

OFFICE OF THE LIQUOR AND GAMING COMMISSIONER



**Government
of South Australia**

GAMING MACHINES ACT 1992

ANNUAL REPORT 2000 - 2001

Our Reference:

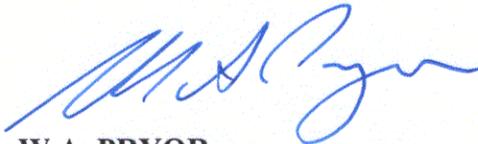
Your Reference:

September 2001

The Honourable Rob Lucas MLC
Treasurer
State Administration Centre
Victoria Square
ADELAIDE SA 5000

Pursuant to Section 74 (2) of the Gaming Machines Act, 1992, I submit this Annual Report on the administration of the Act for the financial year ended 30 June 2001.

Yours faithfully



W.A. PRYOR
LIQUOR AND GAMING COMMISSIONER

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INTRODUCTION

The Liquor and Gaming Commissioner is responsible for the administration of the Gaming Machines Act 1992. The Commissioner is responsible for regulating and monitoring the gambling industry to ensure the interests of patrons, gaming industry licensees, the community and the Government are protected.

Section 5 of the Act provides that the Commissioner is responsible to the Gaming Supervisory Authority for the constant scrutiny of the operations under 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.

The Commissioner is responsible for various functions including:

- ◆ determination of all applications for licences under the Act
- ◆ approval of persons in a position of authority, approval of gaming managers, approval of gaming employees
- ◆ approval of agents of the State Supply Board
- ◆ approval of gaming machines and games, and the central monitoring system
- ◆ approval of the number of machines per licensed premises and the authorised gaming hours
- ◆ 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
- ◆ review of barrings of persons by licensees

At 30 June 2001 there were 587 venues operating a total of 14096 gaming machines.

NEW LEGISLATIVE REQUIREMENTS

Two significant pieces of legislation were passed during the year providing for:

- 1) the introduction of a freeze on the grant of new gaming machine licences or increases in the number of gaming machines approved under licences; and
- 2) the introduction of a number of responsible gambling and harm minimisation measures.

Freeze on Gaming Machines

On 7 December 2000 the *Gaming Machines (Freeze on Gaming Machines) Amendment Act 2000* was passed. The effect of this legislation is to prevent the Commissioner from granting any applications for new gaming machine licences, or increases in the number of gaming machines approved, if that application was received on or after 7 December 2000.

The freeze was in place until 31 May 2001. The freeze has now been extended to 31 May 2003.

Responsible Gambling Initiatives

On 30 May 2001 the *Statutes Amendment (Gambling Regulation) Bill 2001* was passed.

In addition to extending the freeze the Bill provided for:-

- ◆ The establishment of the Independent Gambling Authority as an extension of the current Gaming Supervisory Authority. The Authority's functions have been expanded to include the following:
 - develop and promote strategies for reducing the incidence of problem gambling and for preventing or minimising the harm caused by gambling;
 - undertake, assist in, or coordinate ongoing research into matters relevant to the Authority's functions, including research into -
 - social and economic costs and benefits to the community of gambling and the gambling industry, and
 - the likely impact, both negative and positive, on the community of any new gambling product or gambling activity that might be introduced by any section of the gambling industry, and
 - strategies for reducing the incidence of problem gambling and preventing or minimising the harm caused by gambling.

- ◆ The Authority will have new harm minimisation responsibilities which will impact on the gaming machine industry in hotels and clubs, including:
 - approval of a code of practice on advertising which must be adopted by all licensees;
 - approval of a code of practice including:
 - the display of signs and provision of information relating to responsible gambling and the availability of problem gambling services;
 - the provision of responsible gambling training;
 - and any other matters that the Authority determines will reduce the incidence of problem gambling.The code must be adopted by all licensees;
 - development of guidelines for the purpose of assessing whether a game is likely to lead to an exacerbation of problem gambling.

- ◆ Specific changes to the operation of gaming machines including:
 - Minimum return to player for new gaming machines and games increased to 87.5% (up from 85%);
 - Autoplay facilities on all machines is prohibited;
 - Bank Note Acceptors on all machines prohibited (none in existence);
 - Provisions on extension of credit for gambling have been strengthened;
 - Withdrawal limits will be set for ATM's and EFTPOS facilities at gaming venues which, in the first instance, will not allow a person to withdraw more than \$200 per transaction per debit or credit card. After a certain date (yet to be determined) a patron will not be able to obtain cash from an ATM or EFTPOS facility at a gaming venue more than once on any debit or credit card on any one day;
 - Commissioner can not approve a new game if the game is likely to lead to an exacerbation of problem gambling. (Guidelines may be issued by the Authority in regard to assessing a game);
 - a person may apply to the Authority to bar himself or herself voluntarily from the gaming area, or areas, of one or more specified premises.

On proclamation of the Act, the title of Liquor and Gaming Commissioner will change to Liquor and Gambling Commissioner.

GAMING LICENCES

GAMING MACHINE LICENCES

A gaming machine licence authorises the holder to possess and operate gaming machines.

The maximum number of gaming machines that a licence holder can possess and operate is 40.

To be eligible to apply for a gaming machine licence a venue 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 2001 there were 594 gaming machine licences granted. Of these, 587 licensees were operating gaming machines under the following categories of licence:

465	Hotels
83	Clubs
39	Special Circumstances

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 (SA) and the Licensed Clubs Association of SA Inc.

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 the basic information for this Office to assess gaming tax.

System Upgrade

During the year IGC modified the gaming machine monitoring system by installing AGS Release 6.1 and Front End Processor (FEP) software Version 4.3. AGS Release 6.1 was developed by VLC and IGC to address a number of minor issues identified since IGC began operating the AGS system in September 1999. The majority of these issues related to operational efficiency and did not impact upon the IGC's ability to monitor gaming machines.

Release 6.1 was installed without incident on Good Friday 2001. This day was chosen to provide a significant safety margin should any problems arise causing IGC to revert to the previous AGS version.

FEP software Version 4.3 addressed a number of minor communication problems and was installed progressively following the successful installation of Release 6.1.

Information Data Port

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

The number of IDP's in the field increased to from 131 as at June 2000 to 186 as at 30 June 2001 with orders for a further 2.

Fees

IGC charges an establishment fee for new gaming machine operators. This was maintained at \$1,500 for 2000/01. A monitoring fee is charged for each gaming machine connected to the monitoring system and is charged at a monthly rate. Monitoring fees are the prime source of income for the IGC and must cover all the Corporation's costs. Monitoring fees are approved by the Treasurer and are reviewed on a regular basis. The Treasurer approved a monitoring fee of \$46.84 per machine per month effective 1 July 2000 to 31 December 2000. This fee contained a GST amount of \$4.26. The non-GST component remained unchanged from the previous year.

