

# MINISTER FOR GAMING AND RACING

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## OVERVIEW

<i>Agency</i>	<i>Budget 1998-99 \$m</i>	<i>Budget 1999-2000 \$m</i>	<i>Variation</i>	
				<i>%</i>
<b>Department of Gaming and Racing</b>				
Total Expenses .....	38.0	37.2	(-)	2.2
Asset Acquisitions .....	4.0	0.4	(-)	91.9
<b>Casino Control Authority</b>				
Total Expenses .....	3.4	3.5		2.9
Asset Acquisitions .....	0.1	0.1		20.0
<b>Greyhound Racing Authority</b>				
Total Expenses .....	2.6	2.6		...
Asset Acquisitions .....	...	...		...
<b>Harness Racing New South Wales</b>				
Total Expenses .....	5.2	4.5	(-)	13.4
Asset Acquisitions .....	1.8	1.0	(-)	44.4
<b>Total, Minister for Gaming and Racing</b>				
Total Expenses .....	<b>49.2</b>	<b>47.8</b>	(-)	<b>2.8</b>
Asset Acquisitions .....	<b>5.9</b>	<b>1.5</b>	(-)	<b>74.6</b>

## DEPARTMENT OF GAMING AND RACING

The responsibilities of the Department of Gaming and Racing involve ensuring the proper conduct and balanced development of the liquor, gaming, racing and charity industries.

### Expenditure Trends and Recent Developments

Expenditure in 1999-2000 is expected to decrease slightly in comparison to 1998-99, reflecting savings achieved by the Department. A major capital work was completed by the Department in 1998-99 involving the upgrade of the Department's current accommodation.

During the period 1994-95 to 1998-99 there has been a significant increase in gaming revenue collected by the Department.

The Department anticipates that gambling duty collected in the immediate years will now stabilise at current rates with only moderate growth in the future.

Racing revenue has shown decline, largely as a result of the decrease in the Government's share of "off-course" betting venues following privatisation of the TAB and a continuing decline in bookmaker turnover.

The Racecourse Development Fund and the Racing Assistance Fund were wound up in June 1998 under the provisions of the Totalizator Act 1997. All existing assets and liabilities were transferred to the TAB or other bodies as the Minister directed.

## **Strategic Directions**

The Department continues to focus on the reform of NSW gaming, racing, liquor, and charities industries. Specific initiatives that will occur over the medium term include the:

- ◆ finalisation of legislation, and controls and administrative arrangements for the Central Monitoring System and Statewide Links following privatisation of the TAB. The Department will use the system to monitor machine gaming in New South Wales and the TAB's operation of the system;
- ◆ the review of liquor and gaming legislation in accordance with National Competition Policy requirements; and
- ◆ the ongoing development and implementation of measures to minimise harm through gambling.

In November 1998 the Independent Pricing and Regulatory Tribunal completed its inquiry into the appropriate regulatory structure for gaming and recommended a number of reforms to foster responsible gaming practices. The Department will implement reforms determined by the Government in response to the Tribunal's recommendations.

## **1999-2000 Budget**

### ***Total Expenses***

Total expenses for the Department of Gaming and Racing in 1999-2000 are estimated at \$37.2 million.

Major features of the Department's expenditure include:

- ◆ an increase in expenditure by the Casino Community Benefit Fund from \$6.6 million in 1998-99 to \$11.3 million. These funds will be used for problem gambling related research, education, treatment and rehabilitation services and other community benefit projects;

- ◆ developing a framework for the balanced development of the liquor, gaming and charity industries, taking into account the social impacts of legislative and policy measures (\$5.7 million);
- ◆ the adoption of a more risk-managed approach to supervision and inspections of Star City casino operations and the conduct of gaming (\$2.9 million);
- ◆ enhancing the integrity of the machine gaming, wagering, liquor and charities industries by setting standards and undertaking compliance activities (\$15 million); and
- ◆ providing a continuing revenue base to government through the assessment and collection of machine gaming duty (\$2.2 million).

### **Asset Acquisitions**

The Department's acquisition program of \$353,000 for 1999-2000 will provide for implementation of Internet/Intranet-based communications and purchase of minor plant and equipment.

## **CASINO CONTROL AUTHORITY**

### **Expenditure Trends and Recent Developments**

Total expenses over the last four years have reflected the work required to finalise the grant of the casino licence, establishment of the temporary casino and fund a Supreme Court action initiated against the Authority by Darling Casino Limited.

Total expenses in 1997-98 were relatively higher due to the development and opening of the permanent casino, the conduct of the statutory investigation of the casino operator (Section 31 Investigation) and the independent statutory inquiry into the proposed merger between Showboat Inc and Harrah's Entertainment Inc. Most of these project expenses were recoverable from the relevant users as well as the litigation costs from Darling Casino Limited subsequent to the High Court's decision on 3 April 1997.

### **Strategic Directions**

Since the opening of the permanent casino on 26 November 1997, the Authority has moved into significantly different management and strategy review processes which will be designed to address issues pertinent to the operation of the permanent casino.

### **1999-2000 Budget**

The Casino Control Authority has estimated total expenses of \$3.5 million. Total current expenses will be slightly higher in 1999-2000 compared with the previous year due to expenditure incurred on the Leighton Probity Inquiry, the TABCORP Investigation and the Section 31 investigation. Expenditure incurred on the Leighton Inquiry and the TABCORP Investigation will be fully recoverable.

The capital allocation of \$60,000 will be for the replacement of fully depreciated and/or obsolete computer software, computer equipment and office equipment.

