



Department of
**Local Government, Sport
and Cultural Industries**

Gaming and Wagering Commission of Western Australia

2018-19 Annual Report



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Statement of Compliance

Hon. Paul Papalia, CSC MLA

**Minister for Tourism; Racing and Gaming; Small Business; Defence Issues;
Citizenship and Multicultural Interests**

In accordance with section 63 of the *Financial Management Act 2006*, I hereby submit for your information and presentation to Parliament, the Annual Report of the Gaming and Wagering Commission of Western Australia for the financial year ended 30 June 2019.

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



Duncan Ord OAM

Chairman

Gaming and Wagering Commission of Western Australia

16 September 2019

Overview of the Commission

Executive Summary

The Gaming and Wagering Commission of Western Australia (the Commission) met on 12 occasions during the reporting period to consider a range of issues.

During the year, more than 6,700 inspections/audits were conducted on behalf of the Commission, and 2,703 community gaming permits were issued, resulting in a gross amount of more than \$74.2 million being raised by permit holders. Following the deduction of event expenses, a net amount of approximately \$28.5 million was returned to beneficiary organisations.

The Commission collects a product fee from wagering operators who use Western Australian race fields as part of their operations. This product fee is then remitted to Racing and Wagering Western Australia (RWWA) for distribution to registered Western Australian racing clubs. In 2018-19, more than \$78 million was distributed to racing clubs across the State, an increase of \$20 million on the amount remitted to RWWA in 2017-18.

I take this opportunity to thank all members for their contribution to the effective operation of the Commission, as well as staff from the Department of Local Government, Sport and Cultural Industries for their ongoing support.



Duncan Ord OAM
Chairman

Operational Structure

Enabling Legislation

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

Responsible Minister

As at 30 June 2019, the Minister responsible for the Racing and Gaming portfolio was the Honourable Paul Papalia, CSC MLA, Minister for Tourism; Racing and Gaming; Small Business; Defence Issues; Citizenship and Multicultural Interests.

Responsibilities of the Gaming and Wagering Commission

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

The Commission is responsible for controlling and regulating gambling in Western Australia; its practices and policies are designed to maintain public confidence in the integrity of gambling. The main duties of the Commission are to:

- administer the laws relating to gaming and betting;
- review the conduct, extent and character of gambling operations and the provision, use and location of gaming and wagering facilities;
- formulate and implement policies for the scrutiny, control and regulation of gaming and betting, taking into consideration the requirements and interests of the community as a whole;
- issue permits, certificates and employee licences; and
- provide advice to the Minister on any matter relating to gaming and betting.

Administered Legislation

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

- *Betting Control Act 1954;*
- *Casino (Burswood Island) Agreement Act 1985;*
- *Casino Control Act 1984;*
- *Gaming and Wagering Commission Act 1987;*
- *Gaming and Wagering Commission (Continuing Lotteries Levy) Act 2000;*

Other Legislation Impacting on the Commission's Activities

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

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

Outcome Based Management Framework

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

Government Goal	Desired Outcome of the Commission	Services Delivered by the Commission
Responsible financial management and better service delivery	Provision of lawful gambling activities for the benefit of the public of Western Australia	Services delivered are: evaluation and determination of licensing applications; and conduct of compliance audits and inspections.

Shared Responsibilities with other Agencies

The Gaming and Wagering Commission of Western Australia did not share any responsibilities with other agencies during the reporting period.

Administrative Structure

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

- the person holding or acting in the office of Director General of the department principally assisting the Minister in the administration of the Act, who shall be *ex officio* Chairperson of the Commission; and
- not less than five, nor more than seven, members appointed by the Minister as persons of integrity, good repute and relevant experience.

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

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

Section 12 of the Act provides for the Minister to appoint a person in the department to be the Deputy Chairperson for occasions when the Chairperson is absent.

Commission Membership

During the reporting period, the members of the Gaming and Wagering Commission of Western Australia were:

Mr Duncan Ord OAM – Chairperson

Duncan Ord is the Director General of the Department of Local Government, Sport and Cultural Industries. Duncan has worked in Government in areas of culture and arts, education, training, planning and Aboriginal Affairs. Previous roles in private industry include Dean of the School of Performing Arts (WAAPA) and General Manager of the WA Theatre Company and Black Swan Theatre. Duncan has been chair of the arts, sports and recreation industry training council, member of boards and committees of the Australia Council and a consultant to local Government on arts infrastructure projects. In 2013 Duncan was the recipient of an Order of Australia Medal and is also a past winner of the Churchill Fellowship.

Mr Barry A Sargeant PSM – Member

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

Mr Andrew Duckworth – Member

Mr Andrew Duckworth has worked in senior positions in a number of Western Australian Government departments. Following a period as a prisoner educator, Andrew moved to the Department of Health where he was involved in the creation and management of several Western Australian health promotion programs. In the early 1990's he also spent a period working with the TAB in Customer Relations and oversaw the implementation of a no-smoking policy in TAB Agencies.

Professor Colleen Hayward AM – Member

Professor Colleen Hayward has more than 30 years experience in providing input to policies and programs on a wide range of issues reflecting the needs of minority groups. Colleen is currently Edith Cowan University's Pro-Vice-Chancellor for Equity and Indigenous issues across the university.

Ms Katie Hodson-Thomas - Member

Ms Katie Hodson-Thomas currently works as a Director of FTI Consulting and is a registered lobbyist in Western Australia. Katie has been a state member of Western Australia Parliament Legislative Assembly for 12 years, possesses strong listening, negotiation and advocacy skills. Katie was previously a member of the Commission from 2011 to 2012.

Mr Robert Bovell – Member

Mr Robert Bovell, in 2012, retired as the Chief Executive of the Western Australian Trotting Association after 23 years of service. As a result, he has extensive experience and

knowledge of gambling, particularly in bookmaking and on-course totalisator wagering operations.

Ms Carmelina Fiorentino – Member

Ms Carmelina Fiorentino has over 25-years' experience specialising in Finance, Governance and Business Improvement, including finance executive experience with Lotterywest, innovation start-ups, property, tertiary education, and government trading sectors. Carmelina leads the Business Advisory team at Business Foundations and is the Finance Facilitator/Mentor on the UWA IQX Growth Programs. She is currently on the board of Fremantle Port Authority and has previously served on several boards in the arts, education and community sectors. Carmelina has an MBA (Advanced) with Distinction, Bachelor of Commerce, is a Chartered Accountant, and has completed the AICD Company Directors Course.

Ms Jodie Hede – Member

Ms Jodie Hede is a Chartered Accountant, Chief Financial Officer and Company Director. Her professional skillset spans Finance, Governance, Change and Risk Management in the Corporate and Not for Profit sectors. Jodie has over 25 years experience in licensed hospitality venues as an auditor, financial controller, company director and owner.

Report on Operations

Actual Results versus Budget Targets

(Excluding Special Purpose Accounts Activities)

Financial Targets	Target* (\$)	Actual (\$)	Variation (\$)
Total cost of services (expense limit) (sourced from Statement of Comprehensive Income)	4,353,341	4,318,747 ¹	(34,594)
Net cost of services (sourced from Statement of Comprehensive Income)	170,950	265,504 ²	94,554
Total equity (sourced from Statement of Financial Position)	6,084,991	5,929,495	(115,496)
Net increase / (decrease) in cash held (sourced from Statement of Cash Flows)	170,950	345,323 ³	174,373
Approved salary expense level**	0	0	0
Summary of Key Performance Indicators***			
Key Effectiveness Indicators	Target	Actual	Variation
Percentage of unlawful gambling detected in relation to total audits	1.15%	0.49%	(.66)
Number of violation reports/infringement notices issued in relation to casino gaming	10	1	(9)
Key Efficiency Indicator	Target	Actual	Variation
Cost per Gambling Certificate/Permit issued	\$481	\$310	(\$171)
Cost per Casino Employee Licence issued	\$1,264	\$850	(\$414)
Cost of monitoring the integrity of casino gaming operations over one year	\$84,739	\$1,118,682	\$1,033,943
Cost per instance of unlawful gambling detected	\$42,369	\$50,849	\$8,480
Cost per casino submission received	\$895	\$617	(\$278)

¹ Excludes \$82,805,093 (expense) related to restricted cash and special purpose accounts as identified in the Comprehensive Statement of Financial Income presented later in this report.

² Excludes \$82,805,093 (expenses) and \$81,817,991 (revenue) related to special purpose accounts and restricted cash as identified in the Comprehensive Statement of Financial Income presented later in this report.

³ Excludes \$983,152 net payments related to restricted cash and special purpose accounts as identified in the Statement of Cash Flows presented late in this report.

* Financial Targets as specified in the Budget Statements for the year in question.

** Executive support for the Commission is provided by the Department of Local Government, Sport and Cultural Industries.

*** Explanations for the KPI variations between budget target and actual key performance indicator results are presented later in this report.

Licensing Program

Community Gaming

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

Officers of the Department of Local Government, Sport and Cultural Industries 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 the licence or permit sought.

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

During 2018-19, 2,461 community gaming permits were approved, while a total of 242 permits/certificates were issued across a number of areas relating to various gaming activities, such as the approval of premises to enable gaming activities to be conducted.

The following table provides a four-year summary of the total number of gaming permits and certificates issued by the Commission.

Number of Gaming Permits/Certificates Issued	2015-16	2016-17	2017-18	2018-19
Bingo	182	174	181	214
Continuing Lottery	188	165	171	168
Gaming Functions	618	616	531	692
Standard Lottery	1,032	1005	1,012	925
Calcutta	56	46	47	49
Two-up	68	66	70	75
Video Lottery Terminals (VLTs)	354	296	332	338
Total	2,498	2,368	2,344	2,461
Class of Gaming Equipment	5	4	6	6
Item of Gaming Equipment	3	3	0	0
Approval of Premises	150	135	107	177
Gaming Operator's Certificate	33	32	37	40
Supplier's Certificate	4	17	8	19
Total	195	191	158	242

A gross amount of approximately \$74.2 million was raised by permit holders during the reporting period.

Following the deduction of expenses associated with running the event, an approximate net amount of \$29 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.

