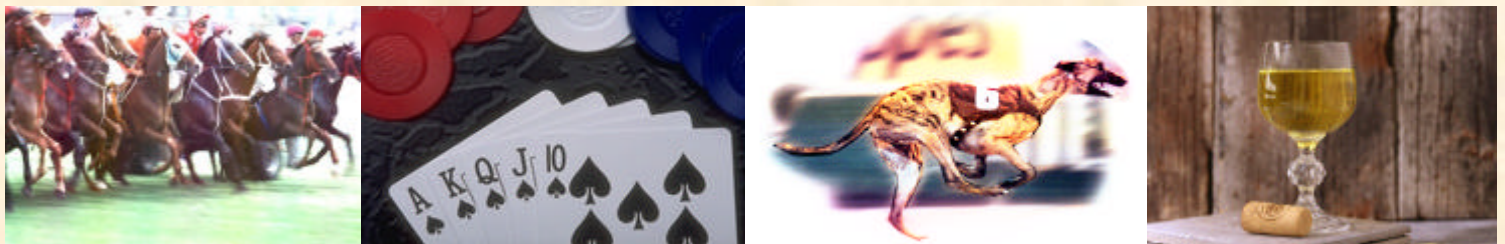




Office of Racing, Gaming and Liquor

Annual Report
2000-2001



STATEMENT OF COMPLIANCE
FOR THE YEAR ENDED 30 JUNE 2001

MINISTER FOR
RACING AND GAMING

In accordance with section 62 of the *Financial Administration and Audit Act 1985*, I hereby submit for your information and presentation to Parliament, the Annual Report of the Office of Racing, Gaming and Liquor for the financial year ended 30 June 2001.

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

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

Barry A. Sargeant
ACCOUNTABLE OFFICER

TABLE OF CONTENTS

STATEMENT OF COMPLIANCE	1
EXECUTIVE DIRECTOR'S OVERVIEW.....	3
REPORT ON OPERATIONS.....	6
FUNCTIONS OF THE OFFICE OF RACING, GAMING AND LIQUOR.....	15
OPERATIONS DIVISION	16
LIQUOR LICENSING DIRECTORATE	27
POLICY AND EXECUTIVE SUPPORT.....	33
CORPORATE SERVICES.....	42
REPORT ON EQUITY, ACCESS AND CUSTOMER FOCUS	44
FINANCIAL STATEMENTS.....	52
OUTCOMES, OUTPUTS AND PERFORMANCE INFORMATION	79
CONTACTING THE OFFICE OF RACING, GAMING AND LIQUOR.....	85
LIST OF EMPLOYEES AS AT 30 JUNE 2001	86

EXECUTIVE DIRECTOR'S OVERVIEW

It is with pleasure that I present the report of the Office of Racing, Gaming and Liquor, for the period 1 July 2000 to 30 June 2001. The events, initiatives and achievements for 2000/2001 are detailed in this year's report, with highlights of some of the more prominent achievements listed below.

In June 2001, the Machinery of Government Taskforce Report, "Government Structures for Better Results" was released. One of the recommendations of the review was for the Office of Racing, Gaming and Liquor to be retitled as the Department of Racing, Gaming and Liquor. The report also recommended that department heads be retitled as Director General. These changes came into effect on 1 July 2001.

During the year 3,429 applications were processed on behalf of the Gaming Commission. This resulted in a net revenue of \$16,610,770 being raised by permit holders for community related purposes. In addition, 7,392 applications were processed on behalf of the Director of Liquor Licensing and the total number of active liquor licences as at 30 June 2001 was 3,678, a growth of 91 licences over the previous year. In determining liquor licence applications, the licensing authority considered issues relating to harm minimisation.

The Inspectorate conducted 7,681 inspections and audits during the reporting year. These included 1,085 on behalf of the Director of Liquor Licensing, 5,696 on behalf of the Gaming Commission, 139 on behalf of the Betting Control Board and 761 for the Lotteries Commission.

During 2000/2001, the Director of Liquor Licensing lodged five section 95 complaints with the Liquor Licensing Court, seeking disciplinary action against licensees. The Director also heard seven section 117 complaints regarding noise and/or behaviour associated with licensed premises.

Representatives of the Burswood International Resort Casino and the Office of Racing Gaming and Liquor commenced development of player information on problem gambling and the odds associated with table and video games.

In December 2000 the Minister for Racing and Gaming, on the recommendation of the Gaming Commission, imposed a monetary penalty of \$30,000, pursuant to section 21B(3) of the *Casino Control Act 1984*, on Burswood Island Resort Casino for permitting a juvenile to enter and remain in the Casino.

The *Liquor Licensing Amendment Bill 2001* was introduced into Parliament in June. The purpose of the Bill is to amend the *Liquor Licensing Act 1988* to:

- protect the integrity of the liquor licence classification system by reinforcing the intent of the special facility licence classification and restricting the establishment of non-contiguous licensed premises; and
- clarify the rights and responsibilities of authorised persons, including crowd controllers, in relation to refusing admittance to and removing persons from licensed premises.

These amendments are expected to come into effect during 2001/2002.

The *Casino Control (Burswood Island) (Licensing of Employees) Regulations 1985* were amended to introduce a renewal process for casino employee and casino key employee licences. The licences will need to be renewed every five years, with licences issued on or before 1 July 2000 requiring renewal in July 2005.

The *Acts Amendment (Continuing Lotteries) Act 2000* and *Gaming Commission (Continuing Lotteries Levy) Act 2000* came into effect on 1 July 2000. From this date the licensing and regulation of Suppliers of Continuing Lottery Tickets transferred from the State Revenue Department to the Office of Racing, Gaming and Liquor.

The *Totalisator Agency Board Betting (Modification of Operation) Act 2000* which is effective from 4 December 2000 until 31 July 2002, amends the *Totalisator Agency Board Betting Act 1960* to:

- fix the distribution of TAB profits to the Western Australian Turf Club (WATC), the Western Australian Trotting Association (WATA), and the Western Australian Greyhound Racing Authority (WAGRA) in the ratio of
 - WATC 55.26 per cent
 - WATA 29.76 per cent
 - WAGRA 14.98 per cent
- distribute TAB profits in excess of \$50 million (or such greater amount as is prescribed) to the WATC, WATA (including Fremantle Trotting Club), WAGRA and/or racing clubs registered to conduct races outside the metropolitan area in such amounts and manner, subject to conditions as the Minister directs.
- prescribe the purposes for which monies paid by ministerial direction to racing clubs may be used; and
- prescribe the year ending 31 July 2001, an amount of reserve account funds the TAB may use to make payments to racing clubs as specified in a direction of the Minister.

The period of exclusivity granted to the Burswood Casino licensee under the Casino (Burswood Island) Agreement Act 1985 expired on 24 December 2000.

The Office finalised the National Competition Policy (NCP) Review of the Liquor Licensing Act. The report was released by the Minister for Racing and Gaming and submissions were sought in respect of the recommendations. The submissions will be reviewed and considered during 2001/2002.

Drafting instructions to give effect to the recommendations arising from the NCP review of the Betting Control Act, Totalisator Agency Board Betting Act, Gaming Commission Act and the Casino Control Act were finalised during the reporting year.

The Office of Racing, Gaming and Liquor continued to provide support to the Problem Gambling Support Services Committee and the services that it funds. During the reporting year the Problem Gambling Helpline (formerly known as *G-Line*) received 515 problem gambling related calls. The *BreakEven* problem gambling counselling service provided by Centrecare Marriage and Family Services, conducted 374 "face to face" counselling sessions.

OFFICE OF RACING, GAMING AND LIQUOR
ANNUAL REPORT 2000/2001

The Ministerial Council on Gambling (MCG) held its second meeting in April 2001. The Office of Racing, Gaming and Liquor is a member of the Gambling Research Working Party, which was established by the MCG to oversee a national research program.

On 28 June 2001, the Commonwealth Parliament passed the Interactive Gambling Act 2001, which places restrictions on interactive gambling and prohibits the provision of interactive gambling to people located in Australia. Excluded from the effect of the Act are non-instant lotteries, interactive wagering on horse and greyhound racing and interactive wagering on sporting events that takes place before the events have commenced.

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

A handwritten signature in black ink, appearing to read 'BA Sargeant' followed by a stylized star or flourish.

Barry A. Sargeant
ACCOUNTABLE OFFICER

REPORT ON OPERATIONS

Statement of Compliance with Relevant Written Law

Enabling Legislation

The Office of Racing and Gaming was established as a department under the Public Sector Management Act, on 14 December 1984, to assume responsibility for the administration of racing, gaming and liquor activities. The name of the department was changed to the Office of Racing, Gaming and Liquor on 12 September 1995. Effective from 1 July 2001, it will be known as the Department of Racing, Gaming and Liquor.

Legislation Administered by the Agency

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

Betting Control Act 1954

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

Bookmakers Betting Levy Act 1954

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

Casino (Burswood Island) Agreement Act 1985

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

Casino Control Act 1984

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

Gaming and Betting (Contracts and Securities) Act 1985

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

OFFICE OF RACING, GAMING AND LIQUOR
ANNUAL REPORT 2000/2001
Report on Operations

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 a levy on the sale of continuing lottery tickets.

Liquor Licensing Act 1988

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

Racecourse Development Act 1976

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

Racing Penalties (Appeals) Act 1990

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

Racing Restriction Acts 1917 and 1927

The 1917 Act established the Western Australian Turf Club and the Western Australian Trotting Association as the principal clubs responsible for the licensing of horse race meetings conducted in Western Australia. The 1927 Act prohibits racing animals for prize winning, other than horses (a provision in the WA Greyhound Authority Act exempts greyhound racing from this restriction).

Totalisator Agency Board Betting Act 1960

Established the Totalisator Agency Board (TAB) to administer and control the operation of off-course totalisator betting at agencies approved by the Minister for Racing and Gaming. The TAB deducts a prescribed commission from all bets from which costs are met and turnover tax paid, with the resultant profits distributed between the three racing codes.

Totalisator Agency Board Betting Tax Act 1960

Sets the amount of tax that the TAB is required to pay to Government. The tax is turnover based and is currently set at 5.0 per cent for totalisator betting, 2.0 per cent for fixed odds race betting and 0.5 per cent for fixed odds sports betting.

OFFICE OF RACING, GAMING AND LIQUOR
ANNUAL REPORT 2000/2001
Report on Operations

Totalisator Agency Board Betting (Modification of Operation) Act 2000

This Act modifies the operation of the *Totalisator Agency Board Betting Act 1960* so as to fix the distribution ratio of TAB profits to the Western Australian Turf Club (WATC), the Western Australian Trotting Association (WATA), and the Western Australian Greyhound Racing Authority (WAGRA), and to distribute TAB profits in excess of \$65 million as directed by the Minister.

Legislation Impacting on the Activities of the Agency

In the performance of its functions, the Office of Racing, Gaming and Liquor complies with the following relevant written laws —

- *Financial Administration and Audit Act 1985;*
- *Public Sector Management Act 1994;*
- *Salaries and Allowances Act 1975;*
- *Public and Bank Holidays Act 1972;*
- *Equal Opportunity Act 1984;*
- *Library Board of Western Australia Act 1951;*
- *Occupational Safety and Health Act 1984;*
- *Freedom of Information Act 1992;*
- *Industrial Relations Act 1979;*
- *Workplace Agreement Act 1993;*
- *Minimum Conditions of Employment Act 1993;*
- *Workers' Compensation and Rehabilitation Act 1981;*
- *State Supply Commission Act 1991;*
- *Anti Corruption Commission Act 1988; and*
- *Disability Services Act 1993.*

In the financial administration of the Office of Racing, Gaming and Liquor, 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
ACCOUNTABLE OFFICER



Terry Ng
PRINCIPAL ACCOUNTING OFFICER

Racing Code Legislation

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

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

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

Associated Agencies

The Office provides support services to a number of Government agencies and assists these bodies in administering their legislation. The following agencies are associated with the Office of Racing, Gaming and Liquor —

Gaming Commission of Western Australia

The Gaming Commission of Western Australia is established by the Gaming Commission Act and is responsible for the administration of that Act, the Casino Control Act and the Casino (Burswood Island) Agreement Act.

The Executive Director of the Office of Racing, Gaming and Liquor is the ex-officio chairman of the Gaming Commission.

Betting Control Board

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

The Executive Director of the Office of Racing, Gaming and Liquor is an ex-officio member and appointed by the Minister as chairman of the Betting Control Board.

Racecourse Development Trust

The Racecourse Development Trust is established under the Racecourse Development Act. The Trust assists racing and trotting clubs and training establishments to improve their facilities through the provision of grants and loans. The Racecourse Development Trust is funded from unclaimed dividends and refunds from the Totalisator Agency Board.

The Executive Director of the Office of Racing, Gaming and Liquor is an ex-officio member of the Racecourse Development Trust.

Racing Penalties Appeal Tribunal

The Racing Penalties Appeal Tribunal is established under the Racing Penalties (Appeals) Act. The Tribunal was established to confer jurisdiction in respect of appeals against penalties imposed in disciplinary proceedings arising from, or in relation to, the conduct of thoroughbred racing, harness racing and greyhound racing, and for related purposes.

Responsible Minister

At 30 June 2001, the Minister for Racing and Gaming was the Hon. Nick Griffiths LLB, MLC.

Mission

The Office of Racing, Gaming and Liquor's mission is to promote and maintain the integrity of lawful racing, gaming and liquor activities throughout Western Australia.

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

Government Desired Outcomes and Broad Objectives of the Agency

Outcome for the Office of Racing, Gaming and Liquor is —

- To promote, monitor and enforce responsible and lawful gambling and liquor services in accordance with the legislation; and

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

Nature and Range of Activities Undertaken

To ensure that the agency's objectives and desired outcomes are achieved, the Office of Racing, Gaming and Liquor undertakes the following activities and provides the following services to the Public of Western Australia —

- Licensing function for casino and permitted gaming, liquor licensing and the betting industries.
- Inspectorial and audit function for casino and permitted gaming, liquor licensing and the betting industries.

OFFICE OF RACING, GAMING AND LIQUOR
ANNUAL REPORT 2000/2001
Report on Operations

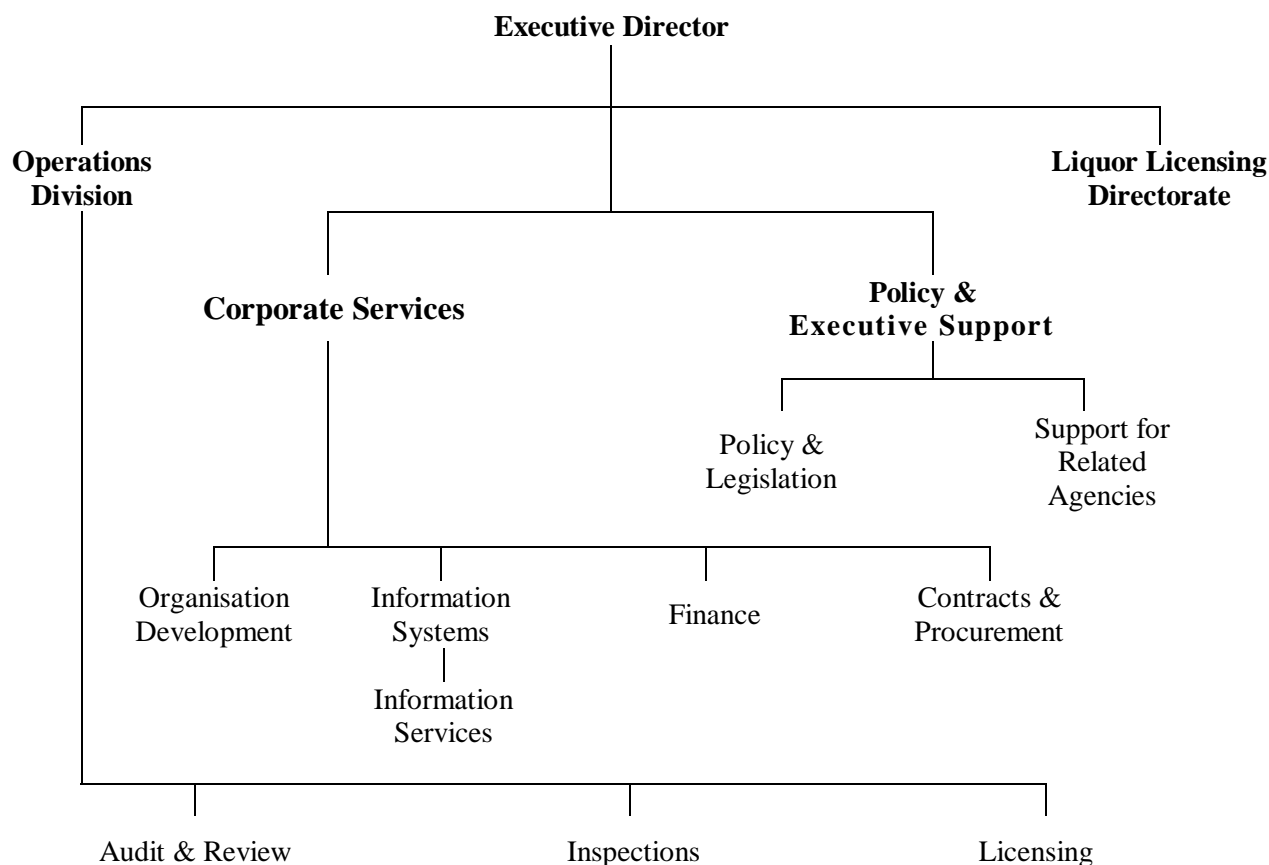
- Executive Support to the Gaming Commission of Western Australia, Betting Control Board, Racecourse Development Trust, Racing Penalties Appeal Tribunal and Problem Gambling Support Services Committee.
- Policy and legislation function.