## **GREYHOUND RACING AUTHORITY**

The Greyhound Racing Authority, constituted under the provisions of the *Greyhound Racing Authority Act 1985*, is responsible for the control and regulation of greyhound racing in New South Wales.

Following the privatisation of the Totalizator Agency Board (TAB), the Government restructured the Authority to give greyhound racing clubs and the industry direct representation on the Board with a separation of powers between the controlling and regulatory function and the commercial functions.

The Greyhound Racing Authority continues to develop a viable industry for the benefit of all participants involved in greyhound racing. A strategic plan for the industry was launched in August 1998 and included the investigation of a central grading system whereby greyhound nominations would be sent to the Authority.

## **HARNESS RACING NEW SOUTH WALES**

Harness Racing New South Wales (HRNSW) is the controlling body for harness racing in New South Wales. It derives revenue from fees and charges levied on clubs and participants for registration and services rendered. In addition it receives an allocation from payments made to the harness racing industry by TAB Limited.

As a consequence of the privatisation of the TAB, the HRNSW is responsible for the receipt and disbursement of funds, derived from the TAB distribution agreement, to the harness racing clubs. The HRNSW in union with industry participants has more direct control over industry funds. This includes capital funding, following the transfer in July 1998 of activities from the former Racecourse Development Committee.

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	1998-99		1999-2000
	Budget	Revised	Budget
	\$000	\$000	\$000
<b>OPERATING STATEMENT</b>			
<b>Expenses -</b>			
Operating expenses -			
Employee related	20,676	20,892	<b>17,367</b>
Other operating expenses	5,957	6,079	<b>5,934</b>
Maintenance	393	530	<b>710</b>
Depreciation and amortisation	1,010	1,381	<b>1,880</b>
Grants and subsidies	...	295	...
Other expenses	10,005	6,605	<b>11,305</b>
<b>Total Expenses</b>	<b>38,041</b>	<b>35,782</b>	<b>37,196</b>
Less:			
<b>Retained Revenue -</b>			
Sales of goods and services	905	960	<b>622</b>
Investment income	521	589	<b>556</b>
Grants and contributions	80	80	<b>80</b>
Other revenue	24	1,128	<b>1,524</b>
<b>Total Retained Revenue</b>	<b>1,530</b>	<b>2,757</b>	<b>2,782</b>
<b>NET COST OF SERVICES</b>	<b>36,511</b>	<b>33,025</b>	<b>34,414</b>

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	1998-99		1999-2000
	Budget \$000	Revised \$000	Budget \$000
<b>CASH FLOW STATEMENT</b>			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Payments</b>			
Employee Related	18,391	18,563	16,006
Grants and subsidies	...	295	...
Other	16,362	13,545	18,071
<b>Total Payments</b>	<b>34,753</b>	<b>32,403</b>	<b>34,077</b>
<b>Receipts</b>			
Sale of goods and services	905	960	624
Other	645	1,724	2,211
<b>Total Receipts</b>	<b>1,550</b>	<b>2,684</b>	<b>2,835</b>
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>(33,203)</b>	<b>(29,719)</b>	<b>(31,242)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchases of property, plant and equipment	(3,999)	(4,349)	(353)
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>(3,999)</b>	<b>(4,349)</b>	<b>(353)</b>
<b>CASH FLOWS FROM GOVERNMENT</b>			
Recurrent appropriation	33,298	33,437	30,674
Capital appropriation	3,999	4,349	353
Cash reimbursements from the Consolidated Fund Entity	462	541	440
<b>NET CASH FLOWS FROM GOVERNMENT</b>	<b>37,759</b>	<b>38,327</b>	<b>31,467</b>
<b>NET INCREASE/(DECREASE) IN CASH</b>	<b>557</b>	<b>4,259</b>	<b>(128)</b>
Opening Cash and Cash Equivalents	12,865	14,366	18,625
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	<b>13,422</b>	<b>18,625</b>	<b>18,497</b>
<b>CASH FLOW RECONCILIATION</b>			
Net cost of services	(36,511)	(33,025)	(34,414)
Non cash items added back	2,877	3,087	3,454
Change in operating assets and liabilities	431	219	(282)
<b>Net cash flow from operating activities</b>	<b>(33,203)</b>	<b>(29,719)</b>	<b>(31,242)</b>

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	1998-99		1999-2000 Budget \$000
	Budget \$000	Revised \$000	
<b>STATEMENT OF FINANCIAL POSITION</b>			
<b>ASSETS -</b>			
<b>Current Assets -</b>			
Cash	13,422	18,625	<b>18,497</b>
Receivables	237	458	<b>405</b>
Other	52	69	<b>69</b>
<b>Total Current Assets</b>	<b>13,711</b>	<b>19,152</b>	<b>18,971</b>
<b>Non Current Assets -</b>			
Property, plant and equipment - Cost/valuation	10,618	10,547	<b>10,900</b>
Accumulated depreciation	(4,143)	(4,658)	<b>(6,538)</b>
<b>Total Non Current Assets</b>	<b>6,475</b>	<b>5,889</b>	<b>4,362</b>
<b>Total Assets</b>	<b>20,186</b>	<b>25,041</b>	<b>23,333</b>
<b>LIABILITIES -</b>			
<b>Current Liabilities -</b>			
Accounts payable	911	1,097	<b>966</b>
Employee entitlements	1,987	2,004	<b>1,800</b>
<b>Total Current Liabilities</b>	<b>2,898</b>	<b>3,101</b>	<b>2,766</b>
<b>Total Liabilities</b>	<b>2,898</b>	<b>3,101</b>	<b>2,766</b>
<b>NET ASSETS</b>	<b>17,288</b>	<b>21,940</b>	<b>20,567</b>
<b>EQUITY</b>			
Accumulated funds	17,288	21,940	<b>20,567</b>
<b>TOTAL EQUITY</b>	<b>17,288</b>	<b>21,940</b>	<b>20,567</b>

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**46.1 Policy and Development**

**46.1.1 Policy and Development**

Program Objective(s): To ensure the proper conduct and balanced development of the liquor, gaming and charity industries and to assist in the development of those industries.