The following table provides a summary of the total gross and net revenue raised by gaming permit holders over the past three years.

Comparison of Gross and Net Revenue Raised by Gaming Permit Holders						
	2016-17		2017-18		2018-19	
	Gross	Net	Gross	Net	Gross	Net
Bingo	\$5,715,839	\$674,165	\$5,811,329	\$784,372	\$6,633,774	\$823,507
Continuing Lottery	\$3,757,007	\$802,173	\$5,436,750	\$1,344,443	\$4,410,990	\$919,597
Gaming Functions	\$4,954,766	\$455,522	\$4,730,830	\$375,558	\$6,173,759	\$409,930
Standard Lottery	\$59,261,559	\$25,743,660	\$58,203,139	\$26,085,344	\$52,075,930	\$25,817,813
Calcutta	\$456,571	\$76,845	\$405,469	\$53,424	\$416,923	\$41,885
Two-up	\$98,918	\$40,080	\$88,470	\$32,461	\$76,967	\$20,111
VLTs	\$5,642,615	\$564,261	\$5,812,787	\$581,279	\$4,428,000	\$442,800
Total	\$79,887,275	\$28,356,706	\$80,488,774	\$29,256,881	\$74,216,343	\$28,475,643

The following table provides a four-year summary of revenue raised from gaming-related fees charged by the Gaming and Wagering Commission.

Revenue Raised by Fees	2015-16	2016-17	2017-18	2018-19
Bingo	\$59,510	\$62,525	\$61,619	\$79,014
Continuing Lottery	\$57,166	\$52,132	\$43,588	\$43,819
Gaming	\$456,835	\$448,195	\$453,655	\$519,068
Class/Item of Gaming Equipment	\$757	\$644	\$690	\$702
Standard Lottery (including Calcutta)	\$79,810	\$94,388	\$106,848	\$88,332
Two-up	\$26,320	\$24,551	\$28,813	\$32,695
Operator's Certificate	\$7,977	\$7,842	\$7,842	\$9,099
Supplier's Certificate	\$1,252	\$5,175	\$2,780	\$5,357
Video Lottery Terminals	\$71,263	\$65,271	\$58,128	\$54,725
Approved Premises	\$8,248	\$7,642	\$6,435	\$11,267
Bookmaker	\$23,114	\$21,750	\$20,312	\$18,937
Bookmaker Manager/Employee	\$809	\$960	\$852	\$808
RWWA Director / Key Employee	\$5,140	\$7,667	\$6,449	\$8,294
Casino Key Employee	\$39,106	\$36,732	\$40,126	\$60,745
Casino Non Key Employee	\$94,281	\$65,451	\$78,854	\$107,396
Total	\$931,588	\$900,925	\$916,991	\$1,040,258

Casino Gaming

Licensing of Casino Employees and Casino Key Employees

All staff involved in gambling activities or in support of the licensed casino at Crown Perth must be licensed under the *Casino Control (Burswood Island) (Licensing of Employees) Regulations 1985*. The following table provides a four-year summary of the total number of licences in operation.

Casino Employee Licensing	2015-16	2016-17	2017-18	2018-19
Casino Key Employee	488	470	457	515
Casino Employee	1,850	1,648	1,518	1,685
Total	2,338	2,118	1,975	2,200

Casino Revenue

In 2018-19, gross casino gaming revenue of \$533.4 million was generated, producing casino tax revenue of approximately \$51.9 million for the State.

The following table provides a comparison of the past two years of gross casino revenue and tax payable. Electronic Gaming Machines were the largest generator of gross casino revenue for 2018-19, representing approximately 50 per cent of the total gross revenue, while Baccarat represented approximately 27 per cent of total gross revenue.

Gross Casino Revenue by Game Type and Total Tax Payable		
	2017-18	2018-19
Electronic Gaming Machines	\$263,238,334	\$264,454,775
Fully Automated Table Games	\$11,007,128	\$12,151,693
Roulette Games	\$53,343,830	\$45,747,403
Baccarat Games	\$162,324,137	\$142,242,393
Blackjack	\$34,590,192	\$33,339,709
Other table games	\$39,120,454	\$35,476,093
Total Gross Casino Revenue	\$563,624,075	\$533,412,066
Casino Tax Payable	\$53,653,803	\$51,858,783

As at 30 June 2019, Crown Perth had approval to operate a maximum of 350 table games, and 2,500 electronic gaming machines. As at 30 June 2019, 255 table games and 2,466 electronic gaming machines were in operation.

Casino Attendance

Casino Attendance Figures			
2015-16	2016-17	2017-18	2018-19
8,092,841	7,860,547	7,993,133	8,138,594

Wagering

Wagering Revenue

During the reporting period, wagering revenue of \$307 million (excluding GST) was generated by Racing and Wagering Western Australia (RWWA), resulting in more than \$41 million in wagering taxation for the State.

Licensing of Racing and Wagering Western Australia (RWWA) Directors and Key Employees

RWWA's directors and key employees are required to be licensed in accordance with the *Racing and Wagering Western Australia Act 2003*. A RWWA key employee is considered to be someone who is:

- employed or working in a managerial capacity; or
- empowered to make decisions that regulate the gambling operations of the organisation; or
- designated as a key employee by the Commission due to their influence, remuneration or function within the organisation.

The following table provides a four-year summary of the total number of licences in operation.

RWWA Employee Licences	2015-16	2016-17	2017-18	2018-19
Directors	10	8	11	11
Key Employee	81	81	86	83
Total	91	89	97	94

Licensing of Bookmaker Operations

Bookmakers and bookmakers' employees are required to be licensed in accordance with the *Bookmakers Betting Levy Act 1954*. The following table provides a summary of the total number of licences in operation over the past four years. As has been the trend for the last number of years the number of licences has continued to decline which could be attributed to increased competition from large corporate and online bookmakers licensed in other jurisdictions.

	2015-16	2016-17	2017-18	2018-19
Bookmaker Licences				
Active	34	31	28	26
Bookmaker's Manager Licences				
Issued	3	0	2	1
Expired	0	2	0	2
Bookmaker's Employee Licences				
Issued	18	29	19	14
Expired	0	23	0	30

Racing Bets Levy Returns

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

During the reporting period, the Commission remitted more than \$78.7 million in racing bets levy to RWVA. Since the introduction of the racing bets levy scheme, the Commission has remitted more than \$438 million to RWVA.

Compliance Program

To allow for gaming to be conducted lawfully and in a responsible manner, the Commission utilises inspectors from the Department of Local Government, Sport and Cultural Industries to conduct a range of inspectorial and audit functions for casino, wagering and community gaming. Compliance activities include:

- casino audits, inspections and investigations;
- physical inspections and auditing of financial returns relating to permitted gaming activities;
- inspection of race day activities;
- audits of TABtouch agencies; and
- investigation of complaints.

The Commission also has an arrangement with Lotterywest to conduct verification functions for all Lotto and Cash 3 draws.

The inspectorial program enforces the provisions of the *Racing Bets Levy Act 2009*, *Betting Control Act 1954*, the *Casino Control Act 1984*, the *Gaming and Wagering Commission Act 1987* and the *Racing and Wagering Western Australia Act 2003* and ensures that adequate controls are in place to maintain compliance with legislative requirements and to monitor the ongoing effectiveness of those controls.

The following table provides a four-year summary of the number and nature of audits, inspections, assessments and investigations conducted by the Commission. A breakdown of these figures is provided in the subsequent table.

Audits, Inspections, Assessments and Investigations	2015-16	2016-17	2017-18	2018-19
Racing	364	255	451	430
Lotterywest	1,061	1,095	1,095	1,057
Community Gaming	255	320	300	271
Casino	2,301	3,278	4,456	4,980
Total	3,981	4,948	6,302	6,738

This table provides a four-year summary of the number and nature of compliance activities undertaken by the department.

Inspectorate Program	2015-16	2016-17	2017-18	2018-19
Wagering				
Bookmaker telephone betting inspections	19	10	7	0
Bookmaker licensing and equipment checks	6	6	18	11
Bookmaker betting operations inspections	9	5	8	4
TABtouch agency inspections and cash counts	269	221	381	387
On course tote inspections and audits	8	3	0	8
Racing bets levy return audits	2	2	5	3
Racing Audits - Other	36	1		17
Racing industry GST reimbursement claims received	162	138	130	127
Lotterywest				
Verification of Cash 3, Lotto/Soccer Pools, Promotional Draws and GST Claims.	1073	1106	1105	1057
Community Gaming				
Gaming inspections performed	129	137	175	178
Gaming investigations conducted	68	64	42	71
Gaming audits conducted	58	119	83	22
Casino				
EGM software and seal checks	1416	1298	517	3260
Revenue Audits	300	18	0	582
Illegal activity detected	4	3	3	0
Casino audits and inspections completed	447	1900	3855	1138
Casino GST reimbursement claims received	1	0	0	0
Submissions to the Gaming and Wagering Commission				
Racing industry	3	1	18	10
Racing and Wagering Western Australia	17	34	34	41
Gaming	17	16	37	47
Casino	33	40	46	58
Gaming Compliance issues	15	8	24	15

This table represents a four-year summary of the number and nature of non-compliance issues detected by departmental inspectors.

Non Compliance with Legislative Requirements	2015-16	2016-17	2017-18	2018-19
Community Gaming and Casino Infringements Issued	3	19	19	16
Gaming Cautions Issued	9	5	14	14
Violation reports against the casino operation (relating to breaches of game rules, procedures or directions)	4	3	3	1
Racing Prosecutions/Cautions Issued	0	0	0	3
Community Gaming Prosecutions	0	0	0	4
Total	16	27	36	38

Significant Issues Impacting the Commission

Privatisation of the TAB

The Department of Local Government, Sport and Cultural Industries is also working on the development of a legislative framework to regulate the operation of the WA TAB, should it be divested from Racing and Wagering Western Australia.