Many of the activities undertaken by the Office are regulatory in nature.

Administrative Structure of the Office of Racing, Gaming and Liquor

The agency's organisational structure was unchanged during the year. Changes had been made in the previous year to reflect the core functions performed by the Office.

Organisational Chart as at 30 June 2001



OFFICE OF RACING, GAMING AND LIQUOR
ANNUAL REPORT 2000/2001
Report on Operations

Names of the Agency's Senior Officers (as at 30 June 2001)

Position Title

Name of Occupant

Executive Director	<i>Mr Barry A. Sargeant</i>
Director, Operations.....	<i>Mr David Halge</i>
Director of Liquor Licensing	<i>Mr Hugh Highman</i>
Assistant Director Liquor Licensing (x 2)	<i>Ms Janine Belling</i>
.....	<i>Mr Eric Romato</i>
Manager Audit and Review.....	<i>Mr Len Nazareth</i>
Manager Inspections	<i>Mr Ray Younger</i>
Manager Licensing	<i>Mr Peter Minchin</i>
Manager Policy & Executive Support	<i>Mr Jon Nichols</i>
Manager Corporate Services	<i>Ms Dorothy McLauchlin</i>
Principal Accounting Officer	<i>Mr Terry Ng</i>

As at 30 June 2001, Mr Barry A. Sargeant was the Accountable Officer for the Office of Racing, Gaming and Liquor. Mr Sargeant was appointed as Executive Director of the Office of Racing, Gaming and Liquor on 16 November 1992 following normal Public Sector Senior Executive Service procedures. Mr Sargeant's contract expires on 9 March 2003.

Decision-making Powers Affecting the Community

Decisions Relating to Betting

Decisions relating to the administration of betting are made by the Betting Control Board or are delegated to the Chairman of the Board, or to the Board's Secretary.

Decisions Relating to Permitted Gaming

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

Decisions Relating to Casino Gaming

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

Decisions Relating to Liquor Licensing

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

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

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

The Liquor Licensing Court hears and determines —

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

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

Functions of the Office of Racing, Gaming and Liquor

As a result of the organisational restructure in 1999/2000, the Office's activities were reorganised along operational lines with the formation of a licensing branch, an inspections branch, and a policy and executive support branch.. All activities of a similar nature, regardless of the industry to which they relate, are now dealt with by the one operational area.

Applications for liquor licences and gaming permits are now processed by a single Licensing Branch and inspections relating to licensed premises, gaming operations and betting venues are undertaken by a combined inspectorate. However, while the new Licensing Team undertakes the processing of liquor licensing applications, this function is carried out under delegation from the Director of Liquor Licensing. The statutory role of the Director of Liquor Licensing continues in the hearing and final determination of liquor licensing applications.

OPERATIONS DIVISION

The Operations Division of the Office of Racing, Gaming and Liquor is responsible for licensing, compliance/inspections and audit/review functions.

Licensing

The Licensing Branch of the Operations Division processes all applications for liquor licensing, community gaming permits and casino employee licensing. The liquor licensing function undertaken by the Licensing Branch is carried out under delegation from the Director of Liquor Licensing, while the gaming permit function is undertaken on behalf of the Gaming Commission of Western Australia.

The Branch processed in excess of 10,000 applications during the year.

Highlights for the year

Introduction of Five-yearly Renewals for Casino Employee and Casino Key Employee Licences

The *Casino Control (Burswood Island) (Licensing of Employees) Regulations 1985* were amended to introduce a renewal process for casino employee and casino key employee licences. The licences will need to be renewed every five years, with licences issued on or before 1 July 2000 requiring renewal in July 2005.

Transfer of Responsibility for the Licensing of Suppliers of Continuing Lottery Tickets from the State Revenue Department to the Gaming Commission

The *Acts Amendment (Continuing Lotteries) Act 2000* and *Gaming Commission (Continuing Lotteries Levy) Act 2000* were proclaimed to come into effect on 1 July 2000. At that date, the licensing and regulation of suppliers of continuing lottery tickets transferred from the State Revenue Department to the Office of Racing, Gaming and Liquor.

On 1 July 2000, all suppliers of continuing lottery tickets were automatically licensed as suppliers under the Gaming Commission Act and the levy payable on the face value of continuing lottery tickets was reduced to 2.25 per cent. The reduction was made to compensate for the GST payable on the gambling margin.

The Office collected a total levy of \$85,479 (1%) from suppliers of continuing lottery tickets on behalf of the Gaming Commission.

Licensing Function Performed on behalf of the Gaming Commission of Western Australia

The Branch processed 3,429 applications on behalf of the Gaming Commission. This resulted in a net revenue of \$16,610,770 being raised by permit holders for community related purposes.

Additionally, 205 applications were determined for people seeking casino employee or casino key employee licences to enable them to be employed at the Burswood International Resort Casino.

OFFICE OF RACING, GAMING AND LIQUOR
ANNUAL REPORT 2000/2001
Report on Operations

Licensing Function Performed on behalf of the Director of Liquor Licensing

During the year 7,392 applications were determined on behalf of the Director of Liquor Licensing and the total number of active licences as at 30 June 2001 was 3,678, a growth of 91 licences over the previous year.

Statistics

Total Number of Community Gaming Permits Issued

TYPE OF COMMUNITY GAMING PERMIT	TOTAL NUMBER, GROSS AND NET \$ FOR PERMITS BY YEAR					
	No. of Permits		Total Gross \$		Total Net \$	
	2000/2001	1999/2000	2000/2001	1999/2000	2000/2001	1999/2000
Bingo	307	307	8,103,502	8,191,564	1,023,128	916,653
Continuing Lottery	471	501	11,476,406	12,483,974	2,494,350	2,777,689
Gaming	620	716	1,035,792	1,155,684	341,847	448,718
Standard Lottery	1082	1,463	21,202,903	21,678,650	11,362,171	8,906,454
Calcutta	33	35	200,289	167,047	29,089	26,707
Two Up (after race & permitted)	288	310	152,995	160,093	105,567	109,549
Two Up (Kalgoorlie Bush)	2	2	79,186	99,641	22,486	52,465
Video Lottery Terminals	626	644	11,539,069	12,604,323	1,232,132	1,260,433
TOTAL	3,429	3,978	53,790,142	56,540,976	16,610,770	14,498,668

Table 1: Permitted Gaming statistics at 30 June 2001 (and comparative numbers for the previous year)

Revenue Raised by Permit Type

PERMITTED GAME	YEAR		
	2000/2001	1999/2000	1998/1999
Bingo	\$86,025	\$87,089	\$98,029
Continuing Lottery	\$9,475 ^a	\$39,615	\$41,065
Continuing Lottery Levy	\$85,479	n/a	n/a
Gaming	\$86,500	\$104,080	\$95,720
Standard Lottery	\$38,970	\$51,690	\$50,335
Calcutta	\$2,530	\$2,750	\$1,390
Two Up (after race permitted)	\$34,850	\$34,180	\$43,600
Two Up (Kalgoorlie bush)	\$23,000	\$23,000	\$25,000
Operator Certificate	\$6,900	\$6,700	\$6,200
Suppliers Certificate	\$1,550	\$1,250	\$1,650
Video Lottery Terminals	\$131,383	\$141,070	\$140,703
Approved Premises	\$5,930	\$6,660	\$6,170

Table 2: Permitted gaming revenue by game type as at 30 June 2001 (including comparative figures for previous years)

^a 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.

OFFICE OF RACING, GAMING AND LIQUOR
ANNUAL REPORT 2000/2001
Report on Operations

Liquor Licensing Applications Lodged

	YEAR				
	01/07/2000 to 30/06/2001	01/07/1999 to 30/06/00	01/07/98 to 30/06/99	01/07/97 to 30/06/98	01/07/96 to 30/06/97
Transfer of Licence	349	467	333	336	297
Change of Manager	978	1,095	1,011	1,212	1,060
Grant and Removal of Licence	270	238	245	323	221
Alterations to licensed premises	229	271	299	305	237
Variation to licence conditions	107	185	276	230	174
Extended Trading Permits (long term extended trading hours) ^b	113	102	132	144	164
Extended Trading Permits (other – long term and indefinite) ^c	97	65	84	28	37
Grant of Protection Order	85*				
Approval of change of premises name	137*				
Approval of person in a position of authority or shareholding	84*				
Approval of arrangement or agreement	6*				
One off variation of licensed area	35*				
One off Add, Vary, Cancel hours	95*				
One off variation of area and hours	17*				
TOTAL	2,602	2,423	2,380	2,578	2,190

Table 3: Comparison of the number of liquor licensing applications lodged at 30 June 2001 (and comparative numbers for previous years).

* Note these types of applications have not previously been reported.

^b This figure will include those applications that have been made for the renewal of a permit that was granted in the preceding year. Generally, applications for extended trading permits in respect of hotels and taverns that authorise trading until 1 a.m. or 2 a.m. are only granted for a twelve-month period. Therefore, many of the applications referred to in the figures relating to the year ending 30 June 1997, 1998, 1999 and 2000 are likely to be renewals of existing permits. These figures also include extended trading permits granted to authorise liquor store licensees to trade on Sundays.

^c Applications in this category may relate to any one of the following —

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

OFFICE OF RACING, GAMING AND LIQUOR
ANNUAL REPORT 2000/2001
Report on Operations

Number of Liquor Licence Types by Category

	YEAR						
	2001	2000	1999	1998	1997	1996	1995
LICENCE TYPE							
Hotel	330	333	336	335	338	340	346
Tavern	289	291	290	279	269	268	265
Hotel Restricted	37	38	38	38	36	35	36
Liquor Store	472	467	460	441	407	395	392
Club	414	410	406	389	389	385	384
Club restricted	529	523	520	505	495	492	490
Restaurant	692	678	657	590	565	538	490
Cabaret	61	61	62	55	55	55	54
Special facility	391	368	339	282	263	232	236
Casino liquor	1	1	1	1	1	1	1
Producer's licence	330	285	254	234	80	78	78
Wholesaler's licence	132	132	129	102	98	96	86
Certificate of Exemption	0	0	0	0	99	83	62
TOTAL	3,678	3,587	3,492	3,251	3,095	2,998	2,920

Table 4: Number of licences and certificates as 30 June 2001 (and comparative figures for previous years). *Please note that due to implementation of the new liquor licensing system, the figures for the year 2000 are indicative only.*

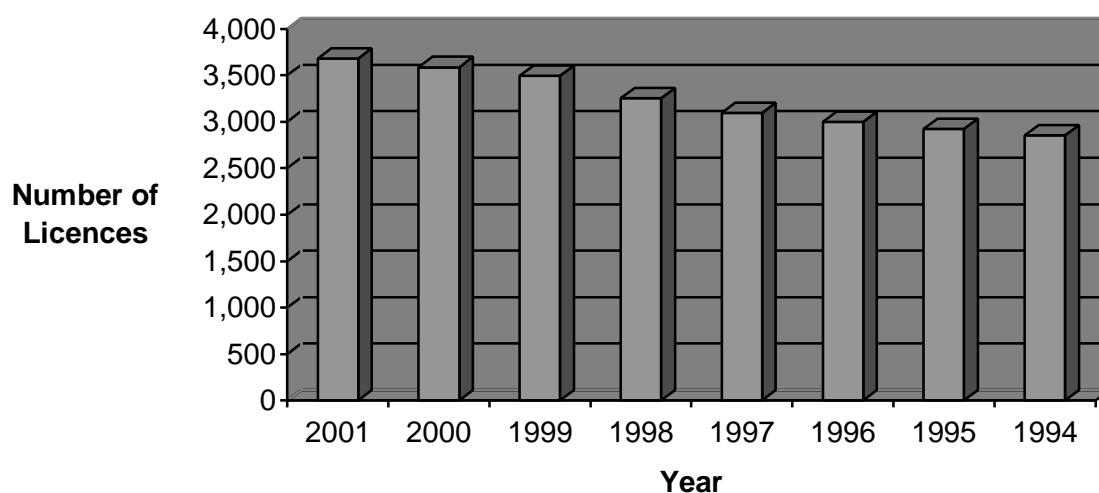


Figure 1: Number of liquor licences at 30 June 2001

OFFICE OF RACING, GAMING AND LIQUOR
ANNUAL REPORT 2000/2001
Report on Operations

Licences Granted by Type

NUMBER OF LICENCES GRANTED BY FINANCIAL YEAR					
LIQUOR LICENCE TYPE	2000/2001	1999/2000	1998/99	1997/98	
	Hotel licence	1	5	3	2
	Tavern licence	1	9	7	11
	Hotel restricted licence	1	1	1	2
	Liquor store licence	5	14	17	33
	Club licence	1	11	8	3
	Club restricted licence	18	14	26	22
	Restaurant licence	49	67	62	63
	Cabaret licence	1	3	2	0
	Special facility licence	37	51	37	37
	Casino liquor licence	0	0	0	0
	Producer's licence	55	37	22	157
	Wholesaler's licence	13	13	18	15
	Certificate of Exemption	0	0	0	17

Table 5: Number of liquor licences granted by licence type as at 30 June 2001 (and comparative numbers for previous years). *Please note that due to implementation of the new liquor licensing system, the figures for the year 2000 are indicative only.*

Numbers of Occasional Liquor Licences and Extended Trading Permits

LICENCE/PERMIT TYPE	NUMBER OF OCCASIONAL LICENCES AND EXTENDED TRADING PERMITS LODGED BY FINANCIAL YEAR			
	2000/2001	1999/ 2000	1998/ 1999	1997/ 1998
Occasional Licences	3,320	3,221	3,409	2,974
Extended Trading Permits <i>(for functions or special occasions)</i>	1,713	1,543	1,049	1,789

Table 6: Numbers of occasional licences and extended trading permits lodged as at 30 June 2001 (and comparative numbers for previous years)

Inspections/Compliance

The Inspections Branch of the Operations Division performed inspectorial, audit and investigation functions on behalf of the -

Gaming Commission of Western Australia;
Director of Liquor Licensing; and
Betting Control Board.

The Branch also provides an audit function to the Western Australia Lotteries Commission in respect to Lotto, Cash 3 and Soccer Pools.

Highlights for the year

During the year, 13 inspectors successfully completed a 5-day Police Alcohol and Crime Investigators Course conducted by the Police Alcohol and Drug Coordination Unit, with several achieving the highest marks of all participants attending.

Officers of the Inspectorate attended the Casino Security and Surveillance Conference held in Darwin in October 2000.

Functions Performed on Behalf of the Gaming Commission of Western Australia

Inspectors, as authorised officers of the Gaming Commission, assist in ensuring that community gaming activities and casino gaming operations comply with legislative requirements and regulatory controls implemented by the Gaming Commission by inspection and audit.