Program Description: Reviewing, developing and implementing legislative and administrative policies for the liquor, gaming and charity industries by monitoring performance, evaluating existing policies and regularly liaising with interest groups. Provision of funds, derived from casino revenue, to be administered by the Community Benefit Fund.

	Units	1996-97	1997-98	1998-99	<b>1999-2000</b>
<u>Outputs:</u>					
Industry bulletins issued	no.	11	12	7	<b>6</b>
Workshops conducted	no.	...	35	25	<b>20</b>
Premises represented at workshops	no.	...	400	500	<b>500</b>
Enquiries received	no.	9,092	12,000	16,800	<b>16,000</b>
New licensee kits issued	no.	2,268	1,000	1,000	<b>1,000</b>
Proof of age cards issued	no.	25,000	37,000	37,000	<b>39,000</b>
<u>Average Staffing:</u>	EFT	43	37	36	<b>36</b>

1998-99		<b>1999-2000</b>
Budget	Revised	<b>Budget</b>
\$000	\$000	<b>\$000</b>

**OPERATING STATEMENT**

**Expenses -**

Operating expenses -			
Employee related	2,658	2,867	<b>2,717</b>
Other operating expenses	1,540	2,297	<b>2,691</b>
Maintenance	46	259	<b>100</b>
Depreciation and amortisation	135	241	<b>303</b>
Other expenses			
Community Benefit Fund	10,000	6,600	<b>11,300</b>
<b>Total Expenses</b>	<b>14,379</b>	<b>12,264</b>	<b>17,111</b>

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**46.1 Policy and Development**

**46.1.1 Policy and Development (cont)**

**OPERATING STATEMENT (cont)**

Less:

**Retained Revenue -**

Sales of goods and services	327	472	<b>475</b>
Investment income	484	543	<b>511</b>
Grants and contributions	80	80	<b>80</b>
Other revenue	2	647	<b>1,063</b>

<b>Total Retained Revenue</b>	<b>893</b>	<b>1,742</b>	<b>2,129</b>
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<b>NET COST OF SERVICES</b>	<b>13,486</b>	<b>10,522</b>	<b>14,982</b>
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<b>ASSET ACQUISITIONS</b>	<b>373</b>	<b>587</b>	<b>42</b>
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**46.2 Compliance**

**46.2.1 Liquor and Machine Gaming Compliance**

Program Objective(s): To ensure the integrity of the liquor and machine gaming industries. To monitor and enforce reporting and compliance procedures for liquor and machine gaming fees.

Program Description: Conducting inspections to protect Government revenue. Ensuring compliance by clubs/licensees of statutory responsibilities. Reviewing applications to the Licensing Court and Liquor Administration Board. Representing the Director of Liquor and Gaming in proceedings before those bodies. Maintaining the principal Registry of the Licensing Court.

<u>Outputs:</u>	Units	1996-97	1997-98	1998-99	<b>1999-2000</b>
Disciplinary and prosecution proceedings instituted before Licensing Court	no.	760	20	15	<b>20</b>
Complaints received concerning the conduct of licensed and club premises	no.	500	530	570	<b>700</b>
Licence applications reviewed	no.	4,650	4,428	3,500	<b>3,500</b>
Educational visits to licensees	no.	55	60	...	...
Compliance notices issued	no.	199	400	900	<b>800</b>
Hotel gaming device inspections	no.	391	450	750	<b>400</b>
Club gaming device inspections	no.	45	225	500	<b>500</b>
Harm minimisation inspections	no.	...	500	600	<b>700</b>
Club inspections	no.	...	350	350	<b>300</b>
Function licences reviewed	no.	...	2,400	2,200	<b>2,000</b>
<u>Average Staffing:</u>	EFT	139	128	124	<b>125</b>

—————1998-99—————		<b>1999-2000</b>
Budget	Revised	<b>Budget</b>
\$000	\$000	<b>\$000</b>

***OPERATING STATEMENT***

**Expenses -**

Operating expenses -			
Employee related	7,101	7,015	<b>7,281</b>
Other operating expenses	1,466	1,481	<b>1,425</b>
Maintenance	154	80	<b>354</b>
Depreciation and amortisation	344	522	<b>750</b>
<b>Total Expenses</b>	<b>9,065</b>	<b>9,098</b>	<b>9,810</b>

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**46.2 Compliance**

**46.2.1 Liquor and Machine Gaming Compliance (cont)**

***OPERATING STATEMENT (cont)***

Less:

**Retained Revenue -**

Sales of goods and services	37	91	<b>103</b>
Investment income	13	20	<b>26</b>
Other revenue	8	175	<b>267</b>
<b>Total Retained Revenue</b>	<b>58</b>	<b>286</b>	<b>396</b>
<b>NET COST OF SERVICES</b>	<b>9,007</b>	<b>8,812</b>	<b>9,414</b>
<b>ASSET ACQUISITIONS</b>	<b>1,363</b>	<b>1,377</b>	<b>141</b>

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**MINISTER FOR GAMING AND RACING**  
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**46.2 Compliance**

**46.2.2 Technology Services**

Program Objective(s): To regulate machine gaming in hotels and registered clubs.

