



# **Gaming Commission of Western Australia**

**Annual Report**  
**FOR THE YEAR ENDED 30 JUNE 2003**

(This page has been intentionally left blank)

**Statement of Compliance  
for the year ended 30 June 2003**

HON NICK GRIFFITHS LLB MLC  
MINISTER FOR HOUSING AND WORKS; RACING AND GAMING;  
GOVERNMENT ENTERPRISES; LAND INFORMATION

In accordance with Section 66 of the *Financial Administration and Audit Act 1985*, we hereby submit for your information and presentation to Parliament, the Annual Report of the Gaming Commission of Western Australia for the financial year ended 30 June 2003.

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



Barry A. Sargeant  
**CHAIRMAN**

5 November 2003



Margaret L. Nadebaum  
**MEMBER**

5 November 2003

## Table of Contents

Statement of Compliance .....	3
Chairman's Overview .....	5
Responsible Minister .....	6
Mission.....	6
Objectives and Desired Outcome .....	6
Duties of the Gaming Commission .....	7
Nature and Range of Activities Undertaken.....	7
Sections of the Community Served .....	8
Administrative Structure of the Gaming Commission.....	8
Commission Membership .....	8
Relevant Legislation .....	9
Legislation Impacting on the Gaming Commission's Activities.....	11
Statement of Corporate Governance.....	12
Gaming Community Trust.....	14
Problem Gambling Support Services Committee.....	15
Significant Issues and Trends .....	20
Major Achievements for 2002-03.....	21
Changes to Legislation .....	22
Decision-Making Powers Affecting the Community.....	23
Functions of the Gaming Commission .....	23
Report on Equity, Access and Customer Focus .....	30
Financial Statements.....	32
Statement of Certification .....	45
Opinion of Auditor General: Financial Statements .....	46
Outcomes, Outputs and Performance Information.....	47
Statement of Certification .....	50
Opinion of Auditor General: Performance Indicators.....	51
Contacting the Gaming Commission of Western Australia.....	52

## Chairman's Overview

I am pleased to present the report for the Gaming Commission of Western Australia, for the period 1 July 2002 to 30 June 2003. I wish to highlight the more significant events.

The Commission welcomed Ms Judith McGowan as a member of the Commission, replacing Mr Ross O'Dea, whose term expired on 31 December 2002.

During the year the government reached an in principle agreement with Burswood International Resort Casino in relation to:

- the replacement of the current casino tax of 15 per cent of casino gross revenue with a three-tier taxation system for electronic gaming machines, table games including keno, and international commission business generated by all international players on incentive programs, including junkets and premium and privileged players; and
- effective after 30 September 2003, the removal of the individual shareholding limitation of 10 per cent of the total number of shares on issue at any time, subject to any person wishing to hold shares exceeding 10 per cent, obtaining the prior written approval of the Gaming Commission of Western Australia.

Legislation to achieve these changes has been drafted and is expected to complete its passage through the Parliament early in 2003/04.

In terms of enforcement, Commission inspectors undertook 1249 inspections and audits of gaming and casino activities.

The inaugural round of the Gaming Community Trust Grants Program was advertised in *The West Australian* newspaper on Saturday 8 March 2003, with applications closing on 11 April 2003. The Trust received 50 applications that collectively sought funding in excess of \$5 million. In this regard the number of projects exceeded the financial resources that were available for this round.

The Problem Gambling Helpline received 598 calls of which approximately 80 per cent were considered to be target group calls. The BreakEven team at Centrecare Marriage and Family Services conducted 678 "face-to-face" counselling sessions.

The Commission noted the passage through the Parliament of the Racing and Wagering Western Australia Act 2003 and its associated Acts. As a result, the Betting Control Board will be abolished and its functions merged with the Gaming Commission to form a Gaming and Wagering Commission. This change is expected to occur mid 2003/04.

The achievements of this year could not have been fulfilled without the ongoing commitment and dedication of the staff of the Department of Racing, Gaming and Liquor and I take this opportunity, on behalf of the Commission, to express appreciation for their efforts.



Barry A. Sargeant  
**CHAIRMAN**

## Responsible Minister

The Hon. Nick Griffiths LLB MLC, Minister for Housing and Works; Racing and Gaming; Government Enterprises; Land Information.

## Mission

The Gaming Commission's mission statement is:

*“Through the licensing of suppliers of gaming services and the monitoring of gaming activities, promote and maintain the integrity of lawful gaming activities for Western Australians within community expectation on harm minimisation.”*

## Objectives and Desired Outcome

### Objectives

The broad objectives of the Gaming Commission are:

- to formulate and implement policies for the administration and control of the conduct of gaming in Western Australia;
- to approve, or withhold approval from, persons, premises, games and gaming operations, for the purposes of the Act and any other written law relating to gaming;
- to formulate and impose prohibitions and conditions relating to gaming, the games that may be played and the rules under which games may be played;
- subject to the *Casino Control Act 1984*, to licence persons employed in casinos, and grant, revoke or amend approvals, permits and certificates relating to gaming;
- to seek, receive disseminate or publish information relevant to gaming and the incidence of gaming and its effect in the community, and
- to make prescribed charges and impose prescribed duties and fees.

### Outcome

The primary outcome for the Gaming Commission is the proper administration of gaming activities in Western Australia. As such, the Commission oversees:

- inspection, surveillance and regulatory review of the casino and community gaming operations;
- inspections of premises approved for the conduct of community gaming and the auditing of financial returns;
- verification and audit of casino gross revenue and casino tax;
- investigation and processing of applications for casino employee licences and community gaming permits;
- provision of advice to the public on proposed applications and fundraising ventures, and
- investigation of gaming related illegal activities.

## Duties of the Gaming Commission

The duties of the Gaming Commission are:

- to administer the law relating to:
  - gaming; and
  - subject to the *Betting Control Act 1954* and the *Totalisator Agency Board Betting Act 1960*, betting;
- to keep under review the conduct, extent and character of that gaming and betting and the provision, use and location of gaming or betting facilities, and to formulate and implement policies for the scrutiny, control and regulation of gaming and, in conjunction with the Betting Control Board and the Totalisator Agency Board, taking into account the requirements and interest of the community as a whole;
- to grant, or to withhold or revoke, approval in respect of, and where appropriate to inspect, examine or investigate premises, gaming equipment, operations and persons concerned with gaming or betting in relation to which a permit or certificate is sought;
- to administer all matters relating to any casino complex, licensed casino, casino key employee, casino employee or gaming in a casino, pursuant to the *Casino Control Act 1984*, and any casino complex agreement;
- to cause permits and certificates relating to gaming and betting, and licences in relation to casinos, to be issued as appropriate;
- to advise the Minister, either of its own motion or upon the request of the Minister, as to any matter relating to gaming or to betting;
- to make recommendations to the Minister in relation to the control or supervision of particular kinds of gaming or betting, or gaming or betting in particular circumstances, and as to the making of regulations relating to gaming or to betting and the fees and charges to be prescribed, and
- to enforce, and prosecute persons contravening, the laws relating to gaming and to betting.

## Nature and Range of Activities Undertaken

The Gaming Commission is responsible for the administration of legislation covering the gaming industry. The Commission issues a number of decisions that are formulated and implemented within the bounds of the Commission's policies, for the administration and control of the conduct of gaming in Western Australia.

As such, the Gaming Commission of Western Australia provides a decision-making service in respect of casino and community gaming, through arrangements with the Department of Racing, Gaming and Liquor. The Department of Racing, Gaming and Liquor also provides licensing and inspection functions for the gaming industry and public of Western Australia on behalf of the Gaming Commission.

The Gaming Commission meets at least 11 times a year (usually on the third Tuesday of each month) to make formal decisions relating to the conduct of legal gaming.

## Sections of the Community Served

The Gaming Commission provides quality service to all sections of the community on a continuing basis to satisfy customer needs for the efficient administration of gaming in Western Australia.

For the convenience of customers, the Gaming Commission's services can be accessed at a centralised customer service area operated by the Department of Racing, Gaming and Liquor. All general inquiries and applications relating to casino employee licensing and community gaming can be directed to the centralised service at Level 1, 87 Adelaide Terrace, East Perth, between the hours of 8.30 a.m. and 5.00 p.m. on working days.

## Administrative Structure of the Gaming Commission

The Gaming Commission Act provides that there shall be a body known as the Gaming Commission of Western Australia, established in accordance with that Act.

The Gaming Commission is a corporate body, which under its corporate name has perpetual succession and is capable, subject to the Gaming Commission Act, of doing and suffering all that bodies corporate may lawfully do or suffer.

Section 12 of the Gaming Commission Act provides that membership of the Commission shall comprise —

- (a) the person holding or acting in the office of Director General of the Department of Racing, Gaming and Liquor, who shall be *ex officio* Chairman of the Commission; and
- (b) 4 members, nominated by the Minister as being persons of repute, experience and integrity, and appointed by the Governor,

and the Minister shall cause notice of the respective appointments to be published in the Gazette.

A member, other than the *ex officio* member, shall hold office for such period not exceeding three years as is specified in the instrument of appointment, but is eligible for reappointment.

A person who is, or has been, a member is not personally liable for any act done or omitted to be done in good faith by the Commission or by that person in acting as a member.

## Commission Membership

### **Mr Barry A. Sargeant** (Chairman)

Mr Sargeant is the Director General for the Department of Racing, Gaming and Liquor and has held the *ex-officio* position of Chairman of the Gaming Commission since 16 November 1992.

### **Ms Mary M McComish** (Member)

Ms McComish, a commercial lawyer who also holds the position of Assistant Dean and Associate Professor for the College of Law at the University of Notre Dame, is a nominee of the Minister of Racing and Gaming.



**Mrs Judith McGowan (Member)**

Mrs McGowan, who also holds the position of Lecturer in Law in the Curtin Business School at Curtin University, is a nominee of the Minister for Racing and Gaming.

