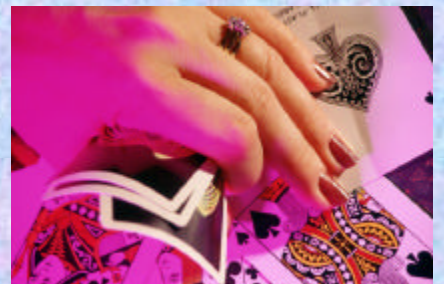
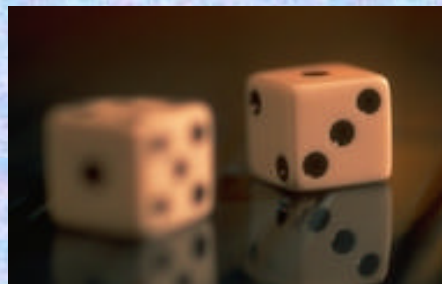
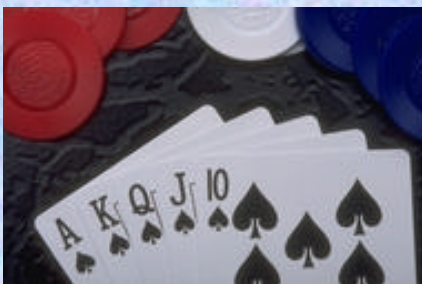


Gaming Commission of Western Australia

Annual Report

FOR THE YEAR ENDED 30 JUNE 2002



**STATEMENT OF COMPLIANCE
FOR THE YEAR ENDED 30 JUNE 2002**

HON NICK GRIFFITHS LLB MLC
MINISTER FOR RACING AND GAMING

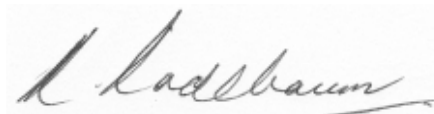
In accordance with Section 66 of the *Financial Administration and Audit Act 1985*, we hereby submit for your information and presentation to Parliament, the Annual Report of the Gaming Commission of Western Australia for the financial year ended 30 June 2002.

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 2002



Margaret L. Nadebaum
MEMBER

5 November 2002

GAMING COMMISSION OF WESTERN AUSTRALIA
ANNUAL REPORT
FOR THE YEAR ENDED 30 JUNE 2002

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CHAIRMAN'S OVERVIEW

It is with pleasure that I present the report for the Gaming Commission of Western Australia, for the period 1 July 2001 to 30 June 2002. The events, initiatives and achievements for 2001-2002 are detailed in the body of this year's report. Outlined below is an overview of the more significant events.

This year has seen a change in the composition of the Commission, with the terms for Ms Lynette Quinlivan, Mr Lloyd Stewart and Mr Keith Shimmon each expiring during 2001-2002. New members, Mr Graham (Ross) O'Dea, Mrs Wendy Silver and Ms Mary McComish were each appointed for terms expiring on 31 December 2002.

During the reporting period, over 3,000 applications were processed for the Gaming Commission. These included applications for casino employee licences, gaming operators' certificates and community gaming permits, which resulted in net revenue of \$13,774,791 being raised by permit holders for community related purposes. In addition, 1305 inspections were undertaken, of which 1222 related to community gaming activities. The remaining 83 were audits of the casino operations.

This year the first appointments were made to the Gaming Community Trust, pursuant to section 109D of the *Gaming Commission Act 1987*. Mr John Schaap, Ms Laura Lewis, Mrs Wendy Silver and Mr Ted Karasek were each appointed by the Minister for Racing and Gaming for one-year terms.

This year also saw the closure of the Kalgoorlie Bush Two-Up. The Bush Two-Up had been conducted under permits issued by the Gaming Commission, since 1992.

The Problem Gambling Support Services Committee, which is established under the auspices of the Gaming Commission, has continued to address issues relating to problem gambling during 2001-02. In this regard, a review was conducted to determine the types of services that people are approaching to obtain assistance for problem gambling. During this year the Problem Gambling Helpline, which is funded by the Committee, received 604 calls, of which, 75 per cent were target group calls. The BreakEven team at Centrecare Marriage and Family Services, which is also funded by the Committee, conducted 610 "face to face" counselling sessions.

The Ministerial Council on Gambling has established a research working party and secretariat to oversee a national five-year research program into problem gambling issues. The Western Australian government has committed up to \$10,000 per annum to the research program.

This year Cabinet considered the recommendations arising from the report of the Western Australian Racing Industry Review Committee and approved the drafting of legislation to amongst other things, amalgamate the Betting Control Board and the Gaming Commission of Western Australia to form the Gaming and Wagering Commission of Western Australia. At present the Gaming Commission and the Betting Control Board consult each other in relation to gaming and betting issues. It is expected that the new governance structure will come into operation on 1 August 2003.

GAMING COMMISSION OF WESTERN AUSTRALIA
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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 our appreciation for their efforts.

I would also like to take this opportunity to thank the retiring and present members of the Commission for their valuable contribution towards promoting and maintaining the integrity of lawful gaming activities throughout Western Australia.

A handwritten signature in black ink, appearing to read 'BA Sargeant', with a stylized flourish at the end.

Barry A. Sargeant
CHAIRMAN

REPORT ON OPERATIONS

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;
- assume responsibility for the administration of gaming activities in Western Australia; and
- 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 enquire 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 (Burswood Island) Agreement Act 1985

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

Casino Control Act 1984

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

Gaming Commission Act 1987

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

Gaming Commission (Continuing Lotteries Levy) Act 2000

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;*
- *Library Board of Western Australia Act 1951;*
- *Public Sector Management Act 1994;*
- *Salaries and Allowances Act 1975;*
- *State Records Act 2000;* and
- *State Supply Commission Act 1991.*

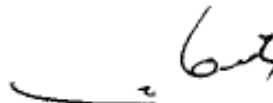
In the financial administration of the Gaming Commission of Western Australia, we have complied with the requirements of the *Financial Administration and Audit Act 1985* and every other relevant written law. We have exercised controls which provide reasonable assurance that the receipt and expenditure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



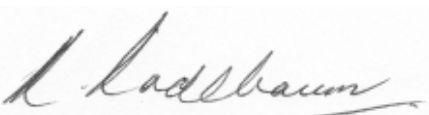
Barry A. Sargeant
CHAIRMAN

5 November 2002



Terry Ng
PRINCIPAL ACCOUNTING OFFICER

5 November 2002



Margaret L. Nadebaum
MEMBER

5 November 2002

Responsible Minister

At 30 June 2002, the Minister for Racing and Gaming was the Hon. Nick Griffiths LLB MLC.

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 expectations on harm minimisation."

Objectives and Desired Outcomes

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;
- 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;
- 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*, grant, revoke or amend approvals, permits and certificates relating to gaming, and the employment of persons in casinos;
- seek, receive disseminate or publish information relevant to gaming and the incidence of gaming and its effect in the community; and
- make prescribed charges and impose prescribed duties and fees.

Outcome

The 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;
- 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, betting, taking into account the requirements and interest of the community as a whole;
- 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;
- 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;
- cause permits and certificates relating to gaming and betting, and licences in relation to casinos, to be issued as appropriate;
- 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;
- 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
- 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 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 re-appointment.

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 (as at 30 June 2002)

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 Margaret L. Nadebaum (Member)

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

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 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.

Mr Graham R. O'Dea (Member)

Mr O'Dea, has extensive marketing experience in the print, radio and television media, is a nominee of the Minister for Racing and Gaming.

Commission Members – Declaration of Interests

At the date of reporting, other than normal contracts of employment of service, no Commission members, 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.

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 2001-2002, 12 meetings were held which consisted of 11 ordinary and one special meeting.

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 Chairperson, which cannot reasonable 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 Director General/Chairman.

