

## Annual Report 2022-23





#### **Acknowledgement of Country**

The Commission acknowledges the Aboriginal people throughout Western Australia as the Traditional Owners and Custodians of the lands, waters, and communities in which we operate. The Commission is committed to developing strong working relationships with Aboriginal people and is proud to celebrate the cultural diversity, strength and resilience of Aboriginal people, and is deeply grateful for the contributions they make to the State of Western Australia. We pay our respects to all Aboriginal people and their cultures, and to Elders past and present.

# Statement of Compliance



#### To the Hon Minister Reece Whitby MLA Minister for Environment; Climate Action; Racing and Gaming

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 reporting period ended 30 June 2023.

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.

**Dr Michael Schaper** Chairperson

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Gaming and Wagering Commission

29 September 2023

Ms Katie Hodson-Thomas Deputy Chairperson

Gaming and Wagering Commission

29 September 2023

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Overview

# From the Chairperson and Deputy Chairperson



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2022-23 marked another year of significant change for the Gaming and Wagering Commission of Western Australia, both within the agency and in the broader gaming regulatory environment.

A number of significant legislative reforms were enacted. The *Casino Legislation Amendment* (*Burswood Casino*) Act 2022 was passed by Parliament in late September 2022. It amended the *Gaming and Wagering Commission Act 1987* and the *Casino Control Act 1984*, and was the first legislative step towards addressing the issues raised by the Perth Casino Royal Commission (PCRC). These legislative amendments expanded the Commission's powers, so as to enable it to direct the casino licensee with respect to all operations of the casino, not just the gaming operations.

Amendments to the *Casino Control Act 1984* provided for the establishment of an Independent Monitor as an office appointed by, and reporting to, the Minister for Racing and Gaming. This provides an independent mechanism to oversee remediation at Perth casino over a two-year period and is intended to help restore public confidence in casino gaming in Western Australia. The Commission regularly meets with and works co-operatively with the Independent Monitor.

The membership of the Commission also changed during the year. The legislative amendments mentioned above provided for the appointment of an independent Chairperson of the Commission, which was a recommendation of the PCRC. The Minister for Racing and Gaming, Hon Reece Whitby, appointed an existing Commission member, Dr Michael Schaper as the Chairperson of the Commission, from 20 February 2023, so replacing Ms Lanie Chopping, Director General of Department of Local Government, Sport and Cultural Industries (DLGSC) who had previously held the position ex officio.

In addition, the legislation also made provision for a Deputy Chairperson to be selected from the membership of the Commission and Ms Katie Hodson-Thomas was elected from 21 February 2023. At the start of the 2022-23 year the composition of the Commission also changed with two new Members, Ms Helen Creed and Mr Sam Buckeridge, joining the Commission. Members bring a broad range of expertise to the Commission in the areas of leadership and governance, regulation, finance, industry experience and government processes.

A major new focus of the Commission is the minimisation of gambling harm to individuals and the Western Australian community. Engagement with our stakeholders will be key to understanding the expectations of the community. It is the Commission's intent to build relationships and work in close collaboration with these organisations over the coming years.

Work has also been undertaken in regards to implementation of the PCRC's recommendations and in particular relating to electronic gaming machines (EGMs) at the Perth casino. The Commission issued a direction on the casino licensee in March 2023 requiring a \$10 maximum bet on EGMs on the main gaming floor by 1 July 2023. This will contribute towards harm minimisation, and responsible service of gaming at Perth casino.

During the year the Commission continued its important work of regulating gaming and wagering in Western Australia. The Commission with the support of the staff of the DLGSC issued more than 1,900 community gaming permits and certificates, administered more than 2,000 casino employee licences, as well as overseeing more than 7,000 audits and investigations across the State.

The Commission continued to also focus on governance with the approval of its Strategic Plan 2023, Code of Conduct policy with guidelines, charter, skills matrix, and membership to the DLGSC's Audit and Risk Committee.

Looking forward, a review of the structure of the Commission is currently being undertaken as part of the organisational design review of both the Commission and the Racing, Gaming and Liquor Directorate of DLGSC. This will determine a future structure to best meet our regulatory responsibilities.

On behalf of the Commission, we would like to thank Ms Lanie Chopping, the ex officio Chairperson for her contribution and commitment towards rebuilding the Commission post the Royal Commission, and the staff of DLGSC who supported the Commission throughout the year.

**Dr Michael Schaper Chairperson** 

M Chaper

Gaming and Wagering Commission

29 September 2023

Ms Katie Hodson-Thomas

**Deputy Chairperson** 

Gaming and Wagering Commission

29 September 2023



Vision: To be Australia's best practice gambling regulator

"Our role is to protect the welfare of Western Australians by regulating activities under the relevant legislation. This includes ensuring the integrity of gambling, protecting state revenues, taking steps to minimise gambling-related harm to the community, and educating the community about the incidence of gambling and its effect on the community."



## **Executive Summary**

#### At a Glance

#### **Regulating industry**



7,034

Compliance activities and investigations



Wagering



Lotterywest



• • • • • • • • • • • • • • • •

Community Gaming



Casino



2,034

Employee licences



105

Infringements and cautions



1,944

Community gaming permits and certificates

#### **Gambling support funding**







Calls to gambling helpline



#### **Industry revenue**







#### **Community beneficiaries**



\$59m in 2022

Returned to beneficiary organisations



\$3.9m+ in 2022

Granted to sporting and recreation organisations across 103 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 Reece Whitby MLA. Minister Whitby commenced in this role on 14 December 2022.

During the financial year, the Honourable Dr Tony Buti BPE DipEd MIR LLB DPhil MLA was the Minister for Racing and Gaming until 13 December 2022.

#### **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.

#### **Purpose**

The Commission's purpose is to ensure the integrity and fairness of gaming and wagering in Western Australia through independent and contemporary regulatory practice that protects and educates the consumer, considers community benefit, and minimises harms.

#### The Commission

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

- the Chairperson appointed by the Minister (s12(1)(a)); and not less than five, nor more than seven, members appointed by the Minister (s12(1)(b)).
- appointed members must be persons who, in the Minister's opinion, are of integrity, good repute and with relevant experience (s12(2)).
- the Deputy Chairperson selected by the Members of the Commission (s12(2A)).
- the Chairperson holds office for a period not exceeding five years, specified in the instrument of appointment, and is eligible for re-appointment (s12(5A)). Other members hold office for the period specified in their instrument of appointment (not exceeding three years) and are also eligible for re appointment (s12(6)).

#### **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 2022 to 30 June 2023, the Commission was constituted by the members below.



#### **Dr Michael Schaper - Chairperson**

Dr Schaper was appointed as Chairperson on 20 February 2023, having been a Member since 28 March 2022. 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 (AICD) 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.



#### **Ms Katie Hodson-Thomas – Deputy Chairperson**

Ms Hodson-Thomas was appointed Deputy Chairperson as of 21 February 2023 after being a Member since 1 January 2018.

Ms Hodson-Thomas currently works as a Director of FTI Consulting. 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 has been a Member since 28 March 2022. 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.

Mr Murphy 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 been a Member since 1 January 2022. Ms O'Donnell has broad experience in executive roles in the public and not-for-profit sectors. She was State Ombudsman in Western Australia, Ombudsman for the Telecommunications Industry Ombudsman scheme, and the inaugural New South Wales Information Commissioner. 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).

Ms O'Donnell has qualifications in arts and education, with a Master of Business Administration and a Master of Commercial Law from the University of Melbourne. In 2008 she was awarded the PSM for outstanding public service as the Western Australian State Ombudsman.



#### **Mr Michael Sarquis - Member**

Mr Sarquis has been a Member since 2 August 2021. 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 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.

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.



#### Ms Helen Creed - Member

Ms Creed has been a Member since 4 July 2022. Ms Creed is a social worker by background and brings a wealth of experience to the Commission from her senior roles in government, in the non government sector and in the union movement. Two of those WA Government roles – in the Departments for Communities and Consumer and Employment Protection - involved regulatory responsibilities.

Ms Creed has held various Board and Committee positions across these sectors and currently chairs REED (Regional Early Education and Development) and is a Non Executive Director on the Board of the WA Water Corporation. Ms Creed's current roles also include being a Senior Sessional Member at the State Administrative Tribunal, as well as various work across the community sector. Ms Creed is a recipient of a number of Awards and was inducted into the WA Women's Hall of Fame in 2018.



#### **Mr Sam Buckeridge – Member**

Mr Buckeridge has been a member since 4 July 2022. Mr Buckeridge has broad and deep leadership and governance experience obtained through senior management roles at, and as a Director of, BGC (Australia) Pty Ltd. BGC is a large company with diverse business lines that span the manufacture and supply of industrial commodities to building homes for individual clients. Mr Buckeridge's experience includes undertaking complex risk assessments and managing strategic relationships with varied stakeholders. Mr Buckeridge's qualifications are in economics.

#### **Outgoing Members**

#### Ms Lanie Chopping - ex officio Chairperson until 19 February 2023

Ms Chopping is the Director General of DLGSC, and as Director General, was the ex officio Chairperson of the Commission. Following the legislative amendments, Ms Chopping held the role until an independent Chairperson was appointed on 20 February 2023.

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 Executive Director for Consumer Protection at the Department of Mines, Industry Regulation and Safety.

#### Ms Erin Gauntlett - Deputy Chairperson until 28 September 2022

Ms Gauntlett is the Deputy Director General, Management and Coordination of DLGSC, and was the Deputy Chairperson until changes to the *Gaming and Wagering Commission Act 1987* came into effect on 29 September 2022.

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.

#### **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, Ms Jennifer Shelton performed the role of Chief Casino Officer.

Ms Shelton joined DLGSC in December 2021. Her portfolio responsibility includes leading policy and legislative reforms in the liquor portfolio and supporting the government's response to the Perth Casino Royal Commission's final report. Ms Shelton has extensive experience as a regulator and has led important improvements to the governance and regulatory practice across racing, gaming and liquor. Prior to joining DLGSC, Ms Shelton held several senior positions in the public service and successfully led a number of complex regulatory reforms. Most recently she was the Executive Director Service Delivery at the Department of Mines, Industry Regulation and Safety where she was responsible for legal, communications, licensing and customer information including the regional offices.

## Performance Management Framework

#### **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**

Sustainable Finances: Responsible financial management and better service delivery

### Desired Outcome of the Commission

Provision of lawful gambling activities for the benefit of the public of WA

## Services Delivered by the Commission

#### Services delivered are:

- Evaluation and determination of licensing applications; and
- Conduct of compliance audits and inspections.

#### **Changes to Outcome-based Management Framework**

The Commission's outcome-based management (OBM) framework did not change during 2022-23. During the reporting year a review of the OBM framework was undertaken and it is anticipated that a new OBM will be applicable for 2024-25 subject to consideration by the Under Treasurer.

#### **Shared Responsibilities with Other Agencies**

The Commission did not share any responsibilities with other agencies in 2022-23.