**Ms Margaret L. Nadebaum (Member)**

Ms Nadebaum, a retired educator and public servant, is a nominee of the Minister for Racing and Gaming.

**Mrs Wendy Silver (Member)**

Mrs Silver, General Manager Operations at Southern Cross Care (WA) Inc., is a nominee of the Minister for Racing and Gaming.

***Retired Members***

**Mr Graham (Ross) O'Dea**

During the year Mr O'Dea ceased being a member of the Gaming Commission.

***Commission Officers – Declaration of Interests***

At the date of reporting, other than normal contracts of employment of service, no Commission members, or firms of which Commission members are members, or entities in which Commission members have substantial interests, had any interests in existing or proposed contracts with the Commission or Commission members.

## **Relevant Legislation**

***Enabling Legislation***

The Gaming Commission of Western Australia was established under the *Gaming Commission Act 1987* in March 1988:

- to replace the Casino Control Committee;
- to assume responsibility for the administration of gaming activities in Western Australia, and
- to adopt a wider role with respect to gaming in the community.

The establishment of the Gaming Commission was a result of the 1984 Report of the Committee appointed to inquire into and report on Gaming in Western Australia. The Committee recommended that:

*“The Gaming Act should create a Gaming Authority, which should be independent, autonomous and capable of handling all of the new liberalised areas of gaming as well as some of the existing legal and supposedly legal gaming currently being conducted.”*

In line with that recommendation, the *Gaming Commission Act 1987* was introduced to formally constitute the Gaming Commission and to consolidate and amend the law relating to gaming.

### ***Legislation Administered by the Gaming Commission***

The Gaming Commission is responsible for administering the legislation outlined below. This is achieved as part of the service delivery agreement with the Department of Racing, Gaming and Liquor.

#### *Casino Control Act 1984*

This Act 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.

#### *Casino (Burswood Island) Agreement Act 1985*

This Act 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.

#### *Gaming Commission Act 1987*

This Act 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.

#### *Gaming Commission (Continuing Lotteries Levy) Act 2000*

This Act provides for the imposition of a levy on the sale of continuing lottery tickets.

## Legislation Impacting on the Gaming Commission's Activities

In the performance of its functions, the Gaming Commission complied with the following relevant written laws:

- *Anti-Corruption Commission Act 1988*;
- *Disability Services Act 1993*;
- *Electoral Act 1907*;
- *Financial Administration and Audit Act 1985*;
- *Freedom of Information Act 1992*;
- *Parliamentary Commissioner Act 1971*;
- *Public Sector Management Act 1994*;
- *Salaries and Allowances Act 1975*;
- *State Records Act 2000*;
- *State Supply Commission Act 1991*, and

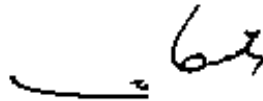
in the financial administration of the Gaming Commission of Western Australia, we have complied with the requirements of the *Financial Administration and Audit Act 1985* and every other relevant written law, and exercised controls which provide reasonable assurance that the receipt, expenditure and investment 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.



Barry A. Sargeant  
**CHAIRMAN**

5 November 2003



Terry Ng  
**PRINCIPAL ACCOUNTING OFFICER**

5 November 2003



Margaret L. Nadebaum  
**MEMBER**

5 November 2003

## **Statement of Corporate Governance**

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

- 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*, “corporation” means a body corporate established for a public purpose by a written law and, if its members manage the affairs of the corporation, a “director” means a member of the corporation.

While the Gaming Commission of Western Australia is not specified in Part 3 of the legislation, a significant benefit is gained by “directors” voluntarily adopting a Statement of Corporate Governance in that the integrity of the Commission and each member’s motives can be seen as being above reproach.

### ***Objective of the Statement***

The Statement of Corporate Governance outlines the main practices to which the Commission and its “directors” are committed and also provides the framework of corporate integrity within which the Gaming Commission operates.

### ***Commission Meetings***

The Gaming Commission meets at least 11 times a year (usually on the third Tuesday of each month) and every member is required to attend all meetings unless leave is obtained from the Chairman. During 2002-03, 11 meetings were held.

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

### ***Policy Base***

The Gaming Commission is responsible for the administration of legislation covering the gaming industry. The Commission issues a number of decisions that are formulated and implemented within the bounds of the Commission’s policies for the administration and control of the conduct of gaming in Western Australia.

### ***Delegation of Commission Powers***

The Gaming Commission has delegated all of its power to the Chairman in the event that an urgent approval is required that cannot wait until the next Gaming Commission meeting. Decisions relating to the administration of community gaming have been delegated to:

- the Director of Operations (of the Department of Racing, Gaming and Liquor), and
- staff of the Department of Racing, Gaming and Liquor acting on behalf of the Director of Operations.

Decisions relating to policy or procedures in the administration of casino gaming have been delegated to the Chief Casino Officer.

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

Where the Gaming Commission has resolved to delegate its powers to the Chairman, Chief Casino Officer or any other officer of the Commission, as provided in an instrument of delegation, the delegate may exercise a power or perform a 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 Commission.

### ***Delegate to Inform the Commission***

It is the responsibility of the delegate to report to the Gaming Commission at the next available meeting of the Commission any exercise of delegation:

- by the Chairman where an urgent approval is required;
- to authorise proceedings against any persons charged with an offence at the Burswood International Resort Casino;
- to approve persons as junket operators or representatives;
- to approve a supplier of gaming equipment to Burswood International Resort Casino;
- to grant gaming operators and gaming equipment suppliers' certificates, under the Gaming Commission Act, and
- to grant video lottery terminal permits.

### ***Independent Professional Advice***

In carrying out official duties, each member has the right to seek independent professional advice at the Commission's expense, where it is considered 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 Commission and/or the Department of Racing, Gaming and Liquor, including direct access to agency staff, as they may require after notifying the Chairman/Director General.

### ***Gaming Commission Financial Controls***

The Gaming Commission 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 are in accordance 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 Gaming Commission. While the Commission's Principal Accounting Officer (usually an officer of the Department of Racing, Gaming and Liquor) is responsible for the financial

administration of the Commission, primary responsibility for the detection, investigation and prevention of financial irregularities always rests with the Gaming Commission. Internal audit services are provided to the Commission through the Department of Racing, Gaming and Liquor's Operations Division.

As part of its annual reporting obligations, the Gaming Commission is required to submit its Operating Statement, Statement of Financial Position and Statement of Cash Flows as part of its Financial Statements to the Auditor General of Western Australia for auditing. It is also required to report Performance Information in accordance with Treasurer's Instruction 904.

## **Gaming Community Trust**

The Gaming Community Trust was established pursuant to section 109D of the *Gaming Commission Act 1987*. Section 109D(2) provides that the function of the Trust is to give advice and make recommendations to the Minister, on its own initiative or at the request of the Minister, on the application of moneys standing to the credit of the Trust Fund for the benefit of the community.

The money credited to the Trust Fund is derived from unclaimed winnings that are payable from:

- the conduct of gaming or betting that is authorised by the Gaming Commission Act; or
- the conduct of a gaming operation at a licensed casino,

that have not been claimed within 12 months after the right to be paid them has passed.

As at 30 June 2003, the balance of the Trust Fund was approximately \$807,000.

The Trust consists of five members as follows:

- a) A person holding or acting in the office of the Chairman of the Gaming Commission, who is an *ex-officio* Chairman of the Trust;
- b) One person appointed by the Minister on the nomination of Burswood Nominees Ltd; and
- c) Three persons nominated by the Minister who have, in the opinion of the Minister, experience or expertise relevant to the function of the Trust.

The membership of the Trust as at 30 June 2003 was as follows:

- Mr Barry Sargeant (Chairman).
- Ms Julie Cameron, appointed by the Minister.
- Mr Joseph (Ted) Karasek, appointed by the Minister.
- Mr John Schaap, appointed by the Minister on the nomination of Burswood Nominees Ltd.
- Mrs Wendy Silver, appointed by the Minister.

### ***Applications for Gaming Community Trust Grants***

The inaugural round of the Gaming Community Trust Grants Program was advertised in *The West Australian* newspaper on Saturday 8 March 2003, with applications closing on 11 April 2003.

The Trust received 50 applications that collectively sought funding in excess of \$5 million. In this regard the number of projects clearly exceeded the financial resources that were available for this round.

The Gaming Community Trust invited applications from registered charities, community based organisations and local governments in Western Australia for funding to undertake projects or initiatives that would benefit the Western Australian community. The target priorities for this round were:

- family;
- homelessness, and
- rural and remote locations.

In this regard, preference was given to projects based on a sound strategy and demonstrating a clear community benefit, which:

- contributes to and maintains strong, committed family links;
- addresses homelessness in Western Australia, or
- increases community spirit and participation in rural and remote locations.

It is expected that funding will be made available to those applications that were successful during the third quarter of 2003.

### **Problem Gambling Support Services Committee**

The Problem Gambling Support Services Committee (PGSSC) was formed in 1995, under the auspices of the Gaming Commission of Western Australia, and brings together representatives from the gambling industry and government to address the social and economic issues that result from problem gambling in Western Australia.

As at 30 June 2003, the Committee comprised the following representatives.

- Mr Barry Sargeant (Chairman), Director General, Department of Racing, Gaming & Liquor.
- Mr Bruce Atkinson, Licensed Bookmaker, WA Bookmakers Association.
- Mr Ray Bennett, Chief Executive Officer, Western Australian Totalisator Agency Board.
- Ms Vanessa Harvey, Acting Senior Non-Government Planning Officer, Department for Community Development.

- Mr John Schaap, Managing Director and Chief Executive Officer, Burswood International Resort Casino.
- Ms Jan Stewart, Chief Executive Officer, Lotterywest.

Each agency, other than the Department for Community Development, contributes a voluntary amount to the Gambling Support Services Fund, which is managed by the Committee in association with the Gaming Commission of Western Australia. In 2002-03, the budget of the Committee was approximately \$230,000.

