



**NEW SOUTH WALES
CASINO CONTROL AUTHORITY**

The Hon Graham West MP
Minister for Gaming and Racing
Parliament House
SYDNEY NSW 2000

Dear Minister

The Casino Control Authority is pleased to present its Annual Report for the 2006/07 reporting period, for presentation to Parliament.

The report has been prepared in accordance with the Casino Control Act 1992, the Annual Reports (Statutory Bodies) Act 1984 and the Annual Reports (Statutory Bodies) Regulation 2005.

Yours sincerely

A stylized signature of Talal Yassine, consisting of a large 'T' and 'Y' connected by a horizontal line.

Talal Yassine
Acting Chairperson

A stylized signature of Brian Farrell, written in a cursive script.

Brian Farrell
Chief Executive

CHAIRPERSON'S REPORT

On behalf of the NSW Casino Control Authority I am pleased to report on the Authority's operations and activities for the period July 2006 - June 2007.

An important milestone for the Authority during the 2006/07 year was the completion of the fourth triennial investigation of the Casino licence under Section 31 of the Casino Control Act 1992. The Authority was required to provide its report to the Minister for Gaming and Racing and publicly released the report on 21 December 2006.

Those who have followed the history of legal casino gaming in New South Wales will be aware that the Authority's second triennial Investigation completed in December 2000 by Mr Peter McClellan QC (as he then was) identified significant problems in the operation of Star City's private gaming area. In conducting the next triennial Investigation in 2003 the Authority was assisted by Mr Bret Walker SC and Ms Gail Furness and their findings were reassuringly positive for the Casino operator. That report indicated that the Casino operator and its parent company Tabcorp had demonstrated a firm intention to operate within the objectives of the Act and the principles established by the previous triennial Investigation and that policies and procedures designed to achieve this had been put in place.

In conducting the 2006 Investigation, the Authority was again assisted by Mr Bret Walker SC and Ms Gail Furness of counsel who found that Star City continues to have in place suitable policies and procedures to ensure that the Casino remains free from criminal influence or exploitation. They concluded that Star City remains a suitable person to continue to give effect to the Casino licence and that it is in the public interest that the Casino licence continues in force. Not surprisingly for an Investigation of this magnitude a small number of matters that need further consideration were identified and the Authority has undertaken to ensure that these will be addressed.

One upcoming event which has received some interest of recent times is the expiration of Star City's 12-year "exclusivity period" in mid September 2007.

When the Authority granted the 99-year Casino licence in 1994 associated arrangements were entered into providing the Casino operator an "exclusivity period" of 12 years from the opening of the temporary Casino, concluding on 13 September 2007. During the "exclusivity period" another Casino licence can not be granted without triggering a compensation payment to Star City for all damages, costs and expenses suffered by Star City as a result of that action.

Importantly, the expiration of the "exclusivity period" does not in itself mean that further Casino licences will be issued. The Act makes provision for only one Casino licence to be in force and specifies that the licence is to apply to one Casino only. Due to this provision, irrespective of the expiry of the "exclusivity period", no other Casino licence can be granted unless the Act is amended by Parliament.

In conclusion, I thank Authority staff, fellow Authority Members and those others who assisted the Authority during the year for their efforts and support.

The Authority remains very appreciative of the close professional relationship it enjoys with the NSW Police Casino Investigations Unit and acknowledges the importance of the ongoing efforts and diligence of the Unit in assisting the achievement of the Authority's objective of keeping the Casino free from criminal influence and exploitation.



Talal Yassine
Acting Chairperson

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STATISTICS

Item	2005/06	2006/07	Total Since Opening
Casino Taxes			
Casino Duty (\$M)	77.71	73.83	956.46
International Commission Duty (\$M)	3.00	12.79	30.80
Responsible Gambling Levy (\$M)	11.83	11.61	118.59
Total (\$M)	92.54	98.23	1 105.85

Casino Patrons			
Casino patrons (million p.a. - approx)	8.77	9.25	89.11
Patron Complaints	76	60	2 194

Exclusion Orders			
Exclusion orders issued	459	469	5 786
Applications for review	69	72	959
Exclusions overruled by Authority	7	1	101

Reasons for Exclusions			
Self exclusion	193	207	2 220
Unattended children	4	9	299
Disorderly conduct	64	68	912
Theft / fraud	116	97	1 245
Gaming related incidents and offences under Casino Control Act	31	40	600
Direction by Commissioner of Police	32	14	228
Other (including failing to pay for meals, suspected substance abuse)	19	34	282
Total	459	469	5 786

Licensing			
Special Employee Licences approved	382	266	7 473
Provisional Licences issued	306	196	6 864
Licence variations	181	248	11 502
Provisional Licences cancelled	1	0	32
Special Employee Licences renewed	391	523	3 806
Special Employee Licences refused	0	1	109
Total	1 261	1 234	29 786

NOTE: 1 The Casino operator is entitled to a GST offset payment for GST paid on international commission-based play

2 Information on Star City revenue is available at www.tabcorp.com.au

webcasts and presentations: 2006/07 Full Year Results: “3. Casinos: Revenue by state and product”

CHARTER

The New South Wales Casino Control Authority was established on 23 September 1992 by the Casino Control Act 1992.

AIMS AND OBJECTIVES

The Objects of the Authority, as set out in Section 140 of the Casino Control Act 1992 (the Act), are to maintain and administer systems for the licensing, supervision and control of a casino, for the purpose of:

- ensuring that the management and operation of the Casino remains free from criminal influence or exploitation
- ensuring that gaming in the Casino is conducted honestly
- containing and controlling the potential of a casino to cause harm to the public interest and to individuals and families

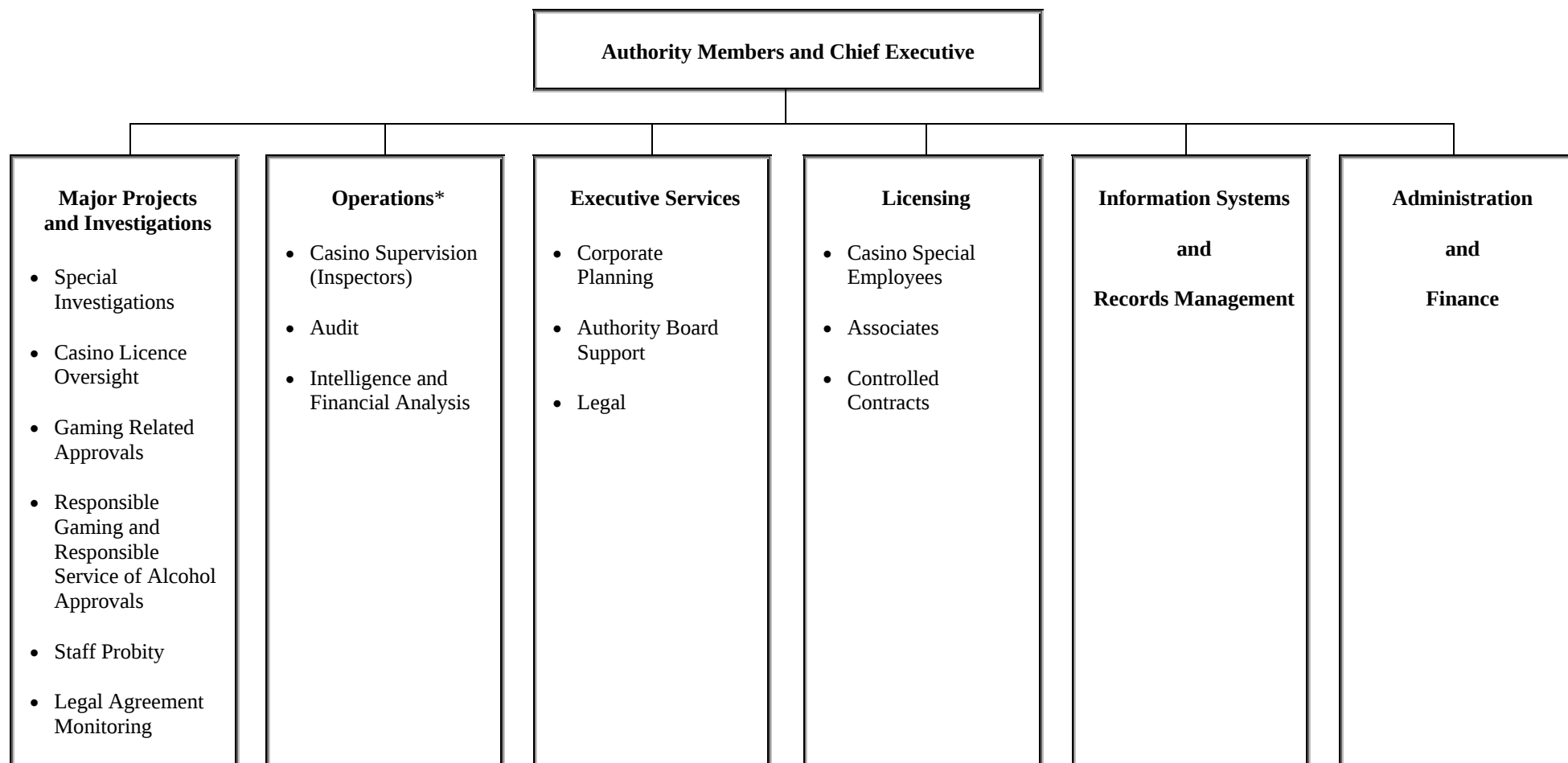
Section 141 of the Act provides that the Authority has as general functions:

- such functions as are necessary or convenient to enable the Authority to achieve its Objects
- such other functions as are conferred or imposed on it by or under the Act or any other legislation or law

Section 141 of the Act also provides that, without limiting its general functions, the Authority has these specific functions:

- at the direction of the Minister, to invite expressions of interest for the establishment and operation of casinos and applications for Casino licences and to consider and determine those applications
- to consider and determine applications for other licences under the Act
- to keep under constant review all matters connected with casinos and the activities of Casino operators, persons associated with Casino operators and persons who are in a position to exercise direct or indirect control over Casino operators or persons associated with Casino operators
- to advise the Minister on matters relating to the administration of the Act
- to approve the games to be played in a casino and the rules under which such games are played
- to approve gaming equipment for use in a casino
- to approve the operating times of a casino
- to appoint, supervise, direct and control Inspectors under the Act
- to directly supervise and inspect the operations of a casino and the conduct of gaming in a casino
- to detect offences committed in or in relation to a casino and to prosecute offences under the Act

ORGANISATION CHART



The Senior Executive Service (SES) profile is at **Appendix I**

* Inspectors and Audit staff located on-site at the Casino and Intelligence and Financial Analysis staff located at NSW Police Casino Investigations Unit (PCIU)

MANAGEMENT AND STRUCTURE

The Authority consists of five Members, one of whom is the Chief Executive. All Members are part-time with the exception of the Chief Executive. At the end of the 2006/07 reporting period, the Authority has one vacancy. The Act also allows for the appointment of Deputy Members.

METHOD AND TERM OF APPOINTMENT OF AUTHORITY MEMBERS

Part 10 of the Act determines the constitution, membership and qualifications of Authority Members. Members of the Authority are required to have qualifications or experience in one or more of these fields:

- business management
- law
- information technology
- community work or the community sector
- gaming
- finance
- human services or consumer protection

The Act requires that persons appointed as Members of the Authority must be of the highest integrity.

AUTHORITY MEMBERSHIP AT 30 JUNE 2007

Name	Position	Current Appointment	Term
Mr Ken Brown	Member	6 March 2006	until 5 March 2011
Mrs Sharryn Brownlee	Member	13 April 2005	until 12 April 2010
Mr Brian Farrell	Chief Executive	17 April 2005	until 16 April 2010
Mr Talal Yassine*	Deputy Chairperson	5 March 2004	until 4 March 2009

* Acting Chairperson from 22 September 2006

Appendix II details the Members' qualifications, attendance at and the frequency of meetings.

AUTHORITY COMMITTEES

The Authority has four formally constituted committees:

- | | |
|---|---------------------------|
| 1. Audit and Corporate Governance Committee | established 18 April 2002 |
| 2. Casino Intelligence Committee | established 16 May 2001 |
| 3. Casino Licence Oversight Committee | established 25 March 2004 |
| 4. Performance Management Committee | established 25 March 2004 |

The roles of the Authority's Committees are reported at **Appendix III**.

The Authority also has a less formally structured Probity Assessment Committee, which is constituted on an as-needed basis to oversee major probity investigations. During the 2006/07 reporting period the Committee was not required to meet.

SUMMARY REVIEW OF OPERATIONS

The Authority's principal activities during the 2006/07 reporting period included:

- completing the year 2006 statutory three-yearly review of the Casino licence under Section 31 of the Casino Control Act
- liaising with law enforcement agencies on crime identification and prevention
- maintaining a criminal intelligence capability and effective information flow with the NSW Police Casino Investigations Unit and other law enforcement agencies to ensure the Casino is not subject to criminal influence or exploitation
- supervising the operations of the Casino and ascertaining whether the operation of the Casino is being properly conducted, supervised and managed
- detecting offences committed in or in relation to the Casino and prosecuting offences under the Act
- enforcing the Government's responsible gaming strategies to minimise the potential harm to individuals (and their families) who may have gambling-related problems
- enforcing legislative requirements prohibiting the presence of, or gambling by, intoxicated persons and generally enforcing the Government's Responsible Service of Alcohol strategies
- responding to patron concerns about Casino operations
- approving gaming equipment for use in the Casino
- monitoring compliance with the conditions of the Casino licence and related legal agreements
- licensing special employees through rigorous probity assessment procedures
- taking disciplinary action against Licensees under the Act when the prerequisite legislative grounds exist
- investigating, monitoring and reviewing Controlled Contracts for the provision of goods and services to the Casino and reviewing notifiable contract notifications
- investigating proposed close associates of the Casino operator to determine their suitability as associates
- reviewing and approving proposed changes to the Casino's operational arrangements and the Casino operator's system of internal controls and administrative and accounting procedures
- assessing and collecting State revenue from Casino operations
- determining applications for review of exclusion orders issued against patrons of the Casino
- approving and monitoring building and development works in the Casino complex
- identifying and considering issues relating to Liquor Licences
- preparing and furnishing to the Minister for Gaming and Racing reports on Casino operations, the conduct of gaming and the administration of the Act

MAJOR EVENTS

COMPLETION OF YEAR 2006 SECTION 31 INVESTIGATION

Under Section 31 of the Act, the Authority is required to investigate the Casino licence every three years from the date of its original grant and form an opinion as to whether:

- the Casino operator is suitable to continue to give effect to the Casino licence
- it is in the public interest that the Casino licence should continue in force

As reported in the 2005/06 Annual Report, the Authority's fourth triennial investigation commenced in May 2006.

The Authority engaged Mr Bret Walker SC and Ms Gail Furness of counsel to assist it in its investigation and called for public submissions, through advertisements in the Weekend Financial Review, Sydney Morning Herald, The Daily Telegraph and The Weekend Australian on 10 June 2006. The Terms of Reference for the investigation were advertised on the Authority's website (www.casinocontrol.nsw.gov.au). Ten submissions were received.

Ms Gail Furness was also appointed to conduct an Inquiry under Section 143 of the Act. An Inquiry under Section 143 of the Act allows the person presiding to require evidence to be given on oath.

In their report to the Authority, Mr Bret Walker and Ms Gail Furness concluded that the Casino operator is a suitable person to continue to give effect to the Casino licence and that it is in the public interest that the Casino licence continues in force.

Significant statements in their report include:

- "Over the last three years, Star City has continued to operate in a manner consistent with the objectives of the Act and the principles established by the previous triennial Investigations"
- "In particular, we are satisfied that Star City has in place suitable policies and procedures to ensure that the Casino remains free from criminal influence or exploitation"

The report on the Investigation was provided, as required, to the Minister for Gaming and Racing by 15 December 2006. The Report was publicly released on the Authority's website on 21 December 2006.

In releasing the 2006 report, the Authority noted that the latest investigation had affirmed its finding in 2003 that it was satisfied the deficiencies of the Casino management culture, identified in the year 2000 Investigation, had been addressed.

AUTHORITY OPERATIONS

DIRECT SUPERVISION OF CASINO OPERATIONS

General

The Authority provides a continuous 24-hour supervisory presence at the Casino through teams of on-shift Government / Authority Inspectors. Inspectors prepare written reports of violations of the approved games' rules and procedures. Where significant incidents of non-compliance occur, recommendations are made for the Authority to institute prosecution or disciplinary action against the Casino operator / licensed casino special employees or other relevant individuals.

Functions of the Authority Inspectors stationed at the Casino include:

- ensuring that gaming is conducted honestly and in accordance with the rules of the games and game procedures approved by the Authority
- monitoring for evidence of illegal or undesirable conduct in the Casino and Casino environs
- supervising operations in the Casino
- performing direct observation of the conduct of gaming on the Casino floor and observation facilitated by the use of surveillance cameras
- inspecting gaming equipment used in the Casino
- supervising the handling and counting of money in the Casino
- detecting offences committed against the Act
- assisting in the detection of offences against other Acts
- receiving and investigating complaints from Casino patrons relating to the conduct of gaming in the Casino
- monitoring compliance by the Casino operator and retail liquor outlets with their obligations under the provisions of the Liquor Act 1982, as modified to apply under the Casino Control Regulation 2001
- reporting about operations in the Casino

Where onsite Inspectors observed minor incidents of non-compliance with requirements, these were generally resolved through direct liaison with Casino management. During the 2006/07 reporting period there was no investigation resulting in an Inspector recommending disciplinary action be taken against the Casino operator.

Penalty Infringement Notices and Prosecutions

During the 2006/07 reporting period, Inspectors investigated 67 incidents of alleged breach of Section 87 (cheating in the Casino) issuing 21 Penalty Infringement Notices and four Court Attendance Notices.

A total of 129 Penalty Infringement Notices were issued by Inspectors for minors using false evidence of age to attempt to enter liquor licensed premises. Three Penalty Infringement Notices were for minors entering / remaining in the restricted Casino area and one for a minor entering / remaining on licensed premises.

Total fines for Penalty Infringement Notices issued during the 2006/07 reporting period were \$20 735. One person, whose fine amounted to \$660, elected to have their matter determined at Court. This person was convicted and placed on a two-year good behaviour bond. At the end of the 2005/06 reporting period a matter was reported as still to be determined and that has since been dismissed.