Wagering Point of Consumption Tax

A point of consumption tax was introduced on 1 January 2019, overseen by the Office of State Revenue, to replace the tax regime that previously applied to wagering in Western Australia. As well as simplifying wagering taxes, the new tax regime ensures online wagering operators pay tax on wagering conducted in Western Australia. Under the new regime, 30 per cent of point of consumption tax revenue will be returned to the Western Australian racing industry.

Amendments to Acts

- Parts 7 and Part 8, Division 2 of the *Betting Tax Assessment Act 2018* were proclaimed to come in to operation on 1 February 2019, to facilitate amendment to legislation administered by the Commission, as a result of the introduction of the point of consumption tax.
 - Part 7 repealed the *Racing and Wagering Western Australia Tax Act 2003* and the *Bookmakers Betting Levy Act 1954*; and
 - Part 8 - Division 2 made amendments to related provisions contained in the *Betting Control Act 1954*, the *Racing and Wagering Western Australia Act 2003*, the *Gaming and Wagering Commission Act 1987* and the *Racing Penalties (Appeal) Act 1990*.
- The *Gaming and Wagering Legislation Amendment Act 2018* was proclaimed to come into operation on 1 February 2019 and contains amendments to the *Betting Control Act 1954* and the *Gaming and Wagering Commission Act 1987* to implement the government's policy of supporting a strong and sustainable racing industry and responsible gambling practices in Western Australia.

Amendments to Regulations

- The *Racing, Gaming and Liquor Regulations Amendment (Fees and Charges) Regulations 2018* came into effect on 1 January 2019. The amendments relate to increases in fees and charges as a result of the annual review of fees and charges.
- The *Racing Bets Levy Amendment Regulations 2018* came into effect on the 7 July 2018 and amend the Racing Bets Levy fee structure for wagers placed from 1 August 2018. The amendment changes the threshold for defining a premium harness race meeting from \$50,000 to \$30,000 and amends the calculation method for fixed odds wagers to a 'greater of'.
- The *Racing and Gaming Regulations Amendment Regulations 2019* came into effect on 1 February 2019 amending the *Betting Control Regulations 1978* and the *Racing and Wagering Western Australia Regulations 2003*, giving effect to consequential

amendments as a result of the new betting tax regime introduced by the *Betting Tax Assessment Act 2018*.

- The *Betting Control Amendment Regulations 2019* came into effect on 1 February 2019 and gave effect to consequential amendments as a result of the amendments contained within the *Gaming and Wagering Legislation Amendment Act 2018*.
- The *Gaming and Wagering Commission Amendment Regulations (No. 3) 2019* came into effect on 1 June 2019. The specific amendments to the regulations include:
 - (i) A definition of the term “gambling advertisement”.
 - (ii) A new offence to advertise, offer and provide an inducement in return for a person opening a betting account or referring another person to open a betting account.
 - (iii) Clarification that the following types of inducements are permitted, for the purposes of advertising, offering or providing an inducement in return for a person to participate in/continue to gamble:
 - a) dividends (such as money back for a minor placing);
 - b) trade promotion lotteries; and
 - c) where the inducement is communicated by way of direct customer communication, where the customer has consented to receiving such communications.

It is an offence to advertise, offer and provide all other types of inducements in return for a person participating in/continuing to gamble.

 - (iv) Provision of a defence for the publisher of a prohibited advertisement where the publisher has obtained a written declaration from the gambling operator that the advertisement will not contravene the regulations.
 - (v) Provision of a condensed problem gambling message for audio and audio-visual media platforms (such as radio and social media) that only needs to state the national problem gambling helpline number and a responsible gambling message such as “Gamble Responsibly”.
 - (vi) Clarification that advertisements containing an inducement for a person to contact the gambling operator are prohibited unless the inducement relates to the non-gambling goods and services provided by the operator.

Rules

- The *Rules of Wagering Amendment Rules* were published on 15 March 2019 and came into effect the following day enabling consequential amendments as a result of the proclamation of the *Betting Tax Assessment Act 2018* and the *Gaming and Wagering Legislation Amendment Act 2018*.

National Consumer Protection Framework for Online Wagering

The [National Consumer Protection Framework](#) for Online Wagering was developed by a senior officials' working group (consisting of representatives from the Commonwealth and all states and territories) with the primary objective to provide national consistency in the regulation of wagering in order to:

- reduce the risk of harm to consumers from online wagering; while
- minimising the regulatory burdens to ensure the domestic market remains competitive.

The Framework consists of ten consumer protection principles to cover all forms of online wagering conducted through a telecommunications network as follows:

- prohibition on lines of credit;
- payday lenders;
- customer verification;
- offering of inducements;
- account closure;
- voluntary opt-out pre-commitment scheme;
- activity statements;
- consistent gambling message;
- staff training; and
- national self-exclusion register.

The Framework came into effect on 26 November 2018 and all jurisdictions are committed to progressively implementing the principles over an 18-month period through legislative changes, directions or conditions imposed on licences.

Attendances at Conferences

The Australasian Casino and Gaming Regulators Conference was held in Perth from 14 to 16 May 2019. The theme of the conference was 'tackling change in an evolving world' and had a strong focus on change. Presentations and discussions were led by industry experts and other leaders who shed light on emerging trends and how they've managed to keep pace in changing environments.

Senior officers from the Department of Local Government, Sport and Cultural Industries attended the following conferences in 2018-19:

- the Deputy Director General attended the Australasian Gaming Expo and National Standards Working Party for Electronic Gaming held in Sydney in August 2018.
- the Director of Legislation and Regulatory Support attended the Gambling Research Australia Governance Committee meeting held in Sydney in August 2018.
- the Deputy Director General attended the Compliance Managers' Inter-jurisdictional Regulators Conference held in Canberra in February 2019.

Activities of the 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 to advise and make recommendations to the Racing and Gaming Minister on the application of moneys standing to the credit of the Trust Fund for the benefit of the community.

The money credited to the Trust fund is derived from unclaimed winnings 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 current membership of the Trust is as follows:

- Mr Duncan Ord OAM (Chairman)
- Mr Joshua Preston (Member)
- Mr Stephen Wayne Reynolds (Member)
- Ms Maxine Connolly (Member)
- Ms Jan Cooper (Member)

The following grants were issued by the Minister for Racing and Gaming during the reporting period:

Showgrounds Community Men's Shed

In May 2019, the Minister approved a grant of \$100,000 to the Showgrounds Community Men's Shed to go towards the cost of refurbishing the Shed which will be equipped with various woodworking machines/tools and other equipment such as computers and a meeting room facility.

The refurbished Shed will support men to improve their emotional wellbeing by providing a socially inclusive environment where they can meet, learn new skills and undertake meaningful projects. The Shed will also benefit the wider community in that it will undertake community projects, such as minor furniture repairs and builds for community groups, woodworking and home maintenance skill workshops for women and building show display items for the Royal Agricultural Society.

Perth Rowing Club

In May 2019, the Perth Rowing Club was successful in its application for \$17,040 to go towards purchasing a new VIII rowing boat. The purchase of the boat overcomes the club's reliance on loan boats and will allow members to enter into competitive local, national and international events.

Feed the Little Children

In May 2019, Feed the Little Children was successful in its application for \$47,368.18 to purchase a new vehicle to assist in delivering food to disadvantaged children and families in Broome. The organisation required an additional vehicle to deliver food, as its current vehicle is not sufficient to meet the demand of the service and therefore volunteers often need to use their own private vehicles.

Activities of the Problem Gambling Support Services Committee

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

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

Voluntary contributions are made from each member of the PGSSC and held in a gambling support fund administered by the Department of Local Government, Sport and Cultural Industries.

As at 30 June 2019, the membership of the PGSSC was:

- Michael Connolly (Chairperson);

Representatives from:

- Crown Perth;
- Racing and Wagering Western Australia;
- Lotterywest;
- WA Bookmakers Association; and
- Department of Communities.

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:

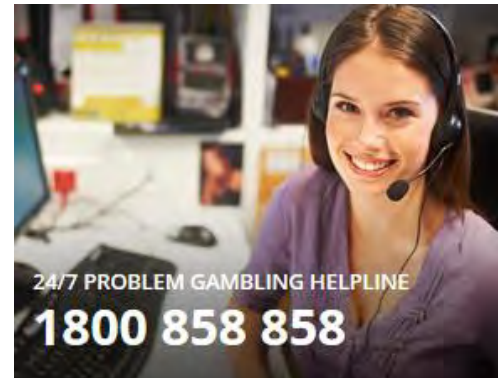
- 24/7 Problem Gambling Helpline;
- Gambling Help WA (face-to-face counselling); and
- Gambling Help Online (online counselling).

The PGSSC also funds research, awareness campaigns, Responsible Gambling Awareness Week and the Gambleaware website.

A total of \$1,015,800 was allocated to fund research and to promote and provide counselling and support services in 2018-19.

Problem Gambling Helpline

The Problem Gambling Helpline is a free specialist telephone counselling and information service for Western Australians who are affected by problem gambling. The Helpline, which is funded by the PGSSC, is available around the clock to provide immediate assistance. It is operated by Medibank which also offers interpreter assisted counselling and bilingual counsellors on request.



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

For those people who are unable or unwilling to access face-to-face counselling, the helpline provides ongoing telephone counselling. This is particularly beneficial for people in regional and remote parts of the State.

The Department of Local Government, Sport and Cultural Industries, on behalf of the Gaming and Wagering Commission, is responsible for managing the helpline contract and its services, including:

- 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 request for the tender process at the completion of each contract.

The following table provides a three-year summary of the total number of telephone calls received from people affected by problem gambling.

	2016-17	2017-18	2018-19
Calls to the Helpline	518	569	615

Of the 615 calls handled by the Helpline over the reporting period, 74 per cent were from male callers with the majority aged between 30 and 39.

Gambling Help WA

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

Centrecare has been operating the GHWa counselling service for more than 20 years. In 2016, Centrecare was awarded preferred service provider status to operate the service and the current agreement expires on 30 June 2020. The contract is monitored by the Department of Local Government, Sport and Cultural Industries and reports are provided to the PGSSC.



Counselling is available in a number of metropolitan and regional areas. Appointments can be made by calling (08) 9325 6644.