The objectives of the Problem Gambling Support Services Committee are:

- to promote the concept of minimising harm from problem gambling in the community;
- to provide direction to the gambling industry and public to minimise problems with gambling behaviour;
- to identify and determine the appropriate support services for people with gambling related problems, and
- to facilitate the provision of support services for those affected by gambling related problems in Western Australia.

The Committee funds a specialist, toll-free, telephone counselling and referral service. The aim of the helpline service is to provide free confidential telephone assistance 24 hours a day, seven days a week, offering both counselling and referral services for people experiencing gambling problems and their families, accessible to all residents of Western Australia. McKesson Asia Pacific Pty Ltd (McKesson) was appointed on 2 July 2001, to operate the helpline.

To complement the helpline, the Committee also funds a Problem Gambling Counselling Service. The helpline and the counselling service continued to provide services to people who are experiencing difficulties related to problem gambling.

### ***Problem Gambling Helpline***

The number of calls received by the helpline during the reporting period was 598. Of these, 485 were target calls and 113 were non-target calls. This compares with 456 target calls and 148 non-target calls during 2001-02 (total 604). On average, the helpline received 40 *target* calls per month during 2002-03, which is an increase of two calls per day from 2001-02.

The majority of the target group calls received during the reporting period were from first time callers (73 per cent), which is again consistent with the previous period. This, in conjunction with other statistics, indicates that the Problem Gambling Helpline continues to be utilised as a first attempt at seeking help.

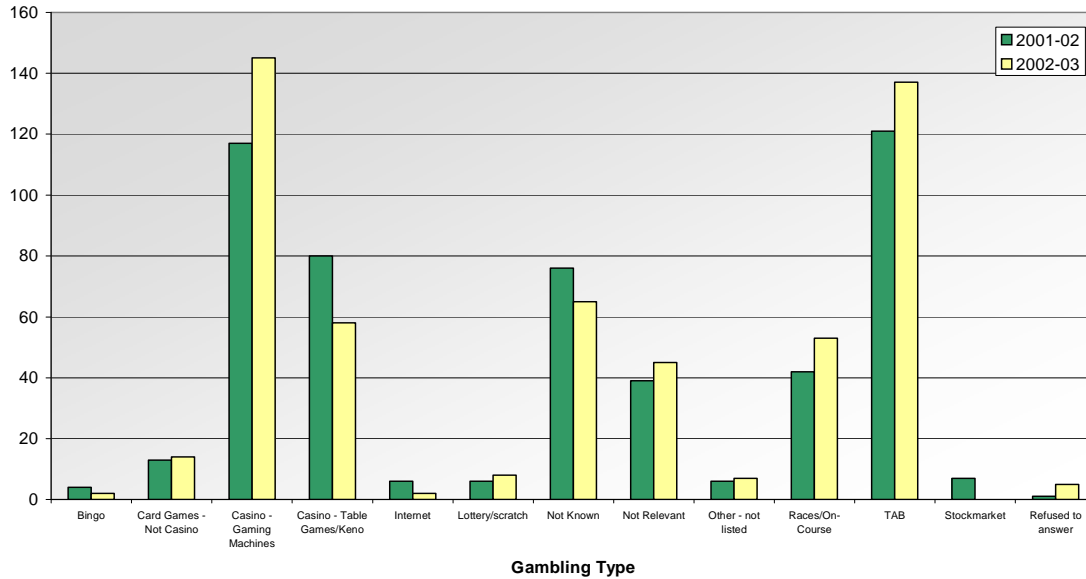
The majority of the target group calls were from gamblers, who represent 60 per cent of the target group calls.

The *"TAB"* and *"Casino – Gaming Machines"* continue to be the most reported gambling activity type, with callers being recorded on 137 and 145 occasions respectively. Females more commonly report *"Casino – Gaming Machines"*, while males more commonly report the *"TAB"*. *"Casino – Table Games and Keno"* was reported on 58 occasions and *"Races/On-course Betting"* was identified as a preferred gambling type on 53 occasions.



The following graph provides a comparison between the reporting periods for 2001-2002 and 2002-2003 in respect of the total calls received by gambling type.

**Calls by Gambling Type (2001-02 and 2002-03)**



Note: The number of calls reported during 2002-03 for the TAB includes approximately 20 calls from a single repeat caller which were received during September/October 2002.

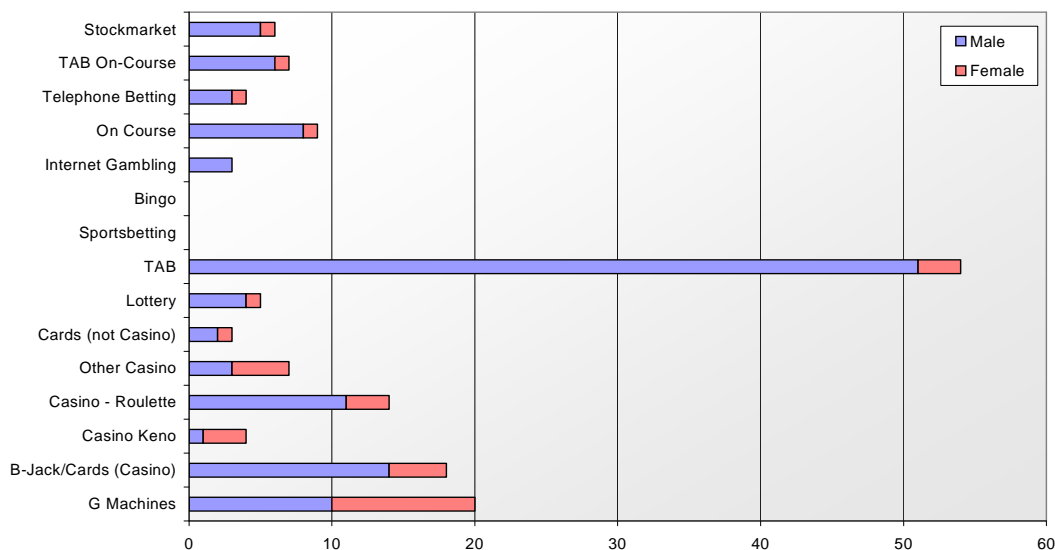
### ***BreakEven Counselling Service***

During the reporting period, BreakEven received 119 new clients (an average of 10 per month).

The number of “booked” and “actual” client counselling sessions during 2002-03 was 932 and 678 respectively. This compares with 844 booked sessions and 610 actual sessions during 2001-02 and represents a nine per cent increase in booked sessions and a 10 per cent increase in actual sessions.

The following graph provides details of the presenting problem by gender for the 12-month period July 2002 to June 2003.

**Gambling Type by Gender - July 2002 to June 2003**



This year saw the introduction of additional counselling sites which enables clients to attend appointments at Cannington, Mirrabooka and Joondalup, as alternatives to East Perth. The ability to provide clients with the option of being able to attend counselling sessions at other locations is a significant improvement to the service delivery, which will continue to expand with the implementation of the new contract.

The counselling team continues to work with the training providers at both the Burswood International Resort Casino and the TAB. BreakEven has conducted 12 training sessions for the TAB involving 56 staff and two sessions for Burswood involving 30 staff.

### ***Other Initiatives***

During the reporting year the Committee undertook a number of initiatives including a market research project and a public tender for the Counselling Service.

#### *Market Research Project*

During 2002-03, the Problem Gambling Support Services Committee undertook a market research project to assist in the development and placement of future campaign material, to raise awareness amongst gamblers, their families and their friends about the signs of problem gambling and more specifically, the existence of the services that are available to assist those people who have, or are affected by, a gambling problem.

The project was undertaken by NFO Donovan Research and broadly targeted the following groups<sup>1</sup>:

- regular gamblers;
- regular gamblers exhibiting signs of problem gambling – not in treatment;
- problem gamblers – in treatment, and
- family and friends of problem gamblers.

The research conducted by NFO Donovan Research highlighted a number of important factors to consider when undertaking a campaign to raise awareness amongst gamblers, their families and their friends about the signs of problem gambling and more specifically, the existence of the services that are available to assist those people who have, or are affected by, a gambling problem.

In particular, the research revealed that:

- gamblers are not generally interested in or aware of messages while they are gambling;
- most of the gamblers in treatment are there because of a family member or friend; and
- the distribution of campaign material needs to be wide to reach the target group.

Accordingly, an 'outdoor media' campaign (e.g. print based materials on taxis, buses, bus stops), which would provide the required exposure to a wider audience, was recommended.

The PGSSC will consider the development of an appropriate awareness campaign during 2003-04.

A full copy of the research report is available on the Department of Racing, Gaming and Liquor's website at [www.rgl.wa.gov.au](http://www.rgl.wa.gov.au).

#### *Tender – Counselling Service*

During the reporting year the problem gambling counselling service was put out to tender.

The tender was advertised in *The West Australian* newspaper on 14 December 2002, and closed on 5 February 2003. Five submissions were received.

Centrecare Incorporated was selected to deliver the Problem Gambling Counselling Service under a three-year contract with two one-year extension options.

The primary purpose of the service will be:

- the provision of a range of therapeutic interventions that are effective, accessible and culturally appropriate for clients who are adversely affected by gambling, and

---

<sup>1</sup> NFO Donovan Research 2003, Problem Gambling Campaign Development Research Report, page 8

- the establishment of collaborative links with non-specialist service providers (including Aboriginal, culturally and linguistically diverse (CALD) and regional), which have clients that are adversely affected by gambling, in order to provide training and support and to act as a point of reference and referral.

A secondary purpose of the service will be to undertake a range of community education and harm minimisation activities, including industry training, to increase awareness in the community about problem gambling behaviours and services for people with gambling problems.

## Significant Issues and Trends

- The rate of casino tax of 15 per cent of casino gross revenue specified in clause 23(1)(a) of the Agreement scheduled to the *Casino (Burswood Island) Agreement Act 1985*, is to be replaced with a three-tier taxation system for electronic gaming machines, table games including keno, and international commission business generated by all international players on incentive programs, including junkets and premium and privileged players.