# Agency Performance

## Report on 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 2022-23 Annual Budget Estimates were submitted and approved by the Minister for Racing and Gaming on 23 May 2022. 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 16 August 2022 (Table 2).

Table 1: Summary of Performance against 2022-23 Financial Targets

Financial Targets	Target <sup>(1)</sup>	Actual	Variation
Total cost of services (expense limit) (sourced from Statement of Comprehensive Income)	\$5,229,794	\$6,490,186 <sup>(2)</sup>	\$1,260,392
Net cost of services (sourced from Statement of Comprehensive Income)	(\$571,227)	(\$1,230,689) <sup>(3)</sup>	(\$659,462)
Total equity (sourced from Statement of Financial Position)	\$19,959,045	\$10,030,884	(\$9,928,161)
Net increase / (decrease) in cash held (sourced from Statement of Cash Flows)	(\$570,795)	(\$1,577,805)(4)	(\$1,007,010)
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 23 May 2022.
- 2. Excludes \$128,207,201 (expenses) related to restricted cash and special purpose accounts as identified in the Statement of Comprehensive Income presented later in this report.
- 3. Excludes \$128,207,201 (expenses) \$123,798,226 (revenue) related to special purpose accounts and restricted cash.
- 4. Excludes \$6,719,507 of Cash Flows from State Government and (\$12,772,867) 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 <u>key performance indicators</u> section of this report.



Table 2: Summary of Performance against 2022-23 Key Performance Indicator Targets

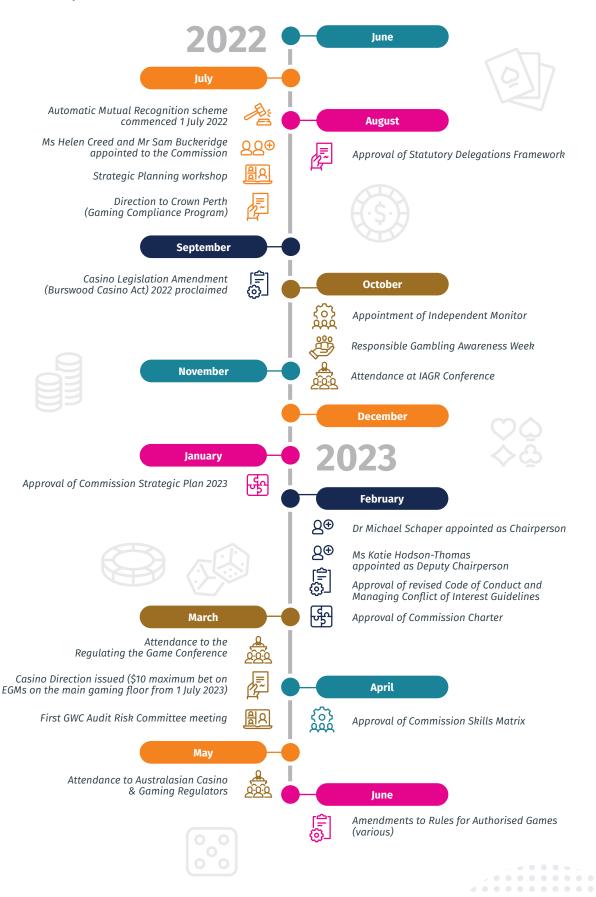
Summary of Key Performance Indicators <sup>(1)</sup>	Target <sup>(2)</sup>	Actual	Variation
Key Effectiveness Indicators			
Percentage of unlawful gambling detected in relation to total audits	0.60%	1.44%	Higher than target
Number of violation reports/infringement notices issued in relation to casino gaming	3	5	Higher than target
Key Efficiency Indicators			
Cost per Gambling Certificate/Permit issued	\$535	\$707	\$172 higher than target
Cost per Casino Employee Licence issued	\$1,069	\$1,533	\$464 higher than target
Cost of monitoring the integrity of casino gaming operations over one year	\$439,325	\$327,122	\$112,203 lower than target
Cost per instance of unlawful gambling detected	\$65,899	\$24,534	\$41,365 lower than target
Cost per casino submission received	\$1,323	\$559	\$764 lower than target

#### Notes:

<sup>(1)</sup> The explanations for the variations between budget target and actual key performance indicator results are presented later in this report

<sup>(2)</sup> The Key Performance Indicator targets were set by the Commission on 16 August 2022. The Annual Budget Estimates approved by the Minister for Racing and Gaming on 23 May 2022 was used for the calculation of the Targets for the key efficiency indicators.

## Key activities and events



## Key deliverables in 2022-23

The Commission is supporting the delivery of a number of the recommendations arising from the PCRC. The following actions were undertaken during the financial year.

#### **Perth Casino Royal Commission**

The Commission has continued to make progress throughout 2022-23 to address findings and recommendations from the PCRC. The PCRC was established to inquire into the suitability of Crown Perth¹ to continue holding a casino gaming licence and to examine the State's regulatory framework. The Final Report was tabled in State Parliament on 24 March 2022 and contained 59 recommendations.

The State Government tabled its <u>response</u> to the PCRC on 16 March 2023. In its response, the Government supported 49 of recommendations, supported eight in principle and one was supported in part. One recommendation did not require a Government position, as it is only relevant if the prohibition on poker machines is lifted. In its response to the PCRC, the State Government reiterated its commitment to maintaining a ban on poker machines and restricting electronic gaming machines to within the casino.

The Casino Legislation Amendment (Burswood Casino) Act 2022 passed by Parliament on 28 September 2022 amending the Gaming and Wagering Commission Act 1987 and the Casino Control Act 1984, with the changes coming into effect on 29 September 2022. This was the first legislative step towards addressing the issues raised in the PCRC's Final Report and introduced important legislative powers, which are summarised below.

#### **Commission membership – appointment of Chairperson and Deputy Chairperson**

The Casino Legislation Amendment (Burswood Casino) Act 2022 amended the Gaming and Wagering Commission Act 1987 to provide for the appointment of an independent Chairperson to replace the Director General of DLGSC as the ex officio Chairperson and for a Deputy Chairperson to be selected from the membership of the Commission.

In February 2023, the Minister for Racing and Gaming appointed Dr Michael Schaper as the Chairperson of the Commission. The Commission also approved a process to select the Deputy Chairperson from amongst members following the legislative change and Ms Katie Hodson-Thomas was elected as Deputy Chairperson as of 21 February 2023.

#### **Increased penalties and powers**

The Casino Control Act 1984 was amended to impose greater penalties for non-compliance by the casino operator. The maximum fine that can be issued has been increased from \$100,000 to \$100 million and the maximum fine for non-compliance with a direction issued by the Commission has been increased from \$2,000 for an individual and \$5,000 for a body corporate to \$100,000 and \$250,000, respectively. The legislative amendments also enhance the powers of the Commission to direct the Crown Perth casino.

<sup>1</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.

#### **Independent Monitor**

The amendments to the *Casino Control Act 1984* provided for the establishment of an Independent Monitor as an independent mechanism to oversee remediation at Perth casino. While the PCRC did not make a recommendation to revoke Crown Perth's casino licence, it did outline a detailed path to remediation for them to become a suitable casino licensee.

Mr Paul Steel was appointed as Independent Monitor in October 2022 for two years. The Independent Monitor will approve, monitor, and report on the remediation plan of the casino licensee over a two-year period.

The Independent Monitor provides quarterly reports to the Commission regarding the remediation and regularly meets with the Commission. The Commission considers the reports from the Independent Monitor and advises the Minister accordingly.

#### **Electronic gaming machines**

The PCRC made several recommendations in relation to electronic gaming machines (EGMs) at the Perth casino, one of which was that the Commission direct Perth casino to set the maximum bet on all EGMs on the main gaming floor to \$10 (Recommendation 13). The Commission issued a direction on the casino licensee, on 6 March 2023, under the *Casino Control Act 1984* requiring a \$10 maximum bet for EGMS on the main gaming floor by 1 July 2023.

The casino licensee was also advised that it must implement pre-set weekly loss limits, pre-set weekly time limits and carded play on all machines by December 2025. The implementation of the PCRC recommendations regarding EGMs will contribute towards harm minimisation, and responsible service of gaming at Perth casino.

#### **Delegations framework**

In August 2022 the Commission implemented a Delegations Framework for the robust, consistent and administratively efficient management of the delegation of their powers, duties and functions. The Framework includes a clear and concise policy, a well maintained schedule of delegation instruments and a register of decisions made under delegated authority to provide the Commission with oversight of the exercise of the delegated power. This Framework addresses the PCRC findings in Chapter 5 of their Final Report and Recommendations 31, 32 and 33.

#### **Remuneration of the Chairperson and Members**

The PCRC concluded that the remuneration of PCRC members was inadequate and that the Commission Members remuneration should be commensurate with the importance of those responsibilities and the complexity of the subject matter that they regulate. In response to PCRC's recommendation the remuneration for members was increased when the Minister for Racing and Gaming on the recommendation of the Public Sector Commissioner, determined on 17 November 2022 an increase of the remuneration of the Commission in accordance with the provisions of the Gaming and Wagering Commission Act 1987. The Minister also set rates for committees of the Commission.<sup>2</sup>

#### **Appointment of Chief Finance Officer**

In 2022-23, the Commission's Chief Finance Officer, not being the DLGSC Chief Finance Officer, was appointed. The Chief Finance Officer, Ms Meera Govindan, reports to the Commission on the financial performance of their functions and duties. This position oversees all statutory financial and reporting obligations for the Commission including financial management, procurement, and internal assurance and auditing for the purpose of reform, regulation and maintaining the Commission's integrity of gaming and wagering activities in Western Australia.

#### **Governance work program**

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

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

#### **Code of Conduct policy**

The Commission amended its Code of Conduct to provide additional guidance on how conflicts can arise for a Commission member in respect of casino operations and interactions with the staff of a casino licensee and the declaration and management of conflicts of interest in respect of pecuniary interests is consistent with section 17 of the *Gaming and Wagering Commission Act* 1987.

The Code of Conduct Policy and the Managing Conflicts of Interest Guidelines were approved in February 2023 by the Commission. A declarations register continues to be administered and is tabled at each monthly meeting.

#### **Commission Strategic Plan**

The Commission held a strategic planning day in July 2022, which led to the development of a <u>Strategic Plan</u>, which was approved in January 2023. The plan succinctly articulates the Commission's objectives and the strategies by which the goals will be achieved.



#### **Commission Charter**

The Commission approved in February 2023 a Charter which is to assist Commission Members to understand their role and to ensure the Commission complies with relevant statutory provisions. The Commission Charter establishes a framework to support the effective governance and operations of the Commission.

#### **Audit and Risk Committee**

The Commission sought approval from the DLGSC's Audit and Risk Committee (ARC) to become a member of the DLGSC's ARC. The Commission considered that this was the most efficacious manner to establish an effective internal audit function to meet the requirements of the *Financial Management Act 2006* and Treasurers' Instructions 1201, given their understanding of the Commission's functions. The Commission participated in one meeting of the DLGSC's ARC during the financial year.