Notable achievements by GHWa in the delivery of help services throughout this reporting period include:

- attendance at the 2018 National Association for Gambling Studies Conference;
- representation on the National Association of Gambling Studies Committee;
- radio and television interviews relating to stories on problem gambling; and
- provided an outreach service to Boronia Women's Pre-Release Centre and Zonta House Women's Refuge.

The following table provides a three-year summary of the total number of counselling sessions held by Centrecare within the reporting period.

	2016-17	2017-18	2018-19
Gambling Help WA Sessions	2,077	2,791	1,851

Centrecare registered 408 new clients within the reporting period, 68 per cent were male clients with majority aged 26 and over.

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 Turning Point. The cost of operating the service is shared between the states and territories.



The online service complements the range of services available in responding to gambling related harm. It provides Australians with an opportunity to access counselling and information services when they are unable or reluctant to access face-to-face services in each jurisdiction.

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 webpage between 1 July 2018 and 30 June 2019 is shown below:

ONLINE COUNSELLING BY STATE								
	NSW	VIC	QLD	SA	WA	ACT	TAS	NT
Online Requests	3867	2877	1733	471	519	141	209	93
Visits to Website (%)	35%	30%	20%	6%	5.4%	1%	1%	0.3%

Of the 519 service requests originating from Western Australia, 488 people went on to participate in live counselling in 2018-19 compared with 624 in 2017-18. Of the 519 clients who undertook live counselling, 56.4 per cent were male clients and 43.6 per cent female clients, with the majority aged between 30 and 34.

Education and Awareness

Throughout 2018-19, the 'Show Gambling Who's Boss' problem gambling awareness campaign continued to be advertised on social and online media during the following peak gambling periods:

- | | |
|----------------------|------------------------------------|
| • FIFA World Cup | 3 June to 15 July 2018 |
| • AFL Grand Final | 16 to 30 September 2018 |
| • Melbourne Cup | 28 October to 11 November 2018 |
| • Christmas/New Year | 23 December 2018 to 6 January 2019 |
| • Chinese New Year | 3 to 17 February 2019 |
| • Easter | 15 April to 3 May 2019 |

Advertising directed users to the Gamble Aware website (www.gambleaware.com.au) where information relating to the free help services could be located. Since the 'Show Gambling Who's Boss' campaign commenced in February 2018, there has been a 389% increase in the number of visitors to the Gamble Aware website when compared with the same period in 2016-17.



Responsible Gambling Awareness Week (RGAW) is held annually to raise awareness about ways to recognise if gambling is causing you, your family member or friend 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.

The 2018 RGAW was held between 8 and 14 of October 2018 and aligned with Gambling Harm Awareness Week in Victoria and the ACT.

A number of initiatives were undertaken in partnership with key stakeholders throughout RGAW promoting responsible gambling, including online and social media advertising, launch at Crown Perth and the naming of a race at Belmont Racecourse on 10 October 2018 the "Gambleaware Stakes".

Gambling Research Australia

Gambling Research Australia (GRA) is a national gambling research program funded by all State, Territory and Commonwealth Governments through a Memorandum of Understanding (MOU).

The most recent MOU commenced on 1 July 2017 and was established by the Illegal Offshore Wagering Taskforce to support evidence based policy and program development and decision making, focusing on the development and continuous improvement of a robust gambling consumer protection framework, including online and interactive gambling.

The Problem Gambling Support Services Committee provide annual funding based on Western Australia's most recently published portion of gambling expenditure.

The GRA website, www.gamblingresearch.org.au, contains a full catalogue of reports published by GRA.



Disclosures and Legal Compliance

Financial Statements

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

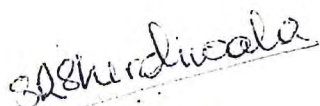
Financial statements

Certification of financial statements

For the year ended 30 June 2019

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 2019 and the financial position as at 30 June 2019.

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



Shanaeya Sherdiwala
Director and Portfolio Chief
Financial Officer

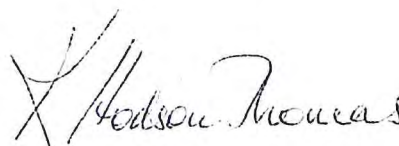
3 September 2019



Duncan Ord OAM
Chairperson

Gaming and Wagering Commission
of Western Australia

3 September 2019



Katie Hodson-Thomas
Member

Gaming and Wagering Commission
of Western Australia

3 September 2019



Gaming and Wagering Commission of Western Australia

Statement of comprehensive income

For the year ended 30 June 2019

	Notes	2019 \$	2018 \$
COST OF SERVICES			
Expenses			
Board members expenses	2.1	123,605	78,678
Expenses related to restricted cash and special purpose accounts	2.3	82,805,093	61,486,051
Services and contract fees	2.2	4,195,142	4,124,563
Total cost of services		87,123,840	65,689,292
Income			
Revenue			
User charges and fees	3.1	4,571,017	4,338,276
Revenues related to restricted cash and special purpose accounts	3.2	81,817,991	63,345,329
Interest revenue	3.3	13,234	13,219
Total revenue		86,402,242	67,696,824
NET COST OF SERVICES		721,598	(2,007,532)
SURPLUS/(DEFICIT) FOR THE PERIOD		(721,598)	2,007,532
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		(721,598)	2,007,532

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



Gaming and Wagering Commission of Western Australia

Statement of financial position

As at 30 June 2019

	Notes	2019 \$	2018 \$
ASSETS			
Current Assets			
Cash and cash equivalents	5.1	1,624,114	1,278,790
Restricted cash and cash equivalents	5.1, 7.7	4,699,011	5,682,164
Receivables	4.1	41,426	44,850
Inventories	4.2	5,883	6,020
Total Current Assets		6,370,434	7,011,824
TOTAL ASSETS		6,370,434	7,011,824
LIABILITIES			
Current Liabilities			
Payables	4.3	440,939	360,731
Total Current Liabilities		440,939	360,731
TOTAL LIABILITIES		440,939	360,731
NET ASSETS		5,929,495	6,651,093
EQUITY			
Accumulated surplus/(deficit)	7.9	5,929,495	6,651,093
TOTAL EQUITY		5,929,495	6,651,093

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



Gaming and Wagering Commission of Western Australia

Statement of changes in equity

For the year ended 30 June 2019

	Notes	Accumulated surplus/ (deficit) \$	Total equity \$
Balance at 1 July 2017	7.9	4,643,561	4,643,561
Surplus/(deficit)	7.9	2,007,532	2,007,532
Other comprehensive income		-	-
Total comprehensive income for the period		<u>2,007,532</u>	<u>2,007,532</u>
Balance at 30 June 2018		<u>6,651,093</u>	<u>6,651,093</u>
Balance at 1 July 2018		6,651,093	6,651,093
Surplus/(deficit)	7.9	(721,598)	(721,598)
Other comprehensive income		-	-
Total comprehensive income for the period		<u>(721,598)</u>	<u>(721,598)</u>
Balance at 30 June 2019	7.9	<u>5,929,495</u>	<u>5,929,495</u>

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

Gaming and Wagering Commission of Western Australia

Statement of cash flows

For the year ended 30 June 2019

	Notes	2019 \$	2018 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Board members fees		(123,814)	(77,920)
Payments related to restricted cash and special purpose accounts		(82,805,093)	(61,486,051)
Services and contract fees		(4,194,259)	(4,133,629)
GST payments on purchases		(788,808)	(745,760)
GST payments to taxation authority		(7,827,304)	(5,944,429)
Receipts			
Fees and charges		4,570,350	4,338,405
Receipts related to restricted cash and special purpose accounts		81,821,941	63,334,824
Interest received		12,708	12,679
GST receipts on sales		7,935,379	5,941,333
GST receipts from taxation authority		761,071	730,281
Net cash provided by/(used in) operating activities		(637,829)	1,969,733
 Net increase/(decrease) in cash and cash equivalents		 (637,829)	 1,969,733
Cash and cash equivalents at the beginning of the period		6,960,954	4,991,221
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	5.1	6,323,125	6,960,954

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

Gaming and Wagering Commission of Western Australia
Notes to the Financial Statements
for the year ended 30 June 2019

1. Basis of preparation

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

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

These annual financial statements were authorised for issue by the Accountable Authority of the Commission on 3 September 2019.

Statement of compliance

These general purpose financial statements are prepared in accordance with:

- 1) The *Financial Management Act 2006 (FMA)*
- 2) The Treasurer's Instructions (TIs)
- 3) Australian Accounting Standards (AAS) - Reduced Disclosure Requirements
- 4) Where appropriate, those AAS paragraphs applicable for not-for-profit entities have been applied.

The *Financial Management Act 2006* and the Treasurer's Instructions (the Instructions) take precedence over AAS. Several AAS are modified by the 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.

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 Gaming and Wagering Commission of Western Australia by the Department of Local Government, Sport and Cultural Industries

The Department of Local Government, Sport and Cultural Industries ("DLGSC") provides support to the Commission to enable the Commission to carry out its objectives. This support comprises most of the amount reported in the Statement of Comprehensive Income under 'Services and contract fees'. These charges are in the nature of salaries and administration costs in providing these support services.

Recoups from the Commission to DLGSC are made on a monthly basis under a net appropriation determination.

2. Use of our funding

Expenses Incurred in the delivery of services

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

	Notes	2019	2018
		\$	\$
Board members expenses	2.1	123,605	78,678
Services and contract fees	2.2	4,195,142	4,124,563
Expenses related to Restricted Cash and Special Purpose Accounts	2.3	82,805,093	61,486,051

2.1 Board members expenses

	2019	2018
	\$	\$
Board fees	112,958	71,852
Superannuation - defined contribution plans ^(a)	10,647	6,826
Total board members expenses	123,605	78,678

(a) Defined contribution plans include West State Superannuation Scheme (WSS), Gold State Superannuation Scheme (GSS), Government Employees Superannuation Board Schemes (GESBs) and other eligible funds.

Superannuation

The amount recognised in profit or loss of the Statement of Comprehensive Income comprises employer contributions paid to the GSS (concurrent contributions), the WSS, the GESBs, or other superannuation funds. The employer contribution paid to the Government Employees Superannuation Board (GESB) in respect of the GSS is paid back into the Consolidated Account by the GESB.