The fee was reviewed in December 2000 and a reduced fee of \$43.54 (GST inclusive) per machine per month was approved from 2 January 2001 to 2 July 2001. The previous fee was extended for one day to 1 January 2001 to coincide with IGC's accounting periods.

Given the IGC's community service obligations such as its contribution to the Gambler's Rehabilitation Fund and its donation program, the monitoring fee is competitive.

Over the last five financial years IGC Ltd has made 133 separate grants totalling \$3.25 million to a wide range of South Australian charitable and community organisations.

In 2000/01 IGC made 37 grants totalling \$495,872. These included:

	\$
Leukaemia Foundation	10,000
Multiple Sclerosis Society	9,000
Skin Cancer Research Foundation	10,000
Riding for the Disabled	5,000
Surf Lifesaving, South Australia	10,000
Make a wish Foundation	10,000
Autism Association	7,633
Royal Society for the Blind	6,960
Royal Adelaide Hospital Appeal	50,000
Crippled Children's Association	10,000

Gambler's Rehabilitation Fund

During the reporting year, the Independent Gaming Corporation Ltd provided \$1.5 million to the Gambler's Rehabilitation Fund which is administered by the Minister for Human Services. The government provided a further \$500,000 from Consolidated funds.

Board Members

The Directors of the Independent Gaming Corporation Ltd as at 30 June 2001 were:

- ◆ Mr Barry Francis Beazley - Chairman
- ◆ Mr Peter John Hurley - Deputy Chairman
- ◆ Mr Colin Wayne Dunsford
- ◆ Mr Robin James Guy
- ◆ Mr Steven Ploubidis
- ◆ Mr William Cochrane
- ◆ Mr Gregory Stephen Fahey

Mr Greg Fahey resigned as Director during June 2001 to be replaced on 1 July 2001 by Mr Brett Mathews. I take this opportunity to thank Mr Fahey for his contribution to IGC and the industry.

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 Supply Board.

As at 30 June 2001, the two approved agents of the Board were:

- ◆ James MacGuire
- ◆ John Leaton Harris

GAMING MACHINE SERVICE LICENCE

The gaming machine service licence authorises the licensee to install, service and repair approved gaming machines, prescribed gaming machine components and gaming equipment.

The State Supply Board, as holder of the licence, has appointed approved agents to perform the work authorised under the licence. Getronics Australia Pty Ltd and AWA Gaming Services Pty Ltd are the Board's approved agents.

Since I reported last year the following additional businesses, including persons in a position of authority and employees, were approved as subcontractors to the approved service agents to provide for the installation, service and repair of gaming machines in country areas:

Getronics Australia Pty Ltd

AWA Gaming Services Pty Ltd

- ◆ JK Technical & Computing Services
- ◆ Lifarm Pty Ltd

The Independent Gaming Corporation Ltd is responsible for the service and maintenance of the central monitoring system. However, as a condition of IGC Ltd's monitor licence, IGC Ltd is required to appoint sub-contractors for the installation, servicing and repair of the central processor hardware for the central monitoring system.

Throughout the year the following sub-contractors have been approved to perform service and maintenance functions:

- ◆ Telstra Corporation Ltd
- ◆ Video Lotteries Consultants Inc
- ◆ Video Lotteries Technologies Inc
- ◆ Getronics Australia Pty Ltd
- ◆ AWA Gaming Services Pty Ltd
- ◆ IGA Technology Pty Ltd
- ◆ Iocane Pty Ltd
- ◆ IBM Ltd
- ◆ Computer Site Services

GAMING MACHINE DEALERS

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 Board or another gaming machine dealer.

Since I last reported, the following gaming machine dealer's licences have been granted:

- ◆ Ainsworth Game Technology Pty Ltd
- ◆ Poker Gaming Pty Ltd

During the year the following gaming machine dealer surrendered its licence:

- ◆ Gaming Machines (SA) Pty. Ltd.

There are 17 gaming machine dealer's licences granted as at 30 June 2001. Of these, 9 actively operate in South Australia.

APPROVAL OF PERSONS

As at 30 June 2001, a total of 6044 persons are approved in relation to various gaming licences under the Act.

Persons approved include gaming machine managers, gaming machine employees, committee members of licensed clubs, directors and shareholders of licensee companies, agents of the Board, subcontractors and employees of the agent to the holder of the gaming machine service licence, employees and sub-contractors to the holder of the gaming machine monitor licence and any other person in a position to exert influence in a body that holds a licence.

MONITORING AND COMPLIANCE

GAMING VENUES

All gaming venues continue to be inspected regularly for compliance with the provisions of the Gaming Machines Act 1992 and licence conditions. There are a number of matters which are routinely inspected and these include:

- ◆ ensuring that the layout of the gaming area conforms with the layout approved by the Commissioner
- ◆ ensuring that cash facilities are located outside of the designated gaming area
- ◆ ensuring that signage including warning notices to minors is prominently displayed
- ◆ ensuring that approved persons are wearing appropriate identification
- ◆ ensuring that the area is adequately supervised
- ◆ ensuring that gaming machine log books have been properly completed

Inspectors pay particular regard to any specific conditions that are attached to each gaming machine licence.

In setting the inspection and compliance program, the Commissioner has regard to the compliance record of each venue and inspectorial resources are applied accordingly.

MONITORING SYSTEM

One of the main functions of the Office of the Liquor and Gaming Commissioner is to ensure that the operation, integrity and security of gaming machines is maintained at the highest standard.

The Commissioner's primary tool in performing this function is the central monitoring system operated by the Independent Gaming Corporation Ltd. It is therefore imperative that the central monitoring system itself is subject to constant scrutiny. The Commissioner must be confident as to the integrity of the data produced by the system on which the Commissioner relies.

The system currently operated by the Independent Gaming Corporation Ltd is the VLC Advanced Gaming System (AGS).

Through the imposition of licence conditions, procedures and policies are in place to ensure that there are sufficient internal and external security and audit controls. Such 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 can not be altered without the knowledge of the Commissioner.

TECHNICAL ISSUES

TESTING AND EVALUATION OF GAMING MACHINES

Schedule 1(a) under the Gaming Machines 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 for the Commissioner primarily by Gaming Laboratories Australia. However testing has also been undertaken by Bellamy, Miller and Moneypenny and Technical Systems Testing Pty Ltd. In addition to the certification received from a qualified test laboratory that a gaming machine or game meets the South Australian Gaming Machine Technical Standards, the Independent Gaming Corporation provides a certificate attesting to the fact that the machine or game conforms to the monitoring system's communications protocol.

As at 30 June 2001, 20 machines and 250 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.

The Office of the Liquor and Gaming Commissioner is currently convenor of a national working party for the assessment of testing laboratories. The working party reports to all participating regulators with recommendations of suitably qualified and experienced organisations for consideration as an Accredited Testing Facility (ATF).

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.

The first report of the Assessment Panel was issued to participating organisations in November 2000.