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'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

This year the Minister for Racing and Gaming made the first appointments to the Gaming Community Trust, pursuant to section 109D of the *Gaming Commission Act 1987*. The Gaming Community Trust was established in 1998, to give advice and make recommendations to 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 1987*; 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 2002, the balance of the fund was \$661,283.80.

Gaming Community Trust Membership

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 Pty 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.

Trust membership comprises -

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

Problem Gambling Support Services Committee

The Problem Gambling Support Services Committee was formed in 1995 under the auspices of the Gaming Commission of Western Australia. The membership of the Committee comprises-

- Mr Barry Sargeant (Chairman), Director General Department of Racing, Gaming & Liquor
- Mr John Schaap, Managing Director and Chief Executive Officer Burswood International Resort Casino
- Mr Ray Bennett, Chief Executive Officer Western Australian Totalisator Agency Board
- Ms Jan Stewart, Chief Executive Officer Lotteries Commission of Western Australia
- Ms Gail Walker, Executive Officer WA Bookmakers Association
- Ms Vanessa Harvey, Funding Policy Officer, Department for Community Development
- Mr David Ryder, Lecturer, Edith Cowan University.

The Committee manages the Problem Gambling Support Services Fund in association with the Gaming Commission of Western Australia.

The Burswood International Resort Casino, the Totalisator Agency Board of Western Australia, the Lotteries Commission of Western Australia and the Western Australian Bookmakers Association, in conjunction with the Gaming Commission of Western Australia, contribute a voluntary financial amount to the Problem Gambling Support Services Fund.

The 2001-02 budget of the PGSSC was approximately \$230,000, the majority of which was used to fund the support services that are provided by the Committee for those people that are adversely affected by problem gambling.

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The Problem Gambling Support Services Committee continued to address the issues relating to problem gambling in Western Australia during 2001-2002. In this regard, the Committee commissioned a review to determine –

- the services that are currently available for people with gambling problems; and
- the types of services that people are approaching in an attempt to get help, the capacity of those services to provide assistance and the type of assistance provided by those services.

The research found that people who have or are affected by a gambling problem are seeking assistance from a wide variety of agencies and service providers, including the specialist services. It was noted that those people seeking assistance from the non-specialist agencies tend to present for matters other than the gambling problem itself. In this regard the presenting issue may be related to or a consequence of the gambling problem.

The review report acknowledged that the supply of services to people with gambling problems in Western Australia is a complex issue. In this regard it was noted that problem gambling is a multi-dimensional problem. The people that are affected come from various groups of people and are affected to varying degrees, in many cases the problems are localised.

The report notes that people that acknowledge or recognise that a gambling problem exists are more likely to access a specialist service. As indicated above, in many instances the gambling problem is not the presenting issue when people seek assistance from general services.

In examining the barriers that exist which prevent people from culturally and linguistically diverse (CALD) communities from accessing specialist services, it was concluded that it would be preferable for services to be offered through existing agencies within each individual CALD community. It was noted on a number of occasions that people from the CALD community are unlikely to access the mainstream specialist services that are currently available.

The issues identified in relation to rural and remote communities are quite complex. The report indicated that problem gambling amongst Indigenous communities is quite significant and in this regard the mainstream problem gambling services are unlikely to be accessed or be of any assistance. Also of interest was the cause and type of the gambling problems being experienced by Indigenous communities. The predominant forms of gambling appear to be TAB and card schools.

Problem gambling was also identified as a potential issue in mining communities, which presents its own unique difficulties in relation to the provision of support services.

The Committee is currently examining the recommendations of the report and considering a number of initiatives and strategies at both a state and local level for the delivery of future services for people with gambling problems in Western Australia.

This year the Committee also produced a new series of posters and brochures based upon the recent Victorian Government campaign: *“Think of what you’re really gambling with”*. The posters and brochures are on display at the Burswood International Resort Casino and in all TAB agencies and race clubs. The brochures have also been supplied to financial counsellors and will soon be distributed to other emergency relief agencies.

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BreakEven Counselling Service

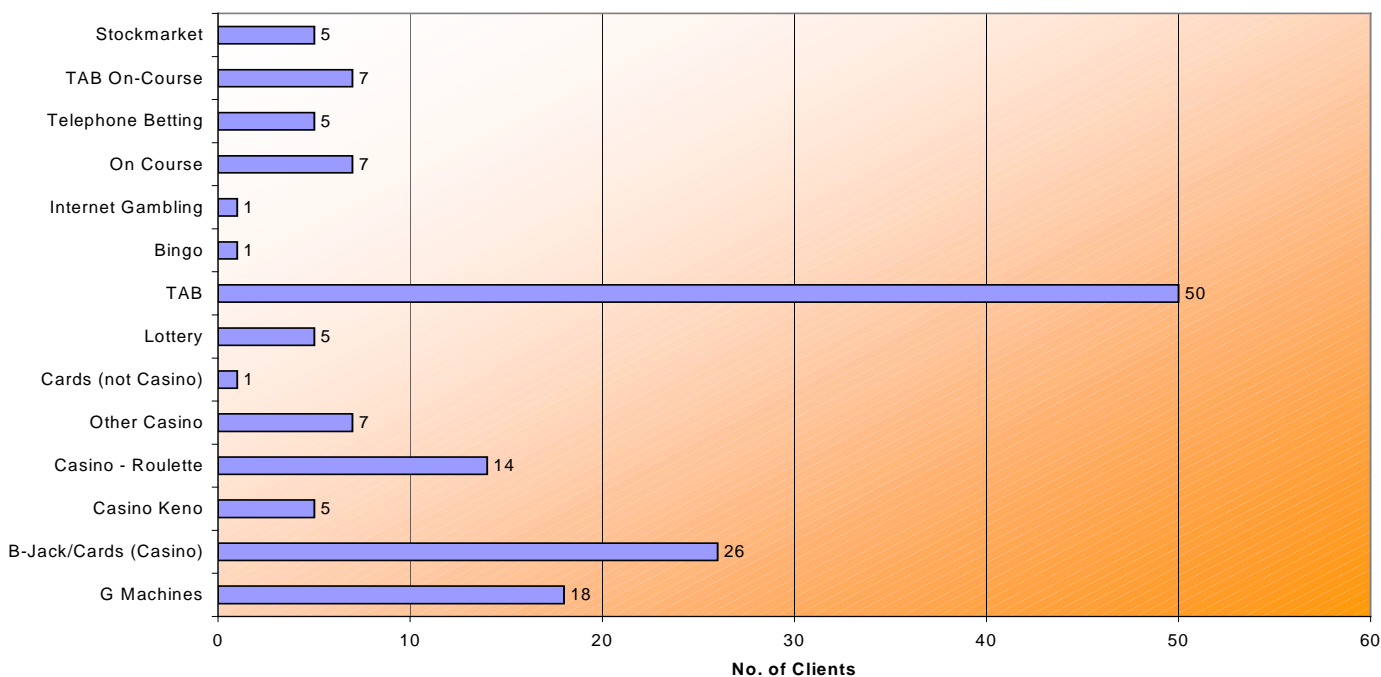
Centrecare Marriage and Family Service continued to provide the BreakEven problem gambling counselling service during 2001-02. The number of booked and actual sessions for the twelve-month period (July 01 to June 02) has increased in comparison to the preceding twelve-month period. In this regard, booked sessions have increased by 50 per cent from 566 to 844 and actual sessions have increased by 63 per cent from 374 to 610. During the reporting year BreakEven Counsellors recorded 250 telephone contacts.

Group counselling sessions were a new initiative implemented this year and were held during March, April and June 2002. Each group session is held for two hours. In March there were two group sessions. In the first session there were two clients and in the second there were three. Four sessions were held in April and each had with three clients. In June, there were four sessions. Four clients attended the first session and five clients attended the remaining three. The group sessions represent seventy-two hours of therapeutic time.

