



Government of South Australia

Office of the Liquor and Gambling
Commissioner

Gaming Machines Act 1992 Annual Report 2008-09





Government of South Australia

Office of the Liquor and Gambling
Commissioner

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Your Reference:

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Gambling Regulation
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30 September 2009

The Honourable Tom Koutsantonis MP
Minister for Gambling
Level 6
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Dear Minister

Pursuant to section 74(2) of the *Gaming Machines Act 1992* (the Act), I submit this Annual Report on the administration of the Act for the period 1 July 2008 to 30 June 2009.

Yours faithfully

A handwritten signature in black ink, appearing to read 'W Lewis'.

W Lewis
ACTING LIQUOR AND GAMBLING COMMISSIONER



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1. INTRODUCTION

The Liquor and Gambling Commissioner (the Commissioner) is responsible for the administration of the *Gaming Machines Act 1992* (the Act). In particular for regulating and monitoring the gaming machine industry to ensure the interests of patrons, the industry, the community and the Government are protected.

Section 5 of the Act provides that the Commissioner is responsible to the Independent Gambling Authority (the Authority) for the constant scrutiny of the operations of all licences under the Act.

The Act establishes a structure in which all industry participants are licensed or approved to carry out specific roles in relation to the gaming machine industry in South Australia.

Responsibilities for various functions under the Act include:

- determination of all applications for licences under the Act;
- approval of persons in a position of authority, gaming machine managers, and gaming machine employees;
- approval of agents of the State Procurement Board (SPB);
- approval of gaming machines, games and the central monitoring system;
- approval of agreements relating to Club One and allocation of Gaming Machine Entitlements (GMEs) by Club One;
- approval of the number of machines per licensed premises and authorised hours of operation;
- collection of gaming tax;
- inspection, monitoring and scrutiny of gaming operations;
- disciplinary action against licensees including the power to reprimand, suspend or revoke a licence, vary or add to the conditions of the licence, cancel gaming machine entitlements or to impose a fine not exceeding \$15,000; and
- review of barring of persons by licensees.



2. LEGISLATIVE AMENDMENTS

2.1 GAMING MACHINES REGULATIONS 2005

The Gaming Machines Regulations 2005 were amended on 29 January 2009 to allow for the Minister for Gambling to be able to grant exemptions from such provisions of the Act as may be necessary for the purpose of:

- allowing a gaming machine to be located on an ocean going passenger vessel (subject to conditions prohibiting the operation of a gaming machine while the vessel is in state waters and while the vessel is engaged in an intra-State journey); and
- allowing any particular person or body, or any person or body of a particular class, to possess and operate a gaming machine for the purposes of—
 - (a) conducting research into problem gambling or other issues associated with gambling; or
 - (b) providing a program of treatment for problem gamblers.

3. CODES OF PRACTICE

On 15 September 2008, the Authority, under section 74A(3) of the Act, amended the existing codes of practice which had been in effect since 30 April 2004. The new Responsible Gambling Code of Practice and Advertising Code of Practice came into effect on 1 December 2008 and apply to all gaming machine licence holders.

3.1 GENERAL PROVISIONS

3.1.1 Intervention Initiative

Clause 2A of the amended Responsible Gambling and Advertising Codes of Practice provides that certain provisions of the codes do not apply to licensees which have entered into (and are fully compliant with) an agreement with an intervention agency approved by the Authority.

The Australian Hotels Association (SA Branch) and Licensed Clubs Association of South Australia (Clubs SA) each have established agencies to reduce gambling-related harm by working with hotel and club management and staff on-site. The agencies trade under the names 'Gaming Care' and 'Club Safe' respectively.

During 2008-09 both agencies were approved by the Authority as Approved Intervention Agencies (AIA) for the purposes of the Responsible Gambling Code of Practice and Advertising Code of Practice.

An agreement provides the AIA with several powers in relation to the gaming venue including free and unrestricted access for AIA staff to the licensed premises, staff and patrons at all times the venue is open for business.



3.1.2 Warning Messages

The Responsible Gambling and Advertising Codes of Practice now require licensees to ensure that all responsible gambling materials and advertising include either the condensed warning message 'Gamble Responsibly', or if reasonable or practicable to do so, an expanded warning message, rotated according to the protocol set out in the codes.

The expanded warning messages are to be rotated every six months over three years, and licensees must, to the greatest extent practicable, always use the same expanded warning message at the same time.

In addition, licensees must take reasonable steps to consult with other gambling providers required to use expanded warning messages with a view to ensuring, to the greatest extent practicable, that all gambling providers use the same expanded warning message at the same time.

Following consultation between industry representatives it was agreed that the expanded warning messages to be used by the various gambling sectors should be rotated by licensees according to the following schedule:

- (a) "Don't chase your losses. Walk away. Gamble responsibly." From 1 December 2008 to 31 May 2009
- (b) "Don't let the game play you. Stay in control. Gamble responsibly." From 1 June 2009 to 30 November 2009
- (c) "Stay in control. Leave before you lose it. Gamble responsibly." From 1 December 2009 to 31 May 2010
- (d) "You know the score. Stay in control. Gamble responsibly." From 1 June 2010 to 30 November 2010
- (e) "Know when to stop. Don't go over the top. Gamble responsibly." From 1 December 2010 to 31 May 2011
- (f) "Think of the people who need your support. Gamble responsibly." From 1 June 2011 to 30 November 2011

3.2 RESPONSIBLE GAMBLING CODE OF PRACTICE

The amended Responsible Gambling Code of Practice includes a number of new requirements and amends some existing requirements as outlined below:

3.2.1 Screening the Sights & Sounds of Gaming

Licensees which do not have an agreement with an AIA must now ensure to the greatest extent practicable that the sights and sounds of gambling cannot be seen or heard from other parts inside or outside the premises.

Transitional provisions in the code provide that those licensees have until 1 December 2011 to comply with this requirement. However, from 1 May 2009 licensees must be able to show that they have identified a course of action to ensure compliance by 1 December 2011.

3.2.2 Coin Availability

It is now a requirement for licensees which do not have an agreement with an AIA to ensure that patrons can only obtain coin from a cashier or an automated coin dispensing machine located so patrons' activities can be routinely and regularly monitored.



3.2.3 Inducements

The code now provides that licensees must not offer any inducements directed at encouraging patrons to gamble, other than participation in a loyalty program.

Further, a licensee must not offer any loyalty program unless it includes a pre-commitment program approved by the Authority.

Transitional provisions in the code provide that licensees have until 1 May 2010 to comply with the requirement for loyalty programs to include a pre-commitment program. However, from 1 May 2009 licensees must be able to show that they have identified a course of action to ensure compliance by 1 May 2010. Licensees which have an agreement with an AIA are not required to comply with this part of the requirement in relation to inducements.

3.2.4 Cheques

In the previous version of the code, if a patron requested the payment of winnings of \$1,000 or more in the form of a cheque, licensees were required to provide the cheque within 24 hours.

This has been amended to require that cheques be provided as soon as practicable and, in any event, within 30 minutes after a request by a patron to be paid via that method of payment.

Licensees may apply to the Authority for approval for a period longer than 30 minutes. However, the Authority will only grant an exemption to this clause if satisfied that exceptional circumstances exist.

3.2.5 Internal Reporting of Problem Gamblers

Licensees are now required to develop a reporting process regarding the identification of suspected problem gamblers by gaming staff.

3.2.6 Relationship with a Gambling Rehabilitation Agency

It is now a requirement for licensees to establish a relationship with a gambling rehabilitation agency at management level, and to ensure that staff can direct patrons to that agency.

Transitional provisions in the code provide that licensees are not required to comply with this requirement until 1 May 2010. However, from 1 May 2009 licensees must be able to show that they have identified a course of action to ensure compliance by 1 May 2010.

Licensees which have an agreement with an AIA can comply with this requirement as part of a structured program of visitation by its AIA.

3.2.7 Responsible Gambling Materials (signs/stickers)

While there has been no change to which responsible gambling signage is required to be displayed, all signs, cards and certain stickers must now include either the condensed warning message 'Gamble Responsibly' or the expanded warning message, rotated in accordance with the protocol set out in the code.



3.3 ADVERTISING CODE OF PRACTICE

The amended Advertising Code of Practice includes a number of new requirements and amends some existing requirements as outlined below:

3.3.1 Use of the Expanded and Condensed Warning Message

Refer to section 3.1.2

3.3.2 Internal and External Signage

Licensees which do not have an agreement with an AIA must ensure there is no advertising of the gambling product on the exterior of the premises (or in the immediate environs). In addition, advertising within the premises is restricted to the gambling area only, with the exception of directional signage.

3.3.3 Routine Household Purchases

The code has been amended to remove reference to 'household staples' and instead provide that the gambling provider must ensure that when advertising its gambling product the advertising "does not promote gambling as a means of funding routine household purchases or costs of living (including mortgage repayments and rent or education and clothing costs) or for relieving financial or personal difficulties."

3.3.4 Advertising of Inducements to Gamble

The code now provides that any advertising by licensees which have not entered into an agreement with an AIA must not refer to factors that may induce a person to gamble, including, but not limited to, prizes or benefits other than those available on gaming machines.



4. LICENCE CONDITIONS

Under section 27(4) of the Act the Commissioner *'may vary or revoke any condition of a licence or impose further conditions on a licence'*.

4.1 AMENDMENT TO CONDITION (u) AND NEW CONDITION (ac) OF ATTACHMENT B LICENCE CONDITIONS

Following the amendments to the Responsible Gambling Code of Practice, consequential amendments were made to the Attachment B licence conditions to determine which responsible gambling signage and stickers required a warning message under clause 5.1(a)(i) of the code.

Effective from 1 December 2008 condition (u) was amended to:

“(u) Pursuant to clauses 2(a)(i) and 4(3)(a) of the Responsible Gambling Code of Practice, the licensee must display:-

- a sign indicating that gambling operations are governed by a code of practice including the condensed warning message “Gamble Responsibly”; and
- a warning sign displayed prominently in the approved gaming room that the licensee does not permit any person to play more than one gaming machine at a time including the condensed warning message “Gamble Responsibly”; and
- a warning sticker displayed prominently on the front of each gaming machine in a manner that does not obstruct any artwork on the machine, that the licensee does not permit any person to play more than one gaming machine at a time;

in a form approved by the Commissioner”

Effective from 1 December 2008 a new condition (ac) was imposed on all gaming machine licences as follows:

“(ac) Pursuant to clauses 4(1)(a) and 5(2)(a) of the Responsible Gambling Code of Practice, the licensee must display:-

- a gambling helpline sticker including the condensed warning message “Gamble Responsibly” prominently on the front of each gaming machine in a manner that does not obstruct any artwork on the machine; and
- a gambling helpline sticker including the condensed warning message “Gamble Responsibly” on or near each ATM,

in a form approved by the Commissioner.”

4.2 AMENDMENT TO CONDITION (v) OF ATTACHMENT B LICENCE CONDITIONS

Condition (v) was amended to clarify that the responsible gambling training required to be undertaken by newly approved persons must be completed within 6 months of approval. This is in line with condition (w) for training in the operation of machines.

Condition (v) is now as follows:

“(v) For the purposes of clause 10(1)(a)(ii) of the Responsible Gambling Code of Practice which provides that appropriate senior staff (including the person in charge of a gambling area) receive advanced training on the identification of, and intervention techniques for, problem gambling, including administration of the



self-exclusion process, appropriate senior staff includes approved gaming machine managers, licensees, directors and committee members.

A licensee, director or committee member (but not an approved gaming machine manager) who does not actively supervise or manage the business conducted under the gaming machine licence, or carry out prescribed duties, may apply to the Commissioner for an exemption from the training requirement.

Newly approved persons must complete training within 6 months of approval.

The licensee must keep a copy of the certificate or other document provided by the Registered Training Organisation, which verifies that the person has successfully completed the training.

Documents for each approved person must be kept in a folder located in the gaming room (or if this is not an appropriate secure area, at a location near to the gaming room) and made readily available to an inspector upon request."





5. SPECIAL CLUB LICENCE - CLUB ONE

This section provides an update from previous reports on the activity in relation to the Special Club Licence - Club One. A background of the Special Club Licence and activity has been provided in previous reports.

