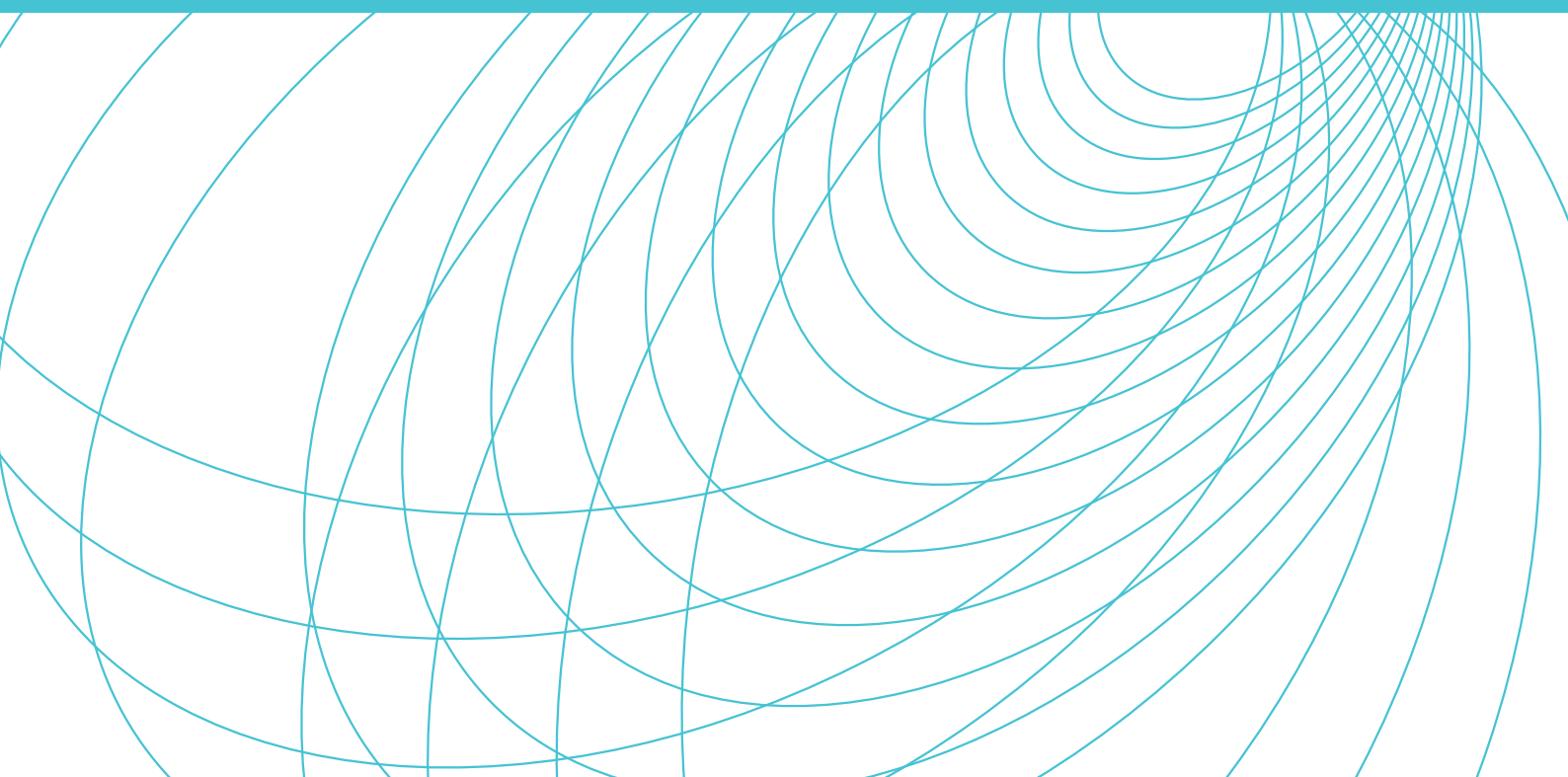


ANNUAL REPORT 2006-07

Liquor Administration Board

New South Wales Government





Liquor Administration Board

Central Square
323 Castlereagh Street
Sydney
GPO Box 7060
SYDNEY 2001

The Hon Graham West MP
Minister for Gaming and Racing and
Minister for Sport and Recreation
Level 31, Governor Macquarie Tower
1 Farrer Place
SYDNEY NSW 2000

Dear Minister

Pursuant to the provisions of Section 77 of the Liquor Act 1982, I have pleasure on behalf of the Liquor Administration Board in submitting to you, for presentation to Parliament, the 24th Annual Report of the Board for the twelve months ended 30 June 2007.

Yours sincerely

D A Kok
Acting Chairperson
30 October 2007



Liquor Administration Board

Central Square Building
323 Castlereagh Street
Sydney
GPO Box 7060
SYDNEY 2001

The Hon Graham West MP
Minister for Gaming and Racing and
Minister for Sport and Recreation
Level 31, Governor Macquarie Tower
1 Farrer Place
SYDNEY NSW 2000

Dear Minister

Pursuant to the provisions of Section 12 (1) of the Annual Reports (Departments) Act 1985, I have pleasure in submitting to you the 24th Annual Report of the Liquor Administration Board for the year ended 30 June 2007, for tabling in Parliament in accordance with the provisions of the Act.

Yours sincerely

S J Howard
Secretary
30 October 2007

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Note: Some minor statistical variations will occur in this Report in the numbers of licence types and machine holdings. This is a result of the various dates at which the statistics became available.

Organisation structure

The Liquor Administration Board

Functions delegated to Officers of the NSW Office of Liquor, Gaming and Racing

Secretary Liquor Administration Board Secretary Mr S Howard, LLB Responsibilities: - provide executive support to the Board. Delegated functions: - accept surrenders, in writing, of licences or certificates of registration - approve financial arrangements for ownership, or changes in financial ownership, of gaming machines in hotels and registered clubs - exempt hoteliers and registered clubs from the prohibition on dealing with cheques - exempt a hotelier or registered club from the requirement that every approved gaming device in a hotel or registered club must be electronically connected and communicating with the Centralised Monitoring System (CMS) - exempt a hotelier or registered club from the requirement that dispensing facilities not be located in an area that has gaming machines - approve Class 1 Gaming Social Impact Assessments (SIAs). Executive Assistant to the Board Mr D Fong	CMS Business Unit Manager Mr P Wicks Responsibilities: - management of the CMS Business Unit. Delegated functions: - recalculation of gaming machine tax - calculation of annual adjustments of gaming machine tax - review Community Development and Support Expenditure declarations - process gaming machine authorisations, entitlement transfers, permit transfers, approved amusement device (AAD) surrenders and Responsible Gambling Affidavits. CMS Team Leaders Mr M Fabits Mr D Munro Mr C Rivers	Communications Manager Ms J O'Meara Senior Development Officer Andrew Bennett Responsibilities: - monitor, evaluate and process gaming machine applications made to the Board - process Class 1 Gaming SIA applications - publish the decisions, practice directions and other materials on the NSW Office of Liquor, Gaming and Racing website as directed by the Board - produce the Board's Annual Report. Finance Assistant Director, Revenue and Resource Management Mr J Gregor, CPA (to 1 February 2007) Assistant Director, Financial Services Mr J Cuthbert, CPA (from 2 February 2007) Responsibilities: - management of the Financial Services Branch Responsibilities under delegation: - appropriation of credits in accounts to debits, arising from gaming machine duty. Accountant Mrs H C Wong, B Com, CPA (to 28 July 2006) Corporate Accountant Mr G Upendran, CA (from 31 July 2006)
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Gaming Technology

Manager

Mr L Freeman

Responsibilities:

Management of the Branch including:

- approval of gaming equipment
- development and maintenance of Technical Standards
- monitoring the performance of Gaming Machine Testing Facilities
- monitoring the integrity of gaming equipment in the field
- providing advice on gaming matters to the NSW Office of Liquor, Gaming and Racing and the Board.

Delegated functions:

- grant of application for declaration of a device as an approved gaming machine
- grant of application for declaration of a device as a specially approved gaming machine
- approval of the keeping by a registered club or hotelier of a gaming machine that is not an approved gaming machine, on a trial basis, for a fixed period and subject to conditions
- revocation of an existing declaration of a device as an approved gaming machine, subject to certain provisos.

Legal and Licensing

Manager

Mr D Freeman, Dip. Law (SAB)

Responsibilities:

Management of the Branch including:

- debt recovery – initiating proceedings, reviewing and recommending write-off of debts under \$2,000
- preparation of reports on applications to the Board and the Licensing Court
- maintenance of the database
- carriage of noise complaint matters
- reviewing and reporting on applications for section 74A certificates and Governor's licences.

Delegated functions:

- approval to vary authorised areas (hotels) and reception areas (restaurants)
- approval to define or redefine the boundaries of licensed premises or registered clubs
- approval of a proposed change of name of licensed premises and registered clubs
- approval for temporary premises, for a hotel or liquor store.

Policy

Assistant Director, Policy

Mr K Browne

Senior Project Officers

Mr R McCulloch

Ms C Wright

Project Officer

Mr D Gordon

Senior Research Officers

Ms V Dryden

Ms J McClellan

Delegated functions:

Evaluation and monitoring of industry training programs:

- review and make recommendations to the Board on training courses and training providers for the responsible service of alcohol
- review and make recommendations to the Board on training courses and training providers for the responsible conduct of gambling.

Evaluation and provision of advice to the Board on Category B Liquor Social Impact Assessments.

Court Registry

Principal Registrar

Mr P Scanlon (to 27 September 2005)

Acting Principal Registrar

Ms S Lang (from 28 September 2005 to 15 December 2006)

Mr Avi Kumar (from 19 December 2006)

Responsibilities

- provide administrative support to the Licensing Court of NSW and exercise certain delegations and judicial functions.

This Chart represents the functions performed by officers of the NSW Office of Liquor, Gaming and Racing on behalf of the Liquor Administration Board under the Liquor Act 1982, the Registered Clubs Act 1976 and the Gaming Machines Act 2001, either pursuant to specific delegation or otherwise. For line management structure refer to the Annual Report of the Department of the Arts, Sport and Recreation.

Chairperson's introduction

The Licensing Court of NSW and the Liquor Administration Board continue to operate with only three members, however there are no delays in the listing of court related matters, with some exceptions in relation to arrangements for country circuits, and most Board matters are able to be considered without delay. This resource reduction has meant a substantial increase in the workload of the members.

Magistrate Terence Lucas was appointed a Licensing Magistrate on 12 April 2007 to replace Licensing Magistrate Peter Ashton who retired on 19 February 2007.

Licensing Magistrate Ashton joined the Attorney General's Department, as it is now known, in February 1965 and worked in various positions and courthouses throughout the State reaching the office of Registrar of Court as it is now known. He spent a period of time as a solicitor with the Legal Services Commission and was appointed a Magistrate in January 1985 and a Licensing Magistrate in September 2002. I congratulate him on his long period of service to the judicial system and the people of NSW.

To ensure sufficient Licensing Magistrates are now available to comprise a Full Bench, Deputy Chief Magistrates Syme and Cloran were appointed as Licensing Magistrates to be available when needed and Magistrate Beveridge continues to be an Acting Licensing Magistrate. We welcome the appointment of Mr Peter Ashton as an Acting Licensing Magistrate from 21 June 2007.

In view of the possible abolition of the Court and the Board a number of proposed procedural changes have not been implemented and amendments to Practice Directions and Policy Determinations have not been effected. These decisions were taken so as not to expose the Department, industry and the legal profession to the not insubstantial costs associated with such changes.

I take this opportunity to thank the Secretary of the Board, Mr Stephen Howard, the Executive Assistant, Mr David Fong, and our Personal Assistant Mrs Yolande Hendricks for their dedication and work during the year and thank all those officers of the NSW Office of Liquor, Gaming and Racing who have undertaken work on behalf of the Board.



D B Armati
Chairperson

Charter

The Liquor Administration Board is constituted by Section 72 of the Liquor Act 1982 and consists of Licensing Magistrates appointed under Section 8 of the Act.

The principal legislation with which the Board is concerned comprises the Liquor Act 1982, the Registered Clubs Act 1976 and the Gaming Machines Act 2001 and their related Regulations.

Specific powers and functions conferred on the Board by the Liquor Act 1982, the Registered Clubs Act 1976, the Gaming Machines Act 2001 and the Gaming Machines Tax Act 2001, include:

- a. declaration of devices as approved poker machines or approved amusement devices
- b. authorisation of gaming machines in registered clubs and hotels
- c. determination of Gaming Social Impact Assessments for additional gaming machines in registered clubs and hotels
- d. allocation of poker machine entitlements
- e. determination of Liquor Social Impact Assessments for the grant or removal of a hotelier's licence or off-licence (retail)
- f. determination of various other applications relating to licensed premises and registered clubs
- g. determination of Community Development and Support Expenditure (CDSE) claims and the provision of advice on proposed expenditure for deductibility under the Minister's CDSE Guidelines
- h. keeping under constant review the operation of the Acts and making recommendations to the Minister as appropriate
- i. conducting inquiries, when directed by the Minister, into any matter connected with the administration of the Acts
- j. keeping under constant review the standard of licensed premises and registered clubs
- k. receiving submissions or reports from any person in respect of the operation of the Acts
- l. resolving complaints of undue disturbance of the neighbourhood of licensed premises and registered clubs
- m. approval of training courses and training providers for the responsible service of alcohol
- n. approval of training courses and training providers for the promotion of responsible practices in relation to approved gaming machines
- o. suspension or cancellation of an authorisation to keep gaming machines for non-payment of monitoring fees or gaming machine duty.

In addition, the Board is vested with numerous ancillary powers relating to the operation of gaming machines and general control over licensed premises and registered clubs.

Operations Review

Management and Structure

The legislation provides for the Board to be comprised of:

- a. ex-officio members, being the Licensing Magistrates holding office for the time being; and
- b. if the Minister so determines, not more than three appointed members.

At present there are no appointed members and the Board consists of the following:

Chairperson	David Bruce Armati, LLB
Member	Daphne Anne Kok, BA, LLM
Member	Peter Frederick Ashton, Dip. Law (retired 19 February 2007)
Member	Terence Timothy Lucas, Dip. Law (from 12 April 2007)

Deputy Chief Magistrates Syme and Cloran were appointed as Licensing Magistrates on 17 January 2007 to be available when needed for a period of twelve months.

Messrs Malcolm Cooper Beveridge and Gregory John McCarry were appointed as Acting Licensing Magistrates from 1 July 2006 to 30 June 2007. Mr Ashton was reappointed as an Acting Licensing Magistrate on 21 June 2007 and his term is to expire on 30 June 2008.

Mr Stephen Howard is the Secretary of the Liquor Administration Board.

Mr David Fong is the Executive Assistant to the Board.

A number of officers of the NSW Office of Liquor, Gaming and Racing (the Office) have been granted delegations by the Chairperson. Various Board functions are exercised under these delegations and the Organisation Chart (located at pages 2-3) sets out, in summary form, the functions performed on behalf of the Board by those officers with such delegated powers.