#### **Service Level Agreement**

A service level agreement (SLA) was developed and signed between DLGSC and the Commission for the services provided by the agency to the Commission. The term is for a one-year period and it is anticipated that the next SLA will be refined further.

#### **Induction package**

For continuous improvement the induction package is reviewed throughout the year by the GWC Secretariat and was amended to contain the Code of Conduct Policy and the Commission Charter. As part of the induction, newly appointed members, in accordance with <u>Commissioner's Instruction No. 8 – Codes of conduct and integrity training (CI 8)</u> undertook Accountable and Ethical Decision Making (AEDM) during the year.

#### **Commission Member skills matrix**

In response to the PCRC recommendations a Commission Member skills matrix was developed based on a skills audit undertaken in which Commission members' formal qualifications were assessed, and self-assessment questionnaires were completed to identify existing competencies. In the areas where skill gaps are evident, the Commission is evaluating suitable training providers to support future professional development of members. The skills matrix was submitted to the Minister for Racing and Gaming and will assist in the future nomination of suitable candidates for appointment to the Commission.

#### **Continuous professional development**

The PCRC made recommendations related to the future capability and effectiveness of the Commission, which included the implementation of training and continued education programs. Accordingly, programs are currently under development for the Commission and the Chief Casino Officer (CCO), as well as a specialised induction for the CCO.

During the year, professional development opportunities were also offered to the Commission. These opportunities included:

- Regulating the Game Conference, Sydney (and on-line)
- Australasian Casino and Gaming Regulators (ACGR), Darwin
- International Association of Gaming Regulators (IAGR) Conference, Melbourne.

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

#### **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 licence 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 2022–23.

#### **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 the rules of authorised casino games and casino procedural and operating manuals.

#### **Licensing of casino staff**

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 2022-23, 601 casino key employees and casino employees had applications determined compared to 707 in 2021-22 and 615 in 2019-20.

Table 3 provides a four-year summary of the total number of active licences for staff employed at the casino who are involved in casino gaming.

Table 3: Number of active casino key employees and casino employees licensed in 2019-20 to 2022-23.

Number licensed	2019-20	2020-21	2021-22	2022-23
Casino key employee <sup>(1)</sup>	516	515	559	601
Casino employee	1,632	1,594	1,561	1,433
Total	2,148	2,109	2,120	2,034

Notes

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

#### **Automatic Mutual Recognition**

On 1 July 2022 the national Automatic Mutual Recognition (AMR) scheme, designed to improve mobility of occupational licences and registrations commenced in Western Australia (WA). Occupational licences included in the scheme include casino employees, bookmakers and gaming equipment suppliers. To be eligible, a person must be licensed in their home state and only working temporarily in WA and must provide notice to the local registration authority (the Commission) before commencing work. No fee is payable. During 2022-23 there were 408 notifications for casino employees received.

#### 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 the verification of casino taxable revenue and casino tax paid to the Treasurer of the State, and the integrity of 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 2022-23, a total of 5,417 audits, inspections, assessments, and investigations were undertaken on behalf of the Commission related to casino gaming.

In addition, one infringement notice was issued to the casino licensee for breaches of section 33 of the *Casino Control Act 1984* which related to a contravention of a direction 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:

- a monthly targeted compliance operation which focused on a particular aspect of gaming operations at the casino; and
- 141 submissions provided for the Commission's consideration related to investigations, compliance outcomes, regulatory instrument approvals, licensing, and probity approvals.

#### **Regulatory instruments**

Pursuant to section 24 of the *Casino Control Act 1984*, the Commission may issue Directions about the organisation, management, control and use of the casino, including the organisation, management and control of gaming operations at the casino.

In accordance with a Direction, 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.

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:

- two Casino Directions were issued;
- one amendment to the approved rules for authorised games was approved; and
- eight amendments to Casino Manuals were approved.

#### Casino statistics

As of 1 July 2023, there were 223 active gaming tables and 2,465 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 2022-23, gross casino gaming revenue of approximately \$492 million was generated, producing casino tax of approximately \$56 million for the State.

In 2022-23, 6.21 million people attended the Perth casino compared to 5.23 million in 2021-22. This is well below numbers in 2018-19 of more than 8.1 million entries, which was prior to the COVID-19 pandemic (Figure 2).

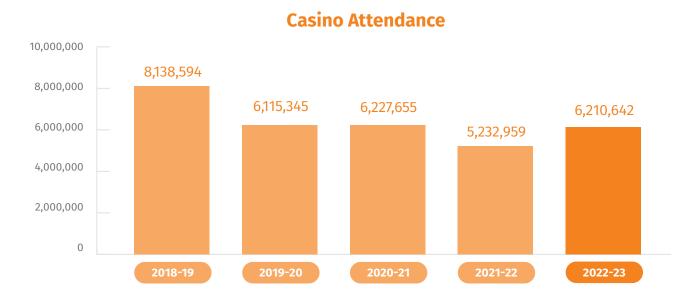


Figure 2: Casino attendance figures from 2018-19 to 2022-23



#### Crown Perth Casino – Audit and Inspection Compliance Operation

A planned Gaming and Wagering Compliance Operation was scheduled at Crown Perth Casino on Good Friday in 2023 to conduct a range of audits and inspections of their electronic gaming machines, table gaming equipment and other casino operational activities. Good Friday is unique in that it is one of two days per year when the casino main gaming floor is closed to the public from 3am to 10pm. Accordingly, the closure presented an opportunity to conduct a wide range of compliance audits and inspections.

#### **Community Gaming**

Section 51 of the *Gaming and Wagering Commission Act 1987* provides that community 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 requisite 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 assessment as well as demonstrate the required skills needed for working in the gaming industry.

#### **Licensing of community gaming**

During 2022-23, a total of 1,779 community gaming permits were approved, while 129 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 four 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 four-year period.

Table 4: Number of gaming permits/certificates issued in 2019-20 to 2022-23.

Number of gaming permits/ certificates issued	2019-20	2020-21	2021-22	2022-23(1)
Bingo permit	187	160	207	210
Continuing lottery permit	121	128	115	115
Gaming function permit	377	354	378	417
Standard lottery permit	674	730	753	762
Calcutta permit	34	40	42	35
Two-up permit	44	49	40	46
Video lottery terminal permit	237	288	223	194
Total	1,674	1,749	1,758	1,779
Class of gaming equipment certificate	0	7	0	12
Item of gaming equipment certificate	2	0	0	0
Approval of premises certificate	88	95	65	70
Gaming operator's certificate	18	38	32	44
Supplier's certificate	8	1	5	3
Total	116	141	102	129

<sup>(1)</sup> An additional 36 two-up permits were issued for ANZAC Day - refer to Ministerial Directions section p87.

#### **Agency Performance**

In 2022-23, community gaming activities in Western Australia raised more than \$141.8 million (gross) for permit holders. Following the deduction of expenses associated with running events, an approximate net amount of \$67 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 762 permits granted generating nearly \$63 million (\$104.9 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 were the next most popular type of community gaming generating approximately \$1.71million (net). Table 5 provides further information on the gross and net revenue raised by permit holders during 2022-23 as well as comparison data for the three previous financial years.

Table 5: Summary of the gross and net revenue generated from community gaming permit holder activities in 2019-20 to 2022-23.

Comparison of gross and net revenue raised by gaming permit holders									
	2019-20		2020-21		2021-22		202	2-23	
	Gross	Net	Gross	Net	Gross	Net	Gross	Net	
Bingo	\$5,858,399	\$673,654	\$6,195,657	\$1,437,681	\$6,983,036	\$949,351	\$7,790,206	\$915,345	
Continuing lottery	\$3,638,016	\$783,462	\$3,259,365	\$745,983	\$3,728,571	\$729,042	\$4,465,878	\$996,202	
Gaming functions	\$8,567,045	\$480,860	\$6,254,186	\$518,439	\$13,823,019	\$1,154,924	\$20,569,103	\$1,706,953	
Standard lottery	\$44,669,836	\$24,292,628	\$83,083,557	\$49,675,226	\$89,167,061	\$55,898,293	\$104,885,739	\$62,963,005	
Calcutta	\$468,382	\$76,497	\$445,727	\$95,119	\$827,828	\$172,292	\$582,644	\$89,090	
Two-up	\$51,888	\$16,821	\$52,304	\$18,808	\$56,990	\$21,695	\$53,631	\$20,216	
Video lottery terminals	\$4,659,043	\$465,904	\$3,622,566	\$362,256	\$3,776,585	\$377,658	\$3,578,326	\$357,833	
Total	\$67,912,609	\$26,789,826	\$102,913,362	\$52,853,512	\$118,363,090	\$59,303,255	\$141,871,527	\$67,048,644	

#### **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 2022-23, fees for licensing activities (excluding casino employee licensing) amounted to \$798,802. Table 6 provides a four-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 to 2022-23.

Revenue by licence type	2019-20	2020-21	2021-22	2022-23
Bingo	\$56,798	\$60,410	\$64,932	\$71,162
Continuing Lottery	\$47,811	\$45,220	\$42,175	\$41,678
Gaming	\$366,069	\$413,115	\$439,892	\$484,675
Class/Item of Gaming Equipment	NIL	\$830	NIL	\$1,304
Standard Lottery (including Calcutta)	\$75,695	\$77,075	\$88,082	\$89,131
Two-up	\$21,697	\$23,380	\$18,342	\$21,548
Operator's Certificate	\$4,296	\$10,484	\$6,459	\$10,375
Supplier's Certificate	\$2,318	\$2,510	\$2,712	\$1,057
Video Lottery Terminals	\$51,619	\$45,978	\$46,036	\$43,342
Approved Premises	\$6,350	\$6,413	\$5,273	\$5,096
Bookmaker/Totalisator	\$17,532	\$18,314	\$24,251	\$24,217
Bookmaker Manager/Employee	\$599	\$498	\$213	\$861
Racing Wagering Western Australia Director / Key Employee	\$4,455	\$7,954	\$4,885	\$4,358
Total	\$655,239	\$712,181	\$743,252	\$798,802

#### 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 1,281 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 2022-23, 9 Infringement Notice and 20 Caution Notices were issued for non-compliance with the legislative requirements. The Commission considered 38 submissions related to community gaming.

#### **Wagering**

The Commission has responsibility for the regulation of wagering activities in Western Australia, including licensing of parties within the wagering industry and compliance, investigations and enforcement responsibilities.

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

The Commission is responsible for licensing Racing and Wagering Western Australia (RWWA) directors and key employees in accordance with the *Racing and Wagering Western Australia Act* 2003. Table 7 provides a four-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 RWWA in 2019-20 to 2022-23.