South Australia issued accreditations to three organisations - Gaming Laboratories Australia, BMM International and Technical Systems Testing.

In February 2001, the Assessment Panel conducted a review of the performance of the ATF's and the accreditation system in general. A report of the Panel's findings is to be provided to participating regulators early next year.

NATIONAL STANDARDS FOR GAMING MACHINES

South Australia has assumed the chair of the Working Party on National Standards previously occupied by Victoria.

Work has continued with other Australasian gaming jurisdictions to establish uniform technical standards for gaming machines. Standards have been developed covering hardware, software, artwork, game submissions and communications. The process of developing standards has minimised the different requirements of each gaming jurisdiction.

In developing these standards 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 annual Manufacturer's and Operator's Forum which was held in Sydney in August 1999 and was jointly chaired by South Australia and New Zealand.

South Australia has adopted the latest Revision of the National Standards, effective July 5 2001. Manufacturers were notified in early 2001 of the impending change. As of July 5, all submissions of new gaming machines and games will be evaluated against the National Standards for Gaming Machines Version 4.01 plus the South Australian Appendix Version 1.5. This brings South Australia into line with most other Australian and New Zealand jurisdictions.

PLAYER DISPUTES

This Office continues to address a range of issues arising from the day to day conduct of gaming operations including the handling of complaints and the conduct of investigations arising from disputed gaming machine payouts.

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

Given the diverse nature of these complaints this Office applies a range of remedial processes to their resolution.

Depending upon the circumstances these may include:

- ◆ interviewing complainants or respondents
- ◆ visual 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
- ◆ any other actions deemed necessary

Section 76 of the Gaming Machines Act 1992 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 situation are advised of this section if it appears that the matter cannot be resolved following the internal investigation. No formal applications for a review were received by this Office in 2000/01.

I am pleased that the number of calls received by this Office relating to disputes or conflict situations remains relatively low.

RESPONSIBLE GAMBLING

Working Parties

The Commissioner is represented on a number of National forums involved in the development of strategies to address problem gambling, harm minimisation and the responsible provision of gambling services.

These include:

- ◆ Responsible Gambling Working Party
- ◆ Gambling Research Working Party

Most working parties include representatives from all Australian States and Territories as well as New Zealand.

One of the major objectives of these inter-jurisdictional working parties is to identify and evaluate best practice solutions to a number of common responsible gambling issues and to provide where appropriate for a uniform and coordinated approach to these matters. The working parties also provide a mechanism to share information and learn from other States' experiences.

As well as the above two working parties, the Commissioner also provides support to the Ministerial Council on Gambling.

Policy Advice

The Commissioner provides policy advice to Government on responsible gambling and harm minimisation issues.

A Committee chaired by the Honourable Graham Ingerson MP was established to look into a range of responsible gambling issues. This led to the *Statutes Amendment (Gambling Regulation) Act 2001*.

The Commissioner made a detailed submission to the Committee covering a range of issues concerning responsible gambling and harm minimisation.

GAMING TAX

The tax rates effective from 1 July 2000 changed from 1999/00 with the introduction of GST from 1 July 2000.

Division 126 of *A New Tax System (goods and Services Tax) Act 1999* provides that, from 1 July 2000, GST is to be calculated on a gambling supply as 1/11th (9.09 per cent) of net gambling revenue.

An intergovernmental agreement between the Commonwealth and State Governments provides that the States and Territories adjust their gambling tax arrangements to take into account the impact of GST on gambling operators.

As a result, the *Gaming Machines (Miscellaneous) Amendment Act 2000* passed on 29 June 2000 effected a reduction of 9.09 percentage points from each marginal tax rate effective from 1 July 2000.

Gaming tax continues to be based on a three tiered, net gambling revenue based tax calculation with rates differentiated between hotels and clubs.

The rates effective for 2000/01 were as follows:

For a **non-profit business**:

<u>Annual NGR per venue</u>	<u>Tax Rate</u>
up to \$399,000	20.91%
\$399,000 to \$945,000	\$83,431 + 25.91% of excess
above \$945,000	\$224,900 + 30.91% of excess

The surcharge of 0.5% of NGR introduced in 1997/98 continued to be charged.

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.

For **any other business**:

<u>Annual NGR per venue</u>	<u>Tax Rate</u>
up to \$399,000	25.91%
\$399,000 to \$945,000	\$103,381 + 34.41% of excess
above \$945,000	\$291,260 + 40.91% of excess

The surcharge of 0.5% of NGR introduced in 1997/98 continued to be charged.

Refunds

I have reported in previous years on the issue of refunds of gaming tax.

Refunds arose because gaming tax was assessed in respect of a holder of a gaming machine licence and not the premises to which the licence relates. This sometimes resulted in a refund to the outgoing licensee when hotel licences were transferred during the financial year. The incoming licensee was also liable to pay less tax than would ordinarily have been paid if the licence was held for the full twelve months.

The *Gaming Machines (Miscellaneous) Amendment Act 2000* passed on 29 June 2000 provided for an amendment to the Act which has now rectified this anomaly. Effective from 1 July 2000 the liability for tax is determined on the net gambling revenue derived for a financial year by the premises, irrespective of the licensee.

As a result, no refunds of gaming tax arose in 2000/01.

Non Payment of Gaming Tax

A number of licensees fail to pay gaming tax from their designated bank account on the due date. If the amount remains unpaid within 7 days of the initial sweep of the account, a fine of 10% is applied. A letter of demand is also sent to the licensee giving the licensee 14 days in which to pay the outstanding amount. During 2000/2001 30 licensees incurred fines totalling \$17,217.

If the amount remains outstanding after the 14 days, the Commissioner may exercise his powers under Section 36 to take disciplinary action. Disciplinary action may involve reprimanding a licensee, suspension or revocation of the licence or adding or varying licence conditions.

The Commissioner must give written notice to a licensee of the proposed disciplinary action, allowing a period of at least 21 days for the licensee to respond. In the same notice the Commissioner may suspend the licence pending determination of the disciplinary proceedings.

During the year the Commissioner exercised his powers under section 36 and suspended a licence for non-payment of gaming tax. The suspension was lifted once the amount was paid.

In another case, the Commissioner used his discretion to enter into a scheme of arrangement for payment of an outstanding amount on an instalment basis.

STATISTICAL INFORMATION

Installation Rates

The monthly average number of installations has been:

153 in 1994/95
157 in 1995/96
99 in 1996/97
37 in 1997/98
87 in 1998/99
66 in 1999/00
113 in 2000/01 *

* I suspect that the increase in 2000/01 was the result of the industry's anticipation of a freeze on gaming machines.

Average Net Gambling Revenue

The average net gambling revenue per machine per day has risen in 2000/01:

1994/95	\$98/machine/day
1995/96	\$105/machine/day
1996/97	\$100/machine/day
1997/98	\$101/machine/day
1998/99	\$107/machine/day
1999/00	\$107/machine/day
2000/01	\$111/machine/day

Return to Player

Actual return to player continues to increase because of competition in the industry and player demand.