During the 2006/07 reporting period the Authority successfully prosecuted 37 cases relating to breaches of Section 84(1) of the Act (excluded person not to enter Casino) and the four Court Attendance Notices for cheating referred to above. Total fines for the 2006/07 reporting period amounted to \$13 420.

Complaints about the conduct of gaming

Where errors in the delivery of Casino games or disputes between patrons occur the Casino operator is required to follow processes contained within the rules of the relevant game to determine the appropriate outcome. Persons not satisfied with the Casino operator's determination can lodge a complaint with an Authority Inspector.

Section 110 of the Act provides that, on receiving a complaint from a patron relating to the conduct of gaming, an Inspector is required to investigate the complaint and give the Casino operator a reasonable opportunity to make a response to the complaint. If the Inspector's investigation results in the Inspector being satisfied that there is a breach of the Act, licence, game rules etc the Inspector is required to report the matter to the Authority and advise the complainant of the results of the investigation and any action taken.

Inspectors conduct an initial assessment of any potential complaint and advise the complainant whether the Casino operator has or may not have applied the game rules correctly prior to activating the formal process under Section 110 of the Act.

Where the Inspector advises that the rules have been applied correctly this usually results in the patron being satisfied and no formal complaint process being activated. Where the Inspector's initial assessment indicates that the rules may not have been applied correctly, then the patron is provided an opportunity to settle the dispute directly with senior Casino management. Where a patron is unsatisfied by the initial assessment by the Inspector, declines to deal with Casino management or is not satisfied with the response by Casino management, then a formal complaint investigation is activated in all instances.

During the 2006/07 reporting period Inspectors received 49 enquiries which could have resulted in formal complaints about the conduct of gaming under Section 110 of the Act. The 49 enquiries were as follows:

Game	Number of Enquiries
Baccarat	5
Blackjack	3
Gaming machines	9
Roulette	19
Other games	13

Initial assessments by Inspectors indicated that in four instances the Casino operator might not have applied rules or procedures correctly. In accordance with Section 110, in each instance the investigating Inspector provided the Casino operator with the substance of the complaint and an opportunity to respond. As a result of their investigations, Inspectors were satisfied that in three instances there had been no contravention by the Casino operator.

In the fourth matter, which involved a misdeal at the game of Baccarat, the Inspector determined the Casino operator had breached the rules but owing to the Casino operator's admission of the contravention of the game rules and the offer of restitution, the Inspector recommended to the Authority that disciplinary action not be taken against the Casino operator.

A total of 11 complaints were made relating to other (non-gaming) Casino activities.

Excluded persons entering the Casino

The Casino operator is required to notify an Authority Inspector and then remove or cause to be removed any excluded person detected in the Casino.

If the person is “self-excluded” the Inspector reminds the self-excluded person of their obligations and provides brochures and / or other relevant information about gambling problems and guidance regarding accessing counselling and treatment services.

Excluded persons (other than those who are self-excluded) who enter the Casino commit an offence punishable under Section 84 of the Act. When a non-voluntarily excluded person is detected in the Casino, an Authority Inspector conducts an investigation. The Authority’s policy is to provide excluded persons with a warning on their first detected entry to the Casino but for subsequent entries (where appropriate) briefs of evidence are prepared for court action.

During the 2006/07 reporting period, on a total of 425 occasions, 376 persons contravening their exclusion orders were detected in the Casino, of which 224 were self-excluded persons who were detected in the Casino on 259 occasions. In respect of non-voluntary excluded persons a total of 34 briefs of evidence were initiated and 95 verbal or written warnings were issued.

Reviews of exclusion orders

Under Section 79(1) of the Act:

“The Authority or the Casino operator may, by order given to a person, prohibit that person from entering or remaining in the Casino. Under Section 81(1) the NSW Commissioner of Police may direct the Casino operator to exclude a person from the Casino. Under Section 79(3) a person can voluntarily apply to be excluded from the Casino.”

Exclusion orders (other than self-exclusions) are issued by the Casino operator for a number of reasons including:

- by direction of the NSW Commissioner of Police
- gaming-related incidents
- minor assault and theft
- disorderly conduct and leaving children unattended in the vicinity of the Casino

During the 2006/07 reporting period the Casino operator issued 469 exclusion orders of which 207 were self-exclusion orders.

Under Section 80(1) of the Act:

“A person who is given an exclusion order by the Casino operator may apply to the Authority within 28 days after the order is given for a review of the order unless the order was given by the Authority or at the direction of the NSW Commissioner of Police.”

During the 2006/07 reporting period the Authority received 72 requests from persons seeking to have their exclusion orders reviewed. There were also five reviews still to be determined at the end of the 2005/06 reporting period. The Authority determined:

- 56 exclusion orders were to stand
- 1 exclusion order was overruled
- 16 applications for review of exclusion orders were received out of time
- 4 applications for review remain to be determined

Minors

The Act prohibits minors from entering or remaining in the Casino and requires the Casino operator to ensure that minors do not gain access to the gaming areas. Warning signs are prominently displayed throughout the Casino complex. Casino security officers continuously attend Casino entrances to sight evidence of age of suspected minors attempting to gain entry. When a person is detected using false evidence of age to attempt to enter licensed areas, an Authority Inspector is notified and (where appropriate) a Penalty Infringement Notice is issued.

A related public interest issue concerns the incidence of children being left unattended and at risk in the vicinity of the Casino complex. Warning signs are displayed in the Casino car park and other public areas of the Casino complex and brochures in various community languages advise patrons of the consequences of leaving children unattended in the vicinity of the Casino. The Casino operator is required to exclude from the Casino, patrons who have left minors unattended and at risk. During the 2006/07 reporting period nine persons were excluded for this reason.

Liquor outlets

The Authority administers Liquor Licences at the Casino complex under the Liquor Act 1982 as modified to apply under the Casino Control Regulation 2001. The Casino operator's liquor outlets and the retail liquor outlets (within the Casino complex but not conducted by the Casino operator) are subject to close scrutiny by Authority Inspectors. No complaints were laid by Inspectors against retail liquor outlets during the 2006/07 reporting period.

Audit activities

The Audit Section performs independent weekly verification of the calculation of Casino Gaming Duty and the Responsible Gambling Levy.

Audit staff, using a risk-based approach, also conduct special audits encompassing reviews of the Casino operator's internal controls and accounting procedures. A total of 15 special audits were completed in the 2006/07 reporting period including:

- tournament
- revenue adjustment (two)
- winning cheques
- electronic gaming configuration
- chip purchase voucher reconciliations (three)
- count operations
- surveillance operations
- electronic gaming cash flow
- banking of cheques
- regulatory compliance
- chip inventory (two)

Exceptions, areas of weakness and opportunities for improvement observed during these audits have been referred to the Casino operator for action. Follow-up reviews are undertaken to ensure that effective and corrective measures have been implemented.

Inspectors subpoenaed in the matter of *Foroughi v Star City*

During the 2006/07 reporting period two Authority Inspectors were subpoenaed to give evidence in the matter of *Behrouz Foroughi v Star City Pty Ltd*. The Authority certified that divulging to the Federal Court of Australia of information that may be provided by the Inspectors giving evidence at Court was necessary in the public interest.

Criminal intelligence activities

Authority Intelligence staff are located with and work under the direction of the NSW Police Casino Investigations Unit and regular meetings are conducted between the Authority Inspectors, the Casino operator's investigators and the NSW Police Casino Investigations Unit representatives in order to ensure effective communication of criminal intelligence.

The Authority also chairs a monthly meeting between the Casino operator and City Central Police. These meetings include a review of issues relating to local area crime, compliance with liquor licensing requirements and security of the Casino site.

RESPONSIBLE GAMING AND RESPONSIBLE SERVICE OF ALCOHOL

During the 2006/07 reporting period the Authority continued enforcement of the Government's Responsible Gaming and Responsible Service of Alcohol policies as provided in the Act and Regulation.

The Authority's statutory three-yearly Investigation of the Casino licence, as reported under **Completion of Year 2006 Section 31 Investigation**, examined Star City's practices with regard to the responsible service of alcohol and responsible delivery of gaming. The Investigation found that Star City's online training modules were comprehensive and appropriately targeted. However, the Report notes that Star City's parent company, Tabcorp, in the educational material it makes available to staff and publicly, has identified a concern with gambling for an excessive period of time but staff interpretation of what constitutes "excessive" is not consistent. The Section 31 Report encouraged Tabcorp to provide leadership in this regard. Otherwise the report indicates that appropriate procedures are in place for Star City to meet its responsible service obligations.

During the 2006/07 reporting period, senior managers in Star City continue to be trained in Responsible Gambling Liaison Management and when responsible gambling issues arise, act as the first point of contact and assistance.

The Authority participates in the Australian Casino and Gaming Regulators' Responsible Gambling Working Party. This meets regularly to review and compare initiatives in responsible gambling and harm minimisation. The Authority was also represented at the 16th Annual National Association for Gambling Studies conference in November 2006. The conference addressed research topics relevant to the minimisation of harm associated with gambling.

GAMING RELATED APPROVALS

Casino games, rules of games and equipment

Approved Games

Under the Casino licence, the Casino operator is permitted to operate 210 gaming tables (including 10 for International Junket / Premium Player Commission Programs), 1 500 gaming machines and the game of Star Keno. The Casino operator also offers wagering through a TAB Agency and trade promotion activities within the Casino which are not conducted under the Casino Control Act or the Casino licence.

The following table games (and game variations or derivatives) have been approved for play in the Casino:

- Baccarat and Even Money Baccarat
- Big Wheel and Rapid Big Wheel
- Blackjack, Pontoon, Pontoon Pandemonium, Super Sevens and Perfect Pairs
- Caribbean Stud Poker
- Charity Tournament Poker
- Craps
- Double Chance
- Four Card Poker
- Let It Ride
- Pai Gow
- Poker
- Roulette, Double Zero Roulette, Rapid Roulette and Double Zero Rapid Roulette
- Sic Bo and Rapid Sic Bo
- Three Card Baccarat
- Three Card Poker
- Two Up

Under Section 66 of the Act:

“All games played at the Casino must be conducted in accordance with rules approved by the Authority and published in the NSW Government Gazette or in the case of Star Keno rules published in the Gazette under Section 23(2) of the Public Lotteries Act 1996.”

The approved rules of games are publicly available at the Casino and on the Authority’s website (www.casinocontrol.nsw.gov.au). In addition, the Casino operator is required to ensure that brochures summarising the approved games and rules of play (in a text approved by the Authority) are provided to patrons on request.

Under various provisions of the Act, the Authority may approve the operational arrangements connected with the conduct and supervision of gaming in the Casino including:

- all gaming equipment
- the Casino floor layout and table configurations
- gaming staff training syllabi
- dealing procedures
- security and surveillance procedures
- cashier, cage and gaming pit operations

During the 2006/07 reporting period, the Authority approved:

- the new game variation “Three Card Baccarat”
- amendments to the rules of Baccarat to clarify Dragon Bonus wagers
- amendments to the rules of Poker relating to the collection of commission and other minor changes
- approval of a training syllabus for the game of Three Card Baccarat
- amendments to the requirements for the completion of Slot Payout Vouchers relating to cancelled credits and jackpot payouts
- amendments to the rules of Baccarat and Three Card Baccarat to allow for the introduction of additional table layouts
- amendments to the rules of Baccarat to allow for the introduction of a new card shoe and minor amendments to rule 6.2 for Minimum and Maximum Wagers
- five training-related approvals under Section 64 of the Act
- two approvals relating to simulated gaming under Section 64 of the Act
- ten approvals for the disposal of obsolete gaming equipment
- five gaming equipment approvals under Section 68 of the Act
- a “How to Play” brochure for the game of Three Card Baccarat

Gaming Machines

The number of gaming machines in the Casino is limited to 1 500 by Ministerial Direction. The Casino operator is also restricted to installing the same type of gaming machines with the same range of games and bet / prize limits as approved by the NSW Liquor Administration Board for use in registered clubs.

Section 68 of the Act provides that the Authority may approve of gaming equipment for use in the Casino. It may investigate or authorise the investigation of gaming equipment for the purpose of determining whether the equipment is suitable to be approved for use in the Casino.

In January 2001 the Authority issued a “blanket” approval for (use in the Casino) of all “X” standard gaming machines (and related games and software / hardware modifications) that are already approved by the Liquor Administration Board for use in registered clubs, thus removing unnecessary duplication from the approval process.

Application must still be made for approval of any change to the electronic bonusing (linked jackpots) system or the central monitoring system attached to the Casino’s gaming machines. The Authority also requires any proposed changes or modifications to these systems to be fully tested by an Authority-accredited, independent testing facility before approval.

CASINO INTERNAL CONTROLS

Sections 124 and 125 of the Act require the Casino operator to maintain and implement a documented system of approved internal controls and administrative and accounting procedures which function to ensure the security and integrity of the Casino's gaming operations. Breaches of approved internal controls and procedures may result in disciplinary action by the Authority.

The required controls and procedures include:

- accounting controls and procedures including the standardisation of forms and the definition of operational terms used in the Casino
- procedures, forms and where appropriate, formulas for, or with respect to:
 - hold percentages and their calculation
 - revenue drop
 - expense and overhead schedules
 - complimentary services
 - salary arrangements
 - personnel practices
 - premium player activities
 - cash equivalent transactions
- procedures for the conduct and playing of games
- job descriptions and the system of organising personnel
- procedures and standards for the security of gaming machines and for the payment and recording of gaming machine prizes
- procedures within a cashier's cage for the receipt, storage and disbursement of chips and cash, the cashing of cheques, the redemption of chips and the recording of all transactions pertaining to gaming operations
- procedures for the collection and security of money at the gaming tables (and other places in the Casino where games are conducted) and its transfer from (and to) a cashier's cage
- procedures for the transfer of money from the gaming tables and other places in the Casino where games are conducted to other areas of the Casino for counting
- procedures and forms for the transfer of money or chips from (and to) a gaming area
- procedures and security for the counting and recording of revenue
- procedures and security for the transfer of money between the Casino and a bank
- procedures for the security, storage and recording of chips utilised in the gaming operations in the Casino
- procedures and standards for the maintenance, security and storage of gaming equipment
- procedures for the payment and recording of winnings associated with games where the winnings are paid by cash or cheque
- procedures for the issue of chip purchase vouchers and the recording of chip purchase-related transactions
- procedures for the cashing of cheques and recording of transactions by cheque
- procedures for the establishment and use of deposit accounts
- procedures for the use and maintenance of security and surveillance facilities, including closed circuit television systems
- procedures for the control of keys used to secure drop boxes and other cashier and gaming facilities
- procedures governing Casino security operations

As outlined in previous Annual Reports:

“As part of the ongoing development of the Casino's administrative and operational arrangements, the Casino and the Authority are conducting a structured revision of the entire system of internal controls and procedures. This will achieve a change from the detailed and prescriptive nature of the existing format to a system focusing on core regulatory principles and the development of internal controls and procedures designed to specifically address identified risks.”

This process continued during the 2006/07 reporting period and 73 percent of the existing internal controls have been converted to the new format.

During the 2006/07 reporting period the Authority approved 48 amendments to the system of internal controls.

LICENSING

For the 2006/07 reporting period, the Authority's Licensing staff focused on these aims and objectives:

- consider and determine applications for Special Employee Licences
- consideration of disciplinary matters involving individual licence holders and the Casino operator
- review the suitability of organisational structures and position descriptions of the Casino operator and the licensing requirements of each position
- consider and make recommendations for Liquor Licences and approvals to manage licensed premises
- consider and determine appropriateness of proposed contracts for the provision of goods and services to the Casino
- consider and determine applications for approval as an International Junket Operator / Representative

During the 2006/07 reporting period, Authority representatives participated in the Australian Casino and Gaming Regulators' Probity Investigation Working Party, which continues working toward increasing liaison between agencies and acceptance of probity investigations by other jurisdictions. The Working Party has completed the development of a multi-jurisdictional individual probity form and in the future will be looking at the emergence of larger multi-jurisdictional casino, gaming and wagering providers and the impact on licensing systems within each jurisdiction.

Casino special employees

The Act requires all persons who exercise functions in or in relation to the Casino to be licensed by the Authority and also sets out specific requirements that must be assessed by the Authority in relation to each licence application. These requirements relate to the reputation, honesty and integrity of the individual, the individual's financial stability and suitability to undertake the functions which the licence permits.

Where it is recommended that a licence be refused, the Authority must give the applicant an opportunity to make submissions about why they believe a licence should be granted. Those submissions, together with the investigation report are then considered in the Authority's determination of the application.

In certain circumstances, the Authority is empowered to direct persons who are not employees of the Casino operator to apply for Special Employee Licences. This particularly occurs with staff of Controlled Contractors who may have a significant influence on Casino operations, such as gaming equipment technicians and persons working with computer-based systems.

The Authority places a high priority on the provision of an efficient service to licence applicants and maintains its customer service orientation to help applicants through the application and assessment process.

The Authority's processes in establishing an applicant's suitability to hold a licence is enhanced by information being provided from outside agencies. However, in limited circumstances delays in the provision of this information can hinder the standards set for the timeliness of processing applications.

During the 2006/07 reporting period, the Authority's Help Desk serviced about 560 calls from prospective licensees, current licence holders and other parties. Licensing staff also conducted 1 076 interviews of prospective special employees and special employees seeking to renew their licence.

Licensing statistics for the 2006/07 reporting period include:

- the approval and issue of 196 Provisional Licences
- the approval and issue of 266 Special Employee Licences
- approval of 523 licence renewals
- approval of 248 variations to Special Employee Licences to permit those licensees to undertake different functions

During the 2006/07 reporting period, Licensing staff recommended to the Authority that three applications for a Special Employee Licence be refused. After the hearing of submissions from each of the applicants, the

Authority determined to refuse one application and in respect of the other two applications in each case the determination to grant or refuse was not made as the Casino operator withdrew the offer of employment before the determination was finalised.

During the 2006/07 reporting period, the Authority did not cancel any provisional licences.

