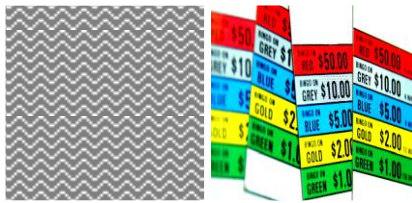




# Gaming and Wagering Commission of Western Australia 2010/11 Annual Report



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### Availability in other formats

This publication can be made available in alternative formats such as compact disc, audiotape or Braille. The report is available in PDF format at [www.rgl.wa.gov.au](http://www.rgl.wa.gov.au)

People who have a hearing or speech impairment may call the National Relay Service on 133 677 and quote telephone number (08) 9425 1888.

## STATEMENT OF COMPLIANCE

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Hon. Terry Waldron, MLA  
MINISTER FOR RACING AND GAMING

In accordance with section 61 of the *Financial Management Act 2006*, I hereby submit for your information and presentation to Parliament, the Annual Report of the Gaming and Wagering Commission of Western Australia for the financial year ended 30 June 2011.

The Annual Report has been prepared in accordance with the provisions of the *Financial Management Act 2006*.



Barry A Sargeant  
CHAIRPERSON

20 September 2011

## OVERVIEW OF AGENCY

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### CHAIRPERSON'S OVERVIEW

I am pleased to present the Gaming and Wagering Commission of Western Australia's Annual Report for the financial year 2010/11. This report is designed to outline the Commission's activities and to satisfy its statutory reporting requirements.

As trustees for the Burswood Property Trust, Burswood Limited received approval for an expansion program at the Burswood Entertainment Complex that includes:

- increasing the licensed casino gaming area from 12,126m<sup>2</sup> to 15,746m<sup>2</sup>;
- constructing an exclusive gaming salon as part of the international gaming facility on the top level of the InterContinental Perth Burswood Hotel;
- increasing the number of electronic gaming machines to 2000;
- increasing the number of table games to 220; and
- introducing fully automated table games, capped to a maximum of 30 (of the existing 220 table games).

As a consequence of the expansion program, the Government and Burswood entered into the Twelfth Supplementary Agreement to amend the Agreement scheduled to the *Casino (Burswood Island) Agreement Act 1995*. Subsequently, the Parliament passed the *Casino (Burswood Island) Agreement Amendment Act 2011* on 29 June 2011, ratifying the Twelfth Supplementary Agreement to:

- introduce a new tax arrangement for electronic gaming machines and fully automated table games;
- reduce the prohibition on playing Two-up from within 200km radius of Burswood Casino to 100kms;
- permit, with the consent of Burswood, the playing of Two-up at any racing club within a 100km radius of Burswood, provided it is registered with Racing and Wagering Western Australia. Approvals will be limited to special events such as cup day, or in conjunction with special occasions/exceptional circumstances as determined by the Minister;
- authorise the Minister to permit the playing of Two-up at events or premises of organisations not affiliated with the Returned Services League of Australia W.A. Branch, which the Minister is satisfied are sufficiently connected to the celebration of Anzac Day;

- permit gaming on cruise ships outside a distance of 12 nautical miles from the Western Australian baseline; and
- permit the possession of electronic gaming machines and gaming equipment on cruise ships within 12 nautical miles of the Western Australian baseline, without seeking authorisation from the Commission.

During the year, 2266 community gaming permits and licences were issued, resulting in over \$56 million being raised by permit holders, with more than \$17 million (net) returned to beneficiary organisations for the active promotion, support or conduct of sporting, social, political, literary, artistic, scientific, benevolent, charitable or other similar activities within the Western Australian community.

The commission is currently developing a policy for community based poker tournaments conducted under a gaming function permit. The main purpose of the policy is to maximise the return generated for the charities involved.

Since the introduction of the racing bets levy in 2010, the Commission has remitted \$68 million to Racing and Wagering Western Australia for distribution to the Western Australian racing industry. The Commission has also successfully pursued a number of wagering operators not conforming to the legislation who are now fully compliant with the racing bets levy process.

Inspectors from the Department conducted more than 7500 compliance actions, including audits and inspections of casino operators, wagering, community gaming and casino activities throughout Western Australia.

Amendments to the *Gaming and Wagering Commission Regulations 1988* now require gambling operators to advertise the national problem gambling helpline number and the on-line counselling website on any published wagering material. This requirement has contributed to an increased awareness of problem gambling help services that the public may not have otherwise been aware of.

I take this opportunity to thank the other members of the Commission for their invaluable contribution to the effective operation of the Commission. They have given willingly of their time and expertise in discharging their responsibilities. A special thank you is extended to Ms Helen Dullard for her contribution over the past three years and now leaves the Commission with our best wishes.

Additionally, I acknowledge the staff of the Department of Racing, Gaming and Liquor. Without their efforts, the Commission would not be able to discharge its duties.



Barry A Sargeant  
CHAIRPERSON

## OPERATIONAL STRUCTURE

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### ENABLING LEGISLATION

The Gaming and Wagering Commission of Western Australia is established as a statutory authority under section 4 of the *Gaming and Wagering Commission Act 1987*.

### MISSION

The mission statement of the Gaming and Wagering Commission of Western Australia is to promote and maintain the integrity of lawful gambling activities for Western Australians within community expectations on harm minimisation, through the licensing of suppliers and the provision of industry support services.

### RESPONSIBLE MINISTER

As at 30 June 2011, the Minister responsible for the Racing and Gaming Portfolio was the Hon. Terry Waldron MLA, Minister for Racing and Gaming; Minister Assisting the Minister for Health.

### ADMINISTERED LEGISLATION

The Gaming and Wagering Commission is responsible for administering the following legislation:

- *Betting Control Act 1954*;
- *Bookmakers Betting Levy Act 1954*;
- *Casino (Burswood Island) Agreement Act 1985*;
- *Casino Control Act 1984*;
- *Gaming and Betting (Contracts and Securities) Act 1985*;
- *Gaming and Wagering Commission Act 1987*;
- *Gaming and Wagering Commission (Continuing Lotteries Levy) Act 2000*;
- *Racing and Wagering Western Australia Act 2003*;
- *Racing and Wagering Western Australia Tax Act 2003*;
- *Racing Bets Levy Act 2009*; and
- *Racing Restriction Act 2003*.

## **OTHER LEGISLATION IMPACTING ON THE COMMISSION'S ACTIVITIES**

In the performance of its functions, the Gaming and Wagering Commission of Western Australia complies with the following relevant written laws:

- *Auditor General Act 2006;*
- *Contaminated Sites Act 2003;*
- *Disability Services Act 1993;*
- *Equal Opportunity Act 1984;*
- *Electronic Transactions Act 2003;*
- *Financial Management Act 2006;*
- *Freedom of Information Act 1992;*
- *Industrial Relations Act 1979;*
- *Minimum Conditions of Employment Act 1993;*
- *Occupational Safety and Health Act 1984;*
- *Public Sector Management Act 1994;*
- *Salaries and Allowances Act 1975;*
- *State Records Act 2000;* and
- *State Supply Commission Act 1991.*

## **RESPONSIBILITIES OF THE GAMING AND WAGERING COMMISSION**

The *Gaming and Wagering Commission Act 1987* legalises gambling recognised as social gambling and allows other forms of gaming (minor gaming) for fund raising purposes by non-profit organisations provided they are authorised by a gaming permit and conducted on approved premises.

Minor gaming comprises of Two-up, bingo, standard lotteries, continuing lotteries and non casino type games approved by the Commission.

The Commission is responsible for the control and regulation of gaming in Western Australia, and its practices and policies are designed to maintain public confidence in the integrity of gaming provided. The main duties of the Commission are to:

- administer the laws relating to gaming and betting;
- review the conduct, extent and character of gambling operations and the provision, use and location of gaming and wagering facilities;



- formulate and implement policies for the scrutiny, control and regulation of gaming and betting, taking into consideration the requirements and interests of the community as a whole;
- issue permits, certificates and employee licences; and
- provide advice to the Minister on any matter relating to gaming and betting.

The broad objectives of the Commission in relation to the State's gaming industry are to:

- approve, or withhold approval from persons, premises, games and gambling in relation to the *Betting Control Act 1954*, *Casino Control Act 1984*, *Gaming and Wagering Commission Act 1987* and *Racing and Wagering Western Australia Act 2003*;
- license directors and key employees of Racing and Wagering Western Australia, subject to the *Racing and Wagering Western Australia Act 2003*; and to grant, revoke or amend such approvals and licences;
- license persons, partnerships and bodies corporate as bookmakers, bookmakers' employees and bookmakers' managers, subject to the provisions of the *Betting Control Act 1954*; and to grant, revoke or amend such approvals and licences; and
- seek, receive, disseminate or publish information relevant to gambling and the incidence of gaming and wagering and its effect in the community.

During the year, the Commission met on 11 occasions.

## ADMINISTRATIVE STRUCTURE

The Commission is a body corporate, which under its corporate name has perpetual succession and is capable, subject to the *Gaming and Wagering Commission Act 1987*, of doing and suffering all that bodies corporate may lawfully do or suffer.

Section 12 of the *Gaming and Wagering Commission Act 1987* provides that membership of the Commission shall comprise:

- the person holding or acting in the office of Director General of the Department of Racing, Gaming and Liquor, who shall be ex officio Chairman of the Commission; and
- not less than five, nor more than seven, members appointed by the Minister as persons of integrity, good repute and relevant experience.

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

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

## **COMMISSION MEMBERSHIP**

As at 30 June 2011, the members of the Gaming and Wagering Commission of Western Australia were:

### **Mr Barry A Sargeant – Chairperson**

Mr Sargeant is the Director General of the Department of Racing, Gaming and Liquor and has held the position of Chairman of the Gaming and Wagering Commission since 1992.

### **Hon Jeffrey Carr – Member**

Mr Carr is a retired parliamentarian who was MLA for Geraldton between 1974 and 1991 and held the portfolios of Police and Emergency Services, Local Government, Regional Development, Midwest, Mines, Fuel and Energy and Small Business. Mr Carr was also a member of the Heritage Council of Western Australia.

### **Ms Helen Cogan – Member**

Ms Cogan is a lawyer retired from the State Solicitor's Office where she held the position of Senior Assistant State Solicitor. She was employed with the State Solicitor's Office over the period 1993 to 2005. Prior to her employment with the State Solicitor's Office, Ms Cogan worked for various private and public legal organisations within Australia and overseas.

### **Ms Helen Dullard OAM – Member**

Ms Dullard established the Hills Community Support Group (Inc) in 1983 providing services to older people, people with disabilities, carers and youth at risk. Ms Dullard has worked on various boards, committees and councils. Ms Dullard was Councillor in 2000, Deputy President in 2005 and President of the Shire of Mundaring Council in 2007, Chairman of the Local Government Advisory Board, Disability Services Commission Round Table Member, National Disability Service Board Member, a Councillor Delegate to the Mundaring Arts Centre Board, and a Member of the West Australian Community Care Reform Advisory Group Committee.

**Mr Andrew Duckworth – Member**

Mr Duckworth has worked in senior positions in a number of Western Australian Government departments. Following a period as a Prisoner Educator he moved to the Health Department where he was involved in the creation and management of several Western Australian health promotion programs, including the Drinksafe Campaign. He also contributed to the development of the National Campaign against Drug Abuse, in which capacity he served on various policy committees and decision making bodies. He later worked with the WA Police in the Professional Standards Portfolio developing programs and strategies to enhance ethics education and professional accountability.

**Mr Kevin Harrison – Member**

Mr Harrison is a past Commissioner, Chairman and Chief Executive of the West Australian Tourist Commission. He has served on government boards at state, national and international levels, including roles as Chairman of the Rottnest Island Authority, Eventscorp and Rally Australia. He has been a board member of more than 60 companies in 17 sectors of the tourism industry, including Managing Director of a national accommodation chain and Vice President of an international accommodation chain of more than 500 properties.