Aims, Objectives and Services Provided

Administrative support to the Board is provided by staff, principally from within the Divisions and Branches of the Office as follows:

- approval of gaming equipment is conducted by the Gaming Technology Branch in the Compliance Division of the Office
- arranging conferences for the determination of noise complaints is undertaken by officers of the Legal and Licensing Branch in the Compliance Division of the Office
- reports on applications in respect of licensed and proposed licensed premises, made to the Board and to the Licensing Court of New South Wales, are prepared by officers of the Legal and Licensing Branch
- reports on applications for gaming machine shutdown hours made to the Board are prepared by officers of the Legal and Licensing Branch
- review, assessment and recommendations of course providers and trainers of Responsible Service of Alcohol Courses and Responsible Conduct of Gambling Courses are carried out by officers of the Policy Branch in the Policy and Research Division of the Office
- review and reports on the operation of the Community Development and Support Expenditure Scheme (CDSE) and the settling and processing of annual returns are provided by officers of the Policy Branch and officers of the Centralised Monitoring System (CMS) Business Unit in the Strategic Services Division of the Office
- administrative support in the processing of the transfer of Poker Machine Entitlements/Hardships applications is provided by officers of the CMS Business Unit and officers of the Communications Branch in the Policy and Research Division of the Office
- administrative support and the provision of data in the processing of Gaming Social Impact Assessments (SIAs) Class 1 and Class 2 applications are provided by officers of the Communications Branch
- administrative support in the processing of Liquor SIAs Category A and Category B is provided by officers of the Communications Branch
- review and assessment of Liquor SIAs Category B are carried out by officers of the Policy Branch
- officers of the Legal and Licensing Branch review and refer submissions for the write-off of debts for endorsement by the Board, and refer matters for debt recovery action to the Crown Solicitor's Office of New South Wales.

A Gaming SIA Review Panel consisting of three external consultants (under contract with the Office), assists the Board by providing review reports on Class 2 Gaming SIA applications. The same three external consultants have also been engaged to provide, as required, review reports on Category B Liquor SIA applications.

The Board is also assisted by the provision of information, assistance and advice in respect of the Board's functions, to members of the public, the legal profession and the liquor and gaming industries, by officers in the aforementioned Branches and Divisions.

Independently of the Board:

- Administrative support to the Court is provided by officers of the Office under the direction of the Principal Registrar. The Court also fulfils the role of a Local Court registry pursuant to the Local Courts Act 1982.
- Field inspections and monitoring of licensed premises, registered clubs and gaming machines to ensure compliance with the legislation is undertaken by the Enforcement Branch of the Compliance Division of the Office.

A more detailed review of the operations and activities undertaken on behalf of the Board by the various Branches referred to above is provided later within this Report and in the Annual Report of the Office.

Code of Conduct and Ethics

The Board Members' Code of Conduct and Ethics was re-signed on 13 April 2007 (refer to Appendix 8).

Other Statutory Reporting Requirements

The Liquor Administration Board does not have under its control the care and management of any assets or personnel, and is not required to report in respect of the following operational and administrative activities and statutory reporting requirements thereon:

- Human Resources
- Research and Development
- Consultancies
- Disability Plans
- Land Disposal
- Promotions

- Risk Management
- Controlled Entities
- Freedom of Information
- Chief and Senior Executive Officer positions
- Equal Employment Opportunity
- Committees and Taskforces
- Assets
- Occupational Health and Safety
- Payment of and Time for Payment of Accounts
- Women's Action Plan.

Reference should be made to the Annual Report of the Department of Arts, Sport and Recreation (DASR) in respect of those matters.

- Protected Disclosures Act 1994

Public Authorities and Statutory Bodies are required under the Annual Reports (Public Authorities) Act and the Annual Reports (Statutory Bodies) Act to report details of the extent and main features of consumer complaints.

Since the amendment to the Liquor Act 1982 in August 2004 which resulted in the requirement for the lodgement of Liquor SIAs for the grant or removal of a hotelier's licence or an off-licence (retail), the Board has continued to receive complaints in relation to delays in the processing of Category B SIAs, the complex assessment procedures and the complex legislative provisions.

Preparers of Gaming SIAs continue to express concerns on the non-availability of up-to-date gaming data tables.

During the reporting period an issue was raised in respect of service of Liquor Category B SIAs to occupiers of premises in the immediate vicinity with short-term tenants or absentee landlords, such as serviced apartments, lodges and motel rooms. The word "occupier" is not defined in the Liquor Act 1982 or the Liquor Regulation 1996. The matter was resolved by referring the applicant to the Board's Policy Determination 8/2005 and its "Alternative Covering Letter" which deals specifically with such cases.

Additionally, the hotel industry also raised the need to give priority to processing SIA applications for large developments involving huge cost outlays.

The Board has sought to address such situations by promulgating guidelines and Board Policy Determinations and by requesting the Office to provide sufficient resources to expedite the review of the SIAs.

- Privacy & Personal Information Protection Act 1998 (P & PIP Act)

The Liquor Administration Board does not have under its control the care and management of any assets or personnel, and all costs incurred by the Board are met by the Office. In these circumstances, and pursuant to clause 4 of the Privacy and Personal Information Protection Regulation 2000, the Board whilst being a "public sector agency" under the Privacy & Personal Information Protection Act 1998, is exempt from the provisions of section 33 of that Act relating to the preparation of a Privacy Management Plan. The Office's Privacy Management Plan extends to the Liquor Administration Board pursuant to clause 4 and any reference to the Office extends to the Liquor Administration Board, where applicable.

- Ethnic Affairs Priorities Statement (EAPS)

The Board has at all times, and in all its deliberations, embraced the principles of multiculturalism required by section 3(4) of the Community Relations Commission and Principles of Multiculturalism Act 2000. However, the Board has no budget independent of the Office, limited contact with the public other than industry representatives except in noise complaints, and no employees to whom the principles in the statement could apply. All personnel carrying out functions on behalf of the Board are staff of the Office, which has adopted a statement that applies to all its activities including those connected to the functions of the Board.

The Board works closely with the Office's officers and makes recommendations to them where appropriate. For example, forms are carefully scrutinised to ensure that they are in plain English and user friendly. It is important to note that the Board has not received any information that would suggest a need for documents produced in the name of the Board to be in languages other than English.

All Board members are magistrates who in fact comprise the Licensing Court of NSW. As judicial officers they embrace the principles set out in the Statement of the Attorney General's Department, and have, through the Judicial Commission of NSW, received substantial training in cultural diversity, cross-cultural communication, and the roles of interpreters. Wherever it is necessary to ensure a fair hearing in a Board matter, great care is taken to explain the procedures, the presiding Board member assesses the nature of any difficulties experienced by any party, adjournments are allowed, and interpreters are provided.

Note:

The Board has a statutory role, which is totally independent of the Office. The Office's officers, however, have an important role in assisting the Board as necessary, to carry out its functions under statute.

The Office's officers therefore exercise two broad responsibilities:

1. to the independent Liquor Administration Board
2. to the NSW Office of Liquor, Gaming and Racing.

It is important to distinguish between the two roles of these officers when reading this Report.

Centralised Monitoring System (CMS) Business Unit

Functions

The CMS Business Unit, a Branch within the Strategic Services Division of the NSW Office of Liquor, Gaming and Racing (the Office), monitors Data Monitoring Services (DMS), to ensure the integrity of the CMS data collection process and calculation of gaming machine tax.

Officers of the CMS Business Unit perform the following Board functions:

- recalculate gaming machine tax when necessary and advise the Chief Commissioner of State Revenue accordingly
- calculate annual adjustments and advise the Chief Commissioner of State Revenue accordingly
- review Community Development and Support Expenditure (CDSE) declarations
- process gaming machine authorisations, entitlement transfers, permit transfers, approved amusement device (AAD) surrenders and Responsible Gaming Affidavits.

KEY RESULTS

DMS electronically collects gaming machine meter readings through the CMS. Using the collected data, DMS performs the calculation of the quarterly gaming machine tax and issues an invoice. The tax calculation for each venue is transferred to the Office of State Revenue (OSR) for collection.

The CMS Business Unit, under delegation from the Board, performs recalculations of gaming machine tax when necessary. Although assessments performed using meter reads collected electronically by the CMS are accurate, recalculations are sometimes necessary when electronic reads are not received.

The CMS electronically monitors almost 100,000 gaming machines and jackpot systems in more than 3000 venues, replicating data from the venues to the CMS host computer daily. Recent replication rates were affected by storms and large numbers of movements of gaming machines as renovations were carried out in preparation for the total smoking ban to be introduced on 2 July 2007.

Despite the above factors, average replication rates this year remained similar to last year. The average percentage of gaming machines providing data to the CMS over a 30-day period was 99.87% of all gaming machines in operation over the year, compared to 99.89% last year. Over a 7-day period the average replication rate was 99.25%, compared to 99.30% last year.

Under the Gaming Machines Act, a gaming machine is deemed to be connected to the CMS if arrangements of a kind approved by the Minister are in place for the provision of information to the CMS licensee that enable the functions of the CMS to be performed.

CMS Connectivity Arrangements approved by the Minister require the direct provision of data from any gaming machine by electronic data transfer. Accordingly, hotels and clubs are in breach of the provisions if gaming machines are disconnected from the CMS, whether they are in storage or otherwise, unless appropriate approvals are in place.

It is recognised that there are circumstances where it is appropriate that gaming machines are not always electronically connected to the CMS – for example, during renovations, natural disasters, routine maintenance and during fault rectification.

The connectivity arrangements outline the procedures and processes that hotels and clubs must follow in these situations. Venues must seek approval from the Liquor Administration Board when they take gaming machines out of operation – for example, during renovations. Approximately 334 applications for storage of gaming machines were received during the year (246 in 2005-06).

Gaming Machine Authorisation

Clubs and hotels have the option of using either the paper-based form of authorisation processed by the Office or an Internet authorisation system known as “Quickchange” operated by DMS.

During the year the CMS Business Unit processed 2,525 applications using the paper-based system. Of those processed 2,101 were successful with 6,804 configuration changes, accounting for 12.6 per cent of total approved applications and 6.3 per cent of total approved configuration changes.

GAMING MACHINE HOLDINGS AS AT 30 JUNE 2007

	Clubs	Hotels	Totals
Poker Machines	73,437	23,885	97,322
AADs	1	58	59

APPROVED APPLICATIONS FOR GAMING MACHINE CHANGES IN HOTELS AND CLUBS

	Paper based system	Quickchange	Total
July	171	1,041	1,212
August	228	1,301	1,529
September	192	1,182	1,374
October	249	1,485	1,734
November	204	1,466	1,670
December	161	1,399	1,560
January	89	543	632
February	130	868	998
March	181	1,228	1,409
April	130	967	1,097
May	209	1,597	1,806
June	157	1,505	1,662
Total	2,101	14,582	16,683

APPROVED GAMING MACHINE CONFIGURATION CHANGES IN HOTELS AND CLUBS

	Paper based system	Quickchange	Total
July	557	7,079	7,636
August	643	8,952	9,595
September	641	9,690	10,331
October	909	10,923	11,832
November	627	9,682	10,309
December	568	9,617	10,185
January	233	4,206	4,439
February	328	5,930	6,258
March	584	6,559	7,143
April	456	6,408	6,864
May	732	10,265	10,997
June	526	11,518	12,044
Total	6,804	100,829	107,633

Revocation of Gaming Authority

Revocation action was commenced against 21 hotels following referral from the Office of State Revenue (OSR) for non-payment of outstanding gaming machine tax due. The total value of outstanding gaming machine tax for the 21 hotels was \$726,362.32.

The majority of the hotels avoided revocation after either paying in full or coming to an acceptable payment arrangement with OSR prior to the date the Board had determined for revocation. One hotel had its gaming authority revoked but it was subsequently reinstated after full payment was received.

Poker Machine Entitlement and Permit Transfers

During the year 165 hotel poker machine entitlement transfer applications were processed (240 in 2005-06), 4 of which had a sale price less than \$1,000. There were 145 club poker machine entitlement applications processed (200 in 2005-06), 34 of which had a sale price less than \$1,000.

Of the applications processed with a sale price of \$1,000 or above, there were a total of 283 entitlements transferred in hotels and 470 entitlements transferred in clubs.

Of the total hotel entitlements transferred, 59 per cent were transfers from the country to metropolitan areas. Transfers within country areas accounted for 23 per cent and transfers within the metropolitan areas accounted for 17 per cent. There were only 2 hotel entitlements transferred from the metropolitan areas to the country.

Of the total club entitlements transferred, 53 per cent were transfers within the metropolitan areas. Transfers from metropolitan to country areas accounted for 21 per cent and transfers within the country areas accounted for 14 per cent. Country to metropolitan transfers of club entitlements accounted for the balance of 12 per cent.

There were 46 poker machine permits transferred during the year (81 in 2005-06).

Approved Amusement Device Surrender Applications

A hotelier may exchange approved amusement devices (AADs) for poker machine entitlements. In the case of a hotel in a metropolitan area, the hotelier must surrender 3 AADs in exchange for one poker machine entitlement. In the case of a country hotel, the hotelier must surrender 2 AADs in exchange for one poker machine entitlement.

There were 8 AAD surrender applications approved during the reporting period. A total of 22 AADs were surrendered in exchange for 8 poker machine entitlements.

The total number of AADs in hotels decreased from 73 on 30 June 2006 to 58 on 30 June 2007.

HOTEL POKER MACHINE ENTITLEMENT TRANSFERS

	Total Appns	Appns with sale price > =\$1,000	Total Transferred	Average Price
July	14	13	20	\$164,625.00
August	15	15	26	\$156,903.85
September	12	11	19	\$161,394.74
October	12	12	23	\$166,065.22
November	21	21	36	\$160,000.00
December	17	17	26	\$151,076.92
January	9	8	16	\$180,375.00
February	15	15	26	\$174,615.38
March	10	10	17	\$180,117.65
April	11	11	18	\$186,111.11
May	16	15	26	\$197,032.04
June	13	13	30	\$204,900.00
Total	165	161	283	-

Note: The total transferred and average price does not include applications with a sale price < \$1,000

CLUB POKER MACHINE ENTITLEMENT TRANSFERS

	Total Appns	Appns with sale price > =\$1,000	Total Transferred	Average Price
July	5	3	10	\$33,645.00
August	14	13	44	\$35,330.68
September	14	8	37	\$36,079.73
October	14	13	54	\$32,763.89
November	12	11	51	\$35,490.78
December	12	8	54	\$23,537.04
January	12	7	32	\$32,453.13
February	7	6	20	\$43,271.30
March	17	12	46	\$34,270.65
April	11	10	26	\$30,161.54
May	9	7	30	\$33,183.33
June	18	13	66	\$30,293.94
Total	145	111	470	-

Note: The total transferred and average price does not include applications with a sale price < \$1,000

NUMBER OF GAMING MACHINES IN HOTELS

As at	Number of Machines
30 June 1995	11,609
30 June 1996	11,584
30 June 1997	20,638
30 June 1998	23,756
30 June 1999	23,874
30 June 2000	25,094
30 June 2001	25,452
30 June 2002	24,628
30 June 2003	24,193
30 June 2004	24,147
30 June 2005	24,137
30 June 2006	24,040
30 June 2007	23,943

Notes:

- Statistics for years prior to 1996-97 were for AADs only.
- AADs now account for only 0.2% of approved gaming machines in hotels.
- The total number of hotels with gaming machines is 1,713, down from 1,740 the previous year.