GSS (concurrent contributions) is a defined benefit scheme for the purposes of employees and whole-of-government reporting. It is however a defined contribution plan for Commission purposes because the concurrent contributions (defined contributions) made by the Commission to GESB extinguishes the Commission's obligations to the related superannuation liability.

The Commission does not recognise any defined benefit because it has no legal or constructive obligation to pay future benefits relating to its employees. The liabilities for the unfunded Pension Scheme and the unfunded GSS transfer benefits attributable to members who transferred from the Pension Scheme, are assumed by the Treasurer. All other GSS obligations are funded by concurrent contributions made by the Commission to the GESB.

The GESB and other fund providers administer public sector superannuation arrangements in Western Australia in accordance with legislative requirements. Eligibility criteria for membership in particular schemes for public sector employees vary according to commencement and implementation dates.

2.2 Services and contract fees

	2019	2018
	\$	\$
Professional Services ^(a)	4,140,575	4,027,355
External Audit Fees	15,500	15,200
Consumables	229	2,346
Conference/Seminar	22,713	-
Advertising-Government Gazette	3,162	367
Travel	3,701	233
Bank Fees and Charges	4,077	2,924
Contribution Expenses	-	76,000
Other	5,185	138
Total services and contract fees	4,195,142	4,124,563

Services and contract fees

Supplies and services 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.

(a) The Department of Local Government, Sport and Cultural Industries ("DLGSC") provides support to the Commission to enable the Commission to carry out its objectives. This support comprises most of the amount reported in the Statement of Comprehensive Income under 'Services and contract fees'. These charges are in the nature of salaries and administration costs in providing these support services. Recoups from the Commission to DLGSC are made on a monthly basis under a net appropriation determination.

2.3 Expenses related to restricted cash and special purpose accounts

	2019 \$	2018 \$
Grants and subsidies		
Problem Gambling	477,972	474,037
Gaming Community Trust	600,618	87,915
Sports Wagering	2,560,922	2,584,500
Total grant payments	3,639,512	3,146,452
Racing Bets Levy payment to RWWA	78,716,544	57,865,193
Other services and contract fees ^(a) - relates to restricted cash and special purpose accounts	449,037	474,406
Total expenses related to restricted cash and special purpose accounts	82,805,093	61,486,051

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.

(a): Other services and contract fees include professional services, and other operating expenses related to the Problem Gambling Support Services (2019: \$358,513; 2018: \$419,769), Gaming Community Trust Fund (2019: \$1,165; 2018: \$310), and Racing Bets Levy Account (2019: \$89,359; 2018: \$54,326).

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	2019 \$	2018 \$
User charges and fees	3.1	4,571,017	4,338,276
Revenues related to restricted cash and special purpose accounts	3.2	81,817,991	63,345,329
Interest revenue	3.3	13,234	13,219

3.1 User charges and fees

	2019 \$	2018 \$
Casino licence fees	2,918,173	2,864,576
Casino employee licence fees	170,618	112,655
Betting related fees	40,187	44,665
Community gaming	819,595	750,349
Gaming infringement	2,237	2,051
Recoups for services provided ^(a)	620,207	563,980
	4,571,017	4,338,276

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

Revenue is recognised when the transaction or event giving rise to the revenue occurs.

(a) Recoups for services provided include services provided to Racing and Wagering Western Australia (2019: \$503,706; 2018: \$449,539), and Lotteries Commission of Western Australia (2019: \$116,501; 2018: \$114,441).

3.2 Revenues related to Restricted Cash and Special Purpose Accounts

	2019 \$	2018 \$
Contributions ^(a)	2,894,050	5,333,809
Racing Bets Levy	78,705,889	57,863,479
Interest revenue - relates to restricted cash and special purpose accounts	218,052	148,041
	81,817,991	63,345,329

(a): Contributions include funding from the Problem Gambling Support Services (2019: \$0; 2018: \$1,057,364), Gaming Community Trust Fund (2019: \$234,968; 2018: \$243,532), and Sports Wagering Account (2019: \$2,618,531; 2018: \$4,031,593).

3.3 Interest revenue

	2019 \$	2018 \$
Interest revenue from Commonwealth Bank of Australia	13,234	13,219
	13,234	13,219

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	2019 \$	2018 \$
Receivables	4.1	41,426	44,850
Inventories	4.2	5,883	6,020
Payables	4.3	440,939	360,731

4.1 Receivables

	2019 \$	2018 \$
Current		
Accrued revenue	41,426	44,850
Total current	41,426	44,850
Total receivables	41,426	44,850

Receivables are recognised at original invoice amount less any allowances for uncollectible amounts (i.e. impairment). The carrying amount of net trade receivables is equivalent to fair value as it is due for settlement within 30 days.

4.2 Inventories

	2019 \$	2018 \$
Current		
Betting tickets	1,551	1,669
Betting ledgers	4,332	4,351
Total current inventories	5,883	6,020
Total inventories	5,883	6,020

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

4.3 Payables

Current
Trade payables
Other payables
GST payable
Total current
Balance at end of period

2019	2018
\$	\$
2,396	-
1,653	4,014
438,890	358,717
440,939	360,731
440,939	360,731

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 is generally within 30 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

Cash and cash equivalents
Restricted cash and cash equivalents
Balance at end of period

Notes	2019	2018
	\$	\$
1,624,114	1,278,790	
4,699,011	5,682,164	
6,323,125	6,960,954	

For the purpose of the statement of cash flows, cash and cash equivalent (and restricted cash and cash equivalent) assets comprise cash on hand and short-term deposits with original maturities of three months or less that are readily convertible to a known amount of cash and which are subject to insignificant risk of changes in value.

6. Financial Instruments and Contingencies

	Note
Financial instruments	6.1
Contingent assets and Contingent 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:

	2019	2018
	\$	\$
Financial assets		
Cash and cash equivalents	1,624,114	1,278,790
Restricted cash and cash equivalents	4,699,011	5,682,164
Receivables	41,426	44,850
Total financial assets	6,364,551	7,005,804
Financial liabilities		
Financial liabilities measured at amortised cost ^(a)	4,049	4,014
Total financial liability	4,049	4,014

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

6.2 Contingent assets and liabilities

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

7. Other disclosures

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

	Notes
Events occurring after the end of the reporting period	7.1
Initial application of Australian Accounting Standards	7.2
Key management personnel	7.3
Related party transactions	7.4
Related bodies	7.5
Affiliated bodies	7.6
Special purpose accounts	7.7
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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 Initial application of Australian Accounting Standards

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.

7.3 Key management personnel

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

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

Compensation band (\$)	2019	2018
0 - 10,000	2	6
10,001 - 20,000	7	3
Total compensation of senior officers	123,879	78,678

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

7.4 Related party transactions

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

Related parties of the Commission include:

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

Significant transactions with Government-related entities

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

- annual services fees payments to the Department of Local Government, Sport and Cultural Industries for services received (Note 2.2);
- payments of racing bets levy to Racing and Wagering Western Australia (Note 2.3), and (Note 7.7);
- recoups for services provided to Lotteries Commission of Western Australia, and Racing and Wagering Western Australia (Note 3.1);
- receipts of racing bets levy from Racing and Wagering Western Australia (Note 3.2), and (Note 7.7);
- audit fee payments to the Office of the Auditor General (Note 7.8); and
- payments of video lottery terminals and continuing lottery levy to the Department of Treasury (Note 7.10.1), and (Note 7.10.2).

Significant transactions with other related entities

- superannuation payments to GESB (Note 2.1).

Material transactions with other related parties

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

7.5 Related bodies

The Commission had no related bodies during the financial year.

7.6 Affiliated bodies

The Commission had no affiliated bodies during the financial year.

7.7 Special purpose accounts

Problem Gambling Support Services

The Problem Gambling Support Services receive contributions from Lotteries Commission 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 problem gamblers and to undertake problem gambling related research.

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

	2019	2018
	\$	\$
	1,224,936	1,035,000
	21,463	1,083,743
	(836,485)	(893,807)
	<u>409,914</u>	<u>1,224,936</u>

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

	2019	2018
	\$	\$
	1,819,530	1,629,947
	277,644	277,809
	(601,783)	(88,228)
	<u>1,495,391</u>	<u>1,819,530</u>

Sports Wagering Account ^(a)

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

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

	2019	2018
	\$	\$
	2,388,069	917,304
	2,727,586	4,055,265
	(2,560,922)	(2,584,500)
	<u>2,554,733</u>	<u>2,388,069</u>

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, and outgoings and expenses incurred by the Commission in administering the Account.

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

	2019	2018
	\$	\$
	249,629	251,139
	78,795,248	57,918,009
	(78,805,903)	(57,919,519)
	<u>238,974</u>	<u>249,629</u>

Total restricted cash and cash equivalents as per Statement of Financial Position

4,699,011 5,682,164

Security Deposits ^(a)

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

	2019	2018
	\$	\$
	1,456,294	1,483,165
	4,109,416	836,824
	(1,086,841)	(863,695)
	<u>4,478,869</u>	<u>1,456,294</u>

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

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

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

(a) Established under section 16(1)(b) of FMA.

(b) Established under section 16(1)(c) of FMA.

7.8 Remuneration of auditors

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

	2019 \$	2018 \$
Auditing the accounts, financial statements, controls, and key performance indicators	15,733	15,500

7.9 Equity

Accumulated surplus/(deficit)
Balance at start of period
Result for the period
Balance at end of period

	2019 \$	2018 \$
Balance at start of period	6,651,093	4,643,561
Result for the period	(721,598)	2,007,532
Balance at end of period	5,929,495	6,651,093

7.10 Administered transactions

	2019 \$	2018 \$
	99,614	130,532

7.10.1 Video lottery terminals

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.

	88,899	98,073
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7.10.2 Continuing lottery levy

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

7.11 Explanatory statement (Controlled Operations)

All variances between estimates (original budget) and actual results for 2019, and between the actual results for 2019 and 2018 are shown below. Narratives are provided for key major variances, which are generally greater than:

- 5% and \$87,067 for the Statements of Comprehensive Income and Cash Flows, and
- 5% and \$131,970 for the Statement of Financial Position.