Controlled and Notifiable Contracts

The Act provides that:

- any type of agreement or arrangement which relates wholly or partly to the provision of goods or services to a casino is to be regarded as a Controlled Contract
- contracts that relate solely to the construction of a casino or to the alteration of premises used or to be used as a casino, or of a class that is prescribed as exempt, are not subject to the Controlled Contract provisions
- a Casino operator must not enter into or become a party to a Controlled Contract, or the variation of a Controlled Contract, unless the Casino operator has notified the Authority of the details of the proposed contract before entering into or becoming a party to it and the Authority has not notified the Casino operator that the Authority objects to the proposed contract or variation
- the Authority is also empowered to serve on each party to a Controlled Contract, a notice giving the parties an opportunity to show cause why the contract should not be terminated since it is not in the public interest for the contract to remain in force

At 30 June 2007, a total of 476 Controlled Contracts had been lodged with the Authority.

In the 2006/07 reporting period, eight Controlled Contracts were lodged with the Authority. The Authority determined that four associates of parties entering into Controlled Contracts must apply for a Special Employee Licence. This brings the number of associates that the Authority has determined must apply for a Special Employee Licence to 142.

Contractual arrangements with an annual value of less than \$550 000 (excluding contracts for gaming, security and surveillance equipment supply or maintenance where lower thresholds apply) are regarded as Notifiable Contracts. There are currently 842 Notifiable Contracts with the Casino operator. These contracts do not require investigation before being entered into but specified details relating to the contract are required to be notified to the Authority.

Liquor licensing applications

The Act effectively deems the Casino complex to “stand alone” in relation to the operation of the Liquor Act 1982, as modified to apply under the Casino Control Regulation 2001.

In regard to the issue and enforcement of Liquor Licences, the Authority functions in a similar role to the Licensing Court and the Director of Liquor and Gaming.

Nine Liquor Licence applications have been approved by the Authority for retail liquor outlets within the Casino complex, four Liquor Licences remain active. During the 2006/07 reporting period, one Liquor Licence was surrendered and the area was subsumed into the Casino operator’s Liquor Licence boundary.

During the 2006/07 reporting period, two applications for approval to manage liquor licensed premises were received and approved.

International junket programs

Comprehensive internal control procedures governing international commission-based play operations have been established. The approved internal controls procedures function to ensure the isolation and accurate tracking of commission play revenue for taxation purposes and to restrict the registration of program participants to bona fide overseas residents.

At the end of the 2005/06 reporting period, 21 applications for approval to be a junket operator or representative remained under consideration. In the 2006/07 reporting period, 15 applications for approval to be a junket operator or representative were lodged with the Authority. The Authority approved 19 provisional approvals and 26 full approvals. Five approvals were not given, 15 applications are still under consideration for full approval.

Changes to the Casino Licence boundary

The Casino operator sought and was given approval on one occasion to redefine the Casino Licence boundary to permit an expansion of the Private Gaming Room.

Changes to the Liquor Licence boundary

The Casino operator sought and was given approval on three occasions to redefine the Liquor Licence boundary.

The Liquor Licence of the Karima Restaurant was surrendered and the area covered by the Liquor Licence was included into the Casino Liquor Licence boundary. Star City now operates the restaurant section as the Lyric Café and a new operator has taken possession of the coffee shop section as a non-liquor licensed outlet which has been removed from the liquor licensed area.

Those parts of the extended area of the Private Gaming Room not previously within the Casino and Liquor Licence boundaries were also approved to be included in the liquor licensed area.

INTER-JURISDICTIONAL COLLABORATION

With an objective of effectively and efficiently regulating gambling providers operating within multiple jurisdictions, the Authority maintains important links with law enforcement agencies as well as other national and international casino and gaming regulators.

Annual Law Enforcement and Casino Regulators' Meeting

In June 2007 the Authority, in conjunction with the NSW Police Casino Investigations Unit, hosted the annual Australia and New Zealand Casino Regulators' / Key Law Enforcement Agencies' meeting. These annual meetings have been convened for the past 11 years to discuss and exchange information on law enforcement issues relating to casino operations. Positive feedback was received from those in attendance.

The Authority, both directly and through the NSW Police Casino Investigations Unit, works with Law Enforcement Agencies for onsite assistance and the facilitation of information under Section 149 of the Act.

Authority staff are also available on request to conduct seminars for frontline operatives of State and Federal Law Enforcement Agencies to assist their understanding of casino operations.

Australasian Casino and Gaming Regulators' Conference

The Authority actively supports the yearly Australasian Casino and Gaming Regulators' Conference and the associated six-monthly Chief Executive Officers' Forum. In the 2006/07 reporting period the Authority participated in the inter-jurisdictional Regulators' Responsible Gambling Working Party and Regulators' Probity Investigation Working Party.

For additional details please refer to the **Responsible Gaming and Responsible Service of Alcohol and Licensing** sections.

Assistance to AUSTRAC

The Asia / Pacific Group on Money Laundering (APG) is made up of 31 Financial Intelligence Units and is the principal multi-jurisdictional body against money laundering and terrorist financing in the Asia Pacific Region. The APG conducts yearly “Typologies Workshops” with selected sectors being the focus of specific projects each year. The 2006 workshop was hosted by Indonesia’s Financial Intelligence Unit and a specific project was “Casinos and money laundering”.

Australia’s representative on the “Casinos and money laundering” project group is AUSTRAC. The Authority assisted AUSTRAC with Australia’s input into the project by attending the Typologies Workshop in Jakarta from 13-16 November 2006 and presenting on the New South Wales model for casino regulation in relation to preclusion of criminal influence and exploitation, particularly the prevention of money laundering.

Other inter-jurisdictional collaboration

During the 2006/07 reporting period, principal regulatory, law enforcement agencies and regulatory and research entities with which the Authority dealt included:

Australia:

- ACT Gambling and Racing Commission
- AUSTRAC
- Australian Crime Commission
- Australian Federal Police
- Australian Taxation Office
- Centrelink
- Northern Territory Gaming and Censorship Regulation
- NSW Crime Commission
- NSW Police Service
- Office of Gambling Regulation, Victoria
- Queensland Office of Gaming Regulation
- Queensland Police
- South Australia Independent Gambling Authority
- South Australia Office of Liquor and Gaming Commissioner
- Tasmanian Gaming Commission
- Victoria Police
- Western Australia Department of Racing, Gaming and Liquor

Canada:

- Ontario Alcohol & Gaming Commission

Japan:

- Value Management Institute Inc

New Zealand:

- Department of Internal Affairs

Singapore:

- Singapore Ministry of Home Affairs
- Corrupt Practices Investigation Bureau

South Africa:

- Gauteng Gambling Board

United States of America:

- Gaming Control Board Nevada
- New Jersey Department of Law and Public Safety
- Pennsylvania Gaming Control Board

OVERSEAS TRAVEL FOR THE 2006/07 REPORTING PERIOD

Name and Position	Country / City	Purpose	Dates	Leave Taken	Cost AUD	Funding
Brian Farrell (Chief Executive)	Jakarta, Indonesia	The Asia / Pacific Group on Money Laundering (APG) Typologies Workshop	13-16 November 2006	N/A	\$4 422.29	Consolidated Fund - Recurrent

MANAGEMENT ACTIVITIES

CORPORATE MANAGEMENT OUTCOMES

The Authority's corporate management objectives are to ensure good corporate management practices within the Authority and to deliver effective and efficient corporate management outcomes to the Authority.

To facilitate its objectives, the Authority adheres to its Corporate Plan which is on a three-year cycle encompassing July 2006 to June 2009 and its yearly Strategic Plan. Both take direction from the State Plan, Government's Sector Wide Strategic Directions and Strategic Management Calendar.

As reported last year the Authority conducted an externally facilitated skills gap analysis to identify training needs. Accepted recommendations from the analysis have been implemented.

HUMAN RESOURCES

Employment

Under arrangements established by the Public Sector Employment Legislation Amendment Act 2006, staff involved in the administration of the Casino Control Act are employed by the Casino Control Authority Division and made available to the Authority to perform its functions. These staff are subject to personnel and employment practices generally consistent with public sector guidelines.

Staff and consultants probity assessment program outcomes

Section 136 of the Act requires persons engaged in administration of the Act to be of the highest integrity. This includes staff made available to the Authority by the Casino Control Authority Division. This requires a probity assessment at initial appointment and periodically during the term of engagement. The Authority has established Guidelines for Probity Investigations and Inquiries pursuant to Section 136 of the Act.

The Authority's probity assessment program provides for each person's probity assessment to be updated every three years. During March 2007 the Authority re-commenced its three-yearly cycle of staff probity assessments and appointed an external consultant, Mr Brian James, to conduct these assessments. Mr Brian James is a chartered accountant and has been engaged by the Authority previously to review the financial performance of Star City and Tabcorp as part of the Authority's Investigations under Section 31 of the Casino Control Act.

Staffing levels

During the 2006/07 reporting period the Casino Control Authority Division had an average of 38 permanent staff, not including Authority Members or temporary assistance.

Recruitment

The Casino Control Authority Division's selection process is based on merit, incorporating Equal Employment Opportunity (EEO) principles for the recruitment of staff and follows public sector guidelines relating to the appointment of consultants. Two staff members were recruited during 2006/07.

Staff turnover

During the 2006/07 reporting period, four staff left the Casino Control Authority Division.

Professional Development outcomes

The Authority spent \$80 660 in direct training and staff development during 2006/07.

The Authority used both skills-based training opportunities and broader developmental approaches to help Members and staff in the acquisition of skills and knowledge necessary for the organisation to meet its objectives and for the professional development of individual staff.

Absenteeism

During the 2006/07 reporting period, staff members of the Casino Control Authority Division took a total of 193.81 days sick leave, an average of 5.5 days per staff member. Sick leave monitoring practices are in place.

Number of officers and employees by salary level at 30 June 2007

SALARY LEVEL	2006/07
\$31 352 - \$42 823	0
\$42 824 - \$47 875	2
\$47 876 - \$60 582	2
\$60 583 - \$78 344	7
\$78 345 - \$97 833	19
> \$97 833 (non SES)	3
> \$97 833 (SES)	2
TOTAL	35

Number of officers and employees by salary level at 30 June 2006

SALARY LEVEL	2005/06
\$31 352 - \$41 176	0
\$41 177 - \$46 034	1
\$46 035 - \$58 252	6
\$58 253 - \$75 331	10
\$75 332 - \$94 071	21
> \$94 071 (non SES)	2
> \$94 071 (SES)	2
TOTAL	42

Number of officers and employees by salary level at 30 June 2005

SALARY LEVEL	2004/05
\$31 352 - \$41 176	0
\$41 177 - \$46 034	3
\$46 035 - \$58 252	4
\$58 253 - \$75 331	21
\$75 332 - \$94 071	9
> \$94 071 (non SES)	2
> \$94 071 (SES)	2
TOTAL	41

Number of officers and employees by salary level at 30 June 2004

SALARY LEVEL	2003/04
\$30 147 - \$39 593	0
\$39 594 - \$44 264	3
\$44 265 - \$56 012	5
\$56 013 - \$72 434	25
\$72 435 - \$90 543	10
> \$90 543 (non SES)	0
> \$90 543 (SES)	2
TOTAL	45

NOTE: 1 The salary categories are reported for each period according to the defined categories for that period

- 2 The figures for 2005/06 and 2006/07 are provided by the NSW Office of Liquor, Gaming and Racing under a Shared Services Agreement and are for staff of the Casino Control Authority Division made available to the Authority

CONSULTANTS

The Authority contracts out most of its non-core business such as security, legal advice, internal audit and risk management, system development and cleaning. It continues to investigate the possibility of future opportunities to contract out other functions or enter co-operative arrangements with other agencies. The Authority spent a total of \$442 147 for expert advice and specialised services from various consultants. The breakdown of the Authority's use of consultants is listed below:

Consultancies less than \$30 000:

Consultant	Comment	Cost (\$)
Risk Management	Fraud control assessment	13 500
Legal	Legal services and advice on Section 31 investigation	27 002
Staff Training	Training analysis and development of training plan	16 997
Cleaning	Office cleaning	11 619
Total consultancies less than \$30 000		69 118

Consultancies equal to or more than \$30 000:

Consultant	Comment	Cost (\$)
Architecture		
Davison Consultants Pty Ltd	Advice on Casino building alterations, development / construction and Section 31 investigation	62 600
Sub-total		62 600
Legal		
Clayton Utz Lawyers	Legal services and advice	50 106
Crown Solicitor's Office	Legal services and advice	59 174
Ms Gail Furness	Legal services and advice on Section 31 investigation	79 680
Sub-total		188 960
Internal Audit		
Internal Audit Bureau	Internal audit	38 645
Sub-total		38 645
Finance and Accounting / Tax		
B R James Consulting Pty Ltd	Advice on Section 31 investigation	82 824
Sub-total		82 824
Total consultancies equal to or more than \$30 000		373 029

TOTAL CONSULTANCIES	442 147
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NOTE: 1 Costs are exclusive of GST

- 2 The above total consultancy fees do not include \$107 162 paid to the NSW Office of Liquor, Gaming and Racing for services provided on payroll, leave management and accounting system access under a shared corporate service agreement

PERSONNEL POLICIES AND PRACTICES

Code of Conduct and Ethics

As provided by the Authority's Code of Conduct and Ethics for staff, the Authority provides training and advice to assist staff to recognise and meet ethical challenges including training on Authority policies relevant to staff conduct.

During the 2006/07 reporting period all Authority staff participated in training on the following policies:

- Code of Conduct and Ethics for Staff
- Records and Information - Policies and Procedures
- Phones, Email, Internet Usage and Monitoring
- Security, Access and Secrecy
- Strategic Management Calendar
- State Plan
- Dignity and Respect in the Workplace Charter
- Fraud Control
- Protected Disclosures
- Appropriate Use Policy
- Use of Official Information
- Public Comment
- Corrupt Conduct
- Government Energy Management Policy
- NSW Social Justice Directions Statement
- Occupational Health and Safety

All Authority and central Government Policies (available electronically) are accessible to all staff on the Authority's intranet. The Authority has disciplinary systems in place in the event of any breach of the Code of Conduct and Ethics or other staff policies. The Authority has a Code of Conduct and Ethics for Authority Members.

Equal Employment Opportunity

The Authority applies EEO principles in its operational functions and complies with reporting responsibilities.

The Authority continues to place an emphasis on providing development opportunities for staff at all levels and has achieved success through the expansion of responsibilities and the provision of opportunities to act in higher duty positions. All staff are encouraged to attend relevant training courses, seminars and conferences.

At 30 June 2007, women accounted for 26 percent of the Authority's total workforce and 34 percent of its staff were people whose language first spoken as a child was not English.

The EEO statistical information for the 2006/07 reporting period is at **Appendix IV**.

Disability Plan

The Authority is committed to the inclusion of people with disabilities who may be clients of the Authority, Authority employees or Members. In accordance with the Disability Discrimination Act 1992 and the Disability Services Act 1993, the Authority has appointed two Disability Contact Officers, one in each of the Authority's offices.

Ethnic Affairs Priorities Statement (EAPS)

The Authority recognises its legislative obligations and is committed to the Principles of Multiculturalism. The Authority fully recognises the culturally diverse nature of the Casino environment and the different needs of patrons and staff from non-English speaking backgrounds.

During the 2006/07 reporting period, the Authority:

- accepted written complaints from patrons of Star City Casino and other clients in a language other than English and provided a written response in that language
- ensured that any information (such as brochures or written advice) available to the Authority's non-English speaking clients was provided in a range of community languages
- monitored patron complaints (and applications for reviews of Casino exclusion orders) made to the Authority and took action where necessary to ensure that patrons were not disadvantaged by language or other constraints related to ethnicity
- provided interpreter / translation services to patrons, if necessary
- encouraged staff who are proficient in a language other than English to be accredited under the Community Language Allowance Scheme (CLAS) and to assist patrons through the use of their language skill
- included EAPS in the Authority's information package to applicants for positions with the Authority
- included the Authority's EAPS in the Authority's induction program
- incorporated the Principles of Multiculturalism in the selection process for candidates for vacant positions
- implemented Policies and Procedures on Recruitment, Selection and Appointment of Staff to ensure ethnic and indigenous groups are on job selection panels where possible

The Authority's planned ethnic affairs strategies for 2007/08:

- ongoing promotion of the Authority's staff to be accredited under CLAS
- publish guidelines for culturally responsible public sector services on the intranet for use by the staff of the Authority
- encourage staff to take language classes, especially those languages which will be commonly used for daily work
- ongoing promotion of awareness of the Principles of Multiculturalism in the workplace
- encourage staff to participate in conferences / seminars on ethnic affairs matters and the Principles of Multiculturalism

Succession Planning

While many roles at the Authority are extremely specialised, when opportunities for career progression and development become available within the Authority, these are made available to existing staff prior to advertising externally. Other than providing such opportunities as they arise, the specialised roles of many Authority positions and the Authority's small size supplies very limited opportunities for a formal Succession Planning / Career Progression and Development Policy.

NSW Government Action Plan for Women

The Authority is committed to and has adopted the Government's initiative sustaining efficiency and effectiveness in the NSW Public Sector by ensuring women develop knowledge and skills to enable full participation on equal terms. Staff elected a spokeswoman.

The objectives of the Spokeswomen's Program are to:

- provide information that enables women to participate fully in their working environment
- provide opportunities for women to develop skills relevant to their career and to the needs of their organisation
- help management in the development and application of policies affecting women in the workplace
- provide support and advice to Government, Chief Executive Officers, line managers and women on any matter affecting women in the workforce

At 30 June 2007, women accounted for 26 percent of the Authority's staff including 40 percent of the staff at Grade 6 and above (non-SES).

In June 2007, four female staff attended two NSW Public Sector Women's Forums in Parramatta and Sydney. These forums were for women across the NSW Public Sector to provide their input into the Women's Employment and Development Strategy and to support the NSW State Plan.

Community Harmony

In line with the Government's Principles of Multiculturalism, the Authority respects the culture, language and religion of individuals and institutions as well as supporting opportunities for individuals and institutions to participate in public life and relevant activities and programs.

Occupational Health and Safety (OH&S)

The Authority is committed to protecting the health, safety and welfare of all staff, clients and visitors in the workplace. This is achieved through workplace consultation and the integration of best practice occupational health, safety and injury management systems into all aspects of our planning and operations.

The Authority's OH&S Committee consists of employee representatives from the Authority's offices at Kent Street and the Casino. The Committee continued to meet quarterly during 2006/07 to discuss safety issues and advance some of the initiatives for the year.