Program Description: Determining standards for machine gaming in hotels and registered clubs. Evaluating machine gaming equipment and conducting field technical inspections. Maintaining a computerised data base.

	Units	1996-97	1997-98	1998-99	<b>1999-2000</b>
<u>Outputs:</u>					
Gaming device applications approved	no.	716	485	500	<b>600</b>
Gaming systems approved	no.	8	13	10	<b>10</b>
Field inspections undertaken (premises)	no.	407	310	200	<b>125</b>
Gaming devices inspected	no.	1,633	1,573	750	<b>600</b>
New gaming devices approved	no.	176	239	250	<b>200</b>
New gaming systems approved	no.	...	...	...	<b>5</b>
<u>Average Staffing:</u>	EFT	32	31	27	<b>7</b>

1998-99		<b>1999-2000</b>
Budget	Revised	<b>Budget</b>
\$000	\$000	<b>\$000</b>

**OPERATING STATEMENT**

**Expenses -**

Operating expenses -			
Employee related	1,409	1,365	<b>451</b>
Other operating expenses	353	286	<b>229</b>
Maintenance	35	15	<b>18</b>
Depreciation and amortisation	151	112	<b>143</b>
<b>Total Expenses</b>	<b>1,948</b>	<b>1,778</b>	<b>841</b>

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**46.2 Compliance**

**46.2.2 Technology Services (cont)**

**OPERATING STATEMENT (cont)**

Less:

**Retained Revenue -**

Sales of goods and services			
Device evaluation fees	464	338	...
Minor sales of goods and services	20	10	<b>3</b>
Investment income	3	5	<b>1</b>
Other revenue	2	38	<b>14</b>
<b>Total Retained Revenue</b>	<b>489</b>	<b>391</b>	<b>18</b>
<b>NET COST OF SERVICES</b>	<b>1,459</b>	<b>1,387</b>	<b>823</b>

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<b>ASSET ACQUISITIONS</b>	<b>315</b>	<b>355</b>	<b>32</b>
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**46.2 Compliance**

**46.2.3 Liquor and Machine Gaming Revenue**

Program Objective(s): To optimise, assess and collect government revenue from liquor and machine gaming operations.

Program Description: Assessing and collecting annual fees for the sale and supply of liquor. Assessing and collecting machine gaming duty payable by hotels and registered clubs. Recovering outstanding revenue.

	Units	1996-97	1997-98	1998-99	<b>1999-2000</b>
<u>Outputs:</u>					
Liquor fees assessed	\$m	297	5	5	<b>5</b>
Club gaming machine duty assessed	\$m	481	529	530	<b>540</b>
Hotel gaming machine duty assessed	\$m	53	151	250	<b>300</b>
Applications processed for -					
Club gaming machines	no.	12,087	10,928	12,000	<b>7,000</b>
Hotel gaming machines	no.	3,687	8,915	11,500	<b>6,250</b>
Subsidiary equipment	no.	159	268	200	<b>150</b>
Progressive gaming systems	no.	7,516	7,805	9,000	<b>5,000</b>
Liquor fee subsidy applications processed	no.	n.a.	881	1,120	<b>1,150</b>
<u>Average Staffing:</u>	EFT	41	42	38	<b>32</b>

———1998-99———		<b>1999-2000</b>
Budget	Revised	<b>Budget</b>
\$000	\$000	<b>\$000</b>

***OPERATING STATEMENT***

**Expenses -**

Operating expenses -			
Employee related	1,813	1,720	<b>1,640</b>
Other operating expenses	659	547	<b>384</b>
Maintenance	44	117	<b>82</b>
Depreciation and amortisation	106	111	<b>139</b>
<b>Total Expenses</b>	<b>2,622</b>	<b>2,495</b>	<b>2,245</b>

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**46.2 Compliance**

**46.2.3 Liquor and Machine Gaming Revenue (cont)**

**OPERATING STATEMENT (cont)**

Less:

**Retained Revenue -**

Sales of goods and services	18	13	14
Investment income	5	6	6
Other revenue	2	51	64
<b>Total Retained Revenue</b>	<b>25</b>	<b>70</b>	<b>84</b>
<b>NET COST OF SERVICES</b>	<b>2,597</b>	<b>2,425</b>	<b>2,161</b>
<b>ASSET ACQUISITIONS</b>	<b>408</b>	<b>278</b>	<b>38</b>

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**46.3 Public Charity Fundraising Standards**

**46.3.1 Public Charity Fundraising Standards**

Program Objective(s): To ensure the integrity of fundraising for charity.

Program Description: Approving fundraising activities for charity. Monitoring and inspecting financial affairs/management of charities. Issuing permits and collecting fees for conduct of lotteries and games of chance.