**Ms Colleen Hayward – Member**

Ms Hayward is currently Head of Kurongkurl Katitjin at Edith Cowan University's Centre for Indigenous Education and Research. For more than 30 years, Ms Hayward has provided significant input to policies and programs on a wide range of issues, reflecting the needs of minority groups. She has significant experience in policy and management, as well as an extensive background in health, education, training, employment, housing, child protection, and law and justice. Ms Hayward has been recognised for her work for, and on behalf of, Aboriginal and Torres Strait Islander communities. This has included receiving the Premier's Multicultural Ambassador's Award in 2006, being a finalist in the Deadlys Awards in 2008, and the National NAIDOC Aboriginal Person of the Year Award in 2008. Ms Hayward was inducted into the WA Department of Education's Hall of Fame in 2009 for Achievement in Aboriginal Education, and in 2010 she was appointed as a member of the inaugural Executive Committee of the National Congress of Australia's First Peoples.

## **PERFORMANCE MANAGEMENT FRAMEWORK**

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### **OUTCOME BASED MANAGEMENT FRAMEWORK**

The Gaming and Wagering Commission of Western Australia operates under the broad high level government strategic goal of providing a 'greater focus on achieving results in key service deliveries for the benefit of all Western Australians'. The desired outcome for the Commission is to promote and maintain the integrity of lawful gambling activities for Western Australians within community expectations on harm minimisation.

The Commission is responsible for the control and regulation of gaming in Western Australia, and its practices and policies are designed to maintain public confidence in the integrity of gaming. The Commission's approach to the State's gambling industry is focused on consumer protection. The success of the gaming industry depends, to a large extent, on public confidence in the integrity of the gaming provided.

The licensing regime focuses on ensuring the integrity of the gambling industry through probity and ongoing licensing requirements. This ensures that a high level of consumer confidence in the Western Australian gambling industry is maintained. A strict legislative framework operates within the State to:

- prevent criminal interests from operating gaming activities;
- maintain the integrity of permitted gaming and contain its social costs; and
- limit the availability of gambling opportunities in the community through legislation that provides a controlled environment in which the different forms of gambling can be conducted.

The licensing regime is designed to reduce the incidence of fraudulent behaviour. Gambling is inherently open to exploitation by criminals and organised crime. Licensing provides increased certainty about the quality and integrity of the gambling product. The rules and procedures ensure that the operators of gambling activities achieve a particular standard of professional service. The public benefits by reduced uncertainty or risk being associated with the gambling product.

The Gaming and Wagering Commission's Outcome Based Management Framework did not change during 2010/11.

### **SHARED RESPONSIBILITIES WITH OTHER AGENCIES**

The Gaming and Wagering Commission of Western Australia did not share any responsibilities with other agencies in 2010/11.

## REPORT ON OPERATIONS

### AGENCY PERFORMANCE 2010/11

<b>FINANCIAL TARGETS</b>	<b>TARGET<sup>1</sup></b>	<b>ACTUAL</b>	<b>VARIATION<sup>2</sup></b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Total cost of services (expense limit) (sourced from Statement of Comprehensive Income)	4,798,000	4,374,727	423,273
Net cost of services (sourced from Statement of Comprehensive Income)	551,000	85,724	(465,276)
Total equity (sourced from Statement of Financial Position)	7,288,957	9,783,206	2,494,249
Net increase / (decrease) in cash held (sourced from Statement of Cash Flows)	(593,000)	1,304,003	1,897,003
	<b>No.</b>	<b>No.</b>	<b>No.</b>
Approved full time equivalent (FTE) staff level <sup>3</sup>	0	0	0

### SUMMARY OF KEY PERFORMANCE INDICATORS 2010/11<sup>4</sup>

<b>KEY EFFECTIVENESS INDICATOR</b>	<b>TARGET</b>	<b>ACTUAL</b>	<b>VARIATION</b>
Percentage of unlawful gambling detected in relation to total audits	1.78%	1.34%	0.44%
Number of violation reports/infringement notices issued in relation to casino gaming	5	5	0
<b>KEY EFFICIENCY INDICATOR</b>	<b>TARGET</b>	<b>ACTUAL</b>	<b>VARIATION</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Cost per Gambling Certificate/Permit issued	427	339	88
Cost per Casino Employee Licence issued	735	586	149
Cost of monitoring the integrity of casino gaming operations over one year	232,699	232,960	261
Cost per instance of unlawful gambling detected	21,027	21,570	280
Cost per casino submission received	513	408	105

1 As specified in the budget statements for the year in question.

2 Explanations for significant variances are contained in Note 15 'Explanatory Statement' to the financial statements (page 44).

3 Executive support for the Commission is provided by the Department of Racing, Gaming and Liquor.

4 Explanations for variations between targets and actual results are presented at pages 52 and 53.

## LICENSING SERVICES

The Gaming and Wagering Commission of Western Australia provides a licensing service for the casino, community gaming and betting industries. The Department of Racing, Gaming and Liquor acts on behalf of the Commission to evaluate and determine applications that have been made pursuant to the provisions of the relevant legislation, which results in the granting or refusal of applications and the subsequent issue of the licence or permit sought.

During 2010/11, 2266 community gaming permits were issued. This resulted in the gross amount of over \$56 million being raised by permit holders. Following the deduction of expenses associated with running the event (such as permit fees, cost of prizes, ticket printing or hiring fees for gaming equipment and advertising fees, telemarketing charges, postage and bank charges), more than \$17 million (net) was returned to beneficiary organisations. These organisations use the funds for the active promotion, support or conduct of sporting, social, political, literary, artistic, scientific, benevolent, charitable or other similar activities within the Western Australian community.

The table below shows the total gross and net revenue raised by gaming permit holders over the past three years.

<b>COMPARISON OF GROSS AND NET REVENUE RAISED BY GAMING PERMITS</b>						
	<b>2008/09</b>		<b>2009/10</b>		<b>2010/11</b>	
	<b>Gross</b>	<b>Net</b>	<b>Gross</b>	<b>Net</b>	<b>Gross</b>	<b>Net</b>
Bingo	\$5,193,468	\$610,852	\$4,937,583	\$629,123	\$5,261,766	\$661,794
Continuing Lottery	\$8,709,058	\$2,630,975	\$7,542,204	\$1,573,044	\$7,358,628	\$1,476,784
Gaming Functions	\$2,653,366	\$547,375	\$3,040,118	\$519,811	\$3,016,748	\$455,540
Standard Lottery	\$25,461,192	\$10,925,262	\$25,047,997	\$10,911,070	\$31,045,040	\$13,277,153
Calcutta	\$370,295	\$52,575	\$460,277	\$79,314	\$419,783	\$87,522
Two-up	\$112,680	\$73,097	\$74,986	\$41,907	\$42,485	\$24,515
VLTS	\$11,509,442	\$1,307,348	\$9,868,001	\$1,138,728	\$9,554,702	\$1,116,598
<b>TOTAL</b>	<b>\$54,009,501</b>	<b>\$16,147,484</b>	<b>\$50,971,166</b>	<b>\$14,892,997</b>	<b>\$56,699,152</b>	<b>\$17,099,906</b>

The table below shows the total number of licences issued by the Commission over the past four years.

NUMBER OF GAMING PERMITS ISSUED	2007/08	2008/09	2009/10	2010/11
Bingo	191	205	200	193
Continuing Lottery	279	290	250	246
Gaming Functions	407	400	458	441
Standard Lottery	968	881	891	907
Calcutta	38	37	40	41
Two-up	74	64	51	52
VLTS	415	447	420	386
<b>Total</b>	<b>2372</b>	<b>2324</b>	<b>2310</b>	<b>2266</b>

The table below shows the revenue raised by the Commission from gaming licence fees over the past four years.

REVENUE RAISED BY FEES	2007/08	2008/09	2009/10	2010/11
Bingo	\$59,155	\$56,976	\$59,111	\$61,790
Continuing Lottery	\$97,104	\$106,008	\$105,982	\$71,934
Gaming	\$222,302	\$291,410	\$344,575	\$347,080
Standard Lottery	\$50,611	\$48,630	\$53,267	\$61,803
Calcutta	\$3,200	\$3,100	\$3,825	\$3,910
Two-up	\$35,585	\$25,480	\$17,370	\$15,025
Operator's Certificate	\$1,910	\$7,095	\$9,390	\$8,815
Supplier's Certificate	\$2,300	\$1,660	\$1,970	\$1,680
VLT	\$78,363	\$85,027	\$73,872	\$104,571
Approved Premises	\$7,145	\$11,510	\$8,505	\$7,600
Bookmaker	\$3,580	\$1,360	\$1,060	\$2,435
Bookmaker Manager	\$260	\$280	\$80	\$380
Bookmaker Employee	\$1,925	\$1,275	\$600	\$1,280
RWWA Director	\$365	\$510	\$695	\$620
RWWA Key Employee	\$2,160	\$14,500	\$3,820	\$840
Casino Key Employee	\$19,662	\$25,320	\$23,710	\$20,270
Casino Non Key Employee	\$111,150	\$109,460	\$72,720	\$115,870
<b>Total</b>	<b>\$696,777</b>	<b>\$789,601</b>	<b>\$780,552</b>	<b>\$825,903</b>

## LICENSING OF GAMING OPERATORS

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

Gaming and Liquor, acting on behalf of the Gaming and Wagering Commission, facilitate the processing of applications for, and the issuing of licences.

## LICENSING OF CASINO EMPLOYEES AND CASINO KEY EMPLOYEES

The integrity of a casino's employees is central to the integrity of casino gaming. For this reason, all people directly associated with gaming at the Burswood International Resort Casino must be licensed under the appropriate regulations. The table below shows the total number of licences in operation over the past four years.

CASINO EMPLOYEE LICENSING	2007/08	2008/09	2009/10	2010/11
Casino Key Employee	247	365	374	378
Casino Employee	1651	1791	1660	1686
<b>Total</b>	<b>1898</b>	<b>2156</b>	<b>2034</b>	<b>2064</b>

## CASINO REVENUE

In 2010/11, casino gaming revenue of more than \$503 million was generated, producing \$89.6 million in casino taxation revenue for the State.

GROSS CASINO REVENUE BY GAME TYPE AND TOTAL TAX PAYABLE				
	2007/08	2008/09	2009/10	2010/11
Electronic gaming machines (incl. fully automated table games)	\$193,448,930	\$207,989,762	\$217,037,224	\$239,443,406
Keno	\$2,124,022	\$2,366,929	\$2,329,519	\$2,267,034
Roulette	\$43,805,467	\$48,584,336	\$46,251,824	\$49,687,164
Baccarat and mini baccarat	\$153,086,898	\$177,106,263	\$174,690,186	\$126,677,715
Blackjack	\$56,357,669	\$57,658,416	\$52,156,526	\$52,512,745
Caribbean stud poker	\$5,153,794	\$5,150,247	\$4,399,189	\$1,494,193
Other games	\$34,793,567	\$34,041,723	\$45,548,866	\$31,043,202
<b>Total Gross Casino Revenue</b>	<b>\$488,770,347</b>	<b>\$532,897,676</b>	<b>\$542,413,334</b>	<b>\$503,125,459</b>
<b>Tax Payable</b>	<b>\$83,708,881</b>	<b>\$90,823,910</b>	<b>\$92,201,697</b>	<b>\$89,626,906</b>

CASINO ATTENDANCE FIGURES				
	2007/08	2008/09	2009/10	2010/11
	5,913,909	5,869,892	5,863,751	5,716,078



## LICENSING OF RACING AND WAGERING WESTERN AUSTRALIA (RWVA) DIRECTORS AND KEY EMPLOYEES

RWVA's directors and key employees must be licensed in accordance with the Racing and Wagering Western Australia Act 2003.

The table below shows the total number of licences in operation over the past four years.

