey as Chairperson of the TAB. The position of deputy to Mr Walker was vacant.

#### **Nomination of the Minister for Racing and Gaming**

Ms Catherine (Kate) Barlow was appointed by the Minister as the independent member of the Board in November 1998.

#### **Nominee of the WA Bookmakers' Association**

Mr Kieran Glynn is the current President of the Committee of the WA Bookmakers' Association and was appointed to the Board in July 1999. Mr Glynn's deputy is Mr Bruce Atkinson, a licensed bookmaker and member of the Association.

#### **Nominee of the Western Australian Turf Club**

Mr Richard (Rick) Hart is Vice Chairman of the WA Turf Club. Mr Hart was appointed to the Board in February 1997. Mr Hart's deputy is Mr John Nicolay, member of the Committee of the WA Turf Club.

#### **Nominee of the Western Australian Trotting Association**

Mr Kenneth Tilbrook is a member of the Committee of the WA Trotting Association and was appointed to the Board on 1 December 2000. Mr Tilbrook replaced Mr Robert Jones as the Association's nomination on the Board. Mr Tilbrook's deputy is Mr Bruce Whiteman, Western Australia Trotting Association Committee member.

### **3. BOARD MEMBERSHIP**

#### **Nominee of the Western Australia Greyhound Racing Authority**

Mr Ken Norquay is the Chief Executive Officer of the WA Greyhound Racing Authority and was appointed to the Board in November 1993. Mr Norquay's deputy is Mr Clive Nelthorpe, a former member of the Western Australian Greyhound Racing Authority.

The Secretary to the Board is Mr Jon Nichols, Manager Policy and Executive Support, of the Department of Racing, Gaming and Liquor.

#### **Retired members**

The Chairman and members of the Board wish to express their thanks for the contribution of the following members and deputy members of the Board who ceased as member and deputy members respectively during the year-

- Mr Robert (Bob) Jones (member, nominated by of the WA Trotting Association); and
- Mr Peter Hawkins (deputy member, nominated by the TAB).

## 4. REPORT ON OPERATIONS

The Board met on seven occasions during the year and presided over the following highlights:

### Inspection Activities

In discharging its obligation to enforce the provisions of the *Betting Control Act 1954* and the *Totalisator Agency Board Betting Act 1960*, the Board's role is to ensure that adequate controls have been put in place to establish compliance with legislative requirements and to monitor the ongoing effectiveness of those controls.

Risk based, compliance assessment programs are used to assess compliance in relation to bookmakers' on-course and telephone betting operations, on-course totalisator betting, and betting conducted at TAB agencies. A regulatory agreement has been developed in conjunction with the TAB for the regulation of TAB betting in accordance with the *Betting Control Act 1954* and *Totalisator Agency Board Betting Act 1960*. Over the past four years, betting inspections and audits have been carried out, on behalf of the Board, by the Inspectorate of the Department of Racing, Gaming and Liquor.

After an extensive TAB agency audit program in 1999/2000, the Board, through the agency of the Department of Racing, Gaming and Liquor Inspectorate, carried out a reduced program of 54 agency audits. These audits returned a high rate of compliance. However, isolated instances of credit betting were detected with the Board successfully prosecuting one agent in relation to two counts of credit betting and two counts of betting with an intoxicated person. The prosecution of another TAB agent for credit betting has been authorised by the Board and is pending.

A further 104 bookmaker and on-course totalisator inspections and audits were carried out on behalf of the Board. A similar program will be conducted in 2001/2002.

Disciplinary action instigated by the Board during the year in relation to non-compliance included the following:

- A warning was issued to the TAB in relation to a juvenile betting incident.
- A warning was issued to a bookmaker in relation to a juvenile betting incident.
- The suspension of a racing club's authority to conduct on-course totalisator betting for failure to pay the required annual licence fee.
- Warning letters were issued to two TAB agents in relation to non-compliance with cheque banking requirements.
- Prosecution of a TAB agent for credit betting and betting with an intoxicated person.

## 4. REPORT ON OPERATIONS

### Sports Betting Events and Contingencies

Following an incident involving the payment of winning bets on a sporting event based on the incorrect result published in the newspaper, the Board reviewed its policy in relation to the approval of events and contingencies for sports betting. The principles of the Board's new policy are as follows;

- Only those events that are controlled by an identifiable controlling authority that has established and published the rules for the conduct of the event will be considered for approval for sports betting.
- Only those sports betting contingencies (bet types) that are supported by a result that is declared by the relevant controlling authority in accordance with the rules of the event will be considered for approval for sports betting.
- Sports bookmakers are required to demonstrate their ability to access official declared results. Where a bookmaker pays out on an unofficial result the bookmaker does so at the bookmaker's own risk.

### Security Bonds

Under section 11(3a) of the *Betting Control Act*, bookmakers are required to provide security, usually in the form of a bond of surety, for a prescribed amount. The purpose of this is to provide the board with a guaranteed access to funds to pay the unsettled betting debts of a bookmaker in the event that the bookmaker defaulting.

The minimum amount of security to be provided is prescribed in the *Betting Control Regulations* as follows:

1. For a licence endorsed for metropolitan grandstand enclosure operations with the Western Australian Turf Club - \$50,000.
2. For a licence endorsed for metropolitan grandstand enclosure operations with the Western Australian Trotting Association - \$30,000.
3. For a licence endorsed for metropolitan grandstand enclosure operations with Western Australian Greyhound Racing Authority, or for any leger or country racecourse operations with - \$20,000.
4. For a licence endorsed to authorise the conduct of sports betting and/or double event betting - \$100,000.

