



Government of Western Australia  
Gaming and Wagering Commission of Western Australia

# Annual Report 2021-22





## Acknowledgement of Country

The Commission acknowledges the traditional custodians throughout Western Australia and their continuing connection to the land, waters and community. We pay our respects to all Aboriginal communities and their cultures, to Elders past, present and emerging.

# Statement of Compliance



## To the Hon Dr Tony Buti MLA

### Minister for Finance; Aboriginal Affairs; Racing and Gaming; Citizenship and Multicultural Interests

In accordance with section 63 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 ending 30 June 2022.

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

The financial statements comply with Australian Accounting Standards – Simplified Disclosures issued by the Australian Accounting Standards Board.

A handwritten signature in black ink, appearing to read 'Lanie Chopping'.

### Lanie Chopping Chairperson

Gaming and Wagering  
Commission

23 November 2022

A handwritten signature in black ink, appearing to read 'Colin Murphy'.

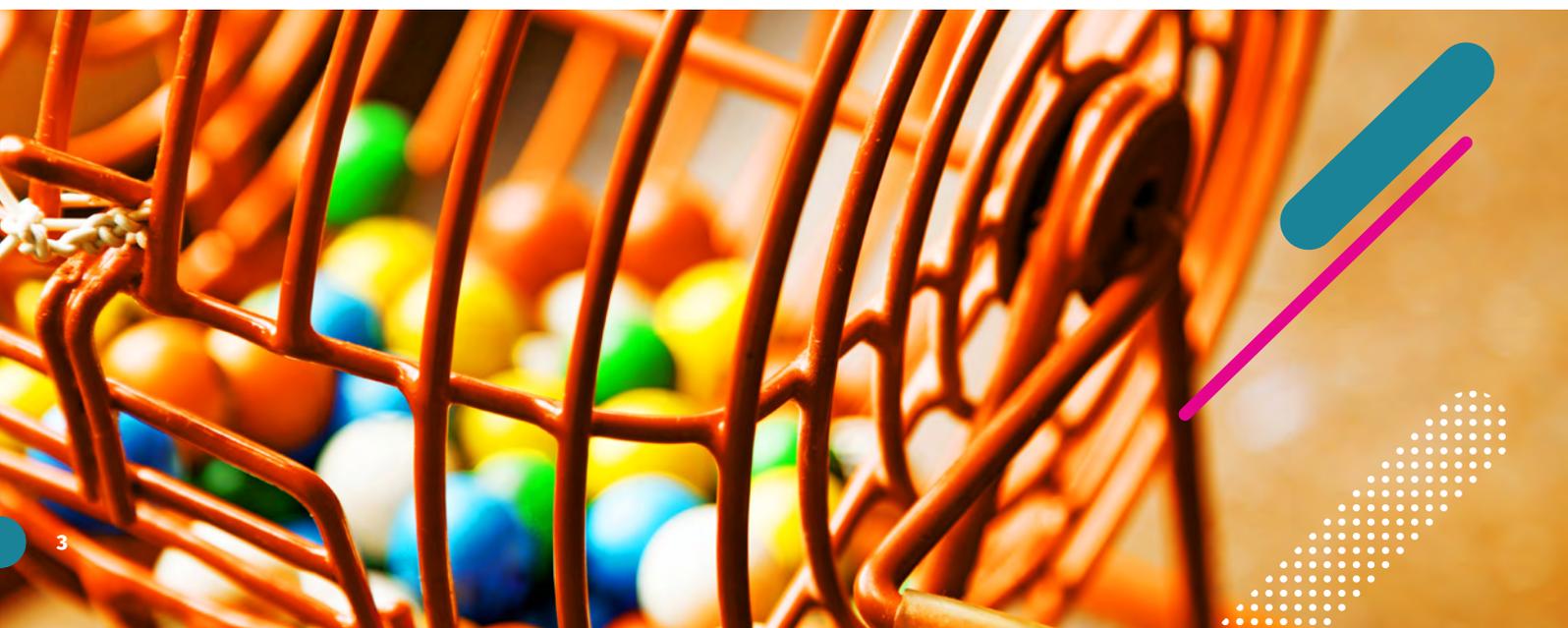
### Colin Murphy Commission Member

Gaming and Wagering  
Commission

23 November 2022

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# Overview

## From the Chairperson

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The past year has been one of significant challenge, change and renewal for the Gaming and Wagering Commission of Western Australia (the Commission).

The Perth Casino Royal Commission, which commenced in March 2021, continued for most of 2021-22, with the Final Report being tabled in State Parliament on 24 March 2022. Commission members participated in the public hearings of the Perth Casino Royal Commission, made written submissions and responded to requests for information.

The Commission has, and will continue to work hard to address issues identified by the Perth Casino Royal Commission and has put in place plans for further improvements through its strategic priorities program. There has been a focus on the governance and integrity framework, with the Commission endorsing policies and establishing registers for conflicts of interest and for gifts, benefits, and hospitality. An enhanced induction process for Commission members, which includes updated accountable and ethical decision-making training, was also introduced.

Priority legislative amendments were introduced into Parliament on 22 June 2022 to provide the Commission with the necessary powers to restore integrity into the State's only casino. It is anticipated that the new legislation will be enacted early in the 2022-23 financial year.

The Minister for Racing and Gaming, the Hon. Dr Tony Buti MLA, announced on 10 June 2022 that global investment group Blackstone had been granted the necessary approvals to facilitate the acquisition of Crown Resorts Ltd. This was a significant activity during the year that included extensive, multi-jurisdictional probity investigations, which enabled the Commission to grant probity approval to the relevant Blackstone group entities and associated individuals.

The approvals granted, which were subject to various conditions, covered Blackstone's proposed and future shareholdings of Burswood Nominees Limited (Ltd) and securities over the casino gaming licence, site, and resort complex, in accordance with the *Casino (Burswood Island) Agreement Act 1985* and the *Casino Control Act 1984*.

The privatisation and sale process of the WA TAB, which had been placed on hold due to the COVID-19 pandemic, re-commenced in October 2021. There was considerable interest through the expression of interest phase leading to the 16-week binding offer process which commenced on 6 May 2022.

The Department of Treasury is leading this work on behalf of the State Government with the Commission responsible for a number of regulatory approvals. It is expected, pending a suitable offer, the sale will be finalised in mid to late 2023. The sale of the WA TAB will result in a substantial amount of work for the Commission in 2022-23 as it implements a new regulatory regime for the private wagering licensee.



Against a background of these significant pieces of work — the Perth Casino Royal Commission, the Blackstone acquisition and preparation for the sale of the WA TAB — as well as the impacts of the COVID-19 pandemic, I am proud of the regulatory work that the Commission and officers of the Department of Local Government, Sport and Cultural Industries (DLGSC), who support the Commission, have continued with, including issuing community gaming permits and casino employee licences, as well as overseeing audits and investigations across the State.

To ensure that consumers were protected, and the industries were operating in accordance with the legislative requirements, over 2,200 licences were administered, the Commission issued more than 1,800 community gaming permits and certificates in accordance with relevant legislation and more than 5,300 inspection and audit activities were conducted during 2021-22.

The minimisation of harm to individuals and the Western Australian community remains at the forefront of the Commission's considerations. The Commission, through the Problem Gambling Support Services Committee, continued to fund the Problem Gambling Helpline and Gambling Help WA, both of which provide free counselling services for people impacted by problem gambling.

There has been significant change to the membership of the Commission during the 2021-22 period, with four new members and five outgoing members. The new members — Mr Michael Sarquis, Mr Colin Murphy, Dr Michael Schaper, and Ms Deirdre O'Donnell — bring with them a wealth of experience, particularly around regulation, which will be of great benefit to the Commission in performing its regulatory role.

I would like to take this opportunity to acknowledge the dedication of outgoing members — Ms Carmelina Fiorentino, Ms Jodie Meadows, Ms Matilda Prowse, Mr Barry Sargeant, and Mr Steve Dobson — and thank them for their contribution to the operation of the Commission throughout their tenure.

I would also like to thank the staff of DLGSC who supported the Commission throughout the year. The amount of support required was much greater this year because of the work involved in responding to the requests from the Perth Casino Royal Commission. On behalf of the Commission, I would like to acknowledge the professionalism and commitment of DLGSC staff as they supported the Commission during this busy period.

The legislative amendments introduced into Parliament also incorporated the recommendation of the Perth Casino Royal Commission that the Commission has an independent chairperson, so this will likely be my final annual report as *ex officio* Chairperson. While the final details of the new regulatory environment that the Commission will operate under in the post-Royal Commission environment are still to be determined by Government, I am confident that the function of the Commission will be further enhanced by the work that has been achieved in the past year.

I look forward to the appointment of the new Chairperson and I wish them every success in leading the Commission as it continues its important work of regulating gaming and wagering in Western Australia.

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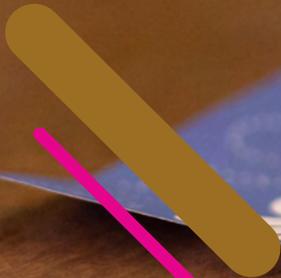


**Lanie Chopping**

**Chairperson**

Gaming and Wagering  
Commission

23 November 2022



# Executive Summary

## At a Glance

### Regulating industry



23 Infringements and cautions



2,200+ Employee licences

1,860

Community gaming permits and certificates

### Gambling support funding

2,408  
Counselling sessions

572  
Calls to gambling helpline

356  
Online requests

### Industry revenue

\$49m  
Casino tax

\$125.6m  
Racing Bets Levy

### Community beneficiaries

\$59m  
Returned to beneficiary organisations

\$3.9m+  
Granted to sporting and recreation organisations across 114 grants

## Structure

### Enabling Legislation

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

### Responsible Minister

The Minister responsible for the Racing and Gaming portfolio is the Honourable Dr Tony Buti BPE (Hons); DipEd; MIR; LLB (Hons); DPhil; MLA. Minister Buti commenced in this role on 21 December 2021.

During the financial year, the Honourable Reece Whitby MLA was the Minister for Racing and Gaming until 21 December 2021.

### Role of the Commission

The *Gaming and Wagering Commission Act 1987* establishes the Commission to control and regulate gambling in the industries of gaming and wagering. It provides the regulatory framework enabling permitted gambling.

The duties of the Commission are to:

- administer the law relating to gaming and wagering;
- 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 wagering, taking into consideration the requirements and interests of the community as a whole and the need to minimise harm caused by gambling;
- consider and where appropriate to inspect, examine or investigate premises, gaming equipment, operations and persons concerned with gambling in relation to approvals for permits or certificates;
- administer all matters relating to any casino complex, licensed casino, casino key employee, casino employee or gaming in a casino;
- to enforce, and to prosecute persons contravening, the laws relating to gambling; and
- provide advice to the Minister on any matter relating to gaming and wagering and make recommendations to the Minister in relation to gambling.

Online gambling in Australia is currently subject to the requirements of the *Interactive Gambling Act 2001* (Cth). The Commission and DLGSC support the implementation of the measures under the National Consumer Protection Framework for Online Wagering.

## The Commission

Section 12 of *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 DLGSC principally assisting the Minister in the administration of this Act, who shall be *ex officio* Chairperson 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, but is eligible for reappointment.

Section 12 also provides for the Minister to appoint a person in DLGSC to be the Deputy Chairperson for occasions when the Chairperson is absent.

### Chief Casino Officer and Authorised Officers

The operations of the Commission are assisted by a Chief Casino Officer and government inspectors appointed in accordance with section 9 of the *Casino Control Act 1984* and the utilisation of authorised officers who are necessary to regulate casino gaming in Western Australia.

### Services by DLGSC

In accordance with section 18 and 19 of the *Gaming and Wagering Commission Act 1987*, the Director General and officers of DLGSC assist, as is reasonably practical, the Commission in carrying out its functions. This includes the provision of staff and resources to deliver policy, compliance and licensing activities related to the regulation of community gaming, casino gaming and wagering industries. Support services including financial management, procurement, human resources, and governance are also provided by DLGSC in accordance with these provisions.

The reporting relationship for the operational structure is provided at Figure 1.

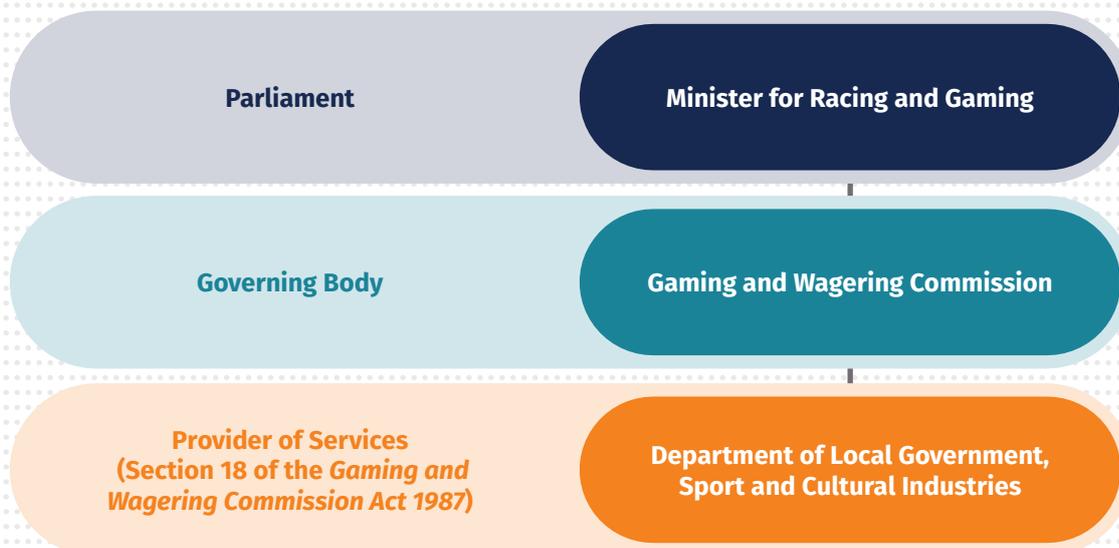


Figure 1: Reporting relationship of the Commission.

## Membership of the Commission

During the period 1 June 2021 to 30 June 2022, the Commission was constituted by the members below.

### Ms Lanie Chopping - *ex officio* Chairperson

Currently Director General of DLGSC, Ms Chopping has extensive experience in regulatory and citizen-focused roles across Western Australia's public sector. Ms Chopping was formerly the Commissioner for Consumer Protection and the Acting Executive Director for Consumer Protection at the Department of Mines, Industry Regulation and Safety. Ms Chopping has also held senior positions at the Department of the Premier and Cabinet, the Economic Regulation Authority, and the West Australian Council of Social Service.

### Ms Erin Gauntlett - Deputy Chairperson

Deputy Director General, Management and Coordination of DLGSC, Ms Gauntlett is an experienced leader and public sector professional. Ms Gauntlett has led strategic reforms across a range of social policy areas within the Western Australian Health system and more recently at the Department of the Premier and Cabinet. Ms Gauntlett has managed large teams across multiple business units and has a highly developed understanding of public sector governance and accountability frameworks.

### Mr Steve Dobson - Member until 30 June 2022

Mr Dobson is a Director of a financial planning business, Board Member of the Tax Practitioners Board, a former Chair of the Small Business Development Corporation of Western Australia and holds Board Member positions with several community groups. A former Police Officer, his qualifications include a Master of Business Administration (MBA), a Bachelor of Business, and graduate of the Australian Institute of Company Directors.

### Ms Katie Hodson-Thomas - Member

Ms Hodson-Thomas currently works as a Director of FTI Consulting and is a registered lobbyist in Western Australia. Ms Hodson-Thomas was a member of the Western Australian Parliament Legislative Assembly for 12 years. Ms Hodson-Thomas possesses strong listening, negotiation, and advocacy skills. She was previously a member of the Commission from 2011 to 2012 and is Chair of the Road Safety Council. Ms Hodson-Thomas is also a graduate of the Australian Institute of Company Directors.

### Mr Colin Murphy PSM - Member

Mr Murphy brings relevant knowledge and experience to the Commission, from his role as a Commissioner on the Perth Casino Royal Commission. Mr Murphy was Western Australia's 18th Auditor General. He has extensive experience in State and Commonwealth finance and administration and has held senior leadership positions within the State Government in the Departments of Justice, Treasury and Finance, Land Administration, and the Building Management Authority. He is a Fellow of CPA Australia, Chartered Accountants Australia and New Zealand and the Institute of Public Administration Australia and a graduate of the Australian Institute of Company Directors. Mr Murphy was awarded a Public Service Medal (PSM) in the Australia Day Honours 2010.

### Ms Deirdre O'Donnell PSM - Member

Ms O'Donnell has broad experience in executive roles in the public and not-for-profit sectors. She has qualifications in arts and education, with a Master of Business Administration and a Master of Commercial Law from the University of Melbourne. She was State Ombudsman in Western Australia, Ombudsman for the Telecommunications Industry Ombudsman

scheme, and the inaugural New South Wales Information Commissioner. In 2008 she was awarded the PSM for outstanding public service as the Western Australian State Ombudsman. From 2015 to June 2022, Ms O'Donnell was a Commissioner with the Victorian Commission for Gambling and Liquor Regulation (now the Victorian Gambling and Casino Control Commission).

### Mr Michael Sarquis - Member

Mr Sarquis was a career public servant with the Queensland State Government until his retirement in 2021. He held the position of Executive Director of the Office of Liquor and Gaming Regulation for 15 years. Mr Sarquis holds a Bachelor of Business (Accountancy) and a Graduate Diploma of Business (Professional Accounting). In 2019, in recognition of his contribution to gambling regulation, he was awarded the Gaming Regulator of the Year for the Asia/Pacific region by the association of International Masters of Gaming Law. Mr Sarquis was a member of the Gambling Community Benefit Fund Committee, the Responsible Gambling Advisory Committee and is a former vice president of the International Association of Gaming Regulators.

### Dr Michael Schaper - Member

Dr Schaper has extensive leadership and governance experience across business, regulation, government, professional associations, and academia. Dr Schaper is a national board member of the Australian Institute of Company Directors and is chair of the Australian Taxation Office's Shadow Economy Advisory Forum. His previous appointments include Deputy Chairman of the Australian Competition and Consumer Commission, Small Business Commissioner for the Australian Capital Territory, and CEO/board member of several peak industry and professional associations.

## Outgoing Members

### Mr Barry Sargeant PSM - Member to 31 July 2021

Mr Sargeant was the Director General of the Department of Racing, Gaming and Liquor from 1992 until June 2017, and as Director General, was the *ex officio* Chairperson of the Commission. He has over 25 years' experience in regulation of the liquor and gambling industries in Western Australia.

### Ms Matilda Prowse - Member to 31 December 2021

Ms Prowse has over 25 years' experience working in the public and not-for-profit sectors in Australia and the United Kingdom. She also runs her own consultancy business. Ms Prowse is a graduate of the Australian Institute of Company Directors.