RWVA EMPLOYEE LICENCES	2007/08	2008/09	2009/10	2010/11
Directors	6	10	11	12
Key Employee	56	61	75	72
<b>Total</b>	<b>62</b>	<b>71</b>	<b>86</b>	<b>84</b>

## LICENSING OF BOOKMAKER OPERATIONS

Bookmakers and bookmakers' employees must be licensed in accordance with the *Bookmakers Betting Levy Act 1954*.

The tables below show the total number of licences in operation over the past four years.

	2007/08	2008/09	2009/10	2010/11
Bookmaker Licences	53	50	50	49

BOOKMAKER'S EMPLOYEE LICENCES	2007/08	2008/09	2009/10	2010/11
Issued	88	51	20	43
Expired	75	5	19	26

BOOKMAKER'S MANAGER LICENCES	2007/08	2008/09	2009/10	2010/11
Issued	2	2	1	3
Expired	3	1	0	0

## COMPLIANCE PROGRAM

The Gaming and Wagering Commission provides a range of inspectorial and audit functions for casino and community gaming, liquor licensing and the betting industries to ensure that the service of gambling and liquor is conducted in a responsible manner. Inspectorial functions carried out by the Commission include:

- casino surveillance;
- conducting daily verification of casino gaming revenue and monthly casino tax reconciliations
- physical inspections and the auditing of financial returns in relation to permitted gaming activities;
- independent audit and verification of draws, ticket sales and winner selection in regard to Lotto, Oz Lotto, Powerball Lotto and Cash 3;
- inspection of race day activities;
- audits of TAB agencies;
- assessing and collecting licence fees and other revenue; and
- investigation of complaints.

The inspectorial program also enforces the provisions of the *Betting Control Act 1954*, *Casino Control Act 1984*, *Gaming and Wagering Commission Act 1987* and the *Racing and Wagering Western Australia Act 2003*, so that adequate controls are in place to ensure compliance with legislative requirements and to monitor the ongoing effectiveness of those controls.

Risk-based compliance assessment programs are used to assess compliance in relation to bookmakers' on-course and telephone betting operations, on-course totalisator betting, betting conducted at TAB agencies, casino gaming and community gaming.

<b>AUDITS, INSPECTIONS AND ASSESSMENTS</b>				
	<b>2007/08</b>	<b>2008/09</b>	<b>2009/10</b>	<b>2010/11</b>
Community Gaming	574	478	725	747
Racing Industry	182	181	1247	535
Lotterywest	1128	1134	1108	761
Burswood Casino	6853	6253	6346	5483
<b>Total</b>	<b>8737</b>	<b>8046</b>	<b>9426</b>	<b>7526</b>

<b>NON-COMPLIANCE WITH GAMING PERMIT REQUIREMENTS</b>				
	<b>2007/08</b>	<b>2008/09</b>	<b>2009/10</b>	<b>2010/11</b>
Infringement Notices Issued	70	141	175	49
Cautions Issued	53	79	75	45
Prosecutions Initiated	2	2	0	12
<b>Total</b>	<b>125</b>	<b>222</b>	<b>250</b>	<b>106</b>

<b>INSPECTORATE PROGRAM</b>	<b>2007/08</b>	<b>2008/09</b>	<b>2009/10</b>	<b>2010/11</b>
TAB agency audits	164	91	109	139
Bookmaker and on-course totalisator inspections and audits	18	19	27	65
Inspections and audits to obtain reasonable assurance as to casino gaming operations	6853	6253	6346	5415
Audits and inspections of community gaming operations	574	478	725	659
Violation reports against the casino operation (relating to breaches of game rules, procedures or directions)	5	5	16	5
Investigation of formal complaints from casino patrons	16	0	10	11
Infringement notices issued to persons who entered the casino whilst subject to a prohibition notice or were found cheating or for offences relating to a breach of a community gaming permit	41	55	20	49
<b>Total</b>	<b>7671</b>	<b>6901</b>	<b>7253</b>	<b>6343</b>

## **ACTIVITIES OF THE GAMING COMMUNITY TRUST**

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The Gaming Community Trust was established pursuant to section 109D of the Gaming and Wagering Commission Act 1987 to give advice and make recommendations to the Minister, on its own initiative or at the request of the Minister, on the applications for moneys standing to the credit of the Trust Fund for the benefit of the community.

The money credited to the Trust is derived from unclaimed winnings that are payable from the conduct of gaming or betting that have not been claimed within 12 months after the right to be paid them has expired.

As at 30 June 2011, the members of the Gaming Community Trust were:

- Mr Barry A Sargeant (Chairperson);
- Mr Stephen Reynolds (Member);
- Mr Barry Felstead (Member);
- Mr Tony Tilenni (Member); and
- Ms Jan Cooper (Member).

As at 30 June 2011, the balance of the Gaming Community Trust Fund was \$1,152,972.

### **RIVER GUARDIANS PILOT PROJECT**

In 2007, \$250,000 was provided to The Swan River Trust to increase community involvement in protecting and rehabilitating the Swan and Canning river foreshores.

In April 2009, a final contribution of \$40,000 was granted to the Swan River Trust to enable the River Guardians Program to become self sustainable. The final contribution of funding was acquitted in June 2011.

The funding provided to the River Guardians Program has allowed the Swan River Trust to actively engage the Perth community through more than 50 events and activities with participation numbers in the hundreds. The program also boasts more than 1000 members and more than 200 trained Dolphin Watch volunteers who aid in scientific research into the dolphin population in areas of the Riverpark that have not been studied before.

### **BRIGHTWATER CARE GROUP (INC)**

In 2009 the Trust resolved to support a Brightwater holiday program for younger people at a cost of \$92,600 per year, over three years. The objective of the grant is to enable clients living with severe disabilities and those in the Acquired Brain Injury rehabilitation to take short holidays (up to four days).

The objective of the grant is to provide:

- short holidays for all Brightwater Services for Younger People and a small number of residents who are younger but reside in residential aged care because of the lack of other suitable accommodation;
- a change in routine and environment;
- opportunities for relationship building; and
- opportunities to learn or relearn skills required when organising an effective holiday within a limited budget.

To date, a total of eight community clients and residents have been on holiday to areas such as Busselton, Mandurah and Rottnest.

## **ACTIVITIES OF THE PROBLEM GAMBLING SERVICES SUPPORT COMMITTEE**

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The Problem Gambling Support Services Committee (PGSSC) addresses the social and economic issues that result from problem gambling in Western Australia and is comprised of representatives from the gambling industry and across government.

The objectives of PGSSC are to:

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

As at 30 June 2011, the members of the PGSSC are as follows:

- Mr Barry A Sargeant (Chairperson);
- Mr Barry Felstead (Burswood Casino);
- Mr Richard Burt (Racing and Wagering Western Australia);
- Ms Jan Stewart (Lotterywest);
- Mr Bob Howat (WA Bookmakers Association); and
- Ms Trina Whitton (Department for Child Protection).

The PGSSC also funds research projects, awareness campaigns and other one-off projects that are related to problem gambling. Furthermore, each member makes a financial contribution which is held in a gambling support fund administered by the Department of Racing, Gaming and Liquor.

The PGSSC funds three counselling and support services for those affected by gambling problems in Western Australia. Those services are:

- helpline;
- face-to-face counselling; and
- online counselling.

### **PROBLEM GAMBLING HELPLINE**

The Problem Gambling Helpline is a specialist, toll-free, telephone counselling and referral service for Western Australian problem gamblers and their families. The Helpline is available 24 hours per day, seven days per week.

The single 1800 gambling helpline allows people to seek immediate help through a counsellor in each state or territory simply by ringing one number wherever they are in Australia. The national number is 1800 858 858.

The Committee covers the call costs for any Western Australian callers using the national number.

A significant feature of the service in Western Australia is the provision of on-going telephone counselling (i.e. regular booked sessions) for those people for whom face-to-face counselling is not available or is inappropriate. This is particularly beneficial for people in regional and remote parts of Western Australia.

Medibank Health Solutions Telehealth Pty Ltd (formerly known as McKesson Asia-Pacific) currently provides this service. In July 2010, McKesson Asia-Pacific was acquired by Medibank Private Limited and was renamed Medibank Health Solutions Telehealth Pty Ltd.

The Department of Racing, Gaming and Liquor, on behalf of the Gaming and Wagering Commission of WA, is responsible for managing the helpline contract and its services including:

- Improvements of service delivery;
- analyses of reports and statistics;
- reporting to the PGSSC on the service delivery; and
- handling the request for tender process at the completion of each contract.

The following table illustrates the number of calls relating to problem gambling and the number of calls received which were not related to gambling.

<b>NUMBER OF CALLES TO PROBLEM GAMBLING HELPLINE</b>			
	<b>2008/09</b>	<b>2009/10</b>	<b>2010/11</b>
Target	561	548	642
Non Target	206	377	263
<b>Total</b>	<b>767</b>	<b>925</b>	<b>905</b>

## **GAMBLING HELP WA**

Gambling Help WA (GHWA) is a free face-to-face counselling service for people affected by problem gambling, their partners and families. GHWA is operated by Centrecare, a not-for-profit social services agency which provides counselling in many different areas.

The three-year contract ending 1 July 2012 is governed by a Lotterywest grant agreement. Representatives from the Department of Racing, Gaming and Liquor and Lotterywest monitor the service provided by GHWA and report to the PGSSC.

Notable achievements throughout this reporting period include:

- presenting at the 2010 National Association for Gambling Studies Conference in Queensland;
- the expansion of counselling services into the prison community;
- the introduction of the pilot intervention 'Reconnect Group' which is a two-hour session made available for past and/or current clients to provide ongoing information, referral and support;
- preparing the final draft of the third booklet aimed at providing information to professionals on how to manage clients with problematic gambling behaviour; and
- commencing the final stages of the problem gambling Culturally and Linguistically Diverse Communities research project. The research findings will be used to develop culturally relevant methods of identifying problem gambling and to offer appropriate support services.

The following table illustrates the number of booked and actual attendance to counselling sessions in WA.

<b>GAMBLING HELP SESSIONS – BOOKED V ACTUAL ATTENDANCE</b>			
	<b>2008/09</b>	<b>2009/10</b>	<b>2010/11</b>
Booked	1303	1725	1635
Actual	993	1334	1318

## NATIONAL ONLINE COUNSELLING SERVICE

Gambling Help Online provides an immediate response via online counselling to anyone concerned about gambling. The service commenced on 31 August 2009 and is operated by Turning Point, a Victorian-based counselling service provider. The cost is shared between the Commonwealth, States and Territories.

The online service complements and increases the range of services available in responding to problem gambling. It provides Australians with an opportunity to access counselling and information services when they are unable or reluctant to access face-to-face services in each jurisdiction. Further, the service may appeal to the increasing number of people who gamble online, while ensuring that people in remote areas have access to quality support services.

Gambling Help Online is the first service worldwide to provide:

- 24/7 availability of live and email counselling and support services;
- availability of professional counsellors with expertise in problem gambling and online services;
- integration with state-based 24/7 telephone services and face-to-face counselling; and
- provision of extensive website content, information and web links for additional help and information

The Memorandum of Understanding between all Australian governments for the continuation and funding of the Australian Online Gambling Counselling and Support Program to 30 June 2012 was re-negotiated and commits WA to fund \$15,000 for this period. The funding is provided by the Problem Gambling Support Services Committee.

The following table illustrates the number of clients who received live online counselling between 1 July 2010 and 30 June 2011 compared with the previous year.

CALLERS BY STATE								
	VIC	NSW	QLD	WA	SA	TAS	ACT	NT
2009/10	187	201	118	7	42	8	10	0
2010/11	540	586	121	39	95	33	22	4

This table highlights the significantly increased uptake of this particular service and indicates a successful entry point for those seeking help when they are unable or reluctant to access face-to-face services.