Initiatives for the 2006/07 reporting period included:

- implementation of the Authority's OH&S and Injury Improvement Strategy (July 2006 to June 2009) which is aligned with the government's Working Together: Public Sector OHS and Injury Management Strategy 2005-2008
- signing a commitment to the Dignity and Respect in the Workplace Charter
- provision of individual and group ergonomic workstation assessments to reduce the risk of injury and ensure the suitability of the environment
- workplace inspections conducted at the Authority's Kent Street and Casino offices

There was one workers' compensation claim in 2006/07. This claim included one half-day in lost time as well as ongoing treatment.

STANDARD OPERATING POLICIES

Fraud Prevention and Control

The Authority's Audit and Corporate Governance Committee continued to monitor fraud prevention and control.

With the assistance of Internal Audit Bureau (IAB) Services, the Authority has developed two documents on fraud prevention and control:

- Corruption / Fraud Prevention Risk Assessment Review - Identifying Areas of Risk and Developing a Fraud and Corruption Risk Management Plan
- Fraud Prevention and Control Policy

During the 2006/07 reporting period, Deloitte Touche Tohmatsu completed its review on the Authority's Fraud Prevention and Control Policy and submitted its report and recommendation to the Authority's Audit and Corporate Governance Committee.

Two of the Authority's staff attended the Corruption Prevention Network Conference in the 2006/07 reporting period.

Risk Management, insurance and internal audit

The Authority's Internal Audit Charter provides the framework for internal audit, in compliance with Section 11(2) of the Public Finance and Audit Act 1983. The Authority's internal audit function is provided by IAB Services.

During the 2006/07 reporting period, IAB Services completed six audits in accordance with the annual internal audit plan.

The Authority's insurance cover is arranged under the Treasury Managed Fund for workers' compensation and public and property liabilities.

Guarantee of Service

The Authority has a Guarantee of Service statement and remains committed to the provision of quality customer service. A quality service is maintained through application of the principles of continuous improvement.

In particular, the Authority places high priority on:

- the Licensing Unit continuing to provide an efficient and friendly service to members of the public applying for Casino Special Employee Licences
- investigating with due diligence complaints from patrons relating to the conduct of gaming
- promptly responding to customer inquiries via the Authority's Help Desk

Consumer Response

During the 2006/07 reporting period the Authority's response to consumers was prompt, efficient and helpful.

Protocol requires that any complaints about the Authority's actions be directed to the Chief Executive for measured dealing. There are no recorded instances of complaints for the 2006/07 reporting period about the Authority's actions from the Casino operator, Casino patrons or the general public.

During the 2006/07 reporting period, the Authority's Help Desk serviced about 560 calls and no formal complaints were received.

Electronic service delivery

The Authority maintained systems for electronic service delivery and records management throughout the period.

Two internal audit reviews were carried out during the period. A network security audit and Business Continuity Planning audit showed no major shortcomings in the Authority's system of controls.

The annual surveillance audit of the Authority's Information Security Management System (ISMS) was also completed. The result of this was the continuing certification of the Authority to the AS/NZS 7799 Standard for Information Security. The Authority is currently engaged in the process of conversion to certification under the corresponding International Standard.

Records Management Policies and Procedures

The Authority's Records Management Policies and Procedures have been developed in line with requirements under the State Records Act 1998.

Privacy Management Plan

In accordance with the Privacy and Personal Information Protection Act 1998, the Authority has a Privacy Management Plan. The Plan was amended after the introduction of the Health Records and Information Privacy Act 2002. The updated Privacy Management Plan covers the period from July 2006 to June 2009.

The Plan is based on 12 Information Protection Principles and 15 Health Privacy Principles. The first set of principles is used to determine standards for the collection, use, storage and disposal of personal information. The second set concerns the collection, storage, access and accuracy, use, disclosure, identifiers and anonymity, transferrals and linkage of health information collected by Authority staff.

The Plan also addresses relevant Section 41 directions (formerly Privacy Codes of Practice) which apply to the Authority and procedures for the handling of internal reviews. The Plan is available to the public from the Authority and from the Authority's website (www.casinocontrol.nsw.gov.au).

During the 2006/07 reporting period, the Authority did not receive any applications for review of conduct under Section 53 of the Privacy and Personal Information Protection Act 1998.

Government Energy Management Policy

The Authority's Energy Management Policy outlines the following:

- purchase of low-energy consumption electrical appliances and office equipment
- use of energy-saving lighting or light bulbs
- switching off lighting, electrical appliances and office equipment if they are not required
- use of dimmer devices to reduce electricity consumption
- use of energy-saving options so that office equipment will automatically be switched to standby mode if not used for a certain period of time
- use of green energy if available
- educating staff on the importance of improving energy efficiency

Owing to the low level of electricity consumption (the Authority has no other energy consumption), the Authority has not quantified any specific performance goals. The Authority is committed to improving energy efficiency and reducing greenhouse emissions.

Waste Reduction and Purchasing Plan

The Authority's Waste Reduction and Purchasing Plan Principles (WRAPP) are:

Reducing the Generation of Waste - Reducing the use of paper by:

- using email where possible, including internal memos and other staff communication
- using internet publishing, where practicable, for external publications
- generating electronic forms in order to avoid large amounts of paper copies
- editing draft documents on computer screens
- circulating documents to staff instead of sending one copy to everyone
- using double-sided printing for memos, letters and other documents
- setting printers and photocopiers to double sided printing
- writing replies and comments on the bottom and reverse side of documents instead of using new paper
- reusing envelopes for internal mail
- replacing paper cups with ceramic mugs

The Use of Recycled Material**(1) Paper reuse**

- reusing writing and photocopy paper and outdated letterhead for note pads

(2) Recycling

- recycling surplus cardboard boxes (or ask the suppliers to take back packaging for recycling)
- paper containing confidential information (no longer required) is shredded and recycled (confidential disposal bins are requested on a needs-basis for bulky confidential documents which cannot be shredded easily)
- all toner cartridges that are recyclable are collected by the supplier and recycled
- discarded telephone directories are collected by Building Management and recycled
- non-confidential papers (no longer required), magazines, newspapers, newsletters etc are put in specially marked bins for recycling (security bins are not requested for this purpose)
- cans and soft drink bottles that are recyclable are put in specially marked bins for recycling

Purchasing Policies

- when practical, purchase recycled content paper (photocopy paper, letterheads, envelopes, Post-It Notes, files, dividers, writing pads etc)
- purchase office equipment capable of using recycled toner cartridges
- purchase recyclable toner cartridges if available

Implementation

- staff are invited to suggest ways and means to reduce waste
- the Administration and Finance Branch is responsible for monitoring the implementation of the Plan

Staff Awareness of WRAPP

- WRAPP is on the Authority's intranet
- WRAPP is included at inductions and ongoing staff training
- WRAPP messages are circulated by email

NOTE: Owing to the small size of the Authority, the estimated amount of waste being avoided or reduced and the estimated amount of waste being recovered was relatively insignificant, preventing measurement, which therefore is not provided in this Report.
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LITIGATION REPORT

As reported in previous Annual Reports, a matter was commenced in the Supreme Court of New South Wales in March 2001. The plaintiffs were the parents and the de facto spouse of a Casino patron who died at the Casino complex following an altercation on the premises on 31 January 1998. The Casino was the first defendant and the Authority also a defendant. On 16 October 2006, the plaintiffs filed notice in Court to discontinue proceedings against the Authority. The matter is now concluded.

Departures from the Subordinate Legislation Act 1989 (146)

The Authority recorded no departures from the Subordinate Legislation Act 1989 during the 2006/07 reporting period. The Casino Control Regulation 2001 was due to be automatically repealed under the Subordinate Legislation Act 1989 on 1 September 2006. However, pursuant to Section 11 of the Subordinate Legislation Act 1989 the Governor made an Order on 16 August 2006 to postpone the repeal of the Casino Control Regulation 2001 for 12 months until 1 September 2007.

Research and Development

The Authority undertook no Research and Development activities during the 2006/07 reporting period.

Land disposal

There was no land disposal during the 2006/07 reporting period. The Authority, on behalf of the State, holds title over the parcels of land bounded by Pyrmont Street, Jones Bay Road, Pirrama Road, Edward Street and Union Street, Pyrmont being the site of the Casino and the adjacent switching station site. In respect of both sites the Authority is the lessor in respect of long-term leases to the Casino, which run to 2093.

Both sites are recognised as having no value at the inception of the leases and the Authority retains the reversionary right to them, the value of which will emerge at the conclusion of the leases.

Investment performance

The Authority has no investments other than bank balances within the Treasury Banking System.

At 30 June 2007 the Authority has interest receivable of \$191 000 from NSW Treasury.

Publications

The list of available publications is at **Appendix V**.

STATEMENT OF RESPONSIBILITY

Credit card certification

The Chief Executive certifies that credit card use in the Authority during the 2006/07 reporting period has been in accordance with Premier's Memorandum and Treasurer's Directions.

PAYMENT OF ACCOUNTS 2006/07

Payment performance indicators

Aged analysis at the end of each quarter:

Quarter	Current (within due date)	Less than 30 days overdue	Between 30 and 60 days overdue	Between 60 and 90 days overdue	More than 90 days overdue
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
September	1 448	15	0	0	0
December	1 580	15	0	0	0
March	1 199	6	0	0	14
June	1 435	28	12	0	0

Accounts paid on time within each quarter:

Quarter	Total Accounts Paid on Time			Total Amount Paid
	Target %	Actual %	\$ '000	\$ '000
September	95	99	1 448	1 463
December	95	99	1 580	1 595
March	95	98	1 199	1 219
June	95	97	1 435	1 475

NOTE: 1 The Authority paid on average 98 percent of its accounts by the due date and has exceeded its target of 95 percent on the payment of accounts

2 The Authority did not incur interest charges for payments not made on time

Disclosure of controlled entities

The New South Wales Casino Control Authority, as a reporting entity, comprises all the entities under its control:

- New South Wales Casino Control Authority
- New South Wales Casino Control Authority Division

The reporting entity is consolidated as part of the NSW total State Sector and as part of the NSW Public Accounts.

LEGISLATIVE CHANGES

During the 2006/07 reporting period there were no amendments to the Casino Control Act 1992 or Casino Control Regulation 2001.

Electronic versions of the Act and Regulations are available at the Authority's website (www.casinocontrol.nsw.gov.au)

REPORTS

REPORTS REQUIRED UNDER SECTION 154 OF THE ACT

154(a) Details of any Casino licence granted during the year

No licences granted.

154(b) The number of licences granted under Part 4 of the Act

The Authority granted:

- 196 Provisional Special Employee Licences
- 266 Full Special Employee Licences

154(c) Details of any changes to the conditions of a licence made by the Authority during the year

There were 248 changes to conditions of licences issued under Part 4 of the Act to casino employees. These changes related to variations to conditions of licences regarding changing their functions from one operating division of the Casino to another.

154(d) Details of any disciplinary action taken by the Authority against the Casino operator during the year

Nil

154(e) Summary of any disciplinary action taken by the Authority against persons licensed under Part 4 of the Act

Section 59(1) of the Act sets out the nature and grounds for disciplinary action that the Authority may take in relation to persons licensed under Part 4 of the Act. Section 59(2) of the Act provides that the Authority make such inquiries as it thinks fit into the question of whether there are grounds for disciplinary action against a Licensee. The Authority considers the results of the inquiries and any submissions made by the Licensee in defence or mitigation of the circumstances surrounding disciplinary proceedings.

In the 2006/07 reporting period, eight disciplinary matters relating to special employees were dealt with. The nature of the disciplinary action is as follows:

GROUND GIVING RISE TO DISCIPLINARY ACTION	OUTCOME
• bankruptcy	• licence cancelled
• drive with middle range prescribed concentration of alcohol	• letter of censure
• bankruptcy	• licence cancelled
• drive with middle range prescribed concentration of alcohol	• letter of censure
• drive with middle range prescribed concentration of alcohol • drive whilst disqualified • failure to notify the Authority of the commencement or finalisation of criminal or civil proceedings on two occasions	• two week suspension of licence
• contravene an Apprehended Violence Order	• letter of censure
• drive with middle range prescribed concentration of alcohol	• letter of censure
• assault occasioning actual bodily harm	• letter of censure

154(g) Summary of the outcome of any investigation or review carried out by the Authority during the year

Details are provided in the following sections:

- **Year 2006 Section 31 investigation**
- **Direct supervision of Casino operations**

BUDGET REVIEW 2006/07

The Authority has a surplus of \$223 000 in 2006/07 compared to the budgeted deficit of \$25 000.

Total income (including Government contributions) for the year was \$5 967 000 and was \$1 223 000 less than budget. This was mainly owing to:

- drawdown for consolidated fund recurrent appropriation was less than budget by \$1 169 000 because of appropriated funds not being expended by 30 June 2007. The authority to spend the money lapsed on 30 June 2007 and is repayable to NSW Treasury as a liability to Consolidated Fund in the 2007/08 financial year.
- acceptance by the Crown Entity of the Authority's liabilities on long service leave and superannuation entitlements was \$70 000 less than budget
- user charges were \$142 000 less than budget

The above were partly offset by higher interest receivable of \$159 000 than budget as a result of a higher bank deposit balance than budget.

Total expenditure for the year was \$5 744 000 and was \$1 471 000 less than budget mainly because of savings of \$703 000 in employee-related costs as a result of a number of unfilled vacancies and other operating expenses was \$770 000 less than budget.

The actual income and expenditure of the Authority in the 2006/07 reporting period compared to budget is summarised below:

Item	2006/07 Actual \$ '000	2006/07 Budget \$ '000	Variance \$ '000
Income			
Consolidated fund recurrent appropriation	5 461	6 630	(1 169)
Consolidated fund capital appropriation	69	70	(1)
Acceptance by the Crown Entity of the Authority's liabilities (on long service leave and superannuation entitlements)	159	229	(70)
User charges	87	229	(142)
Interest	191	32	159
	-----	-----	-----
	5 967	7 190	(1 223)
	-----	-----	-----
Expenditure			
Employee related	4 222	4 925	(703)
Other operating expenses	1 400	2 170	(770)
Depreciation	122	120	2
	-----	-----	-----
	5 744	7 215	(1 471)
	-----	-----	-----
Surplus / (Deficit) for the year	223	(25)	248
	=====	=====	=====

Budget for 2007/08

	\$ '000
Operating Budget	
Expenses	
Operating Expenses	
Employee Related	5 109
Other Operating Expenses	1 891
Depreciation	120
Total Expenses	7 120
less: Retained Revenues	
User Charges	150
Investment Income	190
Total Retained Revenues	340
Net Costs of Services	6 780
	=====

Capital Budget

	\$ '000
Capital Expenditure	70
	=====

APPENDIX I

SENIOR EXECUTIVE SERVICE (SES) PROFILE

Bands	Total CES / SES 2006/07	Number of CES / SES positions filled by women 2006/07	Total CES / SES 2005/06	Number of CES / SES positions filled by women 2005/06
8				
7				
6				
5				
4				
3	1		1	
2				
1	1		1	
Total	2	0	2	0

APPENDIX II

AUTHORITY MEMBERSHIP AND MEETINGS

Details of directorships held by Members of the Authority:

Mr Neville Allen	
Chairperson	23 September 2003 to 22 September 2006
Chairperson	14 March 2001 to 22 September 2003
Deputy Chairperson	23 September 2000 to 13 March 2001
Deputy Chairperson	16 August 2000 to 22 September 2000
Chairperson	3 May 2000 to 15 August 2000
Deputy Member	23 September 1997 to 2 May 2000
Qualifications:	LLB
Date of Current Appointment:	23 September 2003
Term:	until 22 September 2006
Directorships:	Director and Shareholder, Cavafair Pty Limited Director, Foundation for the Historic Houses Trust of New South Wales Limited Director, Gavan Investments Pty Limited Director and Shareholder, Mainbar Services Pty Limited Director and Shareholder, TMG Nominees Pty Limited Director, Villaport Pty Limited Director and Shareholder, Kind Clare Pty Limited Director and Shareholder, HR Property Nominees (Sydney) Pty Limited
Australian lawyer of at least seven years standing	

Mr Ken Brown AM	
Member from:	6 March 2006 until 5 March 2011
Qualifications:	FCPA
Date of Appointment:	6 March 2006
Term:	until 5 March 2011
Directorships:	Vice President, Australian Paralympic Committee President, Canine Research and Veterinary Foundation of New South Wales Board Member, Country Racecourse Development Fund

Mrs Sharryn Brownlee	
Member from:	13 April 2005 until 12 April 2010
Date of Appointment:	13 April 2005
Term:	until 12 April 2010
Directorships:	Director and Secretary, Ace Electrical Services Pty Limited Director, Stewart House Director, Graduateschool.com Director, Central Coast Campus Union Ltd Deputy Chair, Central Coast Campuses Board Secretary of the Central Coast Youth Connections Board Member of the Council for the University of Newcastle

Mr Brian Farrell	
Chief Executive	
Date of Appointment:	17 April 2000
Date of Current Appointment:	17 April 2005
Term:	until 16 April 2010
Directorships:	Nil

Mr Talal Yassine	
Acting Chairperson from:	22 September 2006
Deputy Chairperson from:	4 November 2004 to 4 March 2009
Member from:	5 March 2004 to 4 March 2009
Qualifications:	BA LLB LLM FAICD SFCDA FCIS
Date of Appointment:	5 March 2004
Term:	until 4 March 2009
Directorships:	Director, Yassine Corporation Pty Limited Sydney Legal Pty Limited Yassine Nominees Pty Limited Sydney Accountants Pty Limited Tiara NT Pty Limited Platinum Sounds Pty Limited Platinum Solar Pty Limited Alliance of NSW Doctors
Australian lawyer of at least seven years standing	

Meetings of the Authority

During the 2006/07 reporting period the Authority held 12 formal meetings. The Authority meets each month (in addition to when required) to deal with issues relating to the Casino.

Name	Meetings attended	Maximum meetings available	Comments
Mr Neville Allen Chairperson	3	3	Term expired 22 September 2006
Mr Ken Brown Member	12	12	
Mrs Sharryn Brownlee Member	12	12	
Mr Brian Farrell Chief Executive	12	12	
Mr Talal Yassine Deputy Chairperson	12	12	Acting Chairperson from 22 September 2006

APPENDIX III

COMMITTEE REPORTS

Casino Intelligence Committee

The Casino Intelligence Committee was established on 16 May 2001.

During the 2006/07 reporting period the Committee was comprised of a Member of the Authority and a representative of the Commissioner of Police.

