

Independent Liquor & Gaming Authority Annual Report 2022-23

Annual Report 2022-23

October 2023



Independent
Liquor & Gaming
Authority

OFFICIAL

A statutory board established under the Gaming and Liquor Administration Act 2007

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Author

Independent Liquor & Gaming Authority

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Production costs of Annual Report

This annual report was produced by ILGA using in-house resources.

Link to Annual Report

The Authority's Annual Report can be accessed at the following link:
www.liquorandgaming.nsw.gov.au/independent-liquor-and-gaming-authority/about-ilga

Acknowledgement of Country

The Independent Liquor & Gaming Authority acknowledges the Traditional Custodians of the lands where we work and live. We celebrate the diversity of Aboriginal peoples and their ongoing cultures and connections to the lands and waters of NSW.

We pay our respects to Elders past, present and emerging and acknowledge the Aboriginal and Torres Strait Islander people that contributed to the development of this tool/resource.

The Hon David Harris MP
Minister for Aboriginal Affairs and Treaty, Minister for Gaming and Racing, Minister for Veterans,
Minister for Medical Research, and Minister for the Central Coast
52 Martin Place
SYDNEY NSW 2000

Dear Minister,

I am pleased to submit the annual report for the NSW Independent Liquor & Gaming Authority for the year ended 30 June 2023, for presentation to Parliament.

The Authority's Annual Report has been prepared in line with the annual reporting compliance requirements for a statutory body outlined by NSW Treasury. It incorporates all regulatory requirements as outlined in the *Casino Control Act 1992*, the *Liquor Act 2007*, and the *Government Sector Finance Act 2018*.

Yours faithfully,



Caroline Lamb

Chairperson
Independent Liquor & Gaming Authority

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Overview

Aims and objectives

Promoting fair and transparent decision making under the Gaming and Liquor Administration Act 2007.

The Independent Liquor & Gaming Authority (the Authority) is an independent statutory authority established under the *Gaming and Liquor Administration Act 2007*. The Authority holds a number of functions under liquor, gaming and music festivals legislation, including:

- determining liquor and gaming licensing proposals
- determining disciplinary action taken against licensees and others,
- regulating music festivals and
- reviewing certain delegated decisions made on its behalf by Liquor & Gaming NSW.

Charter

The Authority is responsible for licensing decisions and other regulatory functions under the *Liquor Act 2007*, *Gaming Machines Act 2001*, *Registered Clubs Act 1976* and related legislation. Under the *Casino Control Act 1992*, the Authority was (until 5 September 2022) responsible for the regulation of NSW casinos and disciplinary complaints relating to the casinos.

The Authority is also responsible for determining whether music festivals are subject to the requirements of the *Music Festivals Act 2019*, and for approving safety management plans for subject festivals.

In undertaking its statutory functions, the Authority must:

- promote fair and transparent decision making
- deal with matters in an informal and expeditious manner, and
- promote public confidence in its decision making and the conduct of its members.

Management and structure

Authority board members

The *Gaming and Liquor Administration Act 2007* provides that the Authority consists of members that are appointed by the Governor on the recommendation of the Minister for Gaming & Racing.

Authority member	Date of first appointment	Appointment date of current term	Expiry of term	Qualifications
Ms Caroline Lamb Chairperson	19 December 2022	19 December 2022	18 December 2026	Bachelor of Arts Bachelor of Laws Master of Bioethics

Authority member	Date of first appointment	Appointment date of current term	Expiry of term	Qualifications
Ms Sarah Dinning ¹ Deputy Chairperson	1 January 2017	1 April 2023	31 January 2024	Executive Master of Public Administration, Bachelor of Arts, Bachelor of Science
Ms Cathie Armour	19 December 2022	19 December 2022	18 December 2026	Bachelor of Economics Bachelor of Laws (Honours) Master of Laws
Mr Jeffrey Loy APM	19 December 2022	19 December 2022	18 December 2026	Master of Business Administration
Dr Suzanne Craig	19 December 2022	19 December 2022	18 December 2026	PhD, Business Bachelor of Social Science
Mr Philip Crawford Chairperson ²	17 March 2016	8 June 2021	24 May 2026	Bachelor of Laws and Bachelor of Arts
Mr Murray Smith Deputy Chairperson ³	26 May 2016	26 May 2021	31 March 2023	Bachelor of Business, and Chartered Accountant
Mr Craig Sahlin ⁴	17 March 2016	17 March 2021	5 September 2022	Bachelor of Laws and Bachelor of Arts (Honours)
Mr Stephen Parbery ⁵	26 May 2016	26 May 2021	5 September 2022	Fellow of the Institute of Chartered Accountants, Registered Liquidator

¹ Appointed as Deputy Chairperson on 1 April 2023; will revert to ordinary member appointment to 15 October 2024 at end of Deputy Chairperson term

² Ceased as Chairperson on 5 September 2022 upon formation of the NSW Independent Casino Commission. Mr Crawford remains a member of the Authority's board.

³ Ceased as Deputy Chairperson on 31 March 2023 following formation of the NSW Independent Casino Commission.

⁴ Ceased as Authority member on 5 September 2022 and appointed as Commissioner of the NSW Independent Casino Commission on that date.

⁵ Ceased as Authority member on 5 September 2022 and appointed as Commissioner of the NSW Independent Casino Commission on that date.

Authority member	Date of first appointment	Appointment date of current term	Expiry of term	Qualifications
Ms Janine Rolfe ⁶	2 March 2022	2 March 2022	5 September 2022	Bachelor of Economics Bachelor of Laws (Honours)
Ms Samantha Zouroudis ⁷	1 January 2017	1 January 2022	11 July 2022	Bachelor of Laws (Honours) and Bachelor of Arts
Mr Paul Gentle ⁸	16 October 2019	16 October 2019	31 December 2022	Bachelor of Laws and Bachelor of Arts
Judge Gillian Eldershaw ⁹	18 August 2021	18 August 2021	7 September 2022	Bachelor of Laws (Honours), Bachelor of Nursing

Authority board meetings

The Authority held 12 board meetings during the reporting period.

Other face-to-face meetings and public meetings were held by the Authority members as required and attendance was structured depending on the assignment of responsibilities among members. Several other meetings were conducted whenever required by telephone and virtually. In addition to scheduled meetings, board members served on numerous committees throughout the year.

The Authority has continued to see a significant amount of work required out of session. This has been in addition to the Authority's regular workload to carry out its functions and respond to community and industry needs.

Board meeting attendance

Name	Position	Meetings held while member	Board meetings attended
Caroline Lamb	Chairperson	6	6
Sarah Dinning	Deputy Chairperson	3	3
Sarah Dinning	Member	9	8
Philip Crawford	Chairperson	6	6
Philip Crawford	Member	6	5

⁶ Ceased as Authority member on 5 September 2022 and appointed as Commissioner of the NSW Independent Casino Commission on that date.

⁷ Resigned as an Authority member on 11 July 2022.

⁸ Resigned as an Authority member on 31 December 2022.

⁹ Resigned as an Authority member on 7 September 2022.

Name	Position	Meetings held while member	Board meetings attended
Cathie Armour	Member	6	5
Jeffrey Loy	Member	6	6
Suzanne Craig	Member	6	5
Murray Smith	Deputy Chairperson	9	9
Craig Sahlin	Member	2	0
Stephen Parbery	Member	2	0
Paul Gentle	Member	6	6
Judge Gillian Eldershaw	Member	1	1

Casino Committee meetings attended by Authority board members

Prior to the establishment of the NSW Independent Casino Commission on 5 September 2022, the Authority constituted a Casino Committee with the purpose of functionally separating casino regulation from liquor and gaming regulation. The Casino Committee met 5 times during the period.

Casino Committee meeting attendance

Name	Position	No. of meetings while member	Casino Committee meetings attended
Philip Crawford	Chairperson	5	4
Murray Smith	Deputy Chairperson	5	5
Craig Sahlin	Member	5	5
Stephen Parbery	Member	5	5
Janine Rolfe	Member	5	5

Strategy

Significant developments and activities

Changes to the Independent Liquor & Gaming Authority

In response to the Bergin Inquiry, the NSW Government committed to implementing the recommendations, including the creation of a standalone independent casino regulator. The NSW Independent Casino Commission (NICC) was created as part of reforms to the *Casino Control Act 1992*, and the NSW Government made a decision that both the NICC and the Independent Liquor & Gaming Authority should also be separate staff agencies.