## **RESPONSIBLE GAMBLING AWARENESS CAMPAIGN**

In May 2010, the Problem Gambling Support Services Committee approved the development of a problem gambling awareness campaign to run during five peak gambling periods throughout 2011. These peak periods were:

- Chinese New Year – 30 January 2011 to 27 February 2011
- Responsible Gambling Awareness Week – 1 May 2011 to 31 May 2011
- AFL Finals – 9 September 2011 to 1 October 2011
- Melbourne Cup – 30 October 2011 to 27 November 2011
- Christmas/New Year period – 4 December 2011 to 29 January 2012

The objectives of the campaign are to promote assistance and information for gamblers and their support networks, minimising problem gambling, and heighten awareness about gambling responsibly.

Rare Creativethinking were appointed to develop the creative component of the awareness campaign. The 'Where Does the Fun Stop for You' campaign was created and was subsequently approved by the Problem Gambling Support Services Committee.

The material produced to promote the campaign included posters, wallet cards and brochures written in six different languages. Advertising has also been undertaken during these peak periods on TV and radio, in newspapers and by way of online banners on the Ninemsn.com and Foxsports.com websites.

## **RESPONSIBLE GAMBLING AWARENESS WEEK**

Responsible Gambling Awareness Week (RGAW) is an annual initiative supported by the following stakeholders:

- Burswood Entertainment Complex;
- Lotterywest;
- Racing and Wagering Western Australia (RWWA);
- Centrecare's Gambling Help WA counselling service; and
- Gaming and Wagering Commission.

In 2011, Responsible Gambling Awareness Week ran from 23 to 29 May 2011, and coincided with Awareness Week campaigns that were being conducted in other Australian jurisdictions. The 'When Does the Fun Stop for You' campaign, used for the general Responsible Gambling Awareness Campaign, was slightly altered during this period, with advertisements appearing in *The West Australian* newspaper on 21 May 2011 and in various regional newspapers throughout the week.

## **SIGNIFICANT ISSUES IMPACTING THE COMMISSION**

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### **RACEFIELDS LEGISLATION**

Since the introduction of the racing bets levy in 2010, the Gaming and Wagering Commission has remitted a total of \$68 million to RWWA for distribution to the Western Australian racing industry.

The Commission has successfully pursued a number of wagering operators who were previously not conforming with the legislation. These wagering operators are now fully compliant with the racing bets levy process.

In the national arena, two wagering operators (Betfair Pty Ltd and Sportsbet Pty Ltd) have been granted leave to the High Court to appeal against New South Wales racefields legislation. In the event that the appeals are successful, there may be an impact on the Western Australian methodology for calculating the racing bets levy.

### **COMMUNITY POKER**

Tournament poker, played under a gaming function permit, has provided challenges for the Department from a licensing and compliance perspective.

Poker tournaments that provide players with the opportunity to win a seat at a subsequent event where they can play for prizes in money or money's worth (e.g. cash, holidays, meal vouchers, alcohol or a share of a 'pot' of cash), based wholly or partly on their participation in that initial tournament, are considered gaming and thus require a permit.

As a general rule, these tournaments are run on behalf of an eligible organisation such as a charity or sporting club by a commercial poker operator licensed as a gaming equipment supplier in WA. The proceeds of gaming, after legitimate expenses are deducted, are returned to the charity.

The main issues that arise from these events are:

- lodgement arrangements for applications;
- the extent of the involvement of commercial operators in the conduct of gaming;
- the manner in which gaming is advertised;
- the perception that gaming is promoted or conducted for commercial undertaking;
- the manner in which commercial operator's fees are levied on the permit organisations;
- the return to permit organisations from the proceeds of gaming;
- the manner in which gaming is supervised and conducted;
- jackpotting of prizes; and
- licensed suppliers holding funds that have been raised from permits, on behalf of organisations.

Audits and inspections continue to be undertaken of various permits involving various commercial operators.

All applications for gaming function permits are referred to the Commission for determination. The Commission has required a number of permit holders to attend Commission meetings to satisfy the Commission that they are aware of their obligations and responsibilities.

The Commission has agreed that a policy framework will be developed in regard to community poker conducted under a gaming function permit. Following consultation within the industry, the draft policy will be finalised during 2011/12.

## **KEY GAMBLING REFORMS**

The Australian Government announced its intention to implement key gambling reforms to address problem gambling throughout the nation. The Commonwealth, through the Council of Australian Governments (COAG) Select Council on Gambling Reform, is working with the states and territories in an effort to progress a national approach to minimise the harm caused by problem gambling.

During 2010/11, the COAG Select Council met on three occasions, and at its meeting on 27 May 2011 agreed:

- That pre-commitment is a useful tool to help people set limits on how much they wish to spend on poker machines. However, it acknowledges that further work on developing the functionality for pre-commitment and an appropriate implementation timetable is required;
- To further consider (during 2012) the implementation of dynamic warning and cost of play messages for poker machines following the results of the Queensland trial currently being conducted;
- To continue to work with the states and territories on ATM withdrawals in gaming venues excluding casinos; and
- To take action to reduce and control the promotion of live odds during sports coverage.

While the Western Australian Government supports pre-commitment technology being made available to all Australian gaming machine players, it should only be offered on a voluntary basis.

Western Australia's "destination gambling" regime is unique in Australia and the strong position of successive State governments on not allowing gaming machines outside the

casino, is reflected in Western Australia's low incidence of problem gambling and low per capita gambling expenditure.

Western Australia will work towards introducing legislative amendments to support the reduction and control of the promotion of live odds during sports coverage.

The Australian Government also announced that the Department of Broadband, Communications and the Digital Economy will undertake a review of the *Interactive Gambling Act 2001* (Cth) (the Act).

The review will include examination of the operation of the Act and the effectiveness of the current provisions. It will include further consideration of international regulatory approaches to online gambling and their potential applicability to the Australian context, and will examine the ability to improve harm minimisation measures for online gambling services.

The review will also look at the enforcement of existing prohibitions on certain types of online gambling, the way the Act applies to different technological platforms, and the growing number of Australian consumers gambling online in an unregulated environment.

The Western Australian position on the *Interactive Gambling Act 2001* is that with the growth in activities of off-shore internet gambling providers the inability to enforce restrictions relating to the offshore online gaming market, significantly undermines Australia's gaming regulatory regime. More should be done to support the intent of the Act by exploring ways to improve its effectiveness in relation to controlling the access of offshore online gaming operators to Australian customers.

### **LEGISLATIVE AMENDMENTS TO THE CASINO (BURSWOOD ISLAND) AGREEMENT ACT 1985**

As trustees for the Burswood Property Trust, Burswood Limited received approval for an expansion program at the Burswood Entertainment Complex that includes:

- increasing the licensed casino gaming area from 12,126m<sup>2</sup> to 15,746m<sup>2</sup>;
- constructing an exclusive gaming salon as part of the international gaming facility on the top level of the InterContinental Perth Burswood Hotel;
- increasing the number of electronic gaming machines to 2000;
- increasing the number of table games to 220; and
- introducing fully automated table games, capped to a maximum of 30 (of the existing 220 table games).

As a consequence of the expansion program, the Government and Burswood entered into the Twelfth Supplementary Agreement to amend the Agreement scheduled to the *Casino (Burswood Island) Agreement Act 1995*. Subsequently, the Parliament passed the *Casino (Burswood Island) Agreement Amendment Act 2011* on 29 June 2011, ratifying the Twelfth Supplementary Agreement to:

- introduce a new tax arrangement for electronic gaming machines and fully automated table games;
- reduce the prohibition on playing Two-up from within 200km radius of Burswood Casino to 100kms;
- permit, with the consent of Burswood, the playing of Two-up at any racing club within a 100km radius of Burswood, provided it is registered with Racing and Wagering Western Australia (RWWA). Approvals will be limited to special events such as cup day, or in conjunction with special occasions/exceptional circumstances as determined by the Minister;
- authorise the Minister to permit the playing of Two-up at events or premises of organisations not affiliated with the Returned Services League of Australia W.A. Branch, which the Minister is satisfied are sufficiently connected to the celebration of Anzac Day;
- permit gaming on cruise ships outside a distance of 12 nautical miles from the Western Australian baseline; and
- permit the possession of electronic gaming machines and gaming equipment on cruise ships within 12 nautical miles of the Western Australian baseline, without seeking authorisation from the Commission.

## CHANGES IN LEGISLATION

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### CHANGES TO REGULATIONS

New fees and charges effective 1 January 2011 were introduced by the following amendments regulations:

- *Betting Control Amendment Regulations (No.3) 2010*
- *Racing And Wagering Western Australia Regulations 2003*
- *Casino Control (Burswood Island)(Licensing Of Employees) Amendment Regulations (No. 2) 2010*
- *Gaming And Wagering Commission Amendment Regulations 2010*

The *Casino Control (Burswood Island) (Licensing of Employees) Amendment Regulations 2011* amended the *Casino Control (Burswood Island) (Licensing of Employees) Amendment Regulations 1985* to provide the Chief Casino Officer the discretion to only obtain police probity checks for casino employee licence applicants who have not already been subject to a police probity check under the *Security and Related Activities (Control) Act 1996*.

The *Rules of Wagering Amendment Rules (No. 2) 2010* amended Rules 37 and 62 of the *Rules of Wagering 2005* in order to maintain consistency between the *Betting Control Regulations 1978* and the *Rules of Wagering 2005*.

## DISCLOSURES AND LEGAL COMPLIANCE

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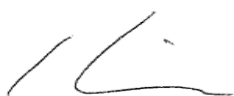
### FINANCIAL STATEMENTS

The aim of these Financial Statements is to inform Parliament and other interested parties, not only of what the Gaming and Wagering Commission of Western Australia has achieved during the financial year, but also of the reasons behind those achievements.

### CERTIFICATION OF FINANCIAL STATEMENTS

The accompanying financial statements of the Gaming and Wagering Commission of Western Australia have been prepared in compliance with the provisions of the *Financial Management Act 2006* from proper accounts and records to present fairly the financial transactions for the financial year ending 30 June 2011 and the financial position as at 30 June 2011.

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.



Peter Bialas  
A/Chief Financial Officer

25 August 2011



Barry A Sargeant  
Chairperson  
Gaming and  
Wagering Commission  
of Western Australia

25 August 2011



Helen Cogan  
Member  
Gaming and  
Wagering Commission  
of Western Australia

25 August 2011

# Gaming and Wagering Commission of Western Australia

## Statement of Comprehensive Income

### for the year ended 30 June 2011

	Note	2011 \$	2010 \$
<b>COST OF SERVICES</b>			
<b>Expenses</b>			
Board members expenses	16	97,754	103,789
Superannuation	16	8,798	9,341
Expenses related to special purpose accounts	4	28,121,037	39,612,317
Services and contract fees		<u>4,268,175</u>	<u>3,876,271</u>
<b>Total cost of services</b>		<b><u>32,495,764</u></b>	<b><u>43,601,718</u></b>
<b>Income</b>			
<i>Revenue</i>			
Fees and charges	5	4,076,878	3,845,431
Revenues related to special purpose accounts	6	28,771,301	40,453,392
Interest revenue	7	<u>212,125</u>	<u>203,708</u>
<b>Total Revenue</b>		<b><u>33,060,304</u></b>	<b><u>44,502,531</u></b>
<b>NET COST OF SERVICES</b>	14	<b><u>(564,540)</u></b>	<b><u>(900,813)</u></b>
<b>SURPLUS/(DEFICIT) FOR THE PERIOD</b>		<b><u><u>564,540</u></u></b>	<b><u><u>900,813</u></u></b>
<b>OTHER COMPREHENSIVE INCOME</b>			
Gains/(losses) recognised directly in equity		<u>0</u>	<u>0</u>
<b>Total other comprehensive income</b>		<b><u>0</u></b>	<b><u>0</u></b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b><u><u>564,540</u></u></b>	<b><u><u>900,813</u></u></b>

The Statement of Comprehensive Income should be read in conjunction with the accompanying notes.