The role of the Casino Intelligence Committee:

- monitor the presence of criminals and other undesirables in the Casino and matters of loan sharking and sex workers
- review and assess the Authority's practices and procedures in relation to the collection and dissemination of information concerning criminal and undesirable activities in the Casino and in the vicinity of the Casino
- provide advice to the Authority on exclusion from the Casino of persons involved in or suspected of involvement in criminal or undesirable activities
- monitor the relationship and interaction between Authority personnel and the Police Service and other Law Enforcement Agencies
- monitor the level of co-operation given by the Casino to the Authority, the Police Service and other Law Enforcement Agencies in terms of the flow of information concerning criminal and undesirable activities in the Casino and in the vicinity of the Casino

Authority Members' attendance at meetings:

Name	Meetings attended	Maximum meetings available	Comments
Mr Brian Farrell	6	6	Committee Chairperson

Audit and Corporate Governance Committee

The Authority established the Audit and Corporate Governance Committee on 18 April 2002 whose objectives are to apply contemporary and relevant corporate governance practices to the structure and operations of the Authority.

The role of the Audit and Corporate Governance Committee is outlined in its Charter:

Enhancement of the control framework

- (i) Monitor the system of internal management and accounting controls and ensure they are operating effectively, including:
 - review of the Authority's financial statements
 - liaising with the external and internal auditor
 - recommending the internal audit plan to the Authority
 - overseeing the internal audit plan
 - reviewing and act on internal and external audit reports
- (ii) Review management information and communication systems to ascertain if they are operating effectively
- (iii) Review the financial risk management strategy and fraud control plans of the Authority as to their efficacy
- (iv) Recommend to the Authority the appointment of internal auditors
- (v) Monitor management's implementation of recommendations of audit reports

Governance and Compliance

- (i) Consider matters of corporate governance generally and as referred by the Authority
- (ii) Review and update the Annual Performance Review document before distribution to Members
- (iii) Review and recommend changes to Authority Committee Structure
- (iv) Examine compliance with the Authority's Code of Conduct and obligations regarding the integrity of staff and consultants of the Authority

Authority Members' attendance at meetings:

Name	Meetings attended	Maximum meetings available	Comments
Mrs Sharryn Brownlee	4	4	Committee Chairperson from 23 January 2006
Mr Brian Farrell	4	4	
Mr Talal Yassine	4	4	

Casino Licence Oversight Committee

The Authority established its Casino Licence Oversight Committee on 25 March 2004.

The role of the Casino Licence Oversight Committee is outlined in its Charter:

- to assess the ongoing status of matters relevant to the ongoing suitability of the Casino Licence during any calendar year when a Section 31 investigation is not conducted. The Committee advises the Authority regarding any matter it considers to require investigation
- the Committee is not intended to apply the same depth of test as contemplated by Section 31. The Committee can perform its functions in any way it deems appropriate including through interviewing Authority staff and reviewing of material available to the Authority and if considered appropriate, submissions and presentations from the Casino

Authority Members' attendance at meetings:

Name	Meetings attended	Maximum meetings available	Comments
Mr Ken Brown	4	4	Committee Chairperson from 18 May 2006
Mrs Sharryn Brownlee	4	4	
Mr Brian Farrell	4	4	

Performance Management Committee

The Authority established the Performance Management Committee on 25 March 2004.

The role of the Performance Management Committee is outlined in its Charter:

- to develop a draft of the Authority's Performance Agreement with the Minister each financial year
- to recommend adoption of the draft Agreement by the Authority for submission to the Minister
- responsible for the Authority's six-monthly drafts and end of Financial Year Reports of its Performance Agreement with the Minister (and recommendations for the Authority's adoption of the draft Reports)
- to oversee the tripartite Performance Agreement between the Authority Chief Executive, Authority Chairperson and Minister and the six-monthly and End of Financial Year Reports on the Agreement
- to oversee the development and monitoring of the Performance Agreements between the Authority's Chief Executive and Branch Heads (Director and Managers). This includes reviewing Agreements and Reports on the Agreements

Authority Members' attendance at meetings:

Name	Meetings attended	Maximum meetings available	Comments
Mr Ken Brown	2	2	Committee Chairperson from 18 May 2006
Mr Brian Farrell	2	2	
Mr Talal Yassine	2	2	

APPENDIX IV

REPRESENTATION AND DISTRIBUTION OF EEO GROUPS

A. Trends in the representation of EEO groups

EEO Group	Target (%)	Total Staff (%)			
		2004	2005	2006	2007
Women	50	29	29	26	26
Aboriginal people and Torres Strait Islanders	2	0	0	0	3
People whose language first spoken as a child was not English	19	33	39	34	34
People with a disability	12	4	2	8	11
People with a disability requiring work-related adjustment	7	0	0	3	9

B. Trends in the distribution of EEO groups

EEO Group	Target	Distribution Index			
		2004	2005	2006	2007
Women	100	N/A	N/A	N/A	N/A
Aboriginal people and Torres Strait Islanders	100	N/A	N/A	N/A	N/A
People whose language first spoken as a child was not English	100	N/A	N/A	N/A	N/A
People with a disability	100	N/A	N/A	N/A	N/A
People with a disability requiring work-related adjustment	100	N/A	N/A	N/A	N/A

NOTE: 1 Staff numbers are at 30 June 2007

2 Excludes casual staff and Authority Members

3 A Distribution Index of 100 indicates that the centre of the distribution of the EEO group across salary levels is equivalent to that of other staff. Values less than 100 mean that the EEO group tends to be more concentrated at lower salary levels than is the case for other staff. The more pronounced this tendency is, the lower the index will be. In some cases the index may be more than 100, indicating that the EEO group is less concentrated at lower salary levels. The software provided by ODEOPE automatically calculates the Distribution Index

4 The Distribution Index is not calculated where EEO groups or non-EEO group numbers are less than 20

5 The salary categories are reported for each period according to the defined EEO categories for that period

APPENDIX V

FREEDOM OF INFORMATION ACT 1989

Section 14(1) (2) and (3)

SUMMARY OF AFFAIRS OF THE NSW CASINO CONTROL AUTHORITY

SECTION 1 - POLICY DOCUMENTS

The Casino Control Authority has the following documents for inspection or purchase:

- Report on the Location, Size and Style of the New South Wales Casino (January 1993)
- Invitation Document, the Sydney Casino, Australia (May 1993)
- Ministerial Directions (as reported in relevant Authority Annual Reports)
- Report of Public Inquiry Pursuant to Section 143(4) of the NSW Casino Control Act 1992 (December 1994)
- Reports of Investigations Pursuant to Section 31 of the NSW Casino Control Act 1992 (December 1997, December 2000, December 2003 and December 2006)
- Submission to the Independent Pricing and Regulatory Tribunal (IPART) Gaming Inquiry (27 August 1998)
- Annual Reports (from 1992/93 to 2006/07)
- Approved Rules of NSW Casino Games
- Fraud Prevention and Control Policy (October 2005)
- Privacy Management Plan
- Press / Media releases on major operational and administration decisions / policies

SECTION 2 - CONTACT ARRANGEMENTS

Requests under the Freedom of Information Act for access to documents held by the NSW Casino Control Authority must be submitted in writing and accompanied by a fee of \$30.00.

Requests should be directed to:

The Chief Executive
Casino Control Authority
GPO Box 3970
SYDNEY NSW 2001

Inquiries may be directed by telephone on (02) 8234 8800,
by fax on (02) 9299 7427 or by email at (info@casinocontrol.nsw.gov.au).

The Authority's office hours are from 9:00 am to 5:00 pm Monday to Friday.

The following information is available at the NSW Casino Control Authority's website (www.casinocontrol.nsw.gov.au):

- Authority overview
- Legislation - CCA Act and Regulations
- Official Rules of NSW Casino Games
- Media releases and historical material
- Annual Reports (from 1992/93 to 2006/07)
- Introduction to Government Inspectors (March 2004)
- Reports of Investigations Pursuant to Section 31 of the NSW Casino Control Act 1992 (December 1997, December 2000, December 2003 and December 2006)
- Submissions to the Independent Pricing and Regulatory Tribunal (IPART) Gaming Inquiry (27 August 1998)
- FOI Summary of Affairs
- Links to Australian and overseas regulators and other organisations

FOI Statistics

NSW Freedom of Information Act 1989

SECTION A Numbers of new FOI requests - information relating to numbers of new FOI requests received, those processed and those incomplete from the previous period:

FOI requests	Personal		Other	
	2006/07	2005/06	2006/07	2005/06
A1 New (including transferred in)	0	0	2	7
A2 Brought forward	0	0	2	0
A3 Total to be processed	0	0	4	1
A4 Completed	0	0	3	6
A5 Transferred out	0	0	0	0
A6 Withdrawn	0	0	0	0
A7 Total processed	0	0	3	6
A8 Unfinished	0	0	1	1

SECTION B What happened to completed requests? (line A4):

Result of FOI request	Personal		Other	
	2006/07	2005/06	2006/07	2005/06
B1 Granted in full	0	0	2	0
B2 Granted in part	0	0	1	4
B3 Refused	0	0	0	2
B4 Deferred	0	0	0	0
B5 Completed	0	0	3	6

NOTE: The figures on line B5 correspond to those on line A4

SECTION C Ministerial Certificates - number issued during the period:

C1 Ministerial Certificates issued	2006/07	2005/06
	0	0

SECTION D Formal consultations - number of requests requiring consultations (issued) and total number of formal consultations for the period:

D1 Number of requests requiring formal consultations	Issued	
	2006/07	2005/06
	1	1

SECTION E Amendment of personal records - number of requests for amendments processed during the period:

Result of Amendment request	Total	
	2006/07	2005/06
E1 Result of amendment - agreed	0	0
E2 Result of amendment - refused	0	0
E3 Total	0	0

SECTION F Notation of personal records - number of requests for notation during the period:

F3 Number of requests for notation	2006/07	2005/06
	0	0

SECTION G FOI requests granted in part or refused - basis of disallowing access - number of times each reason cited in relation to completed requests that were granted in part or refused:

Basis of disallowing or restricting access	Personal		Other	
	2006/07	2005/06	2006/07	2005/06
G1 Section 19 (application incomplete or wrongly directed)	0	0	0	1
G2 Section 22 (deposit not paid)	0	0	0	0
G3 Section 25 (1)(a1) {diversion of resources}	0	0	0	1
G4 Section 25 (1)(a) {exempt}	0	0	1	6
G5 Section 25 (1)(b),(c),(d) {otherwise available}	0	0	0	1
G6 Section 28 (1)(b) {documents not held}	0	0	0	0
G7 Section 24 (2) - deemed refused, over 21 days	0	0	0	0
G8 Section 31 (4) {released to medical practitioner}	0	0	0	0
G9 Totals	0	0	1	9

SECTION H Costs and fees of requests processed during the period (lines A4, A5 and A6). These do not include costs and fees for unfinished requests (line A8):

H1 All completed requests	Assessed Costs		FOI fees received	
	2006/07	2005/06	2006/07	2005/06
	0	0	\$90	\$310

SECTION I Discounts allowed - numbers of FOI requests processed during the period where discounts were allowed:

Type of discount allowed	Personal		Other	
	2006/07	2005/06	2006/07	2005/06
I1 Public Interest	0	0	0	0
I2 Financial hardship - pensioner / child	0	0	0	0
I3 Financial hardship - non-profit organisation	0	0	0	0
I4 Totals	0	0	0	0
I5 Significant correction of personal records	0	0	0	0

NOTE: Except for item I5, items I1, I2, I3 and I4 refer to requests processed and recorded in A7. I5 shows the actual numbers of requests for the correction of records processed during the period.

SECTION J Days to process - number of completed requests (line A4) by calendar days (elapsed time taken to process):

Elapsed Time	Personal		Other	
	2006/07	2005/06	2006/07	2005/06
J1 0 - 21 days	0	0	3	6
J2 22 - 35 days	0	0	0	0
J3 over 35 days	0	0	0	0
J4 Totals	0	0	3	6

SECTION K Processing time - number of completed requests (line A4) by hours taken to process:

Processing Hours	Personal		Other	
	2006/07	2005/06	2006/07	2005/06
K1 0 - 10 hours	0	0	3	6
K2 11 - 20 hours	0	0	0	0
K3 21 - 40 hours	0	0	0	0
K4 over 40 hours	0	0	0	0
K5 Totals	0	0	3	6

SECTION L Reviews and appeals - number finalised during the period:

L1 Number of internal reviews finalised	2006/07	2005/06
	0	3

L2 Number of Ombudsman reviews finalised	2006/07	2005/06
	0	0

L3 Number of ADT Reviews finalised	2006/07	2005/06
	1	0

SECTION L Details of internal review results - in relation to internal reviews finalised during the period:

Basis of Internal Review	Personal				Other			
Grounds on which internal review required	Upheld		Varied		Upheld		Varied	
	2006/07	2005/06	2006/07	2005/06	2006/07	2005/06	2006/07	2005/06
L4 access refused	0	0	0	0	0	0	0	0
L5 access deferred	0	0	0	0	0	0	0	0
L6 exempt matter	0	0	0	0	0	3	0	0
L7 unreasonable charges	0	0	0	0	0	0	0	0
L8 charge unreasonably incurred	0	0	0	0	0	0	0	0
L9 amendment refused	0	0	0	0	0	0	0	0
L10 Totals	0	0	0	0	0	3	0	0

APPENDIX VI

LEGISLATIVE COMPLIANCE INDEX

Section / Clause Code	Section / Clause Name	Location
ARSBA s9A	Letter of Submission	1
ARSBA s13(5)	Application for extension of time	N/A
ARSBR Sch.1	Charter	5
ARSBR Sch.1	Aims and objectives	5
ARSBR Sch.1	Access	Inside front cover
ARSBR Sch.1	Management and structure	6-7 Appendices II, III
ARSBR Sch.1	Summary review of operations	8
PM 91-34 ARSBR Sch.1	Funds granted to non-government community organisations	N/A
ARSBR Sch.1 ARSBA s9(1)(f)	Legal Change	30, 33
ARSBR Sch.1	Economic or other factors	2
ARSBR Sch.1	Management and activities	10-30
ARSBR Sch.1	Research and development	31
ARSBR Sch.1	Human resources	21-27
PM 2002-07 ARSBR Sch.1	Consultants	24
TC 02/17 ARSBR Sch.1	Equal Employment Opportunity	25, Appendix IV
PSEMA Sch.1 DSA s9 ARSBR Sch.1	Disability Plans	25
ARSBR Sch.1	Land Disposal	31
ARSBR Sch.1	Promotion	20, Appendix V
ARSBR Sch.1	Consumer Response	28
ARSBR Sch.1	Guarantee of Service	28
TC 06/26 ARSBR Sch.1	Payment of Accounts	31-32
ARSBR Sch.1 TC 06/26	Time for Payment of Accounts	N/A
ARSBR Sch.1	Risk management and insurance activities	27-28, 42
ARSBR Sch.1	Disclosure of Controlled Entities	32
PM 06-02	Disclosure of Subsidiaries	N/A
ARSBR Sch.1	Ethnic affairs priorities statements and any agreement	26
APFW ARSBR Sch.1	NSW Government Action Plan for Women	26-27
ARSBR Sch.1	Occupational Health and Safety	27
ARSBR Sch.1	Waste	29-30
ARSBA s7(1)(iii) ARSBR c6-7	Budgets	35-36
ARSBA s7(1)(a) (i)-(ii)(a)	Financial Statements	Appendix VII

Section / Clause Code	Section / Clause Name	Location
ARSBR c5	Identification of audited financial statements	Appendix VII
ARSBR c9	Inclusion of unaudited financial statements	N/A
ARSBR c8	Additional matters for inclusion in annual reports	Inside back cover
ARSBR c12 TC 03/09	Investment performance	31
ARSBR c13 TC 03/09	Liability management performance	N/A
ARSBR c19(4)	Exemptions	N/A
ARSBR c11,14	Performance and numbers of executive officers	Appendix I
FOIA s68 FOIR s10 FOIM App. B ARSBA s5A(2)	Freedom of Information Act	Appendix V
IPARTA s18(4)	Implementation of Price Determination	N/A
PPIPA s33(3), 53	Privacy management plan	29
HA S170A	Heritage management	N/A
PM 94-28	Departures from Subordinate Legislation Act	30
PM 98-35	Government Energy Management Policy	29
PM 00-12	Electronic service delivery	28
TD 205.01	Credit card certification	31
TC 06/13 ARSBA s15(1)	Requirements arising from employment arrangements	23-24, 32 Appendix VII

Legislative Reference

APFW	Action Plan for Women
ARDA	Annual Reports (Departments) Act 1985
ARDR	Annual Reports (Departments) Regulation 2005
ARSBA	Annual Reports (Statutory Bodies) Act 1984
ARSBR	Annual Reports (Statutory Bodies) Regulation 2005
DSA	Disability Services Act 1993
FOIA	Freedom of Information Act 1989
FOIM	Freedom of Information Manual 1994
FOIR	Freedom of Information Regulation 2005
FRC	Financial Reporting Code for Budget Dependent General Government Sector Agencies
HA	Heritage Act 1977
IPARTA	Independent Pricing and Regulatory Tribunal Act 1992
PC	Premier's Circular
PM	Premier's Memorandum
PF&AA	Public Finance and Audit Act 1983
PPIPA	Privacy and Personal Information Protection Act 1998
PSELAA	Public Sector Employment Legislation Amendment Act 2006
PSEMA	Public Sector Employment and Management Act 2002
TC	Treasury Circular
TD	Treasurer's Direction



INDEPENDENT AUDITOR'S REPORT

New South Wales Casino Control Authority and controlled entities

To Members of the New South Wales Parliament

I have audited the accompanying financial report of New South Wales Casino Control Authority (the Authority), and the Authority and its controlled entities (the consolidated entity), which comprises the balance sheet as at 30 June 2007, and the operating statement, statement of recognised income and expense, and cash flow statement, and summary of compliance with financial directives for the year then ended, and a summary of significant accounting policies and other explanatory notes. The consolidated entity comprises the Authority and the entities it controlled at year end or from time to time during the financial year.

Auditor's Opinion

In my opinion, the financial report:

- presents fairly, in all material respects, the financial position of the Authority and the consolidated entity as of 30 June 2007, and of their financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations)
- is in accordance with section 41B of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2005.