The BreakEven service has continued to improve during the reporting year. This was demonstrated following the implementation of client evaluation surveys at the beginning of the reporting year. The evaluation surveys indicate that the overall satisfaction with the BreakEven Service is high.

Centrecare has reported that almost 60 per cent of the new clients for the period 1 July 2001 to 30 June 2002, were of Australian origin (that is 57 out of 99). In respect of the “presenting problem” for new clients, the TAB was identified on 50 occasions, the “Casino – Blackjack/Cards” on 26 occasions, the “Casino - Gaming Machines” on 18 occasions and the “Casino – Roulette” was on 14 occasions. On-Course (including TAB-on-course) was identified on 14 occasions, Lottery was identified on 3 and Internet gambling was reported once.

Presenting Problem - July 2001 to June 2002



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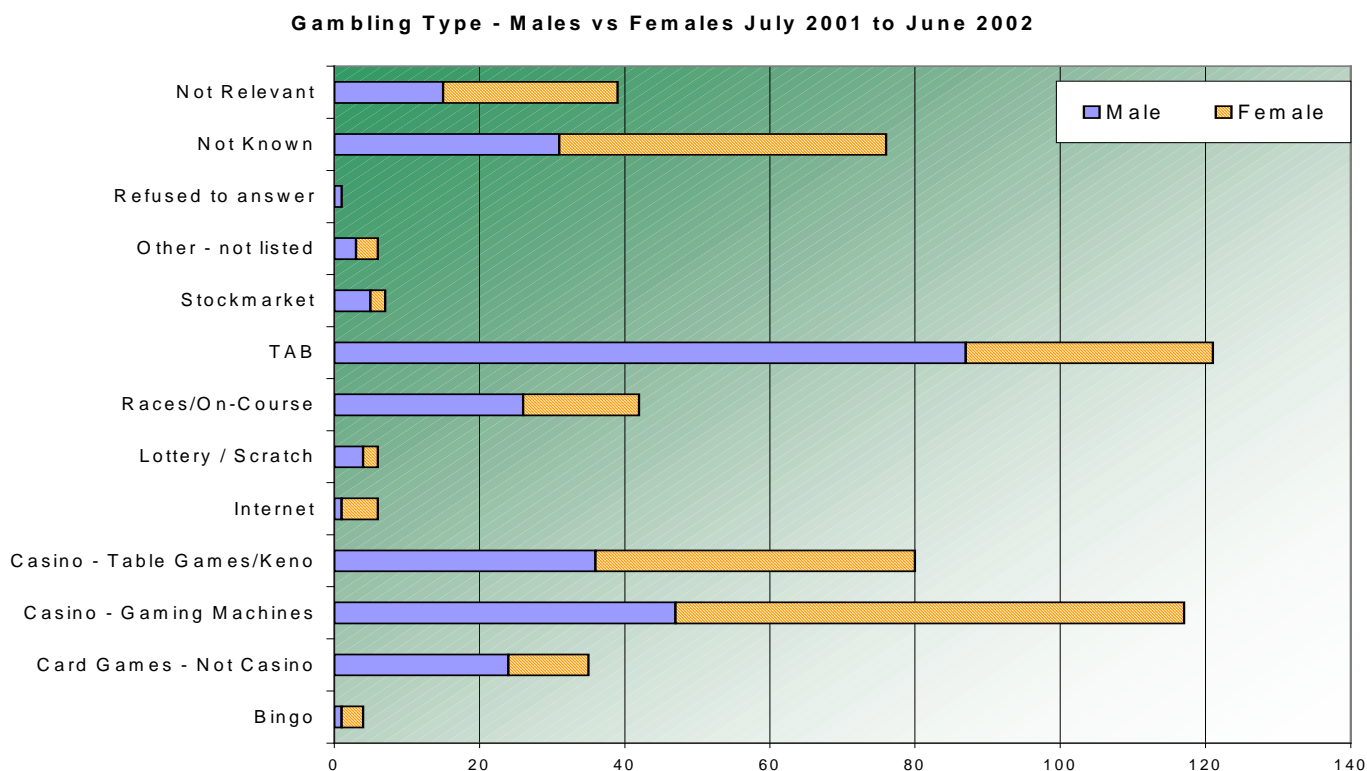
Problem Gambling Helpline

McKesson Asia Pacific Pty Ltd was selected to operate the Problem Gambling Helpline on 2 July 2001. This followed McKesson's appointment on an interim basis from March 2001, after the Addiction Research Institute was unable to continue supplying the service. The Committee has been pleased with the performance and level of service provided by McKesson during the year and in this regard has agreed to exercise the first option to renew the contract with McKesson for a further 12 months.

During 2001-2002, the Problem Gambling Helpline received 604 calls, of which 75 per cent were considered to be genuine problem gambling or target group calls. The majority of the target group callers to the helpline were first time callers and were also the gambler themselves. Whilst the majority of callers were born in Australia, the helpline also received a number of calls from people born in England, Scotland, Greece, Malaysia and New Zealand.

The "TAB" and "Casino - Gaming Machines" were the most reported *gambling type*, with each being reported on 121 and 117 occasions respectively. "Casino – Table Games and Keno" was reported on 80 occasions. "Races/On-course" was identified as the gambling type on 42 occasions.

The reported gambling type by gender is demonstrated in the graph below.



The Committee will continue to support the service programs and participate in national policy and program development, to ensure that Western Australia maintains appropriate services for those affected by problem gambling in Western Australia.

During the coming year, the Committee will consider the recommendations arising from the review of problem gambling services and consider initiatives for the delivery of future services for people with gambling problems in Western Australia.

SIGNIFICANT EVENTS AND ISSUES

Interactive Gambling Act 2001 (Cth)

The Federal Government's *Interactive Gambling Act 2001 (Cth)* received Royal Assent on 11 July 2001. The Act places restrictions on interactive gambling and prohibits the provision of interactive gambling to people located in Australia. The prohibition applies to casino-type gaming, betting on a sporting event after it has commenced, and scratch lotteries where these services are offered on a commercial basis over the Internet or through on-line delivery systems such as interactive television and advanced mobile phone technologies.

Interactive wagering on horse and greyhound racing, and on sporting events, which take place before they have commenced, are excluded from the effect of the Act. Non-instant lotteries and similar activities are also excluded from the scope of the interactive gambling ban.

The Act bans the advertising of prohibited interactive gambling services on broadcast media, print media and billboards. Advertising on Internet services aimed at an Australian audience is also banned.

Closure of Kalgoorlie Bush Two-Up

In July 2001, the Bush Two-Up, which had been conducted under permits issued by the Gaming Commission since 1992, closed due to a lack of patronage.

In August 2001, the Gaming Commission approved the relocation of the Bush Two-Up to premises in Kalgoorlie at a site where the ambience and character of Bush Two-Up can be replicated.

To date the Gaming Commission has not received a submission for relocation of the Bush Two-Up.

Prosecution of the Burswood International Resort Casino

The Gaming Commission prosecuted the casino licensee, Burswood Nominees Pty Ltd, for failure to ensure a juvenile was not permitted to enter the casino.

The Magistrate imposed a fine of \$500 on the casino licensee with costs of \$2,365.

The Magistrate based the fine on the penalty provided under section 27(1) of the *Casino Control Act 1984*, which is \$5,000. The Gaming Commission appealed the sentence on the grounds that section 27(1) of the *Casino Control Act 1984* does not expressly provide for a penalty for a corporate body and, therefore, the provisions of section 40(5) of the *Sentencing Act 1995* applied in that the maximum penalty for a corporate body for an offence under section 27(1) of the *Casino Control Act 1984* is \$25,000.

The appeal was upheld and the matter referred back to the Court of Petty Sessions to be dealt with in accordance with the instructions of the appeal court. As a consequence, the fine imposed on the casino licensee was increased to \$1,500.