7.11.1 Statement of Comprehensive Income Variances

	Variance note	Estimate 2019 \$	Actual 2019 \$	Actual 2018 \$	Variance between estimate and actual \$	Variance between actual results for 2019 and 2018 \$
Expenses						
Board members expenses		90,700	123,605	78,678	32,905	44,927
Expenses related to restricted cash and special purpose accounts	1, a	-	82,805,093	61,486,051	82,805,093	21,319,042
Services and contract fees		4,262,641	4,195,142	4,124,563	(67,499)	70,579
Total cost of services		4,353,341	87,123,840	65,689,292	82,770,499	21,434,548
Income						
Revenue						
User charges and fees	b	4,513,291	4,571,017	4,338,276	57,726	232,741
Revenues related to restricted cash and special purpose accounts	2, c	-	81,817,991	63,345,329	81,817,991	18,472,662
Interest revenue		11,000	13,234	13,219	2,234	15
Total Revenue		4,524,291	86,402,242	67,696,824	81,877,951	18,705,418
NET COST OF SERVICES		170,950	(721,598)	2,007,532	(892,548)	(2,729,130)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		170,950	(721,598)	2,007,532	(892,548)	(2,729,130)

Major Estimate and Actual (2019) Variance Narratives

1) No budget estimates are prepared for the Expenses related to restricted cash and special purpose accounts since their business activities are mainly driven from external sources.

2) No budget estimates are prepared for the Revenues related to restricted cash and special purpose accounts since their business activities are mainly driven from external sources.

Major Actual (2019) and Comparative (2018) Variance Narratives

a) Expenses related to restricted cash and special purpose accounts exceed 2018 by \$21.3 million (35%) mainly due to an increase in the amount remitted to RWWA for the racing bets levy.

b) User charges and fees have increased in 2019 by approximately \$233,000 mostly because of higher gaming function permit revenue (\$69,000), casino employee licence fee revenue (\$58,000) and casino gaming licence fee revenue (\$53,000).

c) Revenues related to restricted cash and special purpose accounts exceed 2018 by nearly \$18.5 million (\$29%) due to changes made in the calculation of racing bets levy and an increase in wagering turnover on WA racing.

7.11.2 Statement of Financial Position Variances

	Variance note	Estimate 2019 \$	Actual 2019 \$	Actual 2018 \$	Variance between estimate and actual \$	Variance between actual results for 2019 and 2018 \$
ASSETS						
Current Assets						
Cash and cash equivalents	c	1,572,890	1,624,114	1,278,790	51,224	345,323
Restricted cash and cash equivalents	3, d	4,982,047	4,699,011	5,682,164	(283,036)	(983,153)
Receivables		37,500	41,426	44,850	3,926	(3,423)
Inventories		6,088	5,883	6,020	(205)	(138)
Total Current Assets		6,598,525	6,370,434	7,011,824	(228,091)	(641,390)
TOTAL ASSETS		6,598,525	6,370,434	7,011,824	(228,091)	(641,390)
LIABILITIES						
Current Liabilities						
Payables		513,535	440,939	360,731	(72,596)	80,208
Total Current Liabilities		513,535	440,939	360,731	(72,596)	80,208
TOTAL LIABILITIES		513,535	440,939	360,731	(72,596)	80,208
NET ASSETS		6,084,990	5,929,495	6,651,093	(155,495)	(721,598)
EQUITY						
Accumulated surplus/(deficit)		6,084,990	5,929,495	6,651,093	(155,495)	(721,598)
TOTAL EQUITY		6,084,990	5,929,495	6,651,093	(155,495)	(721,598)

Major Estimate and Actual (2019) Variance Narratives

3) Restricted cash and cash equivalents are lower than estimates by 6% (\$283,036) due to a lower than expected cash inflow from special purpose accounts from previous years.

Major Actual (2019) and Comparative (2018) Variance Narratives

c) Cash and cash equivalents are higher in 2019 by over \$345,000 (27%) mainly due to higher user charges and fees (\$232,742) and no contribution to the Problem Gambling Support Fund (\$76,000).

d) Restricted cash and cash equivalents have decreased in 2019 by \$983,153 (17%) largely due to the increase in payments from the Problem Gambling Support Fund (\$1.06 million).

7.11.3 Statement of Cash Flows Variances

	Variance note	Estimate 2019 \$	Actual 2019 \$	Actual 2018 \$	Variance between estimate and actual \$	Variance between actual results for 2019 and 2018 \$
CASH FLOWS FROM OPERATING ACTIVITIES						
Payments						
Board members fees		(90,700)	(123,814)	(77,920)	(33,114)	(45,894)
Payments related to restricted cash and special purpose accounts	4, e	-	(82,805,093)	(61,486,051)	(82,805,093)	(21,319,042)
Services and contract fees		(4,262,641)	(4,194,259)	(4,133,629)	68,382	(60,630)
GST payments on purchases	5	-	(788,808)	(745,760)	(788,808)	(43,048)
GST payments to taxation authority	6, f	-	(7,827,304)	(5,944,429)	(7,827,304)	(1,882,875)
Receipts						
User charges and fees	g	4,513,291	4,570,350	4,338,405	57,059	231,945
Receipts related to restricted cash and special purpose accounts	7, h	-	81,821,941	63,334,824	81,821,941	18,487,117
Interest received		11,000	12,708	12,679	1,708	29
GST receipts on sales	8, i	-	7,935,379	5,941,333	7,935,379	1,994,046
GST receipts from taxation authority	9	-	761,071	730,281	761,071	30,790
Net cash provided by/(used in) operating activities	j	170,950	(637,829)	1,969,733	(808,779)	(2,607,562)
Net increase/(decrease) in cash and cash equivalents		170,950	(637,829)	1,969,733	(808,779)	(2,607,562)
Cash and cash equivalents at the beginning of the period		6,383,987	6,960,854	4,991,221	576,967	1,969,733
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		6,554,937	6,323,025	6,960,954	(231,812)	(637,829)

Major Estimate and Actual (2019) Variance Narratives

- 4) No budget estimates are prepared for the Payments related to restricted cash and special purpose accounts since their business activities are mainly driven from external sources.
- 5) No budget estimates are prepared for GST payments on purchases.
- 6) No budget estimates are prepared for GST payments to taxation authority.
- 7) No budget estimates are prepared for the Receipts related to restricted cash and special purpose accounts since their business activities are mainly driven from external sources.
- 8) No budget estimates are prepared for GST receipts on sales.
- 9) No budget estimates are prepared for GST receipts from taxation authority.

Major Actual (2019) and Comparative (2018) Variance Narratives

- a) Payments related to restricted cash and special purpose accounts exceed 2018 by \$21.32 million (\$35%) mainly due to an increase in the amount remitted to RWWA for the racing bets levy.
- f) GST payments to taxation authority have increased by \$1.88 million (32%) from 2018 as GST receipts on sales increased.
- g) User charges and fees have increased in 2019 by \$0.23 million due to the higher casino employee licence fees received.
- h) Receipts related to restricted cash and special purpose accounts exceed 2018 by \$18.48 million (\$29%) due to changes made in the calculation of racing bets levy and an increase in wagering turnover on WA racing.
- i) GST receipts on sales increased almost \$2 million from 2018 due to the higher racing bets levies received.
- j) Net cash outflow of \$637,829 in 2019 is mainly driven by a decrease in receipts of \$1.06 million for the Problem Gambling Support Fund (a special purpose account), rather than the operational activities of the Commission.



CERTIFICATION OF KEY PERFORMANCE INDICATORS

We hereby certify that the key performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the performance of the Gaming and Wagering Commission of Western Australia, and fairly represent the performance of the Gaming and Wagering Commission of Western Australia for the financial year ended 30 June 2019.

Duncan Ord OAM
Chairperson
Gaming and Wagering Commission of
Western Australia

3 September 2019

Katie Hodson-Thomas
Member
Gaming and Wagering Commission of
Western Australia

3 September 2019



Detailed information in support of key performance indicators

Agency Level Government Desired Outcomes and Key Effectiveness Indicators

Government Goal: Sustainable Finances: Responsible financial management and better service delivery

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

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

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

The Commission is responsible to the community for the provision of lawful gambling activities for the benefit of Western Australia and the delivery in 2018/19 of the Commission's service contributes to the Government's goal of responsible financial management and better service delivery.

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

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

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

Key Effectiveness Indicator	2015-16 Actual	2016-17 Actual	2017-18 Actual	2018-19 Target	2018-19 Actual
Percentage of unlawful gambling detected in relation to total audits	0.49%	0.52%	0.56%	1.15%	0.49%
Number of violation reports/ infringement notices issued in relation to casino gaming	4	3	3	10	1

The table shows that there were less non-compliance issues at the Casino than targeted.

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

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

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

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

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

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

Key Efficiency Indicator	2015-16 Actual	2016-17 Actual	2017-18 Actual	2018-19 Target	2018-19 Actual
Cost per Gambling Certificate/Permit issued	\$499	\$350	\$316	\$481	\$310
Cost per Casino Employee Licence issued	\$1,312	\$1,352	\$1,083	\$1,264	\$850
Cost of monitoring the integrity of casino gaming operations over one year	\$264,272	\$328,366	\$370,253	\$84,739	\$1,118,682
Cost per instance of unlawful gambling detected	\$132,136	\$64,245	\$50,489	\$42,369	\$50,849
Cost per casino submission received	\$929	\$818	\$717	\$895	\$617

Cost per Gambling Certificate/Permit issued: This figure is derived by dividing the cost allocation for the activity by the number of certificates and permits issued. The difference between the target and actual can be attributed to 93 more certificates/permits being issued and a decrease of approximately \$440,000 in the cost allocated.

Cost per Casino Employee Licence issued: This figure is derived by dividing the cost allocation for the activity by the number of licences issued. Whilst there were 7 less licences issued, the decrease in average cost from the budgeted figure is due to a decrease of approximately \$293,000 in costs allocated.