For the 12 months to 30 June 2001 the actual return to player percentage was 88.30% compared to 88.21% in 1999/00.

The chart titled Average Return to Player % shows the average 6 monthly variation since the commencement of gaming.

Machine Numbers

As at 30 June there are 587 venues operating 14096 machines.

This represents an increase of 23 venues and 1358 machines over the 12 month period since 30 June 2000.

Of the 86 Clubs operating machines as at 30 June 2001:

- ◆ 30 (34.9%) had 10 machines or less
- ◆ 29 (33.7%) had between 11 and 20 machines inclusive
- ◆ 7 (8.1%) had between 21 and 30 machines inclusive
- ◆ 20 (23.3%) had between 31 and 40 machines inclusive

Of the 501 hotels operating machines as at 30 June 2001:

- ◆ 150 (30.0%) had 10 machines or less
- ◆ 83 (16.5%) had between 11 and 20 machines inclusive
- ◆ 41 (8.2%) had between 21 and 30 machines inclusive
- ◆ 227 (45.3%) had between 31 and 40 machines inclusive

ORGANISATION INFORMATION

Organisation Structure

The organisation structure of the Office of the Liquor and Gaming Commissioner is attached as Appendix 1.

The structure reflects an integration of related liquor and gaming functions which has proven to be not only cost efficient but also effective. The integrated liquor and gaming model reflects best practice.

Staffing

	1999/00 Budget	1999/00 Actual	2000/01 Budget	2000/01 Actual
Average full time equivalent staff	18.8	18.0	17.4	16.9

Budget Information

Actual expenditure for 2000/01 for gaming machine administration was \$1.35 M against a budget of \$1.58M.

	1999/00 Budget	1999/00 Actual	2000/01 Budget	2000/01 Actual
	\$m	\$m	\$m	\$m
salaries	0.942	0.932	0.952	1.067
goods & services	0.636	0.364	0.629	0.283
Total	1.578	1.296	1.581	1.350

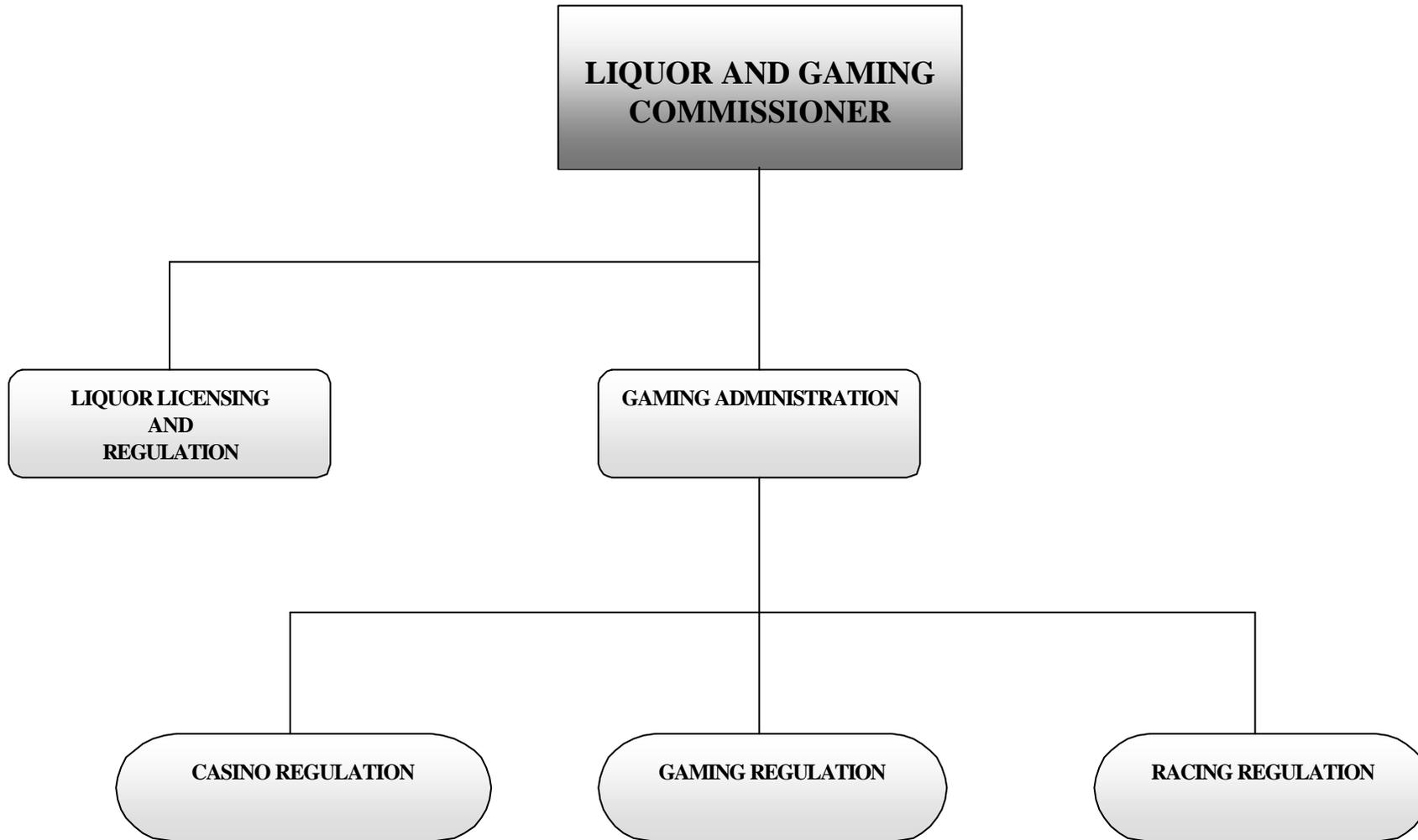
THANKS

I take the opportunity to record my thanks to all staff for their continued efforts in 2000-01.

I also thank the Board and staff of the Independent Gaming Corporation Ltd, the State Supply Board and staff and the service agents Getronics Australia Pty Ltd and AWA Gaming Services Pty Ltd.

The outstanding relationship and cooperation between these bodies contributes to the success of the gaming machine industry in South Australia.