Number licensed	2019-20	2020-21	2021-22	2022-23
Directors	11	11	11	11
Key employees <sup>(1)</sup>	81	82	80	84
Total	92	93	91	95

Note:

#### **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 four-year summary of the total number of licences in operation in Western Australia race fields. In 2022-23 the number of active bookmakers operating in Western Australia remains stable as the number of new licences granted equals the number cancelled for the same period.

Table 8: Number of licences issued for bookmakers in 2019-20 to 2022-23.

Number licensed	2019-20	2020-21	2021-22	2022-23			
Bookmaker's licence							
Active	25	23	22	22			
Bookmaker's manager licence							
Issued	0	1	0	2			
Expired	0	3	1	0			
Bookmaker's employee licence							
Issued	18	6	2	10			
Expired	17	16	23	12			

<sup>(1)</sup> A key employee of RWWA is defined in section 24(2) of the Racing and Wagering Western Australia Act 2003.

#### **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
- inspections 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, 335 audits, inspections, assessments, and investigations were undertaken on behalf of the Commission related to wagering. No issues of non-compliance were identified.

In 2022-23, 35 submissions were made to the Commission relating to the racing industry.

#### **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 RWWA.

Approximately \$124.09 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. A new policy was approved by the Commission in June 2022 and further improvements to Racing Bets Levy procedures have now been implemented to improve compliance and timeliness of payments by bookmakers, and wagering operators.

#### **Harm minimisation**

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

The Problem Gambling Support Services Committee (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.

#### **Agency Performance**

As of 30 June 2023, the PGSSC was constituted by the members below.

Chairperson: DLGSC

Member organisations: Gaming and Wagering Commission of Western Australia

Crown Perth

RWWA

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 2022-23

A total of \$1,195,182 was allocated to fund research and promote and provide counselling and support services in 2022-23.

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.

A contract extension of three-month for the 24/7 Problem Gambling Helpline and twelve-months for the Gambling Help WA (face-to-face counselling) were endorsed by the PGSSC and recommended to the Commission, with procurement processes foreshadowed in the 2023-24 financial year.

In March 2022, the PCRC Final Report recommended to Government that the PGSSC be replaced with a new independent advisory body.

#### **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 Health Solutions Telehealth have been contracted to provide the telephone counselling service. Table 9 provides a four-year summary of the total number of calls received from people affected by problem gambling. 632 calls were handled by the Helpline over the reporting period. Of the 632 callers, 65.61 per cent (414 callers) 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 for a four-year period from 2019-20 to 2022-23.

	2019-20	2020-21	2021-22	2022-23
Calls to the Helpline	514	609	572	632

#### **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 a number of metropolitan and regional areas by contacting Centrecare.

Centrecare has been operating the Gambling Help WA counselling service for more than 20 years, Centrecare provides a range of services and activities with a focus on therapeutic counselling and social support as well as community awareness. The program helps clients increase knowledge, skills, and strategies to better manage their own gambling behaviour and also conducts group sessions. Centrecare works with external agencies, gambling operators and its own marketing channels to obtain referrals and raise awareness. In 2016, Centrecare was awarded preferred service provider status to operate the service and the current agreement expires on 30 June 2024. The contract is monitored by DLGSC, and reports are provided to the PGSSC.

Table 10 provides a four-year summary of the total number of counselling sessions held by Centrecare. Centrecare registered 424 new clients within the reporting period with 75 per cent identified as male clients with the majority aged 30 and over.

Table 10: Number of Gambling Help WA sessions in 2019-20 to 2022-23.

	2019-20	2020-21	2021-22	2022-23
Gambling Help WA Sessions	1,738	2,173	2,408	2,124



#### **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 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 2022 and 30 June 2023 is shown in Table 11. Of the 486 service requests originating from Western Australia, 468 people went on to participate with live counselling in 2022-23 compared with 341 in 2021-22. Of the 468 clients who undertook live counselling, 74.1 per cent identified as male clients and 23.1 per cent identified as female clients (2.8 per cent did not disclose their gender), with the majority aged between 20 and 39.

Table 11: Demand for online counselling services by State in 2022-23.

Online Counselling by State in 2022-23								
	NSW	VIC	QLD	SA	WA	ACT	TAS	NT
Online Requests for assistance	2,877	2,037	1,519	486	468	103	151	60
Percentage of total requests	37.4%	26.4%	19.7%	6.3%	6.1%	1.3%	2.0%	0.8%

#### **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 17 to 23 October 2022. The "What are you gambling with" problem gambling awareness campaign was advertised in gambling venues across Western Australia.

Advertising directed users to the <u>GambleAware website</u> 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.

Jurisdictions agreed to extend the current Memorandum of Understanding for a further 12-months, to have expiry of 30 June 2024.

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

The <u>Gambling Research Australia website</u> 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 Trust is independently appointed by the Minister for Racing and Gaming and comprises of the Chairperson of the Commission, one person on the nomination of the casino licensee and three persons who have experience or expertise relevant to its functions.

On 24 October 2022 and 20 February 2023, two new members were appointed to the Gaming Community Trust by the Minister for Racing and Gaming. The membership as of 30 June 2023 was:

- Dr Michael Schaper (ex officio Chairperson):
- Mr John Van der Wielen (nominee of the casino licensee);
- Dr Jurgen Bröhmer;
- Ms Linda Savage; and
- Ms Rebecca Adam.



#### Activities during 2022-23

On 1 June 2023, a new funding round for Gaming Community Trust grants was opened. The round was closed on 13 July 2023. It's anticipated that funding will be dispersed towards the end of 2023. While no new grants were approved by the Minister for Racing and Gaming during the reporting period, two payments were made as part of grants that were approved in prior years.

#### Starick Services

On 3 December 2020, the Minister for Racing and Gaming approved a grant from the Gaming Community Trust of \$210,000 (GST excluded), with a possible additional final payment of \$135,000 for a third year for Starick to undertake its 'Early Intervention Project for Children Impacted by Family and Domestic Violence': \$64,000 was paid in February 2021; \$146,000 was paid in October 2021; and the additional final instalment of \$135,000 was paid in March 2023 after a request to extend the project was approved by the Trust.

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. The comprehensive progress report was lodged on 29 November 2022.

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.

#### Clubs WA

On 3 December 2020, the Minister for Racing and Gaming approved a grant for \$180,000 (GST excluded) to fund the Clubs WA's 'Club Kickstarter Recovery' program. Clubs WA support, assist, strengthen and grow the licensed club industry in WA, by being a strong and member focused advocacy and lobbying voice and the provider of choice for all staff training and development.

The purpose of the program is to enable regional clubs to recover from the COVID-19 pandemic, become financially self-sustaining and build their volunteer and membership bases. Through the Club Kickstarter Recovery program, Clubs WA offers training, mentoring and information to regional clubs to assist them to recover from the negative impacts of the COVID-19 pandemic. In January 2021, \$180,000 was paid and in January 2023, a further \$84,600 was paid, with a subsequent approval of a third and final payment in January 2024 subject to a satisfactory progress report being provided to the Trust.

#### **Sports Wagering Account**

The Gaming and Wagering Commission (the Commission) is responsible for administering the Sports Wagering Account (s110A Gaming and Wagering Commission Act 1987).

The Commission, as directed by the Minister for Sport and Recreation, distributes the funds in the account to organisations that provide or support sport and recreation activities. The Department of Local Government, Sport and Cultural Industries issues and manages grants on behalf of the Minister for Sport and Recreation.

The Sports Wagering Account receives an annual appropriation from Treasury. Dividends, fixed odds winnings, and/or refunds paid by RWWA in respect of wagers made on sporting events, which remain unclaimed for seven months after the moneys become payable, must be paid by RWWA into the Sports Wagering Account (s104 of the *Racing and Wagering Western Australia Act 2003*).

In 2022-23, 103 separate grants were funded from the Sports Wagering Account to a total value of \$4,493,955.

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

#### **Participation**

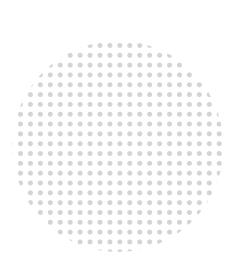
Investment supports increased participation in sport and active recreation.

### Capacity Building (Organisational)

Investment improves the capacity and capability of organisations to enable better provision of sport and active recreation opportunities for Western Australians.

#### Integrity

Investment supports and protects the integrity of sport and active recreation in Western Australia.





The funds were provided to sport and active recreation organisations and local government authorities for the following purposes:

Every Club Grant Scheme	Builds governance, planning and management practices of sport and active recreation clubs.
Inclusive Participation Grants Program	Assists 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 people, culturally and linguistically diverse (CaLD) people and people with disability.
Industry Investment Program	Strengthens the capacity and sustainability of the sector in sport and active recreation activities in Western Australia. This funding invests into the strategic plans of peak bodies and state active recreation organisations.
Western Australia Hiking Participation Grants Program	Encourages development and delivery of new opportunities for participation in hiking, including skill development and building the capacity of leaders (including guides, instructors and volunteers).
Community Place-Based Grants Program	Encourages 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 atrisk youth and their families.
Outdoor Active Recreation Participation Grants Program	Encourages investment in innovative projects which increase participation and promote inclusion in outdoor active recreation.
Events Funding Program	Supports organisations to plan, secure and/or host international, national, state league and mass participation events in WA.
Regional Organisation Grants Program	Improves the quality of sporting and active recreation opportunities for people in regional WA whilst assisting the department meet its regional strategic outcomes.
Strategic Initiatives Grants Program	Supports organisations to develop and deliver strategic projects that align to one or more State Government-endorsed policies, strategies or priorities and demonstrate long-term benefits to the sport and active recreation sector in WA. These include participation, organisational capacity building and integrity projects.

#### **National Consumer Protection Framework for Online Wagering**

Western Australia is a party to the National Consumer Protection Framework for Online Wagering (NCPF). 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 (IGC) and associated working parties of the NCPF. Involvement on the Committee helps to ensure Western Australians benefit from the introduction of the measures that were developed under the NCPF to reduce harm from online wagering.

The NCPF consists of ten consumer protection measures intended to cover all forms of online wagering conducted using any telecommunication service. The NCPF came into effect on 26 November 2018 and all jurisdictions committed to progressively implementing the principles through legislative changes, directions or conditions imposed on licences. Implementation of the final NCPF measure 10, the National Self-Exclusion Register 'BetStop' is to be launched in August 2023. Table 12 summarises the ten NCPF measures and their implementation date.

The IGC is working to ensure national consistency on the compliance and enforcement activities for the NCPF measures, along with information sharing between regulators. The IGC is likely to evolve into a Senior Officials Working Group, with a mandate to consider future policy measures for online wagering beyond the NCPF and other harm minimisation opportunities.