5.1 CLUB ONE AGREEMENTS

5.1.1 Umbrella Agreement

Club One (SA) Limited (Club One), holder of the Special Club Licence, submitted an executed 'Agreement Amending Umbrella and Rights Agreement' between it and Club Management Services (SA) Pty Ltd (CMS).

The agreement amends the Umbrella and Rights Agreements as follows:

Umbrella Agreement

Under the original Umbrella Agreement, clubs which transferred Gaming Machine Entitlements (GMEs) to Club One and opted for an 'Annual Fee' payment received a set fee with an annual review based on state NGR.

The amending agreement changes the annual fee payable by Club One to clubs for GMEs transferred to it from 1 December 2007 to an amount determined by Club One up to a maximum fee per GME per annum. The fee is still subject to an annual review.

Rights Agreement

- For GMEs acquired by Club One after 1 December 2007, as an 'Annual Fee' GME, and required to be allocated to CMS under the three out of four GMEs vested with Club One arrangements, CMS is required to pay Club One a 'Parking Fee' of the amount of the annual fee payable by Club One to the club transferring the GMEs plus \$1,500 per annum.
- For GMEs acquired by Club One after 1 December 2007 as 'Lump Sum' GMEs and required to be allocated to CMS under the three out of four GMEs vested with Club One arrangements, CMS is required to pay Club One a Parking Fee of \$6,500 per GME, per annum.
- The amending agreement now provides that CMS can reject the GMEs which Club One is required to allocate to CMS under the original rights agreement. If CMS does reject a GME, Club One can then allocate it to a third party. However, if CMS has rejected a GME to which it is entitled to, after three months from when it rejected the offer, CMS can 'Call Back' the GME for allocation to one of its member venues.

If CMS calls back a GME that it rejected, it is now required to pay a 'Parking Fee' equivalent to that of what Club One was being paid for prior to the GME being called back.

- If CMS rejects a GME to which it is entitled, Club One must pay CMS \$1,500 per annum while that GME is allocated to a third party.

The amending agreement was approved on 16 September 2008.



5.1.2 Vesting Club Agreements

Approval of five separate Vesting Club Agreements between Club One and various clubs were granted during 2008-09.

In addition, an addendum to one of the Vesting Club Agreements approved in a previous year to increase the annual fee payable by Club One to the club was approved.

5.1.3 Jones Group Temporary Allocation Agreements

Club One submitted for consideration an additional Temporary Allocation Agreement (TAA) between it and the licensee company of the Colonnades Tavern which is a member of the Jones Group.

Approval of the agreement was granted on 14 January 2009 for a period up to 26 April 2011, being the same date on which the TAAs between Club One and other members of the Jones Group are approved, with the right of review.

5.1.4 Temporary Allocation Agreement between Club One and Chinbiya Pty Ltd

Club One submitted for consideration a TAA between it and Chinbiya Pty Ltd (Chinbiya), the licensee of the Aldinga Hotel.

Prior to when the agreement was lodged for consideration, Club One had, on two occasions, invited clubs and hoteliers to participate in an expression of interest process (EOI), for the Short Term Allocation of the GMEs that are not subject to the CMS arrangements.

Club One advised that Chinbiya did not participate in either of those two calls for EOI.

Therefore, in the interest of accountability and transparency, Club One was advised that it should formally inform the participants in the previous two calls for EOI that Club One has further GMEs available to allocate and to give them the opportunity to submit further bids.

Club One advised that it contacted the participants in the previous two calls for EOI and had two responses from recipients. As a result it was determined that the agreement with Chinbiya was the best option available to Club One at the time.

The agreement is similar to those which Club One has with other hotel groups for the allocation of GMEs outside of the arrangements with CMS.

Approval of the TAA between Club One and Chinbiya was granted on 12 March 2009 up to 26 April 2011, being the same date on which the agreements which Club One has with other hotel groups are approved, with the right of review.

5.1.5 Head Agreement and Temporary Allocation Agreements between Club One and Reserve Hotels Pty Ltd

Club One submitted for consideration a Head Agreement between it and Reserve Hotels Pty Ltd (Reserve Hotel Group [RHG]) and seven separate TAAs between it and the licensee companies which are part of RHG.

The agreements subject to the application were lodged on 21 April 2009.



At the time it was noted that Club One had advertised its third State-wide EOI in 'The Advertiser' on 14 April 2009. Given this and in the interests of fairness to participants in the EOI, Club One was advised that the application would not be considered until the outcome of the EOI process was known.

Club One advised that the EOI process closed at 4 pm on Friday 15 May 2009 and that one EOI Gaming Venue Submission Form was received, and RHG submitted the 'deal sheet' that was part of the original agreement with Club One and requested that it be included in the responses to the EOI.

As a result of the EOI it was determined that it was appropriate to approve the agreements between it and RHG.

The agreements are predominantly the same as those which Club One has with other hotel groups as reported previously.

The agreements were approved until 26 April 2011, being the same date on which the agreements with other hotel groups are approved, with the right of review.

5.1.6 Head Agreement and Temporary Allocation Agreements between Club One and Australian Hospitality Group Limited (ALH)

As reported last year approval was granted for a Head Agreement between Club One and Australian Hospitality Group (ALH) and 14 separate Temporary Allocation Agreements between Club One and licensee companies which are part of the ALH Group.

The agreements were originally approved until 26 April 2009, and Club One was advised that after that time its situation would be reviewed and a decision made as to whether an extension of the agreements is necessary.

The expiry date of 26 April 2009 was chosen as it was 12 months from the date to which separate agreements between Club One and the Jones and King Groups were originally approved (26 April 2008). The approvals for those agreements were also given an expiry date so that Club One's situation could be reviewed and a decision made as to whether an extension of the agreements was necessary.

As reported last year, in April 2008 Club One was requested to justify its decision to continue with the arrangements at the time, and if so what due diligence was undertaken to arrive at the decision that the arrangements with the Jones and King Groups were still the best option available to Club One.

Club One's submission outlined its overall position and did not simply refer to the Jones and King Group arrangements. It included the benefits of the ALH proposal as those arrangements were approved shortly before the submission was requested.

Based on Club One's submission the Jones and King Group agreements were extended for a period of up to three years (26 April 2011). However, the right was reserved to review Club One's situation or to evaluate the success of Club One's proposed new ventures at any time during the extended approval period and decide accordingly as to whether this approval should continue.

Given that Club One's submission was approximately 11 months after the arrangements with ALH were approved and, at the time, it included the benefits of all of Club One's arrangements outside of those with CMS (i.e. Jones Group, King Group and ALH Group), it was determined that Club One's situation would have changed significantly in that time, in fact, it appeared to be in a stronger position by virtue of the 'Agreement Amending Umbrella and Rights Agreement' between it and CMS which was approved on 16 September 2008 (refer section 5.1.1).



Therefore, an extension of the agreements between Club One and ALH was granted until the same date on which the arrangements between Club One and the Jones Group, King Group and later, Chinbiya Pty Ltd have been approved, being 26 April 2011, without Club One needing to make further submissions. The approval was granted with the right of review.

5.2 ALLOCATION OF GAMING MACHINE ENTITLEMENTS

5.2.1 Allocation to CMS Venues

In March 2009, Club One advised that CMS had reviewed its arrangements relating to GMEs allocated by Club One, which resulted in CMS deciding that it had seven GMEs that it is entitled to but were superfluous to its needs and advised Club One that the GMEs could be 'returned' to be 're-allocated' to other licensed premises which are not part of the CMS arrangements.

There is no provision in any of the agreements between Club One and CMS for GMEs which have been allocated to CMS to be 'returned' to Club One. However, given that the two parties agreed to amend the Rights Agreement (refer section 5.1.1) so that CMS can now reject certain GMEs to which it is entitled, it was clear that CMS' situation had changed in regards to its arrangements with Club One. Further evidence that CMS did not want any more Club One GMEs at the time was evident in that it had rejected three GMEs to which it was entitled.

Therefore, it was agreed that the proposal was within the spirit of the variation to the Rights Agreement and approval was granted for the 'return' of the seven GMEs previously allocated to venues of the CMS Group.

In June 2009, Club One advised that CMS had a further three GMEs that it wished to return to Club One to 're-allocate' to venues outside of the CMS arrangements. In line with the previous approval for CMS to 'return' GMEs, approval of this application was granted on 17 June 2009.

As at 30 June 2009 the total number of GMEs allocated by Club One to venues in the CMS Group is 77.

5.2.2 Allocation to Jones Group Venues

Club One made one application during 2008-09 to allocate a total of three GMEs that it held to members of the Jones Group. Approval was granted on 19 November 2008.

In addition Club One made two applications during 2008-09 to 're-allocate' GMEs as follows:

- one application to 're-allocate' three GMEs within the Jones Group; and
- one application to 're-allocate' four of the seven GMEs 'returned' to Club One by CMS (refer section 5.1.1) to two venues in the Jones Group.

The applications were approved on 14 January 2009 and 11 March 2009 respectively.

As at 30 June 2009 the total number of GMEs allocated by Club One to the Jones Group is 31.



5.2.3 Allocation to the Aldinga Hotel

Following the approval of an agreement between Club One and Chinbyia (refer section 5.1.4) for Club One to allocate GMEs which are not part of its arrangements with CMS, to the Aldinga Hotel, Club One applied to allocate one GME transferred to it by a club and to 're-allocate' three of the GMEs returned from CMS venues to the Aldinga Hotel.

In line with the approval of the agreement between Club One and Chinbiya, the application was approved on 12 March 2009 until 26 April 2011, with the right of review.

5.2.4 Allocation to ALH Group Venues (ALH)

As reported in section 5.1.6 an extension of agreements between Club One and ALH was approved on 26 March 2009 until 26 April 2011.

As a result of that approval, a consequential approval was granted to extend the allocation of the three GMEs which were approved in 2007-08 up to 26 April 2011, which is in line with the approval of the extension of the agreements between Club One and ALH.

5.2.5 Allocation to Reserve Hotel Group Venues (RHG)

Following approval of the agreements outlined in section 5.1.5, Club One applied to allocate 12 GMEs, transferred to Club One by a club, to three venues of RHG.

The application was approved on 20 May 2009 until 26 April 2011, with the right of review, in line with the approval of the agreement.



6. GAMING MACHINE LICENCES

6.1 GAMING MACHINE LICENCES

A gaming machine licence authorises the holder to possess and operate gaming machines. Each gaming machine licence shows the number of approved machines (the maximum number is 40) and the number of Gaming Machine Entitlements (GME). One GME authorises the licensee to operate one machine.

To be eligible to apply for a gaming machine licence the applicant must hold either a hotel licence, club licence or a special circumstances licence (where that licence was granted on surrender of a hotel or club licence or is a major sporting venue or headquarters for a sporting code) under the *Liquor Licensing Act 1997*.

As at 30 June 2009 there were 566 active gaming machine licences, under the following categories of liquor licence:

464	Hotels
64	Clubs
38	Special Circumstances

A further 21 licences were under suspension for various reasons.

In addition, one gaming machine licence which was not suspended as at 30 June 2009 was not trading, however, the gaming machines were still being monitored by the Independent Gaming Corporation.

Three licensees surrendered their gaming machine licence during 2008-09, one as a result of selling all of its GMEs through a trading round in a previous year and two as a result of transferring all of their GMEs to Club One. One new licence was issued to a venue which has yet to trade as it currently does not hold any GMEs.

6.2 GAMING MACHINE MONITOR LICENCE

The gaming machine monitor licence authorises the holder to provide and operate an approved computer system for monitoring the operation of all gaming machines.

The monitoring licence is held by the Independent Gaming Corporation Ltd (IGC) which is an incorporated body jointly owned by the Australian Hotels Association (AHA) and Licensed Clubs Association of South Australia (Clubs SA).

6.2.1 Monitoring System

The central computer monitoring system to which all gaming machines are connected is the prime source of control over the security, integrity and proper operation of gaming machines. The system also collects, processes and summarises gaming statistics for all venues and provides data to the Office of the Liquor and Gambling Commissioner (OLGC) for the assessment of gaming tax.

6.2.2 System Upgrade

During the year, there were no modifications made to the gaming machine monitoring system.



6.2.3 Secure Internet Based Customer Reporting Facility

IGC's internet reporting facility, which allows gaming machine operators and manufacturers to access information and reports from the monitoring system via the Internet, continued to operate throughout 2008-09.