## Gaming and Wagering Commission of Western Australia

### Statement of Financial Position as at 30 June 2011

	Note	2011 \$	2010 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	8	4,359,137	3,861,219
Restricted cash and cash equivalents	9	6,186,365	5,380,279
Receivables	10	135,755	242,026
Inventories	11	<u>7,555</u>	<u>7,530</u>
<b>Total Current Assets</b>		<b><u>10,688,812</u></b>	<b><u>9,491,054</u></b>
<b>TOTAL ASSETS</b>		<b><u>10,688,812</u></b>	<b><u>9,491,054</u></b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables	12	<u>905,606</u>	<u>272,388</u>
<b>Total Current Liabilities</b>		<b><u>905,606</u></b>	<b><u>272,388</u></b>
<b>TOTAL LIABILITIES</b>		<b><u>905,606</u></b>	<b><u>272,388</u></b>
<b>NET ASSETS</b>		<b><u>9,783,206</u></b>	<b><u>9,218,666</u></b>
<b>EQUITY</b>			
Accumulated surplus/(deficit)	13	<u>9,783,206</u>	<u>9,218,666</u>
<b>TOTAL EQUITY</b>		<b><u>9,783,206</u></b>	<b><u>9,218,666</u></b>

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

## Gaming and Wagering Commission of Western Australia

### Statement of Changes in Equity

#### for the year ended 30 June 2011

	Note	Contributed equity \$	Reserves \$	Accumulated surplus/ (deficit) \$	Total equity \$
<b>Balance at July 2009</b>	13	0	0	8,317,853	8,317,853
Changes in accounting policy or correction of prior period errors		0	0	0	0
<b>Restated balance at 1 July 2009</b>		<u>0</u>	<u>0</u>	<u>8,317,853</u>	<u>8,317,853</u>
Total comprehensive income for the year		0	0	900,813	900,813
Transactions with owners in their capacity as owners:					
Other contributions by owners		0	0	0	0
Distributions to owners		0	0	0	0
Total		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Balance at 30 June 2010</b>		<u><b>0</b></u>	<u><b>0</b></u>	<u><b>9,218,666</b></u>	<u><b>9,218,666</b></u>
<b>Balance at 1 July 2010</b>		0	0	9,218,666	9,218,666
Total comprehensive income for the year		0	0	564,540	564,540
Transactions with owners in their capacity as owners:					
Other contributions by owners		0	0	0	0
Distributions to owners		0	0	0	0
Total		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Balance at 30 June 2011</b>		<u><b>0</b></u>	<u><b>0</b></u>	<u><b>9,783,206</b></u>	<u><b>9,783,206</b></u>

The Statement of Changes in Equity should be read in conjunction with the accompanying notes.

# Gaming and Wagering Commission of Western Australia

## Statement of Cash Flows

### for the year ended 30 June 2011

	Note	2011 \$	2010 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Payments</b>			
Board members expenses		(113,754)	(112,846)
Payments related to special purpose accounts		(27,902,821)	(39,612,317)
Supplies and services		(3,784,390)	(4,446,231)
GST payments on purchases		(322,360)	(299,652)
GST payments to taxation authority		(2,406,326)	(3,469,272)
<b>Receipts</b>			
Fees and charges		4,073,949	3,912,049
Receipts related to special purpose accounts		28,712,277	40,427,364
Interest received		227,728	177,068
GST receipts on sales		2,510,485	3,769,367
GST receipts from taxation authority		309,216	191,015
<b>Net cash provided by/(used in) operating activities</b>	14	<b><u>1,304,004</u></b>	<b><u>536,545</u></b>
Net increase/(decrease) in cash and cash equivalents		1,304,004	536,545
Cash and cash equivalents at the beginning of period		<u>9,241,498</u>	<u>8,704,953</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF PERIOD</b>	14	<b><u><u>10,545,502</u></u></b>	<b><u><u>9,241,498</u></u></b>

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

**Gaming and Wagering Commission of Western Australia**  
**Notes to the Financial Statements**  
**for the year ended 30 June 2011**

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**Note 1. Australian Accounting Standards**

**General**

The Authority's financial statements for the year ended 30 June 2011 have been prepared in accordance with Australian Accounting Standards. The term 'Australian Accounting Standards' includes Standards and Interpretations issued by the Australian Accounting Standard Board (AASB).

The Authority has adopted any applicable, new and revised Australian Accounting Standards from their operative dates.

**Early adoption of standards**

The Authority cannot early adopt an Australian Accounting Standard unless specifically permitted by TI 1101 *Application of Australian Accounting Standards and Other Pronouncements*. No Australian Accounting Standards that have been issued or amended [but not operative] have been early adopted by the Authority for the annual reporting period ended 30 June 2011.

**Note 2. Summary of significant accounting policies**

**(a) General statement**

The financial statements constitute general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the AASB as applied by the Treasurer's instructions. Several of these are modified by the Treasurer's instructions to vary application, disclosure, format and wording.

The *Financial Management Act* and the Treasurer's instructions are legislative provisions governing the preparation of financial statements and take precedence over Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the AASB.

Where modification is required and has had a material or significant financial effect upon the reported results, details of that modification and the resulting financial effect are disclosed in the notes to the financial statements.

**(b) Basis of preparation**

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

The accounting policies adopted in the preparation of the financial statements have been consistently applied throughout all periods presented unless otherwise stated.

The financial statements are presented in Australian dollars and all values are rounded to the nearest dollar.

**(c) Reporting entity**

The reporting entity comprises the Commission only.

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

**(d) Contributed equity**

AASB Interpretation 1038 *Contributions by Owners Made to Wholly-Owned Public Sector Entities* requires transfers in the nature of equity contributions, other than as a result of a restructure of administrative arrangements, to be designated by the Government (the owner) as contributions by owners (at the time of, or prior to transfer) before such transfers can be recognised as equity contributions. Capital appropriations have been designated as contributions by owners by TI 955 *Contributions by Owners made to Wholly Owned Public Sector Entities* and have been credited directly to Contributed equity.

The transfer of net assets to/from other agencies, other than as a result of a restructure of administrative arrangements, are designated as contributions by owners where the transfers are non-discretionary and non-reciprocal.

**(e) Income****Revenue recognition**

Revenue is recognised and measured at the fair value of consideration received or receivable. This represents income received pursuant to the Gaming and Wagering Commission Act 1987, Casino Control Act 1984, and Betting Control Act 1954, net of refunds. It includes the annual casino licence fee, income from community gaming, and wagering activities.

In 2007, a change in accounting policy was adopted to include the trust fund activities in the Statement of Comprehensive Income. Trust fund activities (Special Purpose Account) is recognised on cash basis.

Security deposits previously shown as current asset and liability are no longer recognised in the Statement of Financial Position of the Commission.

Other trust funds previously included in the current liabilities of the Commission are not recognised since it is established that there is no present obligation as at the reporting period.

**Interest**

Revenue is recognised as the interest accrues.

**Fees and Charges**

Revenue is recognised when the revenue and transaction costs incurred can be reliably measured, and it is probable that the economic benefits associated with the transaction will flow to the Authority.

**(f) Services Performed for the Gaming and Wagering Commission of Western Australia by the Department of Racing, Gaming and Liquor**

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

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

**(g) Financial instruments**

In addition to cash, the Authority has two categories of financial instrument:

- \* Receivables; and
- \* Financial liabilities measured at amortised cost.

Financial instruments have been disaggregated into the following classes:

- \* Financial Assets
  - Cash and cash equivalents
  - Restricted cash and cash equivalents
  - Receivables
- \* Financial Liabilities
  - Payables

Initial recognition and measurement of financial instruments is at fair value which normally equates to the transaction cost or the face value. Subsequent measurement is at amortised cost using the effective interest method.

The fair value of short-term receivables and payables is the transaction cost or the face value because there is no interest rate applicable and subsequent measurement is not required as the effect of discounting is not material.

**(h) Cash and cash equivalents**

For the purpose of the Statement of Cash Flows, cash and cash equivalent (and restricted cash and cash equivalent) assets comprise cash on hand.

**(i) Inventories**

Inventories are measured at the lower of cost and net realisable value. Costs are assigned by the method most appropriate for each particular class of inventory, with the majority being measured on a first in first out basis.

**(j) Receivables**

Receivables are recognised at original invoice amount less an allowance for any uncollectible amounts (i.e. impairment). The collectability of receivables is reviewed on an ongoing basis and any receivables identified as uncollectible are written-off against the allowance account. The allowance for uncollectible amounts (doubtful debts) is raised when there is objective evidence that the Authority will not be able to collect the debts. The carrying amount is equivalent to fair value as it is due for settlement within 30 days.

**(k) Payables**

Payables are recognised when the Authority becomes obliged to make future payments as a result of a purchase of assets or services. The carrying amount is equivalent to fair value, as settlement is generally within 30 days.

**(l) Employee Benefits**Annual and Long Service Leave

The Gaming and Wagering Commission of Western Australia does not employ staff. Section 18 of the Gaming and Wagering Commission Act 1987 provides for the Commission to utilise the staff and facilities of the Department of Racing, Gaming and Liquor. The cost of the services provided by the Department of Racing, Gaming and Liquor is recouped from the Commission as a service fee. Accordingly, provisions have not been made for annual and long service leave.

Superannuation

The Government Employees Superannuation Board (GESB) administers public sector superannuation arrangements in Western Australia in accordance with legislative requirements.

Eligible employees contribute to the Pension Scheme, a defined benefit pension scheme closed to new members since 1987, or the Gold State Superannuation Scheme (GSS), a defined benefit lump sum scheme closed to new members since 1995.

The GSS is a defined benefit scheme for the purposes of employees and whole-of-government reporting. However, it is a defined contribution plan for agency purposes because the concurrent contributions (defined contributions) made by the Authority to GESB extinguishes the agency's obligations to the related superannuation liability.

The Authority has no liabilities under the Pension Scheme or the GSS. The liabilities for the unfunded Pension Scheme and the unfunded GSS transfer benefits attributable to members who transferred from the Pension Scheme, are assumed by the Treasurer. All other GSS obligations are funded by concurrent contributions made by the Authority to the GESB.

The board members of the Authority commencing employment prior to 16 April 2007 who were not members of either the Pension Scheme or the GSS became non-contributory members of the West State Superannuation Scheme (WSS). Board members commencing employment on or after 16 April 2007 became members of the GESB Super Scheme (GESBS). Both of these schemes are accumulation schemes. The Authority makes concurrent contributions to GESB on behalf of employees in compliance with the *Commonwealth Government's Superannuation Guarantee (Administration) Act 1992*. These contributions extinguish the liability for superannuation charges in respect of the WSS and GESBS.

The GESB makes all benefit payments in respect of the Pension Scheme and GSS, and is recouped from the Treasurer for the employer's share.

**(m) Superannuation expense**

The superannuation expense in the Statement of Comprehensive Income comprises employer contributions paid to the GSS (concurrent contributions), WSS, and the GESBS.

**(n) Comparative figures**

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

### **Note 3. Disclosure of changes in accounting policy and estimates**

#### **Initial application of an Australian Accounting Standard**

The Authority has applied the following Australian Accounting Standards effective for annual reporting periods beginning on or after 1 July 2010 that impacted on the Authority.

#### **AASB 2009-5 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 5, 8, 101, 107, 117, 118, 136 & 139]**

Under amendments to AASB 117, the classification of land elements of all existing leases has been reassessed to determine whether they are in the nature of operating or finance leases. As leases of land & buildings recognised in the financial statements have not been found to significantly expose the Authority to the risks/rewards attributable to control of land, no changes to accounting estimates have been included in the Financial Statements and Notes to the Financial Statements.

Under amendments to AASB 107, only expenditures that result in a recognised asset are eligible for classification as investing activities in the Statement of Cash Flows. All investing cashflows recognised in the Authority's Statement of Cash Flows relate to increases in recognised assets.

#### **Future impact of Australian Accounting Standards not yet operative**

The Authority cannot early adopt an Australian Accounting Standard unless specifically permitted by TI 1101 *Application of Australian Accounting Standards and Other Pronouncements*. Consequently, the Authority has not applied early any of the following Australian Accounting Standards that have been issued that may impact the Authority. Where applicable, the Authority plans to apply these Australian Accounting Standards from their application date.