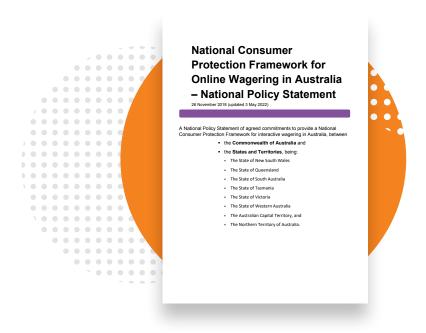


Table 12: Implementation date of the 10 consumer protection measures under the NCPF.

Me	asure	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.	Came into effect on 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.	Came into effect on 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.	Came into effect 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' scheduled to be launched in August 2023.





## Emerging Issues Impacting the Commission

## Current and emerging issues

#### **Perth Casino Royal Commission**

The PCRC 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 Commission continues to strengthen its governance arrangements and the casino gaming regulatory environment into the next financial year. The Commission has continued to progress implementation of last year's Ministerial Direction, issued by the Minister for Racing and Gaming in April 2022. This, along with the remediation work undertaken by Crown Perth under the watch of the Independent Monitor, is intended to help restore public confidence in casino gaming in Western Australia.

The program of reform arising from the PCRC 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 by Government and regulatory policy reform, including the areas of electronic gaming machines and harm minimisation.

The Commission also continues to meet with and work co-operatively with the Independent Monitor.

#### Legislative reform arising from Perth Casino Royal Commission findings

In response to the findings of the PCRC that the legislation under which the Perth casino is regulated is not fit for purpose and requires replacement by a modern regulatory framework, and the initial tranche of immediate legislative changes passed under the *Casino Legislation Amendment (Burswood Casino) Act 2022* in September 2022, the DLGSC has initiated work on legislative reforms that will be progressed in two further tranches. Cabinet has approved the drafting of the second tranche of legislative amendments to primarily address Recommendation 35 of the PCRC Final Report, and work to review and update all WA gambling legislation in the third tranche of reforms has also commenced to primarily address Recommendations 14 and 15 of the PCRC Report.

The Commission will support the Government in its review of gambling legislation and implementation of the reforms.

The structure of the Commission is currently being reviewed as part of the organisational design review of the Commission and the Racing, Gaming and Liquor Directorate (RGL) with DLGSC. The review will develop proposed models on how the Commission and RGL may be structured in the future to best meet their regulatory responsibilities.

#### Federal inquiry into online gambling

On 28 June 2023, the Commonwealth House of Representatives Standing Committee on Social Policy and Legal Affairs (Committee) released its report following the inquiry into online gambling and its impacts on those experiencing gambling harm (Inquiry). The recommendations in the report are likely to inform policy changes and gambling harm minimisation initiatives across Australia.

## Changes in written law

The Casino Legislation Amendment (Burswood Casino) Act 2022 (Act number 32 of 2022) was passed by Parliament on 28 September 2022, amending the Gaming and Wagering Commission Act 1987 and the Casino Control Act 1984. The changes came into effect on 29 September 2022.

The Rules for Wagering Amendment Rules 2022 were gazetted on 15 July 2022. The amended rules related to 'Same Race Multi' bet types and introduced several new racing products.

The changes to fees and charges are discussed in Pricing Policies of Services Provided section.





# Disclosures and Legal Compliance

## Auditor General's Opinion



#### INDEPENDENT AUDITOR'S REPORT

2023

**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 2023, 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 2023 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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7th 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 misstatements, 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 <a href="https://www.auasb.gov.au/auditors">https://www.auasb.gov.au/auditors</a> responsibilities/ar4.pdf.

#### Report on the audit of controls

#### **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 the State's financial reporting framework (the overall control objectives).

In my opinion, 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 the State's financial reporting framework during the year ended 30 June 2023.

#### 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.

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#### **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 Engagement 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 2023. 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 2023.

#### 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 controls 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.

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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 Instructions 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 management relating to the report 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 ASQM 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements,* the Office of the Auditor General maintains a comprehensive system of quality management 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 2023, 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 my 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 and key performance indicators or my knowledge obtained in the audit or otherwise appears to be materially misstated.

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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

The 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 2023 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.

Jan Koberson

Grant Robinson Assistant Auditor General Financial Audit Delegate of the Auditor General for Western Australia Perth, Western Australia 29 September 2023

### Financial Statements

#### **Certification of Financial Statements**

#### For the reporting period ended 30 June 2023

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 2023 and the financial position as at 30 June 2023.

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.

Ms Meera Govindan
Chief Finance Officer

Gaming and Wagering Commission

Olgarindan

29 September 2023

**Dr Michael Schaper** Chairperson

M Chaper

Gaming and Wagering Commission

29 September 2023

Ms Katie Hodson-Thomas
Deputy Chairperson

Gaming and Wagering Commission

29 September 2023

#### **Statement of comprehensive income**

For the year ended 30 June 2023

	Notes	2023 \$	2022 \$
COST OF SERVICES			
Expenses			
Board Members' remuneration	2.1	285,680	108,654
Expenses related to restricted cash and special purpose			
accounts	2.3	128,207,201	136,182,616
Services and contract fees	2.2	6,204,506	5,967,199
Total cost of services		134,697,387	142,258,469
Income			
User charges and fees	3.2	5,259,497	4,656,658
Revenue related to restricted cash and special purpose	0.0	100 700 000	100 050 005
accounts	3.3	123,798,226	133,058,835
Total income		129,057,723	137,715,493
NET COST OF SERVICES		5,639,664	4,542,976
Income from State Government			
Sports Wagering Account	3.1	4,000,000	3,900,000
Problem Gambling Support Fund	3.1	900,000	900,000
Funds from other public sector entities	3.1	1,800,000	1,280,000
Resources received	3.1	128,590	40,998
Interest revenue	3.1	25,531	5,657
Total income from State Government		6,854,121	6,126,655
SURPLUS FOR THE PERIOD		1,214,457	1,583,679
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		1 21/. /.57	1 502 670
IO IAL COMPREHENSIVE INCOME FOR THE PERIOD		1,214,457	1,583,679

The Statement of comprehensive income should be read in conjunction with the accompanying notes.

#### **Statement of financial position**

**As at 30 June 2023** 

	Notes	2023 \$	2022 \$
ASSETS			
Current Assets			
Cash and cash equivalents	5.1	1,378,113	1,285,903
Restricted cash and cash equivalents	5.1, 7.6	8,577,872	16,301,247
Receivables	4.1	9,061,355	10,904,301
Contract assets	4.2	829,151	772,970
Total Current Assets		19,846,491	29,264,421
Total Assets		19,846,491	29,264,421
LIABILITIES Current Liabilities Payables	4.3	9,815,607	20,447,994
Total Current Liabilities		9,815,607	20,447,994
Total Liabilities		9,815,607	20,447,994
Net Assets		10,030,884	8,816,427
<b>EQUITY</b> Accumulated surplus		10,030,884	8,816,427
Total Equity		10,030,884	8,816,427

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 2023

surplus \$	Total equity \$
7,232,748	7,232,748
1,583,679 -	1,583,679 -
1,583,679	1,583,679
8,816,427	8,816,427
8,816,427	8,816,427
1,214,457	1,214,457
-	-
1,214,457	1,214,457
10,030,884	10,030,884
	\$\frac{\$\sqrplus}{7,232,748} \\ 1,583,679 \\ -\frac{1,583,679}{8,816,427} \\ 8,816,427 \\ 1,214,457 \\ -\frac{1,214,457}{-\frac{1}{2}14,457} \\

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 2023

Notes	2023 \$	2022 \$
Cash flows from State Government		
Sports Wagering Account	4,000,000	3,900,000
Problem Gambling Support Fund	900,000	900,000
Funds from other public sector entities	1,800,000	1,280,000
Interest received	19,507	4,891
Net cash provided by State Government	6,719,507	6,084,891
Utilised as follows:		
Cash flows from operating activities		
Payments		
Board members' remuneration	(277,822)	(108,815)
Payments related to restricted cash and special purpose	,	,
accounts	(138,448,734)	(126,632,532)
Services and contract fees	(6,065,707)	(5,711,912)
GST payments on purchases	(1,039,443)	(1,238,690)
GST payments to taxation authority	(12,546,505)	(13,104,712)
Receipts		
User charges and fees	4,966,196	4,653,139
Receipts related to restricted cash and special purpose	405 675 067	422.052.020
accounts	125,675,867	132,053,828
GST receipts on sales	12,494,027	13,307,874
GST receipts from taxation authority	891,449	1,140,998
Net cash (used in)/provided by operating activities	(14,350,672)	4,359,178
Net (decrease)/increase in cash and cash equivalents	(7,631,165)	10,444,069
Cash and cash equivalents at the beginning of the reporting period	17,587,150	7,143,081
Cash and cash equivalents at the end of the reporting	17,507,150	7,143,001
period 5.1	9,955,985	17,587,150

The Statement of cash flows should be read in conjunction with the accompanying notes.

#### **Notes to the Financial Statements**

#### For the year ended 30 June 2023

#### 1. Basis of Preparation

The Gaming and Wagering Commission of Western Australia (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' section of the Annual Report.

These annual financial statements were authorised for issue by the Accountable Authority of the Commission on 29 September 2023.

#### 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.

#### Comparative information

Except when an Australian Accounting Standard permits or requires otherwise, comparative information is presented in respect of the previous period for all amounts reported in the financial statements.

#### 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 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 incurred by DLGSC in providing these support services.

Recoups from the Commission to DLGSC are made on a monthly basis.

#### 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 remuneration	2.1
Services and contract fees	2.2
Expenses related to restricted cash and special purpose accounts	2.3

#### 2.1 Board Members' remuneration

	\$	\$
Board fees	258,259	98,766
Superannuation - defined contributions plans	27,421	9,888
Total Board Members' remuneration	285,680	108,654

Board 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*.

Superannuation is the amount recognised in profit or loss of the Statement of comprehensive income that comprises employer contributions paid to the Gold State Superannuation (GSS) (concurrent contributions), the West State Superannuation (WSS), the Government Employees Superannuation Board (GESB), or other superannuation funds.

#### 2.2 Services and contract fees

	2023 \$	2022 \$
Professional services	5,992,302	4,892,548
Expenses related to PCRC	-	960,322
Audit fees	105,600	73,400
Consumables	451	263
Conference/seminar	31,569	1,368
Advertising	933	2,591
Bank fees and charges	6,361	5,350
Other operating expenses	67,290	31,357
Total services and contract fees	6,204,506	5,967,199

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.

**Professional Services** largely relate to the services provided to the Commission by DLGSC.

**Expenses related to PCRC** consisted of legal expenses which occurred in 2021-22.

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

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

	2023 \$	2022 \$
Problem Gambling Support Fund	513,144	499,507
Gaming Community Trust Fund	219,600	623,161
Sports Wagering Account	4,493,955	3,893,615
Total grant payments	5,226,699	5,016,283
Racing Bets Levy payment to Racing and Wagering Western Australia	122,264,135	130,817,931
Other services and contract fees - relates to restricted cash and special purpose accounts <sup>(a)</sup>	716,367	348,402
Total expenses related to restricted cash and special purpose		
accounts	128.207.201	136,182,616

<sup>(</sup>a) Other services and contract fees include professional services, and other operating expenses related to the Problem Gambling Support Services (2023: \$364,379; 2022: \$307,727), Gaming Community Trust Fund (2023: \$2,267; 2022: \$0), and Racing Bets Levy Account (2023: \$349,721; 2022: \$40,675).