During 2022 a temporary structure was put in place which included functional separation of casino regulation from liquor and gaming regulation until the NICC was formed on 5 September. ILGA became a separate staff agency on 27 February 2023.

In December 2022 the Board welcomed a new Chairperson and three new members to replace outgoing members.

Stakeholder Engagement

The Authority has a regional engagement strategy to provide stakeholders with the opportunity to build and clarify their understanding of the Authority and its work. For the Authority, it provides insights into liquor and gaming related issues affecting communities in non-metropolitan areas.

Authority members and support staff visit select locations with current issues related to liquor, gaming and music festivals. Each visit includes a board meeting. In 2022-23 regional engagement visits included Wagga Wagga, Wollongong, Northern Rivers and Albury. Stakeholder meetings in these locations included local police, council, liquor accord members, local area health, Aboriginal health, and Gamble Aware representatives.

In addition, the Authority took the opportunity to participate in and present at a range of forums. A presentation on the relaxation of Newcastle liquor licensing laws at the national Australasian Liquor Licensing Authorities Forum in Darwin, in May 2023, was a highlight.

Changes to technical standards for gaming machines

On 6 June 2023 the Authority approved an update to the Gaming Machine Technical Standard in order to implement the reduction in gaming machine cash input limits from \$5,000 to \$500. The technical standard change came into effect on 1 July 2023 for all new electronic gaming machines installed in a hotel or club in NSW.

The reduction in the cash input limit represents a significant harm minimisation and anti-money laundering measure.

Newcastle Trial Outcomes

Due to past levels of alcohol-related violence occurring in and around venues the Newcastle area was, until recently, subject to more stringent trading conditions than those typically found elsewhere in NSW. These restrictions were put in place in 2008.

The Newcastle Trial (completed October 2022) evaluated the effectiveness of more relaxed licensing conditions in hotels, general bars and public entertainment establishments, with 21 venues participating in the Trial.

Key findings from the evaluation report showed that:

- most of the participating venues indicated that the relaxed conditions during the Trial positively impacted their patronage, business turnover and employment opportunities
- while there was an overall rise in the number of assaults and incidents of affray at participating venues during the Trial, the majority of venues recorded no increases
- compared to 2008, when more stringent conditions were imposed in the Newcastle LGA, there has been significant declines in levels of offences across all venues.

After considering the findings of the independent evaluation of the Trial, the Authority decided that Newcastle venues could apply to have their liquor licence conditions

relaxed permanently. Applications to relax liquor licence conditions have been considered on a case-by-case basis, with a strong focus on compliance, safety and avoiding any unacceptable risks to the community.

NSW Court of Appeal decision - ILGA v Whitebull HTL Pty Ltd, Area Hotel and The Griffith Hotel Pty Ltd

Three licensed venues challenged the Authority's powers and discretions under the *Gaming Machines Act* in the NSW Supreme Court. The plaintiffs argued that the Authority lacked discretion to take harm minimisation concerns into account when exercising its powers under the Act. They also alleged that the Authority had no power to impose gaming conditions under s 53 of the *Liquor Act*. The NSW Supreme Court held in favour of the plaintiffs.

The Authority appealed. The Court of Appeal found in favour of Authority and set aside the orders of the Supreme Court. The Authority was also awarded costs in the matter.

The decision affirmed the Authority's powers to consider the impact of gaming machines on the community when it considers applications under the *Gaming Machines Act 2001* and the ability to impose conditions on gaming machines using its powers under the *Liquor Act 2007*.

Music Festivals Audit

As part of the Authority's FY23 Internal Audit Plan, an internal audit of the regulation of music festivals was undertaken during May and June 2023. The audit examined the design and operating effectiveness of processes and controls implemented by ILGA to determine whether a music festival is a 'subject festival' as well as approval processes for subject festival Safety Management Plans.

The audit findings rated ILGA's processes and controls as effective, finding that controls are adequate, appropriate and provide reasonable assurance that risks are being managed consistently.

Operations and Performance

Liquor operations

Most lower-risk licensing functions are delegated to staff in Liquor & Gaming NSW. Examples include some on-premises applications and restricted packaged liquor applications, and most small bar applications. The full list of the Authority's decision making functions, including delegated functions, is contained in the Authority's [Regulatory Delegations Manual](#).

The principal liquor regulatory activities undertaken by the Authority during the 2022-23 reporting period were:

- determining and granting new liquor licences, including:
 - new packaged liquor licence applications
 - hotel general bar licence applications
 - full hotel licence applications
 - club licence applications
 - certain small bar licence applications
 - extended trading authorisations beyond midnight
- reviewing certain delegated decisions made on its behalf by Liquor & Gaming NSW
- determining disciplinary complaints against licensees and other parties with an interest in a licensed premises.

The numbers contained in this report include decisions made directly by the Authority, as well as those decisions made under delegation by Liquor & Gaming NSW.

Reporting under the *Liquor Act 2007*

Section 156(a) - the number of licences in force in each Statistical Local Area determined by the Australian Bureau of Statistics (along with the total state-wide number of licences) during the financial year.

As at 30 June 2023 the total number of liquor licences in force in NSW was 17,717. The table below provides a breakdown of the number of licences in each local government area, including the total number of licences in NSW. Note, licence counts do not include temporary licences such as limited licences and pop-up licences.

Local Government Area	2019-20	2020-21	2021-22	2022-23
Albury	128	135	134	137
Armidale Regional	73	74	69	71
Ballina	95	102	105	112
Balranald	9	10	10	10
Bathurst Regional	98	99	98	96
Bayside	239	260	278	279
Bega Valley	128	133	131	134

Local Government Area	2019-20	2020-21	2021-22	2022-23
Bellingen	35	36	36	36
Berrigan	36	37	37	38
Blacktown	191	203	217	229
Bland	28	28	28	28
Blayney	30	30	30	31
Blue Mountains	159	166	166	162
Bogan	13	14	14	14
Bourke	18	18	18	14
Brewarrina	5	5	5	5
Broken Hill	57	60	57	57
Burwood	89	93	91	103
Byron	158	176	188	196
Cabonne	86	89	91	84
Camden	118	125	130	134
Campbelltown	111	112	110	113
Canada Bay	203	217	219	214
Canterbury-Bankstown	289	295	293	301
Carrathool	12	13	13	14
Central Coast	476	510	513	520
Central Darling	15	15	15	14
Cessnock	394	408	398	394
Clarence Valley	122	126	130	134
Cobar	13	13	13	14
Coffs Harbour	155	167	165	167
Coolamon	14	14	15	15
Coonamble	19	19	18	18
Cowra	39	40	38	38
Cumberland	185	200	197	209
Dubbo Regional	106	114	112	109
Dungog	30	33	32	32
Edward River	30	31	34	34
Eurobodalla	99	104	107	113
Fairfield	220	235	238	244
Federation	50	51	52	53
Forbes	21	21	18	18
Georges River	180	192	194	199
Gilgandra	13	13	13	12

Local Government Area	2019-20	2020-21	2021-22	2022-23
Glen Innes	23	25	25	25
Goulburn Mulwaree	63	65	64	64
Greater Hume Shire	31	32	32	30
Griffith	149	152	148	145
Gundagai	44	43	42	41
Gunnedah	30	28	27	26
Gwydir	18	19	18	18
Hawkesbury	131	142	146	146
Hay	16	16	18	17
Hilltops	76	76	76	74
Hornsby	162	174	178	178
Hunters Hill	30	33	31	31
Inner West	591	643	640	656
Inverell	40	43	41	41
Junee	16	17	17	17
Kempsey	61	63	63	63
Kiama	67	70	68	69
Ku-ring-gai	157	171	167	167
Kyogle	19	19	20	19
Lachlan	25	25	28	25
Lake Macquarie	206	220	231	240
Lane Cove	69	78	83	85
Leeton	33	33	34	37
Lismore	96	101	102	89
Lithgow	53	52	50	52
Liverpool	158	185	178	182
Liverpool Plains	27	27	26	23
Lockhart	14	14	14	14
Maitland	114	120	116	113
Mid-Coast	205	206	202	211
Mid-Western Regional	163	164	160	165
Moree Plains	38	39	35	38
Mosman	77	83	76	72
Murray River	67	69	67	66
Murrumbidgee	14	15	15	16
Muswellbrook	43	43	42	44
Nambucca	39	39	41	41