Redefinition of the Area of the Gaming Licence of the Burswood International Resort Casino

The area of the gaming licence was redefined following the refurbishment of the Burswood International Resort Casino to include –

- The establishment of one keno outstation in the food emporium and two keno outstations in the Champions bar.
- The relocation of the hard count room.

Increase in the Number of Gaming Machines and Gaming Tables

The Gaming Commission approved an additional 123 gaming machines and 16 gaming tables for use in the casino, as part of the casino expansion and refurbishment program. The approval resulted in a reconfiguration of the gaming area to accommodate a maximum of 135 gaming tables and 1300 gaming machines (plus 20 player stations attached to two gaming machines, i.e., Sega Horse Racing machine and the Video Roulette machine).

The Commission, in approving the additional gaming machines and gaming tables, considered an impact assessment of the potential economic and social impacts on Western Australia arising from the expansion and refurbishment of the casino.

Use of Skill Tester Machines in Shopping Centres

The Gaming Commission approved the use of skill tester machines in supermarkets where the prize is a voucher that can be exchanged for goods, other than alcohol or tobacco products. The Gaming Commission also re-affirmed its policy of not permitting skill tester machines into premises that are licensed to sell or supply alcohol.

Trade Promotion Lotteries – Chase the Ace

In a submission to the Gaming Commission, the Director of Liquor Licensing expressed concern that the conduct of the “Chase the Ace” trade promotion lotteries attracted people to licensed premises and encouraged them to drink excessively in order to increase their chances of winning when the prize reached a substantial amount. The Director considered this to be contrary to one of the primary objectives of the *Liquor Licensing Act 1988*, which is–

To minimise harm or ill health caused to people, or any group of people, due to the use of liquor.

The Gaming Commission endorsed the efforts of the Director of Liquor Licensing to address the potential problems associated with “Chase the Ace” trade promotion lotteries as part of the Director’s policy to encourage the responsible promotion and service of liquor in licensed premises.

Children Playing Machines at Amusement Parlours

The Gaming Commission established in association with the amusement parlour industry, a code of conduct to address concerns about unaccompanied children spending large amounts of money at such premises.

Casino Games Information

In association with the Burswood International Resort Casino, player information pamphlets for gaming machines and table games have been developed and distributed within the casino. In addition, harm minimisation brochures have been posted in the casino

encouraging patrons to “bet with their head” and providing contact details of problem gambling counselling services.

Updates to the Department’s Gaming Suite of Computer Applications

On behalf of the Gaming Commission, officers of the Department of Racing, Gaming and Liquor have continued development of all (community) gaming modules. During the year under review, a number of modules became operational, specifically those associated with the processing of applications and generation of permits or certificates relating to standard lotteries, calcuttas, continuing lotteries, suppliers of gaming equipment, gaming operators and video lottery terminals.

Modules relating to bingo, two-up and gaming functions are currently under development and are scheduled to be implemented in the first half of the 2002-2003 financial year.

The new system provides for an improved user interface and a quicker and more efficient customer service.

Participation in Ministerial Council on Gambling

Mr Barry Sargeant, Chairman of the Gaming Commission, accompanied the Hon. Nick Griffiths LLB MLC, Minister for Racing and Gaming to the September 2001 Ministerial Council on Gambling. At this meeting, the Ministerial Council on Gambling agreed to the establishment of a secretariat in Victoria, to support the five-year national research program into issues relating to problem gambling. It was also agreed that each State would contribute funding to the research program. In this regard, the Western Australian government has made a commitment to contribute \$10,000 per annum.

Mr Sargeant also attended the August 2001 Ministerial Council on Gambling Officers’ Meeting.

The Ministerial Council on Gambling Research Working Party met on a number of occasions during the year. Mr Sargeant attended the meetings or participated by teleconference.

Regulators Responsible Gambling Working Party

Representatives of the Gaming Commission attended three meetings of the Regulators’ Responsible Gambling Working Party during 2001-02. The purpose of the Regulators’ Responsible Gambling Working Party is to provide advice on responsible gambling issues for consideration by the Casino and Gaming CEO’s Forum.

Working Party on National Standards for Electronic Gaming Machines

Mr Chris Rowles, a Senior Regulatory Officer represented the Gaming Commission at three meetings of the Working Party on National Standards for Electronic Gaming Machines. The working party is responsible for the development and maintenance of uniform manufacturing standards for electronic gaming machines in Australia and New Zealand. It is also responsible for the accreditation of the independent testing laboratories, which verify that new machines comply with the standard.

Conferences Attended

The Manager Inspections attended the 16th Annual Casino Security Surveillance and Governmental Agencies Conference held in Cairns in September 2001, which provided an opportunity for the exchange of ideas with operational officers from other jurisdictions. The

conference involved workshops, which included discussion on money laundering controls, measures to identify cheats, barring of persons and risk management.

The Executive Officer to the Problem Gambling Support Services Committee attended the 10th Annual National Association of Gambling Studies Conference that was held in Sydney in November 2001.

The Chairman, Mr Barry Sargeant attended the Casino/Gaming CEO's Forum held in Melbourne in March 2002.

CHANGES IN WRITTEN LAW

Casino Control Amendment Regulations 2001

These amendment regulations increased the prescribed fee for a review of a direction prohibiting a person from entering and remaining on the licensed casino floor.

Gaming Commission Amendment Regulations 2001

These amendment regulations increased the Gaming Commission's prescribed fees and charges.

Gaming Commission Amendment Regulations (No. 2) 2001

These amendment regulations included premises that are licensed to conduct bingo as prescribed premises for the purposes of selling continuing lottery tickets from vending machines.

Gaming Commission Amendment Regulation 2002

These amendment regulations increased the aggregate prize value for the conduct of football tipping competitions from \$7,500 to \$10,000 and removed the restriction set on the weekly and grand final prizes as prescribed by regulation 40A.

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.

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.

MAJOR INITIATIVES FOR 2002-2003

- Following the proclamation of the *State Records Act 2000*, an Electronic Document Management System has been tested as a suitable system to assist in the control of standard lottery and other gaming permits that are currently managed on TRIM, the Department’s record management system. It is anticipated the Electronic Document Management System will assist in reducing storage costs, improve security, alleviate access problems and promote accountability of these types of applications/records.
- The development and implementation of an audit and inspection database to provide an electronic management system to assist in the management of inspections and audits of community gaming activities and casino operations. The system will provide the ability to generate reports as to when a premises was last inspected or audited, the findings, and to track follow-up action. In addition, the system will indicate when a particular activity is to be audited or inspected, which will assist in planning and scheduling of such tasks.
- Transfer of responsibility for outstanding casino and gaming infringements from the Department to the Fines Enforcement Registry. This initiative was originally planned for the 2001-2002 financial year, however due to technical difficulties in obtaining reports from the database, the project is now scheduled for completion in the 2002-2003 financial year.

FUNCTIONS OF THE GAMING COMMISSION

It is the Gaming Commission’s responsibility to —

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

In carrying out its responsibility, the Gaming Commission performs a licensing and permit function 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 2001-2002 to the:

- Kalgoorlie-Boulder Racing Club for the conduct of the Two-Up (World Championship) from Saturday 25 August 2001, to Thursday 13 September 2001; and
- Returned Services League of Australia sub branches for the conduct of Two-Up on Anzac Day 2002.

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 2001-2002 was 516, compared with 626 during 2000-2001. In line with the decline in permits issued, the Video Lottery Terminal turnover for 2001-2002 was \$9.8* million, compared to \$11.9 million for the previous year.