### Ms Jodie Meadows - Member to 15 February 2022

Ms Meadows has over 30 years of experience in corporate and financial governance. She is a graduate of the Australian Institute of Company Directors as well as a member of their 2018 Director Pipeline Program. Ms Meadows currently sits on the Boards of Golf WA, 1ICT, G10 Consulting, Pragma Partners and Velrada as well as the General Council of HBF Inc. Ms Meadows holds a Bachelor of Commerce, has over 20 years' experience as a Chief Financial Officer and has been a member of Chartered Accountants Australia and New Zealand for 30 years.

### Ms Carmelina Fiorentino - Member to 31 March 2022

Ms Fiorentino has over 25 years’ executive finance and accounting experience in government and private trading enterprises, including Lotterywest, Office of Auditor General, and the University of WA Business School. Ms Fiorentino is currently on the board of Fremantle Port Authority, has extensive experience as a Non-Executive Director, and over 20 years’ experience in the arts, education, and community sectors. She currently provides strategic and business improvement guidance to small-medium enterprise business owners with Business Foundations. Ms Fiorentino is a Fellow Chartered Accountant, has an MBA (Advanced) with Distinction, Bachelor of Commerce and is a graduate of the Australian Institute of Company Directors.

### Chief Casino Officer

In accordance with section 9(1) of the *Casino Control Act 1984*, a Chief Casino Officer is appointed, under and subject to Part 3 of the *Public Sector Management Act 1994*. During the financial year, the following public officers were the Chief Casino Officer:

Ms Nicola Perry - 1 July 2021 to 14 July 2021;

Ms Germaine Larcombe - 15 July 2021 to 31 January 2022; and

Ms Jennifer Shelton - 1 February 2022 onward.

## Outcome-Based Management Framework

Broad Government goals are supported by the Commission by specific outcomes, and the Commission administers delivery of these services to achieve these outcomes. The following table illustrates the relationship between the Commission’s services and desired outcomes, and the goals of Government.

Government Goal	Desired Outcome of the Commission	Services Delivered by the Commission
<i>Responsible financial management and better service delivery</i>	<i>Provision of lawful gambling activities for the benefit of the public of WA</i>	<p>Services delivered are:</p> <ul style="list-style-type: none"> <li>• <i>Evaluation and determination of licensing applications; and</i></li> <li>• <i>Conduct of compliance audits and inspections.</i></li> </ul>

### Changes to Outcome-Based Management Framework

The Commission’s outcome-based management framework did not change during 2021-22.

### Shared Responsibilities with Other Agencies

The Commission did not share any responsibilities with other agencies in 2021-22.



# Agency Performance

## Report on the Operations

### Summary of financial performance

In accordance with section 40 of the *Financial Management Act 2006*, the Annual Budget Estimates are submitted each financial year for the Commission's endorsement and then recommended to the Minister for Racing and Gaming.

The Commission's 2021-22 Annual Budget Estimates were submitted and approved by the Minister for Racing and Gaming on 15 April 2021. The 2021-22 Annual Budget Estimates were subsequently revised and approved by the Minister for Racing and Gaming on 7 December 2021.

The Annual Budget Estimates contain the Total Cost of Services, used for the calculation of the Commission's efficiency indicators.

**Table 1: Summary of Performance against 2021-22 Financial Targets**

Financial Targets	Target <sup>(1)</sup>	Actual	Variation
Total cost of services (expense limit) <i>(sourced from Statement of Comprehensive Income)</i>	5,556,701	\$6,075,853 <sup>(2)</sup>	\$519,152
Net cost of services <i>(sourced from Statement of Comprehensive Income)</i>	(\$503,591)	(\$1,663,465) <sup>(3)</sup>	(\$1,159,874)
Total equity <i>(sourced from Statement of Financial Position)</i>	\$9,910,899	\$7,321,453	(\$2,589,446)
Net increase / (decrease) in cash held <i>(sourced from Statement of Cash Flows)</i>	(\$510,049)	(\$1,062,118) <sup>(4)</sup>	\$552,069
Approved salary expense level <sup>(5)</sup>	N/A	N/A	N/A

Notes:

- (1) The Financial Target is the Annual Budget Estimates approved by the Minister for Racing and Gaming on 15 April 2021.
- (2) Excludes \$136,174,809 (expenses) related to restricted cash and special purpose accounts as identified in the Statement of Comprehensive Income presented later in this report.
- (3) Excludes \$136,174,809 (expenses) and \$133,051,029 (revenue) related to special purpose accounts and restricted cash.
- (4) Excludes \$6,084,891 of Cash Flows from State Government and (\$5,421,296) related to restricted cash and special purpose accounts as identified in the Statement of Cash Flows presented later in this report.
- (5) The Commission is not an employing authority under the *Public Sector Management Act 1984*. In accordance with section 18 of the *Gaming and Wagering Commission Act 1987*, DLGSC provides services and facilities to the Commission.

### Summary of Key Performance Indicators

The Commission's performance in the achievement of its outcomes and delivery of its services is demonstrated in the key effectiveness and efficiency indicators, which are outlined in Table 2. Further details on the indicators are contained in the [key performance indicators](#) section of this report.

Table 2: Summary of Performance against 2021-22 Key Performance Indicator Targets

Summary of Key Performance Indicators <sup>(1)</sup>	Target <sup>(2)</sup>	Actual	Variation
<b>Key Effectiveness Indicators</b>			
Percentage of unlawful gambling detected in relation to total audits	0.68%	0.42%	Lower than target
Number of violation reports/infringement notices issued in relation to casino gaming	1	3	Higher than target
<b>Key Efficiency Indicator</b>			
Cost per Gambling Certificate/Permit issued	\$529	\$698	\$169 higher than target
Cost per Casino Employee Licence issued	\$1,391	\$1,265	\$126 lower than target
Cost of monitoring the integrity of casino gaming operations over one year	\$1,222,930	\$377,971	\$844,959 lower than target
Cost per instance of unlawful gambling detected	\$61,146	\$85,044	\$23,898 higher than target
Cost per casino submission received	\$985	\$397	\$588 lower than target

Notes:

- (1) The explanations for the variations between budget target and actual key performance indicator results are presented later in this report.  
 (2) The Key Performance Indicator targets were set by the Commission on 17 May 2022. The revised Annual Budget Estimates approved by the Minister for Racing and Gaming on 7 December 2021 was used for the calculation of the key efficiency indicators.

## Key deliverables in 2021-22

### Purpose

The Commission's purpose is to maintain the integrity and probity of the gaming and wagering industry in Western Australia through effective, contemporary regulatory practice that balances the industry and community benefit and considers the minimisation of potential harms.

### Strategic priorities

The Commission is committed to effective and efficient regulation and working collaboratively with DLGSC to strengthen governance, integrity, and regulatory frameworks.

During 2021-22, the Commission developed a strategic work plan enabling it to focus on two of the primary areas: Governance and the Regulatory Framework. The Commission monitored its progress against the Strategic Work Plan on a monthly basis.

# Timeline of key activities and events

2021

June

 Statement of expectation issued by Minister

July

August

 Michael Sarquis appointed to the Commission

 Perth Casino Royal Commission Interim Report tabled in Parliament

 Casino direction issued (linked jackpots)

 Strategic Priorities Program Plan endorsed

September

Members virtually attended the IAGR Boston Conference



Governance Work Program approved



October

 Casino direction revoked (funds advance facilities)

 Conflict of Interest policy endorsed, and register established

 Gifts, Benefits & Hospitality policy endorsed, and register established

 Commission's Statement of Intent submitted to Minister

November

Responsible Gambling Awareness Week



Interim Casino Compliance Strategy endorsed



Members attended regulatory practice workshop sessions with Professor Malcolm K Sparrow



December

 Members completed Accountable and Ethical Decision-Making training

2022

2022

Deirdre O'Donnell appointed to the Commission



February

March

Casino direction issued (entry ID requirements for the International Gaming Facility and gender inclusive language)



Colin Murphy and Dr Michael Schaper appointed to the Commission



Perth Casino Royal Commission Final Report tabled in Parliament



April

 Minister issued a direction to the Commission under section 6(2) of the Gaming and Wagering Commission Act 1987

May

Amendment to authorised rules of play (various poker games)



Amendment to authorised rules of play (roulette)



June

 The Commission and Minister grant approvals to facilitate the acquisition of Crown Resorts by Blackstone Group

 Casino direction issued (specified periodic audits by an independent qualified auditor)

 Casino Legislation Amendment (Burswood Casino) Bill 2022 introduced into Parliament

## Perth Casino Royal Commission

On 5 March 2021, the Honourable Neville Owen AO, the Honourable Carolyn (Lindy) Jenkins and Mr Colin Murphy PSM, were appointed Royal Commissioners for the Perth Casino Royal Commission to inquire into the suitability of Crown Perth to continue holding a casino gaming licence and to also examine the State's regulatory framework, including any actual or perceived conflicts of interest by officers involved in casino regulation, and any matters that might enhance the Commission's capability and effectiveness.

On 30 June 2021, the Perth Casino Royal Commission delivered its Interim Report on the Regulatory Framework (the Interim Report) to the Governor of Western Australia, the Honourable Kim Beazley AC, and to the Office of the Premier, the Honourable Mark McGowan MLA, with the report tabled in State Parliament in August 2021.

The Perth Casino Royal Commission delivered its Final Report to the Governor of Western Australia and to the Office of the Premier on 4 March 2022. The [Final Report](#) was tabled in State Parliament on 24 March 2022.

The Perth Casino Royal Commission found that Crown<sup>1</sup> and its subsidiaries were not presently suitable to hold a gaming licence. While the Perth Casino Royal Commission did not recommend that the gaming licence be revoked, it outlined a detailed remediation pathway for the licence holder and all associates to become suitable persons.

The Commission has commenced the work of carefully reviewing the Final Report to ascertain whether it identified the occurrence of any breaches by any party. In addition, the Commission is considering the recommendations of the Final Report with a view to strengthening the integrity of gaming at the Perth casino.

On 11 April 2022, the Minister for Racing and Gaming issued a direction to the Commission under section 6(2) of the *Gaming and Wagering Commission Act 1987* in relation to acting consistently with the recommendations contained within the Final Report and to provide advice on workplans for a select number of recommendations. Further information on this direction is provided in the Ministerial Directives section of this report.

## Governance work program

The Commission, with the assistance of DLGSC, progressed a range of improvements to governance, culture, and regulatory reform to address matters identified in the Perth Casino Royal Commission Interim Report. The notable improvements to the governance of the Commission that occurred during the year are summarised below.

## Statement of Expectation by the Minister and Statement of Intent by the Commission

A Statement of Expectation ensures that the expectations of the Minister for the strategic direction of the governing body are clearly articulated and understood. A Statement of Expectation, dated 30 June 2021, was provided by then Minister for Racing and Gaming, Hon. Reece Whitby MLA to the Commission. The Statement of Intent, dated 26 October 2021, was endorsed by the Commission, and subsequently provided to the Minister. The statement demonstrates the Commission's understanding of, and commitment to, the Minister's expectations.

<sup>1</sup> The Perth Casino Royal Commission Final Report refers to 'Crown and its subsidiaries' as Burswood Nominees Ltd, Crown Resorts Limited, Burswood Limited, and Burswood Resort (Management) Limited, while the casino licensee is Burswood Nominees Ltd.

### Conflict of interest

The Commission approved and implemented a Conflict of Interest Policy in October 2021. A conflict of interest form and register was established and is tabled at each monthly meeting. Conflict of interest declarations are managed in accordance with the principles set out in the [Western Australia's Public Sector Integrity Framework](#).

### Gifts, benefits and hospitality

The Commission approved a Gifts, Benefits and Hospitality Policy in October 2021. A declaration form and a register has also been established and is tabled at each monthly meeting.

### Accountable and ethical decision-making online training

The Commission, with the assistance of DLGSC, implemented accountable and ethical decision-making online training for all Commission members in November 2021. This training is required by the [Public Sector Commissioner's Instruction 7: Code of Ethics](#), which sets the minimum standards of conduct and integrity by all public sector bodies and employees. Commission members have all undertaken this training.

### Induction package

A new member induction process for Commission members was developed during the year by DLGSC. This process was approved by the Commission and has been further improved with feedback from new members over the course of the year. The induction provides tools to support members in the execution of their obligations and to familiarise themselves with statutory requirements, and best practice guidelines with regard to good governance of public sector boards and committees as well as briefings on their regulatory responsibilities. It also includes Accountable and Ethical Decision-Making training, the Conflict of Interest Policy and the Gifts, Benefits and Hospitality Policy.

### Professional development

Professional development opportunities were also offered to Commission members and DLGSC officers supporting the Commission during the year. These opportunities included:

- a regulatory practice seminar delivered by leading regulatory academic, Professor Malcolm K Sparrow, Professor of the Practice of Public Management at the John F Kennedy School of Government at Harvard University; and
- virtual attendance at sessions of the International Association of Gaming Regulators' Conference held in Boston, USA.

The Commission is also a member of the International Association of Gaming Regulators.

### Interim Casino Compliance Strategy

The casino compliance strategy provides a summary of the Commission's consideration of regulatory risks associated with the Perth casino. The strategy articulates current and proposed regulatory activities associated with identified regulatory risks. The strategy was implemented into the Commission's operations following approval in November 2021.

## Operations

The Commission, supported by DLGSC officers, provided regulatory services for the community of Western Australia during the year. This included licensing and inspectorial activities related to licensee and permit holder obligations contained in various Acts under the responsibility of the Minister for Racing and Gaming and administered by the Commission. This section highlights the operational activities performed by the Commission during 2021-22.

### Casino Gaming

With respect to casino gaming, the Commission is responsible for licensing casino employees, undertaking regulatory compliance and investigation services, and setting policy. This includes:

- licensing casino key employees and casino employees;
- probity approvals of key persons/entities who have a relevant interest in more than 10 per cent of the voting shares in the casino licensee;
- approving Crown Perth<sup>2</sup> board members;
- undertaking investigations and compliance activities related to casino gaming;
- approval of gaming equipment and systems; and
- directing the operations of the casino licensee through the issuance of Directions and considering proposed amendments to game rules and casino procedure and gaming manuals.

### Licensing of casino gaming

All staff involved in, or supporting, gambling activities at the casino must be licensed under the Casino Control (Burswood Island) (Licensing of Employees) Regulations 1985. The Commission considers applications for new employees and licence renewals, which are required every five years.

In 2021-22, 707 casino key employees and casino employees had applications determined compared to 615 in 2019-20. Table 3 provides a three-year summary of the total number of licences approved for staff employed at the casino who are involved in casino gaming. The number of employees licensed remained stable over this period which was impacted by the COVID-19 pandemic.

**Table 3: Number of casino key employees and casino employees licensed in 2019-20, 2020-21 and 2021-22.**

Number licensed	2019-20	2020-21	2021-22
Casino key employee <sup>(1)</sup>	516	515	559
Casino employee	1,632	1,594	1,561
<b>Total</b>	<b>2,148</b>	<b>2,109</b>	<b>2,120</b>

Notes:

(1) Defined in section 3 of the *Casino Control Act 1984*.

<sup>2</sup> For the purpose of this report, 'Crown Perth', being Burswood Nominees Pty Ltd –the trustee of the Burswood Property Trust – is the term used to describe the entity that is the casino licensee or casino operator, as defined under legislation.

## Probity approval for the acquisition of Crown Resorts Ltd

The Commission, under the *Casino (Burswood Island) Agreement Act 1985*, provides probity approval of any person who is, or intends to become, the holder of an interest in more than 10 per cent of the voting shares of an approved company.

In November 2021, notice was provided to the Australian Stock Exchange (ASX) of a proposal from SS Silver II Pty Ltd, an entity owned by funds managed or advised by Blackstone Inc and its affiliates (Blackstone), to acquire all of the shares in Crown Resorts Ltd by way of a scheme of arrangement. The acquisition by Blackstone was conditional on Blackstone receiving approval from the casino regulators in Victoria, New South Wales and Western Australia.

In Western Australia, Crown Resorts Ltd is the parent company and majority shareholder of Burswood Nominees Ltd, the casino licensee.

On 24 December 2021, Blackstone lodged an application with the Commission seeking probity approval for several corporate and individual entities in relation to the proposed acquisition in accordance with section 14 of the *Casino (Burswood Island) Agreement Act 1985*. Furthermore, approval was sought for the appointment of three new directors of Burswood Resort (Management) Ltd.

On 14 February 2022, Crown Resorts Ltd announced to the ASX and notified the Commission that it had entered into an Implementation Deed with a company on behalf of funds managed and advised by Blackstone concerning a proposed acquisition by which Blackstone will acquire all of the shares in Crown Resorts Ltd via a scheme of arrangement.

Following receipt of the application, the Commission undertook, alongside New South Wales and Victoria, extensive, multi-jurisdictional probity investigations, which was a major undertaking by the Commission in 2021-22. In June 2022, as part of a suite of regulatory approvals required to allow Blackstone's acquisition of Crown Resorts Ltd, the Commission granted probity approval notices to 14 individuals, 13 corporate entities and approved three director appointments.

On 10 June 2022, the Minister for Racing and Gaming announced approvals regarding Blackstone's proposed and future shareholdings of Burswood Ltd and securities over the casino gaming licence, site and resort complex, in accordance with the Burswood State Agreement and *Casino Control Act 1984* respectively. The approvals were granted subject to various conditions, including:

- enhanced reporting of anti-money laundering and responsible gambling activities;
- additional auditing requirements;
- non-interference requirements to prevent Blackstone's institutional investors from involvement in the day-to-day operations of Perth's casino;
- an obligation to advise the Commission of any investigations by any Australian or overseas regulator; and
- that Blackstone cannot change its corporate structure and funding arrangements without providing prior notice and receiving relevant approvals. This means Blackstone will not be able to introduce new investors into the structure without approval.

## Investigations, compliance and enforcement

The Commission's compliance and investigation function ensures the integrity of casino gaming. The Commission appoints authorised officers and government inspectors, sourced from DLGSC, to conduct a range of functions related to the casino including:

- audits, inspections and investigations relating to casino tax and permitted gaming activities; and
- investigation of complaints.

The audit and inspection program enforces the provisions of the *Gaming and Wagering Commission Act 1987* and the *Casino Control Act 1984* and associated regulations. It ensures that adequate controls are in place to maintain compliance with legislative requirements and to monitor the ongoing effectiveness of those controls.

In 2021-22, a total of 3,910 audits, inspections, assessments, and investigations were undertaken on behalf of the Commission related to casino gaming. This figure included complex investigations which were a result of information provided during the Perth Casino Royal Commission.

In addition, three infringement notices were issued to the casino licensee for breaches of section 33 of the *Casino Control Act 1984* which related to contraventions of directions issued to the casino licensee by the Commission. Each breach is subject to a modified penalty of \$500 under the Casino Control Regulations 1999.

In addition to the scheduled compliance audit and inspections, other key activities during the year were:

- approval by the Commission of the Interim Casino Compliance Strategy which re-defined its regulatory posture regarding casino gaming by considering the regulatory risks associated with casino operations;
- a monthly targeted compliance operation which focused on a particular aspect of gaming operations at the casino; and
- 115 submissions provided for the Commission's consideration related to investigations, compliance outcomes, regulatory instrument approvals, licensing, and probity approvals.