With effect from the specified anniversary dates of the granting of the casino gaming licence the following casino taxation rates will apply:

- Electronic gaming machines  
17 per cent from 24 December 2002, 18 per cent from 24 December 2003 and 20 per cent from 24 December 2004;
- Table games including keno  
16 per cent from 24 December 2002, 17 per cent from 24 December 2004, and 18 per cent from 24 December 2006, and
- International commission business  
13 per cent from 24 December 2002, 12 per cent from 24 December 2004, and 11 per cent from 24 December 2006.
- From September 2003, it is proposed to remove the existing individual shareholding limitation of 10 per cent of the aggregate number of issued shares in Burswood Limited, from the mandatory articles set out in Schedule B to the Agreement. A person will not become entitled to a number of shares exceeding 10 per cent of the total number on issue at any time without the prior written approval of the Gaming Commission of Western Australia.
- Burswood Casino's intention to seek the approval of the Gaming Commission of Western Australia to increase the number of gaming machines from 1,318 to 1,500 by 2005. The Gaming Commission of Western Australia's approval will have regard to security, surveillance and harm minimization matters.
- The proposed establishment of Racing and Wagering Western Australia together with the amalgamation of the Betting Control Board and Gaming Commission of Western Australia to form the Gaming and Wagering Commission of Western Australia as part of the restructure of the Western Australian racing industry. The principal changes are:
  - Racing and Wagering Western Australia will be established as the controlling authority for thoroughbred, harness and greyhound racing in Western Australia;

- The Western Australian Turf Club, the Western Australian Trotting Association, and the Western Australian Greyhound Racing Authority will each remain as racing clubs, responsible for the conduct of racing activities at their respective venues;
- The Totalisator Agency Board will be abolished and Racing and Wagering Western Australia will assume responsibility for the conduct of off-course betting, and
- The Racecourse Development Trust will be abolished and the development of the racing and training infrastructure will become a function of Racing and Wagering Western Australia. The Trust's obligations, unallocated funds and funding source (unclaimed Totalisator Agency Board dividends and refunds) will be transferred to Racing and Wagering Western Australia.

### **Major Achievements for 2002-03**

- Progressive updating of all computerised gaming systems. All modules have now been rewritten and implemented.
- Launching of the Gaming Community Trust's inaugural funding round to provide for grants for the benefit of the community.
- Drafting and introduction into the Parliament of legislation to establish Racing and Wagering Western Australia and the Gaming and Wagering Commission of Western Australia.
- Drafting and introduction into the Parliament of amendments to the Agreement scheduled to the *Casino (Burswood Island) Agreement Act 1985*, in accordance with Government's announcement regarding the three-tiered casino taxation system and new approval requirements for ownership of more than 10 per cent of shares in Burswood Limited.
- Amendments to the Directions issued by the Gaming Commission of Western Australia that permit Burswood Casino to move gaming tables and electronic gaming machines, within the defined gaming footprint, without seeking prior approval from the Commission.
- Approval by the Gaming Commission of Western Australia on 17 December 2002, of a gaming floor layout to accommodate 1,355 gaming machine player stations.

## Changes to Legislation

### ***Racing and Wagering Western Australia Act***

On 26 June 2003, the *Racing and Wagering Western Australia Act 2003* received Royal Assent.

To manage these changes, in addition to the Racing and Wagering Western Australia Act, the following Acts have also been assented to:

- *Racing and Gambling Legislation Amendment and Repeal Act 2003*;
- *Racing Restriction Act 2003*; and
- *Racing and Wagering Western Australia Tax Act 2003*

The purpose of these Acts is to implement the restructure of the racing industry governance system in Western Australia by merging the principal club functions of the Western Australian Turf Club, Western Australian Trotting Association and Western Australian Greyhound Racing Authority, together with the off-course betting activities of the TAB, into a single controlling authority to be known as Racing and Wagering Western Australia (RWVA).

It is expected that these Acts will come into operation on 1 August 2003.

To complement the restructure, the Betting Control Board and the Gaming Commission of Western Australia will be merged to form the Gaming and Wagering Commission of Western Australia.

In addition, the Act includes the following initiatives:

- recommendations emanating from the National Competition Policy Reviews of racing and gambling legislation;
- provisions to establish controls over the activities of unlicensed offshore gambling operators betting into Western Australia, and
- the transfer of provisions relating to the conduct and advertising of gambling from the Police Act to dedicated gambling legislation.

### ***Gaming Commission Amendment Regulations (No. 2) 2002***

These amendment regulations enabled the conduct of multiple sessions of bingo under the authority of a single permit, subject to the approval of the Gaming Commission.

### ***Gaming Commission Amendment Regulations (No. 3) 2002***

These amendment regulations increased the Gaming Commission's prescribed fees and charges (following a review in accordance with the provisions of section 55(b) of the *Financial Administration and Audit Act 1985*).

## **Decision-Making Powers Affecting the Community**

Section 8 of the Gaming Commission Act provides for the Commission to have all such powers as are necessary to carry out its duties, equipping the Commission with the power to make a number of decisions that impact directly or indirectly on the Western Australian community.

All decisions relating to the administration of gaming are made by the Gaming Commission, or delegated to the Chairman, the Chief Casino Officer (who is also the Director of Operations of the Department of Racing, Gaming and Liquor) or to staff acting on behalf of the Director.

These include:

- decisions to grant or issue approvals, permits and certificates relating to gaming;
- the approval of premises for such purposes;
- granting of licences relating to the employment of persons in casinos, and
- approval of amendments to the casino operating manuals and game procedures.

## **Functions of the Gaming Commission**

It is the Gaming Commission's responsibility:

- to administer legislation relating to casino and community gaming;
- to ensure that the casino operator and permit holders meet their obligations, and
- to regulate gaming operations within Western Australia.

In carrying out its responsibility, the Gaming Commission performs a licensing, permit and an inspectorial function.

### ***Approval of Game Rules***

The Gaming Commission is responsible for approving the rules of all games played in the casino and authorises games for conduct at gaming functions. As part of the approval process, the Commission ensures that all games are fair and that returns to players are reasonable.

### ***Licensing and Permits***

Through a service delivery agreement with the Department of Racing, Gaming and Liquor, the Gaming Commission issues licences and permits to enable gaming to take place within the casino and the wider community.

### ***Permits Issued in Respect of a Major Sporting Event, Special Occasion or Other Exceptional Circumstance***

Section 48 of the *Gaming Commission Act 1987* provides for the Minister, after consultation with the Gaming Commission, to direct the Commission to issue a gaming permit in respect of a major sporting event, a special occasion or other exceptional circumstance not otherwise provided for by the Gaming Commission Act. In this regard, as in past years, permits were issued in 2002-2003 to:

- the Kalgoorlie-Boulder Racing Club for the conduct of the Two-Up (World Championship) from Saturday 24 August 2002, to Thursday 12 September 2002, and
- the Returned Services League of Australia sub branches for the conduct of Two-Up on Anzac Day 2003.

#### *Licensing of Casino Employees and Casino Key Employees*

The integrity of the casino's employees is central to the integrity of casino gaming. For this reason, all people directly associated with gaming at the casino must be licensed under the appropriate regulations.

#### *Licensing of Gaming Operators*

Persons who assist in the conduct of community gaming for reward are required to be the holder of a Gaming Operator's Certificate. The integrity of gaming operators is paramount to the integrity of community gaming activities. Applicants for a Gaming Operator's Certificate must satisfy a probity investigation in addition to demonstrating the required skills needed to work in the gaming industry.

#### *Video Lottery Terminals*

Video Lottery Terminals are electronic representations of hand held continuing lottery tickets (break open bingo/beer tickets) with permits issued to sporting, charitable and community organisations for the purpose of fund raising. A minimum of 10 per cent of gross proceeds must be returned to the beneficiary organisation, with 70 per cent paid in prizes, 1 per cent to the Gaming Commission and 2.25 per cent to the Consolidated Fund. The supplier and the licensee of the venue share the balance.

Video Lottery Terminals can only be obtained from suppliers of gaming equipment licensed by the Gaming Commission. The operator must, on presentation of a winning ticket by a player, pay the amount stipulated on the winning ticket by either cash or cheque. Winnings cannot be converted into credits. Advertising, other than that on the premises in which the machine is located, is not permitted.

Other than the supplier of the machine and staff acting on behalf of the Gaming Commission, only the licensee or the approved manager of the licensed premises is authorised to open the Video Lottery Terminal to empty the cash box and change the ticket role.

The number of Video Lottery Terminal permits issued during 2002-2003 was 522, compared with 516 during 2001-2002. Video Lottery Terminal turnover for 2002-2003 was \$11.7 million, compared to \$9.8 million for the previous year.



## Statistics

**Table 1: Total number of community gaming permits issued**

TOTAL NUMBER, GROSS AND NET REVENUE FOR PERMITS BY YEAR						
Type of Community Gaming Permit	No. of Permits		Total Gross Revenue		Total Net Revenue	
	2002-2003	2001-2002	2002-2003	2001-2002	2002-2003	2001-2002
			\$	\$	\$	\$
Bingo	275	291	7,060,675	7,580,226	738,791	943,999
Continuing Lottery	415	405	9,934,733	11,300,709	2,123,112	2,452,902
Gaming	157	518	652,635	719,007	231,913	230,814
Standard Lottery	1,358	1,425	20,844,068	20,430,410	9,356,849	8,955,231
Calcutta	39	40	285,576	164,670	52,179	42,519
Two Up (after race & permitted)	102	296	134,001	143,779	88,775	98,431
Two Up (Kalgoorlie Bush)	0	0	0	0	0	0
Video Lottery Terminals	522	516	11,771,004	9,790,089	1,263,056	1,058,129
<b>TOTAL</b>	<b>2,868</b>	<b>3,491</b>	<b>50,682,692</b>	<b>50,128,890</b>	<b>13,854,675</b>	<b>13,782,025</b>

**Note:** For the current year, the new Gaming Application System records the actual permits issued as opposed to playing dates as recorded in previous years.