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

Community Gaming

During the year, inspectors conducted 427 physical inspections of premises throughout the State where gaming was conducted. These inspections measure the extent to which gaming activity is conducted in compliance with the conditions of a valid permit and associated rules. Country inspection tours included all regional centres.

Infringement notices were issued to 17 permit holders for breaches of permit conditions. On eight other occasions, it was found that gaming was conducted without a valid permit (expired permit) and infringement notices were issued to the organisations responsible for conducting the gaming.

With the exception of bingo conducted by senior citizen organisations for their members and guests, it is a condition of all permits that a financial return be lodged with the Gaming Commission within the prescribed time.

Inspectors are responsible for auditing financial returns to verify the declared income, expenditure and use of funds raised under the permit. Inspectors completed 1114 audits of community gaming financial returns. One infringement notice was issued in regard to diversion of funds and 13 organisations were infringed for failure to lodge financial returns.

OFFICE OF RACING, GAMING AND LIQUOR
ANNUAL REPORT 2000/2001
Report on Operations

Investigations were conducted into complaints concerning the conduct of unlawful lotteries and possession and use of illegal gaming machines. The investigations resulted in the Gaming Commission instituting proceedings against a sporting club on two counts of possessing an illegal gaming machine and against an individual on 13 counts of conducting an unlawful lottery.

In addition to the enforcement role, inspectors promote public awareness of the provisions of the Gaming Commission Act with charitable, sporting and community organisations.

Casino Gaming

A full time inspectorial presence was maintained at Burswood Casino throughout the year. Inspectors assigned to the casino are involved in the supervision of casino gaming operations and the inspection of gaming equipment to ascertain the casino licensee's compliance with legislative requirements, game rules and procedures and Gaming Commission directions.

Surveillance of casino operations involves the use of a closed circuit television system and general patrols of the gaming areas, in addition to conducting inspection and audit programs. The control of gaming equipment is by purchase approval, stock audits, verification of cancellation/destruction and random testing of equipment, including electronic gaming machines.

Inspectors report on breaches of legislation, procedures and game rules and where warranted, based on the severity of the infraction, a violation report is issued to the Casino Licensee.

In the year under review, the Chief Casino Officer issued three violations reports, which result in the Gaming Commission taking disciplinary action against individual casino staff involved in the particular breach. The Minister for Racing and Gaming, on the recommendation of the Gaming Commission, imposed a monetary penalty of \$30,000, pursuant to section 21B(3) of the *Casino Control Act 1984*, on Burswood Island Resort Casino for permitting a juvenile to enter and remain in the Casino.

Inspectors are also involved in verifying the total of gaming funds counted each day, the monthly casino gaming revenue and casino tax payments.

During the year, the casino inspectorate received 97 patron complaints that were resolved to the satisfaction of the complainants.

Inspectors also assist in the detection of offences under the Gaming Commission Act and the Casino Control Act and liaise with police where necessary in regard to offences committed in the casino. During the year, inspectors issued a total of 99 infringement notices in regard to offences committed at the casino as follows:

Entering the casino whilst subject to a prohibition notice	89
Cheating	7
Juvenile on casino premises	3

Functions Performed on behalf of the Director of Liquor Licensing

The functions performed by the Inspectorate on behalf of the Director of Liquor Licensing include reporting on liquor applications (in regard to premises issues) and inspections of premises. These inspections measure the extent to which the licensed premises are being maintained at a standard that is acceptable to the community (taking into account the class of licence, locality and expectation of the public). Inspectors, pursuant to delegated powers, issue work orders where licensed premises are in need of repair.

During the year, 1085 inspections of licensed premises were carried out, which resulted in the issue of 335 work orders. Premises inspectors also reported on 426 applications in regard to premises issues, which included the grant of licences, approval for alteration/redefinition of licensed premises and the grant of extended trading permits.

General inspections of liquor licensed premises are also carried out to measure the extent to which the licensee is complying with the terms and conditions of the licence and is promoting responsible server practices.

An important role of the inspectorate in regard to liquor matters is to attempt to resolve complaints lodged pursuant to section 117 of the Liquor Licensing Act. This is carried out by way of negotiation and conciliation with the parties involved. The complaints relate to unreasonable noise and unacceptable behaviour emanating from licensed premises. Where a complaint cannot be resolved by conciliation or negotiation, it proceeds to a hearing before the Director.

Members of the inspectorate are involved in presenting evidence regarding the findings of inspections and investigations at hearings convened by the Director. Inspectors have also initiated disciplinary proceedings against licensees by the preparation of section 95 complaints.

Functions Performed on behalf of the Betting Control Board

The Inspections Branch, on behalf of the Betting Control Board, conducts inspections, audits and investigations of on-course and off-course betting activities in both the metropolitan and country regions of the State. These functions include:

- ◆ Audit of funds received by TAB agencies from the placement of bets.
- ◆ Audit of bookmaker betting sheets at racecourses and licence checks of bookmaker's clerks.
- ◆ Audit of non-totalisator betting at country race meetings.
- ◆ Investigation of complaints and offences under the Betting Control Act.

During the year, 139 audits and inspections were performed. Inspectors also conducted investigations into matters concerning credit betting, which resulted in the Betting Control Board initiating proceedings against the TAB agents involved.

OFFICE OF RACING, GAMING AND LIQUOR
ANNUAL REPORT 2000/2001
Report on Operations

Audit Functions Performed on behalf of the Lotteries Commission of Western Australia

Inspectors continued to perform an independent verification and audit of ticket sales, draws and winning tickets in regard to Saturday Lotto, Oz Lotto, Powerball and Cash 3 for the Lotteries Commission of Western Australia at the Commission's Osborne Park premises.

Inspectors also attest to the winning numbers of the weekly Soccer Pools numbers from data supplied by the South Australia Lotteries Commission, and supervise the nightly Cash 3 draw at Channel Seven studios.

During the year under review 761 audits were conducted for the Lotteries Commission.

Training

In addition to the training course mentioned earlier, monthly in-house training sessions that include case studies were also conducted during the year, which has assisted inspectors in honing their knowledge and skills.

Statistics

Casino Gaming Revenue

Casino gaming revenue of \$281,178,111 was collected during 2000/2001 compared to \$288,615,921 in 1999/2000. The chart below displays the breakdown of revenue by game type.

NAME OF CASINO GAME	YEAR	
	2000/2001 \$	1999/2000 \$
Keno	4,740,396	5,025,579
Video Machines	95,429,839	87,614,716
Other games	24,731,217	9,183,604
American Roulette	42,465,251	40,168,416
Baccarat and Mini Baccarat	74,212,865	101,310,855
Blackjack	34,365,881	40,040,893
Caribbean Stud Poker	5,232,882	5,271,840
Total	281,178,331	288,615,903

Table 7: Casino revenue by game type as at 30 June 2001 (and comparative figures for the previous year)

OFFICE OF RACING, GAMING AND LIQUOR
ANNUAL REPORT 2000/2001
Report on Operations

Casino Tax

Casino tax of \$42,159,682 was collected in respect of 2000/2001, compared to \$43,283,665 in 1999/2000. The following table provides a comparison of casino gaming revenue and casino tax collected since the casino opened in 1985.

		TAX	GROSS CASINO
		PAYABLE	REVENUE
		\$	\$
		\$	\$
FINANCIAL YEAR	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
	1991/90	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 8: Comparison of casino revenue and tax.

Note : These figures represent gross casino revenue and tax payable, on an accrual basis, in respect of each financial year. The casino tax amount of \$43,396,637 for 2000/2001 shown at page 56 of this report represents casino tax collected on a cash basis.

Casino Attendance Figures

The table below shows how many patrons passed through the casino in the year under review.

ATTENDANCE FIGURES PER YEAR					
MONTH		2000/2001	1999/2000	1998/1999	1997/1998
	July 2000	394,989	408,734	407,513	374,649
	August	387,848	382,598	409,179	394,708
	September	389,059	380,842	371,251	365,352
	October	372,472	400,410	397,321	395,175
	November	358,816	375,658	374,188	379,510
	December	423,030	420,431	439,306	397,355
	January 2001	388,380	407,104	413,600	403,848
	February	324,560	366,495	354,377	357,877
	March	413,248	425,924	391,913	401,819
	April	367,592	416,529	399,469	390,656
	May	373,186	378,197	417,096	430,222
	June	396,611	404,305	389,376	349,202

Table 9: Casino attendance figures per month for the year under review (and comparative figures for previous years)

OFFICE OF RACING, GAMING AND LIQUOR
ANNUAL REPORT 2000/2001
Report on Operations

Permitted Gaming Regulatory Function

TYPE OF GAMING REGULATORY FUNCTION	YEAR			
	2000-2001	1999-2000	1998-1999	1997-1998
Inspections	427	654	791	570
Audits	567	1,383	1,616	879
Desk Audits	547	611	486	2,142
Cautions Issued	15	36	36	12
Infringement Notices issued	39	173	105	46
Prosecutions initiated	2	15	3	9
Permits revoked	0	0	4	2
Country visits (number of days)	86	66	92	66
Lotteries Commission Audits	761	666	376	201

Table 10: Summary of gaming regulatory functions as at 30 June 2001 (and comparative figures for previous years)

Major Initiatives Planned for 2001/2002

- The development and implementation of a new gaming permit register system for community gaming.
- The development and distribution of player information pamphlets for gaming machines and table games at the Burswood International Resort Casino.
- Transfer of responsibility for outstanding casino and gaming infringements from the Office of Racing, Gaming and Liquor to the Fines Enforcement registry.
- Introduction of a new roster for all inspectors in conjunction with altered working arrangements for inspectors at the Burswood International Resort Casino.

LIQUOR LICENSING DIRECTORATE

The *Liquor Licensing Act 1988* ("the Act") provides for the establishment of a Licensing Authority for the purposes of regulating the sale, supply and consumption of liquor, the use of premises on which liquor is sold, and the services and facilities provided in conjunction with or ancillary to the sale of liquor, to minimise harm or ill-health caused to people, or any group of people due to the use of liquor.

Section 7 of the Act provides that the Licensing Authority comprises –

- (a) the Liquor Licensing Court; and
- (b) the Director of Liquor Licensing,

and may be constituted by either, but the jurisdiction which may be exercised by it depends upon the manner in which it is constituted and the powers conferred by the Act.

Under section 13 of the Act, the Director of Liquor Licensing is responsible for the administration of the Act, other than those aspects of administration that relate to the Court or to the Executive Director of the Office of Racing, Gaming and Liquor.

In addition to hearing and determining liquor licensing applications, the Director of Liquor Licensing is empowered by other sections of the Act to undertake specific actions.

The Liquor Licensing Directorate contributes to the promotion and maintenance of lawful liquor activities by –

- determining applications in accordance with the Act;
- monitoring the standards of licensed premises;
- ensuring compliance with the requirements of the Act;
- facilitating various liquor accords and community alcohol agreements;
- developing and implementing policy consistent with Government objectives;
- providing policy advice;
- negotiating and liaising with industry groups on high level matters eg accords, industry training etc;
- considering section 117 complaints and being responsive to such complaints; and
- dealing expeditiously with any other matters arising from the administration of the Act.

Section 64 Inquiries

Section 64 of the Act provides that, in relation to any licence, or to any permit, the Licensing Authority may at its discretion impose conditions in addition to conditions specifically imposed by the Act, or in such a manner as to make more restrictive a condition specifically imposed by the Act.

Ten section 64 inquiries were conducted in relation to suspected breaches of the Act by licensees. In a number of cases, conditions were imposed on the licence restricting the manner in which the business was conducted under the licence. For example, conditions have been imposed on some licences which prohibit promotional activities in which drinks are offered free or at reduced prices.

Section 95 Complaints

The Act provides that the Liquor Licensing Court may, on receipt of a complaint lodged under section 95, take disciplinary action. Such a complaint must allege that proper cause for disciplinary action exists and clearly set out the grounds on which the allegations are based.

Section 95(4) prescribes the grounds upon which there is proper cause for disciplinary action and subsection (5) prescribes the persons who may make those complaints. Under this subsection, the Director of Liquor Licensing is able to make a section 95 complaint on any ground listed in section 95(4).

The Director pursued five section 95 complaints before the Liquor Licensing Court. Of particular interest was a complaint lodged against the licensee of the Cuballing Tavern. On 6 November 2000, His Honour Judge Greaves (of the Liquor Licensing Court) heard evidence in respect of a complaint against the licensee of the Cuballing Tavern. The complaint related to the licensee's suitability to hold a licence under the Act due to convictions under the Road Traffic Act. After hearing the evidence, His Honour Judge Greaves found that –

"...the convictions of the licensee under the Road Traffic Act are relevant to the activities in which the licensee is engaged in the conduct of his business under the licence, because those facts arise out of the consumption of liquor. The nature of the convictions is, therefore, from a personal and professional point of view relevant to the determination of the extent to which this licensee is unsuitable to hold a licence under the Act....In my opinion, the convictions reflect directly upon the suitability of the licensee to manage these premises....It seems to me that if the licensee should be convicted of any further similar offence, the consequences must almost be inevitable."

His Honour Judge Greaves concluded that "...the Court should mark the seriousness of the conduct of this licensee within the scheme of the Act by suspending the licence of the tavern for a period of 14 days forthwith."

Section 117 Complaints

Section 117 of the Act provides for complaints to be made to the Director of Liquor Licensing about noise or behaviour related to licensed premises. During the year, seven section 117 complaints were heard. Three of these complaints were upheld and four were dismissed or determined by way of conciliation and negotiation.

Significant Decisions

Lily Creek International Hotel, Kununurra

On 1 December 1997, Lily Creek International Pty Ltd lodged an application with the Director Liquor Licensing for a Category A hotel restricted licence to be situated in Kununurra.

Pursuant to section 69(8a) of the *Liquor Licensing Act 1988*, the Executive Director of Public Health lodged an intervention against the application on the grounds of expert evidence illustrating the potential harm that could be caused through the sale of packaged liquor to the Aboriginal community in the vicinity of Kununurra, if the Lily Creek Hotel licence was granted.

On 9 December 1999, His Honour Judge Greaves delivered his judgement on the grant of a Category A hotel restricted licence for Lily Creek International Pty Ltd.

His Honour Judge Greaves found that the evidence of the applicant was sufficient to establish on the balance of probabilities that –

“...the subjective requirements of the public for liquor, accommodation and related services in this affected area are objectively reasonable.”

With respect to the intervention of the Executive Director of Public Health, His Honour Judge Greaves found that –

“...the sale of packaged to and the consumption of packaged liquor by the group of people of Aboriginal descent in question in this case has caused and continues to cause harm and ill health to members of their community and third parties. In accordance with the laws as I have explained it, it is no more than mere conjecture, guesswork or surmise to infer from this evidence, however, that the grant of this application may cause harm or ill health to this group of people which is undue, when considered against the weight of the evidence in support of the grant of a further hotel licence in this affected area. To refuse this application on the evidence before the court in the belief that the refusal will more likely than not minimise harm or ill health to this group of people, would in my opinion likewise be no more than conjecture.”

Following the grant of an unrestricted hotel licence, on 4th January 2000 the Executive Director of Public Health lodged a Notice of Appeal to the Supreme Court of Western Australia. The appeal was heard on 7 August 2000.

As part of the successful appeal, the Supreme Court found that His Honour Judge Greaves had misconstrued the Act, concluding that he was only required to take into account harm if it was proved on the balance of probabilities that such a group would suffer undue harm should a licence be granted. The Supreme Court ruled that the licensing authority must undertake a weighing and balancing exercise when conflict arises between the primary ‘harm minimisation’ object and the secondary objects under section 5(2) of the Act. It is significant that the purpose of the primary object under section 5(1)(b) is to minimise harm or ill health not to prevent harm or ill health.

The Supreme Court also found that His Honour Judge Greaves should not have rejected the evidence tendered by the Executive Director of Public Health and that he misapplied the laws of evidence insofar as they concern expert testimony. The Supreme Court held that the matters that may have influenced or actually contributed to opinion evidence, are innumerable.

OFFICE OF RACING, GAMING AND LIQUOR
ANNUAL REPORT 2000/2001
Report on Operations

At the conclusion of the decision, the Supreme Court ordered that the application be remitted back to the Liquor Licensing Court to be dealt with according to law.