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Total Number of Community Gaming Permits Issued

<i>Type of Community Gaming Permit</i>	TOTAL NUMBER, GROSS AND NET \$ FOR PERMITS BY YEAR					
	No. of Permits		Total Gross \$		Total Net \$	
	2001-2002	2000-2001	2001-2002	2000-2001	2001-2002	2000-2001
Bingo	291	307	7,580,226	8,099,554	943,999	992,262
Continuing Lottery	405	471	11,300,709	<i>11,221,045</i>	2,452,902	<i>2,450,941</i>
Gaming	518	620	719,007	1,035,792.	230,814	341,847
Standard Lottery	1,425	<i>1,457</i>	20,430,410	<i>21,174,691</i>	8,955,231	<i>11,349,520</i>
Calcutta	40	38	164,670	200,289	42,519	29,089
Two Up <i>(after race/community)</i>	296	288	143,779	152,995	98,431	105,567
Two Up <i>(Kalgoorlie Bush)</i>	0	2	0	79,186	0	22,486
Video Lottery Terminals	516	626	9,790,089*	11,880,149	1,058,129*	1,265,789
TOTAL	3,491	3,804	40,338,801	53,843,701	12,723,896	16,557,501

Table 1: Community Gaming statistics at 30 June 2002 (and comparative numbers for the previous year).

*Please note that following the move to quarterly returns for video lottery terminals this figure does not include figures for the last quarter of the 2001-2002 financial year.

Following implementation of new modules of the Gaming Application System, 'italicised' figures represent amended totals from those printed in last year's annual report. The amended figures are those derived from the new system.

Revenue Raised by Permit Type and Year

	2001-2002	2000-2001	1999-2000	1998-1999
Bingo	\$79,807	\$86,025	\$87,089	\$98,029
Continuing Lottery	\$9,630	\$9,475*	\$39,615	\$41,065
Continuing Lottery Levy	\$104,741	\$85,479	n/a	n/a
Gaming	\$73,340	\$86,500	\$104,080	\$95,720
Standard Lottery	\$51,835	\$38,970	\$51,690	\$50,335
Calcutta's	\$3,035	\$2,530	\$2,750	\$1,390
Two Up <i>(after race community)</i>	\$33,395	\$34,850	\$34,180	\$43,600
Two Up <i>(Kalgoorlie bush)</i>	0	\$23,000	\$23,000	\$25,000
Operator Certificate	\$4,495	\$6,900	\$6,700	\$6,200
Suppliers Certificate	\$1,805	\$1,550	\$1,250	\$1,650
Video Lottery Terminals	\$128,613	\$131,383	\$141,070	\$140,703
Approved Premises	\$5,725	\$5,930	\$6,660	\$6,170

Table 2: Community gaming revenue by game type as at 30 June 2002 (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

The conduct of regulatory review programs by inspectors which includes target inspections and audits of community gaming activities and casino gaming operations assists the Gaming Commission in maintaining the integrity of gaming, and the promotion of public confidence in the gaming industry.

Inspectors also conduct investigations into illegal gaming activities including the detection and seizure of prohibited gaming machines.

Community Gaming

In 2001-2002, inspectors undertook 461 inspections of various gaming activities conducted, or purporting to be conducted under the authority of a permit. The activities included bingo, two-up, continuing lotteries, video lottery terminals, card and dice games and the drawing of standard lotteries. Inspectors issued 27 infringement notices in relation to breaches of permit conditions, and eight in respect to the conduct of gaming without a valid permit. Inspectors also issued a total of 57 cautions in relation to minor breaches, which did not warrant prosecution.

During the year, inspectors also conducted audits of 761 financial statements associated with gaming activities to verify the declared gross income and expenses and to assess that the net funds raised were used for the purpose stated in the application for permit. 12 per cent of the audits were conducted as desk audits.

One organisation was required to show cause to the Gaming Commission as to why disciplinary action should not be taken in regard to discrepancies in funds raised through the conduct of bingo and continuing lotteries.

Three persons were successfully prosecuted for possession of unlawful gaming machines following the investigation of complaints.

Casino Gaming Operations

During 2001-2002, a review of the 12-hour shift, four days on four days off roster for inspectors was completed. The review took into consideration:

- inspectors' safety after having worked a 12 hour nightshift;
- the removal over the years of inspectors from casino operational procedures based on a risk analysis of the activities that are considered to be the primary role of the casino operator;
- the new Public Sector General Agreement core terms and conditions such as the number of hours that an inspector may be required to work in a year, could not be negotiated;
- the broadening role of the inspectorate; and
- the number of inspectors.

A new roster was negotiated with inspectors based on a 10-hour shift and implemented on 1 April 2002. As a result, a 24-hour presence of Government Inspectors is no longer maintained at the casino. Inspectors are not on duty at the casino between the following hours:

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

If there is an incident that requires the presence of a Government Inspector during hours when a government representative is not present at the casino, arrangements have been put in place for officers of the Department (other than inspectors) to be contacted to attend the casino, or advise staff of the casino licensee of what course of action, if any, to take. Since implementing the new rosters there have been no incidents that have necessitated contact with a nominated officer.

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Two telephones have been installed in the casino to enable patrons to contact officers of the Gaming Commission at the Department of Racing, Gaming and Liquor. The telephones operate on a direct dial mechanism with a message bank for calls made outside normal business hours.

A total of 83 audits of casino operations were conducted during the year. The audits ranged from game reviews, revenue collection, surveillance and security operations cage and chip bank functions, junket operations, equipment checks and verification of 90 per cent return to the player in respect of gaming machines.

Two violation reports were issued against the casino operator during the year for breaches of internal control procedures, which resulted in the Gaming Commission conducting a show cause hearing, and issuing letters of censure against the licensed casino staff involved.

During the year, inspectors issued 62 infringement notices in instances where persons re-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 to those offences, inspectors issued seven infringement notices to persons detected cheating, three to juveniles found in the casino and five to persons producing false identification to gain entry to the casino.

The Police issued nine infringement notices of which six were to persons who entered the casino whilst barred, one to a juvenile found in the casino, and two to persons for producing false identification.

Patrons lodged eight written complaints relating to the conduct of gaming in the casino. The complaints ranged from blurred printing on Keno tickets, alleged breaches of game rules and payment disputes. Investigations by inspectors resolved two complaints in favour of the patrons.

Approval of New Video Games or Rule Changes

During the year, the Gaming Commission approved the introduction of seven new versions of Video Draw Poker for play at the Burswood International Resort Casino. The Commission also approved rule amendments to Video Keno for alternative pay tables.

In addition, minor amendments to the authorised rules of most games were approved to facilitate the reduced presence of Government Inspectors at the casino. These amendments involved removing the need for the casino operator to inform inspectors when a gaming table is to be closed, and reflecting the patron complaint procedure as expressed in the Directions issued by the Gaming Commission to the casino licensee pursuant to section 24 of the *Casino Control Act 1984*.

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Casino Gaming Revenue

Casino gaming revenue of \$291,659,919 was generated by the casino during 2001-2002 compared to \$281,178,111 in 2000-2001. The chart below displays the breakdown of revenue by game type.

NAME OF CASINO GAME	YEAR	
	2001-2002	2000-2001
	\$	\$
Keno	4,037,254	4,740,396
Video Machines	95,873,408	95,429,839
Other Games	14,438,463	24,731,217
American Roulette	37,464,050	42,465,251
Baccarat & Mini Baccarat	97,418,597	74,212,865
Blackjack	36,756,129	34,365,881
Caribbean Stud Poker	5,672,018	5,232,882
Total	291,659,919	281,178,331

Table 3: Casino revenue by game type as at 30 June 2002 (and comparative figures for the previous year).

Casino Tax

Casino tax of \$43,748,988 was collected in respect of 2001-2002, compared to \$42,159,682 in 2000-2001. The following table provides a comparison of casino gaming revenue and casino tax since the casino opened in 1985.

FINANCIAL YEAR	TAX PAYABLE	GROSS CASINO REVENUE
	\$	\$
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

Table 4: Comparison of casino revenue and tax.