	Units	1996-97	1997-98	1998-99	<b>1999-2000</b>
<u>Outputs:</u>					
Authorities to fundraise issued	no.	736	842	800	<b>3,200</b>
Authorities to fundraise revoked	no.	...	...	...	<b>2</b>
Education seminars conducted	no.	30	39	47	<b>30</b>
Complaints received	no.	524	515	450	<b>420</b>
Inspections and investigations conducted	no.	518	500	440	<b>400</b>
Breach/compliance notices issued	no.	438	405	400	<b>390</b>
Trade promotion competitions processed	no.	8,110	10,124	11,500	<b>12,500</b>
Community gaming permits processed	no.	568	590	550	<b>400</b>
<u>Average Staffing:</u>	EFT	31	31	29	<b>30</b>

———1998-99———		<b>1999-2000</b>
Budget	Revised	<b>Budget</b>
\$000	\$000	<b>\$000</b>

***OPERATING STATEMENT***

**Expenses -**

Operating expenses -			
Employee related	1,590	1,703	<b>1,634</b>
Other operating expenses	310	292	<b>279</b>
Maintenance	34	17	<b>76</b>
Depreciation and amortisation	87	112	<b>185</b>
<b>Total Expenses</b>	<b>2,021</b>	<b>2,124</b>	<b>2,174</b>

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**46.3 Public Charity Fundraising Standards**

**46.3.1 Public Charity Fundraising Standards (cont)**

***OPERATING STATEMENT (cont)***

Less:

**Retained Revenue -**

Sales of goods and services	17	13	<b>15</b>
Investment income	4	5	<b>6</b>
Other revenue	2	43	<b>59</b>
<b>Total Retained Revenue</b>	<b>23</b>	<b>61</b>	<b>80</b>
<b>NET COST OF SERVICES</b>	<b>1,998</b>	<b>2,063</b>	<b>2,094</b>
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<b>ASSET ACQUISITIONS</b>	<b>303</b>	<b>246</b>	<b>31</b>

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**MINISTER FOR GAMING AND RACING**  
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**46.4 Casino Surveillance Division**

**46.4.1 Casino Surveillance Division**

Program Objective(s): To protect the integrity of casino gaming in New South Wales.

Program Description: Supervision and inspection of casino operations and the conduct of gaming in the casino. Reporting to the Casino Control Authority on applications for personnel licences. Instigation of disciplinary action against licensees.

	Units	1996-97	1997-98	1998-99	<b>1999-2000</b>
<u>Outputs:</u>					
Casino employee licence applications investigated and reported	no.	2,800	3,500	1,100	<b>2,100</b>
Controlled contracts investigated and reported	no.	50	150	n.a.	<b>n.a.</b>
Special audits conducted on casino operations	no.	20	20	24	<b>n.a.</b>
Complaints relating to conduct of casino gaming received and investigated	no.	278	291	360	<b>360</b>
Applications for review of exclusion orders investigated and reported	no.	31	30	36	<b>30</b>
Prosecution of offences under Casino Control Act 1992	no.	2	53	80	<b>40</b>
Probity assessments of industry personnel	no.	54	43	20	<b>4</b>
<u>Average Staffing:</u>	EFT	71	71	67	<b>29</b>

—————1998-99—————		<b>1999-2000</b>
Budget	Revised	<b>Budget</b>
\$000	\$000	<b>\$000</b>

**OPERATING STATEMENT**

**Expenses -**

Operating expenses -			
Employee related	4,272	4,368	<b>2,094</b>
Other operating expenses	1,091	744	<b>522</b>
Maintenance	75	35	<b>73</b>
Depreciation and amortisation	178	198	<b>190</b>
<b>Total Expenses</b>	<b>5,616</b>	<b>5,345</b>	<b>2,879</b>

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**MINISTER FOR GAMING AND RACING**  
**46 DEPARTMENT OF GAMING AND RACING**

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**46.4 Casino Surveillance Division**

**46.4.1 Casino Surveillance Division (cont)**

**OPERATING STATEMENT (cont)**

Less:

**Retained Revenue -**

Sales of goods and services	22	23	12
Investment income	8	10	6
Other revenue	8	89	57

<b>Total Retained Revenue</b>	<b>38</b>	<b>122</b>	<b>75</b>
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<b>NET COST OF SERVICES</b>	<b>5,578</b>	<b>5,223</b>	<b>2,804</b>
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<b>ASSET ACQUISITIONS</b>	<b>687</b>	<b>530</b>	<b>69</b>
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**MINISTER FOR GAMING AND RACING**  
**46 DEPARTMENT OF GAMING AND RACING**

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**46.5 Sport and Recreation in the Community**

**46.5.1 Development, Control and Regulation of the Racing Industry**

Program Objective(s): To support and enhance the viability of racing organisations. To raise revenue from taxes on the operations of bookmakers and totalizators. To protect the interests of the public in relation to racing operations.

Program Description: Advice to the Minister on the development, management and operation of the galloping, trotting and greyhound industries and on-and off-course betting. Provision of support to race clubs for capital improvements. Monitoring of totalizators' and bookmakers' operations and collection of totalizator commissions and bookmakers' taxes.

	Units	1996-97	1997-98	1998-99	<b>1999-2000</b>
<u>Outputs:</u>					
Betting taxation collected	\$m	339	296	192	<b>197</b>
Attendances at race meetings by inspectors	no.	1,000	950	1,050	<b>800</b>
<u>Average Staffing:</u>	EFT	31	32	31	<b>26</b>

1998-99		<b>1999-2000</b>
Budget	Revised	<b>Budget</b>
\$000	\$000	<b>\$000</b>

***OPERATING STATEMENT***

**Expenses -**

Operating expenses -			
Employee related	1,833	1,854	<b>1,550</b>
Other operating expenses	538	432	<b>404</b>
Maintenance	5	7	<b>7</b>
Depreciation and amortisation	9	85	<b>170</b>
Grants and subsidies			
Sporting associations	...	295	...
Other expenses			
Bookmakers Revision Committee	5	5	<b>5</b>
<b>Total Expenses</b>	<b>2,390</b>	<b>2,678</b>	<b>2,136</b>

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**MINISTER FOR GAMING AND RACING**  
**46 DEPARTMENT OF GAMING AND RACING**

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**46.5 Sport and Recreation in the Community**

**46.5.1 Development, Control and Regulation of the Racing Industry  
(cont)**

**OPERATING STATEMENT (cont)**

Less:

**Retained Revenue -**

Investment income	4	...	...
Other revenue	...	85	...