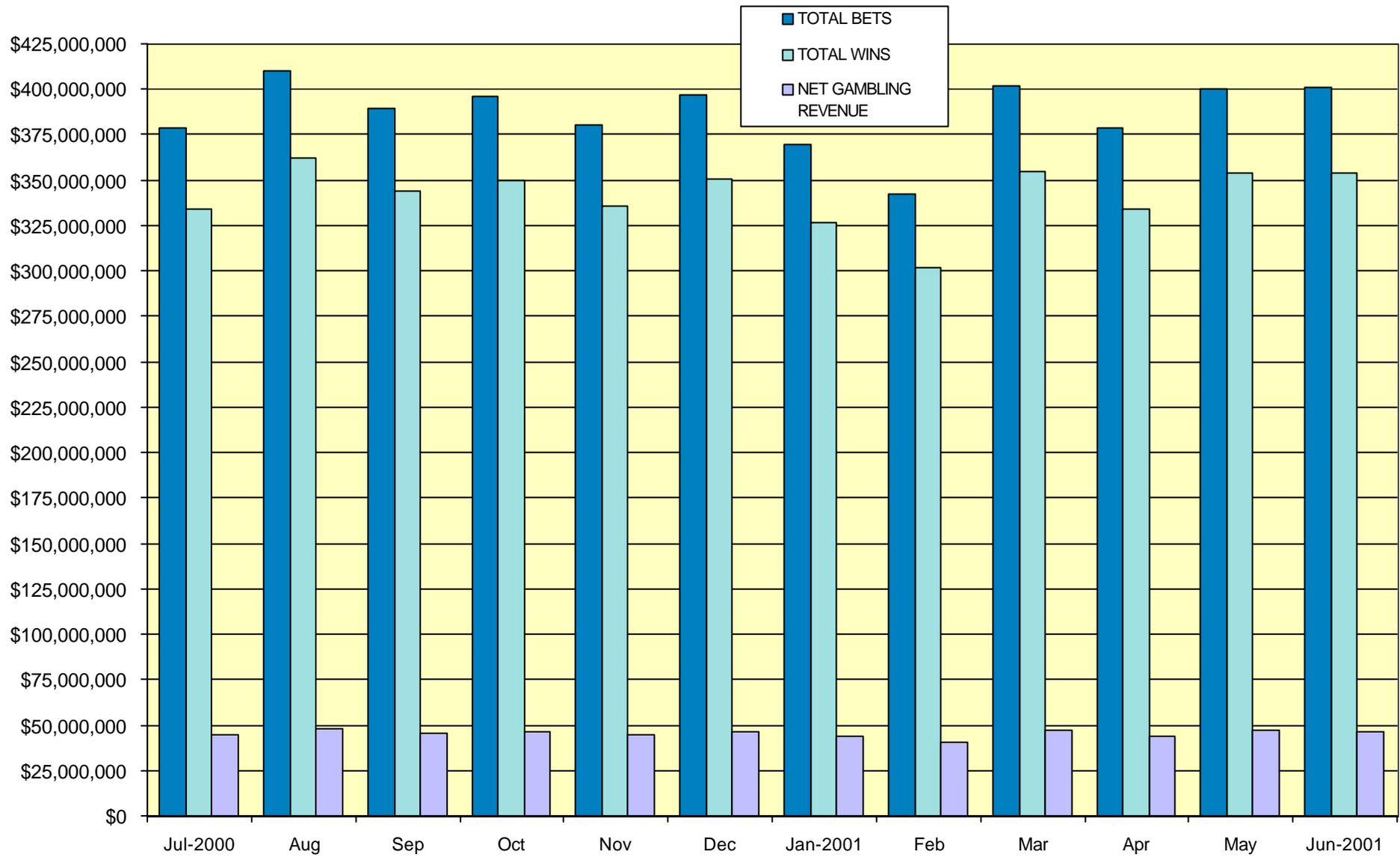
**ORGANISATION CHART - OFFICE OF THE LIQUOR AND GAMING COMMISSIONER
APPENDIX 1**