Local Government Area	2019-20	2020-21	2021-22	2022-23
Narrabri	39	41	40	37
Narrandera	18	18	18	18
Narromine	22	22	22	20
Newcastle	429	458	452	450
North Sydney	373	399	372	367
Northern Beaches	590	645	640	637
Oberon	18	19	19	17
Orange	125	132	125	127
Parkes	46	46	46	47
Parramatta	335	372	365	380
Penrith	203	215	224	237
Port Macquarie-Hastings	168	175	175	181
Port Stephens	140	146	145	149
Queanbeyan-Palerang Regional	90	98	95	100
Randwick	256	276	261	255
Richmond Valley	32	33	34	33
Ryde	234	253	257	262
Shellharbour	73	78	82	83
Shoalhaven	238	252	261	264
Singleton	121	127	128	128
Snowy Monaro Regional	168	170	174	172
Snowy Valleys	61	63	64	63
Strathfield	72	78	76	74
Sutherland Shire	341	370	372	362
Sydney	2,395	2,512	2,432	2,465
Tamworth Regional	144	148	142	143
Temora	20	19	16	16
Tenterfield	29	31	30	30
The Hills Shire	227	251	250	254
Tweed	190	206	213	216
Unincorporated NSW	11	11	11	11
Upper Hunter Shire	48	49	49	47
Upper Lachlan Shire	33	34	33	35
Uralla	21	23	23	22
Wagga Wagga	137	141	135	142
Walcha	14	16	14	14
Walgett	23	23	25	26

Local Government Area	2019-20	2020-21	2021-22	2022-23
Warren	11	11	11	10
Warrumbungle Shire	40	40	39	40
Waverley	252	265	268	261
Weddin	14	14	15	15
Wentworth	31	32	34	36
Willoughby	235	251	232	233
Wingecarribee	187	195	183	186
Wollondilly	52	55	55	55
Wollongong	367	389	389	393
Woollahra	199	214	216	213
Yass Valley	104	106	102	102
Total	16,730	17,702	17,555	17,717

The Authority granted a total of 2,179 new liquor licences in the reporting period. The table below details the number of new liquor licences granted since the 2019-20 financial year.

Licence Type	30 June 2020	30 June 2021	30 June 2022	30 June 2023
Club licence	1	3	0	2
Hotel licence: Full hotel	19	7	10	9
Hotel licence: General bar	5	4	5	6
Limited licence	886	540	693	1,116
On-premises licence	514	632	590	559
Packaged liquor licence	127	310	229	152
Pop-up licence	-	53	58	161
Producer wholesaler licence	135	139	121	132
Small bar licence	23	37	28	42
Total	1,710	1,725	1,734	2,179

Section 156 (c) – the number of licences suspended or cancelled by the Authority during that year

In the 2022-23 financial year, the Authority cancelled 622 liquor licences and 3 licences were suspended under section 144F(3)(a) of the *Liquor Act 2007*. In addition, 15 applications were refused and 230 were withdrawn by applicants.

The number of licences cancelled usually relates to cancellations that occur annually as part of the Annual Liquor Licence Fee Scheme. As part of this scheme, licensees that had not paid their annual fees by a specified date were cancelled.

The table below presents data since the 2019-20 reporting period.

Application / Liquor Licence Status	30 June 2020	30 June 2021	30 June 2022	30 June 2023
Refused	16	25	9	15
Suspended	19	11	5	3
Cancelled	598	0	1,044	622
Withdrawn	359	375	343	230

Section 156 (d) – the number of authorisations, to which section 51 applies, granted by the Authority during that year

The Authority granted a total of 500 section 51 applications in the 2022-23 reporting period. Section 51 applications are licence-related authorisations, such as extended trading and primary service. The table below details the number of new liquor authorisations granted since the 2019-2020 financial year.

Authorisation Type	30 June 2020	30 June 2021	30 June 2022	30 June 2023
Club functions authorisation	12	39	19	16
Drink on-premises permanent authorisation	40	49	30	18
Drink on-premises permanent Authorisation micro-brewery				4
Extended trading authorisation	102	250	94	121
Function on other premises authorisation	147	108	65	119
Junior members authorisation	3	1	1	0
Minors area authorisation	131	155	98	87
Minors authorisation (Minors area authorisation – small bar)				4
Minors functions authorisation	3	0	2	4
Non-restricted area authorisation	61	131	50	43
Primary service authorisation	103	116	50	55
Sale on other premises authorisation	47	58	13	29
Take away sales authorisation	1	2	0	0
Vessel trading	0	0	0	0
Total	650	909	422	500

Section 156 (e) – the number of licences for which disciplinary action was taken by the Authority during that year and the nature of the disciplinary action taken.

There was one disciplinary complaint determined under Part 9 of the *Liquor Act 2007* during 2022–23:

- the complaint was made by a delegate of the Department of Customer Service¹⁰ which resulted in the former licensee being disqualified from holding a liquor

¹⁰ This occurred when Liquor & Gaming NSW was part of the Department of Customer Service

licence, or from being the manager of a licensed premises or the close associate of a licensee for life.

In addition, the Authority determined:

- Five prescribed offences under Part 9A of the *Liquor Act 2007* (Incentives and Demerit Points System).

Review applications under section 36A of the *Gaming and Liquor Administration Act 2007*

There were two review applications determined under Section 36A of the *Gaming and Liquor Administration Act 2007* during 2022–23 regarding:

- the review of a decision made by a delegate of the Authority to grant an on-premises liquor licence for club activity and support, social activity and support and catering service. The review resulted in the decision being upheld by the Authority
- the review of a decision made by the Secretary, Department of Customer Service¹¹ in relation to a disturbance complaint made under section 81 of the *Liquor Act 2007*. The review resulted in a condition being imposed on the premises liquor licence.

Music Festivals

The *Music Festivals Act 2019* was introduced to ensure additional oversight of the music festival industry and provide support to organisers in delivering a safer environment for patrons attending music festivals in NSW. Under the Act, organisers of a music festival classified by the Authority as a ‘subject festival’ are required to prepare a safety management plan that must be approved by the Authority before the event can take place.

The Authority may consider the following factors when deciding whether a music festival is a ‘subject festival’ and would be more appropriately delivered with an approved safety management plan:

- advice from NSW Health, NSW Police, or the music festival roundtable
- if a death occurred at the music festival or in connection with it in the last 3 years
- if a person has been admitted to an intensive care unit because of alcohol or drug use, crowd behaviour or improper safety management at the festival or an event related to it in the last 3 years
- any submissions made by the festival organiser
- non-compliance with previous safety management plans
- event specific matters such as expected attendance, patron demographic, attendance by minors, duration, location, access to medical, expected weather conditions etc.
- organisers history of delivering safe events in NSW and outside of NSW
- performers at the festival that have a demonstrable record of incentivising unsafe behaviour

¹¹ As this occurred when Liquor & Gaming NSW was part of the Department of Customer Service

As at 30 June 2023 40 music festivals were considered 'subject festivals'. Of these, 5 were determined within the 2022-23 financial year.

Gaming operations – casinos

From 5 September 2022, the Authority was no longer responsible for casino regulation as the NSW Independent Casino Commission (NICC) was formally established. The Commission report is available at the NICC website: www.nicc.nsw.gov.au.

Gaming operations – clubs and hotels

The Authority considers applications in relation to gaming machine entitlements and gaming machines, including gaming machine entitlement transfers, gaming machine threshold increase applications, and Class 1 and Class 2 Local Impact Assessments:

The Authority also

- approves gaming machines and games following a thorough technical assessment by gaming machine licensed testers
- supervises field trials of gaming systems and
- ensures that faulty equipment is removed from venues.

In accordance with the objects of the *Gaming Machines Act 2001*, the Authority has had regard the need for gambling harm minimisation, and fostering responsible conduct in relation to gambling and to facilitating the balanced development in the public interest of the gaming industry.

Most routine gaming matters are delegated to staff in Liquor & Gaming NSW. The full list of the Authority's decision making functions, including delegated functions, are contained in the Authority's [Regulatory Delegations Manual](#). The section of this report titled 'Gaming operations – clubs and hotels' include decisions made directly by the Authority, as well as those decisions made under delegation by Liquor & Gaming NSW.