	<b>Operative for reporting periods beginning on/after</b>
<p><b>AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 &amp; 1038 and Interpretations 10 &amp; 12].</b></p> <p>The amendment to AASB 7 <i>Financial Instruments: Disclosures</i> requires modification to the disclosure of categories of financial assets. The Authority does not expect any financial impact when the Standard is first applied. The disclosure of categories of financial assets in the notes will change.</p>	1 Jan 2013
<p><b>AASB 2009-12 Amendments to Australian Accounting Standards [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 &amp; 1031 and Interpretations 2, 4, 16, 1039 &amp; 1052]</b></p> <p>This Standard introduces a number of terminology changes. There is no financial impact resulting from the application of this revised Standard.</p>	1 Jan 2011
<p><b>AASB 1053 Application of Tiers of Australian Accounting Standards</b></p> <p>This Standard establishes a differential financial reporting framework consisting of two tiers of reporting requirements for preparing general purpose financial statements.</p> <p>The Standard does not have any financial impact on the Authority. However it may affect disclosures in the financial statements of the Authority if the reduced disclosure requirements apply. DTF has not yet determined the application or the potential impact of the new Standard for agencies.</p>	1 July 2013
<p><b>AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements</b></p> <p>This Standard makes amendments to many Australian Accounting Standards, including Interpretations, to introduce reduced disclosure requirements into these pronouncements for application by certain types of entities.</p> <p>The Standard is not expected to have any financial impact on the Authority. However this Standard may reduce some note disclosures in the financial statements of the Authority. DTF has not yet determined the application or the potential impact of the amendments to these Standards for agencies.</p>	1 July 2013

AASB 2011-2	<i>Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project - Reduced Disclosure Requirements [AASB 101 &amp; AASB1054]</i>	1 July 2011
	This Amending Standard removes disclosure requirements from other Standards and incorporates them in a single Standard to achieve convergence between Australian and New Zealand Accounting Standards for reduced disclosure reporting. DTF has not yet determined the application or the potential impact of the amendments to these Standards for agencies.	
AASB 2010-5	<i>Amendments to Australian Accounting Standards [AASB 1, 3, 4, 5, 101, 107, 112, 118, 119, 121, 132, 133, 134, 137, 139, 140, 1023 &amp; 1038 and Interpretations 112, 115, 127, 132 &amp; 1042](October 2010)</i>	1 Jan 2011
	This Standard introduces a number of terminology changes as well as minor presentation changes to the Notes to the Financial Statements. There is no financial impact resulting from the application of this revised Standard.	
AASB 2010-6	<i>Amendments to Australian Accounting Standards - Disclosures on Transfers of Financial Assets [AASB 1 &amp; AASB 7]</i>	1 July 2011
	This Standard makes amendments to Australian Accounting Standards, introducing additional presentation and disclosure requirements for Financial Assets.	
	The Standard is not expected to have any financial impact on the Authority. DTF has not yet determined the application or the potential impact of the amendments to these Standards for agencies.	
AASB 9	<i>Financial Instruments</i>	1 Jan 2013
	This Standard supersedes AASB 139 <i>Financial Instruments: Recognition and Measurement</i> , introducing a number of changes to accounting treatments.	
	The Standard was reissued on 6 Dec 2010 and the Department is currently determining the impact of the Standard. DTF has not yet determined the application or the potential impact of the Standard for agencies.	
AASB 2010-7	<i>Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 &amp; 1038 and Interpretations 2, 5, 10, 12, 19 &amp; 127]</i>	1 Jan 2013
	This Amending Standard makes consequential adjustments to other Standards as a result of issuing AASB 9 <i>Financial Instruments</i> in December 2010. DTF has not yet determined the application or the potential impact of the Standard for agencies.	
AASB 1054	<i>Australian Additional Disclosures</i>	1 July 2011
	This Standard, in conjunction with AASB 2011-1 <i>Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project</i> , removes disclosure requirements from other Standards and incorporates them in a single Standard to achieve convergence between Australian and New Zealand Accounting Standards.	
AASB 2011-1	<i>Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project [AASB 1, 5, 101, 107, 108, 121, 128, 132 &amp; 134 and Interpretations 2, 112 &amp; 113]</i>	1 July 2011
	This Amending Standard, in conjunction with AASB 1054 <i>Australian Additional Disclosures</i> , removes disclosure requirements from other Standards and incorporates them in a single Standard to achieve convergence between Australian and New Zealand Accounting Standards.	



**Note 4. Expenses related to Special Purpose Accounts**

	2011	2010
	\$	\$
Grant payments	4,318,744	2,944,158
Racing Bets Levy payment to Racing and Wagering Western Australia	23,531,835	36,553,275
Other services and contract fees - related to special purpose accounts	270,458	114,884
	<u>28,121,037</u>	<u>39,612,317</u>

**Note 5. Fees and charges**

	2011	2010
	\$	\$
Casino licence fee	2,474,075	2,415,862
Casino employee licence fee	155,055	98,625
Betting related fee	84,074	115,846
Community gaming	692,650	725,946
Gaming infringement	7,564	13,785
Recoups for services provided	660,000	474,000
Other revenue	3,460	1,367
	<u>4,076,878</u>	<u>3,845,431</u>

**Note 6. Revenues related to Special Purpose Accounts**

	2011	2010
	\$	\$
Contributions	4,721,115	3,393,295
Racing Bets Levy	23,731,323	36,862,051
Interest revenue - related to special purpose accounts	318,863	198,046
	<u>28,771,301</u>	<u>40,453,392</u>

**Note 7. Interest revenue**

	2011	2010
	\$	\$
Interest revenue		
Commonwealth Bank of Australia	<u>212,125</u>	<u>203,708</u>

**Note 8. Cash and cash equivalents**

	2011	2010
	\$	\$
Cash and cash equivalents are represented by funds held at the Commonwealth Bank of Australia	<u>4,359,137</u>	<u>3,861,219</u>

**Note 9. Restricted cash and cash equivalents**

	2011 \$	2010 \$
<u>(a) Special Purpose Account</u>		
Problem Gambling Support Services		
Opening balance	821,514	680,081
Receipts	412,088	404,898
Payments	<u>(583,803)</u>	<u>(263,465)</u>
Closing balance	<u>649,799</u>	<u>821,514</u>

The Problem Gambling Support Services receive contributions from Burswood International Resort Casino, WA Bookmakers' Association, Racing and Wagering Western Australia, and the Commission. The fund is used to provide services for problem gamblers and to undertake problem gambling related research.

(b) Special Purpose Account

Gaming Community Trust Fund		
Opening balance	872,506	1,378,208
Receipts	280,467	245,429
Payments	<u>0</u>	<u>(751,131)</u>
Closing balance	<u>1,152,973</u>	<u>872,506</u>

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

(c) Special Purpose Account

Sports Wagering Account		
Opening balance	3,377,483	2,503,181
Receipts	4,283,311	2,918,749
Payments	<u>(3,785,465)</u>	<u>(2,044,447)</u>
Closing balance	<u>3,875,329</u>	<u>3,377,483</u>

The Sports Wagering Account holds monies paid by Racing and Wagering Western Australia under section 104 or 107 of the Racing and Wagering Western Australia Act, 2003 and monies held by the Commission relating to payments of bookmakers' betting levy made under section 15 of the Betting Control Act 1954. These monies are held in trust until distributed as directed by the Minister for Sport and Recreation, pursuant to section 110A of the Gaming and Wagering Commission Act 1987.

(d) Special Purpose Account

Racing Bets Levy Account		
Opening balance	308,776	0
Receipts	23,733,041	36,862,051
Payments	<u>(23,533,553)</u>	<u>(36,553,275)</u>
Closing balance	<u>508,264</u>	<u>308,776</u>

The Racing Bets Levy Account is to be applied for the purpose of making payments to bookmakers under the Bookmakers Betting Levy Amendment Act 2009 section 6, and outgoings and expenses incurred by the Commission in administering the Account.

<b>Total restricted cash and cash equivalents as per Statement of Financial Position</b>	<u><u>6,186,365</u></u>	<u><u>5,380,279</u></u>
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	2011	2010
	\$	\$
<u>(e) Security Deposits</u>		
Opening balance	1,590,928	1,311,650
Receipts	914,956	853,548
Payments	(1,013,876)	(574,270)
Closing balance	<u>1,492,008</u>	<u>1,590,928</u>

Security deposits represent security deposits received from bookmakers conducting sports betting or double event betting or both, and received from organisations conducting lotteries/raffles as a guarantee of the distribution of prizes, plus interest income.

As stated in note 2(e), following a change in accounting policy, security deposits are no longer recognised on the Statement of Financial Position as asset and liability of the Commission.

#### **Note 10. Receivables**

	2011	2010
	\$	\$
<u>Current</u>		
Receivables	900	1,500
Accrued revenue	134,855	240,526
GST receivable	0	0
<b>Total current</b>	<u>135,755</u>	<u>242,026</u>

The Authority does not hold any collateral or other credit enhancements as security for receivables.

#### **Note 11. Inventories**

	2011	2010
	\$	\$
<u>Current</u>		
Betting tickets	1,631	1,071
Betting ledgers	5,924	6,459
<b>Total current</b>	<u>7,555</u>	<u>7,530</u>

#### **Note 12. Payables**

	2011	2010
	\$	\$
<u>Current</u>		
Trade payables	1,200	100
Other payables	637,952	96,843
GST payable	266,454	175,445
<b>Total current</b>	<u>905,606</u>	<u>272,388</u>

**Note 13. Equity**

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

**Contributed equity**

	2011 \$	2010 \$
Balance at start of period	0	0
<u>Contributions by owners</u>		
Transfer of net assets from other agencies	0	0
<b>Total contributions by owners</b>	<b>0</b>	<b>0</b>
<u>Distributions to owners</u>		
Transfer of net assets to other agencies	0	0
<b>Total distributions to owners</b>	<b>0</b>	<b>0</b>
<b>Balance at end of period</b>	<b>0</b>	<b>0</b>

**Accumulated surplus/(deficit)**

	2011 \$	2010 \$
Balance at start of period	9,218,666	8,317,853
Result for the period	564,540	900,813
<b>Balance at end of period</b>	<b>9,783,206</b>	<b>9,218,666</b>
<b>Total Equity at end of period</b>	<b>9,783,206</b>	<b>9,218,666</b>

**Note 14. Notes to the Statement of Cash Flows****Reconciliation of cash**

Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

	2011 \$	2010 \$
Cash and cash equivalents	4,359,137	3,861,219
Restricted cash and cash equivalents (note 9 'Restricted cash and cash equivalents')	6,186,365	5,380,279
	<b>10,545,502</b>	<b>9,241,498</b>

**Reconciliation of net cost of services to net cash flows provided by/(used in) operating activities**

	2011 \$	2010 \$
Net cost of services	564,540	900,813
<u>(Increase)/decrease in assets:</u>		
Receivables <sup>(a)</sup>	106,271	(208,406)
Inventories	(25)	(4,612)
<u>Increase/(decrease) in liabilities:</u>		
Payables <sup>(a)</sup>	542,209	(343,809)
Net GST receipts/(payments) <sup>(b)</sup>	91,014	191,458
Change in GST in receivables/payables <sup>(c)</sup>	(5)	1,101
<b>Net cash provided by/(used in) operating activities</b>	<b>1,304,004</b>	<b>536,545</b>

(a) Note that the Australian Taxation Office (ATO) receivable/payable in respect of GST and the receivable/payable in respect of the sale/purchase of non-current assets are not included in these items as they do not form part of the reconciling items.

(b) This is the net GST paid/received, i.e.. cash transactions.

(c) This reverses out the GST in receivables and payables.

**Note 15. Explanatory statement**

This statement provides details of any significant variations between estimates and actual results for 2011 and between the actual results for 2010 and 2011. Significant variations are considered to be those greater than 10% or \$50,000.