Responsible Gambling Affidavits

A simplified Responsible Gambling Affidavit (RGA), which was introduced in March 2003, requires that a licensee of a hotel or secretary of a club, which presently operates or applies to keep approved gaming machines, carry out a self-audit of their premises and be assisted in doing this by referring to the relevant Information Sheet issued by the Office.

There were 1,747 RGAs approved during the reporting period compared to 1,361 the previous period.

Hotels Annual Adjustments of Gaming Tax

The CMS Business Unit performed 10 hotel annual adjustments of gaming tax amounting to a total value of \$106,771.19 during the reporting period.

Registered Clubs Annual Adjustments of Gaming Tax

The CMS Business Unit performed 4 club annual adjustments of gaming tax amounting to a total value of \$26,463.37 during the reporting period.

CLUB GAMING MACHINE HOLDINGS AS AT 30 JUNE 2007

Range of Machines/Club	No. of Clubs	No. of Gaming Machines
1-10	268	2,025
11-25	397	6,601
26-50	255	9,250
51-100	220	15,694
101-150	77	9,572
151-200	37	6,478
201-300	35	8,560
301+	35	15,258
Total	1,324	73,438

Community Development and Support Expenditure (CDSE)

Under the Community Development and Support Expenditure (CDSE) scheme, registered clubs can receive a tax rebate of up to 1.5 per cent of their gaming machine profits over \$1 million if these clubs provide equivalent amounts to approved community development and support.

544 clubs qualified for the CDSE scheme this year (539 in 2005-06).

The total value expended on CDSE projects was \$69.7 million (Category 1 expenditure was \$29.1 million and Category 2 was \$40.6 million). This enabled participating clubs to claim \$39.5 million in tax rebates.

A CDSE electronic return, introduced to assist clubs in lodging their CDSE claims, proved very successful. In a survey of participating clubs nearly three-quarters of all respondents rated the facility as very good. As a result of the survey feedback received from the clubs, further improvements were made, including releasing the return form earlier in the CDSE year and providing a function that calculates CDSE expenditure requirements that automatically shows any shortfalls in a year-to-date manner.

An independent review of the scheme was conducted during 2005. Proposed changes to the scheme arising from the review have been subject to extensive consultation with key stakeholders. It is intended that these changes will commence at the beginning of the next gaming machine tax year on 1 September 2007.

In-House Progressive, MTGM and SWL Systems

The number of progressive gaming systems continued to increase in both clubs and hotels during the reporting period.

The number of multi-terminal gaming machines (MTGMs) also increased in clubs. Hotels are not allowed to have MTGMs.

The number of gaming machines attached to state wide links increased strongly in hotels but decreased in clubs.

At the end of the reporting period:

- 610 clubs had 31,996 gaming machines attached to 1,942 progressive gaming systems, compared to 591 clubs with 32,735 gaming machines attached to 1,765 progressive gaming systems the previous period
- 603 hotels had 9,358 gaming machines attached to 736 progressive gaming systems, compared to 574 hotels with 9,025 gaming machines attached to 669 progressive gaming systems the previous period
- 128 clubs had 2,148 gaming machines attached to 369 MTGM systems, compared to 119 clubs with 1,958 gaming machines attached to 353 MTGM systems the previous period
- 2,545 gaming machines in clubs were attached to state wide links, compared to 2,666 the previous period
- 2,123 gaming machines in hotels were attached to state wide links, compared to 1,332 the previous period.

GAMING MACHINES AUTHORISED IN REGISTERED CLUBS BY DENOMINATION 30 JUNE 1997 TO 30 JUNE 2007

As at	\$2	\$1	50c	20c	10c	5c	2c	1c	Total
30 June 1997	182	3,974	56	1,135	9,996	36,187	7,853	6,590	65,973
30 June 1998	156	3,900	99	512	5,452	31,632	11,202	13,389	66,342
30 June 1999	119	4,061	161	246	2,821	23,228	14,008	25,761	70,405
30 June 2000	92	5,420	399	173	1,508	12,697	10,625	45,415	76,329
30 June 2001	50	5,335	382	40	557	5,772	6,260	56,314	74,710
30 June 2002	34	6,692	433	36	290	3,702	4,303	61,340	76,830
30 June 2003	34	5,815	413	30	274	2,693	3,385	62,504	75,148
30 June 2004	29	5,966	308	16	454	2,126	2,117	63,896	74,912
30 June 2005	25	6,410	309	20	749	1,781	1,768	63,596	74,658
30 June 2006	24	6,636	380	270	1,217	1,673	1,806	62,220	74,226
30 June 2007	20	6,899	437	553	1,519	1,747	1,841	60,422	73,438

Court Registry

Functions

Provide administrative support to the Licensing Court of New South Wales and the Liquor Administration Board.

This support includes the provision of efficient and timely management of:

- Licensing Court operations (metropolitan and regional)
- client services
- general enquiries as to Court operation, practices and procedures
- the List Office and Registry Counter
- the recovery of fines and costs (via the State Debt Recovery Office and the State Crown Solicitor's Office)
- the issue of Court process for complaint proceedings.

The Principal Registrar of the Licensing Court of New South Wales is also a Registrar of the Local Court.

Jurisdiction of Court

The Licensing Court has State-wide jurisdiction and deals specifically with applications under the Liquor Act 1982 for the grant of new licences, transfer of licences, breaches, complaints and disciplinary proceedings against licensees. Under a general delegation, Local Court Magistrates sitting in regional locations can deal with specified applications. Registrars in regional areas also deal with specified applications to facilitate local functions without delay.

The Licensing Court also deals with applications under the Registered Clubs Act 1976 and the Gaming Machines Act 2001, and breaches of, and disciplinary proceedings arising under those Acts.

Licensing Magistrates, who are also Magistrates under the Local Courts Act 1982 also deal with prosecutions under the Casino Control Act 1992.

Appeals

The Licensing Court of New South Wales has an "appellate jurisdiction" whereby an appeal against a decision of the Court constituted by a single Magistrate can be heard before a Full Bench of the Court constituted by three other Licensing Magistrates (or two Licensing Magistrates and a Local Court Magistrate, as determined by the Chairperson).

An appeal from a single Licensing Magistrate or the Full Bench of the Licensing Court can be made to the Supreme Court of New South Wales on a point of law.

An appeal to the Full Bench against a decision of a single Licensing Magistrate can be made on a question of law, finding of fact, or both, in applications under the Liquor Act, Registered Clubs Act and Gaming Machines Act. In proceedings for offences, an appeal to the District Court may be made against the decision of a Licensing Magistrate. An appeal may be lodged to the Supreme Court, but only on a question of law.

Operations Review

The Court did not issue any new Practice Directions during the reporting period.

SINGLE MAGISTRATE REGIONAL COURT SITTINGS 2006-07

Days		Days	
Armidale	1	Kiama	1
Ballina	1	Macksville	1
Bega	1	Moruya	1
Belmont	1	Moss Vale	3
Broken Hill	2	Muswellbrook	2
Byron Bay	2	Narrabri	1
Casino	1	Newcastle	3
Cooma	1	Port Kembla	1
Deniliquin	1	Port Macquarie	1
East Maitland	2	Taree	1
Forster	1	Temora	1
Gosford	3	Tenterfield	1
Grafton	1	Toronto	1
Griffith	2	Wagga Wagga	2
Inverell	2	Woy Woy	1

Total of 43 single magistrate sittings

FULL BENCH REGIONAL COURT SITTINGS 2006-07

Day	
East Maitland	2
Wallsend	2

Total of 4 Full Bench sittings

698 cases were lodged with the Court during the reporting period, of which 552 were Court Attendance Notice (CAN) matters, 1 Information matter and 145 Complaints cases.

514 new liquor licences, of which 3 were hotelier's licences and 14 off-licence (retail) licences and 225 gaming related licences/work permits were granted during the reporting period. 132 liquor licences and 20 gaming related licences/work permits were surrendered.

The prescribed fee for the granting of a hotelier's licence or off-licence to sell liquor by retail is \$2,000 (clause 59 of the Liquor Regulation 1996) and the annual fee is \$2,500 (clause 60 of the Liquor Regulation 1996).

A fee review conducted by the Court Registry revealed that 20 hotels and off-licence retail premises had been overcharged \$500. Each of these premises received a refund of \$500.

APPLICATION STATISTICS

Licensing and Gaming Applications

	2005-06	2006-07
Lodged	^14,292	9,044
Withdrawn	515	279
Refused	257	184
Granted	13,430	8,307
Cancel/Error	230	95
No Jurisdiction	5	10
Finalised*	^14,437	8,875

*Finalised figure is made up of Withdrawn, Refused, Granted, Cancelled (Error) and No Jurisdiction applications.

^In 2005-06 and prior reporting periods, figures consisted of Court and Board applications. For Board applications refer to Appendix 2.

GENERAL STATISTICS – COURT REGISTRY AND LIST OFFICE

Liquor and Registered Clubs Acts	2005-06	2006-07
#Informations/CANS (NSW Police Service inclusive Casino Control Authority)	409	488
#Complaints (NSW Police Service)	79	91
#Informations/CANS/Complaints (Director of Liquor and Gaming)	59	75
Full Bench Appeals	3	3
Supreme Court Appeals	1	0
District Court Appeals	*34	Not available

#Both columns represent cases determined by the Court during each reporting period.

*The number of actual appellants was 10.

PRINCIPAL REGISTRAR & DUTY MAGISTRATE STATISTICS

	Total Lodged 2005-06	Total Lodged 2006-07	Total Finalised 2006-07	Total Pending 2006-07
Transfer Type				
Straight	10	12	6	22
Provisional	1,715	1,667	1,641	56
Confirmations	2,055	2,119	1,849	794
Provisional - ceased to have effect	23	9	16	6
Owner in Possession (O.I.P)	395	432	413	43
Gaming personnel	214	344	270	318
Course exemption applications (hoteliers, caterers, restaurateurs and nightclub licences)	418	385	307	0
Total	4,830	4,968	4,502	1,239

PRINCIPAL REGISTRAR'S STATISTICS

Type of Application	2005-06	2006-07
Extension of Hotel Trading Hours (Section 25(4) Liquor Act 1982)	189	65
Hotelier to sell liquor at function (Section 18(6) Liquor Act 1982)	163	187
On-Licence (Function)	303	315
On-Licence (Function) Additional Dates (Clause 16 Liquor Regulation)	900	931
Change of Mooring On-Licence (Vessel)	4	7
Approval to act as Secretary	304	270
Approval to act as Temporary Secretary	116	121
Functions Authority (Section 23 Registered Clubs Act 1976)	61	56
Minors Functions Authority – Hotels (Section 111A Liquor Act 1982)	11	6
Final Order	61	20
Amend approved function dates	78	88
New grant – Motelier's licence	5	5
Total	2,195	2,071

Enforcement

Functions

The Enforcement Branch, a Branch within the Compliance Division of the NSW Office of Liquor, Gaming and Racing (the Office) is totally independent of the Board. A brief synopsis of its work is included in the Board's report to give a broader picture of operations under the Liquor Act 1982, the Registered Clubs Act 1976 and the Gaming Machines Act 2001. Greater detail is contained in the Annual Report of the Department of the Arts, Sport and Recreation.

KEY RESULTS

- investigated and resolved 1748 complaints about licensed liquor and gaming premises
- conducted 10,932 compliance audits of licensed liquor and gaming premises to raise awareness and ensure compliance with legislation
- conducted 508 audits of gaming machines to ensure compliance with gaming technology standards
- conducted 41 workshops and seminars for liquor and gaming industry stakeholders
- participated in the Premiers Delivery Unit Community Partnerships Program in Lake Macquarie, Sydney City, Eastern Beaches and Canobolas Local Area Commands
- worked closely with NSW Police to target problem licensed venues
- conducted 294 rigorous on site audits of the corporate governance provisions relating to registered clubs
- monitored and provided advice to 425 registered clubs concerning amalgamations, management and governance through audit and education programs
- developed and conducted a range of special audit of licensed premises to ensure compliance with RCG and RSA provisions
- facilitated the development and management of 142 liquor accords and hosted 11 liquor accord conferences throughout the State
- conducted 61 investigations into the bona fides of Community Development Support Expenditure (CDSE) claims by registered clubs.

Finance

Functions

To collect outstanding gaming device duties and liquor licence fees from liquor licensees and registered clubs and gaming related licence fees.

KEY RESULTS

Liquor Licence Fees

Total liquor licence fees collected for the year ended 30 June 2007 was \$1.84 million compared with \$1.58 million in 2005-06.

During the reporting period, liquor debts decreased to \$504,417 (from \$908,712 in 2005-06). This amount is made up of \$457,167 dine-or-drink fees and \$47,250 fees on grants.

A total of 14 dine-or-drink authorities were cancelled for non-payment of the balance of the fees, foregoing a total of \$118,000 in revenue from this source, compared to \$164,000 in 2005-06.

Gaming Related Licence Fees

Total fees collected for the reporting period was \$0.710 million compared with \$0.691 million in 2005-06.

Gaming Machine Taxes

From March 2002, the collection of all gaming machine taxes for clubs and hotels became the responsibility of the Office of State Revenue (OSR). However, the Board assists OSR in collecting outstanding amounts of taxes as well as collecting outstanding tax liabilities that arose prior to March 2002.

Club

The outstanding club gaming tax is \$1,000.

Hotel

The total tax collected for the reporting period amounted to \$1,702.

The outstanding hotel gaming tax debts decreased from \$202,275 in 2005-06 to \$195,120 this reporting period.

Debt Recovery

During the reporting period, the Office of Liquor, Gaming and Racing (the Office) transferred details of outstanding debt totalling \$202,708 to the State Debt Recovery Office for recovery (\$558,892 in 2005-06) following an approach to OSR with a request for assistance to undertake recovery action to collect outstanding fees and fines that had been imposed by the Licensing Court.

AGEING OF OUTSTANDING DEBTS (DAYS)

2006-07	0-30 days \$'000	>30-90 days \$'000	>90 days \$'000	Total 2006-07 \$'000
Liquor licence fees	-	71	433	504
Hotel gaming machine tax	-	-	195	195
Club gaming machine tax	-	-	1	1
Total	-	71	629	700
2005-06	0-30 days \$'000	>30-90 days \$'000	>90 days \$'000	Total 2005-06 \$'000
Liquor licence fees	52	58	799	909
Hotel gaming machine tax	-	-	202	202
Club gaming machine tax	-	-	-	-
Total	52	58	1,001	1,111

Gaming Technology

Functions

- administer the Liquor Administration Board's (the Board) gaming equipment approval process by exercising delegated authority to approve gaming equipment for use by gaming venues in New South Wales
- review proposals for new gaming developments/ use of new technology by the gaming industry and provide appropriate recommendations to the Board in relation to its suitability for approval
- investigate technology related complaints in respect of approved gaming equipment operating in registered clubs or hotels to ensure that any operational deficiencies are resolved
- facilitate the consultation process within the NSW Office of Liquor, Gaming and Racing (the Office) to obtain inter-Branch views in relation to gaming equipment with technical standards non-compliances, and provide appropriate recommendations for consideration by the Board
- monitor the performance of licensed Gaming Machine Testing Facilities (GMTFs) to maintain the effectiveness of testing services provided, and to provide a qualitative assessment for review by the Board and the Office
- assess the technical capabilities of new applicants for GMTF licences and provide appropriate recommendations to the Board.