For a small monthly fee, the facility allows licensees to download formatted reports from the IGC's web site which provides gaming machine statistics and events for that venue. It also provides downloadable data which can be imported into other data management applications. The information obtained from the monitoring system via the internet facility is used to fulfil some of a licensee's record keeping obligations and in other cases supplements the data recorded at the venue.

At 30 June 2009, there were 389 licensees and six manufacturers utilising the Secure Internet Based Customer Reporting Facility.

6.2.4 Information Data Port

The Information Data Port (IDP) facility was first approved in February 1999. This facility allows gaming machine licensees to access machine information electronically via an interface to the SC300 Site Controller, reducing the need for manual meter reading.

The number of IDPs in the field increased from 245 as at 30 June 2008 to 250 as at 30 June 2009.

6.2.5 Replacement of the Existing Monitoring System

IGC's program to replace the existing AGS monitoring system with the new AEGIS system continued during 2008-09. In conjunction with Scientific Games Worldwide, IGC has developed both the AEGIS host and Terminal Controllers for use with all existing gaming machines in this State.

As at 30 June 2009, IGC's acceptance testing of the new system is nearing completion. IGC has been requested to have the system undergo independent testing subsequent to IGC's testing being completed. The independent tester will be GLI Australia.

While the project is behind schedule, the roll-out of the new system is expected in the third quarter of 2009.

6.2.6 Fees

IGC charges an establishment fee for new gaming machine operators. This was maintained during 2008-09 at the same rate as 2007-08. A monitoring fee is charged for each gaming machine connected to the monitoring system at a monthly rate. Monitoring fees are the prime source of income for the IGC and must cover all of its costs. Monitoring fees are approved by the Minister and are reviewed on a regular basis.

6.2.7 Gamblers' Rehabilitation Fund

During the reporting year, IGC provided \$2.0 million to the Gamblers' Rehabilitation Fund which is administered by the Department for Families and Communities.



6.2.8 Board Members

The Directors of IGC during the 2008-09 year were:

- Mr Colin Wayne Dunsford - Chairman;
- Mr Peter John Hurley - Deputy Chairman;
- Mr Robin James Guy;
- Mr Brian Robert Michael Hayes;
- Mr Wolfgang Woehlert;
- Mr Cameron Murray Taylor; and
- Mr William Cochrane

6.2.9 Service and Maintenance of the Monitoring System

IGC is responsible for the service and maintenance of the central monitoring system. However, as a condition of the gaming machine monitor licence, IGC is required to appoint sub-contractors for the installation, servicing and repair of the central processor hardware for the central monitoring system.

The following sub-contractors have been approved to perform service and maintenance functions for IGC:

Telstra Corporation Ltd	Chubb Security Australia Pty Ltd
Bytecraft Systems Pty Ltd	Wormald Fire Systems
IGA Technology Pty Ltd	Computer Site Services
IOCANE Pty Ltd	Firewall Systems
IBM Ltd	First Five Minutes
INS Progressive Computing Pty Ltd	Internode Systems Pty Ltd
Hewlett Packard	Sungard Availability Services
McAfee	Trend Micro Incorporated
Scientific Games Online Entertainment Systems Inc	

6.3 GAMING MACHINE SUPPLIER'S LICENCE

The gaming machine supplier's licence authorises the holder, acting through an approved agent, to purchase from a licensed gaming machine dealer, and to sell or supply to the holder of a gaming machine licence, approved gaming machines, prescribed gaming machine components and gaming equipment.

The gaming machine supplier's licence is held by the State Procurement Board (SPB).

As at 30 June 2009, the approved agents of the SPB were:

- John Leaton Harris;
- Rosemary Ince;
- Peter Psaroulis; and
- Roy Worthington.



6.4 GAMING MACHINE SERVICE LICENCE

Gaming machine service licensees are authorised to install, service and repair gaming machines on licensed premises.

As at 30 June 2009, there were 21 current licensees. While gaming machine operators contract with Bytecraft Systems Pty Ltd (Bytecraft) for the servicing of machines, Bytecraft has affiliations with other licensees in regional areas. They are:-

GI & JV Clark (Keith)	Electec Technologies (Goolwa)
Kym Lange T/a YP Gaming (Kadina)	Shamrock Gaming Services (Barossa Valley)
Donna's Electrical (Naracoorte)	Green Triangle Electronic Services (Mt Gambier)
Fleet Electronic Services (Pt Lincoln)	Murray Computer & Office Shop (Murray Bridge)
Younger Electronics (Eastern Hills)	Visionfix (Kangaroo Island)
Riverland Gaming (Loxton)	Oaklands Electrical (Pt Pirie)
Office National (Pt Augusta)	Augusta Electronic Centre (Pt Augusta)
Mike Maylin Construction (Coober Pedy)	West Coast Electronics (Ceduna)
BGSTECH (Whyalla)	Ridsdale Electrical (Leigh Creek)
Brumfield Electronics (Cleve)	Mine Power Solutions (Roxby Downs)

6.4.1 Revocation of a gaming machine service licence

On 1 July 2006, a gaming machine service licence was granted to Robert John Bennett (trading as Central Eyre Communications).

On 10 December 2008, Bytecraft notified OLG of the termination of the agreement between it and Central Eyre Communications for the servicing of gaming machines in the Whyalla region.

All attempts to contact Mr Bennett by OLG were unsuccessful. Therefore, disciplinary action was initiated against Robert John Bennett for failing to comply with condition 2 and 5 of the gmsl.

Subsequently, under section 36B(d) of the Act the gmsl issued to Robert John Bennett (trading as Central Eyre Communications) was revoked on 12 January 2009.

6.5 GAMING MACHINE DEALER'S LICENCE

A gaming machine dealer's licence authorises the holder to manufacture gaming machines and prescribed gaming components and to sell or supply these to the SPB or another gaming machine dealer.

Since the last report in 2007-08, one new gaming machine dealer's licence has been granted.

There are 19 licensed gaming machine dealers as at 30 June 2009. Seven of these dealers actively operated in the South Australian market during 2008-09, four manufacturing and selling approved gaming machines, two only selling new or second-hand approved machines and one supplying 3rd-party LCD monitors for existing approved machines.

6.5.1 Supply of Unapproved Game Software

While 2007-08 saw an increase in the number of instances of the supply of unapproved gaming machines and games, only one gaming machine dealer was reported as having supplied unapproved game software during 2008-09. The gaming machine dealer and Commissioner of Police have been notified of the intention to take disciplinary action against the licensee in respect of the alleged breach. As at 30 June 2009, the matter is still being pursued.



7. APPROVAL OF PERSONS

Licencees are required to seek approval for persons who occupy particular positions or who have associations with licences.

Persons can be approved in respect of more than one venue and approvals at gaming machine venues can be under more than one category. Categories include gaming machine managers, gaming machine employees, committee members of licensed clubs, directors and shareholders of licensee companies, agents of the SPB, employees of the holder of a gaming machine service licence, employees and sub-contractors of the holder of the gaming machine monitor licence and in the case of a body corporate that holds a licence, any other person in a position to exercise or exert control or substantial influence over the body corporate in the conduct of its affairs.

7.1 APPLICATIONS FOR APPROVAL

In approving a person in any of the above categories, the Commissioner must be satisfied that the person is fit and proper to occupy that position. Factors such as a person's reputation, honesty, integrity and creditworthiness are taken into account. In determining whether a person is fit and proper, regard must be given to the reputation, honesty and integrity of the person's known associates, including relatives. A copy of every application is provided to the Commissioner of Police who may intervene in any proceedings before the Commissioner on the question of whether a person is fit and proper.

During 2008-09 a total of 2,272 persons were approved.

7.1.1 Applications Refused

No applications for approval were refused during 2008-09.

7.1.2 Approvals Revoked

Under section 44, approval of a person under Part 4 of the Act may be revoked, on such grounds or for such reasons as the Commissioner thinks fit.

During 2008-09, no approvals were revoked.



8. MONITORING AND COMPLIANCE

8.1 GAMING MACHINE VENUES

OLGC currently employs ten liquor and gaming inspectors who have responsibility for inspecting approximately 5,600 licensed venues in the State (as at 30 June 2009, 566 of which hold live gaming machine licences) and two compliance officers who are responsible for investigation of complaints under liquor, gaming and wagering legislation. The inspectorate is integrated with no staff specifically dedicated as gaming machine venue inspectors.

In setting the inspection and compliance program, all licensed premises are categorised according to a risk-based system which forms the basis for determining the frequency of inspections. Regard is also given to the compliance record of each venue and inspectorial resources are applied accordingly. This risk based approach was developed with the assistance of the Auditor General.

For example, as the Responsible Gambling and Advertising Codes of Practice were amended effective 1 December 2008, resources were allocated to concentrate on checking compliance with the new requirements of the codes, particularly gaming machine venues which had not entered into an agreement with an AIA. Licensees which do not hold an agreement with an AIA are subject to additional requirements under the codes and are considered at a 'higher risk' of non-compliance than those venues with an agreement with an AIA.

Gaming machine premises have been categorised as high risk, and every endeavour is made to inspect gaming venues at least once every 12 months.

As well as those activities undertaken by the Commissioner, the Commissioner of Police, through both local service areas and the Licensing Enforcement Branch enforces the Act.

All police officers have the powers given to authorised officers under the Act and can enforce all aspects of the Act.

8.1.1 Self Assessment Compliance Audit Checklists

To assist licensees in understanding and complying with the numerous requirements under liquor, gambling and wagering legislation, OLGC has made available a comprehensive non-mandatory self-assessment compliance audit checklist covering the liquor, gambling and wagering legislation.

This checklist was updated in April 2009 to incorporate the new and amended requirements of the Responsible Gambling and Advertising Codes of Practice.

It is recommended that licensees conduct the audits every three months and that the audit report be signed by a gaming machine manager, responsible person and the licensee or an operational director.

8.1.2 Approved Intervention Agencies (AIA)

The AHA and Clubs SA each have an agency which reduce gambling-related harm by working with hotel and club management and staff on-site. The agencies trade under the names 'Gaming Care' and 'Club Safe' respectively. During 2008-09 both agencies were approved by the Authority as an Approved Intervention Agency for the purposes of the Responsible Gambling Code of Practice and Advertising Code of Practice.



Amongst other things the agencies provide assistance to gaming machine licensees and managers in relation to compliance with, and audit of, gaming venues on a voluntary basis, to assist venues in complying with the gaming machine legislation, including the codes of practice.

Both organisations utilise the OLGC self assessment checklists. OLGC staff have a positive working relationship with both agencies and constantly liaise with, and provide advice to, representatives of both agencies on a number of compliance related issues.

As at 30 June 2009, 31 of the 566 licensees of 'live' gaming machine venues had not entered into an agreement with an AIA.

8.1.3 Inspections

Routine Inspections

All licensed premises are inspected at least annually in accordance with a risk based inspection program.

A routine inspection involves inspectors checking for compliance with specific requirements of the Act, licence conditions, the regulations and codes of practice as well as conducting a general observation of the premises. Venues which do not have an agreement with an AIA agreement are subject to additional checks of requirements of the codes of practice.

All but five gaming venues during 2008-09 were inspected. The five venues are located in country/remote areas and are scheduled for an inspection in July 2009.

During 2008-09 a total of 626 inspections were conducted of the State's gaming machine venues. 564 gaming venues were inspected once while 62 received a follow-up inspection(s).

Routine inspections include ensuring that:

- the licensee is complying with the Responsible Gambling and Advertising Code of Practice, including that:
 - signs, posters, pamphlets, stickers and cards are displayed correctly;
 - licensees have and maintain a responsible gambling document which describes the names and roles of staff involved in implementing the code and policies in relation to dealing with requests to self-exclude;
 - staff have undertaken all training requirements;
- the layout of the gaming area conforms with the approved layout;
- cash facilities are located outside of the designated gaming area;
- signage (including warning notices to minors) is prominently displayed;
- approved persons are wearing appropriate identification;
- the area is adequately supervised;
- gaming machine log books have been properly completed;
- gaming machines are in acceptable operating condition; and
- copies of barring notices issued by the Authority are kept on the premises and made available to staff, and appropriate procedures have been developed to ensure that excluded persons do not enter or remain in a gaming area.

Inspectors also pay particular attention to any conditions that are attached to a gaming machine licence.



Surveillance and Special Assessments

Surveillance involves discreet observations of gaming operations to detect breaches.

Special Assessments include inspections of promotions being run within the gaming area, in addition to any advertising in relation to either the promotion or the gaming room itself.