The Casino Legislation Amendment (Burswood Casino) Bill 2022 includes amendments to the *Casino Control Act 1984* to increase the maximum penalty available from \$100,000 to \$100 million, and the maximum penalty for non-compliance with a direction issued under the *Casino Control Act 1984* from \$2,000 for an individual and \$5,000 for a body corporate to \$100,000 and \$250,000, respectively.<sup>3</sup>

### Regulatory instruments

Pursuant to section 24 of the *Casino Control Act 1984*, the Commission may issue Directions to the casino licensee with respect to the system of internal controls and administrative and accounting procedures that apply to the gaming operations of the casino.

Additionally, the Commission also considers and approves amendments to the Casino Manual (Operations), which sets out procedures for the operation of the casino, and the Casino Manual (Games Procedures), which sets out procedures for the conduct of table games at the casino. Amendments to Casino Manuals or game rules are initiated in response to Directions issued, or as a result of the casino licensee's ongoing review of procedure currency to strengthen practices and procedures.

Further, section 22 of the *Casino Control Act 1984* provides authority to declare authorised games for the purposes of play at the casino and enables the Commission to issue a direction to alter the rules of any authorised game.

<sup>3</sup> On 28 September 2022, the Casino Legislation Amendment (Burswood Casino) Bill 2022 received Royal Assent by the Governor and provisions came into force the next day.

Casino Directions and amendments to game rules and casino manuals are approved by the Commission with amendments taking effect on a date specified.

During the reporting period:

- four Casino Directions were issued;
- one Casino Direction was revoked;
- two amendments to authorised game rules were approved; and
- eight amendments to Casino Manuals were approved.

The Casino Legislation Amendment (Burswood Casino) Bill 2022 includes amendments to the *Casino Control Act 1984* to implement the recommendation of the Perth Casino Royal Commission Final Report that the Commission’s powers be expanded to enable it to direct the casino licensee with respect to all operations of the casino, not just the gaming operations.

### Casino statistics

As of 1 July 2022, there were 233 active gaming tables and 2,471 active/enabled electronic gaming machines. The casino licensee has approval to operate a maximum of 350 table games, and 2,500 electronic gaming machines. The casino licensee can adjust its offering of active tables and machines as required, however the active/enabled games must, at no time exceed the approved number.

In 2021-22, gross casino gaming revenue of approximately \$429 million was generated, producing casino tax revenue of approximately \$49 million for the State. There was a reduction in casino gaming revenue for the current reporting period as a result of the impact of the State Government health directions for the COVID-19 pandemic and the cessation of international commission business by the casino licensee.

Casino attendance figures also continued to be impacted by capacity restrictions imposed by the COVID-19 State Emergency Directions. In 2021-22, 5.23 million people attended the Perth casino compared to 6.23 million in 2020-21. This is well below numbers in 2018-19 of more than 8.14 million entries, which was prior to the COVID-19 pandemic (Figure 2).

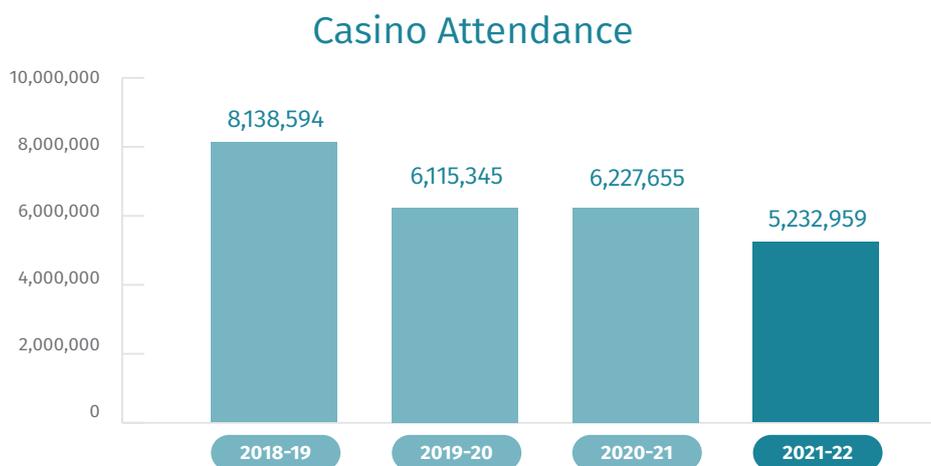


Figure 2: Casino attendance figures from 2018-19 to 2021-22.

## Community Gaming

Section 51 of the *Gaming and Wagering Commission Act 1987* provides that gaming cannot be promoted or otherwise conducted for the purposes of private gain or any commercial undertaking.

Officers of DLGSC act on behalf of the Commission to evaluate and determine applications that have been made pursuant to the provisions of the relevant legislation. This process results in the grant or refusal of applications and, where required, the subsequent issue of a licence or permit.

If a person is assisting in the conduct of community gaming for reward, they are required to hold a Gaming Operator's Certificate. The integrity of gaming operators is paramount in the conduct of community gaming activities; therefore, applicants must satisfy a probity investigation as well as demonstrate the required skills needed for working in the gaming industry.

### Licensing of community gaming

During 2021-22, a total of 1,758 community gaming permits were approved, while 102 permits and certificates were issued across several areas relating to various gaming activities, such as the approval of premises to enable gaming activities to be conducted.

Table 4 provides a three-year summary of the total number of gaming permits and certificates issued by the Commission. While there are fluctuations within the categories, the total number of gaming applications remained stable over the three-year period.

**Table 4: Number of gaming permits/certificates issued in 2019-20, 2020-21 and 2021-22.**

Number of gaming permits/certificates issued	2019-20	2020-21	2021-22
Bingo permit	187	160	207
Continuing lottery permit	121	128	115
Gaming function permit	377	354	378
Standard lottery permit	674	730	753
Calcutta permit	34	40	42
Two-up permit	44	49	40
Video lottery terminal permit	237	288	223
<b>Total</b>	<b>1,674</b>	<b>1,749</b>	<b>1,758</b>
Class of gaming equipment certificate	0	7	0
Item of gaming equipment certificate	2	0	0
Approval of premises certificate	88	95	65
Gaming operator's certificate	18	38	32
Supplier's certificate	8	1	5
<b>Total</b>	<b>116</b>	<b>141</b>	<b>102</b>

In 2021-22, community gaming activities in Western Australia raised more than \$118.3 million (gross) for permit holders. Following the deduction of expenses associated with running events, an approximate net amount of \$59 million was 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.

During the year, the greatest majority of the community gaming revenue (net) was raised through standard lotteries, with more than 700 permits granted generating nearly \$56 million (\$89 million gross). The net revenue raised via standard lotteries (raffles) has demonstrated continued growth due to legislation introduced in September 2019 which enables organisers of raffles operated from other Australian jurisdictions to apply for a permit to offer raffles to Western Australian residents.

Gaming functions and bingo were the next most popular types of community gaming generating approximately \$1 million each (net). Table 5 provides further information on the gross and net revenue raised by permit holders during 2021-22 as well as comparison data for the two previous financial years.

**Table 5: Summary of the gross and net revenue generated from community gaming permit holder activities in 2019-20, 2020-21 and 2021-22.**

Comparison of gross and net revenue raised by gaming permit holders						
	2019-20		2020-21		2021-22	
	Gross	Net	Gross	Net	Gross	Net
Bingo	\$5,858,399	\$673,654	\$6,195,657	\$1,437,681	\$6,983,036	\$949,351
Continuing lottery	\$3,638,016	\$783,462	\$3,259,365	\$745,983	\$3,728,571	\$729,042
Gaming functions	\$8,567,045	\$480,860	\$6,254,186	\$518,439	\$13,823,019	\$1,154,924
Standard lottery	\$44,669,836	\$24,292,628	\$83,083,557	\$49,675,226	\$89,167,061	\$55,898,293
Calcutta	\$468,382	\$76,497	\$445,727	\$95,119	\$827,828	\$172,292
Two-up	\$51,888	\$16,821	\$52,304	\$18,808	\$56,990	\$21,695
Video lottery terminals	\$4,659,043	\$465,904	\$3,622,566	\$362,256	\$3,776,585	\$377,658
<b>Total</b>	<b>\$67,912,609</b>	<b>\$26,789,826</b>	<b>\$102,913,362</b>	<b>\$52,853,512</b>	<b>\$118,363,090</b>	<b>\$59,303,255</b>



## Commission revenue from community gaming

Fees include application fees, bookmaker and totalisator annual licence fees and gaming levies collected for bingo, continuing lottery, and video lottery terminals. In 2021-22, fees for licensing activities (excluding casino employee licensing) amounted to \$743,252. Table 6 provides a three-year summary of the Commission's revenue raised from gaming and wagering fees charged.

**Table 6: Summary of the Commission's revenue raised through fees and charges for community gaming licences in 2019-20, 2020-21 and 2021-22.**

Revenue by licence type	2019-20	2020-21	2021-22
Bingo	\$56,798	\$60,410	\$64,932
Continuing Lottery	\$47,811	\$45,220	\$42,175
Gaming	\$366,069	\$413,115	\$439,892
Class/Item of Gaming Equipment	NIL	\$830	NIL
Standard Lottery (including Calcutta)	\$75,695	\$77,075	\$88,082
Two-up	\$21,697	\$23,380	\$18,342
Operator's Certificate	\$4,296	\$10,484	\$6,459
Supplier's Certificate	\$2,318	\$2,510	\$2,712
Video Lottery Terminals	\$51,619	\$45,978	\$46,036
Approved Premises	\$6,350	\$6,413	\$5,273
Bookmaker/Totalisator	\$17,532	\$18,314	\$24,251
Bookmaker Manager/Employee	\$599	\$498	\$213
Racing Wagering Western Australia Director / Key Employee	\$4,455	\$7,954	\$4,885
<b>Total</b>	<b>\$655,239</b>	<b>\$712,181</b>	<b>\$743,252</b>

## Investigations, compliance and enforcement

The Commission's compliance and investigation function ensures the integrity of community gaming. The Commission appoints authorised officers and government inspectors, sourced from DLGSC, to conduct a range of functions related to community gaming including:

- audits, inspections and investigations of financial returns relating to permitted gaming activities; and
- investigation of complaints.

The audit and inspection program enforces the provisions of the *Gaming and Wagering Commission Act 1987* as well as associated regulations. It ensures that adequate controls are in place to maintain compliance with legislative requirements and to monitor the ongoing effectiveness of those controls.

During the year, a total of 1,224 audits, inspections, assessments and investigations were undertaken on behalf of the Commission related to community gaming. This included the conduct verification functions for all Lotto and Cash 3 draws, which the Commission performs under a service arrangement with Lotterywest.

In 2021-22, one Infringement Notice and two Caution Notices were issued for non-compliance with the legislative requirements. The Commission considered 29 submissions related to community gaming.

## Wagering

Racing and Wagering Western Australia was established on 1 August 2003 to foster the development, promote the welfare, and ensure the integrity of metropolitan and country thoroughbred, harness, and greyhound racing in the interests of the long-term viability of the racing industry in Western Australia. It also has responsibility for off-course wagering operations.

The Commission and its officers have regulatory responsibilities with regard to licensing of parties within the wagering industry and compliance, investigation and enforcement responsibilities.

### Licensing of directors and key employees

Racing and Wagering Western Australia directors and key employees are required to be licensed in accordance with the *Racing and Wagering Western Australia Act 2003*. Table 7 provides a three-year summary of the total number of licences in operation. The numbers licensed have remained stable over this period.

**Table 7: Number of licences issued for directors and key employees at Racing and Wagering Western Australia in 2019-20, 2020-21 and 2021-22.**

Number licensed	2019-20	2020-21	2021-22
Directors	11	11	11
Key employees <sup>(1)</sup>	81	82	80
<b>Total</b>	<b>92</b>	<b>93</b>	<b>91</b>

Note:

(1) A key employee of Racing and Wagering Western Australia is defined in section 24(2) of the *Racing and Wagering Western Australia Act 2003*.

### Licensing of Bookmaker operations

Managers and employees of bookmakers are required to be licensed in accordance with the *Betting Control Act 1954*. Table 8 provides a three-year summary of the total number of licences in operation in Western Australia race fields. As has been the trend in previous years, the number of bookmakers operating in Western Australia continues to decline as fewer new operators seek to come into the market than those who retire or close their businesses.



Table 8: Number of licences issued for bookmakers in 2019-20, 2020-21 and 2021-22.

Number licensed	2019-20	2020-21	2021-22
<b>Bookmaker's licence</b>			
Active	25	23	22
<b>Bookmaker's manager licence</b>			
Issued	0	1	0
Expired	0	3	1
<b>Bookmaker's employee licence</b>			
Issued	18	6	2
Expired	17	16	23

### Investigations, compliance and enforcement

The Commission's compliance and investigation function ensures the integrity of wagering. The Commission appoints authorised officers and government inspectors, sourced from DLGSC, to conduct a range of functions related to wagering including:

- audits, inspections and investigations of financial returns relating to permitted wagering activities;
- investigation of complaints;
- inspection of race day activities; and
- audits of WA TAB agencies.

The audit and inspection program enforces the provisions of the *Betting Control Act 1954* and the *Racing and Wagering Western Australia Act 2003* as well as associated regulations. It ensures that adequate controls are in place to maintain compliance with legislative requirements and to monitor the ongoing effectiveness of those controls.

During the year, 208 audits, inspections, assessments, and investigations were undertaken on behalf of the Commission related to wagering. No issues of non-compliance were identified.

In 2021-22, 20 submissions were made to the Commission from Racing and Wagering Western Australia and three were related to the racing industry specifically.

### Racing Bets Levy

The Commission collects the racing bets levy paid by betting operators who use Western Australian race fields as part of their betting operations. The Commission remits all levies (less a monthly administration fee) to Racing and Wagering Western Australia.

Approximately \$125.6 million in racing bets levies was generated from racing bets placed through betting operators during the year.

A review of the policies and procedures associated with the racing bets levy and amendments to improve probity, efficiency and governance of the process was undertaken during the year and a new policy was approved by the Commission in June 2022.

## Harm minimisation

### Problem Gambling Support Services Committee

The Problem Gambling Support Services Committee (the PGSSC) aims to consider and address the social and economic issues associated with problem gambling in Western Australia. The PGSSC comprises representatives from the gambling industry and various government agencies.

The PGSSC's mission is to educate the community of Western Australia on the impact and consequences of problem gambling and to facilitate and promote help services available for those people affected by gambling related harm.

Voluntary contributions are made from members of the PGSSC and held in a gambling support fund (Special Purpose Account). Policy and administrative support for the PGSSC is provided by DLGSC.

As of 30 June 2022, the PGSSC was constituted by the members below.

Chairperson:	DLGSC
Member organisations:	Gaming and Wagering Commission of Western Australia Crown Perth Racing and Wagering Western Australia Lotterywest Western Australian Bookmakers Association Department of Communities Mental Health Commission.

The primary focus of the PGSSC is to provide effective gambling help services for people affected by gambling related harm. The following counselling and support services are funded by the PGSSC:

- 24/7 Problem Gambling Helpline;
- Gambling Help WA (face-to-face counselling); and
- Gambling Help Online (online counselling).

The PGSSC also recommends the funding of research and awareness campaigns, such as the Responsible Gambling Awareness Week and the GambleAware website, to the Commission.

### Activities during 2021-22

A total of \$779,297 was allocated to fund research and promote and provide counselling and support services in 2021-22.

The PGSSC supported a scope of works to research the extent and nature of problem gambling in Western Australia. The proposed research will consider the extent, nature, and prevalence of harm across gaming types, demographic cohorts, and distribution in the Western Australian context. The research will also inform the data collection and analysis for ongoing monitoring of problem gambling in the State and identify areas for focus to protect vulnerable people and reduce harm.

Twelve-month contract extensions to the help service providers were endorsed by the PGSSC and recommended to the Commission with procurement processes foreshadowed in the 2022-23 financial year.

In March 2022, the Perth Casino Royal Commission Final Report recommended to Government that the PGSSC be replaced with a new independent advisory body. The Government is yet to formally respond to this recommendation. Until such time as the Government’s response is known, the PGSSC will continue to operate in line with its Terms of Reference.

### Problem Gambling Helpline

The Problem Gambling Helpline is a free telephone counselling and information service for Western Australians who have experienced gambling related harm. The Helpline, which is funded by the PGSSC, is available 24 hours a day to provide immediate assistance to those people who are unable or unwilling to access face-to-face counselling. This is particularly beneficial for people in regional and remote parts of the State.

A Memorandum of Understanding between all Australian states and territories formalises arrangements for the national 1800 858 858 gambling helpline number.

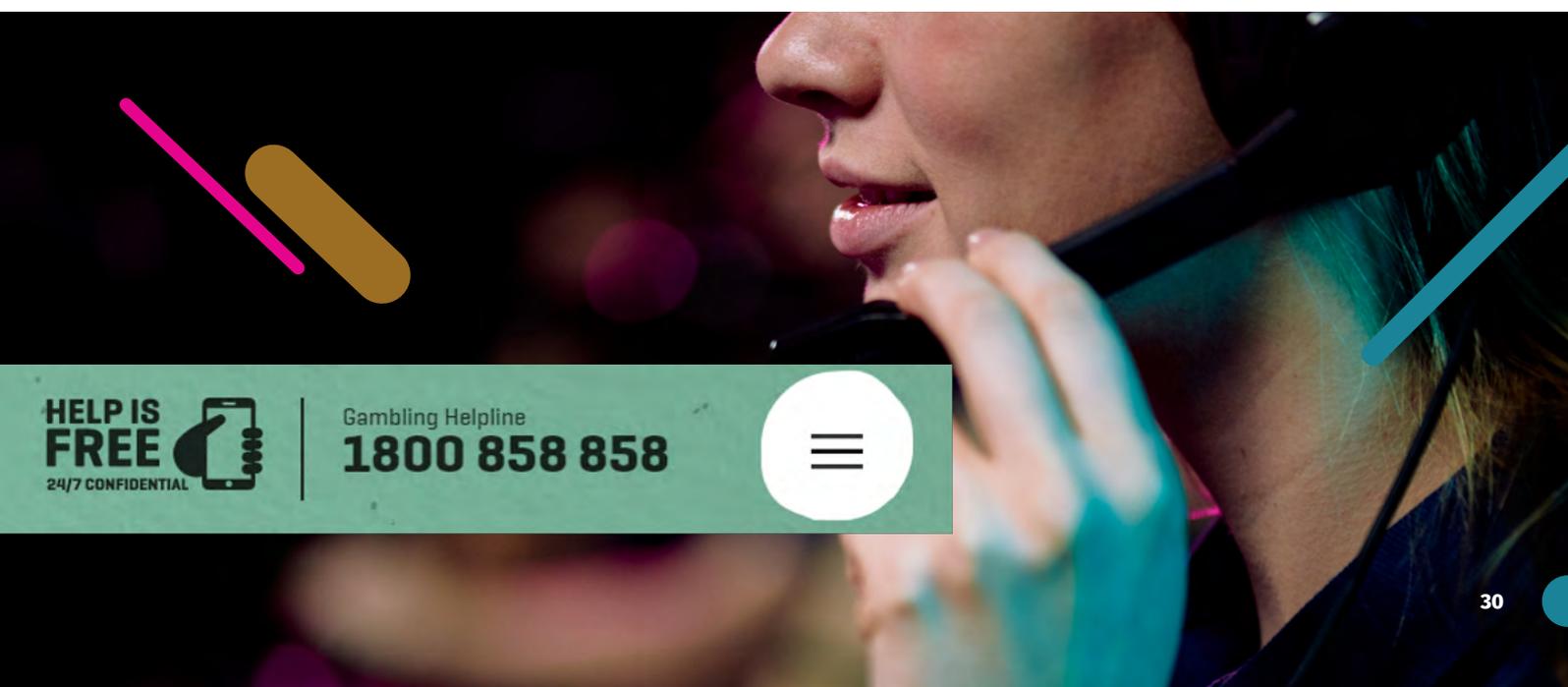
The helpline contract and its services are managed by DLGSC on behalf of the Commission. This includes:

- ensuring adequate qualified counselling staff are provided;
- providing continued improvements to service delivery;
- providing on-going analysis of reports and statistics;
- reporting to the PGSSC on the service delivery; and
- handling the procurement process at the completion of each contract.