Cost of monitoring the integrity of casino gaming operations over one year: This is derived by dividing the cost allocation for the activity by the number of violations. The efficiency indicator is lower than targeted as the number of violations by the Casino Licensee is less than the expected number of violations in the casino gaming operation. The increase in the cost of monitoring the integrity of casino gaming operations compared to the prior year is due to an increase in activity level.

Cost per instance of unlawful gambling: This is derived from dividing the cost allocation by the number of breaches detected. The cost per instance of unlawful gambling has slightly increased from the targeted amount. This is due to an increase of nearly \$407,000 in allocated costs, despite there being three more instances of unlawful gambling detected, compared to the targeted number.

Cost per casino submission received: This is derived from dividing the cost allocation by the number of submission received. The overall average cost is lower than the budget due to more submissions being received during the year.

The table below provides a comparative snapshot of the target and actual costs allocated to activities over 2018-19.

	2018-19 Target		2018-19 Actual	
	Cost Allocated	Number Completed	Cost Allocated	Number Completed
Total Cost of Gambling Certificates/Permits issued	\$1,314,059	2,732	\$874,375	2,825
Total Cost of Casino Employee Licences issued	\$876,040	693	\$582,917	686
Total Cost of monitoring the integrity of casino gaming operations	\$847,392	10	\$1,118,682	1
Total Cost of unlawful gambling detected	\$1,271,089	30	\$1,678,023	33
Total Cost of processing casino submissions.	\$44,761	50	\$64,750	105
Total Cost of Services	\$4,353,341		\$4,318,747	

The table above highlights the following facts:

- Costs allocated are a percentage of the overall output (licensing or compliance) costs. The actual cost allocated for gambling certificate/permits are lower than targeted costs.
- The actual costs allocated to casino employee licences are lower than targeted costs.
- The actual cost allocated for monitoring the integrity of casino gaming operations and unlawful gambling detected are higher than budgeted costs due to a higher number of compliance activities which results in an increase to the costs allocated. The casino has 2,500 electronic gaming machines which require regular inspections which accounts for some of the increase.

The table below details the number of actual audits, inspections, investigations and assessments completed during the year compared to the target amount.

Audits/Inspections/Investigations/Assessments	2018-19 Target	2018-19 Actual	Difference
Racing	553	481	(72)
Lotterywest	1,073	1,057	(16)
Gaming	350	271	(79)
Casino	1,597	5,085	3,488
Totals	3,573	6,894	3,321

Racing and Gaming: The number of racing and gaming audits completed can be directly impacted by the availability and focus of inspectorate resources; this may lead to variations from targets. Whilst there was a decrease in racing and gaming, in 2018-19 the inspectorate increased activities for inspections and audits of TAB agencies. Further, for approximately six months of the 2018-19 year, five Compliance Inspectors were assigned to assist with conducting local government investigations within the Industry & Sector Regulation Branch of the Department.

Casino: The inspectorate continued to focus on the compliance program at the Casino conducting audits and inspections across the gaming activities. In addition, the inspectorate has a project management approach to conducting audits and inspections, predominately on EGMs, on the public holidays when the Casino is not open to patrons. This year's project resulted in more assistance from the Casino licensee which allowed for the allocation of extra Inspectors to conduct the inspections.

A breakdown of costs, other than expenses related to restricted cash and special purpose accounts, is provided in the table below.

Operating Expenses	2018-19 Target	2018-19 Actual	Difference
Fees paid to board members	\$82,800	\$112,958	\$30,158
Superannuation expense to GESB	\$7,900	\$10,647	\$2,747
Problem Gambling Expenditure	\$76,000	\$0	(\$76,000)
Services provided by DLGSC	\$4,140,575	\$4,140,575	\$0
Conference and Seminar fees	\$25,000	\$22,713	(\$2,287)
Capital expenditure	\$0	\$0	\$0
Other operating expenses	\$21,066	\$31,854	\$10,788
Total Cost of Service	\$4,353,341	\$4,318,747	(\$34,594)



Auditor General

INDEPENDENT AUDITOR'S REPORT

To the Parliament of Western Australia

GAMING AND WAGERING COMMISSION OF WESTERN AUSTRALIA

Report on the Financial Statements

Opinion

I have audited the financial statements of the Gaming and Wagering Commission of Western Australia which comprise the Statement of Financial Position as at 30 June 2019, the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows for the year then ended, and 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 2019 and the financial position at the end of that period. They are in accordance with Australian Accounting Standards, 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 am independent of the Commission in accordance with the *Auditor General Act 2006* and the relevant ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial statements. I have also fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibility of the Commission for the Financial Statements

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

In preparing the financial statements, the Commission is responsible for assessing the agency's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and 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 Responsibility for the Audit of the Financial Statements

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial statements. The objectives of my audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. 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.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the agency's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Commission.
- Conclude on the appropriateness of the Commission's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the agency's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Commission regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Report on 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 by the Commission to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions (the overall control objectives).

My opinion has been formed on the basis of the matters outlined in this report.

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 legislative provisions during the year ended 30 June 2019.

The Commission's Responsibilities

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

Auditor General's Responsibilities

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

An assurance engagement to report on the design and implementation of controls involves performing procedures to obtain evidence about the suitability of the design of controls to achieve the overall control objectives and the implementation of those controls. The procedures selected depend on my judgement, including the 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 the controls are in operation, the overall control objectives may not be achieved so that fraud, error, or noncompliance 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 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 2019. The key performance indicators are the key effectiveness indicators and the 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 2019.

The Commission's Responsibility for the Key Performance Indicators

The Commission is responsible for the preparation and fair presentation of the key performance indicators in accordance with the *Financial Management Act 2006* and the Treasurer's Instructions and for such internal control as the Commission determines necessary to enable the preparation of key performance indicators that are free from material misstatement, whether due to fraud or error.

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

Auditor General's Responsibility

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 agency's performance and whether the key performance indicators are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion.

I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements relating to assurance engagements.

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

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

My Independence and Quality Control Relating to the Reports on Controls and Key Performance Indicators

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

Matters Relating to the Electronic Publication of the Audited Financial Statements and Key Performance Indicators

This auditor's report relates to the financial statements and key performance indicators of the Gaming and Wagering Commission of Western Australia for the year ended 30 June 2019 included 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 and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements or key performance indicators. 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 refer to the hard copy of the audited financial statements and key performance indicators to confirm the information contained in this website version of the financial statements and key performance indicators.



KELLIE TONICH
SENIOR DIRECTOR
FINANCIAL AUDIT

Delegate of the Auditor General for Western Australia
Perth, Western Australia

5 September 2019

Ministerial Directives

Section 48 of the *Gaming and Wagering Commission Act 1987*, enables the Minister, in instances where there is a major sporting event or a special occasion, to direct the Commission to issue a permit for the conduct of a specified gaming activity.

During 2018-19, the Minister directed the Commission on one occasion to issue permits for the conduct of two-up on Anzac Day to the:

- the Navy Club Inc;
- the Naval Association of Australia – Rockingham sub-section;
- the Totally and Partially Disabled Veterans of WA Inc – Baldivis Branch; and
- Returned and Services League of Australia (WA Branch) sub branches (total of 44 permits)

Governance Disclosures

Contracts with Senior Officers

At the date of reporting, other than normal contracts of employment of service, no senior officers, nor firms of which senior officers are members, or entities in which Senior officers have substantial interests had any interests in existing or proposed contracts with the Gaming and Wagering Commission of Western Australia and senior officers.

Unauthorised Use of Credit Cards

There have been no identified instances of unauthorised use of corporate credit cards.

Other Financial Disclosures

Pricing Policies of Service Provided

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

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

The Commission is fully aware that increasing the fees to meet cost recovery will impose barriers to entry, which is something that the Commission is reluctant to do. Consistent with

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

The Commission's fees and charges were increased on 1 January 2019. The list of fees and charges are available on the department's Racing, Gaming and Liquor webpage at www.dlgsc.wa.gov.au and are reviewed annually.

Remuneration of Members

During the reporting period, the following remuneration figures applied to Commission members:

Position	Name	Type of Remuneration	Period of Membership	Gross Remuneration
Chairman	Duncan Ord OAM	n/a	12 months	Nil (<i>ex-officio</i>)
Member	Barry A Sargeant PSM	Paid f/nightly	12 months	15,910.52
Member	Andrew Duckworth	Paid f/nightly	12 months	15,910.52
Member	Colleen Hayward AM	Paid f/nightly	12 months	15,910.52
Member	Robert Bovell	Paid f/nightly	12 months	15,910.52
Member	Katie Hodson-Thomas	Paid f/nightly	12 months	15,910.52
Member	Carmelina Fiorentino	Paid f/nightly	11 months	14,446.76
Member	Jodie Hede	Paid f/nightly	11 months	14,446.76
Total				108,446.12

The following table outlines remuneration for members of the Gaming Community Trust:

Position	Name	Type of Remuneration	Period of Membership	Gross Remuneration
Chairman	Duncan Ord	n/a	12 months	Nil (<i>ex-officio</i>)
Member	Stephen Reynolds	Per meeting	12 months	284
Member	Joshua Preston	Per meeting	12 months	Nil*
Member	Maxine Connolly	Per meeting	12 months	142
Member	Jan Cooper	Per meeting	12 months	284
Total				710

*Voluntarily elects to not be remunerated for attending meetings of the GCT.

Capital Works

There were no capital works undertaken by the Gaming and Wagering Commission during 2018-19.

Staff Profile

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

Other Legal and Government Policy Requirements

Advertising

In accordance with section 175ZE of the *Electoral Act 1907*, the Commission must report on any expenditure incurred for advertising, market research, polling, direct mail and media advertising. Total expenditure for 2018-19 was \$3748.34 with expenditure incurred in the following area:

	Total
Government Agencies (<i>Government Gazette</i>)	\$3748.34

Other Government Policy Requirements

The Commission meets its requirements through arrangements with the Department of Local Government, Sport and Cultural Industries. The department's Annual Report contains information on how the department meets the following requirements:

- Disability Access and Inclusion Plan Outcomes;
- Compliance with Public Sector Standards and Ethical Codes;
- Recordkeeping Plans;
- Substantive Equality; and
- Occupational Safety, Health and Injury Management.