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Casino Attendance Figures

The table below shows the number of persons that attended the casino in the year under review.

		ATTENDANCE FIGURES PER YEAR			
MONTH		2001-2002	2000-2001	1999-2000	1998-1999
	July	385,704	394,989	408,734	407,513
	August	386,203	387,848	382,598	409,179
	September	361,830	389,059	380,842	371,251
	October	371,593	372,472	400,410	397,321
	November	345,933	358,816	375,658	374,188
	December	413,844	423,030	420,431	439,306
	January	402,053	388,380	407,104	413,600
	February	362,272	324,560	366,495	354,377
	March	390,151	413,248	425,924	391,913
	April	383,586	367,592	416,529	399,469
	May	385,067	373,186	378,197	417,096
	June	363,070	396,611	404,305	389,376
	Total	4,551,306	4,589,791	4,767,227	4,764,589

Table 5: Casino attendance figures per month for the year under review (and comparative figures for previous years).

Community Gaming Regulatory Function

TYPE OF GAMING REGULATORY FUNCTION	YEAR			
	2001-2002	2000-2001	1999-2000	1998-1999
Inspections	461	427	654	791
Audits	761	1,114	1,994	2,102
Cautions Issued	57	15	36	36
Infringement Notices issued	35	39	173	105
Prosecutions initiated	3	2	15	3
Permits revoked	0	0	0	4
Lotteries Commission Audits	991	761	666	376

Table 6 Summary of gaming regulatory functions as at 30 June 2002 (and comparative figures for previous years).

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Barring Notices Issued

		BARRINGS 2001-2002
MONTH	July 2001	29
	August	41
	September	37
	October	22
	November	22
	December	29
	January 2002	30
	February	29
	March	36
	April	30
	May	35
	June	35
	Total Number of Barring Notices Issued:	

Table 7: Summary of Directions issued under section 26(2) of the Casino Control Act (Barring Notices).

Infringement Notices

		NUMBER OF OFFENCES
DESCRIPTION OF OFFENCE	Re-entering the casino whilst barred	62
	Enter casino as juvenile	3
	Produce false ID	5
	Breach of permit conditions	27
	Attempted cheating or cheating	7
	Gaming in unauthorised manner	8
	Total number of offences	112

Table 8: Summary of infringement notices issued during 2001-2002 under the Casino Control and Gaming Commission Acts.

Disciplinary Action

		NUMBER
CASINO GAMING	DISCIPLINARY ISSUE Violations Issued to the Casino Licensee	2
	Casino Employee Licences – - Letters of Censure	11

Table 9: Summary of disciplinary action taken by the Gaming Commission during 2001-2002.

REPORT ON EQUITY, ACCESS AND CUSTOMER FOCUS

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 1907*

During the reporting year, the Gaming Commission of Western Australia incurred expenditure totalling \$2,123.25. The full amount of expenditure was incurred from the State Law Publishers and relates to meeting statutory requirements.

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:

- 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.

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- (**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 —

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- 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 2002

	Note	2001/02 \$	2000/01 \$
COST OF SERVICES			
Expenses from ordinary activities			
Board members expenses	13	32,914	35,000
Superannuation	1 (e), 13	2,633	2,800
Bad debt expenses	15 (a), 24	5,000	3,550
Services and contract fees	1 (b), 15 (a, b)	2,513,404	2,782,161
Total cost of services		2,553,951	2,823,511
Revenues from ordinary activities			
<i>Revenue from operating activities</i>			
Fees and charges	1 (g), 2, 15 (a, b)	2,641,097	2,661,657
<i>Revenue from non-operating activities</i>			
Interest revenue	15 (a, b)	39,758	50,949
Total revenues from ordinary activities		2,680,855	2,712,606
NET COST OF SERVICES	12 (b)	(126,904)	110,905
CHANGE IN NET ASSETS		126,904	(110,905)
TOTAL CHANGES IN EQUITY OTHER THAN THOSE RESULTING FROM TRANSACTIONS WITH WA STATE GOVERNMENT AS OWNERS			
		126,904	(110,905)

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 2002

	Note	2001/02 \$	2000/01 \$
Current Assets			
Cash assets	3, 17 (a)	982,388	882,825
Restricted cash assets	4, 17 (a)	1,205,089	905,033
Receivables	5, 17 (a)	77,125	104,095
Total Current Assets		2,264,602	1,891,953
Total Assets		2,264,602	1,891,953
Current Liabilities			
Payables	6, 17 (a)	199,074	252,685
Fees in trust - Security Deposits	7, 17 (a)	500,018	354,968
Fees in trust - Problem Gambling Support Services Fund	8, 17 (a)	43,787	51,307
Fees in trust - Gaming Community Trust Fund	9, 17 (a)	661,284	498,758
Employee entitlements	10	0	700
Total Current Liabilities		1,404,163	1,158,418
Total Liabilities		1,404,163	1,158,418
NET ASSETS		860,439	733,535
Equity			
Accumulated surplus	11	860,439	733,535
TOTAL EQUITY		860,439	733,535

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 2002

	Note	2001/02 \$ Inflows (Outflows)	2000/01 \$ Inflows (Outflows)
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Board members expenses		(36,248)	(37,100)
Supplies and services		(2,562,095)	(2,757,697)
GST payments on purchases		(18,771)	(13,137)
GST payments to taxation authority		(6,377)	(20,048)
Receipts			
Fees and charges		2,653,769	2,592,088
Interest received		39,563	51,820
GST receipts on sales		29,722	27,240
Net cash provided by/(used in) operating activities	12 (b)	99,563	(156,834)
CASH FLOWS FROM INVESTING ACTIVITIES			
Receipts from fees in trust		300,056	159,646
Net cash provided by/(used in) investing activities		300,056	159,646
Net increase in cash held		399,619	2,812
Cash assets at the beginning of the financial year		1,787,858	1,785,046
CASH ASSETS AT THE END OF THE FINANCIAL YEAR	12 (a)	2,187,477	1,787,858

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

- (v) 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.

Payables, including accruals not yet billed, are recognised when the Commission becomes obliged to make future payments as a result of a purchase of goods or services. Payables are generally settled within 30 days.

(e) Employee entitlements

(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 51(e) of AAS 30 (being the employer's share of the difference between employees' accrued superannuation benefits and the attributable net market value of plan assets) has not been provided. State scheme deficiencies are recognised by the State in its whole of government reporting. The 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

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

	2001/02	2000/01
	\$	\$
2. FEES AND CHARGES		
Casino licence fees	1,949,147	1,887,434
Community gaming	491,390	552,093
Gaming infringements	12,332	13,200
Recoups for services provided	170,997	179,499
Other revenues	<u>17,231</u>	<u>29,431</u>
	<u><u>2,641,097</u></u>	<u><u>2,661,657</u></u>
3. CASH ASSETS		
Interest bearing account at the Commonwealth Bank of Australia	<u>982,388</u>	<u>882,825</u>
4. RESTRICTED CASH ASSETS		
Security Deposits	500,018	354,968
Problem Gambling Support Services Fund	43,787	51,307
Gaming Community Trust Fund	<u>661,284</u>	<u>498,758</u>
	<u><u>1,205,089</u></u>	<u><u>905,033</u></u>
5. RECEIVABLES		
Receivables for goods and services supplied	76,157	98,885
GST receivable	<u>968</u>	<u>5,210</u>
	<u><u>77,125</u></u>	<u><u>104,095</u></u>

The Commission does not have any significant exposure to any individual customer or counterparty.

The Commission considers the carrying amounts of the receivables approximate their net fair values.