Medibank Telehealth Services have been contracted to provide the telephone counselling service. Table 9 provides a three-year summary of the total number of calls received from people affected by problem gambling. Of the 572 calls handled by the Helpline over the reporting period, 78 per cent were from those who identified as male with the majority aged between 30 and 39.

Table 9: Number of calls to the problem gambling helpline in 2019-20, 2020-21 and 2021-22.

	2019-20	2020-21	2021-22
Calls to the Helpline	514	609	572



### Gambling Help WA

Gambling Help WA is a free, face-to-face counselling service funded by the PGSSC for Western Australians affected by gambling, their partners, families, or friends. It is operated by Centrecare, a not-for-profit social services agency which provides counselling in several different areas.

Centrecare has been operating the Gambling Help WA counselling service for more than 20 years. In 2016, Centrecare was awarded preferred service provider status to operate the service and the current agreement expires on 30 June 2023. The contract is monitored by DLGSC, and reports are provided to the PGSSC.

Counselling is available in a number of metropolitan and regional areas by contacting [Centrecare](#).

Table 10 provides a three-year summary of the total number of counselling sessions held by Centrecare. Centrecare registered 582 new clients within the reporting period with 77 per cent identified as male clients with the majority aged 30 and over.

**Table 10: Number of Gambling Help WA sessions in 2019-20, 2020-21 and 2021-22.**

	2019-20	2020-21	2021-22
Gambling Help WA Sessions	1,738	2,173	2,408

### National Online Counselling Service

Gambling Help Online provides an immediate response via online counselling to anyone affected by gambling. The service was launched on 31 August 2009 and is operated by Eastern Health Turning Point. The cost of operating the service is shared between all Australian states and territories.

Gambling Help Online can be accessed at [gamblinghelponline.org.au](http://gamblinghelponline.org.au) and is the first service worldwide to provide:

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

A summary of the clients who visited the Gambling Help Online webpage, by state or territory, between 1 July 2021 and 30 June 2022 is shown in Table 11. Of the 356 service requests originating from Western Australia, 341 people went on to participate with live counselling in 2021-22 compared with 315 in 2020-21. Of the 341 clients who undertook live counselling, 58 per cent identified as male clients and 37.5 per cent identified as female clients (3.9 per cent did not disclose their gender), with the majority aged between 30 and 34.

gambling help  Online

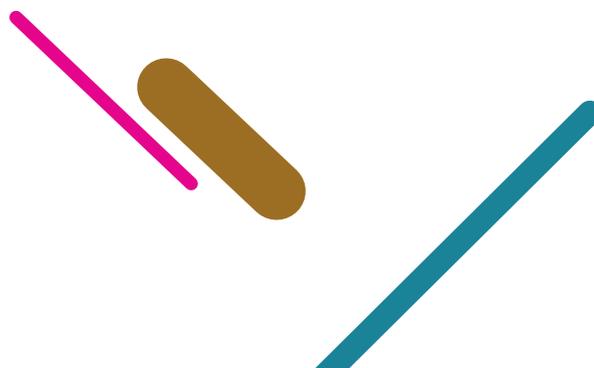


Table 11: Demand for online counselling services by State in 2021-22.

Online Counselling by State in 2021-22								
	NSW	VIC	QLD	SA	WA	ACT	TAS	NT
Online Requests for assistance	2,165	1,539	1,343	420	356	90	112	43
Percentage of total requests	35.7%	25.4%	22.1%	6.9%	5.9%	1.5%	1.8%	0.7%

### Education and awareness

Responsible Gambling Awareness Week is held annually to raise awareness about ways to recognise if gambling is causing an individual, family members or friends harm and the importance of knowing the risks and gambling responsibly. The free help services are also promoted for those people affected by gambling related harm.

During the reporting period the Responsible Gambling Awareness Week was held from 8 to 14 November 2021. The “Show Gambling Who’s Boss” problem gambling awareness campaign continued to be advertised in gambling venues across Western Australia.

Advertising directed users to the [GambleAware website](#) where information relating to the free help services could be located.

### Gambling Research Australia

Gambling Research Australia is a national gambling research program funded by all state, territory and Commonwealth governments through a Memorandum of Understanding.

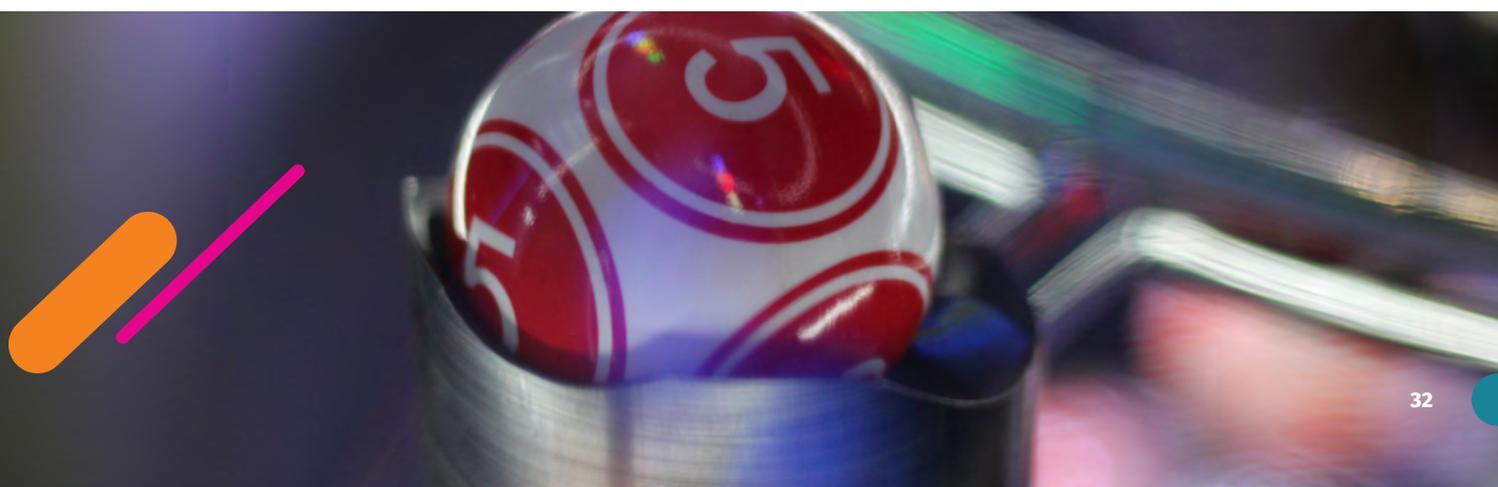


The most recent Memorandum commenced on 1 July 2017 and was recommended by the Illegal Offshore Wagering Taskforce to build on, and fill gaps in, the evidence relevant to the nature and impact of gambling activities and policy interventions in Australia, with a focus on informing government policies, programs, and regulatory decisions.

The Memorandum of Understanding expires on 30 June 2023.

Annual funding is provided based on Western Australia’s most recently published portion of gambling expenditure.

The [Gambling Research Australia website](#) contains a full catalogue of published reports.



## Community investment

### Gaming Community Trust

The Gaming Community Trust is established pursuant to section 109D of the *Gaming and Wagering Commission Act 1987* with its primary function being to advise and make recommendations to the Minister for Racing and Gaming on the application of monies standing to the credit of the Trust Fund for the benefit of the community.

The money credited to the Gaming Community Trust fund is derived from unclaimed winnings from:

- the conduct of gaming authorised by the *Gaming and Wagering Commission Act 1987* that has not been claimed within 12 months after the right to be paid has expired; and
- the conduct of a gaming operation at a licensed casino that has not been claimed within 12 months after the right to be paid has expired.

The Gaming Community Trust allocated the funds for 2021-22 during the 2020-21 financial year, and as a result, the Trust was not required to meet in the 2021-22 reporting period. Additionally, during the reporting period, the term of previous/existing members expired.

The Trust is to comprise the *ex officio* Chairperson of the Commission, four persons appointed by the Minister including one person on the nomination of the casino licensee and three persons who have experience or expertise relevant to its functions.

On 27 June 2022, new members were appointed to the Gaming Community Trust by the Minister for Racing and Gaming. The membership as of 30 June 2022 was:

- Ms Lanie Chopping (*ex officio* Chairperson);
- Mr Stephen McCann (nominee of the casino licensee);
- Dr Jurgen Bröhmer;
- Ms Linda Savage; and
- Ms Rebecca Adam.

### Activities during 2021-22

While no new grants were approved by the Minister for Racing and Gaming during the reporting period, four payments were made as part of grants that were approved in prior years.

#### *Town of Bassendean*

In March 2020, the Minister approved a grant of \$135,900 to complete an interior fit-out of the newly constructed Bassendean Community Men's Shed. The grant was paid in September 2021. The funding was used to improve the amenity of the premises by providing insulation, cladding, carpet, downlights, and other materials.

The completed project resulted in an accessible community space, which provided flexibility and scope for other groups and residents, including the Repair Café Project, Lions Club of Bassendean, Bassendean Primary Fathers' Group and Makerspace Australia, all of whom share the facility and have also benefitted from the construction and interior fit-out of the Shed. The space is also available for casual hire for small groups.

### *Starick Services*

On 3 December 2020, the Minister for Racing and Gaming approved a grant of \$210,000 (GST excluded) for Starick to undertake its 'Early Intervention Project for Children Impacted by Family and Domestic Violence': \$64,000 was paid in February 2021; and \$146,000 was paid in October 2021.

Starick is a specialist family and domestic violence service supporting women and children. The 'Early Intervention Project for Children Impacted by Family and Domestic Violence' program is to develop an early intervention service delivery model which incorporates occupational therapy and speech pathology services. The service delivery model is intended to be used at Starick's refuges to make sure children who have suffered family and domestic violence can access vital therapy services.

Starick House sought an extension for their comprehensive progress report on 7 June 2022 due to the COVID-19 infection control measures in place and the number of cases they had experienced in their residential services which impacted the development and implementation of the service model.

### *Shire of Shark Bay Community Hub*

On 5 September 2020, the Minister approved a grant of \$110,287 (GST excluded) which was paid in March 2022 to fund the purchase and installation of a shed for use by local community groups including the Shark Bay Community Men's Shed, War on Waste Group – Shark Bay Op Shop, Shark Bay Playgroup and the Shark Bay Community Garden Group to create a 'Community Hub'.

The Hub was created by co-locating the Shed with other existing Council buildings and has been successfully operating during 2022.



*Shark Bay Community Shed (photo courtesy Midwest Times Community news).*

### Family Planning Association of Western Australia

On 3 December 2020, the Minister for Racing and Gaming approved a grant for \$496,605 (GST excluded) to fund the Family Planning Association of Western Australia's 'Safe to Tell' program. The Family Planning Association of Western Australia (also known as Sexual Health Quarters) conduct comprehensive education and training programs on family and domestic violence to primary health professionals in Perth.

The purpose of the training is to upskill health workers to better identify, respond to and refer cases of family and domestic violence to obtain assistance in overcoming abuse. In January 2021, \$265,631 was paid and in April 2022, \$230,974 was paid.

### Sports Wagering Account

In Western Australia, section 104 of the *Racing and Wagering Western Australia Act 2003* requires dividends, fixed odds winnings or refunds in respect of wagers made on sporting events that remain unclaimed seven months after the monies become payable must be paid by Racing and Wagering Western Australia into the Sports Wagering Account.

The Commission is responsible for administering the Sports Wagering Account in accordance with section 110A of the *Gaming and Wagering Commission Act 1987*. The Commission, on being directed by the Minister for Sport and Recreation, distributes the funds in the account to sport and recreation activities. Sport and recreation grants are managed by DLGSC on behalf of the Minister for Sport and Recreation.

In 2021-22, 114 grants were funded from the Sports Wagering Account to a total value of \$3,893,615.



Geoff Howse (Shark Bay Community Men's Shed) with Shire President Cr Cheryl Cowell receiving grant funding confirmation from the then Minister for Racing and Gaming, the Hon. Paul Papalia CSC, MLA (photo courtesy Shire of Shark Bay)

The purpose of the funding is to support the delivery of community sport and active recreation within Western Australia. Investment areas include:

Participation	Capacity Building (Organisational)	Integrity
<i>Investment supports increased participation and/or achievement in sport and active recreation.</i>	<i>Investment improves the capacity and capability of organisations to enable better provision of sport and active recreation opportunities for Western Australians.</i>	<i>Investment supports and protects the integrity of sport and active recreation in Western Australia.</i>

The funds were provided to sport and active recreation organisations and Local Government Authorities for several purposes:

<i>Every Club Grant Scheme</i>	Builds governance, planning and management practices of sport and active recreation clubs.
<i>Targeted Participation Program</i>	Assist organisations to promote participation and active engagement of Western Australian communities in sport and active recreation, with a focus on evidence-based low participation groups including disengaged youth, Aboriginal, Culturally and Linguistically Diverse, people with a disability, and others.
<i>Active Regional Communities Grant</i>	Increase opportunities for regional people to participate in sport and active recreation activities in regional Western Australia.
<i>Western Australia Hiking Participation Grants Program</i>	Encourage development and the delivery of new opportunities for participation in hiking, including skill development and building the capacity of leaders (including guides, instructors, and volunteers).
<i>Community Place-Based Grants Program</i>	Encourage the development and delivery of co-designed, place based structured holiday and out-of-school activity programs in the Kimberley, Goldfields, Pilbara, and Gascoyne regions. This program includes a process to work with local government, Aboriginal leaders, and service organisations, to embed sport and recreation in community-led activities and events that target vulnerable and at-risk youth and their families.
<i>Outdoor Active Recreation Participation Program</i>	Encourage investment in innovative projects which increase participation and promote inclusion in outdoor active recreation.







# Emerging Issues Impacting the Commission

## Introduction

Several major events and transformational changes have occurred during the 2021-22 reporting period which have significantly impacted the Commission and its operations.

The Commission acknowledges the challenges faced by DLGSC and its staff due to the impact of the COVID-19 pandemic. The Commission and DLGSC remain committed to achieving expected outcomes, by allocating appropriate resources and providing appropriate support.

### Perth Casino Royal Commission

The Perth Casino Royal Commission was tasked with inquiring into the suitability of Crown Perth to continue holding a casino gaming licence and to also examine the State's regulatory framework, including any actual or perceived conflicts of interest by officers involved in casino regulation, and any matters that might enhance the Commission's capability and effectiveness.

The Perth Casino Royal Commission's Final Report was tabled in State Parliament on 24 March 2022, the findings of which were that Crown, and its subsidiaries, were not presently suitable to hold a gaming licence. While the Perth Casino Royal Commission did not recommend that the gaming licence be revoked, it outlined a detailed remediation pathway for the licence holder and all associates to become suitable persons.

The State Government commenced implementation of immediate reforms to address the recommendations in the Final Report. This included the introduction of the Casino Legislation Amendment (Burswood Casino) Bill 2022 on 22 June 2022. The Bill amends provisions under the *Casino Control Act 1984* and the *Gaming and Wagering Commission Act 1987*. It is anticipated that the Bill will pass in the first quarter of the 2022-23 financial year.<sup>4</sup>

Key elements of the legislative amendments include:

- establishment of an Independent Monitor and its functions;
- provision for the Western Australian Government to recoup costs for the Independent Monitor from Crown/the casino operator;
- additional offences and penalties relating to providing false or misleading information to the Independent Monitor;
- imposing greater penalties for non-compliance, lifting the maximum fine from \$100,000 to \$100 million;
- enabling an independent Chairperson to be appointed to the Commission and a deputy Chairperson to be selected from their membership;
- enhancing powers for the Minister to direct the Commission in relation to the Perth Casino and the Perth Casino Royal Commission; and
- enhancing the powers of the Commission to direct the Perth Casino.

The Commission will continue to work closely with the Department of the Premier and Cabinet and DLGSC to support the development and implementation of the Government's response, with an announcement expected in 2022-23.

<sup>4</sup> On 28 September 2022, the Casino Legislation Amendment (Burswood Casino) Bill 2022 received Royal Assent by the Governor and provisions came into force the next day.

## Governance, regulatory reform, and casino remediation

The Commission will continue to strengthen its governance arrangements and the casino gaming regulatory environment into the next financial year. While the Commission is awaiting the Government's formal response to the remaining recommendations in the Perth Casino Royal Commission Final Report, the Commission will act consistently with the recommendations.

The Ministerial Direction, dated 11 April 2022, issued to the Commission by the Minister for Racing and Gaming, provides the Commission with an indication of some of the work program ahead. This, along with the remediation work undertaken by Crown Perth under the watch of the Independent Monitor, once appointed, is intended to help restore public confidence in casino gaming in Western Australia. The Commission will work co-operatively with the Independent Monitor and will consider fully their reports.

The program of reform arising from the Perth Casino Royal Commission recommendations is significant and may take a period of time to fully be realised, particularly given the technological changes required for some elements. Key reforms include:

- further substantive legislative reform;
- regulatory policy reform, including the areas of electronic gaming machines and harm minimisation;
- remediation of Crown Perth, including consideration of the reports of the Independent Monitor; and
- organisational and governance improvements for the Commission, including a new Chairperson who is independent from DLGSC, a strategic plan and capability development.

The Commission, supported by DLGSC, recognises the importance of its role as the regulator of the casino in Western Australia, and the importance of strengthening and contemporising the regulatory environment.

## National Consumer Protection Framework for Online Wagering

Western Australia is a party to the National Consumer Protection Framework for Online Wagering. It was developed by the Commonwealth and state and territory governments to provide nationally consistent measures to minimise gambling harm related to online wagering activity. The Commission is represented by DLGSC on the Implementation Governance Committee and associated working parties of the National Consumer Protection Framework for Online Wagering. Involvement on the Committee helps to ensure Western Australians benefit from the introduction of the measures that were developed under the Framework to reduce harm from online wagering.

The Framework consists of ten consumer protection measures intended to cover all forms of online wagering conducted using any telecommunication service. The Framework came into effect on 26 November 2018 and all jurisdictions have committed to progressively implementing the principles through legislative changes, directions or conditions imposed on licences. Table 12 summarises the ten measures and implementation status as of 30 June 2022.