Organisational context

The Gaming Technology Branch (GTB) is part of the Office's Compliance Division in the Department of the Arts, Sport and Recreation. GTB reports to the Manager, Legal and Licensing Branch, who is delegated by the Director of Liquor and Gaming (the Director) to approve the gaming machine technical standards.

Reporting criteria

GTB functions reported upon in the Board's Annual Report are limited to the administration of the Board's gaming equipment approval process and related matters.

Gaming equipment approvals

Approval process

The Gaming Machines Act 2001 (the Act) requires all gaming

equipment operated by registered clubs and hotels in New South Wales to be approved by the Board.

Licensed dealers (gaming machine manufacturers) must design their gaming equipment to comply with the requirements of the relevant legislation and approved technical standards. The gaming equipment is subsequently submitted to an independent GMTF, who must be licensed under the Act (or hold a work permit) to provide testing services in NSW.

The GMTF evaluation process ensures that gaming equipment is compliant with legislation, approved technical standards and any guidelines issued from time to time, to provide a level of confidence that the equipment will perform with security and integrity when installed and operated by gaming venues.

GTB review process

Approval applications are submitted to GTB, where the licensed dealer's documentation and GMTF evaluation report are assessed and appropriate recommendations made in respect of whether the gaming equipment is considered suitable for approval.

The GTB assessment process ensures that important game related data, essential to Central Monitoring System (CMS) regulatory functions, is accurate. It also resolves issues of concern relating to technical standard non-compliances, game design characteristics impacting on player fairness or issues considered likely to exacerbate problem gambling.

The Board has granted delegations to certain GTB officers to approve gaming equipment provided that the equipment is compliant with the approved technical standards. If there are non-compliances, the Board has approved a process whereby if the non-compliance is listed in the Board's non-compliance register, this gaming equipment can be approved under delegation.

Once an approval is granted, certain parameters of the approved gaming equipment are recorded in the Board's 'approved models' database. These key data elements are utilised by the CMS Business Unit to facilitate its many regulatory functions, such as, gaming equipment authorisation (in gaming venues), tax assessment/verification of Government revenue and validation of the approval status of gaming equipment operating in the field.

In-principle approvals

GTB facilitates the consultation process by seeking advice from various Branches within the Office in relation to new gaming concepts when licensed dealers seek an in-principle

approval from the Board prior to fully committing their development resources.

Protection of commercially sensitive information

The approval process routinely deals with commercially sensitive information and therefore the probity of GTB officers is of paramount importance. Appropriate measures have been put in place in legislation and in the Office’s code of conduct to protect the commercial interests of industry stakeholders.

Approval charges

During the reporting period, the Board’s charges associated with the investigation and processing of gaming equipment approvals by GTB were maintained at the rates that applied at 1 November 2005.

The approval charges for the period are:

A flat base charge for the following types of gaming applications:

- Applications for approval \$2,935
- Jurisdictional charge (per jurisdiction) \$220

In addition to the base charges above, an additional hourly charge is applied to applications where the investigation/processing time exceed 20 hours and are charged at the following rates:

- Engineers and technical officers \$150 per hour
- Managers and senior staff \$170 per hour (Grade 7/8 and above)

Applications that are minor in nature and submitted directly to the Board are charged at the specified hourly rates (where GMTF evaluation reports are not required).

It is anticipated that GTB will propose a fee increase this coming reporting period.

KEY RESULTS

Gaming Machine Approvals

During 2006-07, 371 gaming machine approval applications were received and processed by GTB on behalf of the Board, of which:

- 355 applications (96%) were assessed and processed within 15 working days of receipt

- 16 applications (4%) exceeded the 15 working day processing target as a result of the following:
- 3 applications were delayed due to their dependence upon other related applications being approved first
- 2 applications were delayed due to late advance payment of approval fee
- 4 applications identified with non-compliance issues were delayed due to the additional time necessary for dispensation processing (outside of GTB’s control)
- 7 applications were delayed due to application queues temporarily exceeding GTB’s processing resources.

Of the total number of approval applications processed:

- 148 applications were for new games (to operate on approved platforms)
- 3 applications were for newly developed gaming machine platforms
- 3 applications were for new gaming support systems (subsidiary equipment)
- 217 applications were for the upgrade of previously approved gaming equipment (gaming machines and subsidiary equipment), to improve functional aspects of the equipment or to address an identified deficiency in its operation.

GTB received 10 applications that required the gaming equipment to be placed into field trial, prior to a final approval determination by the Board.

Additionally, GTB received 12 applications seeking an in-principle approval from the Board for new gaming concepts proposed by licensed dealers.

Retrofit approvals

If licensed dealers become aware of any defect or malfunction of their gaming machines, they are obliged to notify the Board and take corrective action. Typically the licensed dealer will investigate the reported issue to identify its cause, which may subsequently require the software to be updated to address the issue (software bugfix).

Where an issue impacts on the security or integrity of gaming machines, the Board will require the licensed dealer to update (retrofit) all gaming machines that are operating with the superseded version of software.

During the reporting period the Board issued 38 approvals that required the retrofit of all affected gaming equipment in New South Wales (26 in 2005-06).

Where a retrofit was required, GTB provided licensed dealers with information to identify the location of affected gaming equipment, which assisted licensed dealers to meet their retrofit compliance obligations.

GTB monitors all retrofit programs to ensure completion within agreed timeframes and upon receipt of completion advice provides notification within the Office to trigger compliance audits to verify that faulty software is completely removed from operation.

Gambling harm minimisation

Requirements of legislation

The primary objects of the Act are:

- gambling harm minimisation, i.e. to minimise harm associated with the misuse and abuse of gambling activities, and
- the fostering of responsible conduct in relation to gambling.

The legislation requires all persons having functions under the Act to have due regard to the need for gambling harm minimisation and the fostering of responsible gambling when exercising those functions.

During the reporting period the following gambling harm minimisation issues were introduced or addressed:

NSW Game Design Harm Minimisation Register

A 'NSW Game Design Harm Minimisation Register' was compiled and published on the Office's website, www.olgr.nsw.gov.au, to provide industry with a ready reference to decisions made by the Board concerning game design practices that are considered likely to exacerbate problem gambling.

On-screen clocks

The approved technical standard was updated during the reporting period to mandate the display of an on-screen clock to provide players with an accurate reference to the current time when playing gaming machines.

Spinning reel multi-terminal gaming machine (MTGM)

The Act permits registered clubs to operate MTGMs, which have typically been an electronic implementation of casino

style table games, which permit multiple players to bet (at their player terminal) on a common random outcome (e.g. the spin of a Roulette wheel).

The legislation specifies the maximum bet and prize limits (\$100 and \$500,000 respectively) that are applicable to MTGMs.

During the reporting period, a licensed dealer sought the approval of a MTGM where multiple players could each bet up to \$50 per game on the outcome of a simulated 'spinning reel' poker machine.

Due to potential gambling harm concerns associated with this new concept the Board approved a field trial of the MTGM at two gaming venues to facilitate the collection of empirical data on player behaviour to determine whether this type of gaming machine would encourage increased or excessive spending compared to stand-alone gaming machines (with max. \$10 bet).

Based upon a recommendation from the Office's Policy and Research Branch, which analysed the data gathered during the trial, the Board granted an approval for the MTGM, but with a reduced maximum bet limit of \$40.

Cashback terminal – display of G-line information

Cashback terminals are subsidiary equipment that provides gaming operators with an automated method for players to have their tickets validated and redeemed for cash.

A harm minimisation outcome of the recent 'ticket-in/ticket-out' trial (which involved cashback terminals) resulted in the Board issuing an update to the 'NSW Game Design Harm Minimisation Register' requiring cashback terminals that are equipped with a display screen to display G-Line information.

New gaming developments/technology

'Ticket In/Ticket Out' (TITO)

In late 1999, the Board approved 'Ticket-Out' functionality that provided a further automated and secure method for players to collect their accrued credits from a gaming machine. The player could then redeem the printed ticket by presenting it to a cashier, who validated it and the monetary value of the ticket was paid.

During the previous reporting period, the gaming industry made preparations for a future trial of gaming machines that accept printed tickets (Ticket-In) via the note validator as a form of cash input.

A trial of TITO gaming machines from four licensed dealers attached to three different TITO gaming systems (machines not attached to jackpot systems and optional inclusion of a cashback terminal) in three gaming venues was successfully completed during the reporting period.

It is envisaged that trialling of more complex gaming configurations with TITO machines and TITO gaming systems will be undertaken during the next reporting period for consideration of technical and operational issues to further assist with the refinement of this functionality.

New technology

GTB assessed a number of gaming equipment applications during the reporting period which sought to introduce new technology not previously utilised by the gaming industry. New technology implementations, which were assessed on their merits included the use of hard disk and flash disk technology with specific security features to protect executable programs and the use of Linux operating system in gaming applications.

Gaming machine testing facility performance

Licensed GMTFs

The following organisations hold GMTF licences granted by the Licensing Court of New South Wales:

- BMM Testlabs (BMM);
- Gaming Laboratories Australia (GLI);
- Technical Systems Testing (TST).

During the 2006-07 reporting period, of the 371 approval applications received by the Board 364 applications were supported by a GMTF evaluation report with the remainder being accepted directly by GTB in relation to minor modifications.

GMTF performance analysis

GTB maintains an internal register of Key Performance Indicators (KPIs) for each GMTF, which provides an empirical measure of the quality of their gaming equipment evaluations.

A KPI is assigned to a GMTF in response to any issues that may arise after approval where there is a reasonable expectation that the issue should have identified during the testing process but was recommended for approval by the GMTF and subsequently installed in gaming venues in the field.

GTB collects and records statistics on three KPIs which are graded based on the severity of the issue that passed through the GMTF evaluation process undetected:

- A KPI 1 is assigned for minor problems – such as a typographical error in the audit screen or on the machine's artwork, where no immediate action needs to be taken other than its correction in the next software release
- A KPI 2 is assigned for more serious problems - where for example the connection to the CMS may not be operating properly and a retrofit of affected machines is required, however the machines do not need to be immediately removed from operation
- A KPI 3 is assigned for critical problems - where players are being disadvantaged (e.g. under paid) or there is a security issue (i.e. the machine may be defrauded under certain conditions) and therefore a requirement for an immediate shutdown of the gaming equipment.

The GMTF performance monitoring process is aimed at ensuring that GMTFs maintain the critical KPIs (KPI 2 and KPI 3) to an absolute minimum, thus providing the Board with confidence that the testing process is effective in mitigating the risk of serious software faults passing through the approval process.

The review of GMTF performance considered various aspects of each organisation including, levels of staffing, technical expertise, quality accreditation, licensing of employees and the different categories of KPIs recorded for the GMTF.

The analysis provided verification that the organisational aspects are considered acceptable and that each GMTF had reduced its percentage of critical KPIs, which confirmed that the three GMTFs are providing quality testing services.

National testing facility assessment

Testing facility performance is also periodically reviewed at a national level, where the National Assessment Panel for the Accreditation of Testing Facilities meets with accredited testing facilities to review and discuss their aggregate KPIs as part of the national accreditation program.

Mr Luke Freeman, Manager GTB, who has previously represented NSW on the National ATF Assessment Panel has agreed to take on the Chair with the formal handover expected to occur at the next Gaming CEO's meeting to be held in August 2007.

Legal and Licensing

Functions

- representing the Director of Liquor and Gaming in proceedings before the Licensing Court of New South Wales which includes applications for new licences or variations to existing licences and prosecuting offences and disciplinary complaints against licensees and registered clubs
- providing legal assistance and support services to the Liquor Administration Board (the Board) and to the NSW Office of Liquor, Gaming and Racing (the Office)
- providing to the Director of Liquor and Gaming in-depth reports on applications which are made to the Court and the Board
- recovering debts and referral of matters to the Crown Solicitor for commencement of debt recovery proceedings on behalf of the Board and review of debts for write-off action
- processing noise complaints including forwarding copies of the complaint to the Police and Local Council and forwarding correspondence to the complainant, licensee or Secretary. Scheduling conferences before the Board and attending to take minutes
- entering information on the AVIION database system, including applications, adjournments and relevant hearing dates.

(where debts are irrecoverable – for instance because of the death or bankruptcy of a debtor, or his/her medical/financial/domestic circumstances or inability to locate a debtor)

- provides instructions to the Crown Solicitor to commence or continue legal proceedings against identified debtors
- keeps the Board informed of the current status of debt recovery action.

11 debt recovery matters have been administered by the Branch this financial year (refer to Appendix 3 on page 32).

Court/Board Applications

During the reporting period, the Office processed a total of 13,803 applications made up of 9,044 applications to the Licensing Court and 4,759 applications to the Board.

The Branch's probity section prepared 3,636 probity reports associated with new grants and provisional transfers (compared to 3,866 reports the previous period). In addition, approximately another 600 reports were prepared in relation to applications by natural persons to hold an interest in gaming-related licences or licensed premises as licence owner, business owner or premises owner.

The Branch's premises section prepared 1,800 reports on behalf of the Director of Liquor and Gaming in relation to applications made to the Licensing Court and the Board for new and conditional grants and changes to existing licences (compared to 2,066 reports the previous period).

The Office's database section experienced a 10% decrease in the overall number of Licensing Court and Board applications processed during the financial year (refer to Appendix 2 on pages 31-32).

KEY RESULTS

Debt Recovery

Under section 76 of the Liquor Act 1982, all monies payable to the Board are collected by the Board and paid into the Consolidated Fund.

The Legal and Licensing Branch (the Branch) co-ordinates debt recovery action on behalf of the Board. In liaison with the Finance Branch and CMS Business Unit, the Branch:

- confirms the existence and details of debts arising from outstanding gaming machine duty under the Liquor Act and the Registered Clubs Act
- prepares submissions for penalties to be remitted by the Board, or debts to be written off by the Office's officers or the Minister in accordance with the Treasurer's Directions

Legal Advice

There is ongoing liaison between the Branch and the Board in relation to interpretation of the operation of the Liquor Act 1982, the Registered Clubs Act 1976 and the Gaming Machines Act 2001.

During the reporting period, the Branch provided a range of verbal and written legal information, opinions and advice, made submissions and recommendations on both legislative and general issues to the Board.

Section 74A Applications

Pursuant to Section 74A of the Liquor Act, the Board can issue a certificate stating that premises are suitable for licensing, where an applicant can establish that other existing types of licences are unsuitable for the type of premises proposed to be licensed and other statutory tests are met.

Once a certificate is granted, the applicant is authorised to apply to the Licensing Court for an on-licence under section 18(4)(g). If the licence is granted, it allows the licensee to sell liquor for consumption on the premises, but takeaway sales are prohibited. Section 18(4)(g) applications are subject to objections in the same way as applications for other licences.