Gaming machines

The *Gaming Machines Act 2001* requires each hotel or registered club to have a gaming machine entitlement for each gaming machine operated on the premises.

The overall State cap on gaming machine entitlements was reduced from 99,000 to 95,994 after changes to clause 4A of the Gaming Machines Regulation 2019.

The maximum number of entitlements a venue can hold is set by their gaming machine threshold.

Gaming machine statistics

As at 30 June 2023 there were 95,971 gaming machine entitlements. This includes:

- club licences – 72,711 entitlements
- hotel licences – 23,260 entitlements.

The total number of authorised gaming machines as at 30 June 2023 was 87,328. This includes:

- club licences – 64,862 gaming machines
- hotel licences – 22,466 gaming machines.

The table below presents data by Local Government Area for the 2022-23 reporting period. It should be noted that the number of authorised gaming machines:

- may include gaming machines that have been approved to be placed in storage and therefore may overstate the number of gaming machines operating at venues
- varies from time to time depending on usual business activity such as purchases/sales, venue renovations, technical issues, environment issues such as flooding etc.
- may be the same or fewer than the number of gaming machine entitlements in the LGA because there may be gaming machine entitlements which have not been filled.

Local Government Area	Liquor – club licence		Liquor – hotel licence		*Net (Pre-Duty) profit (\$)
	No. of entitlements (GME)	No. of machines authorised (EGMs) at 30 Jun 23	No. of Entitlements (GME)	No. of machines authorised (EGMs) at 30 Jun 23	
Albury	1,083	871	232	232	89,541,200
Armidale Regional	206	203	122	118	20,097,482
Walcha					
Ballina	407	386	168	152	40,395,636
Balranald	364	344	39	39	36,556,974
Wentworth					
Bathurst Regional	306	272	149	149	30,557,275
Bayside	1,272	1,096	436	428	176,460,280
Bega Valley	538	457	98	83	29,486,731
Bellingen	130	130	47	47	6,737,101
Berrigan	332	304	10	10	19,633,161
Blacktown	2,202	2,145	757	748	360,576,315
Bland	84	84	20	20	3,723,362
Blayney	12	5	21	15	1,474,307
Blue Mountains	349	323	180	165	24,459,851
Bogan	43	43	1	1	1,653,408
Bourke	42	42	1	1	3,727,247
Brewarrina					
Unincorporated NSW					

Local Government Area	Liquor – club licence		Liquor – hotel licence		*Net (Pre-Duty) profit (\$)
	No. of entitlements (GME)	No. of machines authorised (EGMs) at 30 Jun 23	No. of Entitlements (GME)	No. of machines authorised (EGMs) at 30 Jun 23	
Broken Hill	301	282	21	21	16,217,035
Burwood	498	497	185	165	129,670,716
Byron	252	235	144	139	18,475,805
Cabonne	92	92	8	8	3,215,794
Camden	623	449	241	211	95,805,434
Campbelltown	1,728	1,564	343	343	203,596,566
Canada Bay	758	551	223	193	67,766,848
Canterbury-Bankstown	4,157	3,968	914	913	691,491,369
Carrathool	19	19	2	2	664,411
Central Coast	4,068	3,664	654	630	310,160,694
Central Darling	22	22	13	13	1,702,936
Cessnock	595	543	184	183	44,118,915
Clarence Valley	524	455	201	198	36,528,642
Cobar	65	65	12	11	4,714,724
Coffs Harbour	648	536	229	229	67,415,633
Coolamon	32	31	-	-	526,519
Coonamble	45	45	3	-	3,309,218
Cowra	140	140	16	16	8,133,510
Cumberland	2,235	2,192	522	522	473,231,886
Dubbo Regional	460	402	245	240	52,890,917
Dungog	57	57	15	15	2,036,737
Edward River	128	128	9	9	5,400,374
Eurobodalla	777	765	82	82	42,397,457
Fairfield	3,349	3,268	507	507	642,572,648
Federation	794	727	24	24	44,237,204

Local Government Area	Liquor – club licence		Liquor – hotel licence		*Net (Pre-Duty) profit (\$)
	No. of entitlements (GME)	No. of machines authorised (EGMs) at 30 Jun 23	No. of Entitlements (GME)	No. of machines authorised (EGMs) at 30 Jun 23	
Forbes	79	69	39	39	7,670,318
Georges River	1,719	1,642	437	426	248,678,765
Gilgandra	48	48	9	9	2,634,311
Glen Innes	82	80	9	9	4,671,017
Goulburn Mulwaree	362	349	104	104	29,220,208
Greater Hume Shire	64	54	34	34	2,149,635
Griffith	376	376	90	88	34,734,756
Gundagai	114	112	31	31	7,290,704
Gunnedah	122	114	39	39	9,981,960
Gwydir	46	46	3	3	1,935,404
Hawkesbury	598	537	320	303	59,313,579
Hay	50	50	26	26	2,401,382
Hilltops	143	143	52	52	10,908,687
Hornsby	934	856	162	162	64,165,535
Hunters Hill	1,017	925	321	317	132,069,751
Ryde					
Inner West	1,292	957	904	873	155,842,185
Inverell	118	115	29	29	9,983,546
Junee	49	49	15	15	3,065,800
Kempsey	351	336	107	107	27,016,543
Kiama	224	203	48	48	10,664,814
Ku-ring-gai	58	56	49	49	7,429,014
Kyogle	41	35	23	23	2,376,014
Lachlan	69	69	27	27	4,667,681
Lake Macquarie	2,069	1,894	515	485	146,199,767
Lane Cove	72	64	27	27	6,755,433

Local Government Area	Liquor – club licence		Liquor – hotel licence		*Net (Pre-Duty) profit (\$)
	No. of entitlements (GME)	No. of machines authorised (EGMs) at 30 Jun 23	No. of Entitlements (GME)	No. of machines authorised (EGMs) at 30 Jun 23	
Leeton	101	101	32	32	9,870,256
Lismore	305	267	95	95	18,096,834
Lithgow	240	238	41	41	14,825,044
Liverpool	1,244	1,056	349	343	201,424,479
Liverpool Plains	76	74	7	7	3,850,998
Lockhart	46	44	-	-	757,580
Maitland	435	422	311	305	61,469,860
Mid-Coast	1,137	1,092	275	270	79,250,209
Mid-Western Regional	197	174	131	131	18,195,285
Moree Plains	138	135	69	64	16,180,924
Mosman	75	75	39	39	7,483,721
Murray River	944	933	69	69	75,926,506
Murrumbidgee	46	41	9	9	2,235,757
Muswellbrook	198	194	35	35	14,387,979
Nambucca	258	237	62	61	13,479,728
Narrabri	161	141	55	55	10,340,576
Narrandera	83	78	15	6	3,776,725
Narromine	81	79	10	10	2,961,201
Newcastle	2,151	1,855	892	882	185,772,989
North Sydney	351	294	337	337	55,128,411
Northern Beaches	2,020	1,680	418	418	146,342,333
Oberon	50	50	20	10	2,020,449
Orange	321	294	163	155	38,891,563
Parkes	184	184	50	47	12,029,707
Parramatta	1,541	1,104	635	621	238,504,857

Local Government Area	Liquor – club licence		Liquor – hotel licence		*Net (Pre-Duty) profit (\$)
	No. of entitlements (GME)	No. of machines authorised (EGMs) at 30 Jun 23	No. of Entitlements (GME)	No. of machines authorised (EGMs) at 30 Jun 23	
Penrith	2,184	1,997	495	494	227,700,006
Port Macquarie-Hastings	1,035	988	203	196	73,967,320
Port Stephens	770	715	215	215	61,508,895
Queanbeyan-Palerang Regional	710	630	164	157	66,035,101
Randwick	1,166	964	378	375	112,355,212
Richmond Valley	264	251	71	71	20,424,147
Shellharbour	830	702	178	178	71,362,535
Shoalhaven	1,454	1,370	229	229	94,174,907
Singleton	240	219	72	72	18,117,003
Snowy Monaro Regional	161	156	65	60	12,254,030
Snowy Valleys	145	145	47	39	8,160,789
Strathfield	104	75	163	137	64,474,693
Sutherland Shire	1,948	1,550	376	376	136,218,947
Sydney	773	480	3,273	2,986	363,028,611
Tamworth Regional	525	478	194	188	44,997,673
Temora	65	65	-	-	2,539,496
Tenterfield	57	57	22	22	2,707,304
The Hills Shire	750	622	270	268	119,641,372
Tweed	1,957	1,639	236	192	108,191,053
Upper Hunter Shire	159	158	33	33	8,884,333
Upper Lachlan Shire	38	38	8	8	1,343,678
Uralla	36	36	12	12	1,489,006
Wagga Wagga	426	272	349	341	56,188,341
Walgett	163	163	14	14	10,785,210
Warren	41	41	1	-	1,797,267