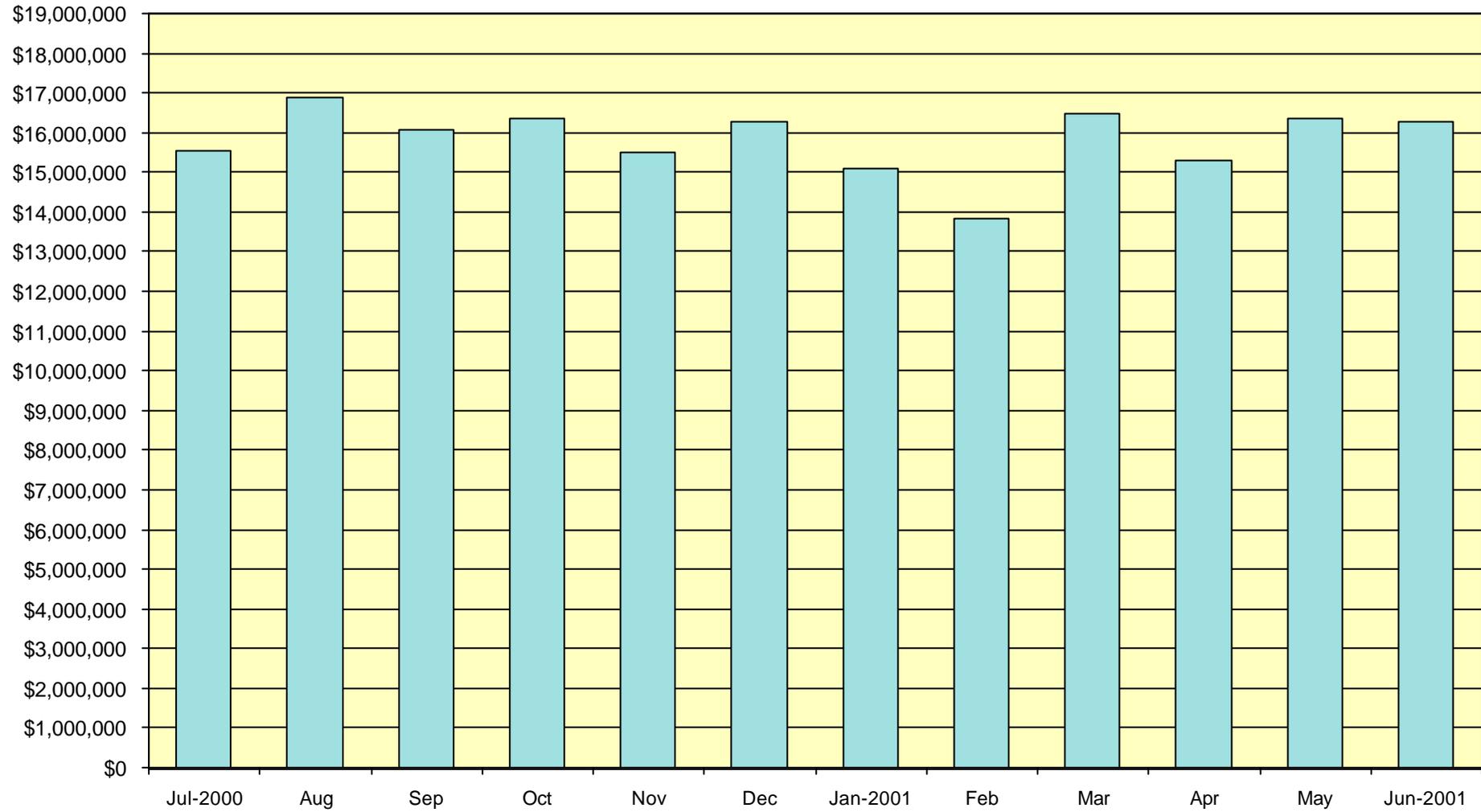
MONTHLY GAMING STATISTICS

Month	TOTAL BETS	TOTAL WINS	NET GAMBLING REVENUE	TAX	SURCHARGE	FINES	VENUE SHARE
Jul-2000	\$ 378,381,311	\$ 334,047,957	\$ 44,333,353	\$ 15,307,107	\$ 221,667	\$ -	\$ 28,804,579
Aug	\$ 409,998,183	\$ 362,192,012	\$ 47,806,171	\$ 16,642,274	\$ 239,031	\$ -	\$ 30,924,866
Sep	\$ 389,551,875	\$ 343,715,572	\$ 45,836,303	\$ 15,860,398	\$ 229,182	\$ -	\$ 29,746,723
Oct	\$ 396,397,469	\$ 349,936,646	\$ 46,460,822	\$ 16,109,771	\$ 232,304	\$ 2,374	\$ 30,116,373
Nov	\$ 380,017,921	\$ 335,656,721	\$ 44,361,201	\$ 15,281,100	\$ 221,808	\$ 2,897	\$ 28,855,396
Dec	\$ 396,640,726	\$ 350,188,890	\$ 46,451,836	\$ 16,033,923	\$ 232,265	\$ 2,195	\$ 30,183,453
Jan-2001	\$ 369,648,792	\$ 326,219,974	\$ 43,428,819	\$ 14,856,861	\$ 217,146	\$ 1,902	\$ 28,352,910
Feb	\$ 342,083,367	\$ 301,946,954	\$ 40,136,413	\$ 13,612,211	\$ 200,682	\$ 2,584	\$ 26,320,936
Mar	\$ 401,776,855	\$ 354,696,453	\$ 47,080,402	\$ 16,237,680	\$ 235,402	\$ 903	\$ 30,606,417
Apr	\$ 378,595,024	\$ 334,435,435	\$ 44,159,589	\$ 15,094,764	\$ 220,798	\$ 1,969	\$ 28,842,058
May	\$ 400,282,816	\$ 353,495,221	\$ 46,787,595	\$ 16,106,983	\$ 233,938	\$ 1,146	\$ 30,445,528
Jun-2001	\$ 400,808,443	\$ 354,181,386	\$ 46,627,057	\$ 16,055,829	\$ 233,135	\$ 1,247	\$ 30,336,846
00/01 Year	\$ 4,644,182,782	\$ 4,100,713,221	\$ 543,469,561	\$ 187,198,901	\$ 2,717,358	\$ 17,217	\$ 353,536,085

TOTAL BETS LESS TOTAL WINS = NET GAMBLING REVENUE



GAMING TAX EARNED PER MONTH



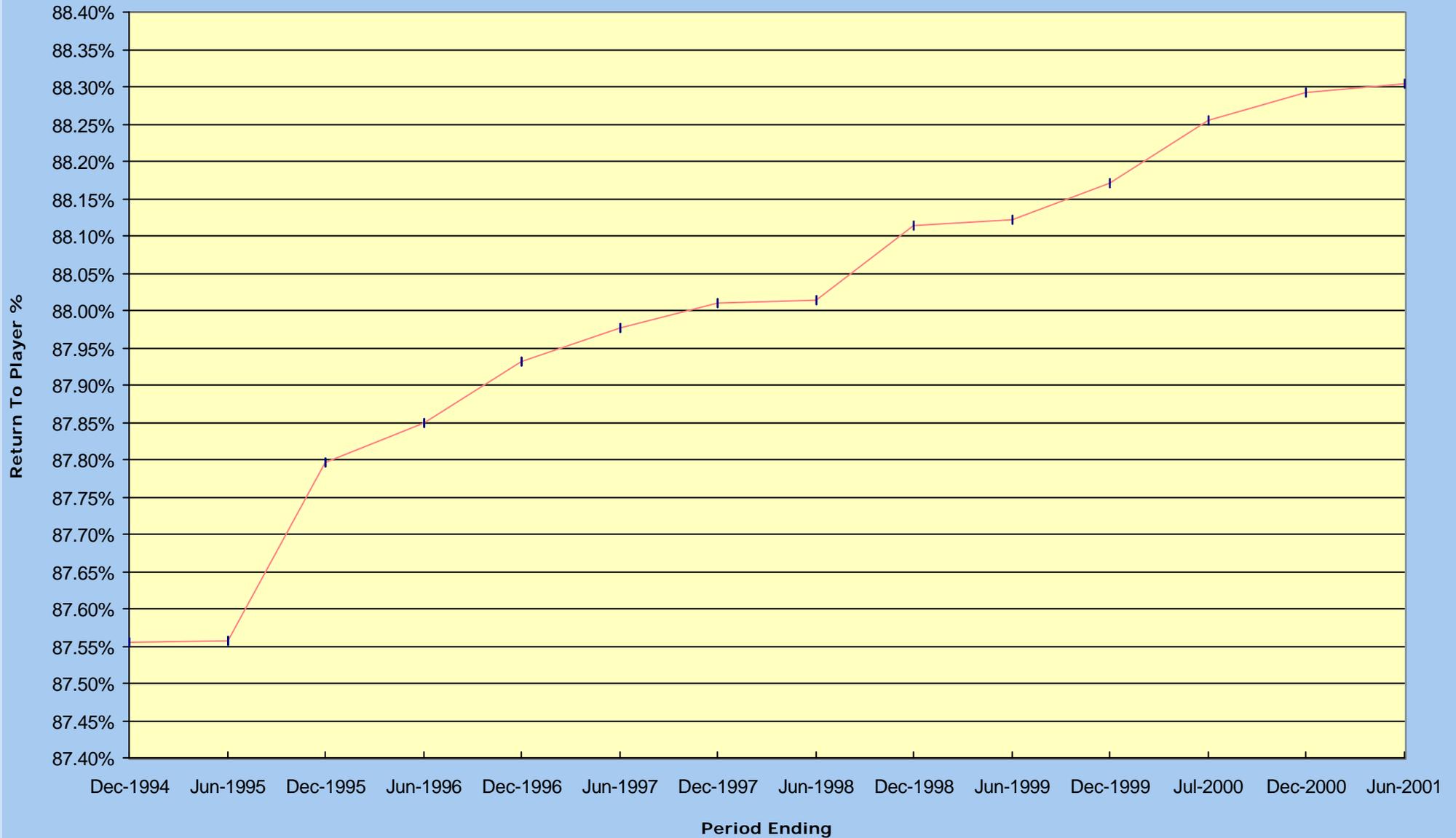
MONTHLY GAMING MACHINE AND VENUE INSTALLATIONS

MONTH	VENUES	GAMING MACHINES
Jul-2000	564	12812
Aug	569	12856
Sep	570	12979
Oct	571	13089
Nov	577	13311
Dec	581	13603
Jan-2001	583	13653
Feb	585	13730
Mar	585	13885
Apr	585	13950
May	588	14084
Jun-2001	587	14096