Table 12: Implementation status of the 10 consumer protection measures under the National Consumer Protection Framework for Online Wagering.

Measure	Description	Implementation status
1. Prohibit lines of credit	Online wagering service providers are prohibited from offering or providing credit to people who gamble on their site or app (with limited exemptions).	Came into effect in February 2018.
2. Payday lenders	Provision of small amount of credit contracts restricted and advertising prohibited.	Came into effect in February 2018.
3. Customer verification	Online wagering providers must verify their customers identity within 72 hours of registration.	Came into effect on 2 May 2022.
4. Restrictions on inducements	Offering credit, voucher, reward or other benefit as an incentive to open an account is prohibited.	Came into effect in June 2019.
5. Account closure	Online wagering providers must give Australian customers a simple, easy-to-find, and readily accessible way of closing or cancelling their online wagering account.	Came into effect in February 2018.
6. Voluntary opt out pre-commitment scheme	Consumers will be able to easily monitor and manage their gambling, by setting deposit limits before they start gambling.	Came into effect May 2019.
7. Activity statements	Online wagering providers will be required to send consumers meaningful activity statements so that they can easily track and monitor their online wagering spending and behaviour.	Implementation scheduled for 31 July 2022.
8. Consistent gambling messaging	Online wagering providers will all have to use the same messaging about the risks and potential harm of gambling in their advertising, direct marketing, websites, and other direct communications to their customers.	Implementation scheduled for 30 March 2023.
9. Staff training	Staff involved in providing online wagering services, or with the capacity to influence the service, will be trained in the responsible service of online wagering.	Implementation scheduled for 30 March 2023.
10. National Self-exclusion register	Those experiencing gambling harm will be able to exclude themselves from all interactive wagering services via a simple free online registration process.	'BetStop' is scheduled for launch in the second half of 2022.

## Automatic Mutual Recognition

In March 2022, the State Government passed the *Mutual Recognition (Western Australia) Amendment Act 2022* to enable Western Australia to participate in the Automatic Mutual Recognition (AMR) scheme designed to improve mobility of occupational licences and registrations.

During 2021-22, the Commission prepared for the implementation of the scheme, also known as 'JobPass', which commences in Western Australia on 1 July 2022. This included participation on state and national working groups, and the development of new systems, processes, and procedures. The Commission has responsibility for licensing a number of occupations in Western Australia included in the scheme such as casino employees, bookmakers and gaming equipment suppliers.

For most of these licences and registrations, workers who reside in another Australian state or territory are required to notify the relevant local registration authority of their intent to work in Western Australia under the AMR scheme. As such, those eligible are not required to pay for another licence, until such time as they reside in Western Australia.

## Blackstone acquisition of Crown Resorts Ltd

On 7 June 2022, after a five month assessment process, the Commission granted probity approval for 14 individual and 13 corporate Blackstone entities and approved three director appointments. These approvals complemented a Ministerial approval, which together enabled Blackstone to acquire Crown Resorts Ltd. The probity approvals were subject to a set of conditions designed to ensure Blackstone adheres to the commitments it made as part of the probity assessments. The Commission and State Government will continue to monitor compliance with these conditions.

## Sale of the WA TAB

The privatisation and sale of the WA TAB was placed on hold due to COVID-19 pandemic and re-commenced in October 2021. The process is led by the Department of Treasury. The Commission has several functions related to the sale under the *TAB (Disposal) Act 2019* including:

- advising the Minister for Racing and Gaming in respect of the public interest of granting a wagering licence;
- granting a range of approvals relating to betting rules, betting systems and consumer protection;
- licensing and approval of key individuals; and
- ongoing compliance monitoring of the wagering licensee.

In 2021-22, DLGSC officers, on behalf of the Commission, participated in an inter-agency steering group and working group with the Department of Treasury, the State Solicitor's Office and Racing and Wagering Western Australia. The work will require the continued engagement of the Commission and DLGSC in the next financial year.





# Disclosures and Legal Compliance

# Auditor General's Opinion



## Auditor General

### INDEPENDENT AUDITOR'S REPORT 2022

#### Gaming and Wagering Commission of Western Australia

To the Parliament of Western Australia

### Report on the audit of the financial statements

I have audited the financial statements of the Gaming and Wagering Commission of Western Australia (Commission) which comprise:

- the Statement of Financial Position at 30 June 2022, and the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended
- Notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements are:

- based on proper accounts and present fairly, in all material respects, the operating results and cash flows of the Gaming and Wagering Commission of Western Australia for the year ended 30 June 2022 and the financial position at the end of that period
- in accordance with Australian Accounting Standards (applicable to Tier 2 Entities), the *Financial Management Act 2006* and the Treasurer's Instructions.

#### Basis for opinion

I conducted my audit in accordance with the Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my report.

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

#### Responsibilities of the Commission for the financial statements

The Commission is responsible for:

- keeping proper accounts
- preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards (applicable to Tier 2 Entities), the *Financial Management Act 2006* and the Treasurer's Instructions
- such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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7<sup>th</sup> Floor Albert Facey House 469 Wellington Street Perth MAIL TO: Perth BC PO Box 8489 Perth WA 6849 TEL: 08 6557 7500

In preparing the financial statements, the Commission is responsible for:

- assessing the entity's ability to continue as a going concern
- disclosing, as applicable, matters related to going concern
- using the going concern basis of accounting unless the Western Australian Government has made policy or funding decisions affecting the continued existence of the Commission.

#### **Auditor's responsibilities for the audit of the financial statements**

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial statements. The objectives of my audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

A further description of my responsibilities for the audit of the financial statements is located on the Auditing and Assurance Standards Board website. This description forms part of my auditor's report and can be found at [https://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf).

## **Report on the audit of controls**

### **Basis for Qualified Opinion**

Controls established by the Commission over the Racing Bets Levy receipts were inadequate to ensure the requirements of Regulation 110 of the Betting Controls Regulations 1978 have been complied with. Controls were not adequate to ensure timely receipt of annual Audited Returns from betting operators, nor the completeness of information included in these Returns. Without effective controls there is an increased risk of material misstatement of Racing Bets Levy revenue due to fraud or error.

### **Opinion**

I have undertaken a reasonable assurance engagement on the design and implementation of controls exercised by the Gaming and Wagering Commission of Western Australia. The controls exercised by the Commission are those policies and procedures established to ensure 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 (the overall control objectives).

In my opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph, in all material respects, 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 during the year ended 30 June 2022.

### **The Commission's responsibilities**

The Commission is responsible for designing, implementing and maintaining controls to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities are in accordance with the *Financial Management Act 2006*, the Treasurer's Instructions and other relevant written law.

### **Auditor General's responsibilities**

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the suitability of the design of the controls to achieve the overall control objectives and the implementation of the controls as designed. I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3150 *Assurance Engagements on Controls* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements and plan and perform my procedures to obtain reasonable assurance about whether, in all material respects, the controls are suitably designed to achieve the overall control objectives and were implemented as designed.

An assurance engagement involves performing procedures to obtain evidence about the suitability of the controls design to achieve the overall control objectives and the implementation of those controls. The procedures selected depend on my judgement, including an assessment of the risks that controls are not suitably designed or implemented as designed. My procedures included testing the implementation of those controls that I consider necessary to achieve the overall control objectives.

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

### **Limitations of controls**

Because of the inherent limitations of any internal control structure, it is possible that, even if the controls are suitably designed and implemented as designed, once in operation, the overall control objectives may not be achieved so that fraud, error or non-compliance with laws and regulations may occur and not be detected. Any projection of the outcome of the evaluation of the suitability of the design of controls to future periods is subject to the risk that the controls may become unsuitable because of changes in conditions.

## **Report on the audit of the key performance indicators**

### **Opinion**

I have undertaken a reasonable assurance engagement on the key performance indicators of the Gaming and Wagering Commission of Western Australia for the year ended 30 June 2022. The key performance indicators are the Under Treasurer-approved key effectiveness indicators and key efficiency indicators that provide performance information about achieving outcomes and delivering services.

In my opinion, in all material respects, 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 2022.

### **The Commission's responsibilities for the key performance indicators**

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 and for such internal control as the Commission determines necessary to enable the

preparation of key performance indicators that are free from material misstatement, whether due to fraud or error.

In preparing the key performance indicators, the Commission is responsible for identifying key performance indicators that are relevant and appropriate, having regard to their purpose in accordance with Treasurer's Instruction 904 Key Performance *Indicators*.

### **Auditor General's responsibilities**

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the key performance indicators. The objectives of my engagement are to obtain reasonable assurance about whether the key performance indicators are relevant and appropriate to assist users to assess the entity's performance and whether the key performance indicators are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements relating to assurance engagements.

An assurance engagement involves performing procedures to obtain evidence about the amounts and disclosures in the key performance indicators. It also involves evaluating the relevance and appropriateness of the key performance indicators against the criteria and guidance in Treasurer's Instruction 904 for measuring the extent of outcome achievement and the efficiency of service delivery. The procedures selected depend on my judgement, including the assessment of the risks of material misstatement of the key performance indicators. In making these risk assessments I obtain an understanding of internal control relevant to the engagement in order to design procedures that are appropriate in the circumstances.

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

### **My independence and quality control relating to the reports on financial statements, controls and key performance indicators**

I have complied with the independence requirements of the *Auditor General Act 2006* and the relevant ethical requirements relating to assurance engagements. In accordance with ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements*, the Office of the Auditor General maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### **Other information**

The Commission is responsible for the other information. The other information is the information in the entity's annual report for the year ended 30 June 2022, but not the financial statements, key performance indicators and my auditor's report.

My opinions on the financial statements, controls and key performance indicators do not cover the other information and, accordingly, I do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, controls and key performance indicators, my responsibility is to read the other information and, in doing so, consider whether the other

information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I did not receive the other information prior to the date of this auditor's report. When I do receive it, I will read it and if I conclude that there is a material misstatement in this information, I am required to communicate the matter to those charged with governance and request them to correct the misstated information. If the misstated information is not corrected, I may need to retract this auditor's report and re-issue an amended report.

**Matters relating to the electronic publication of the audited financial statements and key performance indicators**

This auditor's report relates to the financial statements, and key performance indicators of the Gaming and Wagering Commission of Western Australia for the year ended 30 June 2022 included in the annual report on the Commission's website. The Commission's management is responsible for the integrity of the Commission's website. This audit does not provide assurance on the integrity of the Commission's website. The auditor's report refers only to the financial statements, controls and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to/from the annual report. If users of the financial statements and key performance indicators are concerned with the inherent risks arising from publication on a website, they are advised to contact the entity to confirm the information contained in the website version.



Grant Robinson  
Assistant Auditor General Financial Audit  
Delegate of the Auditor General for Western Australia  
Perth, Western Australia  
24 November 2022

## Financial Statements

### Certification of Financial Statements

#### For the reporting period ended 30 June 2022

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 reporting period ended 30 June 2022 and the financial position as at 30 June 2022.

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



#### **Ludisha Kalasopatan**

##### **Chief Finance Officer**

Gaming and Wagering  
Commission

23 November 2022



#### **Lanie Chopping**

##### **Chairperson**

Gaming and Wagering  
Commission

23 November 2022



#### **Colin Murphy**

##### **Commission Member**

Gaming and Wagering  
Commission

23 November 2022

## Statement of comprehensive income

For the year ended 30 June 2022

	Notes	2022 \$	2021 \$
<b>Cost of services</b>			
<b>Expenses</b>			
Board members expenses	2.1	108,654	109,131
Expenses related to restricted cash and special purpose accounts	2.3	136,182,616	136,362,312
Services and contract fees	2.2	5,967,199	5,054,549
<b>Total cost of services</b>		<b>142,258,469</b>	<b>141,525,992</b>
<b>Revenue and income</b>			
User charges and fees	3.2	4,656,658	4,443,195
Revenue related to restricted cash and special purpose accounts	3.3	133,058,835	130,860,112
<b>Total income</b>		<b>137,715,493</b>	<b>135,303,307</b>
<b>Net cost of services</b>		<b>4,542,976</b>	<b>6,222,685</b>
<b>Income from State Government</b>			
Sports wagering account	3.1	3,900,000	3,800,000
Problem gambling support fund	3.1	900,000	471,750
Resources received free of charge	3.1	40,998	260,034
Funding from State Government (Other)	3.1	1,280,000	-
Interest revenue	3.1	5,657	3,125
<b>Total income from State Government</b>		<b>6,126,655</b>	<b>4,534,909</b>
<b>Surplus/(deficit) for the period</b>		<b>1,583,679</b>	<b>(1,687,776)</b>
<b>Total comprehensive income for the period</b>		<b>1,583,679</b>	<b>(1,687,776)</b>

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

## Statement of financial position

As at 30 June 2022

	Notes	2022 \$	2021 \$
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	5.1	1,285,903	1,209,134
Restricted cash and cash equivalents	5.1, 7.6	16,301,247	5,933,947
Receivables	4.1	10,904,301	9,897,992
Inventories	4.2	-	5,883
Contract assets	4.3	772,970	750,369
<b>Total Current Assets</b>		<b>29,264,421</b>	<b>17,797,325</b>
<b>Total Assets</b>		<b>29,264,421</b>	<b>17,797,325</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Payables	4.4	20,447,994	10,564,419
Contract liabilities	4.5	-	158
<b>Total Current Liabilities</b>		<b>20,447,994</b>	<b>10,564,577</b>
<b>Total Liabilities</b>		<b>20,447,994</b>	<b>10,564,577</b>
<b>Net Assets</b>		<b>8,816,427</b>	<b>7,232,748</b>
<b>Equity</b>			
Accumulated surplus		8,816,427	7,232,748
<b>Total Equity</b>		<b>8,816,427</b>	<b>7,232,748</b>

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

## Statement of changes in equity

For the year ended 30 June 2022

	Notes	Accumulated surplus \$	Total equity \$
<b>Balance at 1 July 2020, restated</b>		8,920,524	8,920,524
Deficit		(1,687,776)	(1,687,776)
<b>Total comprehensive income for the period</b>		<b>(1,687,776)</b>	<b>(1,687,776)</b>
<b>Balance at 30 June 2021</b>		<b>7,232,748</b>	<b>7,232,748</b>
<b>Balance at 1 July 2021</b>		7,232,748	7,232,748
Surplus		1,583,679	1,583,679
<b>Total comprehensive income for the period</b>		<b>1,583,679</b>	<b>1,583,679</b>
<b>Balance at 30 June 2022</b>		<b>8,816,427</b>	<b>8,816,427</b>

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

## Statement of cash flows

For the year ended 30 June 2022

	Notes	2022 \$	2021 \$
<b>Cash flows from State Government</b>			
Sports Wagering Account		3,900,000	3,800,000
Problem Gambling Support Fund		900,000	471,750
Funding from State Government (Other)		1,280,000	-
Interest received		4,891	3,876
<b>Net cash provided by State Government</b>		<b>6,084,891</b>	<b>4,275,626</b>
<i>Utilised as follows:</i>			
<b>Cash flows from operating activities</b>			
<b>Payments</b>			
Board members fees		(108,815)	(108,351)
Payments related to restricted cash and special purpose accounts		(126,632,532)	(126,477,981)
Services and contract fees		(5,711,912)	(4,809,810)
GST payments on purchases		(1,238,690)	(1,072,455)
GST payments to taxation authority		(13,104,712)	(12,366,475)
<b>Receipts</b>			
User charges and fees		4,653,139	4,445,126
Receipts related to restricted cash and special purpose accounts		132,053,828	120,982,289
GST receipts on sales		13,307,874	12,083,097
GST receipts from taxation authority		1,140,998	917,236
<b>Net cash provided by/ (used in) operating activities</b>		<b>4,359,178</b>	<b>(6,407,324)</b>
Net increase/(decrease) in cash and cash equivalents		10,444,069	(2,131,698)
Cash and cash equivalents at the beginning of the reporting period		7,143,081	9,274,779
<b>Cash and cash equivalents at the end of the reporting period</b>	5.1	<b>17,587,150</b>	<b>7,143,081</b>

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

## Summary of consolidated account appropriations

For the year ended 30 June 2022

	2022 Budget Estimate \$	2022 Supple- mentary Funding \$	Revised Budget \$	2022 Actual \$	2022 Variance \$
<b>Delivery of Services</b>					
Item 25 Net amount appropriated through the Department of Treasury	3,900,000	-	3,900,000	3,900,000	-
<b>Total appropriations provided to deliver services</b>	<b>3,900,000</b>	<b>-</b>	<b>3,900,000</b>	<b>3,900,000</b>	<b>-</b>
<b>Grand Total</b>	<b>3,900,000</b>	<b>-</b>	<b>3,900,000</b>	<b>3,900,000</b>	<b>-</b>

## Notes to the Financial Statements

For the year ended 30 June 2022

### 1. Basis of Preparation

The Commission is a WA Government entity and is controlled by the State of Western Australia, which is the ultimate parent. The Commission is a not-for-profit entity (as profit is not its principal objective).

A description of the nature of its operations and its principal activities have been included in the 'Overview' which does not form part of these financial statements.

These annual financial statements were authorised for issue by the Accountable Authority of the Commission on 23 November 2022.

#### Statement of compliance

These general purpose financial statements are prepared in accordance with:

- 1) *The Financial Management Act 2006*
- 2) The Treasurer's Instructions
- 3) Australian Accounting Standards – Simplified Disclosures
- 4) Where appropriate, those Australian Accounting Standards paragraphs applicable for not-for-profit entities have been applied.

The *Financial Management Act 2006* and Treasurer's Instructions take precedence over Australian Accounting Standards. Several Australian Accounting Standards are modified by Treasurer's Instructions to vary application, disclosure format and wording. 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.

#### Basis of preparation

These financial statements are presented in Australian dollars applying the accrual basis of accounting and using the historical cost convention. All values are rounded to the nearest dollar.

#### Accounting for Goods and Services Tax

Income, expenses and assets are recognised net of the amount of goods and services tax (GST), except that the:

- a) amount of GST incurred by the Commission as a purchaser that is not recoverable from the Australian Taxation Office is recognised as part of an asset's cost of acquisition or as part of an item of expense; and
- b) receivables and payables are stated with the amount of GST included.

Cash flows are included in the Statement of cash flows on a gross basis. However, the GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the Australian Taxation Office are classified as operating cash flows.

## Judgements and estimates

Judgements, estimates and assumptions are required to be made about financial information being presented. The significant judgements and estimates made in the preparation of these financial statements are disclosed in the notes where amounts affected by those judgements and/or estimates are disclosed. Estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances.

## Services performed for the Commission by DLGSC

The Commission carries out its objectives with the support of the Department of Local Government, Sport and Cultural Industries (DLGSC). 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 DLGSC are made on a monthly basis under a net appropriation determination.