Local Government Area	Liquor – club licence		Liquor – hotel licence		*Net (Pre-Duty) profit (\$)
	No. of entitlements (GME)	No. of machines authorised (EGMs) at 30 Jun 23	No. of Entitlements (GME)	No. of machines authorised (EGMs) at 30 Jun 23	
Warrumbungle Shire	96	96	30	23	4,715,542
Waverley	471	334	275	275	50,744,707
Weddin	25	25	9	9	1,177,830
Willoughby	527	351	217	217	80,615,785
Wingecarribee	323	313	130	130	26,734,685
Wollondilly	204	179	150	146	22,379,064
Wollongong	2,633	2,177	572	572	192,886,252
Woollahra	100	39	158	148	21,136,287
Yass Valley	114	114	34	34	6,323,919
Total	72,711	64,862	23,260	22,466	8,131,454,102

Notes: In keeping with past Annual Reports, entitlements numbers represent the sum of Gaming Machine Entitlements and Poker Machine Permits for current, suspended, cancelled and surrendered licences.

* The Annual net profit figure for clubs and hotels aligns with the quarterly periods, with a financial year for clubs running from September to August, and a financial year for hotels running from July to June. The finalised figures for those quarter periods below have been summed to obtain the overall annual total. That is, for hotels, quarters ending September, December, March & June and for clubs, quarters ending November, February, May & August.

Gaming machine applications

Under the *Gaming Machines Act 2001*, a hotel or registered club can apply to transfer gaming machine entitlements. This may occur, for example, when one hotel buys gaming machine entitlements from another hotel, or a registered club buys gaming machine entitlements from another registered club. To be approved, the hotel or registered club must have a sufficient gaming machine threshold for the venue to which entitlements are being transferred.

During 2022-23, a total of 209 applications were approved to transfer gaming machine entitlements. Of these, 56 were for leased entitlements.

A hotel or registered club can also apply to the Authority to increase the gaming machine threshold for the venue. There are circumstances where a hotel or registered club wishing to increase its gaming machine threshold is required to submit a Local Impact Assessment with the increase application. The purpose of a Local Impact Assessment is to support a community consultation process and to assist the Authority to determine whether approving a gaming machine threshold at a particular hotel or registered club will have an overall positive impact on the community.

There are two types of Local Impact Assessment that may be required to be completed before a gaming machine threshold increase application can be approved by the

Authority. A Class 1 Local Impact Assessment requires the applicant to demonstrate that the proposed increase in the gaming machine threshold will provide a positive contribution to the local community. A Class 2 Local Impact Assessment requires the applicant to demonstrate that the proposed increase in the gaming machine threshold will provide an overall positive impact on the local community.

During 2022-23 three Class 1 Local Impact Assessments were refused and 19 approved.

Gaming machine tax

Tax is payable on profits from gaming machines approved to be kept in a hotel or registered club under the *Gaming Machine Tax Act 2001*. Liquor & Gaming NSW, under delegation of the Authority, oversees tax assessment and works closely with Revenue NSW which is responsible for tax collection.

Gaming technology

Under the *Gaming Machines Act 2001*, the Authority may declare a device to be an approved gaming machine for use in hotels and registered clubs.

During 2022-23 the Authority granted the following approvals for gaming technology in hotels and registered clubs:

- 138 new game approvals to operate on gaming machines.
- 1 new gaming machine platform technology
- 96 gaming machine software upgrades
- 28 gaming machine hardware upgrades

Gaming-related licences

To manufacture, sell, service or test a gaming machine a person must hold an appropriate gaming-related licence.

During 2022-23 following a rigorous probity assessment process the Authority granted the following gaming-related licences:

- 19 gaming machine seller's licences, and
- 127 gaming machine technician licences.
- One gaming machine manufacturers dealer's licence was granted during 2022-23.

Disciplinary action

Disciplinary action under the Gaming Machines Act 2001

In 2022-23 there were no complaints determined under Part 8 of the *Gaming Machines Act 2001*.

Disciplinary action under the Registered Clubs Act 1976

In 2022-23 there were no complaints determined under Part 6 of the *Registered Clubs Act 1976*.

Land disposal

Nil.

Research and Development

The Authority funded research into the association of liquor outlet density with domestic and non-domestic assault in NSW. The research was undertaken to support the Authority's decision-making in relation to applications for new liquor licences and requests for changes to existing liquor licences. The total cost of the research was \$96,522.80 ex. GST.

Implementation of Price Determination

The Authority is not subject to determination or recommendation of the Tribunal.

Management and Accountability

Privacy and Personal Information Protection Act 1998

The Authority's Code of Conduct requires staff to uphold the law, including obligations to protect the privacy of personal under the PPIP Act.

Consultants

The Authority engages consultants to assist in undertaking certain specialist and most of its non-core functions such as legal services and internal audit. During financial year 2022-23, there were no consultancy engagements which were equal to or more than \$50,000.

There were 4 consultants with expenditure under \$50,000, for various services totalling \$82,394.55.

Cyber Security Policy (CSP) attestation

The Authority was covered by the Department of Enterprise, Investment & Trade (DEIT) CSP attestation until 27 February 2023. The Authority's cybersecurity attestation is included.

Independent Liquor & Gaming Authority Cyber Security Annual Attestation Statement for the 2022-2023 Financial Year

I, Caroline Lamb, on behalf of Independent Liquor & Gaming Authority (ILGA) have assessed and am of the opinion that ILGA, in close partnership with the Department of Enterprise, Investment and Trade (DEIT), has managed cyber security risks in a manner consistent with the Mandatory requirements set out in the NSW Government Cyber Security Policy.

ILGA underwent Machinery of Government and structural changes during the reporting period, and became a separate staff agency on 27 February 2023. For the prior part of the reporting period ILGA was part of DEIT and it remains part of the same portfolio of agencies. In respect of the period subsequent to 27 February 2023, I can attest that

- Governance is in place to appropriately manage cyber security maturity and initiatives.
- ILGA is leveraging DEIT's cyber security initiatives to improve its cyber security maturity and capabilities.
- The cyber security plan is in the development phase to ensure continuous improvement and management of cybersecurity governance and resilience.
- The incident response plan is undergoing continuous improvement. Evaluating the plan's effectiveness is scheduled for the next reporting period.
- Cyber security risks to information and systems have been assessed and are being managed. New systems and processes are in development to further strengthen the cyber security posture of ILGA and the Department that manages and supports its information systems.
- An independent assessment of maturity rating against the Cyber Security Policy has been conducted by a qualified third party.

This attestation specifically covers the systems managed by ILGA and the DEIT Information Technology Team. ILGA also uses systems managed by the Department of Customer Service under the GovConnect arrangements, for which a separate cyber attestation is made.



Caroline Lamb
Chairperson

Independent Liquor & Gaming Authority

30 October 2023

Economic or other factors

During the 2022-23 reporting period the ILGA experienced a loss of staff and key personnel due to attrition and the establishment of the NSW Independent Casino Commission. Recruitment of Authority members and staff has followed.

Government Information (Public Access) Act 2009

Applications made under the *Government Information (Public Access) Act 2009* involving the Authority were coordinated centrally within DEIT. Please refer to the DEIT Annual Report for 2022-23 for details on any access applications concerning the Authority received during the year.

Human Resources

On 27 February 2023, 8 positions were transferred from the Department of Enterprise, Investment and Trade to the Independent Liquor & Gaming Authority staff agency. The table below shows the staff position and number of staff employed as at 30 June 2023. Refer to DEIT Annual report for 2021-22.