<b>Total Retained Revenue</b>	<b>4</b>	<b>85</b>	<b>...</b>
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<b>NET COST OF SERVICES</b>	<b>2,386</b>	<b>2,593</b>	<b>2,136</b>
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<b>ASSET ACQUISITIONS</b>	<b>550</b>	<b>402</b>	<b>...</b>
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**MINISTER FOR GAMING AND RACING**  
**47 CASINO CONTROL AUTHORITY**

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	1998-99		1999-2000
	Budget	Revised	Budget
	\$000	\$000	\$000
<hr/>			
<b>OPERATING STATEMENT</b>			
<b>Expenses -</b>			
Operating expenses -			
Employee related	1,578	1,578	1,644
Other operating expenses	1,604	1,450	1,664
Depreciation and amortisation	250	220	210
<b>Total Expenses</b>	<b>3,432</b>	<b>3,248</b>	<b>3,518</b>
Less:			
<b>Retained Revenue -</b>			
Sales of goods and services	842	542	945
Investment income	30	55	20
<b>Total Retained Revenue</b>	<b>872</b>	<b>597</b>	<b>965</b>
<b>NET COST OF SERVICES</b>	<b>2,560</b>	<b>2,651</b>	<b>2,553</b>

**MINISTER FOR GAMING AND RACING**  
**47 CASINO CONTROL AUTHORITY**

	1998-99		1999-2000
	Budget \$000	Revised \$000	Budget \$000
<b>CASH FLOW STATEMENT</b>			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Payments</b>			
Employee Related	1,478	1,512	1,556
Other	1,656	1,139	2,009
<b>Total Payments</b>	<b>3,134</b>	<b>2,651</b>	<b>3,565</b>
<b>Receipts</b>			
Sale of goods and services	851	651	945
Other	50	53	40
<b>Total Receipts</b>	<b>901</b>	<b>704</b>	<b>985</b>
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>(2,233)</b>	<b>(1,947)</b>	<b>(2,580)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchases of property, plant and equipment	(48)	(48)	(60)
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>(48)</b>	<b>(48)</b>	<b>(60)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of borrowings and advances	...	(40)	...
<b>NET CASH FLOWS FROM FINANCING ACTIVITIES</b>	<b>...</b>	<b>(40)</b>	<b>...</b>
<b>CASH FLOWS FROM GOVERNMENT</b>			
Recurrent appropriation	2,144	2,306	2,220
Capital appropriation	48	48	60
Cash reimbursements from the Consolidated Fund Entity	62	40	40
<b>NET CASH FLOWS FROM GOVERNMENT</b>	<b>2,254</b>	<b>2,394</b>	<b>2,320</b>
<b>NET INCREASE/(DECREASE) IN CASH</b>	<b>(27)</b>	<b>359</b>	<b>(320)</b>
Opening Cash and Cash Equivalents	901	1,243	1,602
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	<b>874</b>	<b>1,602</b>	<b>1,282</b>
<b>CASH FLOW RECONCILIATION</b>			
Net cost of services	(2,560)	(2,651)	(2,553)
Non cash items added back	354	305	298
Change in operating assets and liabilities	(27)	399	(325)
<b>Net cash flow from operating activities</b>	<b>(2,233)</b>	<b>(1,947)</b>	<b>(2,580)</b>

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**MINISTER FOR GAMING AND RACING**  
**47 CASINO CONTROL AUTHORITY**

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	1998-99		1999-2000
	Budget \$000	Revised \$000	Budget \$000
<b>STATEMENT OF FINANCIAL POSITION</b>			
<b>ASSETS -</b>			
<b>Current Assets -</b>			
Cash	874	1,602	1,282
Receivables	50	180	160
Other	30	30	30
<b>Total Current Assets</b>	<b>954</b>	<b>1,812</b>	<b>1,472</b>
<b>Non Current Assets -</b>			
Property, plant and equipment - Cost/valuation	1,612	1,630	1,690
Accumulated depreciation	(1,243)	(1,206)	(1,416)
<b>Total Non Current Assets</b>	<b>369</b>	<b>424</b>	<b>274</b>
<b>Total Assets</b>	<b>1,323</b>	<b>2,236</b>	<b>1,746</b>
<b>LIABILITIES -</b>			
<b>Current Liabilities -</b>			
Accounts payable	110	110	110
Employee entitlements	100	200	200
Other	...	385	40
<b>Total Current Liabilities</b>	<b>210</b>	<b>695</b>	<b>350</b>
<b>Total Liabilities</b>	<b>210</b>	<b>695</b>	<b>350</b>
<b>NET ASSETS</b>	<b>1,113</b>	<b>1,541</b>	<b>1,396</b>
<b>EQUITY</b>			
Accumulated funds	1,113	1,541	1,396
<b>TOTAL EQUITY</b>	<b>1,113</b>	<b>1,541</b>	<b>1,396</b>

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**MINISTER FOR GAMING AND RACING**  
**47 CASINO CONTROL AUTHORITY**

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**47.1 Casino Control**

**47.1.1 Casino Control**

Program Objective(s): To protect the integrity of casino gaming in New South Wales.