During the reporting period, applications for a Section 74A certificate were approved by the Board for:

Premises	Certificate Issue Date
AMF Catering Services Pty Limited, Sylvania	10.07.06
Sydney Karaoke, Sydney	06.11.06
Sydney Aquarium, Darling Harbour	07.11.06
Tempus Two Pty Limited, Pokolbin	08.11.06
Strike NSW Pty Limited, King Street Wharf, Sydney	15.12.06
Kegel Barn (Coffs Harbour) Pty Limited, Coffs Harbour	27.02.06
Phoenix Karaoke Box Pty Limited, Haymarket	24.05.07
Chaplin Karaoke, Lidcombe	25.06.07

Governor's Licences

On the recommendation of the Minister, the Governor may authorise the Licensing Court to issue a licence authorising the sale of liquor in certain types of establishments such as railway rooms, canteens at a construction camp, or at works of a public nature, or where the land is vested in the Crown or the application is made by a public authority constituted by an Act.

The Minister may obtain a report from the Board on any such proposal.

The Board also considers harm minimisation conditions when dealing with these applications.

During the reporting period Governor's licences were issued for:

Premises	Date of Issue
Tweed River Art Gallery, Murwillumbah	14.07.06
The Crossing Theatre, Narrabri	08.08.06
Brookvale Oval, Brookvale	11.08.06
Tourism Southern Highlands Visitor Information Centre, Mittagong	16.08.06
Tenterfield Gateway, Visitor's Information Centre, Tenterfield	08.11.06
Pittwater Rugby Park, Warriewood	21.12.06
The Carriageworks, Redfern	03.01.07
The Chinese Gardens of Friendship, Haymarket	20.03.07

Variations for Governor's Licences

Conditions on the following Governor's licences were varied during the reporting period:

- Quay Bar, Customs House, Sydney
- Golden West Race Club, Bathurst/Orange
- Zoological Parkes Board of NSW – Western Plains Zoo, Dubbo
- Acer Arena, Olympic Park, Sydney
- Dubbo Showground Expo Centre, Dubbo.

Section 104 and 17AA Complaints

Complaints concerning the disturbance of the quiet and good order of the neighbourhood are provided for in section 104, Liquor Act 1982 and section 17AA, Registered Clubs Act 1976. A complaint under these sections can be made by:

- a person authorised in writing by three or more persons residing in the neighbourhood of the licensed premises or registered club or a person who is such a resident and is authorised in writing by two or more other such residents
- the Commissioner of Police
- a person authorised by the council of the local government area (including the City of Sydney) in which the licensed premises or registered club is situated
- a person who satisfies the Board that his or her interests, financial or other, are adversely affected by the undue disturbance to which the person's complaint relates
- the Director of Liquor and Gaming.

The complaint must be in writing and in the form of a statutory declaration.

(For complaint statistics, refer to tables below.)

Legislative Amendments

Legislative amendments made to the Liquor Act 1982, the Registered Clubs Act 1976, the Gaming Machines Act 2001 and their respective Regulations are outlined in Appendix 6.

Gaming Machine Shutdown Applications

The Board continues to receive gaming machine shutdown applications from registered clubs and hotels pursuant to sections 40, 40A and 41 of the Gaming Machines Act 2001.

29 applications were lodged this reporting period, compared to the 42 received in the previous period.

11 were section 40 applications for a 3-hour shutdown on weekends and public holidays, 4 were section 40A hardship applications and 14 were section 41 "early opener" applications.

Of the 29 applications lodged, 19 were granted while the balance is being processed or awaiting further information from the applicants to support the applications.

Since the introduction of the shutdown period for gaming machines in April 2002, the Board has granted 663 venues (325 hotels and 338 registered clubs) approval to operate a variation to the standard gaming machine shutdown period. 18 venues (13 hotels and 5 registered clubs) were granted a variation in this reporting period.

The following statistics show the type and number of sections 40, 40A and 41 applications granted to hotels and registered clubs since the introduction of the standard 6-hour shutdown period:

HOTELIERS

s.40 (3-hour shutdown on weekends & public holidays)	132
s.40A (3-hour shutdown on hardship grounds)	15
s.41 (early opener venues)	159
s.40 & s.41 endorsements	19
Total	325

REGISTERED CLUBS

s.40 (3-hour shutdown on weekends & public holidays)	39
s.40A (3-hour shutdown on hardship grounds)	17
s.41 (early opener venues)	269
s.40 & s.41 endorsements	13
Total	338

NOISE COMPLAINT STATISTICS - 2006-07 BREAKDOWN OF COMPLAINTS

COMPLAINTS RECEIVED

Metropolitan received	20
Country received	22
Total	42

COMPLAINTS FINALISED

Withdrawn	1
Subject to conditions	12
Subject to undertakings	1
Both conditions and undertakings	7
Without conditions, undertakings or being withdrawn	4
Dismissed	0
Total	25

APPLICATION TO VARY OR REVOKE CONDITIONS

Applications received	9
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NO. OF CONFERENCES HELD

Sydney	37	No. of days	28
Country	28	No. of days	17
Total conferences	65	Total conferences	45

COUNTRY SITTINGS OF THE BOARD - COMPLAINTS

Total number of conferences held				28
Albury	5	Gosford		11
Ballina	3	Newcastle		3
Bathurst	1	Wallsend		1
Belmont	3	West Kempsey		1

FIVE YEAR TREND OF NOISE COMPLAINTS BY PREMISES TYPE AND PREMISES NUMBER

Number of premises for which complaints have been lodged:					
Premises Type	2002-03	2003-04	2004-05	2005-06	2006-07
Hotels	25	21	19	33	30
Registered Clubs	11	4	5	7	6
Restaurants	5	4	9	4	5
Theatres	-	-	-	-	-
On-licence College	-	-	1	-	-
On-Off Wine	-	-	1	-	-
Functions	-	-	-	-	-
Retail	-	-	-	1	1
Caterers	-	2	1	-	-
Nightclubs	4	8	2	3	-
Governors	-	-	-	-	-
Brewers	-	1	-	-	-
Total	45	40	38	48	42

Other Board Applications

(not reported on elsewhere in this Annual Report)

Gaming Social Impact Assessments (SIAs)

Gaming Class 1 SIAs

The Board Secretary processed 260 Class 1 SIAs (for increases in a hotel's or club's SIA threshold of 10 or less) under delegation:

- 249 approved, 1 refused and 10 withdrawn.

Gaming Class 2 SIAs

During the reporting period, the Board received 12 Class 2 SIA applications (for an increase in a hotel's or club's SIA threshold of more than 10). A total of 104 such applications had been lodged since the introduction of the Gaming SIA requirements on 2 April 2002.

During the reporting period, 20 Gaming Class 2 SIAs were determined:

- 10 approved (for a total SIA threshold increase of 295 as against an increase of 395 applied for)
- 5 refused (applicants had sought an increase of 142)
- 4 withdrawn (applicants had sought an increase of 80)
- 1 determined and refused by the Full Board after being referred back to the Board following a successful appeal to the Supreme Court by an hotelier whose SIA for an increase of 15 had originally been refused in the previous reporting period.

Therefore, including SIAs determined in the previous reporting periods, a total of 82 Gaming Class 2 SIAs had been determined by 30 June 2007. In relation to most outstanding applications, the Board is awaiting further material from the applicants.

Copies of all the Class 2 SIA decisions, a list showing the current status of outstanding Class 2 SIAs and details about the SIA process are accessible on the "Gaming" page at www.olgr.nsw.gov.au.

Liquor Social Impact Assessments (SIAs)

The Liquor Act 1982 requires the lodgement of a SIA for the grant or removal of a hotelier's licence or an off-licence (retail).

Category A SIA

Applicable where an off-licence (retail) is being removed, in a metropolitan area within 500 metres, or in a country

area within 5 kilometres of its previous location, or where a hotelier's licence is being removed, in a metropolitan area within 1 kilometre, or in a country area within 5 kilometres of its previous location.

To be eligible for a Category A SIA, there must be minimal change to the general operating parameters of the licensed business, such as:

- the trading hours must be the same as, or more restrictive than, the previous premises,
- generally the conditions on the licence must not be varied, and
- the area of the new premises must not exceed that of the previous premises by more than 10 percent.

During the reporting period, 34 Category A SIAs were lodged (with 6 being carried forward from the previous reporting period):

- 36 approved, 1 withdrawn and 3 being processed.

Category B SIA

Applicable for the grant of a hotelier's licence or an off-licence (retail) and for the removal of such licences if not eligible for a Category A SIA.

During the reporting period, 39 Category B SIAs were lodged, 20 were approved and the remainder are being processed. The Board relies on assistance in this process from officers of the Policy Branch in the Policy and Research Division of the Office who review the applications.

Since August 2004, a total of 97 Category B SIAs have been lodged.

Further information about the Liquor SIA process is accessible on the "Liquor" page at www.olgr.nsw.gov.au.

Hardship gaming machines

As reported in the last Annual Report, under the repealed legislation, clubs could make application under section 88AF of the Registered Clubs Act 1976 for additional machines on hardship ground. In some cases additional machines were permitted only for a fixed term, or subject to review at a certain date or upon certain events. A challenge to the Board's power to review the latter grants was heard by the Supreme Court which upheld the power. The club involved appealed to the Court of Appeal. The appeal was heard on 27 September 2006 and was dismissed.

During the reporting period, the Board considered and approved applications from 2 clubs with "review" conditions to revoke those conditions.

During the reporting period, 8 clubs commenced actions in the Supreme Court challenging the Board's view that hardship gaming machines were not included in the initial allocation of poker machine entitlements. Four of these cases were heard on 23 July 2007 and were dismissed.

A total of 290 poker machine entitlements were allocated by the Board for 290 hardship gaming machines under section 31 of the Gaming Machines Act 2001 pursuant to 45 applications by hotels and registered clubs.

Special allocation of poker machine entitlements

15 applications have been received from hoteliers under section 15AA of the Gaming Machines Act 2001. During the reporting period, 3 applications were granted with 29 poker machine entitlements allotted, 1 application was refused, 2 applications were withdrawn and the remainder are being processed.

Transfer of poker machine entitlements by hoteliers

The Board determined 10 complex disputed transfers of poker machine entitlements where issues were raised as to whether all the persons with a financial interest in the hotelier's licence had consented to the transfer.

A number of cases involving aspects of financial interest and the nature of poker machine entitlements have been before the Supreme Court, the Court of Appeal and, in one case special leave to appeal to the High Court was refused.

The Board's decisions in these 10 matters during the reporting period are accessible on the "Liquor Administration Board" page at www.olgr.nsw.gov.au.

Allocation of poker machine entitlements in respect of certain clubs

Section 17 of the Gaming Machines Act allows the Board to allocate up to 10 poker machine entitlements in respect of certain club premises which are premises of a new club, or additional premises approved under section 19A of the Registered Clubs Act 1976, or premises of a club which immediately before 2 April 2002 was authorised to keep less than 10 approved poker machines.

During the reporting period the Board granted 7 applications under section 17 and allocated 21 poker machine entitlements.

As mentioned in the last Annual Report, the Board had determined that a club which immediately before 2 April 2002 had had no authorisation to keep approved poker machines could not make an application under section 17(1)(c). The Board referred the issue to the Policy Branch of the Office for consideration of legislative amendment.

Gaming machines not used for purposes of gambling

Section 8 of the Gaming Machines Act allows the Board to consider notifications to keep a poker machine or approved amusement device that is not used for gambling purposes, but used only for therapeutic, research, educational, cultural or promotional purposes.

During the reporting period, the Board processed and approved 56 such notifications.

Maximum amount held in player accounts or stored on Smartcards

Clause 85 of the Gaming Machines Regulation 2002 allows the Board to increase the maximum amount that can be held in a player account or stored on a Smartcard from \$200 to an amount not exceeding \$1,000 provided the Board is satisfied that the hotelier or registered club has in place a system as approved by the Board for the safeguarding of the money so held or stored.

During the reporting period, the Board approved 2 such applications.

Disposal of money payable in respect of unclaimed gaming machine tickets

Clause 101 of the Gaming Machines Regulation 2002 allows the Board to approve the disposal of money payable in respect of an unclaimed gaming machine ticket if at least 12 months has elapsed since the ticket was issued and a notice, in a form approved by the Board, concerning the ticket has been displayed in the hotel or club.

During the reporting period, the Board approved the disposal by 3 clubs of proceeds from unclaimed gaming machine tickets.

Statutory Training Courses

Responsible Service of Alcohol Training

The mandatory responsible service of alcohol (RSA) training scheme for the NSW liquor industry has now been operating for more than three years. Under this scheme, the Board is responsible for approving RSA courses and their respective course providers. In addition, the Board determines whether nominated trainers have the prescribed industry experience and training qualifications to deliver the courses.

Administrative assistance is provided to the Board by the Office of Liquor, Gaming and Racing (the Office) through the evaluation of proposed RSA courses and the suitability of trainers nominated by training providers.

In late 2006 the Office developed sample RSA learning outcomes. The material which is available from the Office's website, www.olgr.nsw.gov.au, addresses most of the Board's requirements for approved RSA training.

It was produced to give training providers a starting point for getting their course approved and to minimise delays in the approval process. While training providers must still add their own student assessments and case studies, the availability of this material has resulted in a significant reduction in the time taken for courses to be approved.

Four training providers were approved under these arrangements, while one was approved using their own material.

The Australian Hotels Association (NSW) also received approval to deliver its RSA Bridging Course, which comprises three of the five learning outcomes of an approved RSA course and must be delivered over four hours.

During the reporting period the Board issued more than 80,000 certificates to training providers, compared to 91,000 the previous period.

Assessment of trainers

One of the standard conditions attached to the approval of a RSA course is the assessment of trainers "in class" by staff from the Office. During the reporting period, the audit program assessed three trainers. The audits found all three trainers to be competent to continue training the course.

A written assessment of a proposed trainer was also undertaken during the reporting period to determine the applicant's knowledge of the NSW liquor laws. The applicant was found not to possess sufficient knowledge of the NSW liquor laws and was not approved to deliver the RSA course.

The Board also evaluated 45 applications from prospective RSA trainers, of which 37 were approved during the reporting period.

Responsible Conduct of Gambling Training

Completion of the approved responsible conduct of gambling (RCG) course has been mandatory for hoteliers, club secretaries and their gaming machine staff since 2000. The course can be conducted by approved registered training organisations whose trainers meet the prescribed requirements of industry experience and training qualifications.

The Board approved 4 new training providers to conduct the prescribed course during the reporting period.

Prospective RCG trainers in order to be accepted by the Board to conduct the RCG course must have completed a training course conducted by the Office on behalf of the Board.

In May 2007, the Office in conjunction with TAFE NSW, conducted a course that was attended by 19 prospective RCG trainers. The course provides an insight into the statutory framework for the course as well as issues that are frequently raised by students in course delivery.