The Board's Responsibility for the Financial Report

The members of the Board of the Authority are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the PF&A Act. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on my audit. I conducted my audit in accordance with Australian Auditing Standards. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

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

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

My opinion does *not* provide assurance:

- about the future viability of the Authority or its controlled entities,
- that they have carried out their activities effectively, efficiently and economically,
- about the effectiveness of their internal controls, or
- on the assumptions used in formulating the budget figures disclosed in the financial report.

Independence

In conducting this audit, the Audit Office has complied with the independence requirements of the Australian Auditing Standards and other relevant ethical requirements. The PF&A Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General, and
- mandating the Auditor-General as auditor of public sector agencies but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office are not compromised in their role by the possibility of losing clients or income.



C J Giumelli, CPA
Director, Financial Audit Services

22 October 2007
SYDNEY



**NEW SOUTH WALES
CASINO CONTROL AUTHORITY**

Financial Statements for the year ended 30 June 2007

Pursuant to Section 41C of the Public Finance and Audit Act 1983, I state that:

- (a) the accompanying financial statements have been prepared in accordance with the provisions of the Public Finance and Audit Act 1983, the Financial Reporting Code for Budget Dependent General Government Sector Agencies, the applicable Australian Accounting Standards (which include Australian Equivalents to International Financial Reporting Standards (AEIFRS)), the applicable clauses of the Public Finance and Audit Regulation 2005 and the Treasurer's Directions
- (b) the statements exhibit a true and fair view of the financial position and transactions of the Authority for the year ended 30 June 2007
- (c) there are no circumstances which would render any particulars included in the financial statements to be misleading or inaccurate

A handwritten signature in black ink, appearing to read 'B. Farrell'.

Brian Farrell
Chief Executive

22 October 2007

NEW SOUTH WALES CASINO CONTROL AUTHORITY

Operating Statement for the Year Ended 30 June 2007

Authority		Notes	Consolidated			
Actual 2007 \$'000	Actual 2006 \$'000		Actual 2007 \$'000	Budget 2007 \$'000	Actual 2006 \$'000	
Expenses excluding losses						
Operating expenses						
4206	4,306	Employee related	2(a)	4,206	4,925	4,306
1400	1,340	Other operating expenses	2(b)	1,400	2,170	1,340
122	116	Depreciation	2(c)	122	120	116
5,728	5,762	Total Expenses excluding losses		5,728	7,215	5,762
Less:						
Revenue						
87	116	Sales of goods and services	3(a)	87	229	116
191	182	Investment revenue	3(b)	191	32	182
278	298	Total Revenue		278	261	298
5,450	5,464	Net Cost of Services		5,450	6,954	5,464
Government Contributions						
5461	5,251	Recurrent appropriation	4	5,461	6,630	5,251
69	70	Capital appropriation	4	69	70	70
159	205	Acceptance by the Crown Entity of employee benefits and other liabilities	5	159	229	205
5,689	5,526	Total Government Contributions		5,689	6,929	5,526
239	62	SURPLUS/(DEFICIT) FOR THE YEAR		239	(25)	62

The accompanying notes form part of these statements

NEW SOUTH WALES CASINO CONTROL AUTHORITY

Statement of Recognised Income and Expense for the Year Ended 30 June 2007

Authority		Consolidated		
Actual	Actual	Actual	Budget	Actual
2007	2006	2007	2007	2006
\$'000	\$'000	\$'000	\$'000	\$'000
-	-	-	-	-
Net increase/(decrease) in property, plant and equipment asset revaluation reserve				
-	-	-	-	-
Net increase/(decrease) in available for sale financial asset revaluation reserve				
-	-	-	-	-
-	-	-	-	-
Other net increases/(decreases) in equity				
TOTAL INCOME AND EXPENSE RECOGNISED				
-	-	-	-	-
DIRECTLY IN EQUITY				
239	62	239	(25)	62
Surplus/(Deficit) for the Year				
TOTAL INCOME AND EXPENSE RECOGNISED				
239	62	239	(25)	62
FOR THE YEAR				
EFFECT OF CHANGES IN ACCOUNTING POLICY				
-	-	-	-	-
AND CORRECTION OF ERRORS				
239	62	239	(25)	62
Total Recognised Income and Expense				

The accompanying notes form part of these financial statements

NEW SOUTH WALES CASINO CONTROL AUTHORITY

Balance Sheet as at 30 June 2007

Authority			Consolidated			
Actual 2007 \$'000	Actual 2006 \$'000		Notes	Actual 2007 \$'000	Budget 2007 \$'000	Actual 2006 \$'000
ASSETS						
Current Assets						
3,432	3,247	Cash and cash equivalents	6	3,432	3,334	3,247
215	188	Receivables	7	215	126	188
3,647	3,435	Total Current Assets		3,647	3,460	3,435
Non-Current Assets						
		Property, plant and equipment				
370	394	- Plant and equipment	8	370	364	394
60	89	Intangible assets	9	60	69	89
430	483	Total Non-Current Assets		430	433	483
4,077	3,918	Total Assets		4,077	3,893	3,918
LIABILITIES						
Current Liabilities						
36	96	Payables	10	49	96	138
456	471	Provisions	11	438	471	425
1,049	1,045	Other	12	1,049	1,045	1,045
1,541	1,612	Total Current Liabilities		1,536	1,612	1,608
Non-Current Liabilities						
-	-	Provisions	11	5	0	4
6	15	Other	13	6	15	15
6	15	Total Non-Current Liabilities		11	15	19
1,547	1,627	Total Liabilities		1,547	1,627	1,627
2,530	2,291	Net Assets		2,530	2,266	2,291
EQUITY						
2,530	2,291	Accumulated funds	14	2,530	2,266	2,291
2,530	2,291	Total Equity		2,530	2,266	2,291

The accompanying notes form part of these statements

NEW SOUTH WALES CASINO CONTROL AUTHORITY

Cash Flow Statement for the Year Ended 30 June 2007

Authority		Notes	Consolidated		
Actual	Actual		Actual	Budget	Actual
2007	2006		2007	2007	2006
\$'000	\$'000		\$'000	\$'000	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Payments					
(4,079)	(4,060)	Employee related	(4,079)	(4,696)	(4,060)
(1,625)	(1,449)	Other	(1,625)	(2,336)	(1,449)
(5,704)	(5,509)	Total Payments	(5,704)	(7,032)	(5,509)
Receipts					
86	136	Sale of goods and services	86	229	136
185	174	Interest received	185	94	174
153	141	Other	153	166	141
424	451	Total Receipts	424	489	451
Cash Flows From Government					
5,464	4,873	Recurrent appropriation	5,464	6,630	4,873
70	64	Capital appropriation	70	70	64
5,534	4,937	Net Cash Flows From Government	5,534	6,700	4,937
254	(121)	NET CASH FLOWS FROM OPERATING ACTIVITIES	254	157	(121)
CASH FLOWS FROM INVESTING ACTIVITIES					
(69)	(87)	Purchases of Plant, Equipment & Intangible Assets	(69)	(70)	(87)
(69)	(87)	NET CASH FLOWS FROM INVESTING ACTIVITIES	(69)	(70)	(87)
185	(208)	NET INCREASE/(DECREASE) IN CASH	185	87	(208)
3,247	3,455	Opening cash and cash equivalents	3,247	3,247	3,455
3,432	3,247	CLOSING CASH AND CASH EQUIVALENTS	3,432	3,334	3,247

The accompanying notes form part of these statements

NEW SOUTH WALES CASINO CONTROL AUTHORITY

Summary of Compliance with Financial Directives
for the Year Ended 30 June 2007

	2007				2006			
	Recurrent Appropriation	Expenditure / Net Claim on Consolidated Fund	Capital Appropriation	Expenditure / Net Claim on Consolidated Fund	Recurrent Appropriation	Expenditure	Capital Appropriation	Expenditure
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
ORIGINAL BUDGET APPROPRIATION/EXPENDITURE								
• Appropriation Act	6,630	5,461	70	69	6,247	5,251	70	70
	6,630	5,461	70	69	6,247	5,251	70	70
OTHER APPROPRIATIONS/ EXPENDITURE								
• Treasurer's Advance	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0
Total Appropriations [Subtotal 2/ Expenditure/Net Claim on Consolidated Fund (Total 1) (includes transfer payments)	6,630	5,461	70	69	6,247	5,251	70	70
Amount drawn down against Appropriation [Total 3]		6,460		70		6,247		70
Liability to Consolidated Fund * [Total 4]		999		1		996		0

The Summary of Compliance is based on the assumption that Consolidated Fund moneys are spent first.

* This represents the difference between the "Amount Drawdown against Appropriation" and the "Total Expenditure/Net Claim on Consolidated Fund".

Total actual expenditure/net claim on Consolidated Fund (recurrent) in 2006/2007 was \$999,000 less than the total recurrent appropriation drawn down mainly due to saving in employee related costs as a result of a number of positions not yet filled and saving in other operating expenses.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS OF THE NEW SOUTH WALES CASINO CONTROL AUTHORITY FOR THE YEAR ENDED 30 JUNE 2007

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Reporting Entity

The New South Wales Casino Control Authority ("Authority"), as a reporting entity, comprises all the entities under its control, namely, the New South Wales Casino Control Authority and the Casino Control Authority Division.

In the process of preparing the consolidated financial report for the economic entity consisting of the controlling and controlled entity, all inter-entity transactions and balances have been eliminated.

The New South Wales Casino Control Authority is a NSW statutory body. The Authority is a not-for-profit entity. The reporting entity is consolidated as part of the NSW Total State Sector Accounts.

The Authority was established on 22 September 1992, pursuant to the provisions of the Casino Control Act 1992 ("Act"). The objects of the Authority under Section 140 of the Casino Control Act 1992 are to maintain and administer systems for the licensing, supervision and control of a casino, for the purpose of:

- (1) ensuring that the management and operation of the casino remains free from criminal influence or exploitation, and
- (2) ensuring that gaming in the casino is conducted honestly, and
- (3) containing and controlling the potential of the casino to cause harm to the public interest and to individuals and families.

On 17 March 2006, the Casino Control Authority Division, a Division of the Government Services, established pursuant to Part 2 of Schedule 1 to the *Public Sector Employment and Management Act 2002*, commenced operation and assumed responsibility for the employees and employee-related liabilities of the Authority. The Casino Control Authority Division is a not-for-profit entity and its only objective is to provide personnel services to the Authority.

(b) Basis of Accounting

The Authority's financial report is a general purpose financial report which has been prepared in accordance with:

- applicable Australian Accounting Standards (which include Australian equivalents to International Financial Reporting Standards (AEIFRS));
- the requirements of the *Public Finance and Audit Act* and Regulations; and

- the Financial Reporting Directions published in the Financial Reporting Code for Budget Dependent General Government Sector Agencies or issued by the Treasurer.

Where there are inconsistencies between the above requirements, the legislative provisions have prevailed.

The Treasurer has granted an exemption under Section 41BA of the Public Finance and Audit Act from compliance with the requirements of Division 3 of Part 3 of the Public Finance and Audit Act, which normally applies to a statutory body.

The financial statements are prepared in accordance with the historical cost convention. All amounts are rounded to the nearest one thousand dollars and are expressed in Australian currency.

(c) **Statement of Compliance**

The consolidated and parent entity financial statements and notes comply with Australian Accounting Standards, which include AEIFRS.

(d) **Administered Activities**

The Authority administers, but does not control, certain activities on behalf of the Crown Entity. It is accountable for the transactions relating to those administered activities but does not have the discretion, for example, to deploy the resources for the achievement of the Authority's own objectives.

Transactions and balances relating to the administered activities are not recognised as the agency's revenues, but are disclosed in Note 19 as "Administered Revenues".

The accrual basis of accounting and all applicable accounting standards have been adopted for the reporting of the administered activities.

(e) **Income Recognition**

Income is measured at the fair value of the consideration or contribution received or receivable. Additional comments regarding the accounting policies for the recognition of income are discussed below.

(i) **Parliamentary Appropriations**

Parliamentary appropriations are recognised as income when the Authority obtains control over the assets comprising the appropriations. Control over appropriations is normally obtained upon the receipt of cash.

An exception to the above is when appropriations are unspent at year-end. In this case, the authority to spend the money lapses and generally the unspent amount must be repaid to the Consolidated Fund in the following financial year. As a result, unspent appropriations are accounted for as liabilities rather than revenue.

The liability is disclosed in Note 12 as part of 'Current Liabilities-Other'. The amount will be repaid and the liability will be extinguished next financial year.

(ii) Sale of Goods

Revenue from the sale of goods is recognised as revenue when the agency transfers the significant risks and rewards of ownership of the assets.

(iii) Rendering of Services

Revenue is recognised when the service is provided or by reference to the stage of completion.

(iv) Investment Revenue

Interest revenue is recognised using the effective interest method as set out in AASB 139 Financial Instruments: Recognition and Measurement.

(f) Employee Benefits and Other Provisions

(i) Salaries and Wages, Annual Leave, Sick Leave and On-Costs

Liabilities for salaries and wages and annual leave that fall due wholly within 12 months of the reporting date are recognised and measured in respect of employees' services up to the reporting date at undiscounted amounts based on the amounts expected to be paid when the liabilities are settled.

Long-term annual leave that is not expected to be taken within twelve months is measured at present value. The Authority does not have any long-term annual leave.

The Authority's employees are only entitled to non-vesting sick leave. Unused non-vesting sick leave does not give rise to a liability because based on the Authority's history, it is highly improbable that sick leave taken in the future will be greater than the benefits accrued in the future.

The outstanding amounts of payroll tax, workers' compensation insurance premiums and fringe benefits tax, which are consequential to employment, are recognised as liabilities and expenses where the employee benefits to which they relate have been recognised.

(ii) **Long Service Leave and Superannuation**

The Authority's liabilities for long service leave and defined benefit superannuation are assumed by the Crown Entity. The Authority's accounts for the liability as having been extinguished, resulting in the amount assumed being shown as part of the non-monetary revenue item described as "Acceptance by the Crown Entity of employee benefits and other liabilities". Prior to 2006/07 the Crown Entity also assumed the defined contribution superannuation liability.

Long service leave is measured at present value. This is based on the application of certain factors (specified in NSWTC 07/04) to employees with five or more years of service, using current rates of pay. These factors were determined based on an actuarial review to approximate present value.

The superannuation expense for the financial year is determined by using the formulae specified in the Treasurer's Directions. The expense for certain superannuation schemes (ie Basic Benefit and First State Super) is calculated as a percentage of the employees' salary. For other superannuation schemes (ie. State Superannuation Scheme and State Authorities Superannuation Scheme), the expense is calculated as a multiple of the employees' superannuation contributions.

(g) **Insurance**

The Authority's insurance activities are conducted through the NSW Treasury Managed Fund Scheme of self insurance for Government agencies. The expense (premium) is determined by the Fund Manager based on past claim experience.

(h) **Accounting for the Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where:

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

(i) Acquisitions of Assets

The cost method of accounting is used for the initial recording of all acquisitions of assets controlled by the Authority. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire the asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the requirements of other Australian Accounting Standards.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and revenues at their fair value at the date of acquisition.

Fair value means the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction.

Where payment for an asset is deferred beyond normal credit terms, its cost is the cash price equivalent, ie. deferred payment amount is effectively discounted at an asset-specific rate.

(j) Capitalisation Thresholds

Property, plant and equipment and intangible assets costing \$5,000 and above individually (or forming part of a network costing more than \$5,000) are capitalised except for group assets (assets with interrelated functions), where all additions regardless of amount are capitalised.

(k) Depreciation of Property, Plant and Equipment

Depreciation is provided for on a straight line basis for all depreciable assets so as to write off the depreciable amount of each asset as it consumed over its useful life to the Authority.

Depreciation rates by class of assets are:

*	computer equipment	25% pa
*	computer software	25% pa
*	office equipment	25% pa
*	office furniture	10% pa
*	office fittings	depreciation rates based on the number of years from the date of purchase to the expiration of the office lease of the Authority

(l) Leased Assets

A distinction is made between finance leases which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of the leased assets, and operating leases under which the lessor effectively retains all such risks and benefits.

The Authority has no finance leases.

Operating lease payments are charged to the Operating Statement in the periods in which they are incurred.

(m) Intangible Assets

The Authority recognises intangible assets only if it is probable that future economic benefits will flow to the Authority and the cost of the asset can be measured reliably. Intangible assets are measured initially at cost. Where an asset is acquired at no or nominal cost, the cost is its fair value as at the date of acquisition.

The Authority's intangible assets consisted of computer software only.

The intangible assets of the Authority are carried at cost less any accumulated amortisation.

The Authority's intangible assets are amortised using the straight line method over a period of four years.

In general, intangible assets are tested for impairment where an indicator of impairment exists. However, as a not-for-profit entity, the Authority is effectively exempted from impairment testing.

(n) Receivables

Receivables are recognised and carried at the original invoice amount less an allowance for any impairment. Bad debts are written off as incurred.

(o) Other Assets

Other assets including prepayments are recognised on a cost basis.

(p) **Payables**

These amounts represent liabilities for goods and services provided to the Authority and other amounts, including interest.

(q) **Budgeted amounts**

The budgeted amounts are drawn from the budgets as formulated at the beginning of the financial year and with any adjustments for the effects of additional appropriations under s 21A, s 24 and /or s 26 of the *Public Finance and Audit Act 1983*.

The budgeted amounts in the Operating Statement and the Cash Flow Statement are generally based on the amounts disclosed in the NSW Budget Papers (as adjusted above). However, in the Balance Sheet, the amounts vary from the Budget Papers, as the opening balances of the budgeted amounts are based on carried forward actual amounts ie per the audited financial report (rather than carried forward estimates).

(r) **Lease Incentives**

In accordance with Interpretation (Interpretation 12), lease incentives offered to the Authority, such as rent free period, as an inducement to enter into a non-cancellable operating lease, is recognised as a liability. The liability shall be reduced by allocating lease rental payments between rental expense and reduction of the liability.

(s) **Program Statement**

The New South Wales Casino Control Authority is a single program organisation and therefore the Operating Statement is a reflection of the Program Statement for the year.