Upon re-hearing the evidence from the Executive Director of Public Health, on 19 April 2001 His Honour Judge Greaves found that the application should be granted. Consequently, on 8 May 2001 the Executive Director of Public Health lodged a further Notice of Appeal to the Supreme Court of Western Australia.

The matter is now pending.

Nippon Inn The Club and Tokyo Joes The Club, Broome

On 10 August 2000, His Honour Judge Greaves (of the Liquor Licensing Court) delivered his judgement on an inquiry under section 64 of the Act in respect of Nippon Inn The Club and Tokyo Joes The Club, both of which are situated in Broome. Both licensees, Nippon Inn Pty Ltd and Cove Nominees Pty Ltd, operate under cabaret licences.

The Commissioner of Police asked the licensing authority to consider reducing the trading hours at both premises due to ongoing problems associated with overcrowding, the irresponsible service of liquor, disorderly conduct, and intoxication. The Director of Liquor Licensing referred the matter at the request of the licensee, to the Liquor Licensing Court.

In considering the matter under section 64 of the Act, His Honour Judge Greaves commented that –

"In my opinion, the findings which I have made on the evidence are sufficient to lead to the conclusion that, during the 12 months prior to this inquiry, the nature and management of the business conducted under these two cabaret licences was such that it was not consistent with the promotion of good order and propriety at these premises."

His Honour Judge Greaves determined that the matters to be regarded when considering section 64 in the context of this inquiry, must necessarily be concerned with "...the safety, health or welfare of persons who may resort to the licensed premises and to public order and safety at the respective premises pursuant to section 64(3)(c) and (d)." His Honour Judge Greaves then concluded that "...the trading hours at each and both of the premises should be reduced so that the premises are required to close on each morning during which they are open for trade at two o'clock".

Foundry Pub Grill, Cannington

On 18 August 2000, His Honour Judge Greaves delivered his findings on the review of the decision of the Acting Deputy Director of Liquor Licensing, in respect of an application for alteration/redefinition of the Foundry Pub Grill, which is situated at Westfield Carousel Shopping Centre, Cannington.

The Acting Deputy Director of Liquor Licensing had approved the application to redefine the licensed premises to include as part of the licensed premises, a drive-through bottle shop facility not attached to the tavern premises, but some 155 metres from the existing licensed premises.

OFFICE OF RACING, GAMING AND LIQUOR
ANNUAL REPORT 2000/2001
Report on Operations

His Honour Judge Greaves determined that –

"...the onus is upon the applicant in this case to establish that the grant of this application is necessary to provide for the reasonable requirements of the public for packaged liquor in the affected area, as if this were an application for the grant of a tavern licence for these premises."

In examining the evidence, His Honour Judge Greaves concluded that "...the evidence before the Acting Deputy Director of Liquor Licensing and this Court does not establish on the balance of probabilities either a subjective requirement for the proposed facility or that any such requirement is objectively reasonable."

His Honour Judge Greaves subsequently allowed the review, quashed the decision of the Acting Deputy Director and refused the application for redefinition of the licensed premises.

Woolworths Centrepont, Midland

On 11 May 2001, His Honour Judge Greaves delivered his findings on the application for alteration/redefinition of Woolworths Centrepont, which is situated at the Centrepont Shopping Centre, Midland.

The applicant, Woolworths Limited, sought approval to redefine the licensed premises to include as part of the licensed premises, a drive-through facility not attached to the liquor store premises. The proposed new additional area was to be located some 100 metres from the existing licensed premises. There were a number of objections to the application and the principal grounds relied on under section 74(1)(a)(d) and (j) of the Act were that section 77 does not allow for the extension of the trading area to create a non-contiguous or satellite premises that are not adjacent or in sufficient proximity to the original licensed premises.

The Director of Liquor Licensing and the Executive Director of Public Health also lodged separate interventions against the application, pursuant to section 69(11) and 69(8a) respectively.

His Honour Judge Greaves considered the argument put by the objectors and the Director of Liquor Licensing that a licence under the Act may be issued for what is called "single" premises only. In doing so, Judge Greaves considered various case law including the decision of the Full Court of the Supreme Court of South Australia (*Tapp & Tapp v ALH Group Pty Ltd & Anors* (2000) 76 SASR 397). As a result of those considerations, His Honour Judge Greaves concluded that "...the proposed addition to and redefinition of these licensed premises is capable of approval under s 77(4) of the Act."

His Honour Judge Greaves then turned to the question of the criteria to be considered in the application under section 77(4). His Honour Judge Greaves concluded that "...s 38 of the Act does not require an applicant pursuant to s 77(4) to satisfy the Court that the approval of the proposed alteration is necessary to provide for the reasonable requirements of the public pursuant to s 38 of the Act."

After considering these issues and the evidence presented, His Honour Judge Greaves granted the application for redefinition.

Conference Attendances

In September 2000, the Director of Liquor Licensing attended the 30th Australasian Liquor Licensing Conference, held in.

In May 2001, the Assistant Director of Liquor Licensing coordinated and attended the Australian Tax Office sponsored Perth conference on the Liquor Licensing Subsidy Scheme.

Major Initiatives Planned for 2001-2002

The Liquor Licensing Directorate major initiatives for 2001-2002 shall be to ensure the integrity of lawful liquor activities by —

- providing advice on proposed amendments to the legislation;
- continuing the emphasis on harm minimisation and the documentation of responsible service strategies;
- assisting in the development of, and providing support for, the implementation, of community based accords and agreements;
- implementing the recommendations from the review of the mandatory knowledge initiative;
- implementation of the precedent decision database;
- broadening of the information resources available, and in particular, information on the corporate website; and
- coordinating the requirements of the Service Delivery Agreement in respect of the Indian Ocean Territories (Christmas and Cocos Islands) with the Commonwealth Government.

POLICY AND EXECUTIVE SUPPORT

The Office of Racing, Gaming and Liquor provides policy advice and administers legislation relating to racing, gambling and liquor activities. It also provides executive support services to the Betting Control Board, the Gaming Commission of Western Australia, the Problem Gaming Support Services Committee, the Racing Penalties Appeal Tribunal and the Racecourse Development Trust. These agencies (excepting the Problem Gambling Support Services Committee) are statutory authorities and each is required to report separately to the Parliament.

Highlights for the Year

Western Australian Racing Industry Review

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

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

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

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

National Competition Policy (NCP)

Amendments to the Western Australian Greyhound Racing Act and the Racing Restriction Acts arising from the National Competition Policy Review of those Acts were included in an NCP Omnibus Bill, which progressed to second reading before Parliament was prorogued. These amendments are now expected to be reintroduced into Parliament during 2001/2002.

Drafting instructions to give effect to the recommendations arising from the NCP review of the Betting Control Act, Totalisator Agency Board Betting Act, Gaming Commission Act and the Casino Control Act were finalised during the year 2000/2001. A number of recommendations requiring only regulatory amendments have been implemented and the remainder of the amendments are expected to be progressed during 2001/2002.

The Office finalised the NCP Review of the Liquor Licensing Act. The Review was released by the Minister for Racing and Gaming and submissions were sought in respect of the recommendations. The submissions will be reviewed and considered during 2001/2002.

Copies of the NCP Reports can be viewed on the Office's website – www.orgl.wa.gov.au.

Participation in Ministerial Council on Gambling

The Ministerial Council on Gambling, at its April 2001 meeting, established the Gambling Research Working Party to oversee a national research program.

Each State and Territory is represented on the Committee, which identified a number of research priorities in relation to problem gambling at its inaugural meeting on 25 May 2001. These research priorities included:

- a national approach to a definition of problem gambling and a consistent approach to data collection;
- a study to examine the feasibility and consequences of changes to gaming machine operations;
- a study to examine the best approaches to early intervention and prevention; and
- a national prevalence study.

The focus of the Council's initial work during 2001/2002 is expected to be on gaming machines.

Prohibition on Interactive Gambling

The Commonwealth Parliament passed the Interactive Gambling Act 2001 on 28 June 2001. The Act places restrictions on interactive gambling and prohibits the provision of interactive gambling to people located in Australia. The prohibition will apply 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.

Following submissions from the Western Australian Government and others, interactive wagering on horse and greyhound racing, and on sporting events prior to commencement, were excluded from the effect of the Act. Non-instant lotteries and similar activities were 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.

The Interactive Gambling Act 2001 received royal assent on 11 July 2001.

International Association of Gaming Attorneys/Regulators

In October 2000, the Executive Director attended the 2000 Conference of the International Association of Gaming Attorneys/Regulators in Venice.

2001 Racing Ministers' Conference

The Executive Director attended the 2001 Racing Ministers' Conference, held in Alice Springs in May 2001.

Changes to Legislation

Amendments to the Liquor Licensing Act 1988

The *Liquor Licensing Amendment Bill 2001* was introduced into Parliament in June. The purpose of the Bill is to amend the *Liquor Licensing Act 1988* to:

- protect the integrity of the liquor licence classification system by reinforcing the intent of the special facility licence classification and restricting the establishment of non-contiguous licensed premises; and
- clarify the rights and responsibilities of authorised persons, including crowd controllers, in relation to refusing admittance to and removing persons from licensed premises.

Specifically, the amendments will:

1. preclude the licensing authority from approving an application for alteration or redefinition of the licensed premises where the application seeks to include in the licensed premises an area that is not contiguous with the existing licensed premises unless the premises are heritage listed or are of a prescribed type or class;
2. stipulate that a special facility licence may only be granted for a purpose that is prescribed;
3. require the licensing authority to impose prescriptive conditions on special facility licences at the time that the licence is granted to ensure that the purpose for which the licence is being granted is maintained;
4. to clarify that a special facility licence cannot be granted if a licence of another class together with an extended trading permit would achieve the same purpose, irrespective of whether or not such a licence or permit has been applied for and refused;
5. provide that the holder of a hotel or tavern licence may, but is not obliged to sell, packaged liquor
6. clarify the provisions relating to the powers and obligations of authorised persons to refuse admittance to and remove persons from, licensed premises; and
7. provide for transitional provisions specifying that an application made under the current provisions of the Liquor Licensing Act, but not finally determined prior to the Amendment Act coming into operation, must be determined under the Amendment Act.

Totalisator Agency Board Betting (Modification of Operation) Act 2000

This Act came into effect on 4 December 2000 and modifies the operation of the *Totalisator Agency Board Betting Act 1960*, so as to:

- fix the distribution of TAB profits to the Western Australian Turf Club (WATC), the Western Australian Trotting Association (WATA), and the Western Australian Greyhound Racing Authority (WAGRA) in the ratio of
 - WATC 55.26 per cent
 - WATA 29.76 per cent
 - WAGRA 14.98 per cent

OFFICE OF RACING, GAMING AND LIQUOR
ANNUAL REPORT 2000/2001
Report on Operations

- distribute TAB profits in excess of \$50 million (or such greater amount as is prescribed) to the WATC, WATA (including Fremantle Trotting Club), WAGRA and/or racing clubs registered to conduct races outside the metropolitan area in such amounts and manner, subject to conditions as the Minister directs.
- prescribe the purposes for which monies paid by ministerial direction to racing clubs may be used; and
- prescribe the year ending 31 July 2001, an amount of reserve account funds the TAB may use to make payments to racing clubs as specified in a direction of the Minister.

for a period ending at midnight on 31 July 2002.

Totalisator Agency Board (Betting) (Modification of Operation) Regulations 2000

These regulations arise out of the provisions of the *Totalisator Agency Board (Betting) (Modification of Operation) Act 2000* and prescribe –

- the purposes for which monies paid by ministerial direction to racing clubs may be used; and
- that in respect of the year ending 31 July 2001, \$1.5 million of TAB reserve account funds may be used to make payments to racing clubs as specified in a direction of the Minister.

Totalisator Agency Board (Betting) (Modification of Operation) Amendment Regulations 2001

These Amendment Regulations increased the prescribed maximum threshold for distribution of profits by the TAB contained in section 28(3a) of the *Totalisator Agency Board (Betting) Act 1960*, as modified by the *Totalisator Agency Board Betting (Modification of Operation) Act 2001* from \$50 million to \$65 million.

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

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

Totalisator Agency Board (Betting) Amendment Regulations 2001

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

Betting Control Amendment Regulations 2000

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

- The lowering of telephone betting limits in respect of country racing. The limits were reduced to a bet of \$100 or a bet to win \$1,000. This limit is consistent with limits applied to country racing events in most other states.

OFFICE OF RACING, GAMING AND LIQUOR
ANNUAL REPORT 2000/2001
Report on Operations

- Removal of prohibition on bookmakers displaying information on the face of a betting ticket other than their name and the initials of the controlling authority by which they are registered.
- Removal of prohibition on the making of betting transactions on licensed premises under the *Liquor Licensing Act 1988*, other than where an agent of the TAB.
- Regulations 64 and 65 were repealed removing the constraints on bookmakers with regard to bets that must be accepted.
- Removal of the restriction for transmitting bets received by a race club to totalisator pools of other clubs or the TAB, without prior authorisation by the other club to which the bet is transmitted or the TAB.

Gaming Commission Amendment Regulations (No.3) 2000

These amendment regulations require organisations conducting raffles that publish results on an information telephone number to also publish the results in a newspaper.

Casino Control (Burswood Island) (Licensing of Employees) Amendment Regulations 2000

These amendment regulations provide for the first renewal date for Casino and Casino Key Employee Licences to come into effect on 1 July 2005.

Liquor Licensing Amendment Regulations (No. 2) 2000

These Amendment Regulations prescribe an alternative calculation and rate for the payment of subsidies to liquor wholesalers and producers following abolition of wholesale sales tax (WST) as a result of the Federal Government's *New Tax System* legislation.

Liquor Licensing Amendment Regulations (No. 3) 2000

These amendment regulations prescribe for the purposes of section 36A(2)(b) of the Liquor Licensing Act 1988, a distance of 25 kilometres. In this regard, section 36A(2)(b) of the Act precludes the Licensing Authority from granting or removing a licence to authorise the sale of packaged liquor from any premises if there is a petrol station on the premises and the premises are in, or within a prescribed distance (ie: 25 kilometres) outside, a country townsite in which there is a packaged liquor outlet.

Executive Support

Betting Control Board

Executive support provided to the Betting Control Board takes the form of policy advice, a secretarial service for meetings of the Board and a licensing function. The Secretary to the Betting Control Board —

- prepares agenda papers;
- provides a secretarial-minute taking service; and
- performs the licensing function in accordance with the provisions of the Betting Control Act.

The total number of bookmakers operating in Western Australia as at 31 July 2001 was 55. This compares with 55 at 31 July 2000. Four new licences were issued during the year, while four licences were surrendered.

Gaming Commission of Western Australia

Executive support provided to the Gaming Commission takes the form of policy advice and a secretarial service for meetings of the Commission, including a coordinating role in the preparation of agenda papers and the provision of a minute taking service.

Racing Penalties Appeal Tribunal

Executive support provided to the Racing Penalties Appeal Tribunal is in the form of a registry service. The Registrar of the Racing Penalties Appeal Tribunal accepts Notices of Appeal, arranges the listing and hearing of matters before the Tribunal and acts as the Tribunal's bench clerk during hearings.

The Registrar also maintains a comprehensive index of all matters heard by the Tribunal.

Racecourse Development Trust

Executive support provided to the Racecourse Development Trust takes the form of policy advice and a secretarial service. The Secretary of the Racecourse Development Trust —

- receives applications for Trust funding and ensures applications comply with the Trust's guidelines;
- prepares agenda papers for the bi-monthly meetings of the Trust and prepares minutes of those meetings; and
- manages the payment of monies in accordance with grants and loans approved.

Problem Gambling Support Services Committee

The Problem Gambling Support Services Committee continued to address the issues relating to problem gambling in Western Australia during 2000/2001.