Program Description: Maintenance and administration of systems for the licensing, supervision and control of legal casino gaming. Assessment of applications to conduct casino gaming in New South Wales and the monitoring of the ongoing operations of the casino.

Average Staffing (EFT)

1998-99    1999-2000

Activities:

Assessment of operators to conduct casino gaming and monitoring of ongoing operations	19	19
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***OPERATING STATEMENT***

**Expenses -**

Operating expenses -

    Employee related

	1,578	1,578	<b>1,644</b>
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    Other operating expenses

	1,604	1,450	<b>1,664</b>
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    Depreciation and amortisation

	250	220	<b>210</b>
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**Total Expenses**

	<b>3,432</b>	<b>3,248</b>	<b>3,518</b>
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Less:

**Retained Revenue -**

    Sales of goods and services

	842	542	<b>945</b>
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    Investment income

	30	55	<b>20</b>
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**Total Retained Revenue**

	<b>872</b>	<b>597</b>	<b>965</b>
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**NET COST OF SERVICES**

	<b>2,560</b>	<b>2,651</b>	<b>2,553</b>
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**ASSET ACQUISITIONS**

	<b>48</b>	<b>48</b>	<b>60</b>
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**MINISTER FOR GAMING AND RACING**  
**GREYHOUND RACING AUTHORITY**

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	1998-99		1999-2000
	Budget	Revised	Budget
	\$000	\$000	\$000
<b>OPERATING STATEMENT</b>			
<b>Retained Revenue -</b>			
Investment income	90	47	<b>35</b>
Retained taxes, fees and fines	508	593	<b>508</b>
Grants and contributions	1,592	2,256	<b>2,037</b>
Other revenue	168	35	<b>50</b>
<b>Total Retained Revenue</b>	<b>2,358</b>	<b>2,931</b>	<b>2,630</b>
Less:			
<b>Expenses -</b>			
Operating Expenses -			
Employee Related	1,474	1,659	<b>1,730</b>
Other operating expenses	1,053	621	<b>631</b>
Maintenance	24	89	<b>100</b>
Depreciation and amortisation	121	190	<b>169</b>
<b>Total Expenses</b>	<b>2,672</b>	<b>2,559</b>	<b>2,630</b>
Gain/(loss) on disposal of non current assets	...	(88)	...
<b>SURPLUS/(DEFICIT)</b>	<b>(314)</b>	<b>284</b>	<b>...</b>

**MINISTER FOR GAMING AND RACING**  
**GREYHOUND RACING AUTHORITY**

	1998-99		1999-2000 Budget \$000
	Budget \$000	Revised \$000	
<b>CASH FLOW STATEMENT</b>			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>			
Sale of goods and services	...	71	...
Other	2,358	3,537	<b>2,577</b>
<b>Total Receipts</b>	<b>2,358</b>	<b>3,608</b>	<b>2,577</b>
<b>Payments</b>			
Employee Related	1,474	1,828	<b>1,859</b>
Other	1,077	1,148	<b>731</b>
<b>Total Payments</b>	<b>2,551</b>	<b>2,976</b>	<b>2,590</b>
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>(193)</b>	<b>632</b>	<b>(13)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of property, plant and equipment	...	221	...
Proceeds from sale of investments	...	...	<b>13</b>
Purchases of property, plant and equipment	...	(350)	...
Purchases of investments	...	(455)	...
Other	...	41	...
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>...</b>	<b>(543)</b>	<b>13</b>
<b>NET INCREASE/(DECREASE) IN CASH</b>	<b>(193)</b>	<b>89</b>	<b>...</b>
Opening Cash and Cash Equivalents	1,085	11	<b>100</b>
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	<b>892</b>	<b>100</b>	<b>100</b>
<b>CASH FLOW RECONCILIATION</b>			
Surplus/(deficit) for year before distributions	(314)	284	...
Non cash items added back	121	143	<b>134</b>
Change in operating assets and liabilities	...	205	<b>(147)</b>
<b>Net cash flow from operating activities</b>	<b>(193)</b>	<b>632</b>	<b>(13)</b>

**MINISTER FOR GAMING AND RACING**  
**GREYHOUND RACING AUTHORITY**

	1998-99		1999-2000 Budget \$000
	Budget \$000	Revised \$000	
<b>STATEMENT OF FINANCIAL POSITION</b>			
<b>ASSETS -</b>			
<b>Current Assets -</b>			
Cash	892	100	100
Investments	...	1,382	1,404
Receivables	43	35	35
Inventories	6	1	1
Other	358	333	304
<b>Total Current Assets</b>	<b>1,299</b>	<b>1,851</b>	<b>1,844</b>
<b>Non Current Assets -</b>			
Property, plant and equipment -			
Cost/valuation	1,481	1,654	1,654
Accumulated depreciation	(427)	(416)	(585)
Other	28	...	...
<b>Total Non Current Assets</b>	<b>1,082</b>	<b>1,238</b>	<b>1,069</b>
<b>Total Assets</b>	<b>2,381</b>	<b>3,089</b>	<b>2,913</b>
<b>LIABILITIES -</b>			
<b>Current Liabilities -</b>			
Accounts payable	405	110	110
Employee entitlements	149	245	165
Other	...	1	3
<b>Total Current Liabilities</b>	<b>554</b>	<b>356</b>	<b>278</b>
<b>Non Current Liabilities -</b>			
Employee entitlements	316	378	300
Other	137	130	110
<b>Total Non Current Liabilities</b>	<b>453</b>	<b>508</b>	<b>410</b>
<b>Total Liabilities</b>	<b>1,007</b>	<b>864</b>	<b>688</b>
<b>NET ASSETS</b>	<b>1,374</b>	<b>2,225</b>	<b>2,225</b>
<b>EQUITY</b>			
Reserves	209	417	417
Accumulated funds	1,165	1,808	1,808
<b>TOTAL EQUITY</b>	<b>1,374</b>	<b>2,225</b>	<b>2,225</b>