In addition, section 11(12)(e) authorises the Board to require a bookmaker to provide further or other security where it so determines necessary. In accordance with this provision, and in consultation with the WA Bookmakers Association, the Board has established a turnover

#### 4. REPORT ON OPERATIONS

based system for determining further amounts of security to be provided by higher turnover, and therefore higher risk bookmakers. The additional security requirements are as follows;

1. Where annual turnover exceeds \$5 million but is less than \$10 million, minimum security to be provided is \$100,000.
2. Where annual turnover exceeds \$10 million but is less than \$15 million, minimum security to be provided is \$150,000.
3. Where annual turnover exceeds \$15 million, minimum security to be provided is \$200,000.

Turnover thresholds are monitored quarterly and security requirements for individual bookmaker modified in accordance with movements in annual turnover. As at 31 July 2001, only one bookmaker was bonded at the highest level of \$300,000.

During the year four bookmaker's licence were terminated. However, in each case, the Board had no cause to call on the security lodged by these bookmakers.

#### **Western Australian Racing Industry Review**

In November 2000, the Minister for Racing and Gaming established a four member Racing Industry Review Committee to review the thoroughbred, harness and greyhound racing industry in Western Australia. The Committee was established to inquire into and report on all aspects of the racing industry, including the role and structure of the Totalisator Agency Board of Western Australia.

The review committee received over 90 submissions from individuals and groups.

After considering the submissions and submitting an interim report to the Minister for Racing and Gaming summarising the major issues facing the racing industry, it was recognised that industry governance is a matter of priority. Consequently, the terms of reference were re-focussed as follows:

*To inquire into and review the existing framework for the governance of the racing (ie thoroughbred, harness and greyhound) industry of Western Australia (including the TAB) and make such recommendations to the Minister for Racing and Gaming with respect to that framework as are necessary to enhance the long term viability and overall strength of the racing industry in this State.*

## 4. REPORT ON OPERATIONS

### Amendments to Betting Legislation

#### *Betting Control Amendment Regulations 2000*

These amendment regulations resulted from the National Competition Policy review of the *Betting Control Act 1954* and included:

- The lowering of telephone betting limits in respect of country racing. The limits were reduced to a bet of \$100 or a bet to win \$1,000. This limit is consistent with limits applied to country racing events in most other states.
- Removal of prohibition on bookmakers displaying information on the face of a betting ticket other than their name and the initials of the controlling authority by which they are registered.
- Removal of prohibition on the making of betting transactions on licensed premises under the *Liquor Licensing Act 1988*, other than where an agent of the TAB.
- Regulations 64 and 65 were repealed removing the constraints on bookmakers with regard to bets that must be accepted.
- Removal of the restriction for transmitting bets received by a race club to totalisator pools of other clubs or the TAB, without prior authorisation by the other club to which the bet is transmitted or the TAB.
- Control the conduct of internet betting by bookmakers.

#### *Totalisator Agency Board (Betting) Amendment Regulations (No.2) 2000*

These amendment regulations amended regulation 34C of *the Totalisator Agency Board (Betting) Regulations 1988* to prescribe Tabcorp Manager Pty Ltd for the purposes of section 27 of the *Totalisator Agency Board (Betting) Act 1960*. This section stipulates that the TAB may participate in a combined totalisator pool scheme with persons who are specifically prescribed for that purpose.

#### *Totalisator Agency Board (Betting) Amendment Regulations 2001*

The amendment regulation enabled the banking of cheques no later than 3 days after receiving the cheque for payment of bets.

## 4. REPORT ON OPERATIONS

### Licensing

The total number of bookmakers operating in the State as at 31 July 2001 was 55. This compares with 55 at 31 July 2000. Four new licences were issued during the year, while four licences were surrendered. Details of bookmakers by licence category are shown in Table 2. Four bookmakers were authorised to conduct sports betting during the year compared to three the previous year

The Board issued 28 new bookmaker's employee licences during the year compared with 34 in 1999/2000 (see Table 3). A total of 7 licences were renewed during the year and 30 were terminated.

The amendments to the *Betting Control Act 1954*, that came into operation on 1 August 1998, established provision for the issue of a temporary bookmaker's employee's licence to cater for times when a bookmaker needed to urgently licence an employee at short notice. This provision was utilised by a number of bookmakers during the year to overcome licensed employee shortages.

Three bookmakers in Western Australia are authorised to conduct internet betting. However, only one of these authorisations was operational during the year.

Amendments to the *Betting Control Regulations 1978* were promulgated in November 1999 to establish provisions to authorise and control internet betting.