Seven Special Assessments were conducted in September 2008 on gaming machine venues to check for compliance with requirements of the Responsible Gambling and Advertising codes of practice with a particular emphasis on the conduct of promotions in gaming rooms.

These premises were found to be complying with the requirements of the codes.

Further Special Assessments will be carried out in 2009-10 to check for compliance against the amended requirements of the codes of practice.

Inspections by Complaint

Many areas of compliance relate to specific incidents. These areas are normally brought to OLGC's attention by complaint and include incidents of:

- persons playing more than one machine at a time;
- persons being supplied alcohol while sitting or standing at a gaming machine;
- approved gaming staff playing gaming machines;
- patrons being provided with credit to gamble; and
- payout disputes or alleged machine malfunctions.

A summary of complaints received during 2008-09 is included in section 9 of this report.

Compliance by Licensee Disclosure

Compliance in a number of areas is achieved by the licensee providing materials to OLGC for analysis. These include:

- ensuring licensees do not provide ATM or EFTPOS withdrawals above set limits;
- examination of licensees' customer newsletters for compliance with both the Responsible Gambling Code of Practice and Advertising Code of Practice; and
- examination of licensees' player loyalty mailing lists to ensure that barred patrons have been removed from the list.

Media Monitoring

A media monitoring service has been engaged to provide the Office with copies of gambling advertisements placed in the Advertiser, Messenger and country newspapers. Copies are provided twice a week and are examined for compliance with the various clauses of the Advertising Code of Practice.

Given the large number of advertisements examined, and the zero level of non-compliance in the previous year, from 1 July 2008 examination of advertising moved to a risk based approach.

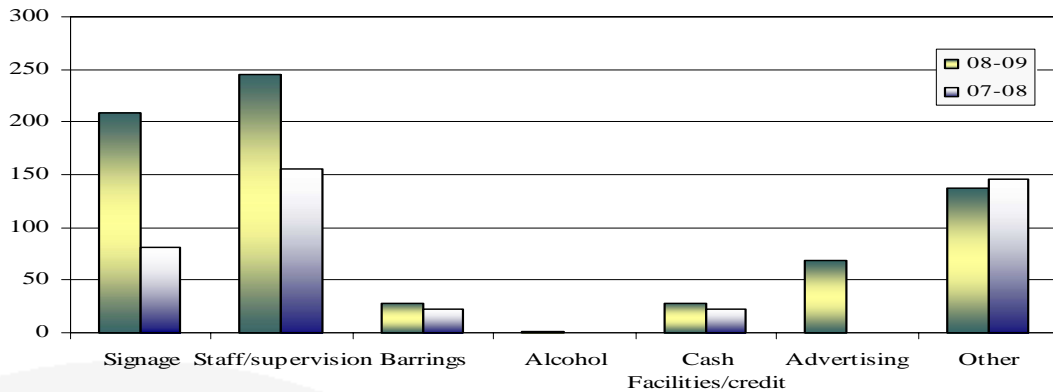
However, as the Advertising Code of Practice was amended effective 1 December 2008, which resulted in additional requirements in relation to advertising of the gambling product, from January 2009 assessment of print advertising by gaming venues reverted to all advertisements being checked for compliance.



For the 2008-09 year a total of 283 advertisements were examined compared to 1,155 in the previous year.

8.1.4 Compliance

8.1.4.1 Overall non-compliance by compliance type



Analysis/Comment:

Although statistics show that overall non-compliance increased from the previous year, except for the requirements in relation to staff/supervision, the majority were for breaches of the amended Responsible Gambling and Advertising codes of practice.

8.1.4.2 Statistics by Compliance Type

This section shows statistics for monitoring compliance based on the compliance type. Common compliance requirements have been grouped together where possible. The tables show the number of breaches identified from assessments of the requirements this year compared to the previous year. An analysis/comment is provided where applicable.

➤ Signage

Compliance Item	2008-09	2007-08
Warning to minors sign not displayed (at each entrance)	17	16
Gambling helpline sticker (not affixed to ATMs and EFTPOS and/or gaming machines) - pre 1 December 2008	5	11
Gambling helpline sticker including 'Gamble Responsibly' (not affixed to ATMs and EFTPOS and/or gaming machines) - post 1 December 2008	52	N/A
Gambling helpline cards not displayed - pre 1 December 2008	0	10
Gambling helpline cards including 'Gamble Responsibly' not displayed - post 1 December 2008	12	N/A
Warning to minors sticker (not affixed to gaming machines)	16	8
Code of practice not available	22	7
Gaming licence not displayed (at principal entrance)	13	6



Compliance Item	2008-09	2007-08
Responsible gambling pamphlets not displayed - pre 1 December 2008	0	5
Responsible gambling pamphlets including 'Gamble Responsibly' not displayed - post 1 December 2008	15	N/A
Responsible gambling poster not displayed - pre 1 December 2008	2	4
Responsible gambling poster including 'Gamble Responsibly' not displayed - post 1 December 2008	4	N/A
Governed by a code of practice sign not displayed - pre 1 December 2008	0	3
Governed by a code of practice sign including 'Gamble Responsibly' not displayed - post 1 December 2008	15	N/A
Rules ancillary to gaming sign not displayed	5	3
Playing of more than one machine sticker (not affixed to gaming machines)	15	9
Playing of more than one machine sign including 'Gamble Responsibly' not displayed - post 1 December 2008	16	N/A
TOTAL	209	82

Analysis/Comment:

Compliance with all forms of gaming signage was generally at a high level for the first six months of 2008-09. During 2008, breaches were confined to the Responsible Gambling Poster not being displayed, Responsible Gambling Stickers missing from ATMs and no Gaming Machine Licence displayed.

However, following the introduction of the amended codes of practice, there was a significant increase in the level of non-compliance during the first months of 2009, primarily as a result of the requirement to include 'Gamble Responsibly' on responsible gambling stickers and posters.

The issue of the non-compliant signage and stickers was predominantly as a result of a delay in new signs and stickers being developed and printed and licensees familiarising themselves with the amended codes of practice.

➤ Staff/supervision

Compliance Item	2008-09	2007-08
Responsible gambling training - not completed or certificate not available at time of inspection	112	74
Training - operation of machines- not completed or certificate not available at time of inspection	111	73
All approved staff clearly not displaying ID badges	6	8
No gaming machine manager on duty	4	0



Compliance Item	2008-09	2007-08
All staff not approved	9	0
Licensee not wearing approved badge while in the gaming area	3	0
TOTAL	245	155

Analysis/Comment:

The issue of licensees being able to demonstrate that persons approved under the Act have completed appropriate training in Responsible Gambling and Operation of Gaming Machines remains a problem during inspections, representing one of the more frequent issues inspectors are required to deal with and one of the requirements with a high level of non-compliance.

While this can occur due to a combination of factors, a major factor remains the delay that gaming staff experience in having certificates forwarded to them by some course providers, rather than non-compliance with the requirement to undertake training.

➤ Barrings

Compliance Item	2008-09	2007-08
All barring notices were not accessible by, or visible to, staff only and were by members of the public	9	7
Barring procedure not maintained (may be part of responsible gambling document)	8	7
All barring notices not being maintained in a folder or picture wall	7	5
Barring orders issued under section 59 have not been provided to LGC	4	4
TOTAL	28	23

Analysis/Comment:

Breaches relating to the management of patron barrings increased slightly compared to those identified during 2007-08. This increase is commensurate with an increase in the number of assessments between the two years (619 assessments in 2008-09 compared to 607 in 2007-08).

Although overall the level of non-compliance is relatively low, given the importance of these requirements in relation to the overall responsible gambling environment, checks will continue to be conducted on each routine inspection.

➤ Alcohol

Compliance Item	2008-09	2007-08
Alcohol supplied to reward, promote or encourage continued gambling	1	0
TOTAL	1	0



Analysis/Comment:

As part of a routine inspection, inspectors observe overall gaming operations. There were no instances of non-compliance observed during the reporting period relating to alcohol and gambling. One suspected breach of the code was detected during an inspection of advertising.

Following dialogue between OLGC staff and the licensee, it was determined that the advertisement was inconclusive compared to the actual promotion and no further action was taken. The licensee advised that, to remove any element of doubt, it would remove the advertisement from any future publications. The advertisement has not been observed during assessments of advertising since then.

➤ Cash Facilities and Credit

Compliance Item	2008-09	2007-08
Coin only available from cashier or monitored dispensing machine	10	N/A
Cash facilities within gaming area	1	0
TOTAL	11	0

Analysis/Comment:

From 1 December 2008 licensees which do not hold an agreement with an AIA can only make coin available from a cashier or coin dispensing machine which is located so patron activity can be monitored.

The number of breaches detected was at a relatively high level with 10 venues or 24% of the 41 checked found to be non-compliant with this requirement. As part of the educational program undertaken by OLGC these licensees were counselled on the requirements under the code of practice. These licensees have since entered into an agreement with an AIA.

➤ Advertising

Compliance Item	2008-09	2007-08
Advertising refers to inducements	1	N/A
Advertising does not include either condensed or expanded warning message	48	N/A
Advertising includes 'Win' or '\$' and is not used to refer to a particular prize	4	N/A
Advertising on exterior or immediate environs of premises	11	N/A
Advertising within the premises except directional signage	4	N/A
TOTAL	68	N/A



Analysis/Comment:

- *Advertising on exterior or immediate environs of premises and/or within the premises except directional signage*

From 1 December 2008 licensees which do not hold an agreement with an AIA are not permitted to advertise their gambling products on exterior or immediate environs of premises and/or within the premises except for directional signage.

Of the 36 inspections conducted, 11 venues or 31% of venues were found to be advertising their gambling product on the exterior or immediate environs of the premises. Four of those venues or 11% were also found to be advertising their gambling product within the premises apart from directional signage.

Disciplinary action was initiated against two of those licensees as they were non-compliant in a number of other areas in addition to the advertising requirements. Details of this action is referred to in section 10 of this report.

The other nine licensees were cautioned as part of the educational program and advised that any further instances of non-compliance would result in disciplinary action being taken.

- *Advertising must include either the condensed or an expanded warning message*

Also from 1 December 2008, all licensees are required to include either an expanded warning message, if reasonable or practicable to do so, or the condensed warning message, when advertising the gambling product.

Of the 263 print advertisements assessed from January 2009, 48 or 18% were found to be non-compliant for this requirement.

As part of the educational program in relation to the amended codes, no action was taken against licensees which were non-compliant for the first time.

These licensees were cautioned and advised that any further instances of non-compliance would result in disciplinary action being taken. No licensees had re-offended as at 30 June 2009.

➤ Other

Compliance Item	2008-09	2007-08
Inducements offered other than participation in a loyalty program	5	N/A
Responsible Gambling Document not maintained	30	21
Time of day not prominently displayed in gaming area	5	5
Log Books not present and/or completed	15	15
Unapproved amusement device located within gaming area	1	0
Government ID plates not on all machines	2	2
Machine condition inadequate (monitors, buttons etc)	47	66



Compliance Item	2008-09	2007-08
Security box not locked	3	6
Gaming layout not approved	22	18
Structural alterations not approved	1	0
Logic board not sealed	6	13
TOTAL	137	146

Analysis/Comment:

- *Responsible Gambling Document*

Although the number of breaches of the requirement for licensees to maintain a Responsible Gambling Document increased from 21 in 2007-08 to 30 in 2008-09, the level of non-compliance is considerably less than the levels detected in 2006-07 and 2005-06 where the instances of non-compliance were 60 and 76 respectively.

- *Other matters*

Other matters identified as part of OLGC's compliance and enforcement program included: a decline in the number of instances of unsealed gaming machine logic boards and unlocked security boxes. Instances of gaming machine log books not being maintained, remained at a steady level compared to the previous year and there was a slight increase in gaming layouts not being approved by OLGC.

Other matters of note include an encouraging decline in the number of gaming machines which did not meet appropriate condition/standards (monitors, buttons etc).

8.2 MONITORING SYSTEM

One of the functions of OLGC is to ensure that the operation, integrity and security of gaming machines are maintained at the highest standard.

The primary tool in performing this function is the central monitoring system operated by IGC. The primary focus to ensure constant scrutiny of the operations conducted under the monitor licence is the integrity of the monitoring system itself.

The system currently operated by IGC is the VLC Advanced Gaming System (AGS).