## 2. Use of our funding

### Expenses incurred in the delivery of services

This section provides additional information about how the Commission's funding is applied and the accounting policies that are relevant for an understanding of the items recognised in the financial statements. The primary expenses incurred by the Commission in achieving its objectives and the relevant notes are:

	Notes
Board members expenses	2.1
Services and contract fees	2.2
Expenses related to restricted cash and special purpose accounts	2.3

### 2.1 Board members expenses

	2022 \$	2021 \$
Board fees	98,766	99,663
Superannuation - defined contributions plans	9,888	9,468
<b>Total board members expenses</b>	<b>108,654</b>	<b>109,131</b>

Superannuation: the amount recognised in profit or loss of the Statement of Comprehensive Income comprises employer contributions paid to the Gold State Superannuation (GSS) (concurrent contributions), the West State Superannuation (WSS), the Government Employees Superannuation Board (GESBs), or other superannuation funds.

## 2.2 Services and contract fees

	2022 \$	2021 \$
Professional services	4,892,548	4,347,606
Expenses related to Perth Casino Royal Commission	960,322	660,590
External audit fees	73,400	18,333
Consumables	263	385
Conference/seminar	1,368	326
Advertising	2,591	913
Bank fees and charges	5,350	3,294
Other	31,357	23,102
<b>Total services and contract fees</b>	<b>5,967,199</b>	<b>5,054,549</b>

Supplies and services expenses are recognised as an expense in the reporting period in which they are incurred. The carrying amounts of any materials held for distribution are expensed when the materials are distributed.

Expenses related to Perth Casino Royal Commission are finite in nature and relate to legal expenses.

Other expenses generally represent the day-to-day running costs incurred in normal operations.

Professional Services relate to the services provided by DLGSC.

## 2.3 Expenses related to restricted cash and special purpose accounts

	2022 \$	2021 \$
Problem Gambling	499,507	501,213
Gaming Community Trust	623,161	614,311
Sports Wagering	3,893,615	5,085,137
<b>Total grant payments</b>	<b>5,016,283</b>	<b>6,200,661</b>
Racing Bets Levy payment to Racing and Wagering Western Australia (RWWA)	130,817,931	129,915,781
Other services and contract fees - relates to restricted cash and special purpose accounts <sup>(a)</sup>	348,402	245,870
<b>Total expenses related to restricted cash and special purpose accounts</b>	<b>136,182,616</b>	<b>136,362,312</b>

(a) Other services and contract fees include professional services, and other operating expenses related to the Problem Gambling Support Services (2022: \$307,727; 2021: \$224,894), Gaming Community Trust Fund (2022: \$0; 2021: \$777), and Racing Bets Levy Account (2022: \$40,675; 2021: \$20,199).

Transactions in which the Commission provides goods, services, assets (or extinguishes a liability) or labour to another party without receiving approximately equal value in return are categorised as 'Grant expenses'. Grants can either be operating or capital in nature. Grants can be paid as general purpose grants which refer to grants that are not subject to conditions regarding their use. Alternatively, they may be paid as specific purpose grants which are paid for a particular purpose and/or have conditions attached regarding their use. Grants and other transfers to third parties (other than contribution to owners) are recognised as an expense in the reporting period in which they are paid or payable. They include transactions such as: grants, subsidies, personal benefit payments made in cash to individuals, other transfer payments made to public sector agencies, local government, non-government schools, and community groups.

### 3. Our funding sources

#### How we obtain our funding

This section provides additional information about how the Commission obtains its funding and the relevant accounting policy notes that govern the recognition and measurement of this funding. The primary income received by the Commission and the relevant notes are:

	Notes
Income from State Government	3.1
User charges and fees	3.2
Revenues related to restricted cash and special purpose accounts	3.3

#### 3.1 Income from State Government

	2022 \$	2021 \$
Sports Wagering Account	3,900,000	3,800,000
Problem Gambling Support Fund	900,000	471,750
Services received free of charge	40,998	260,034
Funding from State Government (Other)	1,280,000	-
Interest revenue	5,657	3,125
<b>Total income from State Government</b>	<b>6,126,655</b>	<b>4,534,909</b>

The Sports Wagering Account received appropriation from the Department of Treasury (\$3.9 million) which is recognised as income at the fair value of consideration received in the period in which the Commission gains control of the appropriated funds. The Commission gains control of the appropriated funds at the time those funds are deposited in the bank account.

The Problem Gambling Support Fund received contributions from Lotterywest (\$500,000) and Racing and Wagering Western Australia (\$400,000). The contributions are recognised when the funds are received.

Resources received from other public sector entities are recognised as income equivalent to the fair value of the assets, or the fair value of those services that can be reliably determined and which would have been purchased if not donated. 2021-22 relates to services received from the State Solicitor's Office for the Commission.

Funding from State Government (Other) relates to an appropriation of funds received from the Department of Treasury to DLGSC's bank account which is then transferred to the Commission to assist with costs associated with the Perth Casino Royal Commission.

### 3.2 User charges and fees

	2022 \$	2021 \$
Casino gaming licence fee	3,091,881	3,001,476
Application/licences permits	773,151	663,877
Returns/levies	136,626	133,056
Other	1,063	2,050
Recoups for services provided <sup>(a)</sup>	653,937	642,736
<b>Total user charges and fees</b>	<b>4,656,658</b>	<b>4,443,195</b>

(a) Recoups for services provided include services provided to Racing and Wagering Western Australia (2022: \$531,091; 2021: \$522,003), and Lotterywest of Western Australia (2022: \$122,846; 2021: \$120,733).

Revenue is recognised at the transaction price when the Commission transfers control of the services to customers. Revenue is recognised for the major activities as follows:

Revenue for the Casino gaming licence fee is recognised at a point-in-time. The Commission satisfies their performance obligation when the licence has been issued. The "right to perform" gambling activities has been transferred at the point of licence issuance. As this is the continuous licence with no end date, revenue will be recognised as soon as the annual licence renewal fee amount is identified.

Revenue is recognised at a point-in-time for applications/licences/permits [for gaming and racing activities].

Revenue is recognised at a point-in-time for returns/levies [for gaming activities]. Fees are collected for which no service is provided by the Commission and therefore are recognised under AASB 1058 when the payments are received.

Revenue is recognised at a point-in-time for other revenue [refund of overpaid prior year bank fees, fines, penalties and infringements] when the fees are received.

Revenue is recognised at a point-in-time for Recoups for services provided [regulation of Racing and Wagering Western Australia operations, verification and audit of Lotterywest products]. The Commission typically satisfies its performance obligations in relation to these user fees and charges when the services have been rendered [at the completion of the financial year].

### 3.3 Revenues related to restricted cash and special purpose accounts

	2022 \$	2021 \$
Contributions <sup>(a)</sup>	1,774,306	893,223
Racing Bets Levy	131,186,485	129,922,493
Interest revenue - relates to restricted cash and special purpose accounts	98,045	44,396
<b>Total revenues related to restricted cash and special purpose accounts</b>	<b>133,058,836</b>	<b>130,860,112</b>

(a) Contributions include funding from the Problem Gambling Support Services (2022: \$499,318; 2021: \$263,250), Gaming Community Trust Fund (2022: \$214,435; 2021: \$245,525), Sports Wagering Account (2022: \$1,060,553; 2021: \$384,448) and Racing Bets Levy (2022: \$0, 2021: \$0).

Revenue is received for contributions to the Problem Gambling Support Fund, Gaming Community Trust, Sports Wagering Account and the Racing Bets Levy Account (refer to Note 7.6). The amounts are recognised at the point in time when it is received.

Refer Note 7.6 for revenue in relation to the Racing Bets Levy received under section 14A of the *Betting Control Act 1954*.

## 4 Other assets and liabilities

This section sets out those assets and liabilities that arose from the Commission's controlled operations and includes other assets utilised for economic benefits and liabilities incurred during normal operations:

	Notes
Receivables	4.1
Inventories	4.2
Contract assets	4.3
Payables	4.4
Contract liabilities	4.5

### 4.1 Receivables

	2022 \$	2021 \$
<b>Current</b>		
Trade receivables	73,265	1,439
Other receivables <sup>(a)</sup>	10,785,772	9,885,453
Accrued revenue	45,264	11,100
<b>Total current</b>	<b>10,904,301</b>	<b>9,897,992</b>
<b>Total receivables</b>	<b>10,904,301</b>	<b>9,897,992</b>

Receivables are initially recognised at their transaction price or, for those receivables that contain a significant financing component, at fair value. The Commission holds the receivables with the objective to collect the contractual cash flows and therefore subsequently measured at amortised cost using the effective interest method, less an allowance for impairment.

(a) June 2022 Racing Bets Levy due to the Commission.

#### 4.2 Inventories

	2022 \$	2021 \$
<b>Current</b>		
Betting tickets	-	1,551
Betting ledgers	-	4,332
<b>Total current</b>	-	<b>5,883</b>
<b>Total inventories</b>	-	<b>5,883</b>

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

Betting stock held by the Commission was written off during the 2022 year. This was approved by the Commission Board.

#### 4.3 Contract assets

	2022 \$	2021 \$
<b>Reconciliation of changes in contract assets</b>		
Opening balance	750,369	745,203
Additions	772,970	750,369
Revenue recognised in the reporting period	(750,369)	(745,203)
<b>Balance at end of period</b>	<b>772,970</b>	<b>750,369</b>
Current	772,970	750,369
Non-current	-	-

The Commission's contract assets relate to the final quarterly payment of the Casino gaming licence fee yet to be received at the end of the reporting period.

#### 4.4 Payables

	2022 \$	2021 \$
<b>Current</b>		
Trade payables	237,355	1,114
Other payables <sup>(a)</sup>	19,432,582	9,897,181
GST Payable	778,056	666,124
<b>Balance at end of period</b>	<b>20,447,993</b>	<b>10,564,419</b>

Payables are recognised at the amounts payable when the Commission 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 for the Commission is generally within 15-20 days.

(a) May and June 2022 Racing Bets Levy due to Racing and Wagering Western Australia.

#### 4.5 Contract liabilities

	2022 \$	2021 \$
<b>Reconciliation of changes in contract liabilities</b>		
Opening balance	158	-
Additions	-	158
Revenue recognised in the reporting period	(158)	-
<b>Balance at end of period</b>	<b>-</b>	<b>158</b>
Current	-	158
Non-current	-	-

### 5 Financing

This section sets out the material balances and disclosures associated with the financing and cashflows of the Commission.

	Notes
Cash and cash equivalents	5.1

#### 5.1 Cash and cash equivalents

	Notes	2022 \$	2021 \$
Cash and cash equivalents		1,285,903	1,209,134
Restricted cash and cash equivalents	7.6	16,301,247	5,933,947
<b>Balance at end of period</b>		<b>17,587,150</b>	<b>7,143,081</b>

For the purpose of the statement of cash flows, cash and cash equivalent (and restricted cash and cash equivalent) assets comprise cash at bank.

### 6 Financial instruments and contingencies

This note sets out the key risk management policies and measurement techniques of the Commission.

	Notes
Financial instruments	6.1
Contingent assets & liabilities	6.2

## 6.1 Financial instruments

The carrying amounts of each of the following categories of financial assets and financial liabilities at the end of the reporting period are:

	2022 \$	2021 \$
<b>Financial assets</b>		
Cash and cash equivalents	1,285,903	1,209,134
Restricted cash and cash equivalents	16,301,247	5,933,947
Financial assets at amortised cost <sup>(a)</sup>	10,904,301	9,897,992
<b>Total financial assets</b>	<b>28,491,451</b>	<b>17,041,073</b>
<b>Financial liabilities</b>		
Financial liabilities at amortised cost <sup>(b)</sup>	19,669,937	9,898,295
<b>Total financial liability</b>	<b>19,669,937</b>	<b>9,898,295</b>

(a) The amount of financial assets at amortised cost excludes GST recoverable from the Australian Taxation Office (statutory receivable).

(b) The amount of financial liabilities at amortised cost excludes GST payable to the Australian Taxation Office (statutory payable).

## 6.2 Contingent assets and liabilities

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

## 7 Other disclosures

This section includes additional material disclosures required by accounting standards or other pronouncements, for the understanding of this financial report.

	Notes
Events occurring after the end of the reporting period	7.1
Key management personnel	7.2
Related party disclosures	7.3
Related bodies	7.4
Affiliated bodies	7.5
Special purpose accounts	7.6
Remuneration of auditors	7.7
Administered transactions	7.8
Supplementary financial information	7.9
Explanatory Statements for controlled operations	7.10

### 7.1 Events occurring after the end of the reporting period

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

## 7.2 Key management personnel

The Commission has determined key management personnel to include ministers and senior officers of the Commission. The Commission does not incur expenditures to compensate Ministers and those disclosures may be found in the *Annual Report on State Finances*.

The total fees, salaries, superannuation, non-monetary benefits and other benefits for members and senior officers of the Commission for the reporting period are presented within the following bands:

### Compensation band of members of the Commission

Compensation band (\$)	2022	2021
0 – 10,000	7	5
10,001 – 20,000	5	5
	\$	\$
Compensation of members of the Commission	108,597	109,131
<b>Total compensation of members of the Commission</b>	<b>108,597</b>	<b>109,131</b>

The total fees, salaries, superannuation, non-monetary benefits and other benefits for senior officers of the Commission for the reporting period are presented within the following bands:

### Compensation band of senior officers

Compensation band (\$)	2022	2021
0 – 10,000	1	1
	\$	\$
Compensation of senior officers	-	-
<b>Total compensation of senior officers</b>	<b>-</b>	<b>-</b>

Total compensation includes the superannuation expense incurred by the Commission in respect of members and senior officers.

## 7.3 Related party disclosures

The Commission is a wholly owned public sector entity that is controlled by of the State of Western Australia.

Related parties of the Commission include:

- all cabinet ministers and their close family members, and their controlled or jointly controlled entities;
- all senior officers and their close family members, and their controlled or jointly controlled entities;
- other agencies and statutory authorities, including related bodies, that are included in the whole of government consolidated financial statements (i.e. wholly-owned public sector entities);
- associates and joint ventures, of a wholly-owned public sector entity; and
- the Government Employees Superannuation Board (GESB).

### Significant transactions with Government-related entities

In conducting its activities, the Commission is required to transact with the State and entities related to the State. These transactions are generally based on the standard terms and conditions that apply to all agencies. Such transactions include:

- annual services fees payments to the DLGSC for services received (Note 2.2);
- payments of racing bets levy to Racing and Wagering Western Australia (Note 2.3), and (Note 7.6);
- appropriation from the Department of Treasury (Note 3.1), and (Note 7.6);
- contributions received from Lotterywest of Western Australia, and Racing and Wagering Western Australia (Note 3.1), and (Note 7.6);
- resources received free of charge from the State Solicitor's Office (Note 3.1);
- recoups for services provided to Lotterywest of Western Australia, and Racing and Wagering Western Australia (Note 3.2);
- receipts of unclaimed dividends from Racing and Wagering Western Australia (Note 3.3), and (Note 7.6);
- receipts of racing bets levy from Racing and Wagering Western Australia (Note 3.3), and (Note 7.6);
- audit fee payments to the Office of the Auditor General (Note 7.7); and
- payments of video lottery terminals and continuing lottery levy to the Department of Treasury (Note 7.8.1), and (Note 7.8.2).

### Significant transactions with other related entities

- superannuation payments to GESB (Note 2.1).

### Material transactions with other related parties

Outside of normal citizen type transactions with the Commission, there were no other related party transactions that involved key management personnel and/or their close family members and/or their controlled (or jointly controlled) entities.

#### 7.4 *Related bodies*

The Commission had no related bodies during the financial year.

#### 7.5 *Affiliated bodies*

The Commission had no affiliated bodies during the financial year.

## 7.6 Special purpose accounts

### Problem Gambling Support Services

The Problem Gambling Support Services receive contributions from Lotterywest of Western Australia, Crown Perth Casino, WA Bookmakers' Association, Racing and Wagering Western Australia, and the Commission. The fund is used to provide services for people experiencing gambling harm and to undertake problem gambling related research.

	2022 \$	2021 \$
Balance at start of period	601,520	533,484
Receipts	1,550,618	794,143
Payments	(779,297)	(726,107)
<b>Balance at end of period</b>	<b>1,372,841</b>	<b>601,520</b>

### Gaming Community Trust Fund <sup>(a)</sup>

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*.

	2022 \$	2021 \$
Balance at start of period	1,020,543	1,385,088
Receipts	217,665	250,543
Payments	(623,161)	(615,088)
<b>Balance at end of period</b>	<b>615,047</b>	<b>1,020,543</b>

### Sports Wagering Account <sup>(a)</sup>

The Sports Wagering Account holds monies paid by Racing and Wagering Western Australia under section 104 of the *Racing and Wagering Western Australia Act 2003* and monies appropriated by the Department of Treasury collected from the Point of Consumption Tax introduced in 2019. 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*.

	2022 \$	2021 \$
Balance at start of period	3,653,166	4,530,092
Receipts	4,911,778	4,208,211
Payments	(3,893,615)	(5,085,137)
<b>Balance at end of period</b>	<b>4,671,329</b>	<b>3,653,166</b>

### Racing Bets Levy Account <sup>(a)</sup>

The Racing Bets Levy Account receives monies under section 14A of the *Betting Control Act 1954*. This Account is to be applied for the purposes of making payments to the Western Australian racing industry under the *Betting Control Act 1954*, and outgoings and expenses incurred by the Commission in administering the Account.

	2022 \$	2021 \$
Balance at start of period	658,718	652,226
Receipts	130,324,768	120,058,142
Payments	(121,341,458)	(120,051,650)
<b>Balance at end of period</b>	<b>9,642,028</b>	<b>658,718</b>

### Security Deposits <sup>(b)</sup>

Security deposits represent security deposits received from bookmakers under Section 11E of the *Betting Control Act 1954*, and received from organisations conducting lotteries/raffles as a guarantee of the distribution of prizes, plus interest income.

	2022 \$	2021 \$
Balance at start of period	1,635,733	938,211
Receipts	777,986	1,208,549
Payments	(895,827)	(511,027)
<b>Balance at end of period</b>	<b>1,517,892</b>	<b>1,635,733</b>

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.

(a) Established under section 16(1)(b) of *Financial Management Act 2006*.

(b) Established under section 16(1)(c) of *Financial Management Act 2006*.

### 7.7 Remuneration of auditors

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

	2022 \$	2021 \$
Auditing the accounts, controls, financial statements and key performance indicators	75,400	73,400
	<b>75,400</b>	<b>73,400</b>

## 7.8 Administered transactions

### 7.8.1 Video lottery terminals

	2022 \$	2021 \$
Video lottery terminals	84,973	99,929
	<b>84,973</b>	<b>99,929</b>

The Commission collects 3.25% of the revenue 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.

### 7.8.2 Continuing lottery levy

	2022 \$	2021 \$
Continuing lottery levy	86,800	90,707
	<b>86,800</b>	<b>90,707</b>

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.

## 7.9 Supplementary financial information

### Write-offs

During the financial year, 2022: \$5,883 (2021: nil) was written off the Commission's books under the authority of:

	2022 \$	2021 \$
Betting inventories written off under the authority of the Accountable Authority	5,883	-
	<b>5,883</b>	<b>-</b>

### 7.10 Explanatory Statements for controlled operations

This section explains variations in the financial performance of the Commission.

	Notes
Explanatory statement for controlled operations	7.10.1

This explanatory section explains variations in the financial performance of the Commission undertaking transactions under its own control, as represented by the primary financial statements.