	2001/02 \$	2000/01 \$
6. PAYABLES		
Amounts payable for goods and services received	<u>199,074</u>	<u>252,685</u>
The Commission considers the carrying amounts of the payables approximate their net fair values.		
7. FEES IN TRUST - SECURITY DEPOSITS		
Fees in trust - Security Deposits	<u>500,018</u>	<u>354,968</u>
The balance of Fees in trust - Security Deposits shown in the Statement of Financial Position represents security deposits received from organisations conducting lotteries/raffles as a guarantee of the distribution of prizes.		
The carrying amount of fees in trust approximates their net fair values.		
8. FEES IN TRUST - PROBLEM GAMBLING SUPPORT SERVICES FUND		
Fees in trust - Problem Gambling Support Services Fund	<u>43,787</u>	<u>51,307</u>
The balance of Fees in trust - Problem Gambling Support Services Fund.		
The carrying amount of this item approximates its net fair value.		
9. FEES IN TRUST - GAMING COMMUNITY TRUST FUND		
Fees in trust - Gaming Community Trust Fund	<u>661,284</u>	<u>498,758</u>
The balance of Fees in trust - Gaming Community Trust Fund represents winnings from gaming activities that have remained unclaimed for more than 14 months. The funds are 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. Appointments to the Trust were made during the year and no funds have been disbursed as at 30 June 2002.		
The carrying amount of Fees in trust approximates their net fair value.		

	2001/02 \$	2000/01 \$
10. EMPLOYEE ENTITLEMENTS		
Liability for superannuation	<u>0</u>	<u>700</u>
11. EQUITY		
Accumulated surplus		
Opening balance	733,535	844,440
Change in net assets resulting from operations	<u>126,904</u>	<u>(110,905)</u>
Closing balance	<u>860,439</u>	<u>733,535</u>
12. NOTES TO THE STATEMENT OF CASH FLOWS		
(a) Reconciliation of cash		
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	982,388	882,825
Restricted cash assets (refer to Note 4)	<u>1,205,089</u>	<u>905,033</u>
	<u>2,187,477</u>	<u>1,787,858</u>
(b) Reconciliation of net cost of services to net cash flows provided by/(used in) operating activities		
Net cost of services	126,904	(110,905)
(Increase)/decrease in assets:		
Receivables	22,728	(89,834)
Increase/(decrease) in liabilities:		
Payables	(53,611)	47,944
Employee entitlements	(700)	700
Net GST receipts/(payments)	4,574	(5,945)
Change in GST in receivables/payables	<u>(332)</u>	<u>1,206</u>
Net cash provided by/(used in) operating activities	<u>99,563</u>	<u>(156,834)</u>

	2001/02	2000/01
13. 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:		
	No.	No.
\$0 - \$10,000	<u>7</u>	<u>4</u>
	2001/02	2000/01
	\$	\$
The total remuneration of the members of the Accountable Authority is (the Chairman does not receive remuneration):	<u>35,704</u>	<u>37,800</u>
The superannuation included here represents the superannuation expense incurred by the Authority in respect of members of the Accountable Authority.		
No members of the Accountable Authority are members of the Pension Scheme.		
14. 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.		
15. EXPLANATORY STATEMENT		
(a) Comparison of actual results with those of the preceding year		
Details and reasons for significant variations between actual income and expenditure and the corresponding item for the preceding year are detailed below. Significant variations are considered to be those greater than 10% or \$20,000.		
<i>Bad debt expenses</i>	5,000	3,550
The increase of \$1,450 was attributable to more Gaming Infringements being referred to the Fines Enforcement Registry for recovery action.		
<i>Services and contract fees</i>	2,513,404	2,782,161
The decrease of \$268,757 was primarily due to a lower recoupment rate of charge from the Department of Racing, Gaming and Liquor.		
<i>Fees and charges</i>	2,641,097	2,661,657
The decrease of \$20,560 was largely attributable to a decrease in receipts from Video Lottery Terminal.		

	2001/02	2000/01
	\$	\$
<i>Interest revenue</i>	39,758	50,949
The decrease of \$11,191 was mainly attributable to lower interest rates throughout the year.		

(b) Comparison of estimates and actual results

Section 42 of the Financial Administration and Audit Act requires statutory authorities to prepare annual budget estimates. Treasurer's Instruction 945 requires an explanation of significant variations between these estimates and actual results. Significant variations are considered to be those greater than 10% of budget or \$20,000.

	Estimates	Actual	Variance
	\$	\$	\$
<i>Services and contract fees</i>			
The savings were mainly due to a lower recoupment rate from the Department of Racing, Gaming and Liquor.	2,796,000	2,513,404	(282,596)
<i>Fees and charges</i>			
The shortfall in income arose because turnover from community gaming activities fell short of expectations.	2,800,000	2,641,097	(158,903)
<i>Interest revenue</i>			
The shortfall in interest arose because of lower interest rates.	51,000	39,758	(11,242)

2001/02	2000/01
\$	\$

16. 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	<u>5,000</u>	<u>4,500</u>

17. 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 2002	Total 30 June 2001
		\$	\$	\$	\$
30 June 2002					
i) Financial assets					
Cash assets	4.885%	982,388		982,388	882,825
Restricted cash assets	4.885%	1,205,089		1,205,089	905,033
Receivables			77,125	77,125	104,095
Total financial assets		2,187,477	77,125	2,264,602	1,891,953
ii) Financial liabilities					
Payables			199,074	199,074	252,685
Fees in trust -Security Deposits			500,018	500,018	354,968
Fees in trust - Problem Gambling Support Services Fund			43,787	43,787	51,307
Fees in trust - Gaming Community Trust Fund			661,284	661,284	498,758
Total financial liabilities			1,404,163	1,404,163	1,157,718

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.

c) **Net fair values**

The net fair value of a financial asset or a financial liability is the amount at which the asset could be exchanged, or liability settled, in a current transaction between willing parties after allowing for transaction costs. The carrying amounts and estimated net fair values of financial assets and financial liabilities held at balance date are shown below.

	Total carrying amount as per Statement of Financial Position 30 June 2002	Aggregate net fair value 30 June 2002
	\$	\$
Financial assets		
Cash assets	982,388	982,388
Restricted cash assets	1,205,089	1,205,089
Receivables	77,125	77,125
Total financial assets	2,264,602	2,264,602
Financial liabilities		
Payables	199,074	199,074
Fees in trust - Security Deposits	500,018	500,018
Fees in trust - Problem Gambling Support Services Fund	43,787	43,787
Fees in trust - Gaming Community Trust Fund	661,284	661,284
Total financial liabilities	1,404,163	1,404,163

	2001/02 \$	2000/01 \$
18. ADMINISTERED TRANSACTIONS		
Administered revenue		
(a) Video Lottery Terminals	<u>235,669</u>	<u>295,612</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) Continuing Lottery Levy	<u>236,027</u>	<u>136,451</u>
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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.

19. OTHER COMMITMENTS

The Commission has subrogated commitments in respect of leasing arrangements made by the State Supply Commission for motor vehicles as follows:

Operating lease rental commitments payable:

Within 1 year	1,161	4,646
Later than 1 year and not later than 5 years	0	1,161
Later than 5 years	<u>0</u>	<u>0</u>
	<u>1,161</u>	<u>5,807</u>

As at 30 June 2002 the Commission did not have any other material capital or expenditure commitments.

20. CONTINGENT LIABILITIES

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

21. EVENTS OCCURRING AFTER REPORTING DATE

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

22. 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.

23. 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.

24. 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):

	2001/02	2000/01
	\$	\$
Uncollectable gaming infringement debts written off by the Accountable Authority.	<u>5,000</u>	<u>3,550</u>

FINANCIAL STATEMENTS

STATEMENT OF CERTIFICATION

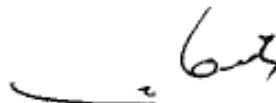
The accompanying financial statements of the Gaming Commission of Western Australia have been prepared in compliance with the provisions of the *Financial Administration and Audit Act 1985* from proper accounts and records to present fairly the financial transactions for the financial year ending 30 June 2002 and the financial position as at 30 June 2002.