The imposition of licence conditions and the approval of procedures and policies ensure that there are sufficient internal and external security and audit controls. These controls ensure that any manipulation of the data collected and produced by the monitoring system will produce an auditable trail and that the software or hardware of the monitoring system cannot be altered without OLGC's knowledge.

In order to be satisfied that only approved software and hardware is installed, OLGC established a 'baseline' procedure for taking a snapshot of the system at any point in time. The process involves using a computer utility tool to provide binary comparison verification of the application software. The result is the production of a baseline order showing the current configuration of software and hardware of the system at a point in time.



This baseline document enables OLGC staff to compare the system at any point in time with the last baseline document to ensure that no unauthorised changes have been made.

Any alteration to the approved system is evaluated and approved by the Commissioner. A decision is made as to whether or not such alterations require specialist evaluation by a suitably qualified software testing facility or whether, upon production of results of test scripts, minor alterations can be approved without more detailed investigation.

Any alterations subsequently approved are installed in the presence of an OLGC staff member and the baseline procedure is conducted following its installation.

No modifications were made to the monitoring system during the year, however a baseline procedure was conducted in January of 2009. A small number of minor environmental changes to the system were detected by the baseline procedure. None of the changes detected required further investigation.

Scrutiny is also maintained via the review and analysis of reports which are generated by the monitoring system. These reports are reviewed and analysed by specialist OLGC staff. The reports are used both to scrutinise the operations of IGC as well as the operation of machines in the field. For example, reports can be used to detect a possible malfunctioning machine. The reports are also monitored by OLGC to check that IGC has followed set procedures for trying to re-establish communications. Alternatively, some reports are used solely for scrutinising games installed in the field.

The monthly checks of the accuracy of data and the rigorous testing of the system's functionality in the original system approval process ensures that the reports generated by the system can be relied on for the scrutiny of other licence holders.

There were no amendments to the procedure manuals for the AGS monitoring system, its security and disaster recovery during 2008-09. In addition no unauthorised adjustments were found to be made to data and no alterations were made to the system without approval.



9. COMPLAINT INVESTIGATIONS

9.1 COMPLAINTS ON GAMING OPERATIONS

No complaints in respect of the conduct of gaming operations were received by OLGC during 2008-09.

9.2 PAYOUT DISPUTES AND MALFUNCTIONS

There were 15 complaints received during 2008-09 in relation to payout disputes or alleged machine malfunctions.

The nature of these matters varies from simple requests for information and clarification of the Act through to more complex matters involving closer examination of both financial and technical information.

A range of strategies are employed, depending on the nature of the complaint, including:

- interviewing parties;
- confirmation of a game's history;
- confirmation of events leading up to the dispute;
- examination of financial and chronological data acquired from the central monitoring system;
- testing of technical aspects of a particular game or machine; and
- any other actions deemed necessary.

The outcomes of the 15 complaints investigated during 2008-09 were as follows:

Outcome	Number of outcomes
Complaint settled between patron and the venue.	3
Patron failed to pursue the matter with OLGC after having reported the matter	2
Patron mistaken on how or when machines pay winning credits and matter resolved in favour of the venue.	3
Insufficient evidence to support patron's claim.	7
Total	15

Section 76 of the Act states:

"A player who is aggrieved by a decision to have his or her winnings withheld may apply to the Commissioner for a review of the decision"

All parties involved in a dispute are advised of this section if it appears that the matter cannot be resolved following the internal investigation.

There were no applications for review received under section 76 of the Act during 2008-09.



10. DISCIPLINARY ACTION

Section 36 of the Act allows for disciplinary action to be taken against a licensee for the following reasons:

- the licence was improperly obtained;
- the licensee is not a fit and proper person to hold the licence;
- a person who occupies a position of authority in a trust or corporate entity that holds a licence is not fit and proper;
- the licensee has contravened or failed to comply with a provision of the Act or a condition of licence;
- the licensee has been convicted of an offence against the Act or an offence punishable by imprisonment;
- the licensee has ceased to operate gaming machines on the premises.

The most common reason for taking disciplinary action is the contravention of a provision of the Act or a condition of licence (including codes of practice).

Section 36B of the Act provides that disciplinary action may be in the form of:

- reprimand a licensee;
- add to or vary the conditions of licence;
- suspend the licence;
- revoke the licence;
- cancel 1 or more gaming machine entitlements;
- impose a fine not exceeding \$15,000.

Before doing so the licensee must be given written notice of the proposed disciplinary action and allowed 21 days to show cause why action should not be taken.

10.1 SUMMARY OF DISCIPLINARY ACTION TAKEN

The following action was taken from disciplinary action initiated during 2008-09:

Premises	Licensee (at time of inspection/complaint)	Breach Details	Action Taken
Ambassadors Hotel	Jogrande Pty Ltd	Failure to ensure that sufficient funds are available for payment of gaming tax within 7 days of the end of each calendar month - Section 72(A)(1) of the Act	Reprimand
Mac's Hotel	Kallora Pty Ltd	Failure to ensure that sufficient funds are available for payment of gaming tax within 7 days of the end of each calendar month - Section 72(A)(1) of the Act	Fined \$2000
Sunset Cove Resort Golf Marina	ICA (South Australia) Pty Ltd	Failure to hold approved service contract - Cond (r) Attach B	Licence suspended on 23/12/08 (suspension lifted on payment of account 15/01/09)
Hotel Peterborough	McCreadyMM &TJ	Failure to ensure that sufficient funds are available for payment of gaming tax within 7 days of the end of each calendar month - Section 72(A)(1) of the Act	Reprimand



Premises	Licensee (at time of inspection/complaint)	Breach Details	Action Taken
Hotel Crown	Fifty Cal Pty Ltd as trustee for the Young Gunn's Trust	Advertising suggested that gambling was a means to pay for routine household purchases 3(2)(d) ACOP	Reprimand
Maylands Hotel	Palazzo Property Group atf Maylands Hotel Unit Trust	Failure to ensure that sufficient funds are available for payment of gaming tax within 7 days of the end of each calendar month - Section 72(A)(1) of the Act	Reprimand
Bon Accord Hotel	Zona Wendy Holmes and Gerald Danny O'Conner	Failure to hold approved service contract - Cond (r) Attach B	Licence suspended 25/02/09 and Fined \$400 (suspension lifted on payment of account 23/6/09)
Old Queens Arms Hotel	OQA Pty Ltd	Failure to hold an approved service contract - Cond (r) Attach B	Reprimand
Marble Bar	Raglans Hotel Pty Ltd	Failure to ensure that sufficient funds are available for payment of gaming tax within 7 days of the end of each calendar month - Section 72(A)(1) of the Act	Reprimand
Sir Sidney Kidman Hotel	Joymax Pty Ltd	Failure to ensure that sufficient funds are available for payment of gaming tax within 7 days of the end of each calendar month - Section 72(A)(1) of the Act	Reprimand
Sir Sidney Kidman Hotel	Joymax Pty Ltd	Failure to comply with various requirements of the Advertising and Responsible Gambling Code of Practice, or condition (h) of the attachment B conditions	Fined \$500
Sir Sidney Kidman Hotel	Joymax Pty Ltd	Failure to maintain a monitoring agreement with IGC Cond (k) Attach A	Fined \$500



11. APPROVALS OF GAMES AND MACHINES

11.1 TESTING AND EVALUATION OF GAMING MACHINES

Schedule 1(a) under the Act provides that only approved gaming machines, games and prescribed components may operate in South Australia. Section 40 of the Act then gives the Commissioner the power to approve machines, games and equipment.

Testing and evaluation of gaming machines has been conducted primarily by GLI (Australia) and BMM Australia Pty Ltd. Some testing has also been undertaken by Technical Systems Testing Pty Ltd.

Testing reports are received from an accredited test laboratory, certifying that a gaming machine or game meets the current technical standards. In addition to this, IGC certifies that the machine or game that is to be operated in a gaming venue is compatible with the monitoring system's communications protocol.

As at 30 June 2009, 44 machines and 376 games are currently approved. A number of game approvals include more than one variation of the basic game, such as the return to player percentage, maximum bet and optional game features.

	2008-09	2007-08
Games Approval Activity		
Orders approving a new game	37	45
Orders approving a new version of a game	41	23
Orders revoking the approval of a game	113	56
Gaming Machines Approval Activity		
Orders approving a new gaming machine	8	2
Orders approving a modification to a gaming machine	31	33
Orders revoking the approval of a gaming machine	0	0

11.1.1 Assessment Panel for the Accreditation of Testing Facilities

The NSW Office of Liquor, Gambling and Racing continues to chair the national Assessment Panel for the Accreditation of Testing Facilities. The Panel reports to all participating regulators with recommendations of suitably qualified and experienced organisations for consideration as an Accredited Testing Facility. South Australia is represented on the Panel by the Office of the Liquor and Gambling Commissioner.

The aim is to provide a cooperative and coordinated approach to the assessment of testing facilities by the various gaming regulators of Australia and New Zealand. While accreditations will be issued by individual jurisdictions, the assessment process is conducted most efficiently by this cooperative arrangement.

Existing test laboratories GLI, BMM and TST continue to be accredited to test gaming machine and games for South Australia.

As reported last year Melbourne-based Enex TestLabs had been assessed by the Panel and a favourable report provided on its suitability to test gaming machines, games and associated in-venue devices. In October 2008 Enex TestLabs was issued formal accreditation as being suitable for the testing of gaming machines, games and associated in-venue devices for use in South Australia. As at the time of this report, Enex has not submitted any test reports for South Australia.



11.2 NATIONAL STANDARD FOR GAMING MACHINES

South Australia continues to chair the Working Party on Gaming Machine National Standards.

Work has continued with other Australasian gaming jurisdictions to develop the uniform technical standard for gaming machines throughout Australia and New Zealand. The process of developing the National Standard has minimised the different requirements across each gaming jurisdiction.

In developing the National Standard, the Working Party has consulted with gaming machine manufacturers, testing laboratories and other industry participants. The official mechanism for the amendment and development of the National Standard is the Manufacturers' Forum which is held every 2 years in Sydney following the Australasian Gaming Expo.

The Manufacturers' Forum 2008 was held in Sydney on 27 August 2008. Due to the growing maturity and stability of the National Standard, only minor amendments were discussed and agreed at the Forum. National Standard Rev 10.0 was released to the industry on 24 December 2008 and will be effective in most states and territories of Australia and New Zealand from 1 October 2009.

The next Manufacturers' Forum is scheduled for 11 August 2010.

12. BARRING

12.1 BARRING UNDER SECTION 59 OF THE ACT

Under section 59 of the Act a licensee may bar a person from the gaming area of the premises if he or she is satisfied that the welfare of the person, or the welfare of a person's dependents, is seriously at risk as a result of the excessive playing of gaming machines by the person.

A person who is the subject of a barring order may apply to the Commissioner to review the order.

During 2008-09 no applications were made under section 59 of the Act for a review of a barring order.



13. GAMING TAX

13.1 RATES

The rates effective for 2008-09 were:

Annual NGR	Other than Non-Profit Businesses (Hotels)	Non-Profit Business (Clubs & Community Hotels)
	Marginal Tax Rates	Marginal Tax Rates
\$0 - \$75,000	0%	0%
\$75,001-\$399,000	27.50%	21.00%
\$399,001 - \$945,000	\$89,100 plus 37.00%	\$68,040 plus 28.50%
\$945,001 - \$1,500,000	\$291,120 plus 40.91%	\$223,650 plus 30.91%
\$1,500,001 - \$2,500,000	\$518,170.50 plus 47.5%	\$395,200.50 plus 37.5%
\$2,500,001 - \$3,500,000	\$993,170.50 plus 57%	\$770,200.50 plus 47%
Above \$3,500,000	\$1,563,170.50 plus 65% of excess	\$1,240,200.50 plus 55% of excess

A **non-profit business** is defined as “a business carried out pursuant to a gaming machine licence held by or on behalf of a body corporate or association, where the Minister is satisfied that the profits of the business cannot be returned to the members or shareholders of the body corporate or association”.

Effectively this definition applies to all incorporated clubs and also includes community hotels.

13.2 DISTRIBUTION OF NGR

During 2008-09, 570 venues operated for all or part of the year. The following table shows the total number of venues falling within each tax threshold.