All variances between annual estimates (original budget) and actual results for 2022, and between the actual results for 2022 and 2021 are shown below. Narratives are provided for key major variances which vary more than 10% from their comparative and that the variation is more than 1% of the dollar aggregate of:

- Total Cost of Services for the Statements of comprehensive income and Statement of cash flows (i.e. 1% of \$5,556,701 in the example below); and
- Total Assets for the Statement of financial position (i.e. 1% of \$11,106,097 in the example below).

## 7.10.1 Statement of Comprehensive Income Variances

	Variance Notes	Estimate 2022 \$	Actual 2022 \$	Actual 2021 \$	Variance between actual and estimate \$	Variance between actual results for 2022 and 2021 \$
<b>Expenses</b>						
Board members expenses		108,714	108,654	109,131	(60)	(477)
Expenses related to restricted cash and special purpose accounts	1	-	136,182,616	136,362,312	136,182,616	(179,696)
Services and contract fees	2, A	5,447,987	5,967,199	5,054,549	519,212	912,650
<b>Total cost of services</b>		<b>5,556,701</b>	<b>142,258,469</b>	<b>141,525,992</b>	<b>136,701,768</b>	<b>732,477</b>
<b>Income</b>						
User charges and fees		5,047,110	4,656,658	4,443,195	(390,452)	213,463
Revenue related to restricted cash and special purpose accounts	3	-	133,058,835	130,860,112	133,058,835	2,198,723
<b>Total income</b>		<b>5,047,110</b>	<b>137,715,493</b>	<b>135,303,307</b>	<b>132,668,383</b>	<b>2,412,186</b>
<b>Net cost of services</b>		<b>509,591</b>	<b>4,542,976</b>	<b>6,222,685</b>	<b>4,033,385</b>	<b>(1,679,709)</b>
<b>Income from State Government</b>						
Sports wagering account	4	-	3,900,000	3,800,000	3,900,000	100,000
Problem gambling support fund	5, B	-	900,000	471,750	900,000	428,250
Resources received free of charge	6, C	-	40,998	260,034	40,998	(219,036)
Funding from State Government (Other)	7, D	-	1,280,000	-	1,280,000	1,280,000
Interest revenue		6,000	5,657	3,125	(343)	2,532
<b>Total income from State Government</b>		<b>6,000</b>	<b>6,126,655</b>	<b>4,534,909</b>	<b>6,120,655</b>	<b>1,591,746</b>
<b>Surplus/(deficit) for the period</b>		<b>503,591</b>	<b>(1,583,679)</b>	<b>1,687,776</b>	<b>(2,087,270)</b>	<b>(3,271,455)</b>
<b>Total comprehensive income for the period</b>		<b>503,591</b>	<b>(1,583,679)</b>	<b>1,687,776</b>	<b>(2,087,270)</b>	<b>(3,271,455)</b>

### **Major Estimate and Actual (2022) Variance Narratives**

- 1 The budget estimates are not prepared for the Expenses related to restricted cash and special purpose accounts since their business activities are mainly driven from external sources.
- 2 Services and contract fees exceeded the estimate mainly due to the expenses related to the Perth Casino Royal Commission were not anticipated at the time the estimate was produced. The additional costs were funded by Government.
- 3 No budget estimates are prepared for the Revenue related to restricted cash and special purpose accounts since their business activities are mainly driven from external sources.
- 4 The estimates are not prepared for the Sports Wagering Account.
- 5 The estimates are not prepared for the Problem Gambling Support Fund.
- 6 The variance is due to a non-cash entry for Resources Received Free of Charge in relation to services provided by the State Solicitor's Office.
- 7 The funding from State Government (Other) were not anticipated at the time the estimates were produced.

### **Major Actual (2022) and Comparative (2021) Variance Narratives**

- A The increase in 2022 actual mainly relates to the expenses associated with the Perth Casino Royal Commission.
- B The 2022 actual is higher mainly due to additional contributions from Lotterywest and Racing and Wagering Western Australia to the Problem Gambling Support Fund. This relates to the advertising campaign titled "Show Gambling Who's Boss".
- C The lower 2022 actual for Resources Received Free of Charge from the State Solicitor's Office represents the finalisation of legal services provided to the Commission during part of the 2022 year when compared to the 2021 actual which represents a full financial year of legal services provided.
- D The funding from the State Government (Other) commenced in 2022 are related to the Perth Casino Royal Commission.

## 7.10.2 Statement of Financial Position Variances

	Variance Notes	Estimate 2022 \$	Actual 2022 \$	Actual 2021 \$	Variance between actual and estimate \$	Variance between actual results for 2022 and 2021 \$
<b>Assets</b>						
<b>Current Assets</b>						
Cash and cash equivalents		1,483,574	1,285,903	1,209,134	(197,671)	76,769
Restricted cash and cash equivalents		8,784,846	16,301,247	5,933,947	7,516,401	10,367,300
Receivables		74,967	10,904,301	9,897,992	10,829,334	1,006,309
Inventories	1, A	5,883	-	5,883	(5,883)	(5,883)
Contract assets		756,827	772,970	750,369	16,143	22,601
<b>Total Current Assets</b>		<b>11,106,097</b>	<b>29,264,421</b>	<b>17,797,325</b>	<b>18,158,324</b>	<b>11,467,096</b>
<b>Total assets</b>		<b>11,106,097</b>	<b>29,264,421</b>	<b>17,797,325</b>	<b>18,158,324</b>	<b>11,467,096</b>
<b>LIABILITIES</b>						
<b>Current Liabilities</b>						
Payables		1,195,198	20,447,994	10,564,419	19,252,796	9,883,575
Contract liabilities		-	-	158	-	(158)
<b>Total Current Liabilities</b>		<b>1,195,198</b>	<b>20,447,994</b>	<b>10,564,577</b>	<b>19,252,796</b>	<b>9,883,417</b>
<b>Total Liabilities</b>		<b>1,195,198</b>	<b>20,447,994</b>	<b>10,564,577</b>	<b>19,252,796</b>	<b>9,883,417</b>
<b>Net Assets</b>		<b>9,910,899</b>	<b>8,816,427</b>	<b>7,232,748</b>	<b>(1,094,472)</b>	<b>1,583,679</b>
<b>Equity</b>						
Accumulated surplus/(deficit)		9,910,899	8,816,427	7,232,748	(1,094,472)	1,583,679
<b>Total Equity</b>		<b>9,910,899</b>	<b>8,816,427</b>	<b>7,232,748</b>	<b>(1,094,472)</b>	<b>1,583,679</b>

***Major Estimate and Actual (2022) Variance Narratives***

1 The nil inventories balance in 2022 reflects the write-off of all inventories during the year.

***Major Actual (2022) and Comparative (2021) Variance Narratives***

A The nil inventories balance in 2022 reflects the write-off of all inventories during the year.

### 7.10.3 Statement of Cash Flows Variances

	Variance Notes	Estimate 2022 \$	Actual 2022 \$	Actual 2021 \$	Variance between estimate and actual \$	Variance between actual results for 2022 and 2021 \$
<b>Cash flows from State Government</b>						
Sports Wagering Account	1	-	3,900,000	3,800,000	3,900,000	100,000
Problem Gambling Support Fund	2, A	-	900,000	471,750	900,000	428,250
Funding from State Government (Other)	3, B	-	1,280,000	-	1,280,000	1,280,000
Interest received		6,000	4,891	3,876	(1,109)	1,015
<b>Net cash provided by State Government</b>		<b>6,000</b>	<b>6,084,891</b>	<b>4,275,626</b>	<b>6,078,891</b>	<b>1,809,265</b>
<b>Cash flows from operating activities</b>						
<b>Payments</b>						
Board members fees		(108,714)	(108,815)	(108,351)	(101)	(464)
Payments related to restricted cash and special purpose accounts	4	-	(126,632,532)	(126,477,981)	(126,632,532)	(154,551)
Services and contract fees	C	(5,447,988)	(5,711,912)	(4,809,810)	(263,924)	(902,102)
GST payments on purchases	5, D	-	(1,238,690)	(1,072,455)	(1,238,690)	(166,235)
GST payments to taxation authority	6	-	(13,104,712)	(12,366,475)	(13,104,712)	(738,237)
<b>Receipts</b>						
User charges and fees		5,040,653	4,653,139	4,445,126	(387,514)	208,013
Receipts related to restricted cash and special purpose accounts	7	-	132,053,828	120,982,289	132,053,828	11,071,539
GST receipts on sales	8, E	-	13,307,874	12,083,097	13,307,874	1,224,777
GST receipts from taxation authority	9, F	-	1,140,998	917,236	1,140,998	223,762
<b>Net cash provided by/ (used in) operating activities</b>		<b>(516,049)</b>	<b>4,359,178</b>	<b>(6,407,324)</b>	<b>4,875,227</b>	<b>10,766,502</b>
Net increase/(decrease) in cash and cash equivalents		(510,049)	10,444,069	(2,131,698)	10,954,118	12,575,767
Cash and cash equivalents at the beginning of the reporting period		10,778,469	7,143,081	9,274,779	(3,635,388)	(2,131,698)
<b>Cash and cash equivalents at the end of the reporting period</b>		<b>10,268,420</b>	<b>17,587,150</b>	<b>7,143,081</b>	<b>7,318,730</b>	<b>10,444,069</b>

**Major Estimate and Actual (2022) Variance Narratives**

- 1 The estimates are not prepared for the Sports Wagering Account.
- 2 The estimates are not prepared for the Problem Gambling Support Fund.
- 3 The funding from State Government (Other) were not anticipated at the time the estimates were produced.
- 4 The estimates are not prepared for the Payments related to restricted cash and special purpose accounts since their business activities are mainly driven from external sources.
- 5 The estimates are not prepared for GST payments on purchases.
- 6 The estimates are not prepared for the GST payments to taxation authority.
- 7 The estimates are not prepared for the Receipts related to restricted cash and special purpose accounts since their business activities are mainly driven from external sources.
- 8 The estimates are not prepared for the GST receipts on sales.
- 9 The estimates are not prepared for the GST receipts from taxation authority.

**Major Actual (2022) and Comparative (2021) Variance Narratives**

- A The 2022 actual is higher mainly due to additional contributions from Lotterywest and Racing and Wagering Western Australia to the Problem Gambling Support Fund. This relates to the advertising campaign titled “*Show Gambling Who’s Boss*”.
- B The funding from the State Government (Other) commenced in 2022 are related to the Perth Casino Royal Commission.
- C The higher 2022 actual is mainly attributed to payments made in relation to the Perth Casino Royal Commission and an increase to services provided by DLGSC.
- D The higher GST payments on purchases is mainly due to increased payments made relating to Perth Casino Royal Commission, services provided by DLGSC and other legal expenses.
- E The higher 2022 actual is mainly due to the higher racing bets levies received from racing betting operators.
- F The higher GST receipts from taxation authority in 2022 is mainly due to an increase in payments relating to the Perth Casino Royal Commission.

## Key Performance Indicators

### Certification of Key Performance Indicators

For the reporting period ended 30 June 2022

We hereby certify that the key 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 2022.



**Lanie Chopping**

**Chairperson**

Gaming and Wagering  
Commission

23 November 2022



**Colin Murphy**

**Commission Member**

Gaming and Wagering  
Commission

23 November 2022

## Agency Level Government Desired Outcomes

The linkage between the government goals, outcomes and services to the community are outlined below:

<b>Government Goal</b>	Sustainable Finances: Responsible financial management and better service delivery.
<b>Desired Outcome</b>	To regulate and maintain the integrity of lawful gambling activities.

The Commission administers the law relating to community and social gaming, wagering and casino gaming. The Commission formulates and implements policies for the scrutiny and control of gaming and wagering considering the requirements and interests of the community as a whole and the need to minimise harm caused by gambling.

The Commission has a significant focus on the responsible service of gaming and wagering products, harm minimisation and on the integrity of gaming and wagering activities and operators.

The Commission is responsible to the community for the provision of lawful gambling activities for the benefit of Western Australia and the delivery in 2021-22 of the Commission’s service contributes to the Government’s goal of responsible financial management and better service delivery.

A comprehensive legislative framework operates within the State with the aim of:

- preventing criminal interests from operating gaming and wagering activities; and
- maintaining the integrity of lawful gaming and wagering activities within a framework that minimises harm.

### Target setting

In accordance with Section 40 of the *Financial Management Act 2006*, the Annual Budget Estimates are submitted each financial year for the Commission’s endorsement and then recommended to the Minister for Racing and Gaming.

The Commission’s 2021-22 Annual Budget Estimates were approved by the Minister for Racing and Gaming on 7 December 2021. The Annual Budget Estimates contain the Total Cost of Services, used for the calculation of the Commission’s efficiency indicators.

The Key Performance Indicator targets were approved by the Commission on 17 May 2022.

### Key Effectiveness Indicators

The Commission’s licensing and compliance regimes verify the integrity of gambling operators through initial probity checks and ongoing licensing and audit and inspection requirements.

## Effectiveness Indicator 1

### Percentage of unlawful gambling detected in relation to total audits

This indicator measures the Commission's effectiveness in maintaining the integrity of lawful gaming and wagering activities via the detection of unlawful gambling related activities. This figure is derived by dividing the number of audits and/or inspections by the number of unlawful activities detected. This includes audit and inspection activities related to racing, the casino, community gaming and lotteries.

Indicator	2017-18	2018-19	2019-20	2020-21	2021-22	
	Actual	Actual	Actual	Actual	Target	Actual
<i>Percentage of unlawful gambling detected in relation to total audits<sup>(1)</sup></i>	0.56%	0.49%	0.76%	1.19%	0.68%	0.42%

Notes:

1. This is the number of audits, inspections, investigations and/or assessments undertaken during the financial year. Actual results (2021-22 Targets in brackets): Racing – 231 (391), Community Gaming – 209 (318), Casino – 4,025 (2,644) and Lotterywest verification – 1,044 (1,061).

### Comment on performance

In 2021-22, the percentage of unlawful gambling detected (0.42 per cent) was lower than the Target (0.68 per cent), reflecting the Commission's effectiveness in detecting unlawful activities. The variance was primarily due to a higher number of audits and inspections for casino gaming undertaken as a result of re-allocation of compliance resources to casino regulation. A lower number of unlawful gaming matters detected also occurred.

## Effectiveness Indicator 2

### Number of violation reports/infringement notices issued in relation to casino gaming

This indicator reflects the number of casino gaming violation reports and infringement notices issued to casino licensee and licensed employees.

Indicator	2017-18	2018-19	2019-20	2020-21	2021-22	
	Actual	Actual	Actual	Actual	Target	Actual
<i>Number of violation reports/ infringement notices issued in relation to casino gaming</i>	3	1	0	0	1	3

### Comment on performance

In 2021-22, the violation reports and/or infringement notices issued in relation to casino gaming (three) was higher than the Target (one), reflecting a greater focus of activities on the integrity of casino gaming. This reflects increased audit and inspection activities related to casino gaming during the financial year and the Commission's focus on the use of appropriate regulatory mechanisms to identify breaches by the casino licensee, or its employees.

## Key Efficiency Indicators

The specific licensing requirements imposed by the Commission provide increased certainty about the quality and integrity of the lawful gaming and wagering services.

The Commission approves game rules and associated procedures to ensure that the operators of gaming and wagering activities provide consistent and fair outcomes in accordance with the conditions of their approvals.

The Commission's licensing regime requires licences, permits, approvals, authorisations and certificates, as appropriate, to be issued in relation to persons, premises, casinos, facilities, gaming, equipment and gaming and wagering operations.

It is difficult to estimate future trends in relation to the casino as business decisions made by the Casino Licensee determine the number of:

- submissions provided; and
- new staff employed by the casino that require a casino employee licence.

## Total Operating Cost

The total operating cost is derived from the Total Cost of Services from the Financial Statements for the year ended 30 June 2022. Costs allocated are a percentage of the overall output (licensing or compliance) costs.

The total cost comprises:

- remuneration paid to Commission members (including superannuation);
- services provided by the Department of Local Government, Sport and Cultural Industries in accordance with section 18 of the *Gaming and Wagering Commission Act 1987*;
- conference, seminar and training expenses for Commission members;
- probity investigation costs (casino); and
- consultancy fees and other operating expenses.

The following expenses are not included in the total operating cost:

(i) Problem gambling support services expenditure

This is a Special Purpose Account<sup>5</sup> established for managing the transactions related to the provision of services for people experiencing gambling harm and to undertake problem gambling related research. Voluntary contributions are received from Lotteries Commission of Western Australia, Perth Casino, WA Bookmakers' Association, Racing and Wagering Western Australia, and the Commission.

(ii) Legal representation fees associated with the Royal Commission

In March 2021, the State Government established the Perth Casino Royal Commission (Royal Commission).<sup>6</sup> The Royal Commission delivered its final report on 4 March 2022, and it was tabled in Parliament on 24 March 2022.

<sup>5</sup> *Financial Management Act 2006*, section 16

<sup>6</sup> The Royal Commission to inquire into and report on the affairs of the Crown Casino Perth and related matters established by commission dated 5 March 2021 and published in the Special Gazette, No. 45 on 12 March 2021.

Current and former Commission members were legally represented before the Royal Commission by independent counsel. The work performed by the legal counsel related only to matters subject to the Royal Commission's Terms of Reference. As a result, there were no corresponding activities. Inclusion of this 'once off' expense materially impacts the efficiency indicator results in the 2020-21 and 2021-22 financial years.

In the financial year ending 30 June 2021, there was no allocation on the Annual Estimates<sup>7</sup> and actual cost was \$660,590. This change caused the result for each indicator to be 15 per cent lower than that reported in the 2020-21 Annual Report. The reasons for the variances remain unchanged and are disclosed in the notes to each indicator.

In the financial year ending 30 June 2022, \$1,834,684 was estimated in the Annual Estimates<sup>8</sup> and the actual cost was \$960,322. This has been excluded from the operating cost.

## Efficiency Indicator 1

### Cost per Gambling Certificate/Permit issued

This indicator is calculated by dividing the cost allocation for the activity by the number of certificates and permits issued.

Indicator	2017-18	2018-19	2019-20	2020-21	2021-22	
	Actual	Actual	Actual	Actual <sup>(1)</sup>	Target <sup>(1)</sup>	Actual <sup>(1)</sup>
Cost per gambling certificate or permit issued	\$316	\$310	\$310	\$391 <sup>(2)</sup>	\$529	\$698

Notes:

- (1) The 2020-21 Actual result was revised following the exclusion of the cost of legal services related to the Royal Commission. The exclusion applies in the 2020-21 and 2021-22 financial years.
- (2) In 2020-21, 2,048 gambling certificates or permits were issued. As a result of the exclusion of the cost of legal services related to the Royal Commission, the revised operating cost was \$800,058 (Revised Actual) compared to \$917,424 (published in the 2020-21 Annual Report). The cost per gambling certificate or permit issued reduced from \$448 (published) to \$391 (Revised Actual). The Target for 2020-21 was \$481. The 2020-21 Revised Actual result (\$391) was lower than the 2020-21 Target (\$481) due to the decreased cost allocation to this activity even though 684 less certificates/permits were issued than what was budgeted.