Strict conditions have been placed on the operation of internet betting aimed both at maintaining operational control and minimising harm from excessive gambling. These include the following:

- Internet betting to be conducted on an account basis only with the account to be subject to PIN or password protection.
- A bookmaker authorised to conduct internet betting is required, as a licence condition, to observe the requirements of the Financial Transactions Reports Act if payments of cash into or out of an account are to be permitted.
- Internet bookmakers are required to -
  - (i) obtain and hold a hard copy registration form, including an age declaration signed by the client, in respect of each Australian client; and
  - (ii) if the signed registration form is not provided within 14 days of the account being opened, the bookmaker shall cease to accept bets against the account until such time as the registration form is received.
- Internet betting systems are to display prominent warnings in relation to the prohibition on underage betting at both the registration stage and on-line betting facility.
- The client registration procedure for internet betting systems is to include a voluntary pre commitment facility where clients are required to indicate the maximum individual bet they are to be permitted to make and the maximum amount they may be permitted to pay into

## **4. REPORT ON OPERATIONS**

their account in any one month. At least seven days must pass before any variation to increase the designated limits can come into effect.

- Internet betting systems are to provide links to both the regulator's site and a problem gambling support service site.

### **On-course Betting Information**

Total bookmaker turnover decreased by \$20.5 million, or 11.4 per cent, to \$159.1 million. Bookmaker telephone betting decreased by 6.3 per cent to \$51.1 million and now represents 32.1 per cent of total bookmaker turnover compared with 30.4 per cent in 1999/2000.

Sports betting by 16.6 per cent to \$11.1 million.

Bookmakers paid betting levy totalling \$3.0 million on this turnover, all of which was retained by the host racing club apart from an amount of \$26,470 (0.25 % of sports betting turnover) which was remitted to the Betting Control Board for disbursement as directed by the Minister for Sport and Recreation. In this regard, there were no disbursements made during the year and these funds are currently accumulating in trust.

Legislation introduced in 1998/99 to allow bookmakers to attend designated sporting events was utilised on only one occasion; the Heineken Classic Golf Tournament was designated for the purpose of sports betting and turnover of \$31,000 was achieved by one bookmaker fielding at the event.

On-course totalisator betting increased by 0.5 per cent to \$ 65.2 million.

Further details on betting turnover are provided in Tables 4 to 7.

**5. STATISTICAL INFORMATION**

TABLE 1

<b>NUMBER OF BOOKMAKERS' LICENCES ISSUED/TERMINATED</b>				
<b>Number as at 31 July 1999</b>	<b>Number as at 31 July 2000</b>	<b>Issued during 00/01</b>	<b>Terminated during 00/01</b>	<b>Number as at 31 July 2001</b>
57	55	4	4	55

TABLE 2

<b>TOTAL OF BOOKMAKERS BY LICENCE CATEGORY</b>			
<b>CATEGORY</b>	<b>2000/01</b>	<b>1999/00</b>	<b>1998/99</b>
Grandstand Enclosure	24	25	24
Leger/Country Racecourse	31	30	33
<b>TOTAL</b>	<b>55</b>	<b>55</b>	<b>57</b>

TABLE 3

<b>BOOKMAKERS' EMPLOYEE LICENCES</b>			
	<b>2000/01</b>	<b>1999/00</b>	<b>1998/99</b>
Issued	28	34	31
Renewed	7	15	4
Terminated	30	35	24

## 5. STATISTICAL INFORMATION

TABLE 4

<b>BOOKMAKERS' TURNOVER AND LEVY PAID</b>						
<b>VENUE</b>	<b>2000/01</b>		<b>1999/00</b>		<b>1998/99</b>	
	<b>Turnover \$'000</b>	<b>Levy Paid \$'000</b>	<b>Turnover \$'000</b>	<b>Levy Paid \$'000</b>	<b>Turnover \$'000</b>	<b>Levy Paid \$'000</b>
Metro Gallops	118 293	2 302	134 149	2 633	149 188	2 919
Country Gallops	20 110	401	26 635	533	30 785	616
<b>Total Gallops</b>	<b>138 403</b>	<b>2 703</b>	<b>160 784</b>	<b>3 166</b>	<b>179 973</b>	<b>3 535</b>
Metro Trotting	11 730	185	14 338	218	13 025	202
Country Trotting	2 422	49	2 558	51	2 574	52
<b>Total Trotting</b>	<b>14 152</b>	<b>234</b>	<b>16 896</b>	<b>269</b>	<b>15 599</b>	<b>254</b>
Metro Greyhounds	4 653	37	900	18	928	18
Country Greyhounds	1 846	37	953	19	400	8
<b>Total Greyhounds</b>	<b>6 499</b>	<b>74</b>	<b>1 853</b>	<b>37</b>	<b>1 328</b>	<b>26</b>
<b>Sporting Venues</b>	<b>31</b>	<b>1</b>	<b>27</b>	<b>1</b>	<b>18</b>	<b>1</b>
<b>Total</b>	<b>159 085</b>	<b>3 012</b>	<b>179 560</b>	<b>3 473</b>	<b>196 900</b>	<b>3 808</b>

- Note:
1. Turnover includes sports betting, telephone and internet betting turnover.
  2. Levy currently paid by bookmakers is 2.0 per cent on race betting turnover and 0.5 per cent on sports betting turnover. The rate of levy payable on sports betting turnover was decreased from 2.0 per cent to 0.5 per cent as from 30 June 1998.
  3. Levy paid by bookmakers on race betting turnover is retained in full by the relevant racing club. 50 per cent of the levy paid by bookmakers on sports betting turnover is retained by the relevant racing club and the remainder remitted to the Betting Control Board for disbursement to sporting organisations as directed by the Minister for Sport and Recreation.