2. **EXPENSES**

(a) Employee related expenses comprise the following specific items:

Authority			Consolidated	
2007	2006		2007	2006
\$'000	\$'000		\$'000	\$'000
-	2,420	Salaries and wages (including Recreation Leave)	3,402	3,374
-	43	Superannuation – defined benefit plans	60	60
-	159	Superannuation – defined contribution plans	211	221
-	90	Long service leave	101	143
-	13	Workers' compensation insurance	17	18
-	136	Payroll tax and fringe benefit tax	189	199
-	165	Other - Authority Member fees	183	236
-	-	- Redundancy payment	43	55
4,206	1,280	Personnel services	-	-
-----	-----		-----	-----
4,206	4,306		4,206	4,306
=====	=====		=====	=====

Employee related expenses included staff salaries of \$21,000 relating to Section 31 Investigation [Note 2(b)].

(b) **Other operating expenses**

Authority			Consolidated	
2007	2006		2007	2006
\$'000	\$'000		\$'000	\$'000
38	33	Auditor's remuneration – audit or review of the financial reports	38	33
		Operating lease rental expense		
313	313	- minimum lease payment	313	313
6	9	Insurance	6	9
87	116	Other - Casino project [sub-note (b)(1)]	87	116
242	6	- Section 31 Investigation [sub-note (b)(2)]	242	6
-	5	- Clause 6 Inquiry	-	5
206	266	- Casino licensing expenses	206	266
67	58	- Legal expenses	67	58
23	16	- Travelling	23	16
24	26	- Postage and telephone	24	26
4	6	- Printing	4	6
9	8	- Electricity	9	8
81	72	- Staff training and development	81	72
4	14	- Staff recruitment	4	14
6	6	- News subscription and research	6	6
		- Risk management and internal audit		
52	44		52	44
		- Corporate plan and performance management		
-	50		-	50
54	55	- Information Technology	54	55
103	107	- Shared Corporate Services	103	107
81	130	- Other administration expenses	81	130
1,400	1,340		1,400	1,340

(b)(1) Included legal and consultancy costs in connection with the control and supervision of Star City Casino. Under the Casino Control Act 1992 and legal agreements between the Authority and Star City Pty Ltd most of these costs are recoverable from Star City Pty Ltd. [Note 3(a)]

- (b)(2) Under section 31 of the Casino Control Act 1992, the Authority must not later than 3 years after the grant of a casino licence, and thereafter at intervals not exceeding 3 years, investigate and form an opinion as to whether or not (a) the casino operator is a suitable person to continue to give effect to the casino licence and the Act, and (b) it is in the public interest that the casino licence should continue in force.

The fourth section 31 investigation was completed and reported to the Minister for Gaming and Racing on 15 December 2006.

The expenses of \$242,000 incurred in 2006/2007 represented legal and consultancy fees and other relevant expenses for the investigation. The expenses did not include \$21,000 staff costs for temporary staff which was included under employee related expenses. [see Note 2(a)]

(c) **Depreciation and Amortisation**

Authority			Consolidated	
2007	2006		2007	2006
\$'000	\$'000		\$'000	\$'000
40	38	Computer equipment	40	38
-	2	Computer software	-	2
12	8	Office equipment	12	8
41	41	Office furniture and fittings	41	41
29	27	Intangible assets	29	27
-----	-----		-----	-----
122	116		122	116
=====	=====		=====	=====

3. REVENUES

(a) Sale of goods and services

Authority			Consolidated	
2007	2006		2007	2006
\$'000	\$'000		\$'000	\$'000
		Recovery of project management costs and certain other costs from Star City Pty. Ltd. under legal agreements between the Authority and Star City Pty. Ltd. [Note 2(b)(1)]		
87	116		87	116
-----	-----		-----	-----
87	116		87	116
=====	=====		=====	=====

(b) Investment Revenue

Authority			Consolidated	
2007	2006		2007	2006
\$'000	\$'000		\$'000	\$'000
191	182	Interest	191	182
-----	-----		-----	-----
191	182		191	182
=====	=====		=====	=====

4. APPROPRIATIONS

Recurrent appropriations

Authority			Consolidated	
2007	2006		2007	2006
\$'000	\$'000		\$'000	\$'000
6,460	6,247	Total recurrent drawdowns from NSW Treasury (per Summary of Compliance)	6,460	6,247
999	996	Less: Liability to Consolidated Fund (per Summary of Compliance)	999	996
-----	-----		-----	-----
5,461	5,251	Total	5,461	5,251
=====	=====		=====	=====
5,461	5,251	Comprising: Recurrent appropriations (per Operating Statement)	5,461	5,251
-----	-----		-----	-----
5,461	5,251	Total	5,461	5,251
=====	=====		=====	=====

Capital appropriations

Authority			Consolidated	
2007	2006		2007	2006
\$'000	\$'000		\$'000	\$'000
70	70	Total capital drawdowns from NSW Treasury (per Summary of Compliance)	70	70
1	-	Less: Liability to Consolidated Fund (per Summary of Compliance)	1	-
-----	-----		-----	-----
69	70	Total	69	70
=====	=====		=====	=====
		Comprising:		
69	70	Capital appropriations (per Operating Statement)	69	70
-----	-----		-----	-----
69	70	Total	69	70
=====	=====		=====	=====

5. ACCEPTANCE BY THE CROWN ENTITY OF EMPLOYEE BENEFITS AND OTHER LIABILITIES

The following liabilities and/or expenses have been assumed by the Crown Entity:

Authority			Consolidated	
2007	2006		2007	2006
\$'000	\$'000		\$'000	\$'000
60	60	Superannuation	60	60
96	142	Long service leave	96	142
3	3	Payroll tax on employer superannuation contribution	3	3
-----	-----		-----	-----
159	205		159	205
=====	=====		=====	=====

6. CURRENT ASSETS-CASH AND CASH EQUIVALENTS

Authority			Consolidated	
2007	2006		2007	2006
\$'000	\$'000		\$'000	\$'000
3,431	3,246	Cash at bank	3,431	3,246
1	1	Cash on hand	1	1
-----	-----		-----	-----
3,432	3,247		3,432	3,247
=====	=====		=====	=====

For the purposes of the Cash Flow Statement, cash and cash equivalents include cash at bank and cash on hand.

Cash and cash equivalent assets recognised in the Balance Sheet are reconciled at the end of the financial year to the Cash Flow Statement as follows:

Authority			Consolidated	
2007	2006		2007	2006
\$'000	\$'000		\$'000	\$'000
3,432	3,247	Cash and cash equivalent (per Balance Sheet)	3,432	3,247
-----	-----		-----	-----
3,432	3,247	Closing Cash and Cash Equivalents (per Cash Flow Statement)	3,432	3,247
=====	=====		=====	=====

7. CURRENT ASSETS-RECEIVABLES

Authority			Consolidated	
2007	2006		2007	2006
\$'000	\$'000		\$'000	\$'000
14	6	Sale of goods and services	14	6
2	7	Other debtors	2	7
100	94	Interest Receivable	100	94
23	18	Net GST recoverable	23	18
76	63	Prepayments	76	63
-----	-----		-----	-----
215	188		215	188
=====	=====		=====	=====

No allowance for impairment was considered necessary and no bad debts were written off during the financial year ended 30 June 2007.

8. NON-CURRENT ASSETS - PLANT AND EQUIPMENT

Plant & Equipment Authority \$'000		Plant & Equipment Consolidated \$'000
	At 1 July 2006	
1,140	At Gross Carrying Value	1,140
(746)	Accumulated depreciation and impairment	(746)
-----		-----
394	Net Carrying Amount	394
=====		=====
Authority \$'000		Consolidated \$'000
	At 30 June 2007	
1,188	At Gross Carrying Value	1,188
(818)	Accumulated depreciation and impairment	(818)
-----		-----
370	Net Carrying Amount	370
=====		=====

Reconciliations

A reconciliation of the carrying amounts of each class of plant and equipment at the beginning and end of the current reporting is set out below.

	Computer Equipment \$'000	Computer Software \$'000	Office Equipment \$'000	Office Furniture & Fittings \$'000	Total \$'000
Year ended 30 June 2007					
Net carrying amount at start of year	87	1	28	278	394
Additions	44	-	18	7	69
Disposals/Written Off	-	-	(21)	-	(21)
Depreciation expense	(40)	-	(12)	(41)	(93)
Accumulated depreciation written back	-	-	21	-	21
Net carrying amount at end of year	----- 91	----- 1	----- 34	----- 244	----- 370
	=====	=====	=====	=====	=====

The Authority considers that the carrying amount of the Authority's non-current assets reflects the fair value as at 30 June 2007.

Plant & Equipment**Authority****\$'000****At 1 July 2005**

1,178

(755)

At Gross Carrying Value

Accumulated depreciation and impairment

423**Net Carrying Amount****Plant & Equipment****Consolidated****\$'000**

1,178

(755)

423**Authority****\$'000****At 30 June 2006**

1,140

(746)

At Gross Carrying Value

Accumulated depreciation and impairment

394**Net Carrying Amount****Consolidated****\$'000**

1,140

(746)

394

	Computer Equipment	Computer Software	Office Equipment	Office Furniture & Fittings	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Year ended 30 June 2006					
Net carrying amount at start of year	83	2	20	318	423
Additions	42	1	16	1	60
Disposals/Written Off	(46)	(31)	(4)	-	(81)
Depreciation expense	(38)	(2)	(8)	(41)	(89)
Accumulated depreciation written back	46	31	4	-	81
Net carrying amount at end of year	<u>87</u>	<u>1</u>	<u>28</u>	<u>278</u>	<u>394</u>

The Authority continues to derive service potential and economic benefits from the following fully depreciated assets as at 30 June 2007:

	At cost (\$'000)	Items
* Computer equipment	334	177
* Computer software	23	5

9. INTANGIBLE ASSETS

Software Authority \$'000		Software Consolidated \$'000
	At 1 July 2006	
200	Cost (gross carrying amount)	200
(111)	Accumulated depreciation and impairment	(111)
-----		-----
89	Net Carrying Amount	89
=====		=====

Authority \$'000		Consolidated \$'000
	At 30 June 2007	
200	Cost (gross carrying amount)	200
(140)	Accumulated depreciation and impairment	(140)
-----		-----
60	Net Carrying Amount	60
=====		=====

	Software \$'000	Total \$'000
Year ended 30 June 2007		
Net carrying amount at start of year	89	89
Additions	-	-
Depreciation expense	(29)	(29)
	-----	-----
Net carrying amount at end of year	60	60
	=====	=====

Software Authority \$'000		Software Consolidated \$'000
	At 1 July 2005	
388	Cost (gross carrying amount)	388
(275)	Accumulated depreciation and impairment	(275)
-----		-----
113	Net Carrying Amount	113
=====		=====

**Software
Authority
\$'000**

At 30 June 2006

200	Cost (gross carrying amount)
(111)	Accumulated depreciation and impairment

89 Net Carrying Amount

**Software
Consolidated
\$'000**

200
(111)

89

	Software \$'000	Total \$'000
Year ended 30 June 2006		
Net carrying amount at start of year	113	113
Additions	3	3
Disposals/written off	(191)	(191)
Depreciation expense	(27)	(27)
Accumulated depreciation written back	191	191
Net carrying amount at end of year	<u>89</u>	<u>89</u>

10. CURRENT LIABILITIES - PAYABLES

Authority			Consolidated	
2007	2006		2007	2006
\$'000	\$'000		\$'000	\$'000
-	-	Accrued salaries, wages and on-costs	11	12
36	96	Creditors	38	126
<u>36</u>	<u>96</u>		<u>49</u>	<u>138</u>

11. PROVISIONS

Authority			Consolidated	
2007	2006		2007	2006
\$'000	\$'000		\$'000	\$'000
(a) Current				
-	-	Recreation leave and on-costs	347	344
-	-	Long service leave on-costs	91	81
456	471	Provision for personnel services		
<u>456</u>	<u>471</u>	Total Current Provisions	<u>438</u>	<u>425</u>
(b) Non-Current				
-	-	Long service leave on-costs	5	4
-	-	Total Non-Current Provisions	5	4
<u>456</u>	<u>471</u>	Total Provisions	<u>443</u>	<u>429</u>

Aggregate employee benefits and related on-costs

Authority			Consolidated	
2007	2006		2007	2006
\$'000	\$'000		\$'000	\$'000
-	-	Provisions - current	438	425
-	-	Provisions – non-current	5	4
-	-	Accrued salaries, wages and on-costs	11	12
456	471	Provision for personnel services	-	-
<u>456</u>	<u>471</u>		<u>454</u>	<u>441</u>

12. CURRENT LIABILITIES-OTHER

Authority			Consolidated	
2007	2006		2007	2006
\$'000	\$'000		\$'000	\$'000
1,000	996	Liability to Consolidated Fund	1,000	996
40	40	Deposits held for Casino Special Employee Licensing application	40	40
9	9	Liability on lease incentive	9	9
<u>1,049</u>	<u>1,045</u>		<u>1,049</u>	<u>1,045</u>

On 1 March 2003 the Authority entered into a non-cancellable office lease of 6 years for part of level 17, 309 Kent Street, Sydney. The lease includes a rent free period of two months. In accordance with Interpretation, this incentive is recognised as a liability over the period in which this incentive relates. Liability relating to the next twelve months is recognised as current liability and the balance being non-current liability. The liability shall be reduced by allocating lease rental payments between rental expense and reduction of the liability on a straight line basis.

13. NON-CURRENT LIABILITIES-OTHER

Authority			Consolidated	
2007	2006		2007	2006
\$'000	\$'000		\$'000	\$'000
6	15	Liability on lease incentives	6	15
-----	-----		-----	-----
6	15		6	15
=====	=====		=====	=====

14. CHANGES IN EQUITY

Authority			Consolidated	
2007	2006		2007	2006
\$'000	\$'000		\$'000	\$'000
2,291	2,229	Balance at the beginning of the financial year	2,291	2,229
239	62	Surplus for the year	239	62
-----	-----		-----	-----
2,530	2,291	Balance at the end of the financial year	2,530	2,291
=====	=====		=====	=====

15. RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES TO NET COST OF SERVICES

Authority 2007	2006		Consolidated 2007	2006
\$'000	\$'000		\$'000	\$'000
254	(121)	Net cash used on operating activities	254	(121)
(5,530)	(5,321)	Cash Flows from Government/Appropriations	(5,530)	(5,321)
(159)	(205)	Acceptance by the Crown Entity of employee entitlements and other liabilities	(159)	(205)
(122)	(116)	Depreciation and amortisation	(122)	(116)
15	(39)	Decrease / (increase) in provisions	(14)	(39)
27	25	Increase / (decrease) in receivables and other assets	27	25
65	313	Decrease / (increase) in creditors	94	313
<u>(5,450)</u>	<u>(5,464)</u>	Net cost of services	<u>(5,450)</u>	<u>(5,464)</u>
=====	=====		=====	=====

16. COMMITMENTS FOR EXPENDITURE

(a) Capital Commitments

Authority 2007	2006		Consolidated 2007	2006
\$'000	\$'000		\$'000	\$'000
		Aggregate capital expenditure for the acquisition contracted for at balance date and not provided for:		
-	-	Not later than one year	-	-
-	-	Later than one year and not later than 5 years	-	-
-	-	Later than 5 years	-	-
<u>-</u>	<u>-</u>	Total (including GST)	<u>-</u>	<u>-</u>
=====	=====		=====	=====

(b) **Other Expenditure Commitments**

Authority			Consolidated	
2007	2006		2007	2006
\$'000	\$'000		\$'000	\$'000
		Aggregate other expenditure for the acquisition of goods and services contracted for at balance date and not provided for:		
-	1	Not later than one year	-	1
-	-	Later than one year and not later than 5 years	-	-
-	-	Later than 5 years	-	-
-	1	Total (including GST)	-	1

(c) **Operating Lease Commitments**

Authority			Consolidated	
2007	2006		2007	2006
\$'000	\$'000		\$'000	\$'000
		Future non-cancellable operating lease rentals not provided for and payable:		
355	355	Not later than one year	355	355
236	591	Later than one year and not later than 5 years	236	591
-	-	Later than 5 years	-	-
591	946	Total (including GST)	591	946

The Authority leases a part of level 17, 309 Kent Street, Sydney for office accommodation. The lease commenced from 1 March 2003 and will be terminated on 28 February 2009 with an option for another 4 years.

The above operating lease commitments are based on the current rent which may be changed when the rent is reviewed in the future.

Total "Operating Lease Commitments" in 2007 included \$32,000 input tax credit recoverable from the Australian Taxation Office.

17. AUDIT REMUNERATION

For the financial year ending 30 June 2007, the audit remuneration payable to the Audit Office of NSW amounted to \$34,760 (including GST) for the Authority and \$5,500 (including GST) for the Casino Control Authority Division. The auditors received no other benefit.

18. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Contingent Liabilities

Authority			Consolidated	
2007	2006		2007	2006
\$'000	\$'000		\$'000	\$'000
-	600	A contingent claim on the Authority in relation to a court case. A portion of this claim may be covered by insurance.	-	600
-----	-----		-----	-----
-	600		-	600
=====	=====		=====	=====

The above court case has been finalised and the Authority has no contingent liabilities as at 30 June 2007.

Contingent Assets

The Authority has no contingent assets as at 30 June 2007.

19. ADMINISTERED REVENUES

The Authority collected/remitted the undermentioned Crown revenues to NSW Treasury in the financial year ended 30 June 2007. These revenues were not recorded in the financial statements of the Authority.

	2007	2006
	\$'000	\$'000
Casino duty	73,827	77,714
International duty	12,792	3,000
Community benefit levy	11,612	11,827
Casino Rent	250	-
Casino special employee licensing fees	337	369
Controlled contracts fees	146	118
Fees for granting of liquor licences	-	15
Penalties	-	-
Others	23	16
	-----	-----
	98,987	93,059
	=====	=====

(i) **Casino Duty**

Pursuant to section 114 of the Casino Control Act 1992, a casino duty is to be paid to the Authority in respect of the casino licence. Duty is calculated and paid on a weekly basis.

The Authority audited the weekly casino duty paid by Star City Pty. Ltd. The duty is, at Treasury's direction, remitted directly to Treasury each week.

In the financial year ended 30 June 2007, casino duty of \$73.83 million was paid to the Treasury.

(ii) **International Duty**

International Duty Instalment Amounts

Subject to clause 3.4 of the Casino Duty and Community Benefit Levy Supplemental and Amending Deed, the Licensee (Star City Pty Ltd) must pay to the Authority, at the discretion of the Treasurer, \$6,000,000 in each Calendar Year.

The Licensee must pay this amount via instalments on the following dates:

- (a) \$3,000,000 on 1 January; and
- (b) \$3,000,000 on 1 July.