### Comment on performance

In 2021-22, the cost per gambling certificate or permit issued (\$698) was higher than the Target (\$529). During the year, there were 30 per cent less applications received and issued (1,921 actual compared to a target of 2,732) indicating that less community gaming activities were held. This was likely a result of the COVID-19 health measures in place during 2021-22.

<sup>7</sup> Financial Management Act 2006, section 40. Approved by the Minister for Racing and Gaming on 14 April 2021.

<sup>8</sup> Financial Management Act 2006, section 40. Approved by the Minister for Racing and Gaming on 7 December 2021.

## Efficiency Indicator 2

### Cost per casino employee licence issued

This figure is calculated by dividing the cost allocation for the activity by the number of licences issued. Employees of the casino are licensed by the Commission in accordance with the provisions of the Casino Control (Burswood Island) (Licensing of Employees) Regulations 1985.

Indicator	2017-18	2018-19	2019-20	2020-21	2021-22	
	Actual	Actual	Actual	Actual <sup>(1)</sup>	Target <sup>(1)</sup>	Actual <sup>(1)</sup>
<i>Cost per casino employee licence issued</i>	\$1,083	\$850	\$623	\$982 <sup>(3)</sup>	\$1,391	\$1,265

Notes:

(3) In 2020-21, 543 licences for key casino employees and casino employees were issued. As a result of the exclusion of the cost of legal services related to the Royal Commission, the revised operating cost was \$533,372 (Revised Actual) compared to \$611,616 (published in the 2020-21 Annual Report). The cost per casino employee licence issued reduced from \$1,126 (published) to \$982 (Revised Actual). The Target for 2020-21 was \$1,264. The 2020-21 Revised Actual result (\$982) was lower than the 2020-21 Target (\$1,264) due to the decreased cost allocation to this activity even though 150 less certificates/permits were issued than what was budgeted.

### Comment on performance

In 2021-22, the cost per casino employee licence issued (\$1,265) was lower than the Target (\$1,391) reflecting efficiency of the licensing service. New applications or renewals of a casino employee licence is dependent upon the workforce structure of the casino licensee. The number of licences issued was slightly higher at 707 compared to 693 (Target) and the costs overall were slightly less than budget as a result of lower expenditure on the probity activities and regulatory approvals.

## Efficiency Indicator 3

### Cost of monitoring the integrity of casino gaming operations over one year

This indicator is calculated by dividing the cost allocation for the activity by the number of violations by the casino licensee and/or licensed employees.

Indicator	2017-18	2018-19	2019-20	2020-21	2021-22	
	Actual	Actual	Actual	Actual <sup>(1)</sup>	Target <sup>(1)</sup>	Actual <sup>(1)</sup>
<i>Cost of monitoring the integrity of casino gaming operations over one year</i>	\$1,110,759	\$1,118,682	\$1,334,236	\$1,243,985 <sup>(4)</sup>	\$1,222,930	\$377,971

Notes:

(4) In 2020-21, no violations were recorded. As a result of the exclusion of the cost of legal services related to the Royal Commission, the revised operating cost was \$1,243,985 (Revised Actual) compared to \$1,426,474 (published in the 2020-21 Annual Report). The cost of monitoring the integrity of casino gaming operations reduced from \$1,426,474 (published) to \$1,243,985 (Revised Actual). The Target for 2020-21 was \$924,281. The 2020-21 Revised Actual result (\$1,243,985) was higher than the 2020-21 Target (\$924,281) due to an increase in the total cost of services.

### Comment on performance

In 2021-22, the cost of monitoring the integrity of casino gaming operations (\$377,971) was significantly lower than the Target (\$1,222,930). The variance was due to a greater number of infringements issued during the financial year reflecting the Commission's focus on the use of appropriate regulatory mechanisms to identify breaches by the casino licensee and its employees. In 2021-22, three infringements were issued compared to none in the prior year (2020-21).

## Efficiency Indicator 4

### Cost per instance of unlawful gambling

This indicator is calculated from dividing the cost allocation by the number of unlawful gambling breaches detected.

Indicator	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Actual <sup>(1)</sup>	2021-22 Target <sup>(1)</sup>	2021-22 Actual <sup>(1)</sup>
Cost per instance of unlawful gambling detected	\$50,489	\$50,849	\$39,242	\$25,561 <sup>(5)</sup>	\$61,146	\$85,044

Notes:

(5) In 2020-21, 73 instances of unlawful gambling were detected. As a result of the exclusion of the cost of legal services related to the Royal Commission, the revised operating cost was \$1,865,978 (Revised Actual) compared to \$2,139,711 (published in the 2020-21 Annual Report). The cost per instance of unlawful gambling detected reduced from \$29,311 (published) to \$25,561 (Revised Actual). The Target for 2020-21 was \$46,214. The 2020-21 Revised Actual result (\$25,561) was significantly lower than the 2020-21 Target (\$46,214) due to an increase in the instances of unlawful gaming being detected, compared to the targeted number.

### Comment on performance

In 2021-22, the cost per instance of unlawful gambling detected (\$85,044) was higher than the Target (\$61,146). The variance was due to a lower number of unlawful gaming breaches detected (20 breaches compared to the Target of 30) and the costs overall were slightly less than budget as a result of lower expenditure on the regulatory approval activities.

## Efficiency Indicator 5

### Cost per casino submission received

This indicator is calculated from dividing the cost allocation by the number of submissions received by the Commission related to casino gaming.

Indicator	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Actual <sup>(1)</sup>	2021-22 Target <sup>(1)</sup>	2021-22 Actual <sup>(1)</sup>
Cost per casino submission received	\$717	\$617	\$543	\$765 <sup>(6)</sup>	\$985	\$397

Notes:

(6) In 2020-21, 78 submissions to the Commission related to the casino were considered. As a result of the exclusion of the cost of legal services related to the Royal Commission, the revised operating cost was \$59,698 (Revised Actual) compared to \$68,456 (published in the 2020-21 Annual Report). The cost per casino submission received reduced from \$878 (published) to \$765 (Revised Actual). The Target for 2020-21 was \$895. The 2020-21 Revised Actual result (\$765) was lower than the 2020-21 Target (\$895) due to a higher number of submissions received than targeted.

### Comment on performance

In 2021-22, the cost per casino submission received (\$397) was lower than the Target (\$985). The variance was due to a greater number of submissions to the Commission (115 compared to the Target of 50) combined with less overall expenditure than anticipated. There was a significantly greater number of casino gaming regulatory submissions to the Commission during the year. These included amendments to the casino directions, casino manuals and casino game rule changes; investigations; consideration of matters arising from the Perth Casino Royal Commission; and probity and regulatory approvals related to the acquisition of Crown Resorts Ltd by Blackstone<sup>9</sup>.

<sup>9</sup> Blackstone in this context means the entity SS Silver II Pty Ltd, an entity owned by funds managed or advised by Blackstone Inc. and its affiliates (Blackstone).

## Other Statutory Information

### Ministerial Directives

In accordance with section 6(2) of the *Gaming and Wagering Commission Act 1987*, the Minister for Racing and Gaming may give the Commission directions of a general character as to the exercise of its function, and the Commission shall give effect to such a direction, but where such a direction does not accord with recommendations of the Commission, the Commission may make its advice to the Minister known to the public. On 11 April 2022, the Minister for Racing and Gaming gave a direction under section 6(2) of the *Gaming and Wagering Commission Act 1987* to the Commission (Figure 3).

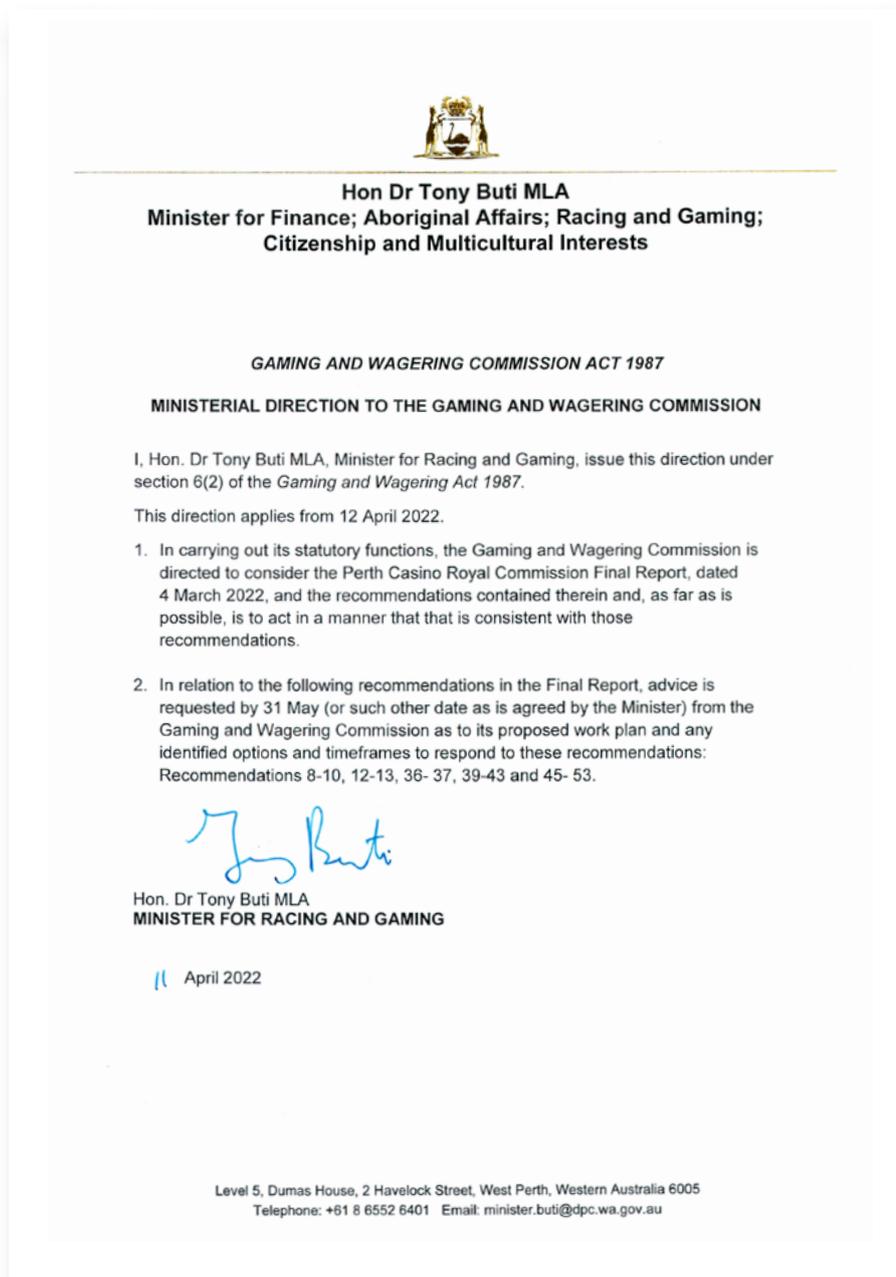


Figure 3: Ministerial Direction by the Minister for Racing and Gaming, 11 April 2022.

The Minister for Racing and Gaming in accordance with section 48 of the *Gaming and Wagering Commission Act 1987*, in instances where there is a major sporting event or a special occasion, may direct the Commission to issue a permit for the conduct of a specified gaming activity. On 22 April 2022, a Ministerial Direction resulted in 34 ANZAC Day two-up permits being issued in 2021-22.

In addition, approval was granted for no application fee to be charged or financial gaming return to be completed for:

- 31 sub-branches of the Returned and Services League of Australia (WA Branch);
- Yarloop Volunteer Bushfire Brigade;
- Truscott Memorial Club Inc; and
- Naval Association of Australia (Rockingham Branch).

## Changes in written law

The Rules of Wagering Amendment Rules 2021 were gazetted on 8 November 2021. The amended rules implement Racing and Wagering Western Australia's decision to exit the jointly operated fixed odds betting system with a third party and create an in-house fixed odds wagering system.

The Rules of Wagering Amendment Rules (No. 2) 2021 and the Betting Control Amendment Regulations 2021 were gazetted on 19 November 2021. These amendments related to the introduction of minimum bet limits.

## Other Financial Disclosures

### Pricing policies of services provided

The Commission reviews its fees and charges annually in accordance with the Government's guidelines on the costing and pricing of Government services.

In November of 2021, DLGSC sought a one-year extension of the existing process for determining fees and charges, on condition that a review was conducted and new processes would be in place for the following Budget. The review, and the development of the new methodology for calculating tariffs, fees and charges in accordance with current Treasury guidelines for cost recovery is currently under way.

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's fees and charges for the reporting period are available on the [DLGSC webpage](#) under Racing, Gaming and Liquor [www.dlgsc.wa.gov.au](http://www.dlgsc.wa.gov.au) or via the Western Australian Government Gazette, number 151, 22 October 2019.

## Commission and Committee Remuneration

### Gaming and Wagering Commission

Members are remunerated for their participation on the Commission. The remuneration is set by the Minister for Racing and Gaming on the advice of the Public Sector Commissioner as per section 13 of the *Gaming and Wagering Commission Act 1987*. The annual remuneration is \$16,600. Public servants are not remunerated in accordance with Premier's Circular 2021/18 State Government Boards and Committees. Details of period of membership and remuneration is provided in Table 13.

Table 13: Remuneration for Gaming and Wagering Commission members in 2021-22.

Position title	Member Name	Type of Remuneration	Period of Membership	Base salary/sitting fees <sup>(1)</sup>	Gross/actual remuneration for 2021-22 <sup>(2)</sup>
Chairperson	Ms Lanie Chopping	Not applicable <sup>(3)</sup>	01/07/2021 - 30/06/2022	Not applicable	Not applicable
Deputy Chairperson	Ms Erin Gauntlett	Not applicable <sup>(3)</sup>	01/07/2021 - 30/06/2022	Not applicable	Not applicable
Member	Mr Steve Dobson	Annual	01/07/2021 - 30/06/2022	\$16,600	\$16,546.94
Member	Ms Carmelina Fiorentino	Annual	01/07/2021 - 31/03/2022	\$16,600	\$12,728.41
Member	Ms Katie Hodson-Thomas	Annual	01/07/2021 - 30/06/2022	\$16,600	\$16,546.94
Member	Ms Jodie Meadows	Annual	01/07/2021 - 28/02/2022	\$16,600	\$11,264.65
Member	Mr Colin Murphy	Annual	28/03/2022 - 30/06/2022	\$16,600	\$4,073.10
Member	Ms Deirdre O'Donnell	Annual	01/01/2022 - 30/06/2022	\$16,600	\$7,891.62
Member	Ms Matilda Prowse	Annual	01/07/2021 - 31/12/2021	\$16,600	\$8,655.31
Member	Mr Barry Sargeant	Annual	01/07/2021 - 31/07/2021	\$16,600	\$1,654.69
Member	Mr Michael Sarquis	Annual	02/08/2021 - 30/06/2022	\$16,600	\$14,892.25
Member	Dr Michael Schaper	Annual	28/03/2022 - 30/06/2022	\$16,600	\$4,073.10
				<b>Total</b>	<b>\$98,327.01</b>

Notes:

(1) Salary/sitting fee excluding superannuation.

(2) Salary/sitting fee, paid proportionally across the financial year according to period of membership excluding superannuation.

(3) In accordance with Premier's Circular 2021/18 *State Government Boards and Committees*: "A member of a State Government board or committee is not eligible for remuneration (other than reimbursements for travel expenses) if they are: (i) on the public payroll, including all current full time State, Commonwealth and Local Government employees".

## Gaming Community Trust

Members are remunerated for their participation on the Gaming Community Trust. The remuneration is set by the Minister for Racing and Gaming on the advice of the Public Sector Commissioner as per section 109D(8) of the *Gaming and Wagering Commission Act 1987*. The Gaming Community Trust is paid sitting fees per meeting. Public servants are not remunerated in accordance with Premier's Circular 2021/18 State Government Boards and Committees.

The Gaming Community Trust allocated the funds for 2021-22 during the 2020-21 financial year, and as a result, the Trust was not required to meet in the 2021-22 reporting period. Details of period of membership and remuneration is provided in Table 14 for 2021-22.

**Table 14: Remuneration for Gaming Community Trust members in 2021-22.**

Position title	Member Name	Type of Remuneration	Period of Membership	Base salary/sitting fees	Gross/actual remuneration for 2021-22
<i>Ex officio</i> Chairperson <sup>(1)</sup>	Lanie Chopping	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Member	Steve McCann	Per meeting	27/03/2022 - 30/06/2022	Part/whole day fee <sup>(2)</sup>	\$0
Member	Dr Jurgen Bröhmer	Per meeting	27/03/2022 - 30/06/2022	Part/whole day fee <sup>(2)</sup>	\$0
Member	Linda Savage	Per meeting	27/03/2022 - 30/06/2022	Part/whole day fee <sup>(2)</sup>	\$0
Member	Rebecca Adam	Per meeting	27/03/2022 - 30/06/2022	Part/whole day fee <sup>(2)</sup>	\$0

Notes:

(1) In accordance with Premier's Circular 2021/18 *State Government Boards and Committees*;

"A member of a State Government board or committee is not eligible for remuneration (other than reimbursements for travel expenses) if they are: (i) on the public payroll, including all current full time State, Commonwealth and Local Government employees".

(2) The sitting fee is \$142 per day (under 4 hours) and \$215 per day (over 4 hours).

## Capital works

There were no capital works undertaken by the Commission during 2021-22.

## Employment and industrial relations, staff development and workers' compensation

The Commission does not employ staff but has an agreement, in accordance with section 18 of the *Gaming and Wagering Commission Act 1987*, with DLGSC that relates to functions carried out on behalf of the Commission by officers and employees of DLGSC. Accordingly, the Commission does not report on compliance with these issues. The DLGSC Annual Report contains relevant information.

## Other Legal and Government Policy Requirements

### Advertising, market research, polling and direct mail

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 2021-22 is provided in Table 15.

Table 15: Expenditure on advertising, market research, polling, direct mail and media advertising in 2021-22.

Expenditure	Organisation	Amount	Total
Advertising	Department of the Premier and Cabinet – State Law Publisher (Government Gazette)	\$2,441	<b>\$2,441</b>
Market research		NIL	<b>NIL</b>
Polling		NIL	<b>NIL</b>
Direct mail		NIL	<b>NIL</b>
Media advertising	Initiative Media (Problem Gambling)	\$114,528	<b>\$117,708</b>
	Sensis (Problem Gambling)	\$3,030	
	The West Australian (Wagering)	\$150	
		<b>\$120,149</b>	<b>\$120,149</b>

### Government Policy Requirements

The Commission meets its government policy requirements through arrangements with DLGSC. The DLGSC Annual Report contains information on how it meets the following requirements:

- Disability Access and Inclusion Plan Outcomes;
- Compliance with Public Sector Standards and Ethical Codes;
- Recordkeeping Plans;
- Substantive equality; and
- Occupational safety, health, and injury management.



## **Availability in other formats**

This publication can be made available in alternative formats. The report is available in PDF format at [www.dlgsc.wa.gov.au](http://www.dlgsc.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) 6551 4888.



Government of **Western Australia**  
Gaming and Wagering Commission of Western Australia

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