## 5. STATISTICAL INFORMATION

TABLE 5

<b>BOOKMAKERS' TELEPHONE BETTING TURNOVER</b>									
	<b>2000/01</b>			<b>1999/00</b>			<b>1998/99</b>		
<b>Venue</b>	<b>Racing \$'000</b>	<b>Sports \$'000</b>	<b>Total \$'000</b>	<b>Racing \$'000</b>	<b>Sports \$'000</b>	<b>Total \$'000</b>	<b>Racing \$'000</b>	<b>Sports \$'000</b>	<b>Total \$'000</b>
Metro Gallops	31 260	4 201	<b>35 461</b>	35 215	3 155	<b>38 370</b>	34 714	2 941	<b>37 654</b>
Country Gallops	4 336	0	<b>4 336</b>	7 459	0	<b>7 459</b>	8 806	0	<b>8 806</b>
<b>Total Gallops</b>	<b>35 596</b>	<b>4 201</b>	<b>39 797</b>	<b>42 674</b>	<b>3 155</b>	<b>45 829</b>	<b>43 519</b>	<b>2 941</b>	<b>46 460</b>
Metro Trotting	1 551	2 600	<b>4 151</b>	1 550	4 619	<b>6 169</b>	1 425	3 193	<b>4 618</b>
Country Trotting	890	0	<b>890</b>	1 079	0	<b>1 079</b>	723	0	<b>723</b>
<b>Total Trotting</b>	<b>2 441</b>	<b>2 600</b>	<b>5 041</b>	<b>2 629</b>	<b>4 619</b>	<b>7 248</b>	<b>2 148</b>	<b>3 193</b>	<b>5 341</b>
Metro Greyhounds	952	3 622*	<b>4 574</b>	585	0	<b>585</b>	436	0	<b>436</b>
Country Greyhounds	1 711	0	<b>1 711</b>	873	0	<b>873</b>	371	0	<b>371</b>
<b>Total Greyhounds</b>	<b>2 663</b>	<b>3 622*</b>	<b>6 285</b>	<b>1 458</b>	<b>0</b>	<b>1 458</b>	<b>807</b>	<b>0</b>	<b>807</b>
<b>TOTAL</b>	<b>40 700</b>	<b>10 423</b>	<b>51 123</b>	<b>46 760</b>	<b>7 774</b>	<b>54 534</b>	<b>46 474</b>	<b>6 133</b>	<b>52 607</b>

Note\* telephone sports betting includes internet sports betting

TABLE 6

<b>BOOKMAKERS' SPORTS BETTING TURNOVER</b>									
<b>Code</b>	<b>2000/01</b>			<b>1999/00</b>			<b>1998/99</b>		
	<b>On-course \$'000</b>	<b>Tel \$'000</b>	<b>Total \$'000</b>	<b>On-course \$'000</b>	<b>Tel \$'000</b>	<b>Total \$'000</b>	<b>On-course \$'000</b>	<b>Tel \$'000</b>	<b>Total \$'000</b>
Gallops	68	4 201	<b>4 269</b>	870	3 155	<b>4 025</b>	1 364	2 941	<b>4 305</b>
Trotting	617	2 600	<b>3 217</b>	879	4 619	<b>5 498</b>	683	3 193	<b>3 875</b>
Greyhounds	0	3 622	<b>3 622</b>	0	0	<b>0</b>	0	0	<b>0</b>
<b>TOTAL</b>	<b>685</b>	<b>10 423</b>	<b>11 108</b>	<b>1 749</b>	<b>7 774</b>	<b>9 523</b>	<b>2 047</b>	<b>6 133</b>	<b>8 180</b>

Note\* telephone sports betting includes internet sports betting

5. STATISTICAL INFORMATION

TABLE 7

<b>ON-COURSE TOTALISATOR TURNOVER</b>			
	<b>2000/01</b>	<b>1999/00</b>	<b>1998/99</b>
	<b>Turnover \$'000</b>	<b>Turnover \$'000</b>	<b>Turnover \$'000</b>
Metro Gallops	35 603	35 909	38 130
Country Gallops	11 582	11 304	11 149
<b>Total Gallops</b>	<b>47 185</b>	<b>47 213</b>	<b>49 279</b>
Metro Trotting	9 369	9 397	9 985
Country Trotting	3 673	3 292	3 842
<b>Total Trotting</b>	<b>13 042</b>	<b>12 689</b>	<b>13 827</b>
Metro Greyhounds	3 361	3 488	4 452
Country Greyhounds	1 661	1 544	1 829
<b>Total Greyhounds</b>	<b>5 022</b>	<b>5 032</b>	<b>6 281</b>
<b>Total All Racing</b>	<b>65 249</b>	<b>64 934</b>	<b>69 387</b>

Note: As from 28 June 1996, on-course totalisator duty was abolished.