A total amount of \$9,000,000 for three instalments was received in the financial year ended 30 June 2007. The instalments are not refundable in whole or in part.

International Duty

International duty means casino duty calculated at the International Duty Rate on International Gross Revenue in accordance with clause 4.4(a) of the Casino Duty and Community Benefit Levy Supplemental and Amending Deed.

International Duty Rate is 10%.

Duty above the instalment amounts becomes payable when International Gross Revenue exceeds \$60,000,000 in the Calendar Year.

During the financial year ended 30 June 2007 \$3,792,000 international duty were received as the International Gross Revenue exceeded the threshold.

The above revenues were remitted to Treasury in 2006-07.

GST Offset

Under clause 5 of the Casino Duty and Community Benefit Levy Supplemental and Amending Deed ("GST Amending Deed"), the Treasurer must rebate GST offset payments to the casino licensee (Star City Pty Ltd).

(iii) Community Benefit Levy

Section 115 of the Casino Control Act 1992 requires a casino community benefit levy to be paid by the casino licensee.

The Authority audited the weekly community benefit levy paid by Star City Pty. Ltd. which was remitted by the casino operator direct to NSW Treasury.

In the financial year ended 30 June 2007, the community benefit levy of \$11.61 million was paid to Treasury.

The money derived from payment of the casino community benefit levy is subject to the operation of a trust deed appointing trustees and containing provisions approved by the Minister for Gaming and Racing relating to the expenditure of that money for the benefit of the community. Responsibility for providing administrative support and assistance to the trustees and the Minister in relation to the administration of the Fund and the operation of the trustees lies with the NSW Office of Liquor, Gaming and Racing, NSW Department of the Arts, Sport and Recreation.

(iv) Casino Rent

In accordance with the Permanent Site Lease, Star City Pty Ltd paid \$250,000 to the Authority being annual rent of the permanent casino site commencing from 14 December 2006. The money was remitted to Treasury in 2006-07.

(v) Casino Special Employee Licensing Fee

Section 44 of the Casino Control Act 1992, provides that a person must not exercise in or in relation to a casino any of the functions of a special employee except in accordance with the authority conferred on the person by a licence.

Staff of Star City Pty Ltd who are "Special Employees" under Section 43 of the Casino Control Act 1992 must be licensed by the Authority. With effect from 1 May 2005 the licence application fee was \$500 for each casino special employee.

Under Section 55 of the Casino Control Act 1992, these licences expire 3 years after being granted. The licensee may, under Section 56 of the Act, apply to the Authority for the licence to be renewed. With effect from 1 May 2005 the fee for a renewal of licence is \$350.

In the financial year ended 30 June 2007, the Authority collected and remitted to Treasury \$0.34 million in respect of Casino Special Employee Licence application fees (including fees for renewal of licences).

(vi) **Controlled Contracts Fees**

Under Section 36 of the Casino Control Act 1992, a “controlled contract” is defined as a contract that relates wholly or partly to the supply of goods or services to a casino or to any other matter that is prescribed as a controlled matter for the purposes of this definition, but does not include:

- (a) a contract that relates solely to the construction of a casino or to the alteration of premises used or to be used as a casino; or
- (b) a contract of a class that is prescribed as exempt from this definition.

Section 37 of the Casino Control Act 1992 provides that the casino operator must not enter into or become a party to a controlled contract, or the variation of a controlled contract, relating to the casino until the operator has given the Authority written notice of the details of the proposed contract or variation of contract and the investigation time that the Authority is allowed by this section has elapsed. The contract notice must be accompanied by the prescribed fee of \$2,000.

In the financial year ended 30 June 2007, the Authority collected and remitted to the Treasury \$0.15 million in respect of controlled contracts.

(vii) **Others**

These other revenues in 2006-07 included:

- (a) \$2,205 received from the Court of New South Wales being amount due to the Authority generally in respect of fines in relation to excluded persons entering the casino.
- (b) \$20,793 in connection with infringement notices issued to persons for breaches of the Casino Control Act or Regulation.

The above revenues were remitted to Treasury.

20. Financial Instruments

The financial instruments of the Authority comprises of the followings:

Cash

Cash comprises cash on hand and bank balances within the Treasury Banking System. Interest is earned on daily bank balances at the monthly average NSW Treasury Corporation 11 AM unofficial cash rate adjusted for a management fee to Treasury.

Receivables

Receivables are amounts recoverable from users at balance date. Collectability of debtors is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off. An allowance for impairment is raised when there is objective evidence that the entity will not be able to collect all amounts due. The credit risk is the carrying amount (net of any allowance for impairment). No interest is earned on receivables. The carrying amount approximates net fair value. Users are requested to pay within 14 days of the invoice date.

Trade Creditors and Accruals

The liabilities are recognised for amounts due to be paid in the future for goods and services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in Treasurer's Direction 219.01. If trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received. Treasurer's Direction 219.01 allows the Minister to award interest for late payment. There was no interest applied to late payment during the financial year ended 30 June 2007.

Net Cost of Services

Net cost of services for the financial year ended 30 June 2007 was \$5,450,000 and was \$1,504,000 less than budget.

Total expenses were \$1,487,000 less than budget mainly due to

- Savings of \$719,000 in employee related expenses due to a number of unfilled vacancies.
- Savings of \$770,000 in other operating expenses mainly due to office rent and expenses on processing casino special employee licences much less than budget

Total revenue was \$278,000 and was \$17,000 more than budget mainly due to investment revenue of \$159,000 more than budget. Higher interest receivable from Treasury was due to a higher bank deposit balance than budgeted. This was partly offset by a lower sales of goods and services (user charges) than budget by \$142,000.

Appropriations

Recurrent appropriation was less than budget by \$1,169,000 due to funds appropriated not being expended by 30 June 2007.

Capital appropriation was less than budget by \$1,000 due to funds appropriated not being expended by 30 June 2007.

The authority to spend the money lapsed on 30 June 2007 and is repayable to NSW Treasury as liability to Consolidated Fund in the next financial year.

Surplus

The surplus of \$239,000 represented a surplus of \$1,239,000 less liability to consolidated fund of \$1,000,000 as mentioned above.

Assets and Liabilities

Total assets were \$4,077,000 and were more than budget by \$184,000 mainly due to higher cash balance (\$98,000) and higher receivables (\$89,000) than budget.

Total liabilities were less than budget by \$80,000 mainly due to lower payables and provisions required than budget.

Cash Flows

Closing cash and cash equivalents were more than budget by \$98,000 as explained above.

22. PROGRAM/ACTIVITIES OF THE NEW SOUTH WALES CASINO CONTROL AUTHORITY

28.1.1 Program Objective(s)

To protect the integrity of casino gaming in New South Wales.

Program Description

Maintenance and administration of systems for the licensing, supervision and control of legal casino gaming including the monitoring of the ongoing operations of the casino.

END OF AUDITED FINANCIAL STATEMENTS



GPO BOX 12
Sydney NSW 2001

INDEPENDENT AUDITOR'S REPORT

Casino Control Authority Division

To Members of the New South Wales Parliament

I have audited the accompanying financial report of the Casino Control Authority Division (the Division), which comprises the balance sheet as at 30 June 2007, and the income statement, statement of recognised income and expense and cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory notes.

Auditor's Opinion

In my opinion, the financial report:

- presents fairly, in all material respects, the financial position of the Division as of 30 June 2007, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations)
- is in accordance with section 41B of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2005.

The Chief Executive Officer's Responsibility for the Financial Report

The Chief Executive Officer is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the PF&A Act. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on my audit. I conducted my audit in accordance with Australian Auditing Standards. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

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

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

My opinion does *not* provide assurance:

- about the future viability of the Division,
- that it has carried out its activities effectively, efficiently and economically, or
- about the effectiveness of its internal controls.

Independence

In conducting this audit, the Audit Office has complied with the independence requirements of the Australian Auditing Standards and other relevant ethical requirements. The PF&A Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General, and
- mandating the Auditor-General as auditor of public sector agencies but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office are not compromised in their role by the possibility of losing clients or income.



C J Giumelli
Director, Financial Audit Services

22 October 2007
SYDNEY



**NEW SOUTH WALES
CASINO CONTROL AUTHORITY DIVISION**

Financial Statements for the year ended 30 June 2007

Pursuant to Section 41C of the Public Finance and Audit Act 1983, I state that:

- (a) the accompanying financial statements have been prepared in accordance with the provisions of the Public Finance and Audit Act 1983, the applicable Australian Accounting Standards (which include Australian Equivalents to International Financial Reporting Standards (AEIFRS)), the applicable clauses of the Public Finance and Audit Regulation 2005 and the Treasurer's Directions
- (b) the statements exhibit a true and fair view of the financial position and transactions of the Casino Control Authority Division for the year ended 30 June 2007
- (c) there are no circumstances which would render any particulars included in the financial statements to be misleading or inaccurate

A handwritten signature in black ink, appearing to read 'B. Farrell'.

Brian Farrell
Chief Executive

22 October 2007

CASINO CONTROL AUTHORITY DIVISION

Income Statement for the Year Ended 30 June 2007

	Notes	Actual 2007 \$'000	Actual 2006 \$'000
Income			
Personnel services	2	4,206	1,280
Total income		4,206	1,280
Expenses			
Salaries and wages (including Recreation Leave)		3,402	954
Superannuation - defined benefit plans		60	17
Superannuation - defined contribution plans		211	62
Long service leave		101	53
Workers' compensation insurance		17	5
Payroll tax and fringe benefit tax		189	62
Other - Authority Members fees		183	72
redundancy payment		43	55
Total expenses		4,206	1,280
Operating Result		0	0
		=====	=====

The accompanying notes form part of these statements

CASINO CONTROL AUTHORITY DIVISION

Statement of Recognised Income and Expense for the Year Ended 30 June 2007

	Actual 2007 \$'000	Actual 2006 \$'000
Retained Earnings		
Balance at start of period	-	-
Changes in accounting policy	-	-
Result for period	-	-
	-----	-----
Balance at end of period	-	-
	=====	=====

The accompanying notes form part of these financial statements

CASINO CONTROL AUTHORITY DIVISION

Balance Sheet as at 30 June 2007

	Notes	Actual 2007 \$'000	Actual 2006 \$'000
ASSETS			
Current Assets			
Receivables	3	456	471
Total Current Assets		456	471
Total Assets		456	471
LIABILITIES			
Current Liabilities			
Payables	4	13	42
Provisions	5	438	425
Total Current Liabilities		451	467
Non-Current Liabilities			
Provisions	5	5	4
Total Non-Current Liabilities		5	4
Total Liabilities		456	471
Net Assets		0	0
EQUITY			
Accumulated funds		0	0
Total Equity		0	0

The accompanying notes form part of these statements

CASINO CONTROL AUTHORITY DIVISION

Cash Flow Statement for the Year Ended 30 June 2007

	Actual 2007 \$'000 Inflows/Outflows	Actual 2006 \$'000 Inflows/Outflows
Cash Flows from Operating Activities		
Receipts	-	-
Payments	-	-
Net Cash Flows from Operating Activities	-	-
Net Increase/(Decrease) in Cash	-	-
Opening Cash and Cash Equivalents	-	-
Closing Cash and Cash Equivalents	-	-

The accompanying notes form part of these financial statements

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS OF THE
CASINO CONTROL AUTHORITY DIVISION FOR THE YEAR ENDED 30 JUNE
2007**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Reporting Entity

The Casino Control Authority Division is a Division of the Government Services, established pursuant to Part 2 of Schedule 1 to the Public Sector Employment and Management Act 2002. It is a not-for-profit entity as profit is not its principal objective. It is consolidated as part of the NSW Total Sector Accounts. It is domiciled in Australia and its principal office is at Level 17, 309 Kent Street, Sydney NSW 2000.

The objective of the Casino Control Authority Division is to provide personnel services to the New South Wales Casino Control Authority.

The Casino Control Authority Division commenced operations on 17 March 2006 when it assumed responsibility for the employees and employee-related liabilities of the New South Wales Casino Control Authority. The assumed liabilities were recognised on 17 March 2006 together with an offsetting receivable representing the related funding due from the former employer, the New South Wales Casino Control Authority.

(b) Basis of Preparation

This is a general purpose financial report prepared in accordance with the requirements of Australian Accounting Standards, the Public Finance and Audit Act 1983, the Public Finance and Audit Regulation 2005, and specific directions issued by the Treasurer.

This is the first financial report prepared on the basis of Australian equivalents to International Financial Reporting Standards.

Generally, the historical cost basis of accounting has been adopted and the financial report does not take into account changing money values or current valuations. However, certain provisions are measured at fair value.

The accrual basis of accounting has been adopted in the preparation of the financial report, except for cash flow information.

Management's judgements, key assumptions and estimates are disclosed in the relevant notes to the financial report.

All amounts are rounded to the nearest one thousand dollars and are expressed in Australian currency.

(c) Comparative Information

The financial report of the Casino Control Authority Division for the year ended 30 June 2007 was a full year result. The financial report for the year ended 30 June 2006 was for the period from 17 March 2006 to 30 June 2006.

(d) Income

Income is measured at the fair value of the consideration received or receivable. Income from the rendering of personnel services is recognised when the service is provided and only to the extent that the associated recoverable expenses are recognised.

(e) Employee Benefit Provisions and Expenses

Provisions are made for liabilities of uncertain amount or uncertain timing of settlement.

Employee benefit provisions represent expected amounts payable in the future in respect of unused entitlements accumulated as at the reporting date. Liabilities associated with, but that are not, employee benefits (such as payroll tax) are recognised separately.

Superannuation and leave liabilities are recognised as expenses and provisions when the obligations arise, which is usually through the rendering of service by employees.

Long-term annual leave (ie that is not expected to be taken within twelve months) is measured at present value using a discount rate equal to the market yield on government bonds. The Casino Control Authority Division did not expect to have any long-term annual leave.

Superannuation and long service leave provisions are actuarially assessed prior to each reporting date and are measured at the present value of the estimated future payments.

All other employee benefit liabilities (ie for benefits falling due wholly within twelve months after reporting date) are assessed by management and are measured at the undiscounted amount of the estimated future payments.

The amount recognised for superannuation and long service leave provisions is the net total of the present value of the defined benefit obligation at the reporting date, minus the fair value at that date of any plan assets out of which the obligations are to be settled directly.

The amount recognised in the income statement for superannuation and long service leave is the net total of current service cost, interest cost, the expected return on any plan assets, and actuarial gains and losses. Actuarial gains or losses are recognised as income or expense in the year they occur.

The actuarial assessment of superannuation and long service leave provisions uses the Projected Unit Credit Method and reflects estimated future salary increases and the benefits set out in the terms of the plan. The liabilities are discounted using the market yield rate on government bonds of similar maturity to those obligations. Actuarial assumptions are unbiased and mutually compatible and financial assumptions are based on market expectations for the period over which the obligations are to be settled.

(f) Receivables

A receivable is recognised when it is probable that the future cash inflows associated with it will be realised and it has a value that can be measured reliably. It is derecognised when the contractual or other rights to future cash flows from it expire or are transferred.

A receivable is measured initially at fair value and subsequently at amortised cost using the effective interest rate method, less any allowance for doubtful debts. A short-term receivable with no stated interest rate is measured at the original invoice amount where the effect of discounting is immaterial. An invoiced receivable is due for settlement within thirty days of invoicing.

If there is objective evidence at year end that a receivable may not be collectable, its carrying amount is reduced by means of an allowance for doubtful debts and the resulting loss is recognised in the income statement. Receivables are monitored during the year and bad debts are written off against the allowance when they are determined to be irrecoverable. Any other loss or gain when a receivable is derecognised is also recognised in the income statement.

(g) Payables

Payables include accrued wages, salaries, and related on costs (such as payroll tax, fringe benefits tax and workers' compensation insurance) where there is certainty as to the amount and timing of settlement.

A payable is recognised when a present obligation arises under a contract or otherwise. It is derecognised when the obligation expires or is discharged, cancelled or substituted.

A short-term payable with no stated interest rate is measured at historical cost if the effect of discounting is immaterial.

2. INCOME

Personnel services

	2007	2006
	\$'000	\$'000
Recovery of costs associated with personnel		
Services provided to the New South Wales		
Casino Control Authority.	4,206	1,280
	<u>4,206</u>	<u>1,280</u>

3. CURRENT ASSETS-RECEIVABLES

	2007	2006
	\$'000	\$'000
Personnel services rendered	456	471
	<u>456</u>	<u>471</u>

No allowance for impairment was considered necessary and no bad debts were written off during the financial period ended 30 June 2007.

4. CURRENT LIABILITIES - PAYABLES

	2007	2006
	\$'000	\$'000
Accrued salaries, wages and on-costs	11	12
Creditors	2	30
	<u>13</u>	<u>42</u>

5. PROVISIONS

	2007 \$'000	2006 \$'000
(a) Current		
Recreation leave and on-costs	347	344
Long service leave on-costs	91	81
Provision for personnel services	-	-
Total Current Provisions	438	425
(b) Non-Current		
Long service leave on-costs	5	4
Total Non-Current Provisions	5	4
Total Provisions	443	429

Aggregate employee benefits and related on-costs

	2007 \$'000	2006 \$'000
Provisions - current	438	425
Provisions – non-current	5	4
Accrued salaries, wages and on-costs	11	12
	454	441

6. Financial Instruments

The financial instruments of the Authority comprises of the followings:

Receivables

Receivables are amounts recoverable from users at balance date. Collectability of debtors is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off. An allowance for impairment is raised when there is objective evidence that the entity will not be able to collect all amounts due. The credit risk is the carrying amount (net of any allowance for doubtful debts). No interest is earned on receivables. The carrying amount approximates net fair value. Users are requested to pay within 14 days of the invoice date.

Trade Creditors and Accruals

The liabilities are recognised for amounts due to be paid in the future for goods and services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in Treasurer's Direction 219.01. If trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received.

Treasurer's Direction 219.01 allows the Minister to award interest for late payment. There was no interest applied to late payment during the financial period ended 30 June 2007.

7. AUDIT REMUNERATION

The audit fee for the Division is met by the parent entity, the New South Wales Casino Control Authority and is estimated at \$5,500 (including GST). The auditors received no other benefits.

8. CASH FLOW INFORMATION

The Division did not have a bank account at 30 June 2007. All transactions were transactions through the bank account of the New South Wales Casino Control Authority.

END OF AUDITED FINANCIAL STATEMENTS