**Table 2: Revenue raised by fees by permit type and year**

	2002-2003	2001-2002	2000-2001	1999-2000	1998-1999
	\$	\$	\$	\$	\$
Bingo	76,446	79,807	86,025	87,089	98,029
Continuing Lottery (Application Fee)	8,270	9,630	9,475	39,615	41,065
Continuing Lottery (Levy)	100,753	104,741	85,479	n/a	n/a
Gaming	68,195	73,340	86,500	104,080	95,720
Standard Lottery	53,190	51,835	38,970	51,690	50,335
Calcuttas	2,880	3,035	2,530	2,750	1,390
Two Up (after race permitted)	32,195	33,395	34,850	34,180	43,600
Two Up (Kalgoorlie bush)	0	0	23,000	23,000	25,000
Operator Certificate	2,635	4,495	6,900	6,700	6,200
Suppliers Certificate	1,230	1,805	1,550	1,250	1,650
Video Lottery Terminals	127,107	128,613	131,383	141,070	140,703
Approved Premises	6,585	5,725	5,930	6,660	6,170

**Note:** Permitted gaming revenue by game type as at 30 June 2003 (including comparative figures for the previous years). The application fee for a permit to conduct a continuing lottery was reduced following the introduction of the continuing lottery levy on 1 July 2000.

## Inspectorial Function

### Community Gaming

The Inspection Branch is involved with the inspections of gaming and lottery permits and the investigation of gaming and lottery related matters. Inspectors are also responsible for the audit of financial statements of funds raised under a permit. This function resulted in four organisations being required to appear before the Gaming Commission to demonstrate why their permit should not be cancelled. Staff also conduct regular country visits, targeting regional centres and other towns en-route.

During the year, inspectors conducted 1171 inspections and audits of gaming activities with 20 per cent of the audits performed as desk audits. Thirty-three infringement notices and 52 cautions were issued to permit holders where breaches of permit conditions were identified. One person was successfully prosecuted for 74 offences relating to the conduct of bingo and continuing lottery activities and was sentenced to terms of imprisonment suspended for a period of 18 months.

### Statistics

**Table 3: Community Gaming Regulatory Function**

TYPE OF GAMING REGULATORY FUNCTION	YEAR			
	2002-2003	2001-2002	2000-2001	1999-2000
Inspections	514	461	427	654
Audits	657	761	1,114	1,994
Cautions Issued	52	57	15	36
Infringement Notices issued	33	35	39	173
Prosecutions initiated	1	3	2	15
Permits revoked	0	0	0	0
Lotteries Commission Audits	994	991	761	666

**Note:** Summary of gaming regulatory functions as at 30 June 2003 (and comparative figures for previous years).

### Casino Gaming Operations

Inspectors are rostered at the casino to assist the Gaming Commission in meeting its objective in maintaining the integrity of casino gaming operations and the promotion of public confidence in that industry.

Inspectors are not rostered on duty at the casino between the following times:

- 3.00am to 7.00am Monday to Friday;
- 5.00pm to 6.00pm Friday and Saturday, and
- 4.00am to 7.00am Saturday and Sunday.

Arrangements are in place for officers of the Department (other than inspectors) to be contacted to attend the casino, or advise casino staff of what course of action to take, if any, should an incident arise when a Government Inspector is not on duty. During the year, there have been no incidents that have necessitated contact with a nominated officer.

During the year, Inspectors conducted 78 structured audits to test compliance of casino gaming operations with legislation, procedures and regulatory controls. The audits included the areas of games, equipment, revenue collection, cage operations, gaming machines, and surveillance and security operations.

Two violations reports were issued to the casino licensee for breaches of approved rules of play, which resulted in the Commission imposing a monetary penalty on the licensed casino staff involved.

During the year, Inspectors issued 42 infringement notices in instances where persons entered the casino in breach of a direction issued by the casino licensee under section 26(2) of the Casino Control Act, prohibiting that person from entering the casino. In addition, inspectors issued eight infringement notices to persons detected cheating, two to juveniles found in the casino and six to persons producing false identification in an attempt to gain entry to the casino.

Police officers issued 14 infringements to persons for entering the casino whilst subject to a prohibition notice and one for a cheating offence.

Inspectors also investigated 12 written patron complaints relating to gaming in the casino of which seven were resolved in favour of the complainant.

#### *Approval of New Games or Rule Changes*

During the year, the Gaming Commission approved the introduction of two new games – Arishinko and Trackside. Arishinko is a game played by means of an electronic gaming machine. Trackside is a simulated horse race game conducted and operated by a computer. Video monitors display the odds of a particular horse and the simulated race. The placement of wagers on the game is similar to the placement of wagers for Keno.

The Commission also approved two new versions of Video Draw Poker for play at the Burswood International Resort Casino. In addition, minor amendments to the approved rules of play for Mini Dice, Pai Gow Dominoes and Video Draw Poker were approved. These amendments related to the introduction of an alternative table layout, the dealing of Pai Gow tiles and changes to a prize scale, respectively.

#### *Statistics*

##### *Casino Gaming Revenue*

Casino gaming revenue of \$252,940,208 was generated by the casino during 2002-2003 compared to \$291,659,919 in 2001-2002. The following table displays the breakdown of revenue by game type.

**Table 4: Casino Gaming Revenue**

GAME TYPE	YEAR	
	2002-2003	2001-2002
Keno	4,125,445	4,037,254
Video Machines	96,228,025	95,873,408
Other Games	12,382,702	14,438,463
American Roulette	36,243,822	37,464,050
Baccarat & Mini Baccarat	58,594,187	97,418,597
Blackjack	39,520,720	36,756,129
Caribbean Stud Poker	5,845,307	5,672,018
<b>Total</b>	<b>252,940,208</b>	<b>291,659,919</b>

**Note:** Casino revenue by game type as at 30 June 2003 (and comparative figures for the previous year).

## Casino Tax

Casino tax of \$37,941,031 was collected in respect of 2002-2003, compared to \$43,748,988 in 2001-2002. The following table provides a comparison of casino gaming revenue and casino tax since the casino opened in 1985.

**Table 5: Casino Tax**

<b>FINANCIAL YEAR</b>	<b>TAX PAYABLE</b>	<b>GROSS CASINO REVENUE</b>
	<b>\$</b>	<b>\$</b>
2002-03	37,941,031	252,940,208
2001-02	43,748,988	291,659,919
2000-01	42,159,682	281,178,111
1999-00	43,283,655	288,615,921
1998-99	42,863,833	298,781,350
1997-98	54,834,954	358,828,073
1996-97	56,388,187	375,921,246
1995-96	64,434,805	429,565,366
1994-95	58,879,000	392,526,666
1993-94	51,533,000	343,553,333
1992-93	39,259,224	261,728,165
1991-92	30,345,840	202,305,602
1990-91	28,279,154	188,527,694
1989-90	22,138,656	147,591,040
1988-89	17,002,811	113,352,077
1987-88	11,519,420	76,796,137
1986-87	10,934,059	72,893,728
1985-86	5,349,819	35,665,463

**Note:** Comparison of casino revenue and tax.

## Casino Attendance Figures

The following table shows the number of persons who attended the casino in the year under review.

**Table 6: Casino Attendance**

<b>MONTH</b>	<b>ATTENDANCE FIGURES PER YEAR</b>			
	<b>2002-2003</b>	<b>2001-2002</b>	<b>2000-2001</b>	<b>1999-2000</b>
July	373,104	385,704	394,989	408,734
August	395,881	386,203	387,848	382,598
September	384,212	361,830	389,059	380,842
October	357,346	371,593	372,472	400,410
November	363,603	345,933	358,816	375,658
December	392,768	413,844	423,030	420,431
January	387,262	402,053	388,380	407,104
February	361,100	362,272	324,560	366,495
March	384,054	390,151	413,248	425,924
April	374,309	383,586	367,592	416,529
May	399,646	385,067	373,186	378,197
June	384,006	363,070	396,611	404,305
<b>Total</b>	<b>4,557,291</b>	<b>4,551,306</b>	<b>4,589,791</b>	<b>4,767,227</b>

**Note:** Casino attendance figures per month for the year under review (and comparative figures for previous years).

## Barring Notices Issued

**Table 7: Barring Notices**

<b>MONTH</b>	<b>BARRINGS 2002-2003</b>
July 2002	31
August	28
September	21
October	28
November	21
December	24
January 2003	26
February	31
March	37
April	37
May	27
June	31
<b>Total Number of Barring Notices Issued:</b>	<b>342</b>

**Note:** Summary of Directions issued under section 26(2) of the Casino Control Act (Barring Notices).

## Infringement Notices

**Table 8: Infringement Notices**

<b>DESCRIPTION OF OFFENCE</b>	<b>INFRINGEMENT NOTICES</b>
Re-entering the casino whilst barred	42
Enter casino as juvenile	2
Produce false ID at the casino	6
Breach of permit conditions	33
Attempted cheating or cheating at the casino	8
<b>Total number of infringement notices issued</b>	<b>91</b>

**Note:** Summary of infringement notices issued during 2002-2003 under the Casino Control and Gaming Commission Acts.

## Disciplinary Action

**Table 9: Disciplinary Action**

<b>CASINO GAMING: DISCIPLINARY ISSUE</b>	<b>NUMBER</b>
Violations Issued to the Casino Licensee	2
Casino Employee Licences – - Imposition of monetary penalty	3

**Note:** Summary of disciplinary action taken by the Gaming Commission during 2002-2003.

## Report on Equity, Access and Customer Focus

### ***Freedom of Information***

As a statutory authority, the Gaming Commission is an “agency” for the purposes of the *Freedom of Information Act 1992*. The decision-maker in respect of all gaming related access applications is the Director of Operations (Department of Racing, Gaming and Liquor) and the internal reviewer is the Chairman of the Gaming Commission.