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.



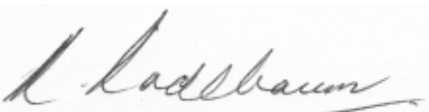
Barry A. Sargeant
CHAIRMAN

20 August 2002



Terry Ng
PRINCIPAL ACCOUNTING OFFICER

20 August 2002



Margaret L. Nadebaum
MEMBER

20 August 2002

GAMING COMMISSION OF WESTERN AUSTRALIA
ANNUAL REPORT
FOR THE YEAR ENDED 30 JUNE 2002



AUDITOR GENERAL

To the Parliament of Western Australia

**GAMING COMMISSION OF WESTERN AUSTRALIA
FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2002**

Matters Relating to the Electronic Presentation of the Audited Financial Statements

This audit opinion relates to the financial statements of the Gaming Commission of Western Australia for the year ended June 30, 2002 included on the Department of Racing, Gaming and Liquor's web site. The Department is responsible for the integrity of the web site. I have not been engaged to report on the integrity of the web site. The audit opinion refers only to the statements named below. It does not provide an opinion on any other information which may have been hyperlinked to or from these statements. If users of this opinion are concerned with the inherent risks arising from electronic data communications, they are advised to refer to the hard copy of the audited financial statements to confirm the information included in the audited financial statements presented on this web site.

Scope

I have audited the accounts and financial statements of the Gaming Commission of Western Australia for the year ended June 30, 2002 under the provisions of the Financial Administration and Audit Act 1985.

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

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

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

GAMING COMMISSION OF WESTERN AUSTRALIA
ANNUAL REPORT
FOR THE YEAR ENDED 30 JUNE 2002

Gaming Commission of Western Australia
Financial statements for the year ended June 30, 2002

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 and the acquisition and disposal of property and the incurring of liabilities have been in accordance with legislative provisions; and
- (ii) the Statement of Financial Performance, Statement of Financial Position and Statement of Cash Flows and the Notes to and forming part of the financial statements are based on proper accounts and present fairly in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia and the Treasurer's Instructions, the financial position of the Commission at June 30, 2002 and its financial performance and its cash flows for the year then ended.



D D R PEARSON
AUDITOR GENERAL
November 1, 2002

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

	2002 Target	2002 Actual	Reasons for Significant Variance
Quantity			
Number of gaming audits, investigations and inspections	6,000	5,194	Reduction in available staff due to long term sickness, transfer and acting in other positions.
Number of casino operator submissions reviewed	100	86	
Number of certificates and permits issued	3,500	3,677	
Number of Casino Employee licences issued	200	204	
Quality			
% of gaming inspections and audits conducted in accordance with the Commission's approved program	98%	99%	
% of satisfactory responses on casino submission/matters as rated by the casino operator via a survey	80%	85%*	
% of compliance of processing procedures relating to the issue of permits and licences	95%	98%	

* *This is an estimate only as customer surveys are undertaken once every two to three years.*

GAMING COMMISSION OF WESTERN AUSTRALIA
ANNUAL REPORT
FOR THE YEAR ENDED 30 JUNE 2002

	2002 Target	2002 Actual	Reasons for Significant Variance
Timeliness			
% of gaming audits and inspections completed in accordance with performance agreements	90%	87%	Reduction in available staff due to long term sickness, transfer and acting in other positions.
% of casino operator submissions completed within 8 weeks	95%	98%	
% of provisional licences issued within 7 days	100%	98%	
% of gaming permits and certificates issued within 48 hours	100%	83%*	Reduction in staff availability negatively affected timeliness output * 98% of gaming permits and certificates issued within 96 hours
Cost			
Average cost per gaming audit, investigation or inspection	\$294	\$276	
Average cost per casino submission reviewed	\$298	\$353	
Average cost per gaming permit issued	\$191	\$178	
Average cost per Casino Employee Licence	\$1,923	\$2,142	

Note: the costs provided for these output measures are derived from the percentage allocated to each component of the Gaming Commission's annual 2001-2002 budget, eg. –

- *Licensing as 43%*
- *Casino Submissions as 1%*
- *Compliance as 56%*

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

	2001-2002	2000-2001	1999-2000
Percentage of unlawful gaming detected in relation to total permits issued	1.91%	4.2%	3.6%
Number of violation reports issued in relation to casino gaming	2	3	6

Output: Functions Performed for the Gaming Industry

Output Description: Perform functions in accordance with statutory obligations.

Audited Efficiency Indicators

	2001-2002	2000-2001
Cost per Certificate and Gaming Permit issued	\$178	\$181
Cost per Casino Employee Licence issued (a)	\$2,142	\$1,824
Monitoring integrity of casino gaming operations over one year (b)	\$286,267	\$243,722
Cost per instance of unlawful gaming detected (c)	\$8,854	\$4,018
Cost per casino submission reviewed	\$353	\$283

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

(b) *The number of Violation Reports issued in 2001-2002 decreased from the previous year*

(c) *The number of non-compliant organisations reduced from 275 in 2000-2001 to 99 in 2001-2002.*

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. Last year's figures have been recalculated using Activity-Based Costing to provide a more useful comparison.

PERFORMANCE INDICATORS

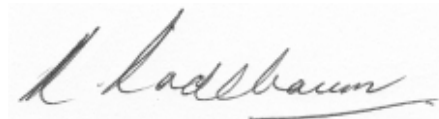
STATEMENT OF CERTIFICATION

We 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 2002.



Barry A. Sargeant
CHAIRMAN

20 August 2002



Margaret L. Nadebaum
MEMBER

20 August 2002

GAMING COMMISSION OF WESTERN AUSTRALIA
ANNUAL REPORT
FOR THE YEAR ENDED 30 JUNE 2002



AUDITOR GENERAL

To the Parliament of Western Australia

**GAMING COMMISSION OF WESTERN AUSTRALIA
PERFORMANCE INDICATORS FOR THE YEAR ENDED JUNE 30, 2002**

Matters Relating to the Electronic Presentation of the Audited Performance Indicators

This audit opinion relates to the performance indicators of the Gaming Commission of Western Australia for the year ended June 30, 2002 included on the Department of Racing, Gaming and Liquor's web site. The Department is responsible for the integrity of the web site. I have not been engaged to report on the integrity of the web site. The audit opinion refers only to the performance indicators named below. It does not provide an opinion on any other information which may have been hyperlinked to or from these performance indicators. If users of this opinion are concerned with the inherent risks arising from electronic data communications, they are advised to refer to the hard copy of the audited performance indicators to confirm the information included in the audited performance indicators presented on this web site.

Scope

I have audited the key effectiveness and efficiency performance indicators of the Gaming Commission of Western Australia for the year ended June 30, 2002 under the provisions of the Financial Administration and Audit Act 1985. The indicators are set out in the Outcomes, Outputs and Performance Information section of the annual report and are identified as "Key Performance Indicators".

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

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

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

Audit Opinion

In my opinion, the key effectiveness and efficiency performance indicators of the Gaming Commission of Western Australia are relevant and appropriate for assisting users to assess the Commission's performance and fairly represent the indicated performance for the year ended June 30, 2002.

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

D D R PEARSON
AUDITOR GENERAL
November 1, 2002

GAMING COMMISSION OF WESTERN AUSTRALIA
ANNUAL REPORT
FOR THE YEAR ENDED 30 JUNE 2002

CONTACTING THE GAMING COMMISSION OF WESTERN AUSTRALIA

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

The Gaming Commission's principal office is located at the Department of Racing, Gaming and Liquor at —

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

Casino Inspectorate: (08) 9362 7648
" " (08) 9362 7650
" " facsimile number (08) 9362 7798

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. The 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.