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

	\$	\$
Sports Wagering Account	4,000,000	3,900,000
Problem Gambling Support Fund	900,000	900,000
Funds from other public sector entities	1,800,000	1,280,000
Services received free of charge	128,590	40,998
Interest revenue	25,531	5,657
Total income from State Government	6,854,121	6,126,655

**The Sports Wagering Account** received appropriation from the Department of Treasury (2023: \$4.0 million, 2022: \$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 of Western Australia (2023: \$500,000, 2022: \$500,000) and Racing and Wagering Western Australia (2023: \$400,000, 2022: \$400,000). The contributions are recognised when the funds are received.

**Funds from other public sector entities** relate to an appropriation of funds received from the Department of Treasury to the DLGSC's bank account which is then transferred to the Commission to assist with the new board remuneration levels set by the previous Minister for Racing and Gaming on advice from the Public Sector Commissioner and to assist with additional expenses incurred by the Commission during the financial year.

**Services received free of charge** are recognised as income equivalent to the fair value of the assets received, or the fair value of those services that can be reliably determined and which would have been purchased if not donated. This relates to legal services received from the State Solicitor's Office for the Commission.

#### Summary of consolidated account appropriations

#### For the year ended 30 June 2023

	2023 Budget \$	2023 Supple- mentary Funding \$	Revised Budget \$	2023 Actual \$	2023 Variance \$
Delivery of Services					
Item 27 Net amount appropriated through the Department of Treasury	4,000,000	-	4,000,000	4,000,000	-
Total appropriations	.,,		.,	.,,	
provided to deliver services	4,000,000	-	4,000,000	4,000,000	-
Total consolidated account appropriations	4,000,000	-	4,000,000	4,000,000	_

#### 3.2 User charges and fees

	\$	\$
Casino gaming licence fee	3,316,605	3,091,881
Application/licences permits	809,810	773,151
Returns/levies	135,203	136,626
Other	213,246	1,063
Recoups for services provided (a)	784,633	653,937
Total user charges and fees	5,259,497	4,656,658

<sup>(</sup>a) Recoups for services provided include services provided to Racing and Wagering Western Australia (2023: \$659,330; 2022: \$531,091), and Lotterywest of Western Australia (2023: \$125,303; 2022: \$122,846).

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 its 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 a 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 relating to gaming activities. Fees are collected for which there is no performance obligation and therefore recognised under AASB 1058 when the payments are received.

Other revenue is recognised when fees are received, and predominantly relate to refund of overpaid prior year bank fees, fines, penalties and infringements.

Revenue is recognised at a point-in-time for recoups of services provided for:

- regulation of Racing and Wagering Western Australia operations; and
- 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

	2023 \$	2022 \$
Contributions (a)	1,187,262	1,774,306
Racing Bets Levy	122,148,787	131,186,485
Interest revenue - relates to restricted cash and special purpose		
accounts	462,177	98,045
Total revenues related to restricted cash and special purpose		
accounts	123,798,226	133,058,836

<sup>(</sup>a) Contributions include funding from the Problem Gambling Support Services (2023: \$501,500; 2022: \$499,318), Gaming Community Trust Fund (2023: \$228,695; 2022: \$214,435), Sports Wagering Account (2023: \$457,067; 2022: \$1,060,553) and Racing Bets Levy (2023: \$0; 2022: \$0).

Revenue is received for contributions to the Problem Gambling Support Fund, Gaming Community Trust Fund and Sports Wagering 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 and refer to Note 4.1 for other receivables in relation to the Racing Bets Levy due to the Commission.

#### 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
Contract assets	4.2
Payables	4.3

#### 4.1 Receivables

	\$	\$ \$
Current		
Trade receivables	79,902	73,265
Other receivables (a)	8,840,388	10,785,772
Accrued revenue	141,065	45,264
Total current	9,061,355	10,904,301
Total receivables at end of the period	9,061,355	10,904,301

<sup>(</sup>a) Largely relates to June 2023 Bookmakers' levies due to the Commission.

#### **Disclosures and Legal Compliance**

Trade 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.

#### 4.2 Contract assets

	\$	\$
Reconciliation of changes in contract assets		
Opening balance	772,970	750,369
Additions	829,151	772,970
Revenue recognised in the reporting period	(772,970)	(750,369)
Balance at end of period	829,151	772,970

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.

#### 4.3 Payables

	2023 \$	\$
Current		
Trade payables	347,799	237,355
Other payables <sup>(a)</sup>	8,890,913	19,432,582
GST Payable	576,895	778,056
Total payables at end of period	9,815,607	20,447,993

(a) Largely relates to June 2023 Racing Bets Levy due to Racing and Wagering Western Australia

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.

#### 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	2023 \$	2022 \$
Cash and cash equivalents		1,378,113	1,285,903
Restricted cash and cash equivalents	7.6	8,577,872	16,301,247
Balance at end of period		9,955,985	17,587,150

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:

	2023 \$	2022 \$
Financial assets		
Cash and cash equivalents	1,378,113	1,285,903
Restricted cash and cash equivalents	8,577,872	16,301,247
Financial assets at amortised cost <sup>(a)</sup>	9,061,355	10,904,301
Total financial assets	19,017,340	28,491,451
Financial liabilities		
Financial liabilities at amortised cost (b)	9,238,712	19,669,937
Total financial liability	9,238,712	19,669,937

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

#### 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 transactions	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

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

#### 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 Cabinet Ministers, Board Members 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 board members and senior officers of the Commission for the reporting period are presented within the following bands:

#### **Compensation band of Board Members of the Commission**

#### Compensation band (\$)

50,001 - 100,000

0 - 50,000

Compensation of members of the Commission (a)

#### **Total compensation of members of the Commission**

2023	2022
1	_
8	12
\$	\$
285,680	108,597
285,680	108,597

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 of the Commission**

#### Compensation band (\$)

0 - 50.000

Compensation of members of senior officers (a)

#### **Total compensation of members of senior officers**

2023	2022
1	1
\$	\$
-	-
-	-

(a) Total compensation includes the superannuation expense incurred by the Commission in respect of Board 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 members, 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 service fees paid to 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 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 Fund**

The Problem Gambling Support Fund 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.

Balance at start of period Receipts Payments

2023 \$	2022 \$
1,372,841	601,520
1,586,841	1,550,618
(905,460)	(779,297)
2,054,222	1,372,841

#### Balance at end of period

#### Gaming Community Trust Fund (a)

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*.

Balance at start of period Receipts Payments Balance at end of period

2023 \$	2022 \$
615,047	1,020,543
242,008	217,665
(221,867)	(623,161)
635,188	615,047

#### Sports Wagering Account (a)

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*.

Balance at start of period Receipts Payments Balance at end of period

2023 \$	2022 \$
4,671,329	3,653,166
4,559,517	4,911,778
(4,493,955)	(3,893,615)
4,736,891	4,671,329

#### Racing Bets Levy Account (a)

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 managing the Account.

Balance at start of period Receipts Payments Balance at end of period

2023 \$	2022 \$
9,642,028	658,718
124,336,995	130,324,768
(132,827,452)	(121,341,458)
1,151,571	9,642,028

#### Security Deposits (b)

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.

Balance at start of period Receipts Payments Balance at end of period

2023 \$	2022 \$
1,517,892	1,635,733
787,713	777,986
(738,059)	(895,827)
1,567,546	1,517,892

- zatamos at onta or portoa
- (a) Established under section 16(1)(b) of Financial Management Act 2006. (b) Established under section 16(1)(c) of Financial Management Act 2006.

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.

#### 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:

Auditing the accounts, financial statements, controls, and key performance indicators

2023 \$	2022 \$
115,000	105,600
115,000	105,600

#### 7.8 Administered transactions

#### 7.8.1 Video lottery terminals

Video lottery terminals

2023 \$	2022 \$
83,144	84,973
83,144	84,973

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

Continuing lottery levy

2023 \$	2022 \$
103,801	86,800
103,801	86,800

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

#### (a) Write-offs

During the financial year, 2023: \$0 (2022: \$5,883) was written off the Commission's books under the authority of:

Betting inventories written off under the authority of the Accountable Authority

2023 \$	2022 \$
-	5,883
-	5,883

#### 8. Explanatory Statements

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

Notes 8.1

Explanatory statement for controlled operations

#### 8.1 Explanatory statement for controlled operations

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

All variances between annual estimates (original budget) and actual results for 2023, and between the actual results for 2023 and 2022 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 following variance analyses for the:

- 1. Estimate and actual results for the current year
  - Total Cost of Services of the estimate for the Statement of comprehensive income and Statement of cash flows (i.e. 1% of \$5,379,794); and
  - Total Assets of the estimate for the Statement of financial position (i.e. 1% of \$21,227,442).
- 2. Actual results for the current year and the prior year actual:
  - Total Cost of Services for the previous year for the Statements of comprehensive income and Statement of cash flows (i.e. 1% of \$142,258,469); and
  - Total Assets for the previous year for the Statement of financial position (i.e. 1% of \$29,264,421).

8.1.1 Statement of comprehensive income variances

					Variance between	Variance between actual results for
	Variance Notes	Estimate 2023 \$	Actual 2023 \$	Actual 2022 \$	actual and estimate \$	2023 and 2022 \$
Expenses						
Board Members' remuneration	<u></u>	110,058	285,680	108,654	175,622	177,026
Expenses related to restricted cash and special purpose accounts	2	ı	128,207,201	136,182,616	128,207,201	(7,975,415)
Services and contract fees	$\sim$	5,269,736	6,204,506	5,967,199	934,770	237,307
Total cost of services	1 1	5,379,794	134,697,387	142,258,469	129,317,593	(7,561,082)
Income						
User charges and fees	4	4,802,567	5,259,497	4,656,658	456,930	602,839
Revenue related to restricted cash and special purpose accounts	2	I	123,798,226	133,058,835	123,798,226	(9,260,609)
Total income	l	4,802,567	129,057,723	137,715,493	124,255,156	(8,657,770)
NET COST OF SERVICES		577,227	5,639,664	4,542,976	5,062,437	1,096,688
Income from State Government						
Sports Wagering Account	2	I	4,000,000	3,900,000	4,000,000	100,000
Problem Gambling Support Fund	9	I	000'006	000'006	900,000	I
Resources received	7	I	128,590	40,998	128,590	87,592
Funds from other public sector entities	$\infty$	I	1,800,000	1,280,000	1,800,000	520,000
Interest revenue		000'9	25,531	2,657	19,531	19,874
Total income from State Government		6,000	6,854,121	6,126,655	6,848,121	727,466
SURPLUS/(DEFICIT) FOR THE PERIOD	'	(571,227)	1,214,457	1,583,679	1,785,684	(369,222)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		(571,227)	1,214,457	1,583,679	1,785,684	(369,222)

# TOTAL COMPREHENSIVE INCOME

#### Major estimate and actual (2023) variance narratives

- Board Members' expenses are higher than estimate due to an increase in board remuneration and associated superannuation.
- 2 Estimates are not prepared for the expenses and revenue related to restricted cash and special purpose accounts since its business activities are mainly driven from external sources.
- 3 Services and contract fees exceeded the estimate mainly due to additional expenses incurred by the Commission following the Perth Casino Royal Commission and aligned to supplementary funding received from Government.
- 4 User charges and fees increased mainly due to an increase in casino gaming licence fee and recoup of prior year's expenditure for legal services.
- 5 Estimates are not prepared for the Sports Wagering Account.
- 6 Estimates are not prepared for the Problem Gambling Support Fund.
- Variance is due to a notional recognition of resources received for legal services provided by the State Solicitor's Office, which is not included in the estimates.
- Funds from other public sector entities represents Treasury supplementary funding, that was not anticipated at the time the estimates were produced.