Membership of the Committee comprises-

Mr Barry Sargeant (Chairman), Executive Director Office of Racing, Gaming and Liquor
Mr John Schaap, Chief Executive Burswood International Resort Casino
Mr Ray Bennett, Chief Executive Western Australian Totalisator Agency Board
Ms Jan Stewart, Chief Executive Lotteries Commission of Western Australia
Ms Gail Walker, Executive Officer WA Bookmakers Association
Ms Genevieve Errey, Manager, Funding Management, Family and Children's Services
Mr David Ryder, Senior Lecturer, Addictions Studies, Edith Cowan University

The Committee supports the service programs and participates 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 plans to undertake a review of the counselling service that it funds to ensure that it remains effective in assisting people with gambling problems. The review will include an examination of -

- 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 Committee also plans to produce a new series of posters and brochures based upon the recent Victorian Government campaign, "*Think of what you're really gambling with*".

The Committee sponsored a guest speaker at the Annual Conference of the Financial Counsellors Association, which was held in August 2000. A consultant from Victoria conducted two workshops designed to assist financial counsellors in developing strategies for helping problem gamblers and their families.

In February 2001, the Addiction Research Institute (ARI) terminated the G-Line 24-hour telephone helpline and counselling service at short notice, following the loss of its gambling helpline contract in Victoria. Negotiations with the ARI resulted in the free call 1800 numbers (1800 622 112 and 1800 622 125 – TTY) being transferred to the Gaming Commission of Western Australia, with effect from 7 March 2001. The Commission also registered the name "Problem Gambling Helpline" to replace the name "G-Line".

McKesson HBOC Asia Pacific Pty Ltd (McKesson HBOC) was engaged to provide an interim service until the tender process was completed and a new Service Agreement was put in place. McKesson HBOC was the successful tenderer and was subsequently appointed to operate the Problem Gambling Helpline with effect from 2 July 2001.

OFFICE OF RACING, GAMING AND LIQUOR
ANNUAL REPORT 2000/2001
Report on Operations

During 2000/2001, the Problem Gambling Helpline (formerly known as G-Line) received 515 problem gambling related calls. It should be noted however that statistical information was not available for January and February 2001 and therefore the figures for these months have not been included in the total.

This year the research undertaken during 1999/2000 on establishing a benchmark for best practice for the BreakEven Counselling service was finalised and a four-step counselling program implemented by the BreakEven team. During 2000/2001 the BreakEven problem gambling counselling service provided by Centrecare Marriage and Family Services conducted 374 counselling sessions. This compares with 261 for 1999/2000.

Statistics

Bookmaker's Licence Statistics

Number as at 31 July 2001	Number as at 31 July 2000	Issued during 2000/2001	Terminated during 2000/2001
55	55	4	4

Table 11: Number of bookmaker's licences as at 31 July 2001, number of bookmaker's licences issue and determined during 2000/2001 (and comparative numbers for previous years)

Bookmakers by Category

LICENCE CATEGORY	YEAR		
	2000/2001	1999/2000	1998/1999
Grandstand Enclosure	24	25	24
Leger/Country Racecourse	31	30	33
TOTAL	55	55	57

Table 12: Total numbers of bookmaker's licence by category as at 31 July 2001 (and comparative numbers for previous years)

Issue/ Renewal/Termination of Bookmaker's Employee Licences

Bookmaker's employee licences are valid for five years only. A total of 7 licences were renewed during the year and 30 were terminated.

APPLICATION TYPE	YEAR		
	2000/2001	1999/2000	1998/1999
Issue	28	34	31
Renewal	7	15	4
Termination	30	35	24

Table 13: Total number of bookmaker's employee licences as at 31 July 2001 (and comparative numbers for previous years)

OFFICE OF RACING, GAMING AND LIQUOR
ANNUAL REPORT 2000/2001
Report on Operations

Major Initiatives Planned for 2001-2002

- Implementation of National Competition Policy legislation review recommendations.
- Participation in the Ministerial Council on Gambling.
- Consideration of the Racing Industry Review Report.
- Implementation of Liquor Licensing Act Amendments.

CORPORATE SERVICES

A centralised Corporate Services Division is maintained to support the Office's operational areas. The Division provides support in respect of human resources, financial administration, information systems, records management and general administration for the Office. In addition, the Division also provides support to the Gaming Commission, racing industries, and the Indian Ocean Territories Trust Fund.

Highlights of the Year

Information Technology

A number of significant systems have been developed and implemented over the past year. They are as follows:

Financial Information Management System (FMIS)

The implementation of the FMIS was completed during June when the remaining modules of Purchasing and Fixed Assets were implemented.

Electronic Plan System

A major project to digitise all existing plans held by the Office for licensed premises was undertaken during the year.

An applicant for a liquor licence is required to provide the Office with a copy of the floor plan of the premises to be approved. The move to an electronic plan system will minimise problems associated with a paper-based system including storage and records management. Approximately 5500 images have been scanned and are now available electronically.

Casino/Gaming Systems

Work continued throughout the year on the development of replacement systems for all casino and gaming related processes. To date the following systems have been implemented:

- Casino Revenue
- Casino Employee Licensing
- Gaming Operators

Liquor Licensing System

Work on this major system was completed and the system fully implemented during December 2000.

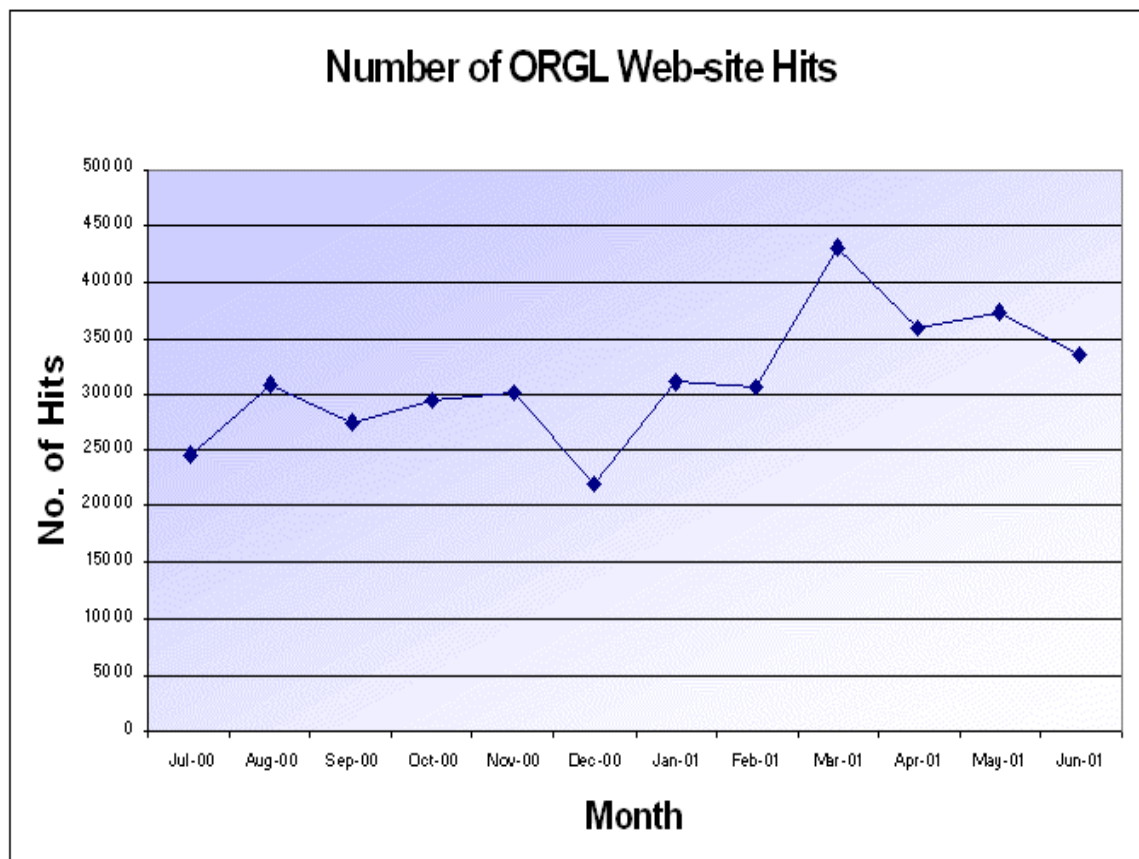
Workplace Reform

Following a review and restructure of the operations division during 1999/2000, a review was conducted during this reporting year of the corporate services division. This has resulted in a flatter structure and a greater emphasis on the provision of financial management support, contract management and records management expertise.

OFFICE OF RACING, GAMING AND LIQUOR
ANNUAL REPORT 2000/2001
Report on Operations

Web Site Presence

The Office's web site continues to record a high level of hits. The hit rate of the web site can be seen in the graph that follows –



Development and Review of Policies

Several policies and procedures were developed or reviewed during the year including Intellectual Property Policy and Procedures, Acceptable Use of the Internet and E-Mail, Acting and Guidelines on Part Time Employment.

Other changes included the updating of the Health and Safety Plan and the development of a new Equal Employment Opportunity and Diversity Management Plan.

Management of Leave Liability

The Office has developed an effective leave management strategy that requires all employees to clear four weeks annual leave each year unless alternative arrangements are approved. This has led to a significant reduction in the leave liability recorded over the last three years.

Risk Management

The Office has made considerable progress towards the implementation of the Risk Management Plan developed during December 1999 and January 2000. The plan includes both financial and business risks.

OFFICE OF RACING, GAMING AND LIQUOR
ANNUAL REPORT 2000/2001
Report on Operations

Freedom of Information

The Western Australian *Freedom of Information Act 1992* gives people a general right of access to documents held by Ministers, State Government Departments and Statutory Authorities. These bodies are called agencies in the Act.

As an agency, the Office of Racing, Gaming and Liquor complies with the provisions of the Freedom of Information Act. During the reporting year 10 FOI applications were received.

FOI APPLICATIONS		<i>Total</i>
	Not finalised from previous year	0
	Received during 2000/2001	10
	Finalised during 2000/2001	9
	Withdrawn during 2000/2001	1
	Internal review requested	0
	Not finalised by 30 June 2001	0
<i>Average processing time (in days): 28</i>		

Table 14: Summary of applications received under the *Freedom of Information Act 1992*

Report on Equity, Access and Customer Focus

This part of the Annual Report contains compliance information that the Office is required to report on, either through legislative or Ministerial requirements, or through formal requirements of the Financial Administration and Audit Act and Treasurer's Instructions.

Compliance with Public Sector Standards

The Office complied with the Public Sector Code of Ethics and has in place a Code of Conduct, which provides guidance to all employees in matters relating to their work and relationships with other employees and customers. The code is currently being reviewed. In addition, guidelines concerning the acceptance of gifts and gratuities and the disclosure of potential conflict of interest have been drafted.

Policies and procedures to support public sector standards in human resources management are in place. The policies are available in hard copy and through the Office's Intranet. However, as a consequence of the review of the Standards conducted by the Public Sector Management Office, this Office's policies and procedures are under review to ensure that they continue to support the requirements of the Standards.

A self-assessment checklist has been developed and is in use for all recruitment and selection processes. Additional checks and controls to ensure compliance with Secondment, Redeployment, Termination, Temporary Deployment and Grievance Standards have also been implemented.

A monitoring and advisory role is played by the Organisation Development Branch that maintains a system to identify outstanding performance reports.

OFFICE OF RACING, GAMING AND LIQUOR
ANNUAL REPORT 2000/2001
Report on Operations

Breach of Standards

There were no claims of breach of standard received during the reporting year.

Statement by Accountable Officer

1. The Office of Racing, Gaming and Liquor has policies and guidelines reflecting the compliance requirements for all standards. The policies and guidelines are currently the subject of review to ensure that they meet the requirements of the amended Standards.
2. I have put in place procedures designed to ensure such compliance and conducted appropriate internal checks to satisfy myself that the statement made in 1 (above) is correct.
3. Applications made for breach of standards review and the corresponding outcomes for the reporting period are —

Number lodged:	Nil
Number of breaches found:	Nil
Non-material breaches found:	Nil
Number still under review:	Nil



Barry A. Sargeant
Accountable Officer

Disability Services Plan

The Office's Disability Services Plan 1996 – 2001 remained current during the reporting year. Although most outcomes identified in the plan have been achieved, some have been reassessed and amended.

A new plan will be developed during 2001/02.

Outcome 1: Existing services are adapted to ensure they meet the needs of people with disabilities.

Achieved: Greater opportunity for use of teleconferencing in the application process.

Outcome 2: Access to buildings and facilities is improved.

Achieved: Improved car parking, signage and redesign of customer service area.

OFFICE OF RACING, GAMING AND LIQUOR
ANNUAL REPORT 2000/2001
Report on Operations

Outcome 3: Information about services and programs is provided in formats that enhance the communication needs of people with disabilities.

Achieved:

- Improved signage and information.
- E-mail option for communication between customers and employees of the Office.
- Access to TTY

Outcome 4: Advice and services are delivered by staff who are aware of and understand the needs of people with disabilities.

Achieved: A dedicated customer service team has been established. Training needs have been assessed and training will be provided.

Outcome 5: Opportunities are provided for people with disabilities to participate in public consultation and grievance mechanisms.

Achieved: Greater opportunity for public consultation meetings to be held in local area and outside of regular business hours.

Customer Focus Outcomes

An aim of the office is to provide a level of service that exceeds the expectations of customers. With this in mind, customer focus initiatives have been built into the workplace reform strategy.

During the year under review, the following additional services were available —

- Greater use of teleconferencing.
- After hours availability for meetings particularly where local residents may be in attendance.
- Presentations to liquor industry hospitality students concerning legislative requirements.

There were no valid complaints received during the year in relation to customer services.

Equal Employment Opportunities Outcomes

The Office continues to actively support the principles and practice of equal employment opportunity in the workplace and to develop staff awareness. Flexible work practices, including part time employment, flexible working hours, family leave and parental leave are provided for in the Office's Workplace Agreement.

Guidelines on Part-Time Employment were developed during the reporting year. The aim of the guidelines is to provide information to assist employees, who may be considering a part time option, and their managers to reach a position that meets the requirements of both the organisation and the employee concerned.

A new five year EEO and Diversity Management Plan has recently been developed following consultation with employees. The draft plan is currently being circulated for comment from employees.

OFFICE OF RACING, GAMING AND LIQUOR
ANNUAL REPORT 2000/2001
Report on Operations

Language Services Outcome

The Office continues to review its published information and where necessary, rewrites it in plain English. Interpreter services are available. However, to date this service has not been utilised.

**Compliance with section 175ZE of the Electoral Act 1907
Government Advertising Expenditure**

During the reporting year, the Office of Racing, Gaming and Liquor expended \$21,747 on advertising, of which —

- \$8,629 relates to statutory obligations, such as complying with a legislative requirement that appear in the Government Gazette; and
- \$13,118 was paid in respect of advertisements placed in The West Australian newspaper for job vacancies, requests for tender and public notices through Marketforce Productions, The Department of Contract and Management Services and the Ministry of the Premier and Cabinet.

Declaration of interests

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

Staff Profile

A summary of the Office's employees, by category follows —

CATEGORY OF EMPLOYEE	YEAR	
	As at 30 June 2001	As at 30 June 2000
Manager	7	9
Inspector	20	21
Administrative	63	59
TOTAL	90	89

Table 15: Number of employees of the Office of Racing, Gaming and Liquor by category (and showing comparative information for the preceding year)

The Office of Racing, Gaming and Liquor has a commitment to the development of its employees. The agency aims to build a highly skilled, professional and fair workforce with the ability to adapt to changing business technology and the environment.

During the financial year, the Office's expenditure on external training was 0.9 per cent. Expenditure for in-house training is not recorded.

Industrial Relations

There were no incidents of industrial dispute during the reporting year.

Workers' Compensation

There were no new compensation claims recorded during the financial year. For ease of reference, details of workers' compensation claims for the year under review, and a number of preceding years, is presented in the following table —

		2000/2001	1999/2000	1998/99	1997/98	1996/97
WORKERS' COMPENSATION CLAIMS	Claims lodged	0	2	2	2	2
	Estimated average number of days lost per claim	0	120	106	0	48
	Estimated cost of claims incurred per \$100 per payroll	0	1.09	0.88	0.23	0.61
	Premium rate as % of total salaries	1.29	1.02	1.02	1.54	0.93

Table 16: Comparative statistics for workers' compensation claims

Capital Works Projects

The following capital works projects were commenced during the reporting year —

- Refurbishment of Office accommodation – Inspections branch
- Installation of new PABX switchboard.