## 6. BUDGET INFORMATION AND OUTPUT MEASURES

### Budget Information

	Estimate 2001/02 \$	Estimate 2000/01 \$	Actual 2000/01 \$	Actual 1999/00 \$
Expenses from Ordinary Activities				
Fees Paid to Board Members	22 938	24 896	23 750	22 184
Other Expenses from Ordinary Activities	107 459	114 132	129 911	174 244
Total Cost of Services	130 397	139 028	153 661	196 428
Revenues from Ordinary Activities				
User Charges and Fees	119 000	121 450	119 525	185 110
Other Revenues from Ordinary Activities	7 160	6 677	5 884	5 754
Total Revenue from Ordinary Activities	126 160	128 127	125 409	190 864
Net Cost of Services	4 237	10,901	28 252	5 564
Total Revenues from Government	0	0	0	0
Total Changes in Equity Other Than Those Resulting from Transactions with Owners as Owners	(4 237)	(10 901)	(28 252)	(5 564)

### Output Measures

Measure	2000/01 Target	2000/01 Actual
<b>Quantity</b>		
Number of betting audits and inspections conducted	173	158
<b>Quality</b>		
% of betting inspections and audits conducted in accordance with the Board's approved program	100%	98.1%
<b>Timeliness</b>		
% of on-course betting service providers inspected or audited every two years	50%	59.7%
<b>Cost</b>		
Average cost per betting inspection or audit (measured against total Board expenditure)	\$804	\$963

### GOVERNMENT EXPENDITURE 2000/01 – COMPLIANCE WITH SECTION 175ZE OF THE ELECTORAL ACT 1907

During the reporting year, the Betting Control Board incurred \$1,451.95 in relation to advertising.

**7. FINANCIAL STATEMENTS**

**CONTENTS**

- 1. Financial Statements**
- 2. Notes to and forming part of the Accounts**
- 3. Statement of Certification**
- 4. Opinion of the Auditor**

**Betting Control Board**  
**Statement of Financial Performance**  
*for the year ended 31 July 2001*

	Note	2000/01 \$	1999/00 \$
<b>COST OF SERVICES</b>			
<b>Expenses from ordinary activities</b>			
Fees paid to board members	10, 12(a)	23,750	22,184
Superannuation	1(f), 11, 12(a)	1,900	1,641
Other expenses from ordinary activities	1(e), 12(a)	128,011	172,603
<b>Total cost of services</b>		<b>153,661</b>	<b>196,428</b>
<b>Revenues from ordinary activities</b>			
User charges and fees	1(d), 12(a)	119,525	185,110
Interest received		5,884	5,754
<b>Total revenues from ordinary activities</b>		<b>125,409</b>	<b>190,864</b>
<b>NET COST OF SERVICES</b>	9(b)	<b>28,252</b>	<b>5,564</b>
<b>CHANGE IN NET ASSETS</b>		<b>(28,252)</b>	<b>(5,564)</b>
<b>TOTAL CHANGES IN EQUITY OTHER THAN THOSE RESULTING FROM TRANSACTIONS WITH OWNERS AS OWNERS</b>		<b>(28,252)</b>	<b>(5,564)</b>

The Statement of Financial Performance should be read in conjunction with the accompanying notes.

**Betting Control Board**  
**Statement of Financial Position**  
*as at 31 July 2001*

	Note	2000/01 \$	1999/00 \$
<b>Current Assets</b>			
Cash assets	2, 9(a), 13(a)	76,001	64,293
Receivables	1(b), 3, 13(a)	0	20,845
Interest receivable	13(a)	699	823
Inventories	1(h), 4	8,257	7,590
<b>Total Current Assets</b>		<b>84,957</b>	<b>93,551</b>
<b>Total Assets</b>			
		<b>84,957</b>	<b>93,551</b>
<b>Current Liabilities</b>			
Payables	1(b), 5, 13(a)	8,672	14,934
Accrued board fees	13(a)	1,979	1,979
Fees in trust	6, 13(a)	71,123	44,653
Fees in advance	7, 13(a)	0	550
<b>Total Current Liabilities</b>		<b>81,774</b>	<b>62,116</b>
<b>Total Liabilities</b>			
		<b>81,774</b>	<b>62,116</b>
<b>NET ASSETS</b>			
		<b>3,183</b>	<b>31,435</b>
<b>Equity</b>			
Accumulated surplus	8	3,183	31,435
<b>TOTAL EQUITY</b>			
		<b>3,183</b>	<b>31,435</b>

The Statement of Financial Position should be read in conjunction with the accompanying notes.

# Betting Control Board

## Statement of Cash Flows

for the year ended 31 July 2001

	Note	2000/01 \$ Inflows (Outflows)	1999/00 \$ Inflows (Outflows)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Payments</b>			
Payments to suppliers		(137,713)	(212,599)
Payments for superannuation		(1,900)	(1,607)
GST paid on purchases		(1,506)	0
<b>Receipts</b>			
Interest		6,008	5,486
Receipts from customers		118,778	193,805
GST receipts on sales		1,148	0
GST received from taxation authority		11	0
<b>Net cash provided by/(used in) operating activities</b>	9(b)	<b>(15,174)</b>	<b>(14,915)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Receipts from fees in trust		26,882	24,158
<b>Net cash provided by/(used in) investing activities</b>		<b>26,882</b>	<b>24,158</b>
<b>Net increase/(decrease) in cash held</b>		<b>11,708</b>	9,243
Cash assets at the beginning of the financial year		64,293	55,050
<b>Cash assets at the end of the financial year</b>	2, 9(a)	<b>76,001</b>	64,293

The Statement of Cash Flows should be read in conjunction with the accompanying note

## **1. STATEMENT OF ACCOUNTING POLICIES**

The financial year of the Betting Control Board is 1 August to 31 July, as determined by the Betting Control Act 1954.

The following accounting policies have been adopted in the preparation of the financial statements. Unless otherwise stated, these policies are consistent with those adopted in the preceding year.