Position	Grade	2022-23
Manager	11/12	1
Principal Solicitor	11/12	1
Executive Officer	9/10	1
Solicitor	7/8	1
Project Officer	7/8	1.2 FTE*
Assistant Project Officer	5/6	1

*Full time equivalent

Internal audit and risk management policy attestation

Internal Audit and Risk Management Attestation Statement for the 2022-2023 Financial Year for the Independent Liquor and Gaming Authority

I, Caroline Lamb am of the opinion that the Independent Liquor and Gaming Authority (the Authority) has internal audit and risk management processes in operation that are, excluding the exemptions or transitional arrangements described below, compliant with the seven Core Requirements set out in the *Internal Audit and Risk Management Policy for the General Government Sector*, specifically:

Core Requirements		For each requirement, please specify whether compliant, non-compliant, or in transition
Risk Management Framework		
1.1	The Accountable Authority shall accept ultimate responsibility and accountability for risk management in the agency.	In transition
1.2	The Accountable Authority shall establish and maintain a risk management framework that is appropriate for the agency. The Accountable Authority shall ensure the framework is consistent with AS ISO 31000:2018.	In transition
Internal Audit Function		
2.1	The Accountable Authority shall establish and maintain an internal audit function that is appropriate for the agency and fit for purpose.	In transition
2.2	The Accountable Authority shall ensure the internal audit function operates consistent with the International Standards for Professional Practice for Internal Auditing.	In transition
2.3	The Accountable Authority shall ensure the agency has an Internal Audit Charter that is consistent with the content of the 'model charter'.	In transition
Audit and Risk Committee		
3.1	The Accountable Authority shall establish and maintain efficient and effective arrangements for independent Audit and Risk Committee oversight to provide advice and guidance to the Accountable Authority on the agency's governance processes, risk management and control frameworks, and its external accountability obligations.	In transition
3.2	The Accountable Authority shall ensure the Audit and Risk Committee has a Charter that is consistent with the content of the 'model charter'.	In transition

Membership

The independent chair and members of the Audit and Risk Committee were:

1. Independent Chair, Ms Elizabeth Crouch AM, 6 September 2022 to 30 June 2023
2. Independent Member, Dr Abby Bloom, 6 September 2022 to 30 June 2023
3. Independent Member, Mr Mark Harrison, 6 September 2022 to 30 June 2023.

Shared Arrangements

I, Caroline Lamb advise that the Authority has entered into an approved shared arrangement with the following Department/agencies:

- Department of Enterprise, Investment and Trade
- Greyhound Welfare and Integrity Commission
- NSW Independent Casino Commission

The resources shared include the Audit and Risk Committee, the Chief Audit Executive and the internal audit functions. The shared Audit and Risk Committee is a Principal Department Led Shared Audit and Risk Committee.

Departures from Core Requirements

I, Caroline Lamb, advise that the internal audit and risk management processes for the Independent Liquor and Gaming Authority depart from the following Core Requirements set out in the *Internal Audit and Risk Management Policy for the General Government Sector*.

The departure from the Core Requirements is due to the Authority implementing measures to achieve compliance with new policy requirements consistent with the permitted transitional arrangements.

Departure	Reason for departure and description of practicable alternative measures implemented/being implemented
In Transition	
Core Requirements 1.1 and 1.2 – Risk Management Framework	<ul style="list-style-type: none"> • The Authority was impacted by a Machinery of Government change on 27 February 2023 and had a 12-month transition period to obtain compliance with TPP20-08's Core Requirements. • A Risk Management Policy and Framework were implemented on 21 June 2023 and the Authority is now fully compliant with core requirements 1.1 and 1.2. • TPP20-08 directs that these requirements be marked as 'In transition' as they were not implemented and maintained for the full financial year.
Core Requirements 2.1, 2.2 and 2.3 – Internal Audit Function Core Requirements 3.1 and 3.2 – Audit and Risk Committee	<ul style="list-style-type: none"> • The Authority was impacted by a Machinery of Government change on 27 February 2023 and had a 12-month transition period to obtain compliance with TPP20-08's Core Requirements. • The Authority joined a Shared Arrangement Agreement on 10 March 2023 to share an internal audit function and an Audit and Risk Committee, and the Authority is now fully compliant with Core Requirements 2.1, 2.2, 2.3, 3.1 and 3.2. • TPP20-08 directs that these requirements be marked as 'In transition' as they were not implemented and maintained for the full financial year.

These processes, including the practicable alternative measures implemented, demonstrate that the Independent Liquor and Gaming Authority has established and maintained frameworks, including systems, processes and procedures for appropriately managing audit and risk within the Authority.



Caroline Lamb
Chairperson
Independent Liquor and Gaming Authority

Thomas Luckey
Director, Governance, Audit & Risk

Date: 22 September 2023

Legal Change

As mentioned elsewhere, the status of ILGA to become a separate staff agency occurred on 27 February 2023. Refer to DEIT Annual Report 2022-23 for any further information regarding legal change.

Numbers and remuneration of senior executives

	2022-23			2021-22		
Senior Executive Band	Female	Male	Total	Female	Male	Total
Band 1 (Director)	1	-	1	-	-	-

Senior Executive 2022-23

Officer	Date of First Appointment	Remuneration
Director, Office of ILGA	5 December 2022	SEB 1 \$201,350 - \$287,200

In 2022-23, 21% of the Authority's employee-related expenditure was for senior executives compared to 0% in 2021-22.

Promotion and overseas travel

No overseas travel was undertaken by the Authority during 2022-23.

Public Interest Disclosures

No public officials made a Public Interest Disclosure to the Authority during the reporting period. The Authority did not receive or finalise any Public Interest Disclosures during the year.

Requirements arising from employment arrangements

A memorandum of understanding between the Authority and Department of Enterprise Investment and Trade is in place.

Risk management and insurance activities

The Authority developed a risk management and policy framework which was endorsed in June 2023 and worked toward a separate insurance arrangement to commence in the new financial year.

Sustainability

Disability Inclusion Action Plan

Disability and Inclusion is covered in the DEIT Annual Report 2022-23.

Modern Slavery Act 2018 (NSW)

The Authority procures all goods and services in compliance with the NSW Government Procurement Policy Framework. No issues were raised with the Authority by the Anti-slavery Commissioner during the financial year.

Work Health and Safety (WHS)

The Authority is committed to the health, safety and wellbeing of all employees including contractors, agency staff, and volunteers. The Authority continues to work under DEIT frameworks and is implementing policies to assess and mitigate work-related risks.

During the 2022-23 no injuries, near misses or hazards were reported for the Authority.

Workforce Diversity

Trends in the Representation of Workforce Diversity Groups				
Workforce Diversity Group	Benchmark	2021	2022	2023
Women	50%	58.1%	55.1%	87.5%
Aboriginal and/or Torres Strait Islander People	3.3%	1.2%	2.3%	0.0%
People whose First Language Spoken as a Child was not English	23.2%	10.2%	12.6%	25.0%
People with Disability	5.6%	3.3%	3.0%	0.0%
People with Disability Requiring Work-Related Adjustment	N/A	1.2%	1.1%	0.0%

Note 1: The benchmark of 50% for representation of women across the sector is intended to reflect the gender composition of the NSW community.

Note 2: The NSW Public Sector Aboriginal Employment Strategy 2014 – 17 introduced an aspirational target of 1.8% by 2021 for each of the sector's salary bands. If the aspirational target of 1.8% is achieved in salary bands not currently at or above 1.8%, the cumulative representation of Aboriginal employees in the sector is expected to reach 3.3%.

Note 3: A benchmark from the Australian Bureau of Statistics (ABS) Census of Population and Housing has been included for People whose First Language Spoken as a Child was not English. The ABS Census does not provide information about first language, but does provide information

about country of birth. The benchmark of 23.2% is the percentage of the NSW general population born in a country where English is not the predominant language.

Note 4: In December 2017 the NSW Government announced the target of doubling the representation of people with disability in the NSW public sector from an estimated 2.7% to 5.6% by 2027. More information can be found at: Jobs for People with Disability: A plan for the NSW public sector. The benchmark for 'People with Disability Requiring Work-Related Adjustment' was not updated.