The following capital works projects continued -

- Development and implementation of Finance Management Information System - now complete
- Development and implementation of Liquor Licensing System – now complete
- Commencement of development on new Gaming Licensing System – work continues

Government Purchasing Charter

The Office complies with the Government Purchasing Charter while operating within a partial exemption from the Supply Commission for the purchase of goods and services of a general nature.

Waste Paper Recycling

The Office's recycling program includes :

- Workstations have a paper recycling container and access to recycling bins.
- Central recycling bins.
- A fortnightly collection by Paper Recycling Industries and Specialist Security Shredding of recycling bins.
- Use of obsolete paper (eg. letterhead) for draft documents.

Major Promotional, Public Relations or Marketing Activities

The Office of Racing, Gaming and Liquor does not have a public relations unit within its structure. However, the Executive Director and other senior officers 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.

The Office's Licensing Staff attend the Burswood International Resort Casino to address trainees at the casino's croupier training schools.

The Inspections Branch of the Operations Division provides lectures to Police Officers attached to the Alcohol and Drug Advisory Branch of the Western Australian Police Service on liquor and gaming issues.

Members of the Liquor Licensing Directorate presented at the State Alcohol and Drug Advisory Conference on harm minimisation, responsible serving practices and administrative aspects of liquor licensing.

The Directorate also lectures to hospitality students at various TAFE Colleges on the areas of harm minimisation, responsible serving of alcohol and the requirements of the Liquor Licensing Act 1988.

Summary of Publications Available to the Public

The Office of Racing, Gaming and Liquor provides a number of publications to assist the public of Western Australia and the industries regulated by the Office. Copies of the publications can be obtained from the agency's principal office. A summary of publications available from the Office and details of the Office's public relations activities follow.

General Publications

Annual Report of the Office of Racing, Gaming and Liquor.

Customer Service Charter.

Office of Racing, Gaming and Liquor's Website.

Publications relating to Gaming

Annual Report of the Gaming Commission of Western Australia.

Rules of authorised games played at the Burswood International Resort Casino^d.

Rules —

- of Bingo.
- for the conduct a *Standard Lottery*.
- for the conduct of a *Continuing Lottery*.
- of authorised games in respect of permitted gaming.

Gambling Industry Status Report (statistical publication on the status of the gambling industry in Western Australia).

Publications relating to Liquor Licensing

Liquor Licensing Bulletin.

Guide on Transactions covered by the Liquor Licensing Act 1988.

Policy Statements issued by the Director of Liquor Licensing on a range of matters including harm minimisation, the responsible promotion of liquor, and extended trading permits.

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

Guides for lodging applications for the —

- *Grant of a Licence;*
- *Transfer of a Licence;*
- *Removal of a Licence.*

Guides on —

- *Alterations to Licensed Premises.*
- *Protection Orders and Interim Authorisations.*
- *Objections to Applications.*
- *Occasional Licences.*
- *Extended Trading Permits.*
- *Restaurant Licences.*
- *Producer's Licences.*
- *Wholesaler's Licences.*
- *Hotel, Tavern and Hotel Restricted Licences.*
- *Cabaret Licences.*
- *Liquor Store Licences.*
- *Club and Club Restricted Licences.*
- *Conversion from a Club Restricted Licence to a Club Licence.*
- *Special Facility Licences.*
- *Complaints about Licensed Premises.*
- *Plans and Specifications.*

Publications relating to the Racing and Betting Industries

Racing Industry Status Report (statistical publication on the status of the racing industry in Western Australia).

Betting Control Board Bulletin.

Annual Report of the Racing Penalties Appeal Tribunal.

Annual Report of the Racecourse Development Trust.

Annual Report of the Betting Control Board.

Pricing Policy on Outputs

The pricing policy on outputs provided by the Office of Racing, Gaming and Liquor is based on the premise that —

1. Industries that are determined by Government to require regulation should meet the full costs of that regulation through appropriate licence fees.^(a)
2. The primary purpose for the imposition of fees should be regulatory.^(b)
3. Provisions to allow the imposition of a fee should be contained in legislation with the level of fees being established by regulation.^(c)
4. The liquor, racing and gaming industries should perceive that they receive value for money in the context of the regulation of those industries.^(d)
5. Fee structures should be simple.

Notes on Pricing Policies:

- (a) This policy underpins the Office's approach to the introduction of net appropriations. It has been applied to the gaming and racing industries. It is now proposed that it be applied to the liquor industry. Thus the full cost of regulation should be met by the racing, gaming and liquor industries. At present the Consolidated Fund subsidises some of the regulatory activities of the Office, particularly in the racing area. The Office is proceeding to redress this situation in the context of the net appropriation exercise.
- (b) This is consistent with advice from the Solicitor General regarding the desirability for fees raised at State level to be regulatory in nature.
- (c) This policy has been adopted to ensure that the Parliament has the opportunity to scrutinise any changes to the level of fees, while allowing some flexibility to adjust levels of fees according to the current economic situation. As the opportunity occurs, legislation will be amended to reflect this approach.
- (d) The Office will be responsible for ensuring that its regulatory services are efficient, effective and appropriate.

Legislation Impacting on the Activities of the Office of Racing, Gaming and Liquor

In the performance of its functions, the Office of Racing, Gaming and Liquor complies with the following relevant written laws —

- *Financial Administration and Audit Act 1985;*
- *Public Sector Management Act 1994;*
- *Salaries and Allowances Act 1975;*
- *Equal Opportunity Act 1984;*
- *Occupational Safety and Health Act 1984;*
- *Workplace Agreement Act 1993;*
- *Minimum Conditions of Employment Act 1993;*
- *Industrial Relations Act 1979;*
- *Library Board of Western Australia Act 1951;*
- *Freedom of Information Act 1992;* and
- *Disability Services Act 1993*

FINANCIAL STATEMENTS

The aim of these Financial Statements is to present to The Parliament details of revenue and expenditure for the Office of Racing, Gaming and Liquor in the format determined by the document *Statement of Accounting Standard AAS29: Financial Reporting by Government Departments*. It should be noted that :

- the Office of Racing, Gaming and Liquor is a department as defined under the Public Sector Management Act.
- an appropriation was made from the Consolidated Fund for 2000/2001 to cover the expenditure of the Office.
- the Office collects revenue on behalf of the Government, which is paid into the Consolidated Fund.
- these Financial Statements have been prepared on an accrual accounting basis in accordance with the provisions of the Financial Administration and Audit Act.
- the Office provides financial management and other corporate services to the following agencies —
 - Gaming Commission of Western Australia;
 - Racing Penalties Appeal Tribunal;
 - Racecourse Development Trust; and
 - Betting Control Board.

Expenditure in relation to the services provided to these agencies is included in these Financial Statements. However, as those agencies are all statutory authorities, separate annual reports and, therefore, financial statements, are prepared for each agency.

OFFICE OF RACING, GAMING AND LIQUOR
ANNUAL REPORT 2000/2001
Financial Statements

OFFICE OF RACING, GAMING AND LIQUOR

Statement of Financial Performance

for the year ended 30 June 2001

	Note	2000/01 (\$'000)	1999/00 (\$'000)
COST OF SERVICES			
Expenses from ordinary activities			
Employee expenses	4	3,720	3,855
Superannuation	2 (g)	461	441
Depreciation	5	540	406
Bad debt expenses		16	11
Administration expenses	6	1,422	1,291
Accommodation expenses	7	508	516
Net loss on disposal or transfer of non-current assets	8	1	9
Total cost of services		6,668	6,529
Revenues from ordinary activities			
User charges and fees	9	4,565	4,932
Total revenues from ordinary activities		4,565	4,932
Net cost of services	23 (b)	2,103	1,597
REVENUES FROM GOVERNMENT			
Appropriations	11	1,478	1,784
Resources received free of charge	10	105	73
Liabilities assumed by the Treasurer	2 (g), 12	461	441
Total revenues from Government		2,044	2,298
TOTAL CHANGES IN EQUITY OTHER THAN THOSE RESULTING FROM TRANSACTIONS WITH OWNERS AS OWNERS		(59)	701

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

OFFICE OF RACING, GAMING AND LIQUOR

Statement of Financial Position

As at 30 June 2001

	Note	2000/01 (\$'000)	1999/00 (\$'000)
CURRENT ASSETS			
Cash assets	13, 27 (a), 34	250	60
Restricted cash assets	14	161	144
Trust account	22	31	103
Receivables	15, 27 (a), 34	286	537
Prepayments	16	111	30
Total current assets		839	874
NON-CURRENT ASSETS			
Plant and equipment	17	1,736	1,851
Total non-current assets		1,736	1,851
Total Assets		2,575	2,725
CURRENT LIABILITIES			
Payables	18, 27 (a)	103	71
Employee entitlements	2 (g), 20, 27 (a)	473	529
Accrued salaries	19, 27 (a)	88	86
Fees in advance		0	12
Trust account	22	31	103
Fees in trust		7	1
Total current liabilities		702	802
NON-CURRENT LIABILITIES			
Employee entitlements	2 (g), 20, 27 (a)	195	186
Total non-current liabilities		195	186
Total Liabilities		897	988
EQUITY			
Accumulated surplus	21	1,678	1,737
Total Equity		1,678	1,737
Total Liabilities and Equity		2,575	2,725

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

OFFICE OF RACING, GAMING AND LIQUOR

Statement of Cash Flows

For the year ended 30 June 2001

	Note	2000/01 (\$'000) Inflows (Outflows)	1999/00 (\$'000) Inflows (Outflows)
CASH FLOWS FROM GOVERNMENT			
Receipts from capital appropriations	11	72	100
Receipts from recurrent appropriations	11	1,406	1,684
Net cash provided by Government		<u>1,478</u>	<u>1,784</u>
Utilised as follows:			
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Salaries and related costs		(3,758)	(3,950)
Administration		(1,355)	(1,241)
Accommodation		(551)	(516)
Payments from Trust Fund		(72)	(453)
Fees in trust		0	(12)
GST payments on purchases		(223)	(4)
Receipts			
User charges and fees		4,567	4,709
Other revenues		2	2
Receipts from fees in trust		5	2
GST receipts on sales		27	0
GST receipts from taxation authority		163	0
Net cash used in operating activities	23 (b)	<u>(1,195)</u>	<u>(1,463)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for purchase of non-current assets		(409)	(986)
Net cash used in investing activities		<u>(409)</u>	<u>(986)</u>
Net decrease in cash held		(126)	(665)
Cash assets at the beginning of the financial year		<u>307</u>	<u>972</u>
Adjustment to cash assets	34	261	0
Cash assets at the end of the financial year	23 (a)	<u><u>442</u></u>	<u><u>307</u></u>

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

OFFICE OF RACING, GAMING AND LIQUOR

Output Schedule of Expenses and Revenues

For the year ended 30 June 2001

OUTPUT	Output 1		Output 2		TOTAL	
	2000/01	1999/00	2000/01	1999/00	2000/01	1999/00
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cost of services						
Expenses from ordinary activities						
Employee expenses	1,759	2,107	1,961	1,748	3,720	3,855
Superannuation	201	250	260	191	461	441
Depreciation	266	270	274	136	540	406
Bad debt expenses	16	0	0	11	16	11
Administration expenses	710	609	712	682	1,422	1,291
Accommodation expenses	289	275	219	241	508	516
Net loss on disposal of non-current assets	1	4	0	5	1	9
Total cost of services	3,242	3,515	3,426	3,014	6,668	6,529
Revenues from ordinary activities						
User charges and fees	2,449	2,671	2,116	2,261	4,565	4,932
Total revenues from ordinary activities	2,449	2,671	2,116	2,261	4,565	4,932
Net cost of services	793	844	1,310	753	2,103	1,597
Revenues from Government						
Amounts received from appropriations:						
Recurrent	871	1,253	535	431	1,406	1,684
Capital	72	100	0	0	72	100
Resources received free of charge	49	42	56	31	105	73
Liabilities assumed by the Treasurer	201	250	260	191	461	441
Total revenues from Government	1,193	1,645	851	653	2,044	2,298
CHANGE IN NET ASSETS RESULTING FROM OPERATIONS	400	801	(459)	(100)	(59)	701

Output 1: Licensing – Evaluation and determination of applications

Output 2: Compliance audits and inspections

Comparative figures for 1999/00 'Output 3 - Policy advice' and 'Output 4 – Functions performed for the racing and gaming industries' have been included in 2000/01 Output 1 and Output 2.

The Output Schedule of Expenses and Revenues should be read in conjunction with the accompanying notes.

OFFICE OF RACING, GAMING AND LIQUOR

Summary of Consolidated Fund Appropriations and Revenue Estimates

For the year ended 30 June 2001

			2000/01			1999/00	
	Note	Estimate	Actual	Variation	Estimate	Actual	Variation
		\$	\$	\$	\$	\$	\$
RECURRENT							
Amount required to fund outputs for the year		6,117,000	5,857,410	259,590	6,192,000	6,149,905	42,095
Less Retained Revenue - Section 23A Financial Administration and Audit Act 1985		(4,544,000)	(4,570,113)	26,113	(4,658,000)	(4,584,905)	(73,095)
Item 64 – Amount provided to fund outputs for the year	26 (1)	1,573,000	1,287,297	285,703	1,534,000	1,565,000	(31,000)
Amount Authorised by Other Statutes							
- Salaries and Allowances Act 1975		119,000	119,000	0	119,000	119,000	0
- Liquor Licensing Act 1988	26 (2) (9)	10,300,000	10,116,701	183,299	11,500,000	9,170,173	2,329,827
Sub-total		11,992,000	11,522,998	469,002	13,153,000	10,854,173	2,329,827
Item 65 – Administered grants and transfer payments	26 (3)	54,300,000	53,831,078	468,922	0	0	0
Total Recurrent Services		66,292,000	65,354,076	937,924	13,153,000	10,854,173	0
CAPITAL							
Item 157 – Amount provided for Capital Services for the year	26 (4)	443,000	82,773	360,227	684,000	134,091	549,909
Less Retained Revenue - Section 23A Financial Administration and Audit Act 1985	26 (4)	(371,000)	(30,000)	(341,000)	(584,000)	(126,042)	(457,958)
Less amount provided from internal funds and balances	26 (4)	0	19,227	(19,227)	0	91,951	(91,951)
Total Capital Services		72,000	72,000	0	100,000	100,000	0
GRAND TOTAL		66,364,000	65,426,076	937,924	13,253,00	10,954,173	2,298,827

OFFICE OF RACING, GAMING AND LIQUOR
Summary of Consolidated Fund Appropriations and Revenue Estimates
For the year ended 30 June 2001

Details of Expenditure	Note	2000/01			1999/00		
		Estimate	Actual	Variation	Estimate	Actual	Variation
		\$	\$	\$	\$	\$	\$
RECURRENT							
Outputs							
Licensing – Evaluation and determination of applications	26 (5)	2,859,000	2,887,808	(28,808)	3,309,000	3,641,849	(332,849)
Less Retained Revenue - Section 23A Financial Administration and Audit Act 1985	26 (5)	(1,812,000)	(2,441,558)	629,558	(2,230,000)	(2,381,815)	151,815
		1,047,000	446,250	600,750	1,079,000	1,260,034	(181,034)
Compliance audits and inspections	26 (6)	3,171,000	3,103,778	67,222	3,002,000	2,917,508	84,493
Less Retained Revenue - Section 23A Financial Administration and Audit Act 1985	26 (6)	(2,526,000)	(2,128,555)	(397,445)	(2,428,000)	(2,203,091)	(224,910)
		645,000	975,223	(330,223)	574,000	714,417	(140,417)
Recurrent Expenditure		1,692,000	1,421,473	270,527	1,653,000	1,974,451	(321,451)
CAPITAL							
Capital Expenditure	26 (4)	443,000	82,773	360,227	684,000	134,091	549,909
Less Retained Revenue - Section 23A Financial Administration and Audit Act 1985	26 (4)	(371,000)	(30,000)	(341,000)	(584,000)	(126,042)	(457,958)
Capital Expenditure		72,000	52,773	19,227	100,000	8,049	91,951
Amount carried over at beginning of financial year		0	(86,667)	86,667	0	(285,167)	285,167
Amount transferred to operating account (unexpended appropriation)	26 (7)	0	90,718	(90,718)	0	86,667	(86,667)

OFFICE OF RACING, GAMING AND LIQUOR

Summary of Consolidated Fund Appropriations and Revenue Estimates

For the year ended 30 June 2001

			2000/01			1999/00	
	Note	Estimate	Actual	Variation	Estimate	Actual	Variation
		\$	\$	\$	\$	\$	\$
Appropriations for administered payments							
Amount carried over at beginning of financial year		0	0	0	0	(338,716)	338,716
Amount expended	26 (2) (3)						
	(9)	64,600,000	63,947,779	652,221	11,500,000	9,508,889	1,991,111
Amount carried over at end of financial year		0	0	0	0	0	0
Recurrent		64,600,000	63,947,779	652,221	11,500,000	9,170,173	2,329,827

GRAND TOTAL OF APPROPRIATIONS

66,364,000	65,426,076	937,924	13,253,000	10,954,173	2,298,827
-------------------	-------------------	----------------	-------------------	-------------------	------------------

Details of Revenue Estimates

Revenues disclosed as Administered Revenues							
Taxes and licences							
Casino Tax	26 (8)	43,000,000	43,396,637	396,637	47,000,000	39,522,381	7,477,619

TOTAL REVENUE ESTIMATES

43,000,000	43,396,637	396,637	47,000,000	39,522,381	7,477,619
-------------------	-------------------	----------------	-------------------	-------------------	------------------

The Summary of Consolidated Fund Appropriations and Revenue Estimates should be read in conjunction with the accompanying notes.