Appendices

Appendix 1 Fingertip Facts as at 30 June 2007

INDUSTRY FACTS

- 14,227 licensed premises and registered clubs (excludes 79 special event licences and 5 poker machine (no liquor) licence, but includes 35 separate premises of a registered club and 117 amalgamated premises)
- 97,381 authorised gaming machines (98,266 in 2005-06)
- 42 licensed premises and clubs were subject to a noise or patron disturbance complaint
- 8 Governor's licences issued in 2006-07

HOTELS

- 2,074 hotels
- 1,713 hotels operating 23,943 gaming machines (58 AADs and 23,885 poker machines)
- 603 hotels with 9,358 gaming machines attached to 736 linked progressive systems
- 2,123 gaming machines were attached to SWL jackpot games
- 30 hotels were the subject of a noise or patron disturbance complaint

REGISTERED CLUBS

- 1,535 registered clubs (includes 117 amalgamated premises & 35 separate premises)
- 1,324 registered clubs operating 73,438 gaming machines (includes 1 AAD)
- 610 registered clubs with 31,996 gaming machines attached to 1,942 linked progressive systems
- 2,545 gaming machines were attached to SWL jackpot games
- 128 registered clubs with 369 Multi-Terminal Gaming Machine (MTGM) systems
- 6 clubs were the subject of a noise or patron disturbance complaint

BOTTLESHOPS, RESTAURANTS AND NIGHTCLUBS

- 1,685 bottleshops (includes 24 On/Off-licence (Wine), 5 Off-licence (Wine), 18 On/Off-licence (Wine) (Limited Beer & Spirits))
- 5,011 restaurants (includes 441 restaurants with motel endorsement)
- 111 nightclubs (includes 2 nightclubs with motel endorsement)
- 5 restaurants and 1 bottleshop were the subject of a noise or patron disturbance complaint

APPLICATIONS FOR EXEMPTION ON CHEQUE CASHING RESTRICTION

- Total of 5 applications received for the year, comprising of
- 2 applications from hotels (granted)
- 3 applications from clubs (granted)

APPLICATIONS FOR EXEMPTION ON LOCATION OF ATMS IN GAMING AREAS

- nil applications received from clubs or hotels for the year.

Appendix 2 Board Applications Statistics

Application Type	No. Lodged 2005-06	No. Lodged 2006-07
Change name of registered club	14	48
Let or sublet the right to any gaming or liquor related service	2	3
Disposal of major assets by a Registered Club	1	1
Increase in maximum amount of money	4	2
Reinstatement of a surrendered liquor licence	1	0
S.34C(1) approved manager (approval, confirmation, notification)	69	51
Authorised area	73	45
Vary an authorised area	167	150
Revoke an authorised area	1	4
Vary reception area	16	2
Vary dine-or-drink authority conditions	8	5
Temporary premises	4	6
Sublet part of licensed premises	15	6
Internal communications	3	0
Conditions imposed by the Board pursuant to s.104 Liquor Act	1	1
Redefine licensed premises	437	449
Change name of licensed premises	613	596
Allow minors to serve and supply liquor	3	4
Leave of absence by licensee	37	11
Reside away from licensed premises	51	33
Financial interest in a hotel or restaurant	2	1
Disposal of proceeds of unclaimed gaming machine tickets	4	3
Extension of time s.24A Gaming Machines Act	1	3
Short term closure order by Police	0	1
Endorsement to allow a motel	3	2
Application for a 74A Certificate	10	9
Application for Approval of a Governor's Licence	11	3
Vary/revoke conditions imposed by the Board	27	20
Surrender a licence	113	126
Change authorised place of business for non-dealers	5	1
Vary conditions of a Governor's licence	5	7
Notification of temporary closure/dormant licence/ceased to trade	62	66
Notification of Receiver/Manager for premises other than clubs	2	8
Notification of appointment of a liquidator	1	5
Notification of no further interest by licensee	139	148
Order by Court for closure of premises pursuant to s.104C LA	1	1
Re-specification of a gaming machine dealer's authorised premises	9	4
Surrender a gaming-related licence	15	20
Vary/Revoke conditions on a gaming-related licence	2	0
Reinstatement of a gaming-related licence work permit cancelled by s.109	2	1
Liquor Social Impact Assessment Category A	24	34
Liquor Social Impact Assessment Category B	34	39
Annulment application s.40 Local Courts Act 1982	8	3
Remove cancellation of a licence	1	0
Approval of Responsible Gambling Affidavit for a Hotel	831	1135
Approval of Responsible Gambling Affidavit for a Registered Club	542	649
Class 1a SIA approval	616	215
Class 2 SIA approval	17	13
Convert gaming machine hardships	122	45

Continued over page

Appendix 2 Board Applications Statistics contd

Application Type	No. Lodged 2005-06	No. Lodged 2006-07
Hotel hardships (GMA)	3	0
Surrender AADs for poker machine entitlements	8	9
Forfeit hardships	1	0
PM entitlement transfer	377	255
Free entitlements	5	7
Country-Country Hotel transfer	62	48
Club transfer within the same area	5	18
Class 1b SIA approval	5	13
Removal SIA Class 1b	6	10
New licence SIA Class 1a	3	0
Large-scale club reduction exemption	18	0
Convert free PM entitlements transferable under s.17(3)	19	11
PM entitlements in exchange for surrendered AADs	218	36
Variation to gaming machine shutdown period	42	29
Gaming-related licences & work permits (dealers, sellers, etc)	411	344
Other applications	428	397
Total	5,740	5,156

NOTE: Table now includes all Board applications

Appendix 3 Debt Recovery Action 2006-07

	No of debtors 2005-06	Amount (\$) of debt 2005-06	No of debtors 2006-07	Amount (\$) of debt 2006-07
A Debts written off - total	10	180,589.13	0	0.00
B Debts partially paid & partially written off - total	2	Paid: 7,200.00 Written off: 17,271.30	1	Paid: 4,00.00 Written off: 0.00
C Debts paid in full - total	2	22,998.05	0	0.00
D Debts outstanding	11	201,545.29	11	292,716.72
E Debts with Crown Solicitor's Office (CSO)	10	194,789.50	0	0.00
F On-going action by Legal & Licensing Branch	1	6,755.79	11	292,716.72
G Total debts outstanding	11	201,545.29	11	292,716.72

Appendix 4 Licence Numbers and Population Growth

Year	Population of NSW as at 30 June	No. of Hotels as at 30 June	Persons per Hotel	No. of Off-Licences (Retail) as at 30 June	Persons per Off-Licences (Retail)	No. of Registered Clubs as at 30 June	Persons per Registered Club	No. of On-Licences (Restaurant) as at 30 June	Persons per On-Licences (Restaurant)
1991	5,898,731	2013	2898.2	1354	4356.5	1556	3791.0	3010	1959.7
1992	5,958,716	2015	2957.2	1356	4394.3	1558	3824.6	3080	1934.6
1993	5,997,432	2020	2969.0	1367	4358.6	1551	3866.8	3147	1905.8
1994	6,049,238	2022	2991.7	1373	4405.9	1535	3940.9	3157	1916.1
1995	6,112,216	2013	3036.4	1384	4416.3	1537	3976.7	3211	1903.5
1996	6,190,156	2019	3066.0	1395	4437.4	1525	4059.1	3260	1898.8
1997	6,274,370	2031	3089.3	1416	4431.1	1512	4149.7	3267	1920.5
1998	6,333,515	2031	3118.4	1416	4472.8	1512	4188.8	3267	1938.6
1999	6,396,703	2035	3143.3	1433	4463.8	1507	4244.7	3418	1871.5
2000	6,463,455	2044	3162.2	1454	4445.3	1568	4122.1	3625	1783.0
2001	6,609,304	2050	3224.1	1481	4462.7	1566	4220.5	3841	1720.7
2002	6,640,355	2053	3234.5	1501	4424.0	1563	4248.5	4040	1643.6
2003	6,686,757	2060	3246.0	1526	4381.9	1560	4286.4	4236	1578.5
2004	6,731,295	2064	3261.3	1566	4298.4	1525	4413.9	4381	1536.5
2005	6,774,249	2066	3278.9	1608	4212.8	1553	4362.0	4168	1625.3
2006	6,817,182 ⁽¹⁾	2071	3291.7	1624	4197.8	1539	4429.6	4362	1562.8
2007	6,871,720 ^{**}	2074 ⁽²⁾	3313.2	[^] 1685 ⁽²⁾	4078.2	1535 ⁽²⁾	4476.7	^{^^} 5011 ⁽²⁾	1371.3

* The population of NSW as at 30 June 2006 which was estimated (6,828,442) in the Annual Report of 2005-06, has been revised to reflect the correct figure.

** The population of NSW as at 30 June 2007 has been derived by applying an average rate of increase of 0.8%

⁽¹⁾ Source: Australian Demographic Statistics December 2006 Quarter Catalogue No. 3101.0

⁽²⁾ Source: Annual Report 2006-07 of the Liquor Administration Board (Appendix 1)

[^] Includes 24 On/Off-licence (Wine), 5 Off-licence (Wine), 18 On/Off-licence (Wine) (Limited Beer & Spirits)

^{^^} Includes 441 restaurants with motel endorsement

Appendix 5 Fee on Grant determined or varied by the Board - Off-Licence (Retail) and Hotel Premises

Off-Licence (Retail)	Location	Date fee set	Date of grant	Fee \$
Tea Gardens Cellars * (previously, Myall Quays Cellars)	Tea Gardens	16 March 2006	20 July 2006	20,000
BackVintage Wines Australia Pty Ltd (s56A – review of original fee on grant)	Northbridge	7 July 2006	18 June 2004	Additional fee of 2,500 set
Woolworths Liquor	Prospect	25 September 2006	27 September 2006	60,000
Poet's Corner (s56A – review of original fee on grant)	Mudgee	22 January 2007	27 July 2000	Nil - no additional fee set
Palmer's Pitstop	Palmer's Island, near Yamba	3 April 2007	5 April 2007	5,000

* The licensee paid \$5,000 upon grant of the licence on 20 July 2006 but failed to pay the balance outstanding of \$15,000 by 20 July 2007. The licence was automatically cancelled on 20 July 2007 pursuant to section 55A of the Liquor Act 1982.

Hotel	Location	Date fee set	Date of grant	Fee \$
The Chook and Ox Tavern	Tura Beach	18 April 2005	15 November 2006	40,000
Pier 2 Tavern	Tweed Heads	20 November 2006	15 December 2006	40,000

Note:

On 1 August 2004, as a result of the National Competition Policy Liquor Amendments (Commonwealth Financial Penalties) Act 2004, the Board's power to determine a "fee on grant" for applications lodged after that date was repealed.

Presently, the prescribed fee for the granting of a hotelier's licence or off-licence to sell liquor by retail is \$2,000 (clause 59 of the Liquor Regulation 1996) and the annual fee is \$2,500 (clause 60 of the Liquor Regulation 1996).

Various conditions and limitations, which were taken into account when the Board determined the fees, may have been imposed on the above licences. A listing of the conditions may be inspected at the Principal Registry.

Appendix 6 Schedule of Legislative Amendments

Summary of Legislative Amendments to the Liquor Act 1982 and Regulation, the Registered Clubs Act 1976 and Regulation, the Gaming Machines Act 2001 and Regulation – July 2006 to June 2007

ACTS OF PARLIAMENT

Registered Clubs Amendment Act 2006 No. 103

Date of Assent: 27 November 2006

Date of Commencement: This Act is being implemented in three stages:-

Stage one - commenced on 22 December 2006 - except Schedule 1 [1]–[15], [27]–[33], [38]–[43], [49]–[52] and [54])

Stage two - changes relating to club amalgamations, financial reporting, disposal of club property.

Stage three - changes relating to club elections and club director training.

Further information is available from the OLGR website www.olgr.nsw.gov.au/legislation_amended_clubs_act_06.asp

This Act amended the Registered Clubs Act 1976 to:

- enable the regulations to specify the requirements that must be complied with in relation to the amalgamation of registered clubs
- increase, from 4 to 10, the number of clubs with which any particular club may amalgamate
- require the election of the governing body of a registered club to be conducted, depending on the size of the club, either by a person or body approved by the Director of Liquor and Gaming or in accordance with the regulations
- enable the regulations to create exceptions to the 5-kilometre residency test that applies in relation to temporary club membership
- confer on serving Defence Force personnel honorary membership of all RSL or services clubs
- consolidate the financial reporting requirements that apply in relation to registered clubs
- modify the requirements relating to disposal of club property
- make a number of other amendments of a minor or consequential nature.

State Revenue and Other Legislation Amendment (Budget) Act 2007 No. 22

Date of Assent: 4 July 2007

Date of Commencement: 1 July 2007

This Act amended the Gaming Machines Act 2001 to:

- extend the deadline on which large-scale clubs will automatically forfeit any remaining poker machine entitlements that they were required to transfer in order to reach the reduced number of entitlements for the club as required under section 15A of the Gaming Machines Act 2001

- provide that large-scale clubs that have not, by 31 July 2007, reduced their allocated number of poker machine entitlements will be able to retain, on payment of a levy and for a limited period only, those entitlements that the club would otherwise be required to forfeit.

SUBORDINATE LEGISLATION

Gambling (Two-up) Amendment Regulation 2006

Government Gazette No.100 of 11 August 2006

This Regulation was signed by the Governor on 9 August 2006 and commenced upon gazettal on 11 August 2006.

The Regulation prescribed the following commemorative days as days on which Two-up may legally be played:

- 15 August 2006 (Victory in the Pacific Day)
- 11 November 2006 (Remembrance Day) from 12 noon onwards.

Liquor Amendment (Sunday Trading) Regulation (No 2) 2006

Government Gazette No. 116 of 15 September 2006

This Regulation amended the Liquor Regulation 1996 to prescribe Sunday 1 October 2006 – the day of the National Rugby League Grand Final – as a day when hotels are permitted to trade until midnight, but only when liquor is sold or supplied for consumption on the licensed premises.

Gaming Machines Amendment (Retail Shopping Centres) Regulation 2006

Government Gazette No. 189 of 22 December 2006

This Regulation amended the Gaming Machines Regulation 2006 to:

- provide that a retail shopping centre situated within the area of land bounded by Victoria Road, Darling Street, Waterloo Street and Moodie Street, Rozelle is not a retail shopping centre for the purposes of section 60 of the Act, if the criteria specified in the Amendment Regulation is met
- enable a registered club to extend its premises into an adjacent retail shopping centre that has less than 40 shops without the club losing its authorisation to keep gaming machines on its premises
- remove the provision that limited the types of machines and devices that the Liquor Administration Board may approve under the Gaming Machines Act 2001 as either approved amusement devices or approved poker machines.

Registered Clubs Amendment (Exceptions to 5-kilometre Rule) Regulation 2006

Government Gazette No. 189 of 22 December 2006

The Regulation provided a framework for registered clubs to apply for exceptions to the 5-kilometre rule. The 5-kilometre rule means that anyone residing within a 5 kilometre radius of a registered club must be a member in order to enter the club. Such people cannot be granted the temporary membership status available to people who live more than 5-kilometres from the club.

Appendix 6 Schedule of Legislative Amendments

However, there are circumstances where a person living within 5 kilometres of a registered club "as the crow flies", may in fact have to travel a considerable distance to get to the club. This is because geographical obstacles, such as large bodies of water, or other obstacles, mean that the only feasible route to the club is considerably longer than 5 kilometres.

One known example is a club situated on a river where people living on the opposite side of the river to the club must drive to the nearest bridge to reach the club, which involves an each-way trip of more than 80 kilometres.

It is considered reasonable that these people, who may only visit the club on rare occasions due to the distance involved, should be able to take advantage of temporary membership provisions. It will still be up to the club's governing body to decide if their club should seek any exception, and clubs will have to prove the case for the exception to the Director of Liquor and Gaming, and conditions may be attached to any exception granted.