### **(a) General**

- i) The financial statements are prepared in accordance with the Financial Administration and Audit Act 1985.
- ii) Subject to the exceptions noted in these accounting policies, the financial statements have been drawn up on the basis of historical cost principles.
- iii) The accrual basis of accounting is being applied.
- iv) The financial statements constitute a general purpose financial report which has been prepared in accordance with Australian Accounting Standards and Urgent Issues Group (UIG) 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 UIG 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 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, are disclosed in individual notes to these financial statements.

### **(b) Receivables and Payables**

Receivables are recognised at the amounts receivable and are due for settlement no more than 30 days from the date of recognition.

Collectability of receivables 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 exists and in any event where the debt is more than 60 days overdue.

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

**(c) Insurance**

Personal accident insurance for board members is arranged through RiskCover by the Department of Racing, Gaming and Liquor.

**(d) User charges and fees**

User charges and fees mainly comprises funding from the Totalisator Agency Board, bookmaker and totalisator licence fees and the sale of betting stationery. This represents money received pursuant to the Betting Control Act 1954.

**(e) Services performed for the Betting Control Board by the Department of Racing, Gaming and Liquor**

The Department of Racing, Gaming and Liquor provides support to the Betting Control Board to enable the Board to carry out its objectives. This support comprises most of the amount reported in the Statement of Financial Performance under 'Other expenses from ordinary activities'. These expenses are in the nature of salaries and administration costs in providing these support services.

Recoups from the Board to the Department of Racing, Gaming and Liquor are made on a monthly basis under a net appropriation agreement.

**(f) Employee entitlements**

**(i) Annual and Long Service Leave**

The Betting Control Board does not employ staff. The Board utilises the staff and facilities of the Department of Racing, Gaming and Liquor. The cost of the services provided by the Department of Racing, Gaming and Liquor is recouped from the Board as a service fee. Accordingly, provisions have not been made for annual and long service leave.

**(ii) Superannuation**

The board members of the Board are 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 employer contributions in respect of board members which are payable to the West State Superannuation Scheme by the Board.

The liability for superannuation charges under the West State Superannuation Scheme is extinguished by quarterly payment of employer contributions to the Government Employees Superannuation Board.

*Betting Control Board*  
**Notes to the Financial Statements**  
*for the year ended 31 July 2001*

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The note disclosure required by paragraph 51(e) of AAS 30 (being the employer's share of the difference between employees' accrued superannuation benefits and the attributable net market value of plan assets) has not been provided. State scheme deficiencies are recognised by the State in its whole of government reporting. The Government Employees Superannuation Board's records are not structured to provide the information for the Board. Accordingly, deriving the information for the Board is impractical under current arrangements, and thus any benefits thereof would be exceeded by the cost of obtaining the information.

**(g) 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 and current liabilities as those amounts are considered to approximate net market value.

**(h) Inventories**

Stocks are valued on a first in first out basis at the lower of cost and net realisable value.

**(i) Comparative figures**

Where necessary comparative figures have been adjusted to conform with changes in presentation in the current year.

	<b>2000/01</b>	<b>1999/00</b>
	\$	\$
<b>2. CASH ASSETS</b>		
Cash assets are represented by funds held at the Commonwealth Bank of Australia	<u>76,001</u>	<u>64,293</u>
<b>3. RECEIVABLES</b>		
Receivables for goods and services supplied	0	20,490
GST receivable	<u>0</u>	<u>355</u>
	<u>0</u>	<u>20,845</u>
<b>4. INVENTORIES</b>		
Betting tickets	3,001	1,267
Betting ledgers	<u>5,256</u>	<u>6,323</u>
	<u>8,257</u>	<u>7,590</u>

*Betting Control Board*  
**Notes to the Financial Statements**  
*for the year ended 31 July 2001*

	2000/01 \$	1999/00 \$
<b>5. PAYABLES</b>		
Payables for goods and services received	8,621	14,739
Goods and services tax	<u>51</u>	<u>195</u>
	<u><u>8,672</u></u>	<u><u>14,934</u></u>
 <b>6. FEES IN TRUST</b>		
Fees in trust represents amounts of betting levy collected from bookmakers' sports betting turnover. These monies are held in trust until distributed as directed by the Minister for Sport and Recreation.	<u><u>71,123</u></u>	<u><u>44,653</u></u>
 <b>7. FEES IN ADVANCE</b>		
The balance of fees in advance represents the receipt of a licence fee.	<u><u>0</u></u>	<u><u>550</u></u>
 <b>8. EQUITY</b>		
Accumulated surplus		
Opening balance	31,435	36,999
Change in net assets	<u>(28,252)</u>	<u>(5,564)</u>
Closing balance	<u><u>3,183</u></u>	<u><u>31,435</u></u>
 <b>9. NOTES TO THE STATEMENT OF CASH FLOWS</b>		
<b>(a) Reconciliation of cash</b>		
For the purpose of the Statement of Cash Flows, cash includes cash at bank, restricted cash, net of outstanding bank overdrafts. Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:		
Cash assets	<u><u>76,001</u></u>	<u><u>64,293</u></u>
	<u><u>76,001</u></u>	<u><u>64,293</u></u>

*Betting Control Board*  
**Notes to the Financial Statements**  
*for the year ended 31 July 2001*

	2000/01 \$	1999/00 \$
<b>(b) Reconciliation of net cost of services to net cash flows provided by (used in) operating activities</b>		
Net cost of services	(28,252)	(5,564)
Decrease/(increase) in receivables	20,490	(12,336)
Decrease/(increase) in interest receivable	124	(267)
(Increase)/decrease in inventories	(667)	2,886
(Decrease)/increase in payables	(6,118)	103
Increase in accrued board fees	0	68
Decrease in fees in trust	(412)	0
Decrease in fees in advance	(550)	0
Change in GST in receivables/payables	211	195
Net cash provided by/(used in) operating activities	<u>(15,174)</u>	<u>(14,915)</u>

**10. REMUNERATION OF ACCOUNTABLE AUTHORITY**

The total fees, salaries and other benefits received or due and receivable for the financial year, by members of the Accountable Authority (the Chairman does not receive remuneration from the Board).