This Summary provides the basis for the Explanatory Statement information requirements of TI 945.

The Office undertook a major restructure during the 1999/00 year resulting in a change to the Office's output structure. The 99/00 figures have been estimated for comparability purposes.

OFFICE OF RACING, GAMING AND LIQUOR

Notes to the Financial Statements

for the year ended 30 June 2001

1. Departmental Mission and Funding

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

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

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

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

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

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

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

2. Significant Accounting Policies

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 years.

(a) General statement

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

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

OFFICE OF RACING, GAMING AND LIQUOR

Notes to the Financial Statements

for the year ended 30 June 2001

(b) Basis of accounting

The financial statements have been prepared in accordance with Australian Accounting Standard AAS 29.

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

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

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

(c) Appropriations

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

(d) Net Appropriation Determination

Pursuant to section 23A of the Financial Administration and Audit Act, the net appropriation determination by the Treasurer provides for retention of the following moneys received by the Office:

- * Proceeds from the provision of services to the Racing and Gaming Industries
- * Proceeds from the provision of services to the Commonwealth in respect of Indian Ocean Territories
- * Liquor fees and other revenue

Retained revenues may only be applied to the outputs specified in the 2000-01 Budget Statements.

Details of retained revenues are disclosed in the Summary of Consolidated Fund Appropriations and Revenue Estimates.

(e) Operating accounts

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

OFFICE OF RACING, GAMING AND LIQUOR

Notes to the Financial Statements

for the year ended 30 June 2001

(f) Depreciation of non-current assets

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

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

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

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

(g) Employee entitlements

Annual and long service leave

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

An actuarial assessment of long service leave was carried out at 30 June 1999, and a shorthand measurement technique was determined by the actuary. The shorthand measurement technique has been used to calculate the liability and this method of measurement is consistent with the requirements of Australian Accounting Standard AAS 30 "Accounting for Employee Entitlements".

Superannuation

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

The superannuation expense comprises the following elements:

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

OFFICE OF RACING, GAMING AND LIQUOR

Notes to the Financial Statements

for the year ended 30 June 2001

The superannuation expense does not include payment of pensions to retirees as this does not constitute part of the cost of services provided by the Office in the current year. The total unfunded liability for pensions and transfer benefits assumed by the Treasurer at 30 June 2001 in respect of current employees is \$1.41m (2000: \$1.43m), and for pensions payable to retirees is \$10.39m (2000: \$10.51m).

(h) Leases

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

(i) Receivables, payables and accrued salaries

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.

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

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

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

(j) Net fair values of financial assets and liabilities

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

(k) Resources received free of charge

Resources received free of charge or for nominal value which can be reliably measured are recognised as revenues and as assets or expenses as appropriate at fair value.

(l) Rounding of amounts

The Office presents amounts in the financial statements rounded to the nearest thousand dollars and has done so in accordance with Treasurer's Instruction 948.

OFFICE OF RACING, GAMING AND LIQUOR

Notes to the Financial Statements

for the year ended 30 June 2001

Where the amount, when rounded, results in a figure of zero, the financial statements shall contain a note expressing the amount to the nearest whole of dollar.

(m) Comparative figures

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

3. Outputs of the Office

The Budget for 2000/01 was framed in terms of outputs, consequently financial reporting for the year is also analysed in terms of outputs.

Information about the Office's outputs, and the expenses and revenues which are reliably attributable to those outputs, is set out in the Output Schedule. Information about expenses, revenues, assets and liabilities administered by the Office are given in notes 35 and 36.

The two outputs of the Office and their purposes are :

Output 1 - Licensing - Evaluation and determination of applications

Receive, process and determine applications in accordance with the legislation.

Output 2 - Compliance audits and inspections

Conduct audits and inspections to ensure that the service of gambling and liquor is conducted in a responsible and lawful manner.

	2000/01 (\$'000)	1999/00 (\$'000)
4. Employee Expenses		
Salaries	3,767	3,969
Change in annual and long service leave entitlements	(47)	(114)
	<u>3,720</u>	<u>3,855</u>
5. Depreciation		
Furniture and equipment	43	26
Computing equipment	497	380
	<u>540</u>	<u>406</u>
6. Administration Expenses		
Expenses incurred during the year	1,318	1,219
Resources received free of charge	104	72
	<u>1,422</u>	<u>1,291</u>
7. Accommodation Expenses		
Expenses incurred during the year	507	515
Resources received free of charge	1	1

OFFICE OF RACING, GAMING AND LIQUOR

Notes to the Financial Statements

for the year ended 30 June 2001

	508	516
	2000/01	1999/00
	(\$'000)	(\$'000)
8. Net Loss on Disposal of Non-current Assets		
Net loss on disposal or transfer of non-current assets		
Computing equipment	1	9
	1	9
Gross proceeds on disposal of non-current assets received during the year were \$9 (2000: \$287).		
9. User Charges and Fees		
Recoups for services provided:		
<u>Net Appropriation Revenues</u>		
Gaming Commission of Western Australia	2,723	2,828
Racing Penalties Appeal Tribunal	93	80
Racecourse Development Trust	68	60
Betting Control Board	58	141
Indian Ocean Territories Reimbursement Trust Fund	0	453
Commonwealth Government	177	196
Liquor fees and other charges	1,446	1,174
	4,565	4,932
10. Resources Received Free of Charge		
Administration expenses	104	72
Accommodation expenses	1	1
	105	73
Resources received free of charge have been determined on the basis of the following estimates provided by agencies :		
Department of Productivity and Labour Relations		
- human resource & personnel services	2	2
Department of Land Administration		
- access to land information system	2	1
Office of the Auditor General		
- audit services	22	16
Treasury Department		
- property management services	1	1
Ministry of Justice		
- legal services	78	53
	105	73
11. Appropriations		
Consolidated Fund		
Recurrent	1,406	1,684

OFFICE OF RACING, GAMING AND LIQUOR

Notes to the Financial Statements

for the year ended 30 June 2001

Capital	72	100
	<u>1,478</u>	<u>1,784</u>
	2000/01	1999/00
	(\$'000)	(\$'000)
12. Liabilities Assumed By the Treasurer		
Superannuation	<u>461</u>	<u>441</u>
13. Cash Assets		
Operating account	244	54
Cash on hand	<u>6</u>	<u>6</u>
	<u>250</u>	<u>60</u>
14. Restricted Cash Assets		
Accrued salaries suspense account	<u>161</u>	<u>144</u>
Accrued salaries suspense account is represented by a cash balance and is therefore equivalent to the net fair value		
15. Receivables		
Receivables for goods and services supplied	245	533
GST receivable	<u>41</u>	<u>4</u>
	<u>286</u>	<u>537</u>
The Office has a significant exposure to the Gaming Commission of Western Australia. The Gaming Commission is expected to settle its debt of \$186,466 (2000: \$198,710) in due course.		
16. Prepayment		
Prepayment	<u>111</u>	<u>30</u>
17. Plant and Equipment		
Furniture and equipment		
At cost	498	370
Less Accumulated depreciation	<u>187</u>	<u>158</u>
	<u>311</u>	<u>212</u>
Computing equipment		
At cost	3,027	2,880
Less Accumulated depreciation	<u>1,637</u>	<u>1,318</u>
	<u>1,390</u>	<u>1,562</u>
Add: Work in progress	<u>35</u>	<u>77</u>
	<u>1,425</u>	<u>1,639</u>

OFFICE OF RACING, GAMING AND LIQUOR

Notes to the Financial Statements

for the year ended 30 June 2001

Total	<u>1,736</u>	<u>1,851</u>
-------	--------------	--------------

17. Plant and Equipment (con't)

Reconciliations

Reconciliations of the carrying amounts of furniture and computing equipment at the beginning and end of the current and previous financial year are set out below.

	Furniture Equipment (\$'000)	Computing Equipment (\$'000)	Total (\$'000)
<u>2001</u>			
Carrying amount at start of year	212	1,562	1,774
Additions	142	326	468
Disposals	(16)	0	(16)
Depreciation	(27)	(322)	(349)
Write-off of assets	0	(176)	(176)
Carrying amount at end of year	<u>311</u>	<u>1,390</u>	<u>1,701</u>
<u>2000</u>			
Carrying amount at start of year	100	1,202	1,302
Additions	138	749	887
Disposals	(10)	(54)	(64)
Depreciation	(14)	(323)	(337)
Write-off of assets	(2)	(12)	(14)
Carrying amount at end of year	<u>212</u>	<u>1,562</u>	<u>1,774</u>

2000/01	1999/00
(\$'000)	(\$'000)

18. Payables

Amounts payable for goods and services received	<u>103</u>	<u>71</u>
---	------------	-----------

OFFICE OF RACING, GAMING AND LIQUOR

Notes to the Financial Statements

for the year ended 30 June 2001

	2000/01 (\$'000)	1999/00 (\$'000)
--	---------------------	---------------------

19. Accrued Salaries

Amounts owing for the six working days from 22 to 29 June 2001

(1999/00: six working days, 23 to 30 June 2000).

88	86
----	----

Accrued salaries are settled within a few days of the financial year end.

20. Employee Entitlements

Current liabilities

Liability for annual leave

Liability for long service leave

166	171
307	358
473	529

Non-current liabilities

Liability for long service leave

195	186
668	715

Employee entitlements have been calculated using the method described in note 2 (g). It is considered that this method will provide an estimate of the long service leave liabilities that is not materially different from the liability calculated on a present value basis.

21. Equity

Equity represents the residual interest in the net assets of the Office. The Government holds the equity interest in the Office on behalf of the community.

Accumulated surplus

Opening balance

Prior period adjustment

Change in net assets after restructuring

Closing balance

1,737	966
0	70
(59)	701
1,678	1,737

As at 1 July 1999, administered revenues relating to liquor licensing fees are reported in the Office's user charges and fees accounts.

Notes to the Financial Statements*for the year ended 30 June 2001***22. Indian Ocean Territories Reimbursement Trust Fund**

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

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

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

Year	Opening Balance	Receipts	Payments	Closing Balance
	\$	\$	\$	\$
<i>2000/01</i>	102,546	106,044	177,125	31,465*
<i>1999/00</i>	555,613	212,350	665,417	102,546

*The closing balance includes unexpended funds for liquor licensing services (\$20,165), casino and gaming (\$11,300).

23. Notes to the Statement of Cash Flows**2000/01**
(\$'000)**1999/00**
(\$'000)**(a) Reconciliation of cash**

For the purpose of the Statement of Cash Flows, cash includes cash at bank, amounts in suspense, restricted cash and trust account. 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	250	60
Restricted cash assets (refer to note 14)	161	144
Trust account	31	103
	<u>442</u>	<u>307</u>

OFFICE OF RACING, GAMING AND LIQUOR

Notes to the Financial Statements

for the year ended 30 June 2001

	2000/01 (\$'000)	1999/00 (\$'000)
(b) Reconciliation of net cost of services to net cash flows provided by/(used in) operating activities		
Net cost of services	(2,103)	(1,597)
Non-cash items:		
Depreciation	540	406
Bad debt expenses	16	11
Superannuation	461	441
Resources received free of charge from government	105	73
Loss on disposal or transfer of non-current assets	1	9
(Increase)/decrease in assets:		
Decrease/(increase) in receivables	288	(307)
Increase in prepayments	(81)	(15)
Decrease in non-current asset accruals	0	11
Increase/(decrease) in liabilities:		
Increase/(decrease) in payables	32	(12)
Decrease in liability for employee entitlements	(47)	(114)
Increase in accrued salaries	2	25
Decrease in fees in advance	(12)	0
Decrease in trust account	(72)	(453)
Increase/(decrease) in fees in trust	6	(11)
Prior period adjustments	(261)	70
Net GST receipts/(payments)	(33)	0
Change in GST in receivables/payables	(37)	0
Net cash used in operating activities	<u>(1,195)</u>	<u>(1,463)</u>

24. Lease Commitments

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

Operating lease rental commitments payable:		
Within 1 year	534	545
Later than 1 year and not later than 5 years	1,529	2,058

OFFICE OF RACING, GAMING AND LIQUOR

Notes to the Financial Statements

for the year ended 30 June 2001

Later than 5 years	0	0
	<u>2,063</u>	<u>2,603</u>

25. Remuneration and Retirement Benefits of Senior Officers

Remuneration

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

	2000/01 No.	1999/00 No.
\$		
0 - 30,000	2	0
30,001 - 40,000	0	0
40,001 - 50,000	1	0
50,001 - 60,000	0	0
60,001 - 70,000	2	7
70,001 - 80,000	2	2
80,001 - 90,000	0	1
90,001 - 100,000	2	0
110,001 - 120,000	0	0
120,001 - 130,000	0	2
130,001 - 140,000	1	0
	<u>10</u>	<u>12</u>
	2000/01 (\$'000)	1999/00 (\$'000)

The total remuneration of senior officers is:	<u>670</u>	<u>937</u>
---	------------	------------

Senior officers includes the third level of management.

Retirement Benefits

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

Total notional contributions to Gold State Superannuation Scheme and West State Superannuation Scheme	<u>78</u>	<u>119</u>
No senior officer is a member of the Superannuation and Family Benefits Act Scheme (1999/00: nil).		

26. Explanatory Statement

The Summary of Consolidated Fund Appropriations and Revenue Estimates discloses appropriations and other statutes expenditure estimates, the actual expenditures made and revenue estimates and payments into the Consolidated Fund, all on a cash basis.

The following explanations are provided in accordance with Treasurer's Instruction 945:

Significant Variations Between 2000/01 Estimates and Actual Results

1. Amount provided to fund outputs for the year

The unfavourable variance of \$285,703 was mainly due to a total return of \$275,000 to Treasury Department as a result of increases in applications for occasional licence (\$138,000), extended trading permit (\$64,000) and transfer of licence (\$61,000) during the year.

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

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

An appropriation of \$10,300,000 was provided for liquor subsidies in 2000/01. An unexpended amount of \$183,299 was returned to Treasury Department at year end.

3. Administered grants and transfer payments

As from 1st July 2000, Gambling Tax Rebates were introduced for bookmakers and gaming operators as a result of the Goods and Services Tax. The rebates are paid when claim forms are lodged by bookmakers and gaming operators. The claims lodged were significantly lower than anticipated.

An initial appropriation of \$54,300,000 and supplementary funding for Totalisator Agency Board turnover tax rebate of \$1,350,000 were provided in 2000/01. An unexpended amount of \$468,922 was returned to Treasury Department at year end.

4. Amount provided for Capital Services for the year

The reduction in capital expenditure of \$360,227 and of retained revenue of \$341,000 were the result of deferral of capital projects in relation to software development. Additional capital expenditure on computer hardware was funded from internal funds and balances.