### ***Compliance with Public Sector Standards***

The Gaming Commission 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 Commission by staff of that agency. Accordingly, the Commission does not report on Public Sector requirements such as Equal Employment Opportunity, Language Services, Public Sector Standards and the Disability Service Plan. The Department of Racing, Gaming and Liquor’s Annual Report contains the relevant information.

### ***Compliance with section 175ZE of the Electoral Act***

In compliance with section 175ZE of the *Electoral Act 1907*, the Gaming Commission of Western Australia is required to report on expenditure incurred during the financial year in relation to advertising agencies, market research organisations, polling organisations, direct mail organisations and media advertising organisations.

The details of the report are as follows:

<u><i>Expenditure with Advertising Agencies</i></u>	Nil
<u><i>Expenditure with Direct Mail Agencies</i></u>	Nil
<u><i>Expenditure with Government Agencies</i></u>	\$1,341.38
State Law Publisher	\$626.93
Office of the Liquor and Gambling Commissioner (SA)	\$714.45
<u><i>Expenditure with Market Research Agencies</i></u>	Nil
<u><i>Expenditure with Media Advertising Agencies</i></u>	Nil
<u><i>Expenditure with Polling Agencies</i></u>	Nil
<b><i>TOTAL EXPENDITURE</i></b>	<b>\$1,341.38</b>

### ***Pricing Policies on Outputs***

Section 7 (2) of the Gaming Commission Act requires that the Commission, in so far as is practicable, is to ensure that the revenue derived pursuant to that Act, and any other written law relevant to the duties of the Commission, is sufficient to provide for the operating, administrative and other costs of the Commission.

Further details regarding the pricing policies of outputs and the structure of the Department of Racing, Gaming and Liquor are provided in that agency's Annual Report.

### ***Major Promotional, Public Relations or Marketing Activities***

The Department of Racing, Gaming and Liquor provides executive support to the Gaming Commission. It does not have a public relations unit within its structure. However, the Chairman and senior officers of the Department of Racing, Gaming and Liquor are regularly required to liaise with the media. They have also been required to represent the agency at a number of formal and social functions.

Similarly, staff acting on behalf of the Commission attend the Burswood International Resort Casino to address trainees at the casino's Croupier Training Schools.

Additionally, Inspectors also provide lectures to Police Officers on gaming issues.

### ***Summary of Gaming Commission Publications Available from the Department of Racing, Gaming and Liquor***

The Department of Racing, Gaming and Liquor provides a number of publications to assist the public of Western Australia and the industries regulated by the Department. The publications relevant to the Commission are as follows.

- Gaming Commission of Western Australia Annual Report.
- Explanatory Bulletin on the Gaming Commission's Role in Relation to Casino Gaming.
- Rules of authorised games played at the Burswood International Resort Casino.

*(Note: although the Department of Racing, Gaming and Liquor does not publish rules of games, they are available for inspection by members of the public.)*

- Rules of Bingo.
- Rules for the Conduct of a Standard Lottery.
- Rules for the Conduct of a Continuing Lottery.
- Rules of authorised games in respect of community gaming.
- Gambling Industry Status Report.

## **Financial Statements**

The aim of these Financial Statements is to present to the Parliament details of revenue and expenditure for the Gaming Commission of Western Australia.

This part of the Annual Report contains:

- Financial Statements;
- Accompanying Notes;
- Certification of the Financial Statements, and
- The Opinion of the Auditor General.



**Gaming Commission of Western Australia**  
**Statement of Financial Performance**  
*for the year ended 30 June 2003*

	Note	2002/03 \$	2001/02 \$
<b>COST OF SERVICES</b>			
<b>Expenses from ordinary activities</b>			
Board members expenses	12	35,000	32,914
Superannuation	1 (e), 12	3,150	2,633
Bad debt expenses	14 (b), 23	2,450	5,000
Services and contract fees	1 (b), 14 (b)	2,765,671	2,513,404
Total cost of services		<u>2,806,271</u>	<u>2,553,951</u>
<b>Revenues from ordinary activities</b>			
<i>Revenue from operating activities</i>			
Fees and charges	1 (g), 2	2,664,751	2,641,097
<i>Revenue from non-operating activities</i>			
Interest revenue	14 (b)	44,745	39,758
Total revenues from ordinary activities		<u>2,709,496</u>	<u>2,680,855</u>
<b>NET COST OF SERVICES</b>	11 (b)	<u>96,775</u>	<u>(126,904)</u>
<b>CHANGE IN NET ASSETS</b>		<u>(96,775)</u>	<u>126,904</u>
<b>TOTAL CHANGES IN EQUITY OTHER THAN THOSE RESULTING FROM TRANSACTIONS WITH WA STATE GOVERNMENT AS OWNERS</b>		<u>(96,775)</u>	<u>126,904</u>

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

**Gaming Commission of Western Australia**  
**Statement of Financial Position**  
*as at 30 June 2003*

	Note	2002/03 \$	2001/02 \$
<b>Current Assets</b>			
Cash assets	3, 16 (a)	892,873	982,388
Restricted cash assets	4, 16 (a)	1,547,476	1,205,089
Receivables	5, 16 (a)	66,056	77,125
<b>Total Current Assets</b>		<b>2,506,405</b>	<b>2,264,602</b>
<b>Total Assets</b>		<b>2,506,405</b>	<b>2,264,602</b>
<b>Current Liabilities</b>			
Payables	6, 16 (a)	195,265	199,074
Fees in trust - Security Deposits	7, 16 (a)	702,143	500,018
Fees in trust - Problem Gambling Support Services Fund	8, 16 (a)	37,721	43,787
Fees in trust - Gaming Community Trust Fund	9, 16 (a)	807,612	661,284
<b>Total Current Liabilities</b>		<b>1,742,741</b>	<b>1,404,163</b>
<b>Total Liabilities</b>		<b>1,742,741</b>	<b>1,404,163</b>
<b>NET ASSETS</b>		<b>763,664</b>	<b>860,439</b>
<b>Equity</b>			
Accumulated surplus	10	763,664	860,439
<b>TOTAL EQUITY</b>		<b>763,664</b>	<b>860,439</b>

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

## Gaming Commission of Western Australia

### Statement of Cash Flows

for the year ended 30 June 2003

	Note	2002/03 \$ Inflows (Outflows)	2001/02 \$ Inflows (Outflows)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Payments</b>			
Board members expenses		(38,150)	(36,248)
Supplies and services		(2,765,156)	(2,562,095)
GST payments on purchases		(20,659)	(18,771)
GST payments to taxation authority		(9,382)	(6,377)
<b>Receipts</b>			
Fees and charges		2,667,631	2,653,769
Interest received		46,339	39,563
GST receipts on sales		29,862	29,722
<b>Net cash provided by/(used in) operating activities</b>	11 (b)	<b>(89,515)</b>	<b>99,563</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Receipts from fees in trust		960,881	875,457
Payments from fees in trust		(618,494)	(575,401)
<b>Net cash provided by investing activities</b>		<b>342,387</b>	<b>300,056</b>
<b>Net increase in cash held</b>		<b>252,872</b>	<b>399,619</b>
Cash assets at the beginning of the financial year		2,187,477	1,787,858
<b>CASH ASSETS AT THE END OF THE FINANCIAL YEAR</b>	11 (a)	<b>2,440,349</b>	<b>2,187,477</b>

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

## 1. SIGNIFICANT ACCOUNTING POLICIES

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 previous year.

### (a) General

- (i) The financial statements constitute a general purpose financial report which has been prepared in accordance with Accounting Standards, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board, 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 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 Accounting Standards, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board, 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.

### (ii) Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting using the historical cost convention, except for certain assets and liabilities which, as noted, are measured at fair value.

- (iii) Administered revenues are not integral to the Commission in carrying out its functions and are disclosed in the notes to the financial statements for information purposes, forming part of the general purpose financial report of the Commission.

### (b) Services performed for the Gaming Commission of Western Australia by the Department of Racing, Gaming and Liquor

The Department of Racing, Gaming and Liquor provides support to the Gaming Commission of Western Australia to enable the Commission to carry out its objectives. This support comprises most of the amount reported in the Statement of Financial Performance under 'Services and contract fees'. These charges are in the nature of salaries and administration costs in providing these support services.

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

### (c) Cash

For the purpose of the Statement of Cash Flows, cash includes cash assets and restricted cash assets.

### (d) Receivables and Payables

Receivables are recognised at the amounts receivable as they 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 exist and in any event where the debt is more than 60 days overdue.

**(e) Employee benefits**

(i) Annual and Long Service Leave

The Gaming Commission does not employ staff. Section 18 of the Gaming Commission Act 1987 provides for the Commission to utilise 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 Commission as a service fee. Accordingly, provisions have not been made for annual and long service leave.

(ii) Superannuation

The board members of the Gaming Commission 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 Commission.

The liabilities for superannuation charges under the Government Employees Superannuation Act are extinguished by payment of employer contributions to the Government Employees Superannuation Board (GESB).

The note disclosure required by paragraph 6.10 of AASB 1028 (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 GESB's records are not structured to provide the information for the Commission. Accordingly, deriving the information for the Commission is impractical under current arrangements, and thus any benefits thereof would be exceeded by the cost of obtaining the information.

**(f) Insurance**

Insurance for the following areas is provided through Riskcover and arranged by the Department of Racing, Gaming and Liquor:

- (i) Worker's Compensation
- (ii) Property and Business Interruption
- (iii) General and Professional Liability
- (iv) Motor Vehicle
- (v) Miscellaneous
- (vi) Personal Accident - Board Members.

**(g) Fees and charges**

This represents income received pursuant to the Casino Control Act 1984 and Gaming Commission Act 1987, net of refunds. It includes the annual casino licence fee, income from community gaming.