Trends in the Distribution Index for Workforce Diversity Groups				
Workforce Diversity Group	Benchmark	2021	2022	2023
Women	100	100	100	N/A
Aboriginal and/or Torres Strait Islander People	100	N/A	N/A	N/A
People whose First Language Spoken as a Child was not English	100	93	96	N/A
People with Disability	100	N/A	N/A	N/A
People with Disability Requiring Work-Related Adjustment	100	N/A	N/A	N/A

Note 1: A Distribution Index score of 100 indicates that the distribution of members of the Workforce Diversity group across salary bands is equivalent to that of the rest of the workforce. A score less than 100 means that members of the Workforce Diversity group tend to be more concentrated at lower salary bands than is the case for other staff. The more pronounced this tendency is, the lower the score will be. In some cases, the index may be more than 100, indicating that members of the Workforce Diversity group tend to be more concentrated at higher salary bands than is the case for other staff.

Note 2: The Distribution Index is not calculated when the number of employees in the Workforce Diversity group is less than 20 or when the number of other employees is less than 20.

Financial Performance

Audited financial statements for the Independent Liquor & Gaming Authority

Refer to audited financial statements below.



INDEPENDENT AUDITOR'S REPORT

Independent Liquor and Gaming Authority

To Members of the New South Wales Parliament

Opinion

I have audited the accompanying financial statements of Independent Liquor and Gaming Authority (the Authority), which comprise the Statement by the Accountable Authority, the Statement of Comprehensive Income for the year ended 30 June 2023, the Statement of Financial Position as at 30 June 2023, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, notes comprising a Statement of Significant Accounting Policies and other explanatory information of the Authority and the consolidated entity. The consolidated entity comprises the Authority and the entities it controlled at the year's end or from time to time during the financial year.

In my opinion, the financial statements:

- have been prepared in accordance with Australian Accounting Standards and the applicable financial reporting requirements of the *Government Sector Finance Act 2018* (GSF Act), the *Government Sector Finance Regulation 2018* (GSF Regulation) and the Treasurer's Directions
- presents fairly the financial position, financial performance and cash flows of the Authority and the consolidated entity.

My opinion should be read in conjunction with the rest of this report.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of my report.

I am independent of the Authority and the consolidated entity in accordance with the requirements of the:

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants (including Independence Standards)' (APES 110).

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies
- precluding the Auditor-General from providing non-audit services.

I have fulfilled my other ethical responsibilities in accordance with APES 110.

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

Board's Responsibilities for the Financial Statements

The Board is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the GSF Act, GSF Regulation and Treasurer's Directions. The Board's responsibility also includes such internal control as the Board determines is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board is responsible for assessing the ability of the Authority and the consolidated entity to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_responsibilities/ar3.pdf. The description forms part of my auditor's report.

The scope of my audit does not include, nor provide assurance:

- that the Authority carried out their activities effectively, efficiently and economically
- about the assumptions used in formulating the budget figures disclosed in the financial statements
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.



Mary Yuen
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

23 October 2023
SYDNEY

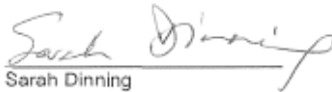
Independent Liquor and Gaming Authority
Statement by the Accountable Authority
for the year ended 30 June 2023

Pursuant to section 7.6(4) of the *Government Sector Finance Act 2018* ("the Act"), we state that these financial statements:

- have been prepared in accordance with Australian Accounting Standards and the applicable requirements of the Act, the *Government Sector Finance Regulation 2018* and the Treasurer's directions; and
- present fairly the Independent Liquor and Gaming Authority and its controlled entity's financial position, financial performance and cash flows.



Caroline Lamb
Chairperson



Sarah Dinning
Deputy Chairperson

Date: 18/10/23



**Consolidated Financial Statements
for the year ended
30 June 2023**

Independent Liquor and Gaming Authority
Statement of Comprehensive Income
for the year ended 30 June 2023

	Notes	Consolidated		Authority	
		Budget	Actual	Actual	Actual
		2023	2023	2023	2022
		\$'000	\$'000	\$'000	\$'000
Continuing operations					
Expenses excluding losses					
Employee related expenses	2(a)	864	568	-	-
Personnel services	2(b)	-	-	500	-
In-kind personnel services	2(c)	-	1,142	1,142	1,626
Board members' remuneration		-	718	718	1,353
Legal Expenses	2(d)	-	2,358	2,358	6,571
Other operating expenses	2(e)	2,170	615	615	344
Total expenses excluding losses		3,034	5,401	5,333	9,894
Revenue					
Grants and contributions	3(a)	3,015	4,078	4,078	8,612
In-kind contribution	3(b)	-	1,142	1,142	1,626
Acceptance by the Crown of employee benefits and other liabilities	3(c)	-	68	-	-
Other revenue	3(d)	-	1,502	1,502	53
Total revenue		3,015	6,790	6,722	10,291
Net result		(19)	1,389	1,389	397
Other comprehensive income		-	-	-	-
Total comprehensive income		(19)	1,389	1,389	397

The accompanying notes form part of these financial statements.

Independent Liquor and Gaming Authority
Statement of Financial Position
as at 30 June 2023

	Notes	Consolidated		Authority	
		Budget	Actual	Actual	Actual
		2023	2023	2023	2022
		\$'000	\$'000	\$'000	\$'000
Assets					
Current assets					
Cash and cash equivalents	4	4,751	1,692	1,692	458
Receivables	5	68	1,638	1,638	1,464
Total current assets		4,819	3,330	3,330	1,922
Total assets		4,819	3,330	3,330	1,922
Liabilities					
Current liabilities					
Payables	6	3,686	325	325	354
Provisions	7	-	110	110	-
Total current liabilities		3,686	435	435	354
Non-current liabilities					
Provisions		-	1	1	-
Total non-current liabilities		-	1	1	-
Total liabilities		3,686	436	436	354
Net assets		1,133	2,894	2,894	1,568
Equity					
Accumulated funds		1,133	2,894	2,894	1,568
Total equity		1,133	2,894	2,894	1,568

The accompanying notes form part of these financial statements.

Independent Liquor and Gaming Authority

Statement of Changes in Equity
for the year ended 30 June 2023

	Notes	Consolidated Accumulated Funds \$'000	Authority Accumulated Funds \$'000
Balance at 1 July 2022		1,568	1,568
Net result for the year		1,389	1,389
Other comprehensive income		-	-
Total comprehensive income for the year		1,389	1,389
Transactions with owners in their capacity as owners			
Increase / (decrease) in net assets from equity transfers	8	(63)	(63)
Balance at 30 June 2023		2,894	2,894
 Balance at 1 July 2021		 1,171	 1,171
Net result for the year		397	397
Other comprehensive income		-	-
Total comprehensive income for the year		397	397
Transactions with owners in their capacity as owners		-	-
Balance at 30 June 2022		1,568	1,568

The accompanying notes form part of these financial statements.

Independent Liquor and Gaming Authority

Statement of Cash Flows
for the year ended 30 June 2023

	Notes	Consolidated		Authority	
		Budget	Actual	Actual	Actual
		2023	2023	2023	2022
		\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities					
Payments					
Employee related expenses		(864)	(426)	-	-
Board remuneration		-	(718)	(718)	(1,353)
Other payments		(2,170)	(3,762)	(4,188)	(8,183)
Total payments		(3,034)	(4,906)	(4,906)	(9,536)
Receipts					
Grants and contributions		3,015	4,078	4,078	7,748
Refund of GST		-	734	734	976
Other revenue		-	1,328	1,328	53
Total receipts		3,015	6,140	6,140	8,777
Net cash flows from operating activities	12	(19)	1,234	1,234	(759)
Net increase / (decrease) in cash and cash equivalents		(19)	1,234	1,234	(759)
Opening cash and cash equivalents		4,770	458	458	1,217
Closing cash and cash equivalents	4	4,751	1,692	1,692	458

The accompanying notes form part of these financial statements.

Independent Liquor and Gaming Authority

Notes to the financial statements for the year ended 30 June 2023

1. Statement of significant accounting policies

(a) Reporting entity

The Independent Liquor and Gaming Authority ("the Authority") is a NSW government entity that is controlled by the State of New South Wales which is the ultimate parent. The Authority is a not-for-profit entity (as profit is not its principal objective) and it has no cash generating units.

The Authority is a statutory body constituted under the *Gaming and Liquor Administration Act 2007* with probity, investigations, licensing, disciplinary and merit review powers for the purposes of the *Liquor Act 2007*, the *Gaming Machines Act 2001* and the *Registered Clubs Act 1976*.