5. Licensing – Evaluation and determination of applications

The increase in expenditure of \$28,808 was the result of the development and implementation of the new gaming system and the final phase of the financial management information system during the year.

The favourable variance of \$629,558 in revenue was primarily due to the increase in the liquor fee revenues during the year.

6. Compliance audits and inspections

Savings of \$67,222 in expenditure were largely due to the efficiency achieved as a result of the office restructure since 1999/00. More liquor outlets were inspected as a result of the amalgamation of the liquor and gaming inspectorates.

The revenue shortfall of \$397,445 was the result of a combination of factors. It was partially due to the expenditure savings and a timing difference – funds totalling \$196,834 were due and payable at the end of the year but will not be recouped until the 2001/02 financial year. The balance of the shortfall was partly due to an adjusted downward annual recoupment rate of \$100,000 from the Gaming Commission of Western Australia. The change in the rate was through operational efficiencies and savings as a result of office restructure.

7. Amount transferred to operating account (unexpended appropriation)

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

8. Taxes and licences

The favourable variance of \$396,637 in Casino Tax revenue was due to an increase in casino gross revenue during the year.

Significant Variations Between the 2000/01 and 1999/00 Actual Results

Variations, which have been explained in the sub-sections 1 to 8 of this note, have not been repeated here in the interests of concise reporting.

9. Amount Authorised by Other Statutes – Liquor Licensing Act 1988

An increase of \$946,528 in the appropriation for liquor subsidies was a result of a review undertaken by the Economic Policy section of Treasury Department.

OFFICE OF RACING, GAMING AND LIQUOR

Notes to the Financial Statements

for the year ended 30 June 2001

27. Additional Financial Instruments Disclosures

(a) Interest Rate Risk Exposure

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

	Total Non-interest Bearing	Total Non-interest Bearing
	30 June 2001 (\$'000)	30 June 2000 (\$'000)
Financial Assets		
Cash assets	250	60
Restricted cash assets	161	144
Receivables	286	537
Total Financial Assets	<u>697</u>	<u>741</u>
Financial Liabilities		
Payables	103	71
Employee entitlements	668	715
Accrued salaries	88	86
Total Financial Liabilities	<u>859</u>	<u>872</u>

(b) Credit Risk Exposure

All financial assets are unsecured.

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

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

	2000/01 (\$'000)	1999/00 (\$'000)
Western Australian Government agencies	<u>197</u>	<u>235</u>

28. Other Commitments

There were no other material commitments as at 30 June 2001.

29. Contingent Liabilities

The Office policy is to disclose as a contingency any material future obligation that may arise due to special circumstances or events. At the date of this report the Office is not aware of any such material future obligations in respect of the Office.

30. 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 Office, the results of those activities or the state of affairs of the Office in the ensuing or any subsequent year.

31. Related Bodies

The Office 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.

32. Affiliated Bodies

The Office 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.

33. Supplementary Financial Information**(a) 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):

	2000/01	1999/00
	\$	\$
Liquor licence penalties written off by the Accountable Officer	15,205	10,770
Uncollectable revenues written off by the Accountable Officer	790	819
Non-current assets written off by the Accountable Officer	814	455
	<u>16,809</u>	<u>12,044</u>

(b) Losses Through Theft, Defaults and Other Causes

Cash shortages	<u>1,115</u>	<u>50</u>
----------------	--------------	-----------

OFFICE OF RACING, GAMING AND LIQUOR

Notes to the Financial Statements

for the year ended 30 June 2001

34. Adjustment to Cash Assets

In the previous financial year, an amount of \$261,320 was incorrectly classified as receivables rather than cash assets. The effect of this misclassification was to over-state receivables and under-state cash assets. For 2000/01 receivables and cash assets have been correctly accounted for.

	2000/01 (\$'000)	1999/00 (\$'000)
35. Administered Expenses and Revenues		
EXPENSES		
Transfer payments for liquor subsidies and gambling tax rebates	63,178	9,778
Receipts paid into Consolidated Fund	43,397	43,903
Total administered expenses	106,575	53,681
REVENUES		
Appropriations for liquor subsidies and gambling tax rebates	63,948	9,170
Taxes collected under the Casino (Burswood Island) Agreement Act 1985	42,160	43,273
Total administered revenues	106,108	52,443
36. Administered Assets and Liabilities		
ASSETS		
Current		
Cash	9	2
Receivables	2,515	3,751
Total administered assets	2,524	3,753
LIABILITIES		
Current		
Payables	0	769
Fees in trust	9	2
Total administered liabilities	9	771

FINANCIAL STATEMENTS


STATEMENT OF CERTIFICATION

The accompanying financial statements of the Office of Racing, Gaming and Liquor have been prepared in compliance with the provisions of the Financial Administration and Audit Act 1985 from proper accounts and records to present fairly the financial transactions for the year ended 30 June 2001 and the financial position as at 30 June 2001.

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



Barry A Sargeant
ACCOUNTABLE OFFICER
15 August 2001



Terry Ng
PRINCIPAL ACCOUNTING OFFICER
15 August 2001

OFFICE OF RACING, GAMING AND LIQUOR
ANNUAL REPORT 2000/2001
Financial Statements



AUDITOR GENERAL

To the Parliament of Western Australia

**OFFICE OF RACING, GAMING AND LIQUOR
FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2001**

Scope

I have audited the accounts and financial statements of the Office of Racing, Gaming and Liquor for the year ended June 30, 2001 under the provisions of the Financial Administration and Audit Act 1985.

The Accountable Officer 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 Accountable Officer.

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

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

Audit Opinion

In my opinion,

- (i) the controls exercised by the Office of Racing, Gaming and Liquor provide reasonable assurance that the receipt and expenditure of moneys and the acquisition and disposal of property and the incurring of liabilities have been in accordance with legislative provisions; and
- (ii) the Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows, Output Schedule of Expenses and Revenues and Summary of Consolidated Fund Appropriations and Revenue Estimates and the Notes to and forming part of the financial statements are based on proper accounts and present fairly in accordance with applicable Accounting Standards, other mandatory professional reporting requirements and the Treasurer's Instructions, the financial position of the Office at June 30, 2001 and the results of its operations and its cash flows for the year then ended.

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

D D R PEARSON
AUDITOR GENERAL
October 11, 2001

OUTCOMES, OUTPUTS AND PERFORMANCE INFORMATION

Outcomes and Outputs

Outcome: *To promote, monitor and enforce responsible and lawful gambling and liquor services in accordance with the legislation.*

Output 1: Licensing - Evaluation and determination of applications

Output Description: Receive, process and determine applications in accordance with the legislation.

	2000/2001 Budget \$000	2000/2001 Actual \$000	Reason for Significant Variation
Total Cost of Output	3,309	3,242	Liquor revenue greater than budgeted.
Less Operating Revenues ^(a)	2,028	2,697	
Net Cost of Output	1,281	545	
Adjustments for non-cash items	(400)	(115)	
Cash Cost of Output	881	430	

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

Output Measures ^(b)

	2000/2001 Target	2000/2001 Actual	Reasons for Significant Variance
Quantity			
Applications determined.	10,625	11,068	
Quality			
Applications that complied with the statutory requirements at the time the application was granted.	100%	99.6%	
Timeliness			
Applications finalised within the required predetermined timeframe.	98%	93.2%	
Cost			
Average cost of determining applications	\$311	\$293	

Effectiveness

The evaluation and determination of applications contributes to promoting, monitoring and enforcing responsible and lawful gambling and liquor services by ensuring that applications comply with the statutory and policy requirements. Effectiveness can be measured by the percentage of applications granted, that complied.

^(b) The Full Time Equivalents (FTE's) employed in this output during 2000-2001 was 35.

OFFICE OF RACING, GAMING AND LIQUOR
ANNUAL REPORT 2000/2001
Outcomes, Outputs and Performance Information

Outcome: *To promote, monitor and enforce responsible and lawful gambling and liquor services in accordance with the legislation.*

Output 2: Compliance audits and inspections

Output Description: Conducts audits and inspections to ensure that the service of gambling and liquor is conducted in a responsible and lawful manner.

	2000/2001 Budget \$000	2000/2001 Actual \$000	Reasons for Significant Variance
Total Cost of Output	3,637	3,426	Savings in salaries & leave entitlements Recoup for cost of services provided was less than budgeted.
Less Operating Revenues ^(a)	2,796	2,434	
Net Cost of Output	841	992	
Adjustments for non-cash items	(401)	(31)	
Cash Cost of Output	440	961	

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

Output Measures ^(b)

	2000/2001 Target	2000/2001 Actual	Reasons for Significant Variance
Quantity			
Inspections / audits undertaken.	8,470	9,385	Target did not include work undertaken by Regulatory Team
Quality			
Inspections / audits conducted in accordance with the approved program.	98%	99%	
Timeliness			
Inspections / audits completed by 30 June each year	90%	90%	
Cost			
Average cost of conducting inspections.	\$429	\$365	Target did not include work undertaken by Regulatory Team

Effectiveness

Conducting compliance audits and inspections ensure the promotion, monitoring and enforcement of responsible and lawful gambling and liquor services. Effectiveness can be measured by the percentage of inspections/audits that were conducted in accordance with the approved program. Effectiveness can also be measured by the percentage of premises inspected that were found to comply with the requirements of the statutory criteria and audit requirements. In this regard, the higher the percentage of premises that comply, the more effective the enforcement programs.

^(b) The Full Time Equivalents (FTE's) employed in this output during 2000/2001 was 46.

Key Performance Indicators

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

Government Desired Outcome

The Government Desired Outcome for the Office of Racing, Gaming and Liquor is —

1. To promote, monitor and enforce responsible and lawful gambling and liquor services in accordance with the legislation.

Effectiveness Indicator

Conducting compliance audits and inspections ensure the promotion, monitoring and enforcement of responsible and lawful gambling and liquor services. Effectiveness can be measured by the percentage of licensees and service providers that complied with audit requirements and statutory criteria.* In this regard, the higher the percentage of compliance, the more effective the enforcement programs.

	2000-2001	1999-2000	1998-1999
Percentage of licensees/service providers that were found to comply with audit requirements and statutory criteria.	94.9%	95.3%	Not available
Total inspections	7681	8327	Not available

Note : No comparative figures are available for 1998/99. This indicator is being reported for the first time. A comparative figure was calculated from the information available for 1999/00.

* This figure is calculated by determining the number of licensees/service providers that complied with audit requirements and statutory criteria as a percentage of the number of audits/inspections conducted during the year.

Efficiency Indicators

Output 1: Licensing - Evaluation and determination of applications.

Output Description

Receive, process and determine applications in accordance with the legislation.

Efficiency Indicator 1.1

Average cost of processing and determining applications based upon the total expenditure of Output 1 by the number of application determined.

	2000/2001	1999/2000	1998/1999
Average cost of determining applications.	\$293	\$309	<i>not available</i>

Output 2: Compliance audits and inspections

Output Description

Conduct audits and inspections to ensure that the service of gambling and liquor is conducted in a responsible and lawful manner.

Efficiency Indicator 1.2

Average cost of conducting inspections based upon the total expenditure of Output 2 by the number of inspections undertaken.

	2000/2001	1999/2000	1998/1999
Average cost of conducting inspections.	\$365	\$418	<i>not available</i>

PERFORMANCE INDICATORS

STATEMENT OF CERTIFICATION

I certify that the performance indicators presented here are based on proper records and fairly represent the performance of the Office of Racing, Gaming and Liquor for the financial year ended 30 June 2001.

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

Barry A Sargeant
ACCOUNTABLE OFFICER

15 August 2001

OFFICE OF RACING, GAMING AND LIQUOR
ANNUAL REPORT 2000/2001
Outcomes, Outputs and Performance Information



AUDITOR GENERAL

To the Parliament of Western Australia

**OFFICE OF RACING, GAMING AND LIQUOR
PERFORMANCE INDICATORS FOR THE YEAR ENDED JUNE 30, 2001**

Scope

I have audited the key effectiveness and efficiency performance indicators of the Office of Racing, Gaming and Liquor for the year ended June 30, 2001 under the provisions of the Financial Administration and Audit Act 1985.

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

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

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

Audit Opinion

In my opinion, the key effectiveness and efficiency performance indicators of the Office of Racing, Gaming and Liquor are relevant and appropriate for assisting users to assess the Office's performance and fairly represent the indicated performance for the year ended June 30, 2001.

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

D D R PEARSON
AUDITOR GENERAL
October 11, 2001

CONTACTING THE OFFICE OF RACING, GAMING AND LIQUOR

Address and Telephone Number of the Office of Racing, Gaming and Liquor's Principle Office

Street Address

The agency's principle office is located
at —

1st Floor Hyatt Centre
87 Adelaide Terrace
East Perth, 6004
WESTERN AUSTRALIA

Postal Address

The agency's postal address is —

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

Telephone Numbers

Main switch board: (08) 9425 1888
Country Callers: 1800 634 541
Facsimile number: (08) 9325 1041

Internet and e-mail service

Application forms and brochures, together with general information on the Office's functions are available on the Office of Racing, Gaming and Liquor's website, which can be found at www.orgl.wa.gov.au. The agency's annual report is also available from the website in PDF format.

Customers of the Office can also e-mail any inquiries to orgl@orgl.wa.gov.au.

After Hours Contact

Gaming and Liquor inspectors can be contacted until 11.00 p.m. Monday to Friday on the following mobile telephone numbers
—

- 0417 903 826

Inspectors at Burswood International Resort Casino can be contacted at any time either personally or by telephone numbers 9362 7648 or 9362 7650.

LIST OF EMPLOYEES AS AT 30 JUNE 2001

ASQUITH-CHARLTON, Barbara	IOANNIDIS, Mary	SALTER, Pat
AMBLER, Dorothy		SARGEANT, Barry
ARMSTRONG, Roslyn	KELLY, Allen	SAUERACKER, Peter
ATKINSON, Anne	KENNEDY, Donna	SCHNEIDER, Rob
	KRAWEC, Otto	SCHULZE, Charles
BALL, Teresa	KUSUNOSE, Julie	SEET, Albert
BAXTER, Sarah		SMITH, Douglas
BEECROFT, Mark	LAUDER, Vivienne	SNELL, Brett
BELLING, Janine	LEACH, Rita	STEPHENS, Jocelynn
BLAKE, Keith		STEWART, Carole
BORGWARD, Yvette	MANNINO, Santo	SYME, Wayne
BOUSFIELD, Glen	MARWICK, Julie	
	McGANN, Star	THOM, Jeremy
CARLETON, Brian	McLAUHLAN, Daryl	TIMBRELL, Ben
CHAMI, Rostam	McLAUHLIN, Dorothy	TOLL, Peter
CONNOLLY, Michael	McSWAIN, Christine	TOYNE, Nick
	MILLER, Glenn	TRPCEV, Alic
DELPRETE, Sandy	MINCHIN, Peter	TUCKER, Garry
D'SOUZA, Cassandra	MITCHELL, Robert	
DUTTON, Trevor	MUIR, Gordon	WATT, Aileen
		WEBB, Vanessa
ELRICK, Jodie	NAZARETH, Len	
EVANS, Joanne	NG, Terry	YOUNGER, Raymond
	NICHOLS, Jon	
FAIRHEAD, Alan		ZELIFF, Janina
FERNANDES, Maureen	OLIVER, Max	
FIELDHOUSE, Zoe		
FLOWERS, Lisa	PEZAJ, Mirella	
	PHILIPS, Adam	
GARRETT, Jack	PITCHER, Owen	
GORDON, Jon	POW, Sonia	
GRAY, Colin	PRESTON, Hilary	
GREGOR, Richard	PRICE, Lynne	
HALGE, David	RADIS, Leigh	
HARKEN, Tracy	REID, Pamela	
HEAD, Trevor	ROCHE, Cushla	
HERRING, Jacqueline	ROMATO, Eric	
HICKS, Craig	ROSSON, Andrew	
HIGHMAN, Hugh	ROWLES, Christopher	
HOBSON, Murray		

OFFICE OF RACING, GAMING AND LIQUOR
ANNUAL REPORT 1999/2000

Acknowledgments

Annual Report Coordination: Tony Bennett
ELTON CONSULTING

Financial Statements: Terry Ng
Principal Accounting Officer
Office of Racing, Gaming & Liquor