**(h) Net fair values of financial assets and liabilities**

Net fair values of financial instruments are determined on the basis of the carrying amounts of monetary financial assets and liabilities not traded in an organised financial market. The net fair value of receivables, payables and accruals approximates their net market value.

(i) **Comparative figures**

Comparative figures are, where appropriate, reclassified so as to be comparable with the figures presented in the current financial year.

	<b>2002/03</b>	<b>2001/02</b>
	<b>\$</b>	<b>\$</b>
<b>2. FEES AND CHARGES</b>		
Casino licence fees	1,987,509	1,949,147
Community gaming	480,868	491,390
Gaming infringements	11,014	12,332
Recoups for services provided	172,809	170,997
Other revenues	12,551	17,231
	<u>2,664,751</u>	<u>2,641,097</u>
<b>3. CASH ASSETS</b>		
Interest bearing account at the Commonwealth Bank of Australia	<u>892,873</u>	<u>982,388</u>
<b>4. RESTRICTED CASH ASSETS</b>		
Security Deposits	702,143	500,018
Problem Gambling Support Services Fund	37,721	43,787
Gaming Community Trust Fund	807,612	661,284
	<u>1,547,476</u>	<u>1,205,089</u>
<b>5. RECEIVABLES</b>		
Receivables for goods and services supplied	64,972	76,157
GST receivable	1,084	968
	<u>66,056</u>	<u>77,125</u>
<p>The Commission does not have any significant exposure to any individual customer or counterparty.</p> <p>The Commission considers the carrying amount of the receivables approximate their net fair values.</p>		
<b>6. PAYABLES</b>		
Amounts payable for goods and services received	<u>195,265</u>	<u>199,074</u>
<p>The Commission considers the carrying amount of the payables approximate their net fair values.</p>		

	<b>2002/03</b>	<b>2001/02</b>
	\$	\$
<b>7. FEES IN TRUST - SECURITY DEPOSITS</b>		
Opening balance	500,018	354,968
Receipts	646,932	544,043
Payments	<u>(444,807)</u>	<u>(398,993)</u>
Closing balance	<u><u>702,143</u></u>	<u><u>500,018</u></u>

Fees in Trust - Security Deposits represent security deposits received from organisations conducting lotteries/raffles as a guarantee of the distribution of prizes, plus interest income.

**8. FEES IN TRUST - PROBLEM GAMBLING SUPPORT SERVICES FUND**

Opening balance	43,787	51,307
Receipts	165,348	168,888
Payments	<u>(171,414)</u>	<u>(176,408)</u>
Closing balance	<u><u>37,721</u></u>	<u><u>43,787</u></u>

The Problem Gambling Support Services Fund receives contributions from Burswood International Resort Casino, WA Bookmakers Association, Totalisator Agency Board, and the Commission. The fund is used to provide services for problem gamblers and to undertake problem gambling related research.

**9. FEES IN TRUST - GAMING COMMUNITY TRUST FUND**

Opening balance	661,284	498,758
Receipts	148,601	162,526
Payments	<u>(2,273)</u>	<u>0</u>
Closing balance	<u><u>807,612</u></u>	<u><u>661,284</u></u>

The Gaming Community Trust Fund is winnings from gaming activities that have remained unclaimed for more than 14 months, plus interest income. The fund is held for purposes as recommended by the Trust, and approved by the Minister, for the benefit of the community pursuant to section 109C (2) of the Gaming Commission Act 1987.

The carrying amount of fees in trust approximates their net fair values.

**10. EQUITY**

Accumulated surplus		
Opening balance	860,439	733,535
Change in net assets resulting from operations	<u>(96,775)</u>	<u>126,904</u>
Closing balance	<u><u>763,664</u></u>	<u><u>860,439</u></u>

**11. NOTES TO THE STATEMENT OF CASH FLOWS**

	<b>2002/03</b>	<b>2001/02</b>
	<b>\$</b>	<b>\$</b>
<b>(a) Reconciliation of cash</b>		
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	892,873	982,388
Restricted cash assets (refer to Note 4)	<u>1,547,476</u>	<u>1,205,089</u>
	<u><u>2,440,349</u></u>	<u><u>2,187,477</u></u>
 <b>(b) Reconciliation of net cost of services to net cash flows provided by/(used in) operating activities</b>		
Net cost of services	(96,775)	126,904
(Increase)/decrease in assets:		
Receivables	11,185	22,728
Increase/(decrease) in liabilities:		
Payables	(3,809)	(53,611)
Employee entitlements	0	(700)
Net GST receipts/(payments)	(179)	4,574
Change in GST in receivables/payables	<u>63</u>	<u>(332)</u>
Net cash provided by/(used in) operating activities	<u><u>(89,515)</u></u>	<u><u>99,563</u></u>

**12. REMUNERATION OF MEMBERS OF THE ACCOUNTABLE AUTHORITY**

The number of members of the Accountable Authority whose total of fees, salaries, superannuation and other benefits for the financial year, falls within the following band:

	<b>No.</b>	<b>No.</b>
\$0 - \$10,000	<u><u>6</u></u>	<u><u>8</u></u>
	<b>2002/03</b>	<b>2001/02</b>
	<b>\$</b>	<b>\$</b>

The total remuneration of the members of the Accountable Authority is : (the Chairman does not receive remuneration.)	<u><u>38,150</u></u>	<u><u>35,704</u></u>
--	----------------------	----------------------

No members of the Accountable Authority are members of the Pension Scheme.



### 13. OUTPUT INFORMATION

The only output of the Commission is Functions Performed for the Gaming Industry. The details disclosed in the Statement of Financial Performance represent all details of expenses and revenues from ordinary activities for this output.

### 14. EXPLANATORY STATEMENT

#### (a) Significant variations between estimates and actual results for the financial year

There were no significant variations between estimates and actual results. Significant variations are considered to be those greater than 10% or \$50,000.

#### (b) Significant variations between actual revenues and expenditures for the financial year and revenues and expenditures for the immediately preceding financial year

Details and reasons for significant variations between actual results with the corresponding items of the preceding year are detailed below. Significant variations are considered to be those greater than 10% or \$50,000.

	2002/03	2001/02
	\$	\$
Bad debt expenses	2,450	5,000
Services and contract fees	2,765,671	2,513,404
Interest revenue	44,745	39,758

#### *Bad debt expenses*

The decrease of \$2,550 was attributable to less Gaming Infringements being referred to the Fines Enforcement Registry for recovery action.

#### *Services and contract fees*

The variance of \$252,267 was primarily due to an increase in the capital expenses, and the recoupment of the cost of services provided by the Department of Racing, Gaming and Liquor.

#### *Interest revenue*

The increase of \$4,987 was mainly attributable to a higher bank balance throughout the year.

### 15. REMUNERATION OF AUDITOR

The total of fees paid or due and payable to the auditors of the Commission for the financial year is as follows:

Fees to the Auditor General:		
- for external audit	6,000	5,000

16. **ADDITIONAL FINANCIAL INSTRUMENTS DISCLOSURES**

**a) Interest rate risk exposure**

The Commission'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 30 June 2003	Total 30 June 2002
		\$	\$	\$	\$
<u>30 June 2003</u>					
<b>i) Financial assets</b>					
Cash assets	4.784%	892,873		892,873	982,388
Restricted cash assets	4.784%	1,547,476		1,547,476	1,205,089
Receivables			66,056	66,056	77,125
Total financial assets		2,440,349	66,056	2,506,405	2,264,602
<b>ii) Financial liabilities</b>					
Payables			195,265	195,265	199,074
Fees in trust - Security Deposits			702,143	702,143	500,018
Fees in trust - Problem Gambling Support Services Fund			37,721	37,721	43,787
Fees in trust - Gaming Community Trust Fund			807,612	807,612	661,284
Total financial liabilities			1,742,741	1,742,741	1,404,163

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

	2002/03	2001/02
	\$	\$
<b>17. ADMINISTERED TRANSACTIONS</b>		
<b>Administered revenue</b>		
<b>(a) Video Lottery Terminals</b>	<u>261,455</u>	<u>235,669</u>
Video Lottery Terminals are an electronic alternative to break open bingo tickets. The Gaming Commission collects 3.25% of the cash collected by a Video Lottery Terminal under regulation 18AA of the Gaming Commission Regulations 1988. The Commission retains 1% to cover the cost of administering Video Lottery Terminals, the remaining 2.25% is collected on behalf of the Government and paid into the Consolidated Fund. The amount reported here as administered revenue represents Government's 2.25% share of this income.		
<b>(b) Continuing Lottery Levy</b>	<u>226,695</u>	<u>236,027</u>
As from 1 July 2000, pursuant to section 104G of the Gaming Commission Act 1987, the Gaming Commission collects a levy of 3.25% of the face value of Continuing Lottery tickets sold by licensed suppliers. The Commission retains 1% as controlled revenue and remits the remaining 2.25% to the Consolidated Fund. The amount disclosed here represents Government's 2.25% share of this item.		
<b>18. OTHER COMMITMENTS</b>		
As at 30 June 2003 the Commission did not have any other material capital or expenditure commitments.		
<b>19. CONTINGENT LIABILITIES AND CONTINGENT ASSETS</b>		
<b><u>Contingent Liabilities</u></b>		
The Commission is not aware of any contingent liabilities as at balance date.		
<b><u>Contingent Assets</u></b>		
In addition to the assets incorporated in the financial statements, the Commission has the following contingent assets as at balance date:		
(a) Charge over land for a value of \$100,000 owned by a third party as security for the full retail value of prizes on offer in a raffle, in lieu of a cash deposit.		
(b) Guarantees and undertakings of \$1.31m from patrons as security for the full retail value of prizes on offer in a raffle/lottery, in lieu of cash deposits.		