Liquor Amendment (Sunday Trading) Regulation (No 3) 2006 Government Gazette No. 5 of 12 January 2007

This Regulation amended the Liquor Regulation 1996 to prescribe 21 January 2007, 28 January 2007, 4 February 2007 and 11 February 2007 as days when hotels are permitted to trade until midnight, but only when liquor is sold or supplied for consumption on the licensed premises.

Liquor Amendment (Sunday Trading) Regulation 2007 Government Gazette No. 36 of 2 March 2007

This Regulation amended the Liquor Regulation 1996 to prescribe Easter Sunday – 8 April 2007 – as a day when hotels are permitted to trade until midnight, but only when liquor is sold or supplied for consumption on the licensed premises.

Liquor Amendment (On-licence Exception) Regulation 2007 Government Gazette No. 36 of 2 March 2007

This Regulation excepted the business carried on under an on-licence relating to the premises used and operated by Morris Corporation Pty Ltd (being the mess facilities at the Bemax-Gingko Mine Site via Pooncarie) from the requirements of section 23(3A) of the Liquor Act 1982. As a result, the business carried on at the licensed premises may be limited to selling and supplying liquor only to the staff of the mine and to other persons permitted to use the mess facilities.

Liquor Amendment (Sunday Trading) Regulation (No 2) 2007 Government Gazette No. 76 of 8 June 2007

This Regulation amended the Liquor Regulation 1996 to prescribe Sunday 10 June 2007 (the eve of the Queen's birthday public holiday) as a day when hotels are permitted to trade until midnight, but only when liquor is sold or supplied for consumption on the licensed premises.

Appendix 7 Board Policy Determinations

1. Board Policy Determination 9/2005 Version 2 As Of 8 September 2006 Social Impact Assessments (Gaming) Clause 35 Gaming Machines Regulation - Board Specifications

Version 2

This updated version is issued to correct references to data sources, amend the reference to financial year for a club and clarify data sources for Regional areas.

In particular, the need for data for adjoining Local Government Areas (LGAs) has been amended.

Background

The Gaming Machines Amendment (Miscellaneous) Regulation 2005 amended the Gaming Machines Regulation 2002.

The Explanatory Note stated that one of the objects of the regulation is:

"(c) to require information about gaming machine density, and level of expenditure on gaming machines, to be included in a Class 2 SIA,"

Clause 35 of the Gaming Machines Regulation has now been amended to read as follows:

"35(3) A Class 2 Social Impact Assessment must also include the following:

.....

- (f) a statement, supported by data provided in the social impact assessment, indicating:
 - (i) the number of persons (aged 18 years or over) per gaming machine that would be available in the local community if the application were granted, and
 - (ii) the level of expenditure per person (aged 18 years or over) on gaming machines in the local community **over a period of time specified by the Board,**
- (g) if it is impracticable to provide the information referred to in paragraph (f) – a statement, supported by data provided in the social impact assessment, indicating:
 - (i) the number of persons (aged 18 years or over) per gaming machine that would be available, if the application were granted, in the local government area in which the venue is situated, and

Appendix 7 Board Policy Determinations

- (ii) the level of expenditure per person (aged 18 years or over) on gaming machines in the local government area in which the venue is situated **over a period of time specified by the Board,**

- (h) a comparison of the gaming machine density and level of gaming machine expenditure (as referred to in paragraph (f) or (g)) with other relevant areas, **as specified by the Board,** and with the State as a whole."

This Policy Determination sets out the Board's determination of the time period required to be specified by the Board in clauses 35(3)(f) (ii) and (g)(ii) and the relevant areas to be specified by the Board in clause 35(3)(h).

The new provisions contained in clause 35 commenced on 21 October 2005. The Board has delayed publishing this Policy whilst it waits updating of NSW Office of Liquor, Gaming and Racing data.

Policy Determination

For the purposes of clause 35(3)(f)(ii) of the Gaming Machines Regulation the period of time specified by the Board is 3 years.

For the purposes of clause 35(3)(g)(ii) of the Gaming Machines Regulation the period of time specified by the Board is 3 years, or if this data is available over a period of time that is longer than 3 years, those years for which the data is available.

The NSW Office of Liquor, Gaming and Racing presently has this data available for the years 1996/97, 2001/02 and 2002/03. This data should be obtained from the NSW Office of Liquor, Gaming and Racing, Communications Branch, Level 7, 323 Castlereagh Street, Sydney, by phone (02) 9995 0319 or via email michelle.stark@dgr.nsw.gov.au and should be incorporated in the SIA.

For an hotel a year is a financial year calculated from 1 July to 30 June.

For a club a year is a financial year calculated from 1 June to 31 May.

An applicant may put data in for additional years if so desired.

For the purposes of clause 35(3)(h) of the Gaming Machines Regulation the relevant areas are:

In the metropolitan area:

If the local community or broader local community is not represented by the Local Government Area (LGA) then the LGA in which the premises are situated, and each relevant adjoining LGA. The applicant should set out reasons why the LGA identified as the "relevant adjoining LGA" was selected.

If the local community or broader local community is represented by the LGA, then that LGA

In either of the above cases, comparison must also be made with the Sydney Statistical Division (SSD).

In country areas:

If the local community or broader local community is not represented by the Local Government Area (LGA) then the LGA in which the premises are situated, and each relevant adjoining

LGA. The applicant should set out reasons why the LGA identified as the "relevant adjoining LGA" was selected.

If the local community or broader local community is represented by the LGA, then that LGA.

In either of the above cases, comparison must also be made with the figures for Country NSW.

Figures for Country NSW can be obtained from the Office of Liquor, Gaming and Racing and will represent the figures for NSW excluding those for the Metropolitan area.

Section 4 of the Gaming Machines Act defines "metropolitan area" as:

"(a) any of the following areas as determined by the Office of Liquor, Gaming and Racing

- (i) the Sydney Statistical Division:
- (ii) the Statistical Local Areas of Newcastle (Statistical Local Areas 5901 and 5902),
- (iii) The Statistical Local Area of the Lake Macquarie (Statistical Local Area 4650),
- (iv) The Statistical Local Area of Wollongong (Statistical Local Area 8450), or

(b) if a regulation is made for the purposes of this definition, any area described in the regulation as a metropolitan area."

There has been no such prescription in the Gaming Machines Regulation.

The Board adopts the Gaming Machines Act's definition of "metropolitan area" for the purpose of this Policy Determination.

A country area is therefore any other part of NSW.

Applicants are reminded that Clause 35(3)h mandates comparison with "the State as a whole" in addition to the "other relevant areas".

D A Kok
A/Chairperson
8 September 2006

Appendix 8 Code of Conduct and Ethics for Members

CONTENTS

Unless the context otherwise requires, "Members" refers to Members of the Liquor Administration Board ("the Board") and includes the Chairperson of the Board.

PRINCIPLES

1. Members should observe the strictest practices of honesty and integrity, and avoid conduct which would suggest any departure from those standards.
2. Members should act at all times with impartiality and with due regard for the promotion of public confidence and trust and should treat all persons with whom they deal, whether in formal Board hearings or elsewhere, with courtesy and fairness.
3. Members should deal with matters formally before them with equity and good conscience, and in accordance with the principles of natural justice and the appropriate law.
4. Members should conscientiously endeavour to perform their duties with expedition, effectiveness and efficiency.
5. Members should always exercise their best possible professional judgment.
6. Members should seek to develop and maintain the optimum possible professional knowledge in law and the liquor and gaming industries as may reasonably be necessary to enable them to carry out their official duties and responsibilities.
7. Standards of personal presentation of Members should accord with recognised professional standards.
8. Members accept the principles contained in the Independent Commission Against Corruption Act 1988, and the duties embodied in that Act for members to avoid corrupt conduct.
9. Members are under a duty to report to the Chairperson, or, where appropriate, the Independent Commission Against Corruption or the Judicial Commission any matter that any Member suspects on reasonable grounds concerns or may concern corrupt conduct. This may include a duty to bring to notice corrupt conduct on the part of another Member, or an Officer of the Board or of the NSW Office of Liquor, Gaming and Racing.
10. Members should not discriminate against, nor otherwise prejudice any Member who in good faith reports any conduct which the Member considers on reasonable grounds to be corrupt conduct. The Member shall be informed by the Chairperson of the result of any investigation undertaken into the Member's report, where the result is made known to the Chairperson.
11. Members should actively resist any discrimination or prejudice being practised against any Member who in good faith and on reasonable grounds has reported any corrupt conduct, and shall together defend the Member against any discrimination or prejudice.
12. Members should commit their time and energy to their duties as allocated to them by the Chairperson and otherwise, and should not accept any position or undertake any activity for private profit that could in any possible way interfere, or be seen to interfere with the Member's official responsibilities.

Subject to this Clause, Members should devote the whole of their time to the responsibilities of their respective offices as Members and as Magistrates, and shall not, without the approval of the Governor, engage in any business or employment outside the duties of their office.
13. Members should refrain from any course of conduct likely to cause offence or embarrassment, or likely to bring the Board into disrepute. A Member shall not be a member of any political party, nor publicly support any political party whilst holding office as a Member.
14. Except in the course of duty, a Member should not associate or have contact with a person or persons who are known to the Member to be not of good repute.
15. Members should use tact and discretion when forming associations with the legal profession, police, and personnel of the liquor and/or gaming industries.
16. It would be regarded as normally prudent conduct, when a Member is associating with or having contact with the public, the legal profession, police, or members of the liquor or gaming industry in the course of duty, not to do so without other persons present. It would also be regarded as normal conduct for the Member to make, to or cause to be made by a Board Officer some record of any contact of significance, and of any undertaking or decision made by the Member.
17. Members should not disclose to any person information gained in their official capacity which may give that person, or any other person to whom the information is passed, a direct or indirect advantage of any nature by receipt of that information.
18. Members should not misuse or take advantage of any information gained in their official capacity to obtain any advantage, financial or otherwise, direct or indirect, or permit any other person to take such an advantage.
19. Members should take care to maintain the integrity and security of official documents for information for which they are responsible.
20. Members should not have any interest, financial or otherwise, direct or indirect, in any partnership, business, corporation or other undertaking involved, directly or indirectly, in liquor or gaming industries in Australia.
21. Where any partnership, business, corporation or other undertaking in which a Member has an interest, takes any interest, directly or indirectly, financial or otherwise, in the liquor or gaming industries in Australia, the Member should immediately notify such interest to the Chairperson and to the other Board Members at the next formal Board meeting, and should, subject to the clause, take immediate action to dispose

of such interest. Where, upon disclosure, the Board is of the view that the interest held by the member in a public company is of such insignificance, or that the interest in the industries owned by the public company is of such insignificance that the disposal of the interest by the member is not warranted, it may so resolve at a formal meeting of the Board, which resolution shall be properly recorded. Where such a resolution is not made, the Member should report again to the Board when the interest is disposed of.

This Clause does not apply to personal accounts held by members in banks or other public financial institutions.

22. A member should not deal with any matter before the Board in which the Member, or the Member's personal friends or relatives, have a financial interest.
23. A member should not deal with any matter before the Board involving any club of which the Member is a member.
24. Where any Member declines to deal with a matter before the Board on grounds provided for in Clauses 22 and 23, the Member should notify such decision to the Chairperson who shall keep a record of such notification in the book to be kept for that purpose.
25. Members should not indicate to the public or to any sector of the public a preference or promotion of one particular person, solicitor, barrister, consultant, expert, firm, corporation, brand or product within the liquor and gaming industries over other competing persons, firms, corporations, brands or products.

26. Members should not directly or indirectly demand or receive from any person or organisation any present, gratuity, or remuneration of any kind, in respect of services performed, or to be performed, in connection with the Member's official duties and responsibilities.

It is recognised that Members will from time to time be offered hospitality from private persons and corporations having an interest in the liquor or gaming industries. As a general principle Members should avoid accepting hospitality from such individuals or corporations (as opposed to representative industry organisations). In addition, Members should ensure that hospitality received from representative industry organisations is in the normal course accepted at formal functions or in the context of official duties (e.g. delivering speeches or lectures) performed by the Member.

27. This Code encompasses principles dealing with those matters with which Members are more likely to come into contact. They are not exclusive. Members are expected not to take profit from their post other than in the form of the remuneration received as Magistrates, and to act at all times morally and ethically in the performance of those duties.

D B Armati
Chairperson
13 April 2007

Appendix 9 Fact Sheets and Practice Directions

The following Practice Directions issued by the Licensing Court of NSW, and Fact Sheets published by the Office of Liquor, Gaming and Racing, are available from the Sydney registry - phone (02) 9995 0816 or (02) 9995 0767, or from the Publications Page of the Office's Website - www.olgr.nsw.gov.au.

Fact Sheets

- Liquor Licences in New South Wales
- Hotels - Minors Functions Authority
- Certificate of Registration
- Signs in Registered Clubs
- Section 22A Approval for Junior Members - Registered Clubs
- Functions Authority - Registered Clubs
- Applying for a New Liquor Licence
- Transfer of Licence
- Advertising Applications
- Objections to Applications
- Board Applications
- Signs in Licensed Premises
- Complaints – Quiet and Good Order of the Neighbourhood of Licensed Premises and Registered Clubs
- Permanent Function Licence
- Temporary Function Licence
- Community Liquor Licences
- Special Event Licences
- Governor's Licences

Practice Directions

- 5/05 Licence Conditions on Seating in Restaurants.
- 4/05 Procedure on undefended Applications for Grant, Conditional Grant, Removal, Conditional Removal and Variation of Licences under Liquor Act 1982 and Applications under Registered Clubs Act 1976
- 3/05 Revocation of Practice Direction 4/95; Caterer's Licence – Different Licensed Premises
- 2/05 Court and Board Approved Plans; Revocation of Practice Direction 2/96 - Court Approved Plans
- 1/05 Foreign Interests – Certificate of Clearance; Revocation of Practice Direction 2A/92 – Foreign Interests – Certificate of Clearance
- 9/03 Mandatory Responsible Service of Alcohol Training
- 1/03 Responsible Gambling Under the Gaming Machines Act

- 1/02 New Procedures for Allocating Full Bench Hearing Dates and Revocation of Practice Direction 3/92 and Variation of Practice Direction 1/01
- 1/01 Evidence in the Licensing Court of New South Wales
- 2/00 Social Impact Assessment (Issue No. 2)
- 2/98 Application for the Grant of a Dine-or-Drink Authority
- 1/98 Changes in Listing Procedures - Sydney Registry
- 3/97 Nightclub Licences
- 2/97 Applications for Grant or Removal of Off-Licences (Retail) or Hotels
- 1/97 Harm Minimisation & Responsible Service of Alcohol
- 3/96 Evidence Act 1995 - Notice Provision
- 2/96 Court Approved Plans
- 1/96 Revision of Forms
- 3/95 Special Occasions for Hotels, Restaurants and Functions in Registered Clubs
- 2/95 Absences from Hotels
- 1/95 Responsible Service of Alcohol – Courses of Instruction
- 2/94 Applications for Variation of Trading Hours (Section 25(2) Liquor Act)
- 1/94 Particulars when it is argued that the Court has no jurisdiction
- 1/93 Extensions of Time (superceded by section 61(4) Liquor Act 1982)
- 4/92 Exemptions from Courses of Instruction
- 2A/92 Foreign Interests - Certificate of Clearance - Amended Directions

Miscellaneous Court Directions

- Time Standards - issued 19/11/04
- Revocation of Practice Direction 4/95 Caterer's Licence – Different Licensed Premises - issued 4/4/05

Board Information Sheets

- 1/06 Gaming Class 2 Social Impact Assessments (SIA) - Application Process and Timeframes

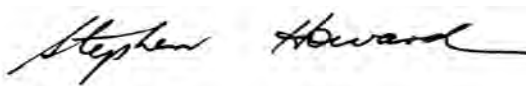
Financial Report

For the year ended 30 June 2007

CERTIFICATE OF ACCOUNTS

Pursuant to Section 45F(1B) of the Public Finance and Audit Act 1983, I declare on behalf of the Liquor Administration Board that:

- (i) the financial report of the Liquor Administration Board for the year ended 30 June 2007 has been prepared in accordance with applicable Australian Accounting Standards (which includes Australian equivalents to International Financial Reporting Standards (AIFRS)), other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the Interpretations, the requirements of the Public Finance and Audit Act 1983 and the Public Finance and Audit Regulation 2005, the Financial Reporting Code for Budget Dependent General Government Sector Agencies and Treasurer's Directions.
- (ii) the financial report exhibits a true and fair view of the financial position of the Liquor Administration Board as at 30 June 2007 and the operations for the year ended.
- (iii) there are no circumstances which would render any particulars in the financial report to be misleading or inaccurate.