#### Major actual (2023) and comparative (2022) variance narratives

Nil

# 8.1.2 Statement of financial position variances

## ASSETS

# **Current Assets**

Cash and cash equivalents

Restricted cash and cash equivalents

Receivables

Contract assets

# **Fotal Current Assets**

# **TOTAL ASSETS**

## LIABILITIES

# **Current Liabilities**

Payables

Contract liabilities

Total Current Liabilities TOTAL LIABILITIES NET ASSETS

## EQUITY

Accumulated surplus/(deficit)

**TOTAL EQUITY** 

uriance Votes	Estimate 2023 \$	Actual 2023 \$	Actual 2022 \$	Variance between actual and estimate \$	Variance between actual results for 2023 and \$
	532,024	1,378,113	1,285,903	846,089	92,210
	20,539,591	8,577,872	16,301,247	(11,961,719)	(7,723,375)
<u></u>	155,827	9,061,355	10,904,301	8,905,528	(1,842,946)
2	I	829,151	772,970	829,151	56,181
1	21,227,442	19,846,491	29,264,421	(1,380,951)	(9,417,930)
ı	21,227,442	19,846,491	29,264,421	(1,380,951)	(9,417,930)
3, A	I	9,815,607	20,447,994	9,815,607	(10,632,387)
2	1,268,397	1	I	(1,268,397)	1
' '	1,268,397	9,815,607	20,447,994	8,547,210	(10,632,387)
	1,268,397	9,815,607	20,447,994	8,547,210	(10,632,387)
. !	19,959,045	10,030,884	8,816,427	(9,928,161)	1,214,457
,	19,959,045	10,030,884	8,816,427	(9,928,161)	1,214,457
	19,959,045	10,030,884	8,816,427	(9,928,161)	1,214,457

#### Major estimate and actual (2023) variance narratives

- 1 Variance is due to accrued income recognised based on an estimate of betting levies due from the wagering operators to the Racing Bets Levy account for June 2023. This accrual is not included in the estimates.
- The estimates accounted for the Casino gaming licence fee as contract liabilities. However, following a review of the accounting treatment and in line with accounting standard AASB 15

  Revenue from Contracts with customers, this fee is classified as contract assets at 30 June 2023.
- Variance is due to accrued expenses recognised based on an estimate of betting levies due to be paid to Racing and Wagering Western Australia. This accrual is not included in the estimates.

#### Major actual (2023) and comparative (2022) variance narratives

A The variance largely relates to higher betting levies collected from wagering operators for 2022-23 financial year.

# 8.1.3 Statement of cash flows variances

					Variance between	Variance between actual results for
	Variance Notes	Estimate 2023 \$	Actual 2023 \$	Actual 2022 \$	estimate and actual \$	2023 and 2022 \$
Cash flows from State Government						
Sports Wagering Account	<del></del>	ı	4,000,000	3,900,000	4,000,000	100,000
Problem Gambling Support Fund	2	I	900,000	900,000	900,000	ı
Funds from other public sector entities	$\sim$	I	1,800,000	1,280,000	1,800,000	520,000
Interest received		6,000	19,507	4,891	13,507	14,616
Net cash provided by State Government		000'9	6,719,507	6,084,891	6,713,507	634,616
Cash flows from operating activities Payments						
Board Members' remuneration	4	(109,626)	(277,822)	(108,815)	(168,196)	(169,007)
Payments related to restricted cash and special purpose accounts	2	1	(138,448,734)	(126,632,532)	(138,448,734)	(11,816,202)
Services and contract fees	9	(5,269,736)	(6,065,707)	(5,711,912)	(795,971)	(353,795)
GST payments on purchases		I	(1,039,443)	(1,238,690)	(1,039,443)	199,247
GST payments to taxation authority		I	(12,546,505)	(13,104,712)	(12,546,505)	558,207
Receipts						
User charges and fees		4,802,567	4,966,196	4,653,139	163,629	313,057
Receipts related to restricted cash and special purpose accounts	2	ı	125,675,867	132,053,828	125,675,867	(6,377,961)
GST receipts on sales		I	12,494,027	13,307,874	12,494,027	(813,847)
GST receipts from taxation authority		I	891,449	1,140,998	891,449	(249,549)
Net cash provided by/ (used in) operating activities		(526,795)	(14,350,672)	4,359,178	(13,773,877)	(18,709,850)
Net increase/(decrease) in cash and cash equivalents		(570,795)	(7,631,165)	10,444,069	(7,060,370)	(18,075,234)
Cash and cash equivalents at the beginning of the reporting						
period	I	21,642,410	17,587,150	7,143,081	(4,055,260)	10,444,069
Cash and cash equivalents at the end of the reporting period	l	21,071,615	9,955,985	17,587,150	(11,115,630)	(7,631,165)

# Cash and cash equivalents at the beg Net increase/(decrease) in cash and period

#### **Disclosures and Legal Compliance**

#### Major estimate and actual (2023) variance narratives

- 1 Estimates are not prepared for the Sports Wagering Account.
- 2 Estimates are not prepared for the Problem Gambling Support Fund.
- Funds from other public sector entities represents Treasury supplementary funding, that was not anticipated at the time the estimates were produced.
- 4 Board Members' expenses are higher than estimate due to an increase in board remuneration and associated superannuation.
- 5 Estimates are not prepared for the payments and receipts related to restricted cash and special purpose accounts since its business activities are mainly driven from external sources.
- 6 Services and contract fees exceeded the estimate mainly due to additional expenses incurred by the Commission following the Perth Casino Royal Commission and aligned to supplementary funding received from Government.

Major actual (2023) and comparative (2022) variance narratives

Nil

## Key Performance Indicators

#### **Certification of Key Performance Indicators**

#### For the reporting period ended 30 June 2023

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 2023.

**Dr Michael Schaper** Chairperson

M Daper

Gaming and Wagering Commission

29 September 2023

Ms Katie Hodson-Thomas
Deputy Chairperson

King Hadson Thomas

Gaming and Wagering Commission

29 September 2023



#### **Outcome Based Management Framework**

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

Government Goal	Strong and Sustainable Finances: Responsible, achievable, affordable budget management. <sup>3</sup>
Desired Outcome	Provision of lawful gambling activities for the benefit of the public of WA
	Services delivered are:
Services	Evaluation and determination of licensing applications; and Conduct of compliance audits and inspections

The Commission's primary function is to administer the law relating to casino gaming, wagering and community and social gambling. It is the role of the Commission to formulate policy positions, review and monitor developed policies that scrutinises the control on the gambling industry in Western Australia.

In performing the oversight responsibilities, the Commission takes into consideration the impact and interests of the community when considering actions to ensure minimal harm is caused by gambling. The Commission places significant focus on the responsible service of gaming and wagering products, harm minimisation and on the integrity of gambling activities and operators.

A comprehensive legislative framework operates within the State, aimed at:

- 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 2022-23 Annual Budget Estimates were approved by the Minister for Racing and Gaming on 23 May 2022. 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 included below were approved by the Commission on 16 August 2022.

#### **Key Effectiveness Indicators**

The Commission's gaming and wagering functions to ensure legislative compliance, controls the licensing of gambling operators by conducting probity checks and ongoing licensing and audit and inspection requirements.

<sup>3</sup> The previous Government Goal of Sustainable Finances: Responsible financial management and better service delivery was replaced by a revised Government Goal announced during the 2022-23 State Budget.

#### **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 wagering, the casino, community gaming and lotteries.

2019-20	2020-21	2021-22	202	2-23
Actual	Actual	Actual <sup>(1)</sup>	Target	Actual <sup>(2)</sup>
0.76%	1.19%	0.42%	0.60%	1.44%

#### Notes:

- (1) The number of audits, inspections, investigations and/or assessments undertake during 2021-22. Actual results: Wagering 231, Community Gaming 209, Casino 4,025 and Lotterywest verification 1,044. Total for period 5,509.
- (2) The number of audits, inspections, investigations and/or assessments undertake during the reporting period. Actual results: Wagering 395, Community Gaming 275, Casino 5,558 and Lotterywest verification 1045, total for period 7,273 (Target 5,025).

#### Comment on performance

The number of audits and inspections for the casino gaming completed was higher than the target of 5,025.

The targeted audit and inspection regulatory focused on casino compliance activities contributed to the significantly higher number of unlawful activities being detected. There were 105 non-compliance activities (community and casino gaming) detected, which is higher as compared to the target of 30.

Overall, the percentage of unlawful gambling detected (1.44% percent) was higher than the target (0.60 percent), which reflects on the Commission's effectiveness in detecting unlawful activities.

#### **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.

2019-20	2020-21	2021-22	202	2-23
Actual	Actual	Actual	Target	Actual
0	0	3	3	5

#### Comment on performance

There were 5 reports of violation and/or infringement notices issued in relation to casino gaming, which is higher than the Target of 3 for the financial year. The increased effort in using appropriate regulatory mechanisms to identify breaches by the operations of the casino licensee and its employees resulted in the stronger outcome.

#### **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 licenses, permits, approvals, authorisations and certificates, as appropriate, to be issued in relation to persons, premises, casinos, facilities, gaming, equipment and gaming and wagering operations. However, it is difficult to estimate future trends in relation to the casino operations, as the Casino Licensee are not dictated in their business decisions and able to operationally self-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 period ended 30 June 2023. 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 expended by Commission members;
- probity investigation costs (casino);
- consultancy fees:
- · audit fees: and
- other operating expenses.

The operating expenses relating to the provision of Problem Gambling Support Services is not included in the total operating cost. Funds set aside to engage in this service are placed in a Special Purpose Account<sup>4</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 received from Lotteries Commission of Western Australia, Perth Casino, WA Bookmakers' Association, Racing and Wagering Western Australia, and the Commission are allocated to this account.