Annual Estimates 2019-20

The following pages contain the Commission Budget Estimates for the 2019-20 financial year.



Department of Local Government, Sport and Cultural Industries
Gaming and Wagering Commission of Western Australia



TO:	HON PAUL PAPALIA CSC, MLA	MIN REF:	N/A
FROM:	DUNCAN ORD OAM	FILE NO:	F02/08/03-02
SUBJECT:	GAMING AND WAGERING COMMISSION OF WESTERN AUSTRALIA ANNUAL ESTIMATES 2019-20	DATE:	26 June 2019

RECOMMENDATION

I recommend you approve the attached Budget Estimates for the 2019-20 financial year and return to the Department of Local Government, Sport and Cultural Industries (DLGSC).

2019-20 BUDGET ESTIMATES

In accordance with section 40 of *Financial Management Act 2006*, the attached annual budget estimates of Gaming and Wagering Commission of Western Australia (GWC) for 2019-20 financial year are submitted for your approval. The Commission is required to report the approved 2019-20 budget estimates in the 2018-19 financial statement which will be tabled at Parliament.

For the financial year 2019-20, the Commission is projected to achieve a surplus of \$198,108 in it's budget.

The operational 'Cash resources' for 2019-20 are estimated at \$1.566 million as compared with 2018-19 Estimated Actual of \$1.368 million.

Explanations of the significant variations between the 2019-20 estimates and the 2018-19 budget are detailed below.

1. STATEMENT OF COMPREHENSIVE INCOME

1.1 Operating expenses

The increase in the Operating expenses for 2019-20 is largely due to the Fees paid to board members of \$33,600. The membership of the Commission rose in 2018-19 from 5 to 7.

It is expected the Commission will continue with the contribution of \$75,000 towards the Problem Gambling Support Services to fund Help Services.

Conference and staff development programs are budgeted for \$5,000. This is \$20,000 less than budgeted for in 2018-19 as this was allocated for hosting the 2019 Australian Gaming CEOs Conference in May 2019.

1.2 Revenues from services

The Casino Gaming Licence Fee has increased by \$46,748 to \$2,976,034 in line with CPI.

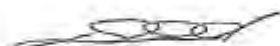
An amount of \$118,598 (\$116,501 for 2018-19) has been included for work undertaken with Lotterywest in relation to verification of all lotto and promotional draws.

Services provided to Racing and Wagering Western Australia (RW/WA) for the regulation of activities including audit and cash counts of TAB agencies and administering the Racing Bets Levy Scheme is budgeted at \$509,763 (\$522,437 for 2018-19). There is a decrease of \$12,674 from 2018-19 as forecasted costs for system enhancements were yet to be finalised at the time of preparing the 2018-19 budget.

Fees and charges including Casino Employee Licence Fees are budgeted at \$962,077 with CPI adjustment.

2. STATEMENT OF FINANCIAL POSITION

In 2019-20 Cash resources are expected to increase to \$1.566 million from \$1.368 million in 2018-19 Estimated Actual.



DUNCAN ORD OAM
DIRECTOR GENERAL

Enc.

Approved,



HON PAUL PAPALIA CSC, MLA
MINISTER FOR RACING AND GAMING

4/7/2019

Gaming & Wagering Commission of WA
Statement of Comprehensive Income
for the year ending 30 June 2020

	ANNUAL BUDGET 2017/18 \$	ACTUAL 2017/18 \$	ANNUAL BUDGET 2018/19 \$	ESTIMATED ACTUAL 2018/19 \$	ANNUAL BUDGET 2019/20 \$
COST OF SERVICES					
Operating expenses					
Fees paid to board members	82,800	71,852	82,800	108,057	116,400
Superannuation expense to GESB	7,900	6,826	7,900	10,181	11,092
Problem gambling expenditure	76,000	76,000	76,000	0	76,000
Services provided by DLGSC	4,027,355	4,027,355	4,140,575	4,140,575	4,140,575
Capital expenses - Other	0	0	0	0	0
Conference & Seminar fees	15,000	233	25,000	25,000	5,000
Other operating expenses	25,000	20,975	21,066	29,043	30,297
Total operating expenses	4,234,055	4,203,240	4,353,341	4,312,856	4,379,364
Revenues from services					
Casino Gaming Licence Fee	2,841,218	2,864,576	2,929,286	2,918,173	2,976,034
Casino Employee Licence Fee	87,220	112,655	93,372	165,697	95,052
Recoup from Lotterywest	114,441	114,441	116,501	116,501	118,598
Funding from Racing and Wagering WA	449,539	449,539	522,437	503,706	509,763
Fees and charges	841,137	797,065	851,695	844,095	867,025
Interest received	15,000	13,219	11,000	11,306	11,000
Total revenues from services	4,348,555	4,351,495	4,524,291	4,559,478	4,577,472
Net Cost of Services surplus/(deficit) ^{Note 1}	114,500	148,255	170,950	246,622	198,108
Net Movement to Special Purpose Accounts ^{Note 2}	0	1,859,277	0	(544,160)	0
CHANGE IN NET ASSETS RESULTING FROM OPERATIONS	114,500	2,007,532	170,951	(297,538)	198,108
Add Opening balance of accumulated surplus/(deficit)	6,843,831	4,643,562	5,914,042	6,651,094	6,353,556
Closing balance of accumulated surplus/(deficit)	6,958,331	6,651,094	6,084,992	6,353,556	6,551,664

ADMINISTERED REVENUE

Video lottery terminals	300,000	235,549	220,143	157,175	157,175
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Note 1

The Net Cost of Services surplus/(deficit) excludes the impact of Special Purpose Accounts, and exactly presents the financial performance of the core activities of the Commission.

Note 2

Net Movement to Special Purpose Accounts has no impact on the core operational side of the Commission.

Gaming & Wagering Commission of WA

Statement of Financial Position

as at 30 June 2019

	ANNUAL BUDGET 2017/18 \$	ACTUAL 2017/18 \$	ANNUAL BUDGET 2018/19 \$	ESTIMATED ACTUAL 2018/19 \$	ANNUAL BUDGET 2019/20 \$
CURRENT ASSETS					
Cash resources	1,597,131	1,278,790	1,572,890	1,368,205	1,566,313
Restricted Cash	6,240,365	5,682,164	4,982,047	5,979,017	5,979,017
Betting Stationery	6,675	6,024	6,088	6,024	6,024
Accounts receivable	-	-	-	-	-
Prepayments	-	-	-	-	-
GST receivable	33,785	36,523	99,938	60,181	60,181
Accrued Revenue	-	-	-	-	-
Interest receivable	30,000	44,850	37,500	37,750	37,750
Total assets	7,907,956	7,048,351	6,698,464	7,451,177	7,649,286
CURRENT LIABILITIES					
Accounts payable	262,373	4	-	-	-
Accrued Board Fees	-	636	-	-	-
Superannuation payable to GESB	-	60	-	-	-
Fees in Advance	-	-	-	243,405	243,405
GST payable	656,808	393,240	610,843	849,636	849,637
Receipts in Suspense	2,442	3,317	2,630	4,580	4,581
Total liabilities	921,623	397,257	613,473	1,097,621	1,097,622
Net assets	6,986,333	6,651,094	6,084,991	6,353,556	6,551,664
EQUITY					
Accumulated surplus/(deficit)	6,986,333	6,651,094	6,084,991	6,353,556	6,551,664
Total equity/(equity deficit)	6,986,333	6,651,094	6,084,991	6,353,556	6,551,664

Gaming & Wagering Commission of WA
Statement of Cash Flows
for the year ending 30 June 2020

	ANNUAL BUDGET 2017/18 \$ Inflows (Outflows)	ACTUAL 2017/18 \$ Inflows (Outflows)	ANNUAL BUDGET 2018/19 \$ Inflows (Outflows)	ESTIMATED ACTUAL 2018/19 \$ Inflows (Outflows)	ANNUAL BUDGET 2019/20 \$ Inflows (Outflows)
CASH FLOWS FROM OPERATING ACTIVITIES					
Payments					
Payments to board members	(82,800)	(71,215)	(82,800)	(108,694)	(116,400)
Superannuation payments to GESB	(7,900)	(6,705)	(7,900)	(10,242)	(11,092)
Capital payments	-	-	-	-	-
Problem gambling payments	(76,000)	(76,000)	(76,000)	-	(76,000)
GST on purchases	-	(745,758)	-	(662,491)	-
GST paid to Taxation Authority	-	(5,944,429)	-	(6,319,757)	-
Services provided by DLGSC	(4,023,477)	(4,027,355)	(4,140,575)	(4,140,575)	(4,140,575)
Conference & Seminar payments	-	(233)	-	(25,000)	-
All other payments	(40,000)	(30,041)	(46,066)	(24,874)	(35,297)
Receipts					
Casino licence fee	2,841,218	2,864,576	2,929,286	2,918,173	2,976,034
Casino employee licence fee	87,220	112,655	-	165,697	95,052
Funding from Racing and Wagering WA	449,539	449,539	522,437	503,706	509,763
Funding from Lotterywest	114,441	114,441	116,501	116,501	118,598
Fees and charges	841,137	797,194	945,067	857,636	867,025
GST receipts on sales	-	5,941,333	-	6,760,648	-
GST received from Taxation Authority	-	730,281	-	638,831	-
Interest received	15,000	12,679	11,000	12,708	11,000
Net cash from operating activities	118,378	120,961	170,950	(152,194)	198,108
Net cash from special purpose accounts	-	1,848,773	-	538,462	-
Adjusted net cash from operating activities	118,378	1,969,733	170,950	386,268	198,108
Cash at the beginning of the reporting period	5,774,383	4,991,221	6,383,987	6,960,954	7,347,222
Cash at the end of the reporting period	5,892,761	6,960,954	6,554,937	7,347,222	7,545,330
ADMINISTERED REVENUE					
Video Lottery Terminals	300,000	235,549	220,143	157,175	157,175