<u>23,750</u>	<u>22,184</u>
---------------	---------------

The number of members of the Accountable Authority whose total of fees, salaries and other benefits received or due and receivable for the financial year, fall within the following band:

\$0 - \$10,000

No.	No.
<u>6</u>	<u>6</u>

<b>2000/01</b>	<b>1999/00</b>
\$	\$

**11. RETIREMENT BENEFITS**

In respect of members of the Accountable Authority, the following amounts were paid or became payable for the financial year:

Contributions to the West State Superannuation Scheme	<u>1,900</u>	<u>1,641</u>
---	--------------	--------------

	2000/01 \$	1999/00 \$
<b>12. EXPLANATORY STATEMENT</b>		
<b>(a) Comparison of actual results with those of the preceding year</b>		
<p>Details and reasons for significant variations between actual income and expenditure and the corresponding item of the preceding year are detailed below. Significant variations are considered to be those greater than 5% or \$20,000.</p>		
<i>Fees paid to board members</i>	23,750	22,184
<p>The increase of \$1,566 was attributable to an approved increase in the members sitting fees, as a result of a review undertaken by the Salaries and Allowances Tribunal.</p>		
<i>Superannuation</i>	1,900	1,641
<p>The increase of \$259 was primarily due to the approved increase in board members fees.</p>		
<i>Other expenses from ordinary activities</i>	128,011	172,603
<p>The decrease of \$44,592 was mainly due to a decrease in expenditure for services provided, as a result of a reduction in the Totalisator Agency Board audit program in 2000/01. During the year, payments of \$71,285 and \$40,000 were charges for support services provided by the Department of Racing, Gaming and Liquor and Gaming Commission of Western Australia respectively.</p>		
<i>User charges and fees</i>	119,525	185,110
<p>The decrease of \$65,585 was mainly due to a reduction in contribution from the Totalisator Agency Board as a result of a reduction in the Totalisator Agency Board audit program.</p>		

**(b) Comparison of estimates and actual results**

Section 42 of the Financial Administration and Audit Act requires statutory authorities to prepare annual budget estimates. Treasurer's Instruction 945 requires an explanation of significant variations between these estimates and actual results. Significant variations are considered to be those greater than 5% of budget or \$20,000. Variations which have been explained in part (a) of this note have not been repeated here in the interests of concise reporting.

All variations between estimates and actuals have been explained in part (a) of this note and have not been repeated here in the interests of concise reporting.

**13. ADDITIONAL FINANCIAL INSTRUMENTS DISCLOSURES**

**a) Interest rate risk exposure**

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

	Weighted average effective interest rate	Floating interest rate	Non-interest bearing	Total 31 July 2001	Total 31 July 2000
		\$	\$	\$	\$
<u>31 July 2001</u>					
<b>i) Financial assets</b>					
Cash assets	5.929%	76,001		76,001	64,293
Receivables			0	0	20,845
Interest receivable			699	699	823
Total financial assets		76,001	699	76,700	85,961
<b>ii) Financial liabilities</b>					
Payables			8,672	8,672	14,934
Accrued board fees			1,979	1,979	1,979
Fees in trust			71,123	71,123	44,653
Fees in advance			0	0	550
Total financial liabilities			81,774	81,774	62,116

**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 Board's maximum exposure to credit risk in relation to those assets.

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

	31 July 2001	31 July 2000
	\$	\$
Western Australian Government agencies	0	20,490

	2000/01	1999/00
	\$	\$
<b>14. REMUNERATION OF AUDITOR</b>		
The total of fees paid or due and payable to the auditors of the Board for the financial year is as follows:		
Fees to the Auditor General:		
- for external audit	<u>3,250</u>	<u>3,250</u>
<b>15. OUTPUT INFORMATION</b>		
The only output of the Board is Functions Performed for the Racing Industry. The details disclosed in the Statement of Financial Performance represent all details of expenses and revenues from ordinary activities for this output.		
<b>16. CAPITAL COMMITMENTS</b>		
At 31 July 2001, the Board did not have any capital commitments.		
<b>17. CONTINGENT LIABILITIES</b>		
To the best of our knowledge, we are not aware of any circumstances which may result in a contingent liability.		
<b>18. EVENTS OCCURRING AFTER REPORTING DATE</b>		
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 Board, the results of those activities or the state of affairs of the Board in the ensuing or any subsequent financial year.		
<b>19. RELATED BODIES</b>		
The Board does not provide any assistance to other agencies which would deem them to be regarded as related bodies under the definitions included in Treasurer's Instruction 951.		
<b>20. AFFILIATED BODIES</b>		
The Board does not provide any assistance to other agencies which would deem them to be regarded as affiliated bodies under the definitions included in Treasurer's Instruction 951.		