Annual NGR	Total Number of Venues	
	Other than Non-Profit Businesses	Non-profit business
\$0 - \$75,000	46	10
\$75,001-\$399,000	148	23
\$399,001 - \$945,000	76	15
\$945,001 - \$1,500,000	38	5
\$1,500,001 - \$2,500,000	80	14
\$2,500,001 - \$3,500,000	43	10
Above \$3,500,000	57	5
Total Number of Venues	488	82



13.3 NON PAYMENT OF GAMING TAX

A number of licensees failed to pay gaming tax by EFT from their designated bank account on the due date. If the amount remains unpaid for more than 7 days of the initial EFT of the account, a fine of 10% is applied.

Section 72B of the Act, which came into effect 1 February 2005, provides that if an amount remains outstanding for more than 10 days from the due date, the licence may be suspended, by written notice, until the amount is paid. On the day that the fine is applied, licensees receive a notice advising that a fine has been incurred and that they have a further three days to pay the amount outstanding (including the fine).

In 2008-09, seven licensees were issued with a total 13 fines and received notices requiring them to pay within 3 days. Two of those fines totalling \$1,080 were subsequently remitted. The outstanding amounts were paid before the deadline in all cases and no licences were suspended.

13.4 REFUNDS

Refunds of gaming tax arise from the tax-free threshold for clubs and hotels with a NGR of less than \$75,000 per annum and where a venue does not operate for a full financial year.

Gaming tax is collected on a monthly basis whereas the tax rates are based on thresholds for a financial year. Where a venue's gaming revenue fluctuates above and below the tax-free threshold on a month-by-month basis, a refund may occur. A refund will arise where the total tax paid each month exceeds the amount payable on a yearly basis.

26 venues received refunds for the 2008-09 financial year totalling \$25,842.12.



14. ORGANISATION

14.1 ORGANISATION STRUCTURE

The organisation structure of the Office of the Liquor and Gambling Commissioner is contained in section 17.

The structure reflects an integration of related liquor and gambling functions which has proven to be not only cost efficient but also most effective.

14.2 STAFFING

	2007-08 Actual	2008-09 Actual
Average full-time equivalent staff	15.5	15.5

14.3 BUDGET INFORMATION

	2007-08 Actual \$m	2008-09 Actual \$m
Salaries	1.092	.932
Goods & Services	.271	.211
Total	1.363	1.143

15. THANKS

I would like to thank all OLGC staff for their work in 2008-09, in particular, the Deputy Commissioner, Gambling, Brenton Sleep.

I also thank the Board and staff of the IGC, the Authority, SPB, Bytecraft, Gaming Care, Club Safe, AHA and Clubs SA for their cooperation and assistance throughout the year.



16. STATISTICS

Table 1 *Monthly gaming statistics 2008-09*

<i>Month</i>	<i>Total bets</i>	<i>Total Wins</i>	<i>Net Gambling Revenue</i>	<i>Tax Liability</i>	<i>Fines</i>
	<i>(\$)</i>	<i>(\$)</i>	<i>(\$)</i>	<i>(\$)</i>	<i>(\$)</i>
Jul-2008	686,991,771	621,143,485	65,848,286	26,137,656	3,442
Aug	703,363,838	636,062,723	67,301,114	26,877,117	855
Sep	643,305,834	582,460,000	60,845,834	23,498,615	-
Oct	673,434,706	609,051,301	64,383,405	25,306,695	-
Nov	644,137,873	583,197,571	60,940,302	23,487,460	177
Dec	712,791,356	644,693,524	68,097,833	27,285,730	-
Jan-2009	633,216,374	572,838,937	60,377,437	23,161,678	2,764
Feb	572,490,783	518,278,020	54,212,763	20,150,338	8,188
Mar	662,860,111	599,961,983	62,898,128	24,585,113	291
Apr	649,254,251	587,819,209	61,435,042	23,854,012	37
May	677,777,845	613,879,230	63,898,615	25,076,797	-
Jun-2009	640,480,936	580,066,619	60,414,317	23,326,587	2,247
2008-09 Year	7,900,105,678	7,149,452,603	750,653,075	292,747,798	18,001

Chart 1 Gaming tax levied per month 2008-09

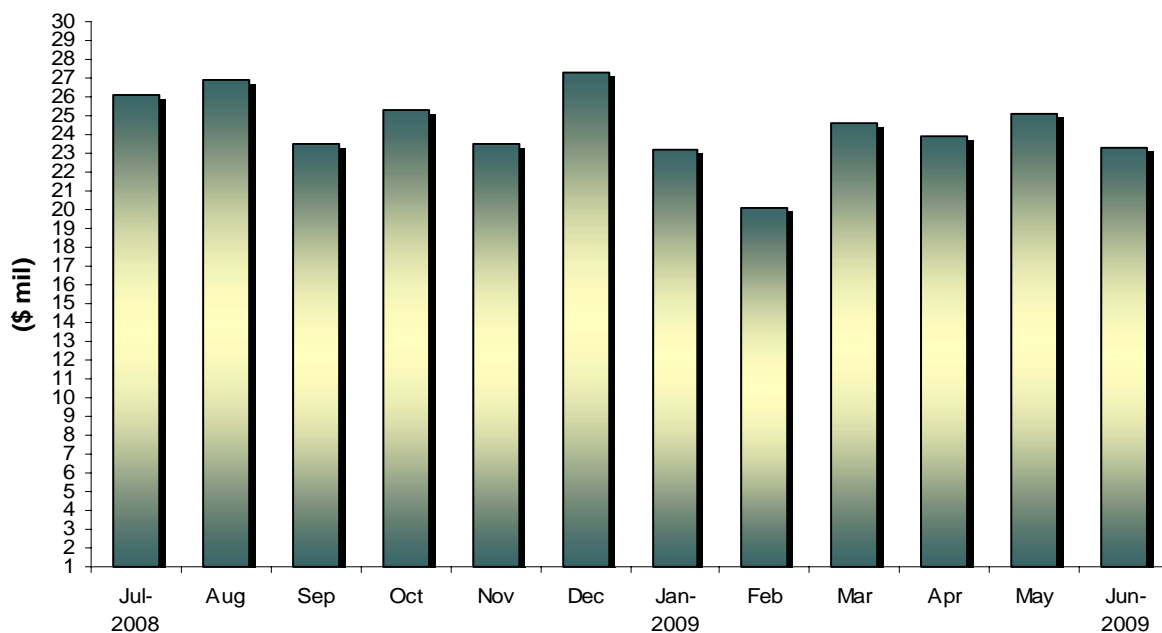




Table 2 Monthly gaming machine and venue installations 2008-09

Month	Venues	Gaming Machines
Jul-2008	564	12,669
Aug	566	12,692
Sep	566	12,684
Oct	565	12,667
Nov	566	12,727
Dec	567	12,722
Jan-2009	568	12,742
Feb	565	12,701
Mar	563	12,685
Apr	564	12,695
May	565	12,718
Jun-2009	566	12,737

Chart 2 Monthly gaming machine and venue installations 2008-09

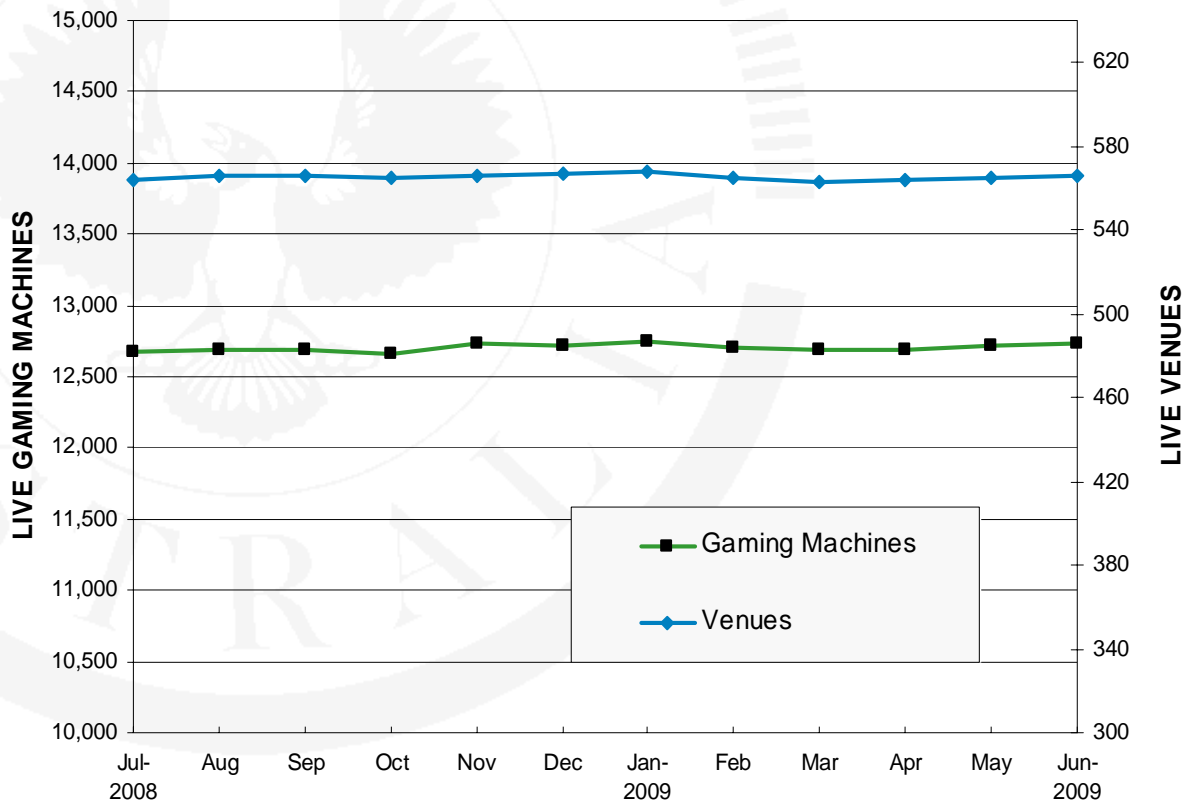




Table 3 Data by ABS LGA 2008-09

Note: Where a LGA has less than 5 venues, that LGA has been grouped with another LGA

LGA or Grouped LGA	No of Venues	No of machines at 30 Jun 09	Aggregate NGR (2008-09)	Aggregate NGR per venue (2008-09)
Adelaide	56	1138	\$35,112,065.02	\$627,001.16
Adelaide Hills	18	266	\$5,155,977.15	\$286,443.18
Alexandria	13	256	\$8,558,302.60	\$658,330.97
Barossa	15	240	\$6,630,843.88	\$442,056.26
Barunga West, Copper Coast	16	263	\$10,169,809.11	\$635,613.07
Berri Barmera	7	176	\$7,484,199.89	\$1,069,171.41
Campbelltown, Tea Tree Gully	15	461	\$46,389,163.81	\$3,092,610.92
Ceduna, Streaky Bay, Le Hunte, Elliston, Lower Eyre Peninsula	10	143	\$5,004,456.55	\$500,445.66
Charles Sturt	27	811	\$65,077,030.42	\$2,410,260.39
Clare & Gilbert Valleys	7	88	\$2,397,110.94	\$342,444.42
Coorong, Tatiara	9	133	\$3,681,133.16	\$409,014.80
Gawler	8	208	\$13,951,259.40	\$1,743,907.43
Goyder, Northern Areas	9	62	\$1,059,773.39	\$117,752.60
Holdfast Bay	11	368	\$24,936,536.76	\$2,266,957.89
Kangaroo Island, Yankalilla, Victor Harbor	11	210	\$9,204,897.09	\$836,808.83
Kimba, Cleve, Tumby Bay, Franklin Harbour	7	77	\$1,878,222.93	\$268,317.56
Light, Mallala	12	109	\$3,920,175.46	\$326,681.29
Loxton Waikerie	5	128	\$3,878,122.46	\$775,624.49
Marion	11	348	\$30,384,907.26	\$2,762,264.30
Mid Murray	10	129	\$2,917,108.73	\$291,710.87
Mitcham, Burnside	7	226	\$16,157,922.15	\$2,308,274.59
Mount Barker	12	249	\$10,185,398.28	\$848,783.19
Mount Gambier, Grant	14	369	\$17,553,795.60	\$1,253,842.54
Mount Remarkable, Orroroo/Carrieton, Peterborough	7	73	\$1,346,107.29	\$192,301.04
Murray Bridge, Karoonda/East Murray, Southern Mallee	10	155	\$9,402,344.39	\$940,234.44
Naracoorte & Lucindale, Robe, Kingston	8	168	\$5,100,262.88	\$637,532.86
Norwood Payneham & St Peters	17	549	\$32,446,643.65	\$1,908,626.10
Onkaparinga	25	739	\$64,925,277.71	\$2,597,011.11
Playford	11	303	\$32,513,807.23	\$2,955,800.66
Port Adelaide Enfield	46	1251	\$79,174,176.27	\$1,721,177.75
Port Augusta	12	274	\$11,144,831.49	\$928,735.96
Port Lincoln	7	212	\$9,295,566.32	\$1,327,938.05
Port Pirie	9	220	\$9,281,493.98	\$1,031,277.11
Prospect, Walkerville	5	164	\$12,940,855.05	\$2,588,171.01
Renmark Paringa	6	150	\$5,525,010.55	\$920,835.09
Roxby Downs, Coober Pedy, Flinders Ranges	8	123	\$4,900,537.09	\$612,567.14
Salisbury	22	634	\$66,639,042.44	\$3,029,047.38
Unincorp. Far North, Unincorp. West Coast	6	60	\$901,186.28	\$150,197.71
Unley	8	254	\$15,578,147.83	\$1,947,268.48
Wakefield Region	9	60	\$1,595,961.12	\$177,329.01
Wattle Range	8	121	\$3,267,124.43	\$408,390.55
West Torrens	11	340	\$31,105,176.27	\$2,827,743.30
Whyalla	8	224	\$16,350,197.13	\$2,043,774.64
Yorke Peninsula	17	205	\$5,531,113.50	\$325,359.62
	570	12737	\$750,653,074.94	\$1,316,935.22