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**MINISTER FOR GAMING AND RACING**  
**HARNESS RACING NEW SOUTH WALES**

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	1998-99		1999-2000
	Budget	Revised	Budget
	\$000	\$000	\$000
<b>OPERATING STATEMENT</b>			
<b>Retained Revenue -</b>			
Sales of goods and services	550	326	395
Investment income	1	38	40
Retained taxes, fees and fines	1,359	1,350	1,404
Grants and contributions	4,981	4,078	2,244
<b>Total Retained Revenue</b>	<b>6,891</b>	<b>5,792</b>	<b>4,083</b>
Less:			
<b>Expenses -</b>			
Operating Expenses -			
Employee Related	2,144	2,099	2,246
Other operating expenses	2,833	1,357	1,528
Depreciation and amortisation	250	268	637
Finance costs	6	6	2
Other expenses	...	14	85
<b>Total Expenses</b>	<b>5,233</b>	<b>3,744</b>	<b>4,498</b>
Gain/(loss) on disposal of non current assets	...	56	49
<b>SURPLUS/(DEFICIT)</b>	<b>1,658</b>	<b>2,104</b>	<b>(366)</b>

**MINISTER FOR GAMING AND RACING**  
**HARNESS RACING NEW SOUTH WALES**

	1998-99		1999-2000 Budget \$000
	Budget \$000	Revised \$000	
<b>CASH FLOW STATEMENT</b>			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>			
Sale of goods and services	650	376	845
Other	6,341	5,466	3,688
<b>Total Receipts</b>	<b>6,991</b>	<b>5,842</b>	<b>4,533</b>
<b>Payments</b>			
Employee Related	2,144	2,106	2,246
Finance costs	11	10	8
Other	2,933	1,001	1,978
<b>Total Payments</b>	<b>5,088</b>	<b>3,117</b>	<b>4,232</b>
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>1,903</b>	<b>2,725</b>	<b>301</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of property, plant and equipment	...	283	283
Proceeds from sale of investments	...	2,979	2,467
Purchases of property, plant and equipment	(1,800)	(1,952)	(950)
Purchases of investments	...	(3,933)	(1,811)
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>(1,800)</b>	<b>(2,623)</b>	<b>(11)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of borrowings and advances	(102)	(101)	(287)
<b>NET CASH FLOWS FROM FINANCING ACTIVITIES</b>	<b>(102)</b>	<b>(101)</b>	<b>(287)</b>
<b>NET INCREASE/(DECREASE) IN CASH</b>	<b>1</b>	<b>1</b>	<b>3</b>
Opening Cash and Cash Equivalents	188	192	193
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	<b>189</b>	<b>193</b>	<b>196</b>
<b>CASH FLOW RECONCILIATION</b>			
Surplus/(deficit) for year before distributions	1,658	2,104	(366)
Non cash items added back	250	276	722
Change in operating assets and liabilities	(5)	345	(55)
<b>Net cash flow from operating activities</b>	<b>1,903</b>	<b>2,725</b>	<b>301</b>

**MINISTER FOR GAMING AND RACING**  
**HARNESS RACING NEW SOUTH WALES**

	1998-99		1999-2000 Budget \$000
	Budget \$000	Revised \$000	
<b>STATEMENT OF FINANCIAL POSITION</b>			
<b>ASSETS -</b>			
<b>Current Assets -</b>			
Cash	189	193	196
Investments	800	656	...
Receivables	297	727	277
Other	15	23	23
<b>Total Current Assets</b>	<b>1,301</b>	<b>1,599</b>	<b>496</b>
<b>Non Current Assets -</b>			
Property, plant and equipment - Cost/valuation	5,623	5,323	5,973
Accumulated depreciation	(766)	(563)	(1,134)
Investments	...	836	751
<b>Total Non Current Assets</b>	<b>4,857</b>	<b>5,596</b>	<b>5,590</b>
<b>Total Assets</b>	<b>6,158</b>	<b>7,195</b>	<b>6,086</b>
<b>LIABILITIES -</b>			
<b>Current Liabilities -</b>			
Accounts payable	335	761	305
Borrowings	107	107	...
Employee entitlements	150	166	166
Other	333	217	217
<b>Total Current Liabilities</b>	<b>925</b>	<b>1,251</b>	<b>688</b>
<b>Non Current Liabilities -</b>			
Borrowings	178	180	...
Employee entitlements	544	665	665
<b>Total Non Current Liabilities</b>	<b>722</b>	<b>845</b>	<b>665</b>
<b>Total Liabilities</b>	<b>1,647</b>	<b>2,096</b>	<b>1,353</b>
<b>NET ASSETS</b>	<b>4,511</b>	<b>5,099</b>	<b>4,733</b>
<b>EQUITY</b>			
Capital	134	...	...
Reserves	349	349	349
Accumulated funds	4,028	4,750	4,384
<b>TOTAL EQUITY</b>	<b>4,511</b>	<b>5,099</b>	<b>4,733</b>