MONTHLY GAMING MACHINE AND VENUE INSTALLATIONS



AVERAGE RETURN TO PLAYER % 6 MONTHLY SINCE COMMENCEMENT OF GAMING



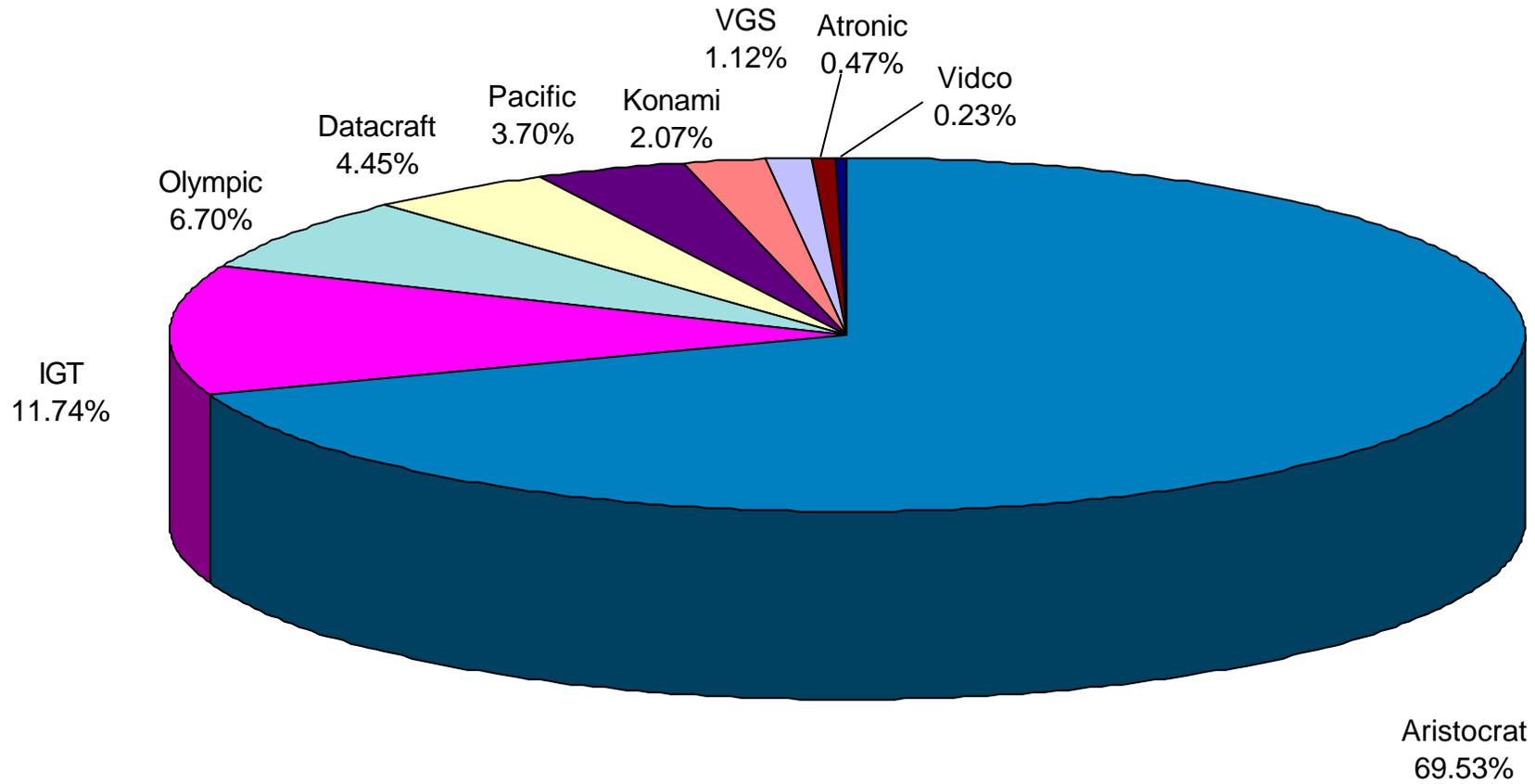
MANUFACTURER'S SHARE OF GAMING MACHINE MARKET

(June 2001)

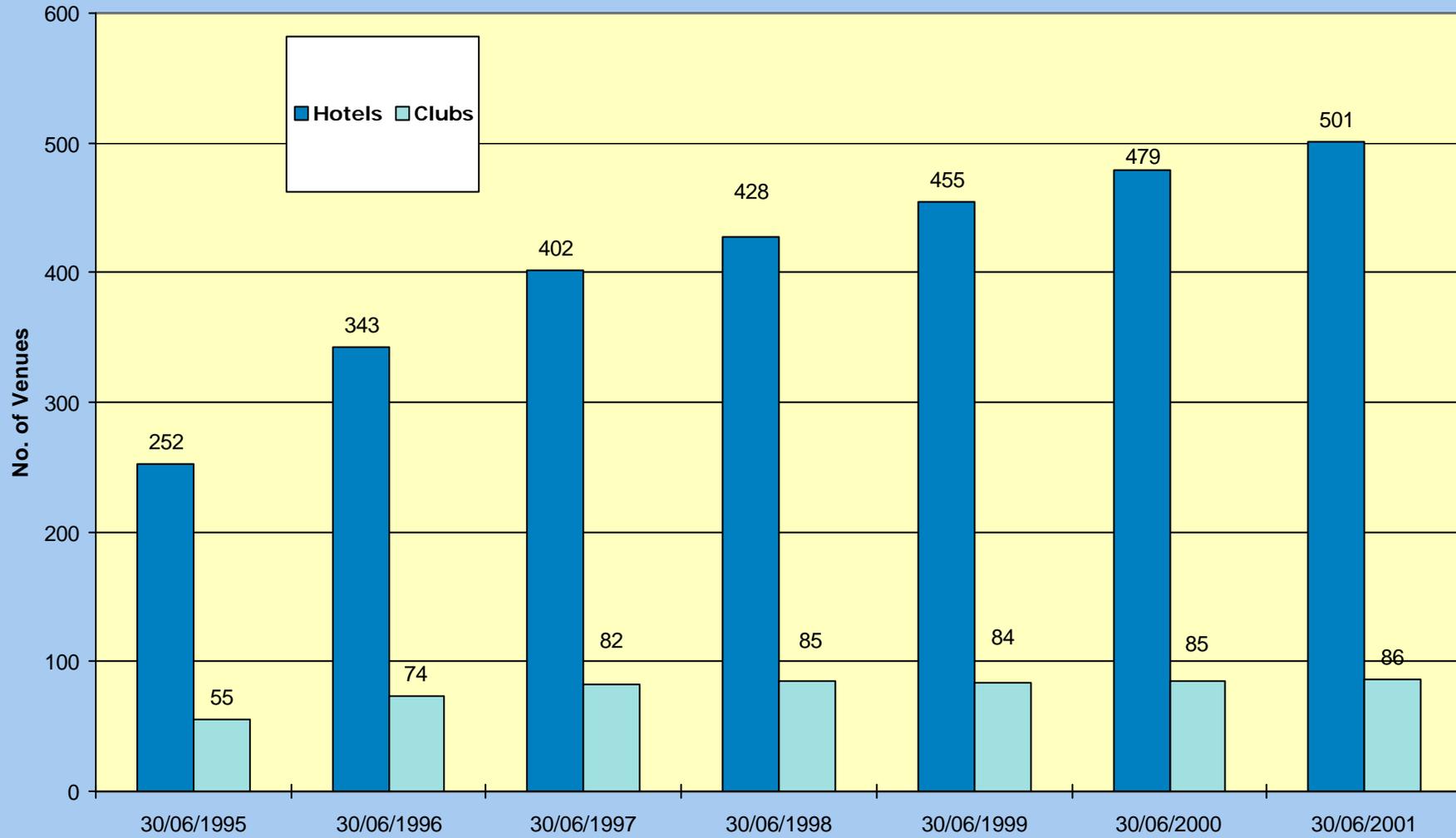
MANUFACTURER	MACHINE COUNT	%SHARE
Aristocrat	9827	69.53%
IGT	1659	11.74%
Olympic	947	6.70%
Datacraft	629	4.45%
Pacific	523	3.70%
Konami	292	2.07%
VGS	158	1.12%
Atronic	66	0.47%
Vidco	33	0.23%
TOTAL	14134	100.0%