**Note:** In 2020-21 and 2021-22, expenses related to legal representation by independent counsel for former Commission members called before the Royal Commission, were excluded from total operating costs. Commission considered those costs as "one off" expense. Inclusion of these costs could have had a material impact on efficiency indicator results, since there were no corresponding activities.

<sup>4</sup> Section 16 of the Financial Management Act 2006.

#### **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.

2019-20	2020-21	2021-22	202	2-23
Actual	Actual	Actual <sup>(3)</sup>	Target	Actual
\$310	\$391	\$698	\$535	\$707

Notes:

(3) In 2021-22 there were 1,921 gambling certificates and permits issued

#### Comment on performance

The number of gambling certificates and permits issued during the reporting period was lower than the Target. For the reporting period there were 1,970 applications received and issued for community gaming and betting related licences, compared to the financial year Target of 2,100. Due to the lower number issued, the cost per gambling certificate/permit of \$707 is higher than the financial year Target of \$535.

#### **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.

2019-20	2020-21	2021-22	202	2-23
Actual	Actual	Actual	Target	Actual
\$623	\$982	\$1,265	\$1,069	\$1,533

#### Comment on performance

In the reporting period, the cost per casino employee licence issued (\$1,533) was higher than the financial year Target (\$1,069). Although the costs related to this activity (\$928,947) were higher result than expected, this is due to the number of licences issued for the reporting period being lower than the Target (13% lower than Target of 700). This is mainly due to the introduction of the Automatic Mutual Recognition (AMR) in August 2022, whereby a casino employee who holds a licence from another state is no longer required to lodge an application in WA. New applications or renewals of a casino employee licence is dependent upon the workforce structure of the casino licensee.

#### **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.

2019-20	2020-21	2021-22	2022-23	3
Actual	Actual <sup>(4)</sup>	Actual <sup>(4)</sup>	Target	Actual
\$1,334,236	\$1,243,985	\$377,971	\$439,325	\$327,122

#### Notes:

(4) In 2020-21 there were no violations and in 2021-22 there were 3 recorded.

#### Comment on performance

The number of violations by the casino licensee and/or licensed employees recorded during the reporting period was higher than the previous financial year. For the reporting period, 5 casino violations/breaches were recorded as against the financial year target of 3. This is mainly due to the increased number of audits and focus on rigorous compliance. Due to this high level of infringements issued, the cost of monitoring the integrity of casino gaming operations per activity is \$327,122 which is lower than the financial year target at \$439,325. The lower results reflect the Commission's focus on the use of appropriate regulatory mechanisms to identify breaches by the casino licensee and its employees.

#### **Efficiency Indicator 4**

#### Cost per instance of unlawful gambling

This indicator is calculated by dividing the allocated operational cost with the number of unlawful gambling breaches detected.

2019-20	2020-21	2021-22	202	2-23
Actual	Actual (5)	Actual (6)	Target	Actual
\$39,242	\$25,561	\$85,044	\$65,899	\$24,534

#### Notes:

(5) In 2020-21, 73 instances of unlawful gambling were detected.

(6) In 2021-22, 20 instances of unlawful gambling were detected.

#### Comment on performance

In the reporting period, the cost per instance of unlawful gambling detected was \$24,534 which was significantly lower than the Target \$65,899 for the financial year. The significant variance in the cost per activity resulted from a higher number of unlawful gambling breaches detected coupled with the lower (24%) than expected expenditure. There were 100 instances of unlawful gambling breaches detected as against the financial year target of 30.

#### **Efficiency Indicator 5**

#### Cost per casino submission received

This indicator is calculated by dividing the allocated operational cost with the number of submissions received by the Commission related to casino gaming.

2019-20	2020-21	2021-22	202	2-23
Actual	Actual <sup>(7)</sup>	Actual <sup>(8)</sup>	Target	Actual
\$543	\$765	\$397	\$1,323	\$559

#### Notes:

(7) In 2020-21, 78 submissions to the Commission related to the casino were considered.

(8) In 2021-22, 115 submissions to the Commission related to the casino were considered.

#### Comment on performance

There was a significantly greater number of casino gaming regulatory submissions to the Commission during the reporting period. There were 141 submissions received compared to the financial year target of 48. The submissions 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.

Due to the high level of activity, the operational cost in processing each casino submission received is assessed at \$559 per activity. This is significantly lower than the financial year target at \$1,323 per activity.



# Other Statutory information

### Ministerial Directives

#### **Treasurer's Instruction 903(12)**

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. There were no directions received in 2022-23.

#### Section 48 of Gaming and Wagering Commission Act 1987

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 20 April 2023, a Ministerial Direction resulted in 36 ANZAC Day two-up permits being issued in 2022-23.

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

- 33 sub-branches of the Returned and Services League of Australia (WA Branch);
- Yarloop Volunteer Bushfire Brigade;
- Naval Association of Australia (Rockingham Branch); and
- The Western Australian Turf Club (trading as Perth Racing).



### 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 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 under the respective regulations should not pose a barrier to entry for those organisations attempting to raise funds through lawful gambling activities.

The Racing and Gaming Regulations Amendment (Fees and Charges) Regulations 2022 amended the:

- Betting Control Regulations 1978,
- Casino Control (Burswood Island) (Licensing of Employees) Regulations 1985,
- Casino Control Regulations 1999,
- Gaming and Wagering Commission Regulations 1988 and
- Racing and Wagering Western Australia Regulations 2003,

to increase gaming, casino and wagering licensing fees and charges, which came into effect on 1 January 2023.

The Commission's fees and charges for the reporting period are available on the <u>DLGSC</u> webpage under Racing, Gaming and Liquor or via the Western Australian Government Gazette, <u>number 125</u>, 12 August 2022.

#### **Capital works**

There were no capital works undertaken by the Commission during 2022-23.

### **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 Requirements

#### **Acts of Grace**

There were no act of grace (and ex gratia) payments during the year.

#### Unauthorised use of credit cards

There were no unauthorised use of credit cards during the year.

#### 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 2022-23 is provided in Table 13.

Table 13: Expenditure on advertising, market research, polling, direct mail and media advertising in 2022-23

Expenditure	Organisation	Amount	Total
Advertising	Department of the Premier and Cabinet – State Law Publisher (Government Gazette)	\$760	\$760
Market research		NIL	NIL
Polling		NIL	NIL
Direct mail		NIL	NIL
Media	Initiative Media (Problem Gambling)	\$137,109	
advertising	Sensis (Problem Gambling)	\$473	
	Thryv Australia (Problem Gambling)	\$2,181	
	Key2 Creative (Problem Gambling)	\$19,220	
	The West Australian (Wagering)	\$172	
	Total of Media Advertising		\$159,157
		\$159,917	\$159,917

## Government Policy Requirements

#### **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 Minister for Racing and Gaming determined on 17 November 2022 an increase to the remuneration of the Commission in accordance with the provisions of the *Gaming and Wagering Act 1987*. The Minister set the rate for the Chairperson as an hourly rate to a maximum of \$243,044 per annum. The Chairperson was appointed for 20 hours per week by the Minister. Members' remuneration was increased from \$16,600 to \$41,926 per annum. Details of period of membership and remuneration is provided in Table 14.

Table 14: Remuneration for Gaming and Wagering Commission members in 2022-23.

Position title	Member Name	Type of Remuneration	Period of Membership	Gross/actual remuneration for 2022-23 <sup>(1)</sup>
Chairperson	Ms Lanie Chopping	Not applicable <sup>(2)</sup>	01/07/2022 - 19/02/2023 <sup>(3)</sup>	Not applicable
Chairperson	Dr Michael Schaper	Annual	20/02/2023 - 30/06/2023	\$50,848
Deputy Chairperson	Ms Erin Gauntlett	Not applicable <sup>(2)</sup>	01/07/2022 - 28/09/2022(4)	Not applicable
Member/ Deputy Chairperson <sup>(5)</sup>	Ms Katie Hodson- Thomas	Annual	01/07/2022 - 30/06/2023	\$31,694
Member	Dr Michael Schaper	Annual	01/07/2022 - 19/02/2023	\$10,769
Member	Mr Colin Murphy	Annual	01/07/2022 - 30/06/2023	\$31,694
Member	Ms Deirdre O'Donnell	Annual	01/07/2022 - 30/06/2023	\$31,694
Member	Mr Michael Sarquis	Annual	01/07/2022 - 30/06/2023	\$31,694
Member	Ms Helen Creed	Annual	04/07/2022 - 30/06/2023	\$31,312
Member	Mr Sam Buckeridge	Annual	04/07/2022 - 30/06/2023	\$31,312
				\$251,018

#### Notes:

- (1) Salary/sitting fee, paid proportionally across the financial year according to period of membership excluding superannuation.
- (2) 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".
- (3) Ms Lanie Chopping, Director General of DLGSC was formerly the ex officio Chairperson of the Commission until the commencement of the new Chairperson on 20 February 2023.
- (4) Ms Erin Gauntlett was the Deputy Chairperson until changes in the *Gaming and Wagering Commission Act 1987* came into effect on 29 September 2022.
- (5) Ms Katie Hodson-Thomas was appointed as Deputy Chairperson from 21 February 2023.

#### **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.

Details of period of membership and remuneration is provided in Table 15 for 2022-23.

Table 15: Remuneration for Gaming Community Trust members in 2022-23.

Position title	Member Name	Type of Remuneration	Period of Membership	Base salary/ sitting fees	Gross/actual remuneration for 2021-22
Ex officio Chairperson <sup>(1)</sup>	Ms Lanie Chopping	Not Applicable	01/07/2022 - 19/02/2023	Not Applicable	Not Applicable
Ex officio Chairperson	Dr Michael Schaper	Not Applicable	20/02/2023 - 30/06/2023	Not Applicable	Not Applicable
Member	Mr Steve McCann	Per meeting	01/07/2022 - 05/09/2022	Part/whole day fee <sup>(2)</sup>	\$0
Member	Mr John Van der Wielen	Not Applicable	24/10/2022 - 30/06/2023	Not Applicable	Not Applicable
Member	Dr Jurgen Bröhmer	Per meeting	01/07/2022 - 30/06/2023	Part/whole day fee <sup>(2)</sup>	\$426
Member	Ms Linda Savage	Per meeting	01/07/2022 - 30/06/2023	Part/whole day fee <sup>(2)</sup>	\$426
Member	Ms Rebecca Adam	Per meeting	01/07/2022 – 30/06/2023	Part/whole day fee <sup>(2)</sup>	\$426

#### Notes:

<sup>(1)</sup> 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".

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



#### **Availability in other formats**

This publication can be made available in alternative formats. The report is available in PDF format at <a href="https://www.dlgsc.wa.gov.au">www.dlgsc.wa.gov.au</a>.

People who have a hearing or speech impairment may call the National Relay Service on 133 677 and quote telephone number (08) 6551 4888.







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