**20. EVENTS OCCURRING AFTER REPORTING DATE**

As a result of the restructure of the Western Australian racing industry, the Commission will amalgamate with the Betting Control Board to form the Gaming and Wagering Commission of Western Australia on a date appointed by the Minister during the 2003/04 financial year .

**21. RELATED BODIES**

The Commission 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.

**22. AFFILIATED BODIES**

The Commission 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.

**23. SUPPLEMENTARY FINANCIAL INFORMATION**

**WRITE-OFFS**

Public property, revenues and debts due to the state, written off in accordance with section 45 of the Financial Administration and Audit Act (1985):

	<b>2002/03</b>	<b>2001/02</b>
	\$	\$
Uncollectable gaming infringement debts written off by the Accountable Authority.	<u>2,450</u>	<u>5,000</u>

## Financial Statements Statement of Certification

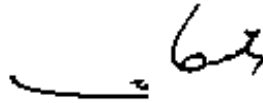
The accompanying financial statements of the Gaming Commission of Western Australia have been prepared in compliance with the provisions of the *Financial Administration and Audit Act 1985* from proper accounts and records to present fairly the financial transactions for the financial year ending 30 June 2003 and the financial position as at 30 June 2003.

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



Barry A. Sargeant  
**CHAIRMAN**

29 August 2003



Terry Ng  
**PRINCIPAL ACCOUNTING OFFICER**

29 August 2003



Margaret L. Nadebaum  
**MEMBER**

29 August 2003

# Opinion of Auditor General: Financial Statements



## AUDITOR GENERAL

### INDEPENDENT AUDIT OPINION

To the Parliament of Western Australia

### GAMING COMMISSION OF WESTERN AUSTRALIA FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2003

#### Audit Opinion

In my opinion,

- (i) the controls exercised by the Gaming Commission of Western Australia provide reasonable assurance that the receipt, expenditure and investment of moneys, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions; and
- (ii) the financial statements are based on proper accounts and present fairly in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia and the Treasurer's Instructions, the financial position of the Commission at June 30, 2003 and its financial performance and cash flows for the year ended on that date.

#### Scope

##### *The Commission's Role*

The Commission is responsible for keeping proper accounts and maintaining adequate systems of internal control, preparing the financial statements, and complying with the Financial Administration and Audit Act 1985 (the Act) and other relevant written law.

The financial statements consist of the Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows and the Notes to the Financial Statements.

##### *Summary of my Role*

As required by the Act, I have independently audited the accounts and financial statements to express an opinion on the controls and financial statements. This was done by looking at a sample of the evidence.

An audit does not guarantee that every amount and disclosure in the financial statements is error free. The term "reasonable assurance" recognises that an audit does not examine all evidence and every transaction. However, my audit procedures should identify errors or omissions significant enough to adversely affect the decisions of users of the financial statements.

A handwritten signature in dark ink, appearing to read 'D D R Pearson'.

D D R PEARSON  
AUDITOR GENERAL  
November 4, 2003

## Outcomes, Outputs and Performance Information

### Outcomes and Outputs

**Outcome:** *Promotion and Maintenance of the Integrity of Lawful Gaming Activities*

**Output 1:** *Functions Performed for the Gaming Industry*

**Output Description:** Perform functions in accordance with statutory obligations

#### Output Measures

	2003 Budget	2003 Actual	Reasons for Significant Variance
<b>Quantity</b>			
Number of gaming audits, investigations and inspections	6,000	4,940	Reduction in available staff due to extended leave and acting in other positions
Number of casino operator submissions reviewed	100	88	
Number of certificates and permits issued	3,500	3,137	
Number of casino employee licences issued	200	61	
<b>Quality</b>			
Percentage of gaming inspections and audits conducted in accordance with the Commission's approved program	98%	99.9%	
Percentage of satisfactory responses on casino submission/matters as rated by the casino operator via a survey	80%	100%	Survey conducted in June 2003
Percentage of compliance of processing procedures relating to the issue of permits and licences	95%	100%	
<b>Timeliness</b>			
Percentage of gaming audits and inspections completed in accordance with performance agreements	90%	82%	Reduction in available staff due to extended leave and acting in other positions
Percentage of casino operator submissions completed within 8 weeks	95%	97%	
Percentage of provisional licences issued within 7 days	100%	90%	
Percentage of gaming permits and certificates issued within 48 hours	100%	87%*	* 98% of gaming permits and certificates issued within 96 hours

	2003 Budget	2003 Actual	Reasons for Significant Variance
<b>Cost</b>			
Average cost per gaming audit, investigation or inspection	\$294	\$341	
Average cost per casino submission reviewed	\$298	\$404	
Average cost per gaming permit issued	\$191	\$299	
Average cost per Casino Employee Licence	\$1,923	\$2,712	

*Note: the costs provided for these output measures are derived from the percentage allocated to each component of the Gaming Commission's annual 2002-2003 budget, i.e.:*

- *Licensing as 39%*
- *Casino Submissions as 1%*
- *Compliance as 60%*

---

### **Effectiveness**

In discharging its statutory obligations, the Gaming Commission is able to promote and maintain the integrity of lawful gaming activities. Effectiveness will be measured by:

- the percentage of unlawful gaming detected in relation to the number of permits issued, and
  - the number of violation reports issued in relation to casino gaming.
-



## Key Performance Indicators

Performance indicators are required by section 66 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.

### Government Desired Outcome

The outcome of the Gaming Commission of Western Australia is to promote and maintain the integrity of lawful gaming activities.

#### Audited Effectiveness Indicators

	2002-2003	2001-2002	2000-2001
Percentage of unlawful gaming detected in relation to total permits issued	2.04%	1.91%	4.2%
Number of violation reports issued in relation to casino gaming	2	2	3

### Output: Functions Performed for the Gaming Industry

**Output Description:** Perform functions in accordance with statutory obligations.

#### Audited Efficiency Indicators

	2002-2003	2001-2002	2000-2001
Cost per Certificate and Gaming Permit issued	\$299	\$178	\$181
Cost per Casino Employee Licence issued (a)	\$2,712	\$2,142	\$1824
Monitoring integrity of casino gaming operations over one year (b)	\$111,198	\$286,267	\$243,722
Cost per instance of unlawful gaming detected (c)	\$10,535	\$8,854	\$4018
Cost per casino submission reviewed	\$404	\$353	\$283

(a) There has been a reduction in the number of casino employee licenses issued and an increase in the cost allocation.

(b) The number of violations and breaches increased from two in 2001-2002 to six in 2002-2003, resulting in a decrease in the cost of monitoring casino operations.

(c) The number of non-compliant organisations reduced from 99 in 2001-2002 to 95 in 2002-2003.

Note: The costs provided for the efficiency indicators are derived from the percentage allocated to each component of the Gaming Commission's annual budget using Activity-Based Costing.

## PERFORMANCE INDICATORS Statement of Certification

We hereby certify that the performance indicators presented here are based on proper records, are relevant and appropriate for assisting users to assess the performance of the Gaming Commission of Western Australia, and fairly represent the performance of the Commission for the financial year ended 30 June 2003.



Barry A. Sargeant  
**CHAIRMAN**

29 August 2003



Margaret L. Nadebaum  
**MEMBER**

29 August 2003

# Opinion of Auditor General: Performance Indicators



## AUDITOR GENERAL

### INDEPENDENT AUDIT OPINION

To the Parliament of Western Australia

**GAMING COMMISSION OF WESTERN AUSTRALIA  
PERFORMANCE INDICATORS FOR THE YEAR ENDED JUNE 30, 2003**

#### **Audit Opinion**

In my opinion, the key effectiveness and efficiency performance indicators of the Gaming Commission of Western Australia are relevant and appropriate to help users assess the Commission's performance and fairly represent the indicated performance for the year ended June 30, 2003.

#### **Scope**

##### *The Commission's Role*

The Commission is responsible for developing and maintaining proper records and systems for preparing performance indicators.

The performance indicators consist of key indicators of effectiveness and efficiency.

##### *Summary of my Role*

As required by the Financial Administration and Audit Act 1985, I have independently audited the performance indicators to express an opinion on them. This was done by looking at a sample of the evidence.

An audit does not guarantee that every amount and disclosure in the performance indicators is error free, nor does it examine all evidence and every transaction. However, my audit procedures should identify errors or omissions significant enough to adversely affect the decisions of users of the performance indicators.

A handwritten signature in black ink, appearing to read 'D D R Pearson'.

D D R PEARSON  
AUDITOR GENERAL  
November 4, 2003

## Contacting the Gaming Commission of Western Australia

**Address, e-mail, facsimile and telephone contact details for the Gaming Commission of Western Australia**

### Street Address

The Gaming Commission's principal address is:

Department of Racing, Gaming and Liquor  
Level 1, Hyatt Centre  
87 Adelaide Terrace  
East Perth, 6004  
WESTERN AUSTRALIA

### Postal address

P.O. Box 6119  
East Perth, 6892  
WESTERN AUSTRALIA

### Telephone and facsimile numbers

Department of Racing, Gaming and Liquor's  
main switch-board: (08) 9425 1888  
Country Callers (Toll-free): 1800 634 541  
After hours (Message Bank): (08) 9425 1827  
Chairman's facsimile number: (08) 9325 1636  
Licensing facsimile number: (08) 9325 1041  
Inspectorate facsimile number: (08) 9221 7108

### Internet and e-mail service

Gaming permit application forms and brochures, together with general information on the Gaming Commission, are available on the Department of Racing, Gaming and Liquor's website, which can be found at [www.rgl.wa.gov.au](http://www.rgl.wa.gov.au).

The Gaming Commission's Annual Report is also available from the Department of Racing, Gaming and Liquor's website in PDF format.

Customers of the Gaming Commission can also e-mail inquiries to the Commission at [rgl@rgl.wa.gov.au](mailto:rgl@rgl.wa.gov.au).

## **Acknowledgments**

Annual Report Coordination: Wayne Syme  
Policy and Planning Officer

Financial Statements: Terry Ng  
Principal Accounting Officer