**(i) Significant variances between estimated and actual result for 2011**

	<b>2011 Estimate \$</b>	<b>2011 Actual \$</b>	<b>Variation \$</b>
Superannuation	10,000	8,798	(1,202)
Services and contract fees	4,683,000	4,268,175	(414,825)

Superannuation

The variance is directly impacted by the reduced board fees.

Services and contract fees

The variance was mainly due to capital expenditure being less than budget and savings in the general expenses.

**(ii) Significant variances between actual results for 2010 and 2011**

Variations which have been explained in part (i) of this note have not been repeated here in the interests of concise reporting.

	<b>2011 Actual \$</b>	<b>2010 Actual \$</b>	<b>Variation \$</b>
<u>Income</u>			
Fees and charges	4,076,878	3,845,431	231,447
Revenues related to special purpose accounts	28,771,301	40,453,392	(11,682,091)
<u>Expenses</u>			
Service and contract fees	4,268,175	3,876,271	391,904
Expenses related to special purpose accounts	28,121,037	39,612,317	(11,491,280)

Fees and charges

The variance was mainly due to increased casino employee license fees.

Revenues related to special purpose accounts

The variance was mainly due to the retrospective collection and subsequent payment of the Racing Bets Levy after the introduction of the *Racing Bets Levy Act 2009*.

Service and contract fees

The variance was mainly due to the increased recoupment from Department of Racing, Gaming and Liquor for the provision of services.

Expenses related to special purpose accounts

The variance was mainly due to retrospective collection and subsequent payment of the Racing Bets Levy as mentioned earlier.

**Note 16. Remuneration of members of the accountable authority**

The number of members of the accountable authority, whose total of fees, salaries, superannuation, non-monetary benefits and other benefits for the financial year, fall within the following bands are:

	2011	2010
\$		
0 - 10,000	0	1
10,001 - 20,000	6	5
20,001 - 30,000	0	1
	\$	\$
<b>The total remuneration of members of the accountable authority</b> (the Chairman does not receive remuneration.)	<b><u>106,552</u></b>	<b><u>113,130</u></b>

The total remuneration includes the superannuation expense incurred by the Authority in respect of members of the accountable authority.

**Note 17. Remuneration of auditor**

Remuneration paid or payable to the Auditor General in respect of the audit for the current financial year is as follows:

	2011	2010
	\$	\$
Auditing the accounts, financial statements and key performance indicators	<b><u>9,450</u></b>	<b><u>9,450</u></b>

**Note 18. Administered transactions****Administered revenue****(a) Video lottery terminals**

	2011	2010
	\$	\$
	<b><u>209,164</u></b>	<b><u>136,203</u></b>

The Commission collects 3.25% of the cash collected by a Video Lottery Terminal under regulation 18AA of the Gaming and Wagering Commission Regulations 1988. The Commission retains 1% to cover the cost of administering Video Lottery Terminals, the remaining 2.25% is collected on behalf of the Government and paid into the Consolidated Fund. The amount reported here as administered revenue represents Government's 2.25% share of this income.

**(b) Continuing lottery levy**

The Commission collects a levy of 3.25% of the face value of Continuing Lottery tickets sold by licensed suppliers. The Commission retains 1% as controlled revenue and remits the remaining 2.25% to the Consolidated Fund. The amount reported here as administered revenue represents Government's 2.25% share of this income.

	<b><u>148,082</u></b>	<b><u>225,392</u></b>
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**Note 19. Financial instruments****(a) Financial risk management objectives and policies**

Financial instruments held by the Authority are cash and cash equivalents, restricted cash and cash equivalents, receivables, and payables. The Authority has limited exposure to financial risks. The Authority's overall risk management program focuses on managing the risks identified below.

Credit risk

Credit risk arises when there is the possibility of the Authority's receivables defaulting on their contractual obligations resulting in financial loss to the Authority.

The maximum exposure to credit risk at end of the reporting period in relation to each class of recognised financial assets is the gross carrying amount of those assets inclusive of any provisions for impairment as shown in the table at note 19(c) 'Financial instruments disclosures' and note 10 'Receivables'.

Credit risk associated with the Authority's financial assets is minimal because the Authority trades on only with recognised, creditworthy third parties. The Authority has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. In addition, receivable balances are monitored on an ongoing basis with the result that the Authority's exposure to bad debts is minimal. At the end of the reporting period there were no significant concentrations of credit risk.

Liquidity risk

Liquidity risk arises when the Authority is unable to meet its financial obligations as they fall due.

The Authority is exposed to liquidity risk through its trading in the normal course of business.

The Authority has appropriate procedures to manage cash flows by monitoring forecast cash flows to ensure that sufficient funds are available to meet its commitments.

Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates and interest rates will affect the Authority's income or the value of its holdings of financial instruments. The Authority does not trade in foreign currency and is not materially exposed to other price risks. Other than as detailed in the interest rate sensitivity analysis table at Note 19(c), the Authority has no borrowings and its exposure to market risk for changes in interest rates relates primarily to cash and cash equivalents and restricted cash which are interest bearing.

**(b) Categories of financial instruments**

In addition to cash, the carrying amounts of each of the following categories of financial assets and financial liabilities at the end of the reporting period are:

	2011	2010
	\$	\$
<u>Financial Assets</u>		
Cash and cash equivalents	4,359,137	3,861,219
Restricted cash and cash equivalents	6,186,365	5,380,279
Receivables <sup>(a)</sup>	135,755	242,026
 <u>Financial Liabilities</u>		
Financial liabilities measured at amortised cost <sup>(b)</sup>	639,152	96,943

(a) The amount of receivables excludes GST recoverable from the ATO (statutory receivable).

(b) The amount of payables excludes GST payable to the ATO (statutory payable).

## Gaming and Wagering Commission of Western Australia

## Notes to the Financial Statements

for the year ended 30 June 2011

**Note 19.(c) Financial instrument disclosures**Credit risk and interest rate exposures

The following table discloses the Authority's maximum exposure to credit risk, interest rate exposures and the ageing analysis of financial assets. The Authority's maximum exposure to credit risk at the end of the reporting period is the carrying amount of financial assets as shown below. The table discloses the ageing of financial assets that are past due but not impaired and impaired financial assets. The table is based on information provided to senior management of the Authority.

The Authority does not hold any collateral as security or other credit enhancements relating to the financial assets it holds.

The Authority does not hold any financial assets that had to have their terms renegotiated that would have otherwise resulted in them being past due or impaired.

**Interest rate exposures and ageing analysis of financial assets <sup>(a)</sup>**

	Weighted Average Effective Interest Rate	Carrying Amount	Interest rate exposure			Past due but not impaired					Impaired financial assets
			Fixed interest rate	Variable interest rate	Non- interest bearing	Up to 3 months	3-12 months	1-2 years	2-5 years	More than 5 years	
<u>Financial Assets</u>	%	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>2011</b>											
Cash and cash equivalents	5.01	4,359,137		4,359,137							
Restricted cash and cash equivalents	5.01	6,186,365		6,186,365							
Receivables <sup>(a)</sup>	5.01	135,755		129,319	6,436						
		<b>10,681,257</b>	<b>0</b>	<b>10,674,821</b>	<b>6,436</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>2010</b>											
Cash and cash equivalents	4.17	3,861,219		3,861,219							
Restricted cash and cash equivalents	4.17	5,380,279		5,380,279							
Receivables <sup>(a)</sup>	4.17	242,026		82,526	159,500						
		<b>9,483,524</b>	<b>0</b>	<b>9,324,024</b>	<b>159,500</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

(a) The amount of receivables excludes the GST recoverable from the ATO (statutory receivable).



Gaming and Wagering Commission of Western Australia  
 Notes to the Financial Statements  
 for the year ended 30 June 2011

**Note 19. (c) Financial instrument disclosures**

Liquidity risk

The following table details the contractual maturity analysis for financial liabilities. The table includes interest and principal cash flows. An adjustment has been made where material.

**Interest rate exposure and maturity analysis of financial liabilities <sup>(a)</sup>**

	Weighted Average Effective Interest Rate	Carrying Amount	Interest rate exposure			Adjustment for discounting	Total Nominal Amount	Maturity date				
			Fixed interest rate	Variable interest rate	Non- interest bearing			Up to 3 months	3-12 months	1-2 years	2-5 years	More than 5 years
<u>Financial Liabilities</u>	%	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
2011												
Payables <sup>(b)</sup>		639,152			639,152							
		<b>639,152</b>	<b>0</b>	<b>0</b>	<b>639,152</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
2010												
Payables <sup>(b)</sup>		96,943			96,943							
		<b>96,943</b>	<b>0</b>	<b>0</b>	<b>96,943</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

<sup>(a)</sup> The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities at the end of the reporting period.

<sup>(b)</sup> The amount of payables excludes GST payable to the ATO (statutory payable).

**Gaming and Wagering Commission of Western Australia**  
**Notes to the Financial Statements**  
**for the year ended 30 June 2011**

**Note 19.(c) Financial instrument disclosures (contd)**

Interest rate sensitivity analysis

The following table represents a summary of the interest rate sensitivity of the Authority's financial assets and liabilities at the end of the reporting period on the surplus for the period and equity for a 1% change in interest rates. It is assumed that the change in interest rates is held constant throughout the reporting period.

2011	Carrying amount \$	-100 basis points		+100 basis points	
		Surplus \$	Equity \$	Surplus \$	Equity \$
<u>Financial Assets</u>					
Cash and cash equivalents	4,359,137	(43,591)	(43,591)	43,591	43,591
Restricted cash and cash equivalents	6,186,365	(61,864)	(61,864)	61,864	61,864
<u>Financial Liabilities</u>					
Total Increase/(Decrease)		<b>(105,455)</b>	<b>(105,455)</b>	<b>105,455</b>	<b>105,455</b>

2010	Carrying amount \$	-100 basis points		+100 basis points	
		Surplus \$	Equity \$	Surplus \$	Equity \$
<u>Financial Assets</u>					
Cash and cash equivalents	3,861,219	(38,612)	(38,612)	38,612	38,612
Restricted cash and cash equivalents	5,380,279	(53,803)	(53,803)	53,803	53,803
<u>Financial Liabilities</u>					
Total Increase/(Decrease)		<b>(92,415)</b>	<b>(92,415)</b>	<b>92,415</b>	<b>92,415</b>

Fair values

All financial assets and liabilities recognised in the Statement of Financial Position, whether they are carried at cost or fair value, are recognised at amounts that represent a reasonable approximation of fair value unless otherwise stated in the applicable notes.

**Note 20. Commitments**

As at 30 June 2011 the Authority did not have any other material capital or expenditure commitments.

**Note 21. Contingent liabilities and contingent assets**

The Authority is not aware of any contingent liabilities and contingent assets as at the end of the reporting period.

**Note 22. Events occurring after the end of the reporting period**

The Authority is 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 Authority, the results of those activities or the state of affairs of the Authority in the ensuing or any subsequent year.

**Note 23. Related bodies**

Nil

**Note 24. Affiliated bodies**

Nil

**Note 25. Supplementary financial information**

Nil

## DETAILED KEY PERFORMANCE INDICATORS INFORMATION

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Key performance indicators (KPIs) are required under the *Financial Management Act 2006* and are provided to assist interested parties such as Government, Parliament and community groups in assessing an agency's performance in meeting its desired outcomes. KPIs measure the effectiveness and efficiency of an agency.

### CERTIFICATION OF KEY PERFORMANCE INDICATORS

We hereby certify that the performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Gaming and Wagering Commission of Western Australia's performance, and fairly represent the performance of the Gaming and Wagering Commission of Western Australia for the financial year ended 30 June 2011.