The total number of 570 represents the total number of venues that operated and derived NGR at any time throughout the year. This number may differ from the total as at 30 June 2009 due to surrender or suspension of the gaming licence.



Where data is divided between hotels and clubs in the following tables, the division is made in relation to the nature of how the venue operates as opposed to how it is taxed. i.e. a community hotel is included in the following tables under 'Hotels' but is taxed as a non-profit business (see section 13).

Table 4 NGR - 2005 to 2009

	2004-05		2005-06		2006-07		2007-08		2008-09	
	(\$mil)	%	(\$mil)	%	(\$mil)	%	(\$mil)	%	(\$mil)	%
Hotels	693.008	92.5	687.448	91.5	720.272	90.9	683.667	90.1	676.089	90.1
Clubs	56.243	7.5	63.584	8.5	72.348	9.1	74.792	9.9	74.564	9.9
Total	749.251		751.032		792.620		758.459		750.653	

Table 5 Gaming tax - 2005 to 2009

	2004-05		2005-06		2006-07		2007-08		2008-09	
	(\$mil)	%	(\$mil)	%	(\$mil)	%	(\$mil)	%	(\$mil)	%
Hotels	281.567	95.0	275.797	94.0	292.784	94.0	273.014	92.5	270.366	92.35
Clubs	14.717	5.0	17.623	6.0	21.065	6.0	22.022	7.5	22.382	7.65
Total	296.284		293.420		313.849		295.036		292.748	

* Tax rates changed effective from 1 January 2003

Table 6 Average NGR per machine per day - 2005 to 2009

	2004-05	2005-06	2006-07	2007-08	2008-09
Ave NGR per machine per day	\$139	\$163	\$172	\$164	\$162

Table 7 Average total NGR per day type - 2005 to 2009

	2004-05	2005-06	2006-07	2007-08	2008-09
	(\$mil)	(\$mil)	(\$mil)	(\$mil)	(\$mil)
Sun	1.547	1.507	1.649	1.599	1.595
Mon	1.592	1.625	1.671	1.652	1.619
Tues	1.769	1.781	1.891	1.770	1.818
Wed	2.101	2.114	2.221	2.116	2.101
Thurs	2.492	2.455	2.577	2.442	2.341
Fri	2.653	2.655	2.779	2.649	2.624
Sat	2.205	2.254	2.408	2.296	2.303



Table 8 RTP - 2005 to 2009¹

	2004-05	2005-06	2006-07	2007-08	2008-09
Return to Player	89.29%	89.77%	90.10%	90.29%	90.50%

¹ From 1 October 2001 all new games and machines installed after this date must have a minimum RTP of 87.5% (increased from 85%). While the actual return to player has continued to increase steadily each year, it is expected that this change to the minimum RTP will impact further as older games and machines installed prior to 1 October 2001 are removed and replaced with new games with a minimum return to player of 87.5%.

Chart 3 Average RTP % - 6 monthly since commencement of gaming

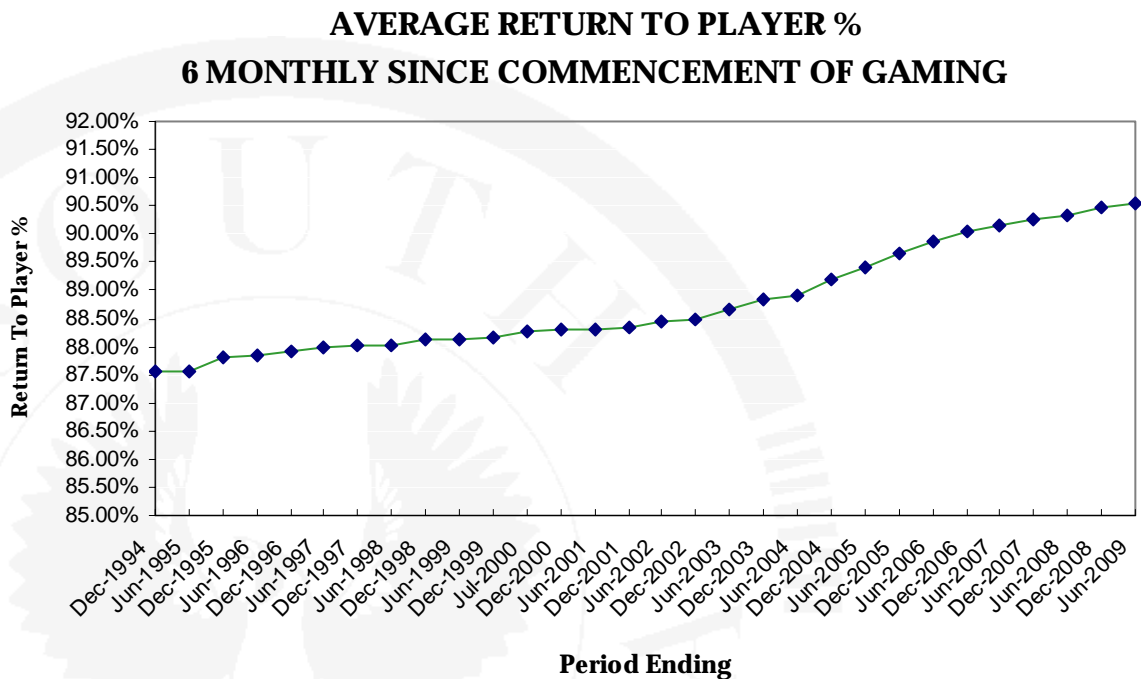


Table 9 Live venues and machines - 2005 to 2009

	30 Jun 05	30 Jun 06	30 Jun 07	30 Jun 08	30 Jun 09
No of venues	585	578	569	565	566
No of machines	14,062	12,598	12,581	12,682	12,737



Table 10 *Number of hotels by machine range - 2005 to 2009*

<i>No of machines</i>	<i>30 Jun 05</i>	<i>30 Jun 06</i>	<i>30 Jun 07</i>	<i>30 Jun 08⁽¹⁾</i>	<i>30 Jun 09</i>
1 to 10	133	134	133	133	133
11 to 20	91	107	103	100	101
21 to 30	38	32	33	33	33
31 to 40	238	226	226	229	230
Total	500	499	495	495	497

(1) Figures have been adjusted for 30 June 2008 as the division was made in relation to how the venue was taxed rather than the nature of how the venue operates

Table 11 *Number of clubs by machine range - 2005 to 2009*

<i>No of machines</i>	<i>30 Jun 05</i>	<i>30 Jun 06</i>	<i>30 Jun 07</i>	<i>30 Jun 08⁽¹⁾</i>	<i>30 Jun 09</i>
1 to 10	29	26	20	17	18
11 to 20	26	25	25	23	21
21 to 30	9	7	6	6	6
31 to 40	21	21	23	24	24
Total	85	79	74	70	69

(1) Figures have been adjusted for 30 June 2008 as the division was made in relation to how the venue was taxed rather than the nature of how the venue operates

Table 12 *Gaming venues by business type - 2005 to 2009*

<i>No of venues</i>	<i>30 Jun 05</i>		<i>30 Jun 06</i>		<i>30 Jun 07</i>		<i>30 Jun 08</i>		<i>30 Jun 09</i>	
		<i>%</i>		<i>%</i>		<i>%</i>		<i>%</i>		<i>%</i>
Hotels	500	85.5	499	86.3	495	87.0	495	87.6	497	87.8
Clubs	85	14.5	79	13.7	74	13.0	70	12.4	69	12.2
Total	585		578		569		565		566	

Table 13 *Gaming machines by business type - 2005 to 2009*

<i>No of venues</i>	<i>30 Jun 05</i>		<i>30 Jun 06</i>		<i>30 Jun 07</i>		<i>30 Jun 08</i>		<i>30 Jun 09</i>	
		<i>%</i>		<i>%</i>		<i>%</i>		<i>%</i>		<i>%</i>
Hotels	12,363	87.9	11,003	87.3	10,978	87.3	11,108	87.6	11,179	88.8
Clubs	1,699	12.1	1,595	12.7	1,603	12.7	1,574	12.4	1,558	12.2
Total	14,062		12,598		12,581		12,682		12,737	