NOTE: The total number of gaming machines for June 2001 is higher than the amount reported as the number of machines installed in venues as at 30 June 2001. This chart 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.

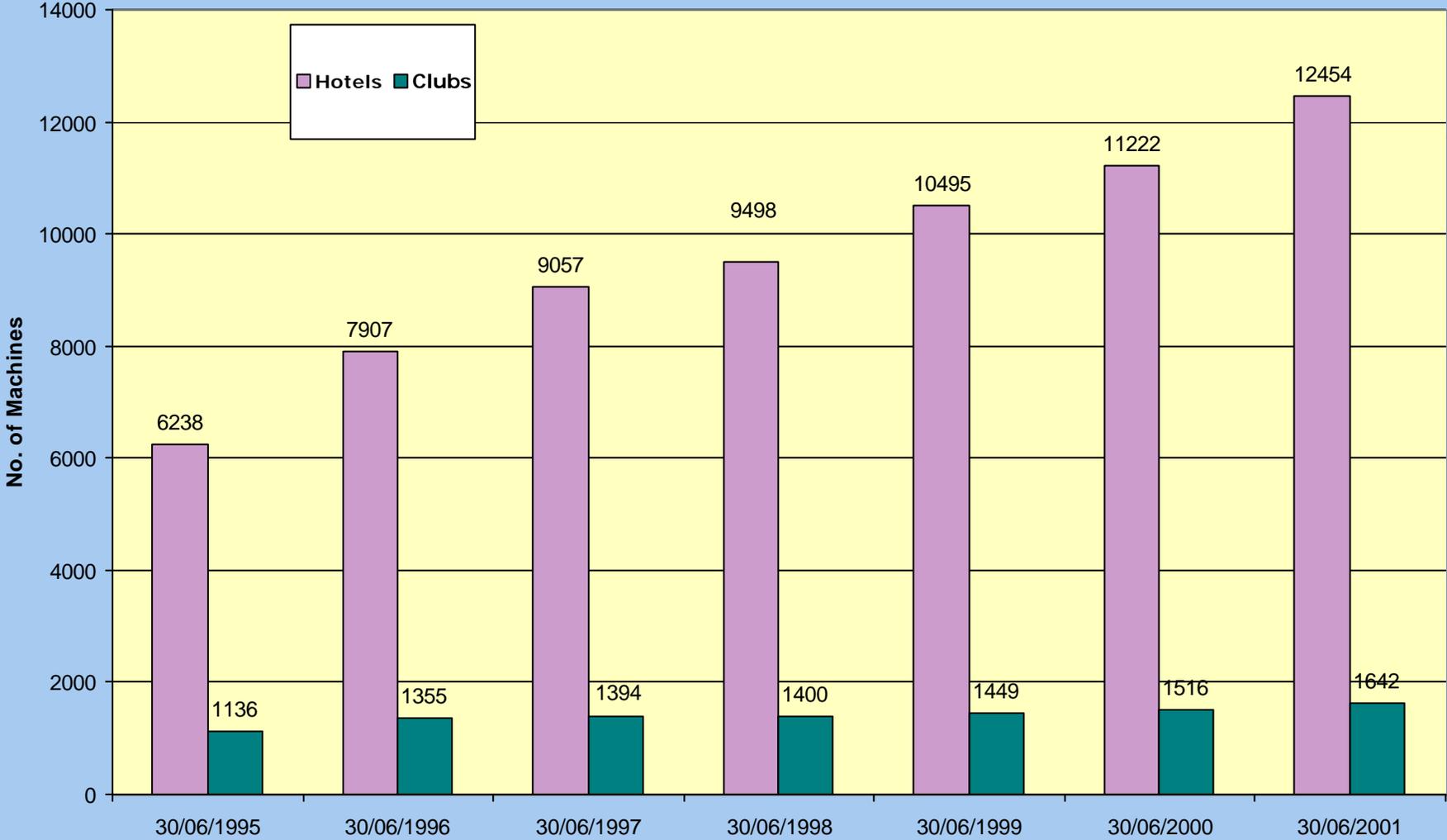
**MANUFACTURER'S SHARE OF GAMING MACHINES MARKET
(June 2001)**



GROWTH IN GAMING VENUES



GROWTH IN GAMING MACHINE INSTALLATIONS



CONTACTS

OFFICE OF THE LIQUOR AND GAMING COMMISSIONER

LOCATION Level 9, East Wing
50 Grenfell Street
ADELAIDE SA 5000

POSTAL ADDRESS GPO Box 2169
ADELAIDE SA 5001
DX 363

FACSIMILE (08) 8226 8331

PHONE NUMBERS

GENERAL INQUIRIES (08) 8226 8410

COMPLAINTS (08) 8226 8476

EVALUATION OF GAMING MACHINES (08) 8226 8447

GAMING MACHINE MALFUNCTIONS (08) 8226 8447

GAMING TAX & STATISTICS (08) 8226 8464

INSPECTORATE (08) 8226 8480

LICENCE APPLICATIONS (08) 8226 8410

PERSON APPROVALS (08) 8226 8474

RECORD KEEPING REQUIREMENTS (08) 8226 8464