S J Howard

Secretary

Date: 4 / 10 / 2007



GPO BOX 12
Sydney NSW 2001

INDEPENDENT AUDITOR'S REPORT

LIQUOR ADMINISTRATION BOARD

To Members of the New South Wales Parliament

I have audited the accompanying financial report of Liquor Administration Board (the Board), which comprises the balance sheet as at 30 June 2007, and the operating statement, statement of recognised income and expenses 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 *Liquor Administration Board* 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.

Secretary's Responsibility for the Financial Report

The Secretary 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 Secretary, 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 Board,
- that they have carried out their activities effectively, efficiently and economically, or
- about the effectiveness of their 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.

A Oyetunji
Director, Financial Audit Services

11 October 2007
SYDNEY

LIQUOR ADMINISTRATION BOARD

Operating Statement for the Year Ended 30 June 2007

	Notes	Actual 2007 \$'000	Budget 2007 \$'000	Actual 2006 \$'000
Expenses excluding losses				
Operating Expenses				
Employee related	2(a)	7,065	6,556	6,575
Other operating expenses	2(b)	2,633	1,654	2,618
Grants and subsidies	2(c)	1,075	1,300	1,341
Total Expenses excluding losses		10,773	9,510	10,534
Less:				
Revenue				
Sale of goods and services	3(a)	1,164	1,236	1,247
Other revenue	3(b)	9,609	8,274	9,287
Total Revenue		10,773	9,510	10,534
Net Cost of Services		-	-	-
SURPLUS / (DEFICIT) FOR THE YEAR		-	-	-

The accompanying notes form part of these financial statements.

LIQUOR ADMINISTRATION BOARD

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

	Notes	Actual 2007 \$'000	Budget 2007 \$'000	Actual 2006 \$'000
TOTAL INCOME AND EXPENSE RECOGNISED DIRECTLY IN EQUITY				
		-	-	-
Surplus / (Deficit) for the year		-	-	-
TOTAL INCOME AND EXPENSE RECOGNISED FOR THE YEAR				
		-	-	-

The accompanying notes form part of these financial statements.

LIQUOR ADMINISTRATION BOARD

Balance Sheet as at 30 June 2007

	Notes	Actual 2007 \$'000	Budget 2007 \$'000	Actual 2006 \$'000
TOTAL ASSETS		-	-	-
TOTAL LIABILITIES		-	-	-
NET ASSETS		-	-	-
EQUITY				
Accumulated funds		-	-	-
TOTAL EQUITY		-	-	-

The accompanying notes form part of these financial statements.

LIQUOR ADMINISTRATION BOARD

Cash Flow Statement for the Year Ended 30 June 2007

	Notes	Actual 2007 \$'000	Budget 2007 \$'000	Actual 2006 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES		-	-	-
NET CASH FLOWS FROM OPERATING ACTIVITIES		-	-	-
CASH FLOWS FROM INVESTING ACTIVITIES		-	-	-
NET CASH FLOWS FROM INVESTING ACTIVITIES		-	-	-
CASH FLOWS FROM FINANCING ACTIVITIES		-	-	-
NET CASH FLOWS FROM FINANCING 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.

LIQUOR ADMINISTRATION BOARD

Program Statement - Expenses and Revenues for the Year Ended 30 June 2007

AGENCY'S EXPENSES AND REVENUES	Program 1 *		Total	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Expenses excluding losses				
Operating expenses				
Employee related	7,065	6,575	7,065	6,575
Other operating expenses	2,633	2,618	2,633	2,618
Grants and subsidies	1,075	1,341	1,075	1,341
Total Expenses excluding losses	10,773	10,534	10,773	10,534
Revenue				
Sale of goods and services	1,164	1,247	1,164	1,247
Other revenue	9,609	9,287	9,609	9,287
Total Revenue	10,773	10,534	10,773	10,534
Net Cost of Services	-	-	-	-
NET EXPENDITURE/(REVENUE) FOR THE YEAR	-	-	-	-
ADMINISTERED EXPENSES AND REVENUES				
Administered Expenses				
Other	2,713	3,086	2,713	3,086
Total Administered Expenses	2,713	3,086	2,713	3,086
Administered Revenues				
Consolidated Fund				
Taxes, fees and fines	2,553	2,314	2,553	2,314
Total Administered Revenues	2,553	2,314	2,553	2,314
Administered Revenues less Expenses	(160)	(772)	(160)	(772)

- * The name and purpose of the program is summarised in note 4.
- The expenses of the Liquor Administration Board are recognised as part of the expenditure in programs set out above in the general purpose financial report of the Department of the Arts, Sport and Recreation (see note 2).

LIQUOR ADMINISTRATION BOARD

Summary of Compliance with Financial Directives for the year ended 30 June 2007

	2007					2006		
	Recurrent Appropriation '000	Expenditure/ Net Claim on Consolidated Fund \$'000	Capital Appropriation \$'000	Expenditure/ Net Claim on Consolidated Fund \$'000	Recurrent Appropriation \$'000	Expenditure \$'000	Capital Appropriation \$'000	Expenditure \$'000
ORIGINAL BUDGET								
APPROPRIATION /EXPENDITURE								
Appropriation Act	---	---	---	---	---	---	---	---
Additional Appropriations	---	---	---	---	---	---	---	---
s21A PF&AA - special appropriation	---	---	---	---	---	---	---	---
s24 PF&AA - transfer of functions between departments	---	---	---	---	---	---	---	---
s26 PF&AA - Commonwealth specific purpose payments	---	---	---	---	---	---	---	---
	---	---	---	---	---	---	---	---
OTHER								
APPROPRIATIONS/EXPENDITURES								
Treasurer's Advance	---	---	---	---	---	---	---	---
Section 22 - expenditure for certain works and services								
Transfers to / from another agency (s28 of the Appropriation Act)								
	---	---	---	---	---	---	---	---
Total Appropriations/Expenditure/ Net Claim on Consolidated Fund	---	---	---	---	---	---	---	---
Amount drawn down against Appropriation								
Liability to Consolidated Fund								

– The Board does not directly receive any appropriation from the Consolidated Fund. Annual appropriations to the programs of the Department of the Arts, Sport and Recreation from the Consolidated Fund meet all costs of the Board.

LIQUOR ADMINISTRATION BOARD

Notes to and forming part of the financial statements for the year ended 30 June 2007

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Reporting Entity

The Liquor Administration Board (the Board) is constituted by Section 72 of the Liquor Act 1982 and consists of ex-officio officers, being Licensing Magistrates holding office under Section 8 of the Act.

The principal legislation administered by the Board is the Liquor Act 1982, Registered Clubs Act 1976, and Gaming Machines Act 2001 and the Regulations appurtenant thereto.

The Board retains responsibility for the collection of liquor application fees. However, in the main club and hotel gaming device duties have been collected by the Office of State Revenue from 1 March 2002 for clubs and from 1 April 2002 for hotels. Collections within these categories appearing in the annual accounts for the year ended 30 June 2007 relate to matters being dealt with by the Department of the Arts, Sport and Recreation (the Department) prior to the transfer of these functions.

The Board is a reporting entity with no entities under its control. This financial report for the year ended 30 June 2007 has been authorised for issue by the Secretary on 4 October 2007.

(b) Basis of Preparation

The Board'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 (AIFRS));
- the requirements of the Public Finance and Audit Act and Regulation; and
- the Financial Reporting Directions published in the Financial Reporting Code for Budget Dependent General Government Sector Agencies or issued by the Treasurer.

The financial report items are prepared in accordance with the historical cost convention.

Judgements, key assumptions and estimations management has made 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) Statement of Compliance

The financial statement and notes comply with Australian Accounting Standards, which include AIFRS.

(d) Administered Activities

All costs of the Board are met by the Department from annual appropriations to the Department from the Consolidated Fund. Details of the expenses incurred during 2006-07 by the Department on behalf of the Board, to enable the Board to undertake its operations for the year, are recognised in this financial report. The Board is not consulted in respect of this expenditure and makes no decisions on expenditure. Officers of the Department notionally allocate expenses of the Department to the Board. The basis of allocation is consistent with prior years.

The Board does not have under its control, the care or management of any assets. The Board does not in its own right incur financial liabilities. The Department has control of assets used by the Board and meets any operating obligations.

(e) Employee Benefits and Other Provisions

Employee benefits and other provisions are disclosed in the Department's financial report.

(f) Insurance

The Board has no assets that require insurance cover. The insurance cover of any assets used by the Board is the responsibility of the Department.

(g) Accounting for the Goods and Services Tax (GST)

Revenues and expenses are recognised net of the amount of GST, except where the amount of GST incurred by the Board 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.

(h) Administrative Charge for Assets Usage

The Board does not control assets in its own right. However, some assets of the Department are set aside for use by the Board. The administrative charge recognises the use of these assets by the Board.

(i) 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) Sale of Goods

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

(ii) Rendering of Services

LIQUOR ADMINISTRATION BOARD

Notes to and forming part of the financial statements for the year ended 30 June 2007

Revenue is recognised when the service is provided or by reference to the stage of completion (based on labour hours incurred to date).

s 21A, s 24 and/or s 26 of the Public Finance and Audit Act 1983.

The budgeted amounts in the Operating Statement are based on the amounts disclosed in the NSW Budget Papers (as adjusted above).

(j) 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,

	2007 \$'000	2006 \$'000
2 EXPENSES		
(a) Employee related expenses		
Salaries and wages (including recreation leave)	5,787	5,579
Superannuation – defined benefit plans	286	280
Superannuation – defined contribution plans	293	283
Long service leave	267	88
Workers compensation insurance	26	27
Payroll tax and fringe benefit tax	406	318
	7,065	6,575
(b) Other operating expenses include the following:		
Auditor's remuneration - audit of financial report	10	10
Electricity, postal and telephone	175	192
Fees for services rendered	218	368
Motor vehicle, travelling and insurance	253	251
Other	87	165
Printing and minor stores	152	184
Maintenance	187	150
Rental expenses relating to operating leases	689	679
Administrative charge for assets usage	862	619
	2,633	2,618

(c) Grants and Subsidies

An amount of \$1,300,000 was included in the 2006-07 Budget as a payment to clubs to assist them with the introduction of the Centralised Monitoring System (CMS). To 30 June 2007, \$1,075,478 was paid to assist with the introduction of CMS.

LIQUOR ADMINISTRATION BOARD

Notes to and forming part of the financial statements for the year ended 30 June 2007

3 REVENUE

(a) Sale of goods and services

The sale of goods and services collected during 2006-07 that related to the Board's operations and collected by the Department were:

	2007 \$'000	2006 \$'000
Approved devices evaluation fees	1,097	1,037
Miscellaneous	67	210
	1,164	1,247

(b) Other revenue

Administered Activities

Services provided at no charge by the
Department of the Arts, Sport and Recreation

	9,609	9,287
	9,609	9,287

4 PROGRAMS/ACTIVITIES OF THE BOARD

The Department from annual appropriations to the Department from the Consolidated Fund, meets all costs of the Board. The Board is not consulted in respect of this expenditure and makes no decisions therefore on expenditure. Officers of the Department notionally allocate expenses of the Department to the Board.

The name and the objectives of the programs relating to the activities of the Board are as follows:

Office of Liquor, Gaming and Racing

Objectives: Regulation and balanced development, in the community interest, of the gaming, racing, liquor and charity industries in New South Wales.

5 BUDGET REVIEW

The budget amounts for the 2006-07 were formulated on the basis of previous year's actuals and take into account known facts at the time of the Budget compilation. These include likely increases in staff salary rates, rates of allowance granted and cost of living increases. The Board does not participate in budget considerations.

The total notional expenses exceeded expectations mainly due to the budget for administrative charge for assets usage not forming part of the notional budget of the Board.

Sale of goods and services revenue is lower than the budget by \$72,000.

LIQUOR ADMINISTRATION BOARD

Notes to and forming part of the financial statements for the year ended 30 June 2007

6 ADMINISTERED REVENUE

Revenue collected by the Department on behalf of the Board for the State, for the year ended 30 June 2006, is as follows:

	Actual 2007 \$'000	Budget 2007 \$'000	Actual 2006 \$'000
Liquor application/grant fees	1,841	2,100	1,579
Club gaming machine tax *	-	-	17
Gaming machine licence fees	710	-	690
Hotel gaming machine tax	2	-	28
	2,553	2,100	2,314

* Club and Hotel gaming machine tax collected by Office of State Revenue from 1 March 2002 (for clubs) and 1 April 2003 (for hotels).

7 ADMINISTERED REVENUE-DEBTS WRITTEN OFF

	2006 \$'000	2005 \$'000
Club gaming machine tax	-	-
Hotel gaming machine tax	-	263
	-	263

Debts written off represent primary tax and the related fines and penalties regarded as irrecoverable in accordance with Treasurer's Direction 450.05.

8 ADMINISTERED REVENUE-SCHEDULE OF UNCOLLECTED AMOUNTS

	Less than 30 days \$'000	30-90 days \$'000	Greater than 90 days \$'000	Total 2007 \$'000	Total 2006 \$'000
Liquor application/grant fees	-	71	433	504	909
Hotel gaming machine tax	-	-	195	195	202
Club gaming machine tax	-	-	1	1	-
	-	71	629	700	1,111

The above amounts are not included in the Administered Revenue disclosed in Note 6.

LIQUOR ADMINISTRATION BOARD

Notes to and forming part of the financial statements for the year ended 30 June 2007

9 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There are no contingent liabilities or contingent assets at 30 June 2007 (2006:NIL)

10 AFTER BALANCE DATE EVENTS

There have not been any material after balance date events.

END OF AUDITED FINANCIAL REPORT

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