Barry A Sargeant  
Chairperson  
Gaming and Wagering  
Commission of Western Australia

25 August 2011



Helen Cogan  
Member  
Gaming and Wagering  
Commission of Western Australia

25 August 2011

## ADDITIONAL INFORMATION IN SUPPORT OF KEY PERFORMANCE INDICATORS

**Desired Outcome:** To regulate and maintain the integrity of lawful gambling activities.

The *Gaming and Wagering Commission Act 1987* legalises gambling recognised as social gambling and allows other forms of gaming (minor gaming), for fund raising purposes by non-profit organisations, provided they are authorised by a gaming permit and conducted on approved premises. Minor gaming comprises Two-up, bingo, standard lotteries, continuing lotteries and non casino type games approved by the Commission.

The success of the gaming industry depends, to a large extent, on public confidence in the integrity of the gaming provided. The Commission's approach to the State's gambling industry remains one with the primary focus on consumer protection. The Commission is responsible for the control and regulation of gaming in Western Australia and its practices and policies are designed to maintain a high level of public confidence in the integrity of the gambling industry.

A strict legislative framework operates within the State to:

- Prevent criminal interests from operating gaming activities;
- Maintain the integrity of permitted gaming and contain its social costs; and
- Limit the availability of gambling opportunities in the community through legislation that provides a controlled environment in which the different forms of gambling can be conducted.

The licensing regime focuses on ensuring the integrity of the gambling industry through probity and ongoing licensing requirements. The following table shows that the levels of unlawful gambling detected over the last four financial years have been relatively low, whilst the number of infringement notices issued for casino gaming violations this year has decreased significantly from last year. This indicates that the Commission's approach to the gambling industry is effective in deterring the presence of unlawful gambling practices.

KEY EFFECTIVENESS INDICATOR	2010/11 Target	2010/11 Actual	2009/10	2008/09	2007/08
	%	%	%	%	%
Percentage of unlawful gambling detected in relation to total audits	1.78	1.34	1.55	1.70	1.76
Number of violation reports/ infringement notices issued in relation to casino gaming	5	5	32	5	5

Licensing provides increased certainty about the quality and integrity of the gambling product. The rules and procedures ensure that the operators of gambling activities achieve a particular standard of professional service.

The Commission's licensing regime is designed to cause licences, permit approvals, authorisations and certificates, as appropriate, to be issued in relation to persons, premises, casinos, facilities, gaming, equipment and gambling operations, at minimum cost to the gambling industry.

The average cost can change for each reporting year as a result of increases or reductions in the number of licences determined, combined with annual increases to licensing application fees.

The table below shows the average costs associated with issuing licences and the costs associated with monitoring the probity and integrity of the gambling industry over the past four financial years.

KEY EFFICIENCY INDICATOR	2010/11 Target	2010/11 Actual	2009/10	2008/09	2007/08
	\$	\$	\$	\$	\$
Cost per Gambling Certificate/Permit issued <sup>5</sup>	427	339	239	305	212
Cost per Casino Employee Licence issued <sup>6</sup>	735	586	497	311	301
Cost of monitoring the integrity of casino gaming operations over one year <sup>7</sup>	232,699	232,960	73,432	191,144	167,579
Cost per instance of unlawful gambling detected <sup>8</sup>	21,027	21,570	17,278	13,784	7,393
Cost per casino submission received <sup>9</sup>	513	408	301	309	241

<sup>5</sup> The efficiency indicator for this activity is derived by dividing the cost allocation for the activity by the number of licences and permits issued.

<sup>6</sup> The efficiency indicator for this activity is derived by dividing the cost allocation for the activity by the number of licences issued.

<sup>7</sup> The efficiency indicator for this activity is derived by dividing the cost allocation for the activity by the number of violation reports issued.

<sup>8</sup> The efficiency indicator for this activity is derived by dividing the cost allocation for the activity by the number of breaches detected.

<sup>9</sup> The efficiency indicator for this activity is derived by dividing the cost allocation for the activity by the number of casino submissions received.



## Auditor General

### INDEPENDENT AUDITOR'S REPORT

To the Parliament of Western Australia

### GAMING AND WAGERING COMMISSION OF WESTERN AUSTRALIA

#### Report on the Financial Statements

I have audited the accounts and financial statements of the Gaming and Wagering Commission of Western Australia.

The financial statements comprise the Statement of Financial Position as at 30 June 2011, the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and Notes comprising a summary of significant accounting policies and other explanatory information.

#### *Commission's Responsibility for the Financial Statements*

The Commission is responsible for keeping proper accounts, and the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the Treasurer's Instructions, and for such internal control as the Commission determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibility*

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the financial statements based on my audit. The audit was conducted in accordance with Australian Auditing Standards. Those Standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Commission's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Commission, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my audit opinion.

#### *Opinion*

In my opinion, the financial statements are based on proper accounts and present fairly, in all material respects, the financial position of the Gaming and Wagering Commission of Western Australia at 30 June 2011 and its financial performance and cash flows for the year then ended. They are in accordance with Australian Accounting Standards and the Treasurer's Instructions.

**Gaming and Wagering Commission of Western Australia**

**Report on Controls**

I have audited the controls exercised by the Gaming and Wagering Commission of Western Australia. The Commission is responsible for ensuring that adequate control is maintained over the receipt, expenditure and investment of money, the acquisition and disposal of public and other property, and the incurring of liabilities in accordance with the Financial Management Act 2006 and the Treasurer's Instructions, and other relevant written law.

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the controls exercised by the Commission based on my audit conducted in accordance with Australian Auditing Standards.

*Opinion*

In my opinion, the controls exercised by the Gaming and Wagering Commission of Western Australia are sufficiently adequate to provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions.

**Report on the Key Performance Indicators**

I have audited the key performance indicators of the Gaming and Wagering Commission of Western Australia. The Commission is responsible for the preparation and fair presentation of the key performance indicators in accordance with the Financial Management Act 2006 and the Treasurer's Instructions.

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the key performance indicators based on my audit conducted in accordance with Australian Auditing Standards.

*Opinion*

In my opinion, the key performance indicators of the Gaming and Wagering Commission of Western Australia are relevant and appropriate to assist users to assess the Commission's performance and fairly represent indicated performance for the year ended 30 June 2011.

**Independence**

In conducting this audit, I have complied with the independence requirements of the Auditor General Act 2006 and the Australian Auditing Standards, and other relevant ethical requirements.



COLIN MURPHY  
AUDITOR GENERAL  
31 August 2011



## MINISTERIAL DIRECTIVES

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There were six ministerial directives issued to the Gaming and Wagering Commission during the financial year:

- A directive dated 4 August 2010 to issue a Two-up permit to the Collie Cycle Club Inc for the conduct of Two-up on 21 August 2010 at the Collie RSL Club.
- A directive dated 24 August 2010 to issue a Two-up permit to the Kalgoorlie-Boulder Racing Club for the conduct of Two-up between 5 September 2010 and 15 September 2010 at the Kalgoorlie-Boulder Racecourse and Friendly Society Hall.
- A directive dated 15 March 2011 to issue a Two-up permit to the Rockingham Naval Association of Western Australia Inc for the conduct of Two-up on Anzac Day at the Rockingham Naval Association Club.
- A directive dated 15 March 2011 to issue Two-up permits to the Returned Services League of Australia (WA Branch) Sub-Branchedes for the conduct of Two-up on Anzac Day. A total of 31 permits were issued to clubs at various specified locations in Western Australia.
- A directive dated 20 April 2011 to issue a Two-up permit to the Yarloop Volunteer Bush Fire Brigade for the conduct of Two-up on Anzac Day at the Yarloop Fire Brigade Station.

## GOVERNANCE DISCLOSURES

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### CONTRACTS WITH SENIOR OFFICERS

At the date of reporting, other than normal contracts of employment of service, no senior officers, nor 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 Gaming and Wagering Commission of Western Australia and senior officers.

## **OTHER FINANCIAL DISCLOSURES**

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Containing information about pricing policies, major capital projects and employees, this part of the annual report provides the means by which Parliament and other interested parties can be informed, not only of what the Gaming and Wagering Commission of Western Australia has achieved during the financial year, but also the reasons behind those achievements.

### **PRICING POLICIES OF SERVICES PROVIDED**

When analysing its fees and charges, the Commission considers the Department of Treasury's recommendation that agencies' fees and charges should achieve full cost recovery where applicable. In addition, the Commission also considers the Joint Standing Committee on Delegated Legislation's recommendations that fees and charges do not exceed cost recovery and/or do not cross subsidise.

In setting fees, the Commission recognises that not for profit organisations and charitable bodies form a large part of the Commission's customer base. Fees for services levied under the respective Regulations should not pose a barrier to entry for those organisations attempting to raise funds through lawful gambling activities.

The Commission is fully aware that increasing the fees to meet cost recovery will actually impose barriers to entry, and this is something that the Commission is reluctant to do.

Consistent with the Department of Treasury's instructions, increases that approximate CPI or catch up on CPI applied over previous years are to be considered routinely by the Minister.

The current list of fees and charges were implemented on 1 January 2011. These fees and charges are available on the Department of Racing, Gaming and Liquor's website at [www.rgl.wa.gov.au](http://www.rgl.wa.gov.au) Fees and charges are reviewed annually.

### **CAPITAL WORKS**

There were no capital works undertaken by the Gaming and Wagering Commission during 2010/11.

### **STAFF PROFILE**

The Commission does not employ staff, but has a net appropriation agreement with the Department of Racing, Gaming and Liquor that relates to functions carried out on behalf of the Commission by staff from the Department. Accordingly, the Commission does not report on compliance with these issues. The Department of Racing, Gaming and Liquor's Annual Report contains relevant information.

## OTHER LEGAL AND GOVERNMENT POLICY REQUIREMENTS

### ADVERTISING

In accordance with section 175ZE of the *Electoral Act 1907*, the Commission must report on any expenditure incurred for advertising, market research, polling, direct mail and media advertising. Total expenditure for 2010/11 was \$278,766, with expenditure incurred in the following areas:

NAME OF ADVERTISING AGENCY		\$
Advertising Agencies	Rare Creativethinking	107,779
	Mitchell and Partners Australia Pty Ltd	105,009
	Sensis	1283
Government Agencies		Nil
Market research organisations	Painted Dog Research Pty Ltd	64,020
Polling organisations		Nil
Direct mail organisations		Nil
Media advertising organisations		675

### DISABILITY ACCESS AND INCLUSION PLAN OUTCOMES

The Commission meets its obligations for Disability Access and Inclusion Outcomes through arrangements with the Department of Racing, Gaming and Liquor. That Department's Annual Report contains information on how the Department has complied with the obligations imposed under Section 29 of the *Disability Services Act 1993*.

### COMPLIANCE WITH PUBLIC SECTOR STANDARDS AND ETHICAL CODES

The Commission does not employ staff, but has a net appropriation agreement with the Department of Racing, Gaming and Liquor relating to functions carried out on behalf of the Commission by staff of that Department. Accordingly, the Commission does not report on compliance with the Public Sector Standards. The Department of Racing, Gaming and Liquor's Annual Report contains relevant information.

### RECORDKEEPING PLANS

Section 19 of the *State Records Act 2000* requires each Government agency to have a Recordkeeping Plan. The Recordkeeping Plan provides an accurate reflection on the recordkeeping program within the agency and must be complied with by the agency and its officers. The records of the Commission are maintained by the Department of Racing, Gaming and Liquor. The Department of Racing, Gaming and Liquor's Annual Report contains information on that department's Recordkeeping Plan.

**SUBSTANTIVE EQUALITY**

The Commission meets its obligations for the elimination of systemic racial discrimination from all policies and practices, in accordance with the Policy Framework for Substantive Equality, through arrangements with the Department of Racing, Gaming and Liquor. The Department of Racing, Gaming and Liquor's Annual Report contains information on how that department has complied with the obligations imposed under the *Public Sector Commissioner's Circular 2009-23*.

**OCCUPATIONAL SAFETY, HEALTH AND INJURY MANAGEMENT**

The Commission meets its obligations for occupational safety, health and injury management through arrangements with the Department of Racing, Gaming and Liquor. The Department of Racing, Gaming and Liquor's Annual Report contains information on how that Department has complied with the obligations imposed under the *Public Sector Commissioner's Circular 2009-11*.