**7. FINANCIAL STATEMENTS**

## **FINANCIAL STATEMENTS**

### **STATEMENT OF CERTIFICATION**

The accompanying financial statements of the Betting Control Board 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 31 July 2001 and the financial position as at 31 July 2001.

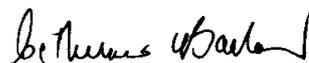
At the date of signing we are not aware of any circumstances which would render the particulars included in the financial statements misleading or inaccurate.



**CHAIRMAN**  
24 September 2001



**PRINCIPAL ACCOUNTING OFFICER**  
24 September 2001



**MEMBER**  
24 September 2001

## 7. FINANCIAL STATEMENTS



### AUDITOR GENERAL

To the Parliament of Western Australia

#### **BETTING CONTROL BOARD FINANCIAL STATEMENTS FOR THE YEAR ENDED JULY 31, 2001**

##### **Scope**

I have audited the accounts and financial statements of the Betting Control Board for the year ended July 31, 2001 under the provisions of the Financial Administration and Audit Act 1985.

The Board 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 Board.

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 Board 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 so as to present a view which is consistent with my understanding of the Board's financial position, the results of its operations and its cash flows.

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

##### **Audit Opinion**

In my opinion,

- (i) the controls exercised by the Betting Control Board provide reasonable assurance that the receipt, expenditure and investment of moneys and the acquisition and disposal of property and the incurring of liabilities have been in accordance with legislative provisions; and
- (ii) the Statement of Financial Performance, Statement of Financial Position and Statement of Cash Flows 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 financial position of the Board at July 31, 2001 and the results of its operations and its cash flows for the year then ended.

A handwritten signature in black ink, appearing to read 'K O'Neil'.

**K O'NEIL**  
ACTING AUDITOR GENERAL  
November 23, 2001

**8. KEY PERFORMANCE INDICATORS**

**CONTENTS**

- 1. Performance Indicators**
- 2. Statement of Certification**
- 3. Opinion of the Auditor General**

## 8. KEY PERFORMANCE INDICATORS

### Outcome

The desired outcome of the Betting Control Board is to administer and control the conduct of on- and off-course betting in Western Australia in accordance with the *Betting Control Act* and the *Totalisator Agency Board Betting Act*.

#### Effectiveness Indicator

In order to meet its desired outcome of controlling the conduct of on- and off-course betting in Western Australia, the Board has developed compliance assessment programs to test compliance with legislative requirements by betting operators. The following effectiveness indicator measures the degree to which betting operators are found to have complied with legislative requirements.

1. The number of compliance assessment programs executed where full compliance has been established expressed as a percentage of total programs undertaken.

<b>No. of programs executed:</b> 158	<b>1999/00 No. of programs executed:</b> 405
<b>Compliance Indicator:</b> 94.9 per cent	<b>1999/00 Indicator:</b> 94.0 per cent
	<b>1998/99 No. of programs executed:</b> 247
	<b>1998/99 Indicator:</b> 90.3 per cent

### Output - Functions Performed for the Racing Industry

Output Description: Perform functions in accordance with statutory obligations.

#### Efficiency Indicators

1. The percentage of bookmaker's employee licence applications processed within five working days of a completed application being received, which did not require referral to a Board meeting.

<b>Indicator:</b> 100 per cent	<b>1999/00 Indicator:</b> 97.1 per cent
	<b>1998/99 Indicator:</b> 96.8 per cent

2. The average cost of each compliance assessment program executed (calculated by dividing overall Board expenditure by the number of compliance assessment programs undertaken). [Note: The cost per program increase is because the number of programs performed was significantly reduced without a similar decrease in related expenses.]

<b>Indicator:</b> \$972	<b>1999/00 Indicator:</b> \$485
	<b>1998/99 Indicator:</b> \$515

**8. KEY PERFORMANCE INDICATORS**

## **PERFORMANCE INDICATORS**

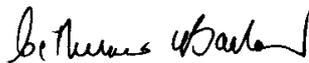
### **STATEMENT OF CERTIFICATION**

The performance indicators presented here are based on proper records and fairly represent the performance of the Betting Control Board for the financial year ended 31 July 2001.



**CHAIRMAN**

24 September 2001



**MEMBER**

24 September 2001

## 8. KEY PERFORMANCE INDICATORS



### AUDITOR GENERAL

To the Parliament of Western Australia

#### **BETTING CONTROL BOARD PERFORMANCE INDICATORS FOR THE YEAR ENDED JULY 31, 2001**

##### **Scope**

I have audited the key effectiveness and efficiency performance indicators of the Betting Control Board for the year ended July 31, 2001 under the provisions of the Financial Administration and Audit Act 1985.

The Board 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 Board'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 of the Betting Control Board are relevant and appropriate for assisting users to assess the Board's performance and fairly represent the indicated performance for the year ended July 31, 2001.

A handwritten signature in black ink, appearing to read 'K O'Neil'.

K O O'NEIL  
ACTING AUDITOR GENERAL  
November 23, 2001

**ACKNOWLEDGMENTS**

Compilation	Jon Nichols	Department of Racing, Gaming and Liquor
Financial Statements	Terry Ng	Department of Racing, Gaming and Liquor

\* \* \* \*

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