Chart 4 *Growth in gaming venues*

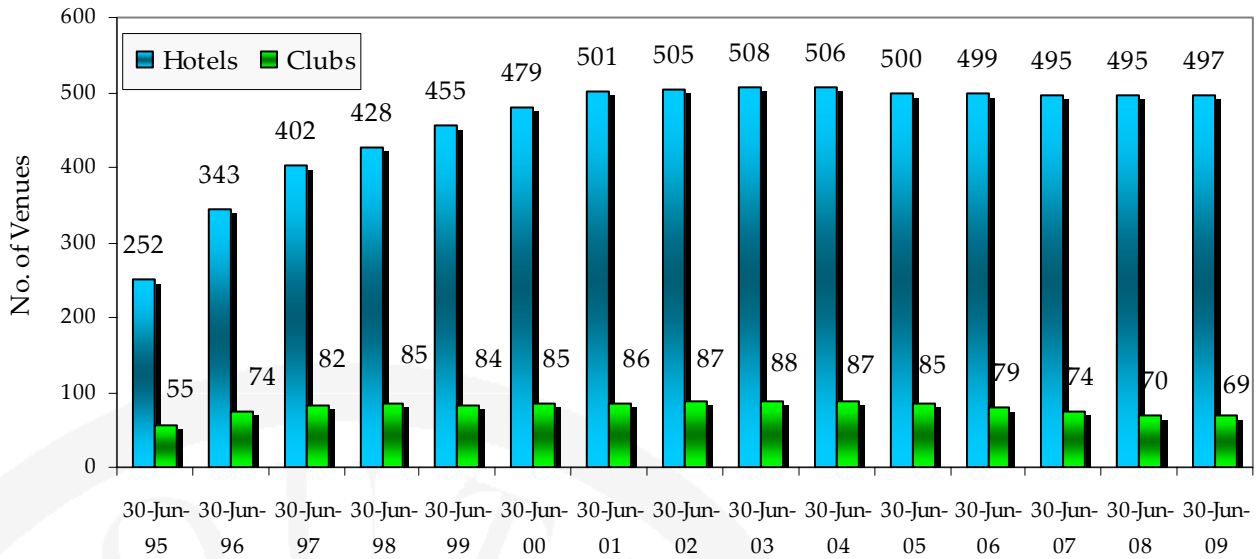


Chart 5 *Growth in gaming machines installed*

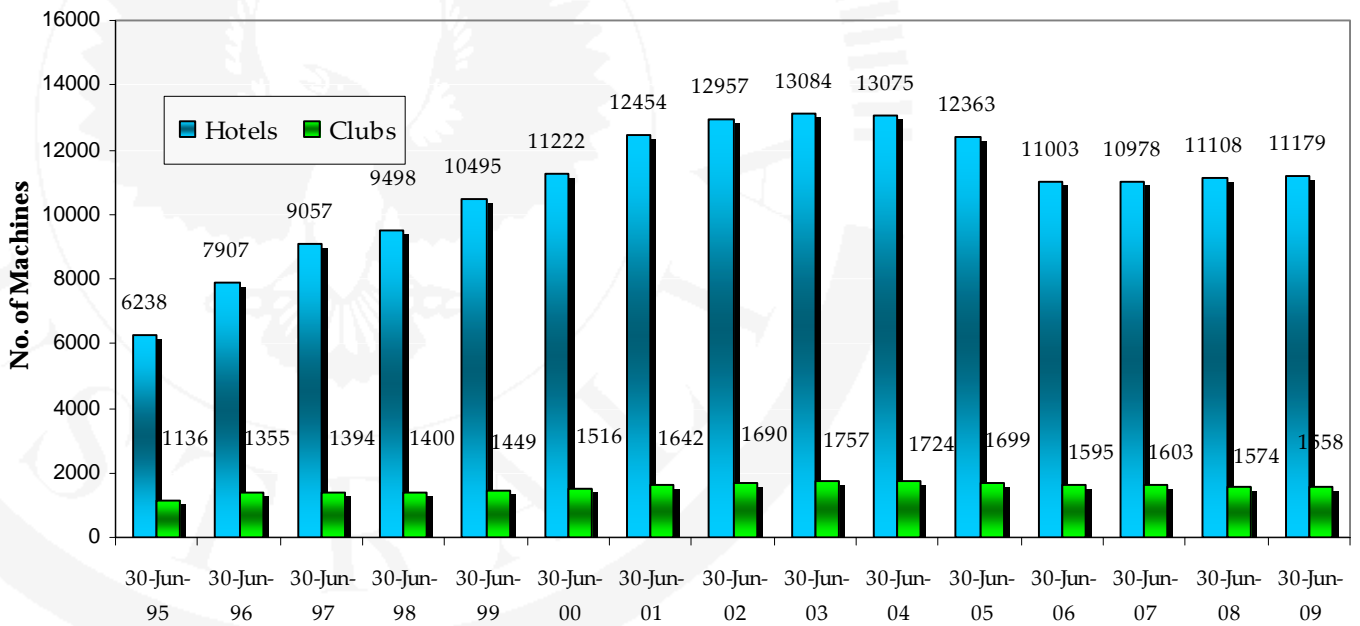




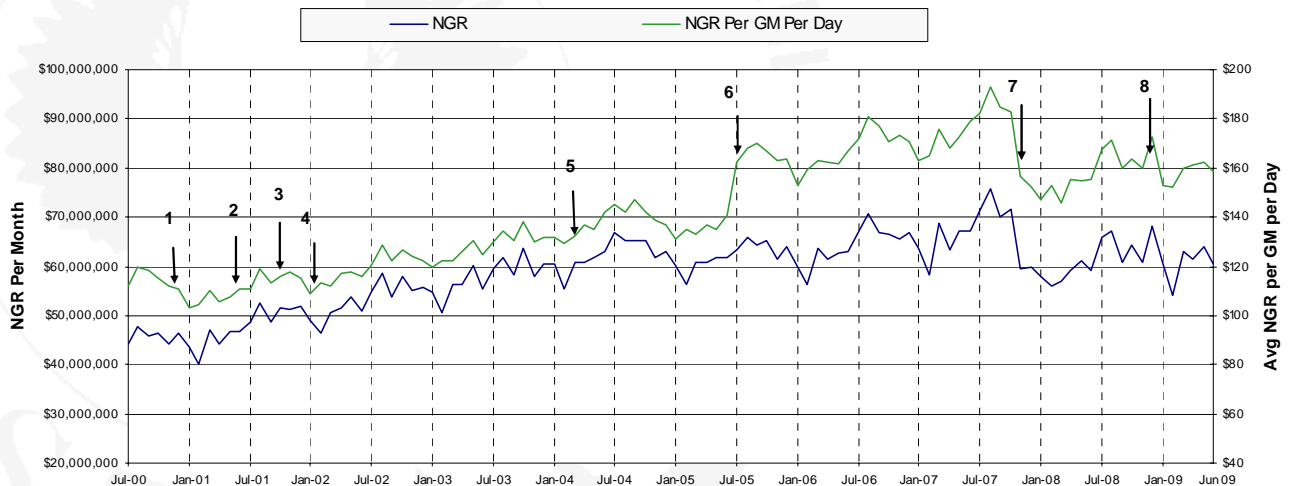
Table 15 *Manufacturer's share of gaming machine market - 2005 to 2009*

	Jun 05	Jun 06	Jun 07	Jun 08	Jun 09
Aristocrat	9,529	8,283	7,850	7,502	7,167
IGT	2,450	2,667	3,037	3,458	3,777
Konami	1,091	1,035	1,237	1,347	1,555
Ainsworth	299	278	298	281	296
Pacific	272	142	111	76	59
AGT (VGS)	206	132	89	69	52
Olympic	181	85	43	27	22
Datacraft/VL	103	43	35	17	12
Atronic	69	26	16	10	8
Total⁽¹⁾	14,200	12,691	12,716	12,787	12,948

(1) The total number of gaming machines for June of each year as shown above may be higher than the amount reported in Table 9 as the number of machines installed in venues as at the 30 June each year. The data shown in Table 9 above takes into account data on any machine installed at any time during June with the difference due to machines being installed and removed from venues.

Chart 6 *Impact of legislation and codes of practice on NGR*

Prior to the commencement of this financial year, with the exception of 1996-97 the average NGR per machine per day increased on an annual basis from \$98 in 1994-95 to \$172 for 2006-07. A decrease to \$164 for 2007-08 and to \$162 for 2008-09 may in part be attributed to the introduction of total smoking bans in November 2007.



Chronology of Responsible Gambling Measures

Event 1: 7/12/2000 Commencement of legislation preventing the granting of new gaming machine licenses.

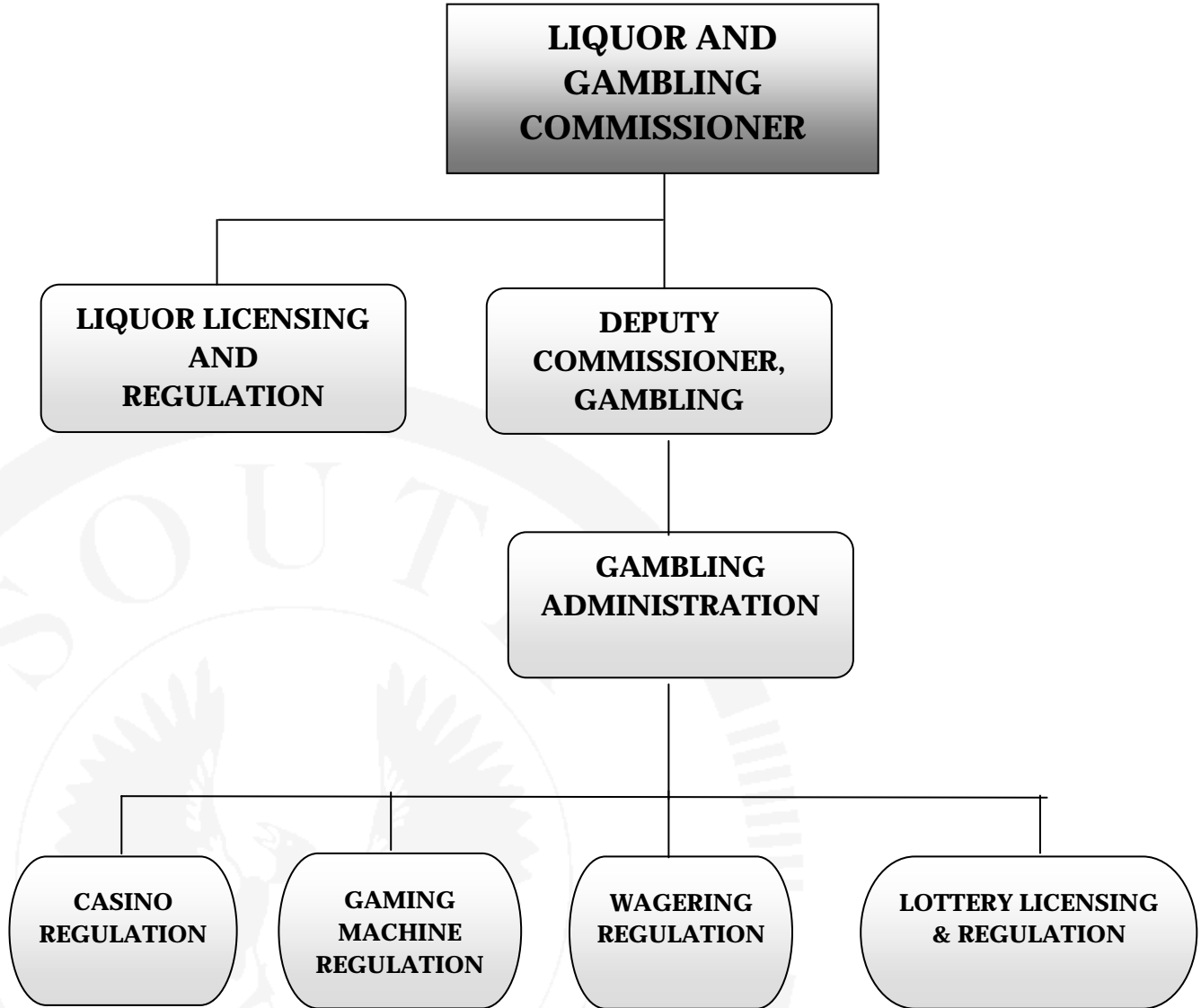
Event 2: 30/05/2001 Statutes Amendment (Gambling Regulation) Act 2001 is passed.



- Event 3: 01/10/2001 First mandatory versions of the Responsible Gambling Code of Practice and the Advertising Code of Practice introduced. Key elements of the Codes were:
- clocks to be displayed in gaming areas
 - players to be prevented from playing while intoxicated
 - mandatory training requirements
 - cheques not to be cashed in gaming areas
- 01/10/2001 Minimum RTP on all newly approved games increased to 87.5% from the previously approved rate of 85%
- 01/10/2001 Applications for new games must be refused if they are deemed to have characteristics that are likely to lead to an exacerbation of problem gambling.
- 01/10/2001 Voluntary Barring system introduced.
- Event 4: 01/01/2002 Licensees are not to provide ATM or EFTPOS facilities that are capable of allowing more than \$200 per transaction per debit or credit card.
- 01/01/2002 Autoplay function removed from all South Australian gaming machines by this implementation date.
- Event 5: 30/04/2004 New Mandatory Codes of Practice introduced.
- Event 6: 01/07/2005 Removal of 2162 machines as a result of compulsory reduction.
- Event 7: 01/11/2007 Introduction of complete indoor smoking bans.
- Event 8: 01/12/2008 Responsible Gambling and Advertising Codes of Practice amended.



17. ORGANISATION CHART





18. GLOSSARY

ACOP	Advertising Code of Practice
AHA	Australian Hotels Association (South Australian Branch)
AIA	Approved Intervention Agency
Bytecraft	Bytecraft Systems Pty Ltd - holder of a service licence
Club One	Club One (SA) Pty Ltd
Clubs SA	Licensed Clubs Association of South Australia
CMS	Club Management Services Pty Ltd
Cond	Condition
EFT	Electronic Funds Transfer
GME	Gaming Machine Entitlement
GST	Goods and Services Tax
IGA	Independent Gambling Authority
IGC	Independent Gaming Corporation Ltd - holder of the monitor licence
LGA	Local Government Area
NGR	Net Gambling Revenue
OLGC	Office of the Liquor and Gambling Commissioner
Regulations	Gaming Machines Regulations 2005
RGCOF	Responsible Gambling Code of Practice
RTP	Return to Player
SPB	State Procurement Board (formerly the State Supply Board) - holder of the supplier's licence
TAA	Temporary Allocation Agreement
The Act	<i>Gaming Machines Act 1992</i>
The Authority	Independent Gambling Authority
The Commissioner	Liquor and Gambling Commissioner



19. CONTACTS

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