Administrative Arrangements (Second Perrottet Ministry—Transitional) Order 2021 dated 21 December 2021, transferred the Authority from the Department of Customer Service (DCS) cluster to the Department of Enterprise, Investment and Trade (DEIT) cluster effective from 1 April 2022. DEIT provides corporate services including information management and systems support to the Authority through a Memorandum of Understanding.

Pursuant to the *Administrative Arrangements (Administrative Changes - Miscellaneous) Order 2023* dated 22 February 2023, the persons employed in the Office of Independent Liquor and Gaming Authority in DEIT were transferred to the Independent Liquor and Gaming Authority Staff Agency ('ILGA Staff Agency') effective from 27 February 2023.

The Authority as a reporting entity comprises all the entities under its control, namely the Independent Liquor and Gaming Authority and ILGA Staff Agency. ILGA Staff Agency's sole objective is to provide personnel services to the Authority.

In the process of preparing the consolidated financial statements for the reporting entity, consisting of the controlling and controlled entities, all inter-entity transactions and balances have been eliminated, and like transactions and other events are accounted for using uniform accounting policies.

These financial statements have been authorised for issue by the Authority on the date the accompanying Statement by the Accountable Authority is signed.

(b) Basis of preparation

The Authority's financial statements are general purpose financial statements which have been prepared on an accrual basis and in accordance with:

- the applicable requirements of Australian Accounting Standards (AAS) (which include Australian Accounting Interpretations)
- the requirements of the *Government Sector Finance Act 2018* (GSF Act), and
- Treasurer's Directions issued under the GSF Act.

Financial statement items are prepared in accordance with the historical cost convention except where specified otherwise.

Judgements, key assumptions and estimates management have made are disclosed in the relevant notes to the financial statements.

All amounts are rounded to the nearest one thousand dollars and are expressed in Australian currency, which is the Authority's presentation and functional currency.

(c) Statement of compliance

The Authority's financial statements and notes comply with the AAS, which include Australian Accounting Interpretations.

(d) Going concern

The financial statements have been prepared on a going-concern basis.

Independent Liquor and Gaming Authority

Notes to the financial statements for the year ended 30 June 2023

1. Statement of significant accounting policies (continued)

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

Income, expenses and assets are recognised net of the amount of GST, except that the:

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

Cash flows are included in the Statement of Cash Flows on a gross basis. However, the GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(f) Comparative information

Except when an AAS permits or requires otherwise, comparative information is disclosed in respect of the previous financial year for all amounts reported in the financial statements.

Where necessary, comparative disclosures in financial statements and in the notes to the financial statements have been amended to conform to the current year presentation.

(g) Changes in accounting policy, including new or revised Australian Accounting Standards

(i) Effective for the first time in FY2022-23

The accounting policies applied in FY2022-23 are consistent with those of the previous financial year. New accounting standards, amendments and interpretations effective for the first time in FY2022-23 do not have a material impact on the financial statements of the Authority.

(ii) Issued but not yet effective

NSW public sector entities are not permitted to early adopt new AAS unless Treasury determines otherwise.

The following new AAS relevant to the Authority have not been applied and are not yet effective, in accordance with the NSW Treasury mandate TPG 23-04 *Mandates of options and major policy decisions under Australian Accounting Standards*:

- AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current
- AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates
- AASB 2021-6 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards
- AASB 2021-7b Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections
- AASB 2021-7c Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections
- 2022-1 Amendments to Australian Accounting Standards – Initial Application of AASB 17 and AASB 9 – Comparative Information
- AASB 2022-6 Amendments to Australian Accounting Standards – Non-current Liabilities with Covenants
- AASB 2022-7 Editorial Corrections to Australian Accounting Standards and Repeal of Superseded and Redundant Standards
- AASB 2022-10 Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities

Independent Liquor and Gaming Authority

Notes to the financial statements
for the year ended 30 June 2023

1. Statement of significant accounting policies (continued)

The Authority has assessed the potential impact of these and have determined they are unlikely to have a material impact on the financial statements.

(h) Impact of COVID-19 on financial reporting for 2022-23

There are no material impacts of COVID-19 on key assumptions and estimates used. There is no uncertainty about the Authority's ability to continue as a going concern as at 30 June 2023 as liquidity and credit risk are not significant areas of risk for the Authority.

2. Expenses excluding losses

	Consolidated	Authority	
	2023	2023	2022
	\$'000	\$'000	\$'000
(a) Employee related expenses			
Salaries and wages (including annual leave)	437	-	-
Long service leave	75	-	-
Superannuation - defined benefit plans	1	-	-
Superannuation - defined contribution plans	31	-	-
Payroll tax	24	-	-
	568	-	-

Pursuant to the *Administrative Arrangements (Administrative Changes - Miscellaneous) Order 2023* dated 22 February 2023, the persons employed in the Office of Independent Liquor and Gaming Authority in DEIT were transferred to the Independent Liquor and Gaming Authority Staff Agency effective from 27 February 2023. Until this date, the Authority did not have staff and relied on personnel services provided in-kind by DEIT from 1 April 2022 and DCS before that. Refer Note 2 (c).

(b) Personnel services

Personnel services - ILGA Staff agency	-	500	-
	-	500	-

(c) In-kind personnel services

Provided by the principal department	1,142	1,142	1,626
	1,142	1,142	1,626

Expenses on behalf of the Authority, including employee related expenses and other operating costs were incurred by the principal departments, DEIT from 1 April 2022 and DCS to 31 March 2022. These expenses have not been on-charged to the Authority.

Independent Liquor and Gaming Authority

Notes to the financial statements
for the year ended 30 June 2023

2. Expenses excluding losses (continued)

(d) Legal expenses

	Consolidated	Authority	
	2023	2023	2022
	\$'000	\$'000	\$'000
Bergin Inquiry	-	-	441
Bell Inquiry	1,203	1,203	5,688
Other	1,155	1,155	442
	2,358	2,358	6,571

Bergin Inquiry

Legal expenses relating to the Bergin Inquiry and implementation under section 143 of the *Casino Control Act 1992*. The Inquiry examined matters concerning the casino licence for the Barangaroo restricted gaming facility granted to Crown Sydney Gaming Pty Limited and also matters relating to the regulatory framework and settings under which the Authority operates. The report on the Inquiry was issued on 1 February 2021.

Bell Inquiry

On 14 September 2021 the Authority commenced a review of The Star Pty Limited ("The Star") under sections 30 and 143 of the *Casino Control Act 1992*, and appointed Adam Bell SC to preside over the review. The review considered how effectively Star is complying with its statutory obligations and whether it remains suitable to hold a casino licence. The report on the review was issued on 31 August 2022.

(e) Other operating expenses

Auditor's remuneration	30	30	27
Consultants	82	82	-
Fees and charges	368	368	277
Information and communication technology	28	28	20
Subscriptions	36	36	6
Travel	38	38	-
Other	33	33	14
	615	615	344

3. Revenue

(a) Grants and contributions

Grants without sufficiently specific performance obligations

Cluster grants	2,875	2,875	2,924
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Other grants with sufficiently specific performance obligations

Funding received to support Bell Inquiry	1,203	1,203	5,688
	4,078	4,078	8,612

Recognition and measurement

Income from grants without sufficiently specific performance obligations are recognised when the Authority obtains control over the granted assets (e.g., cash). The Authority is deemed to have assumed control when the grant is received or receivable.

Grants without sufficiently specific performance obligations are recognised as revenue upon cash receipt.

Independent Liquor and Gaming Authority

Notes to the financial statements
for the year ended 30 June 2023

3. Revenue (continued)

Income from appropriations, other than deemed appropriations (of which the accounting treatment is based on the underlying transaction), does not contain enforceable and sufficiently specific performance obligations as defined by AASB 15 *Revenue from Contracts with Customers*. Therefore, appropriations (other than deemed appropriations) are recognised as income when the entity obtains control over the assets comprising the appropriations. Control over appropriations is normally obtained upon the receipt of cash.

Revenue from grants with sufficiently specific performance obligations are recognised when the Authority satisfies a performance obligation by incurring promised services. As grants are provided for a specific funding purpose, revenue is not recognised until costs relevant to the funding project have been incurred. Hence revenue is recognised as an expense is incurred.

The cost of the Bell Inquiry incurred by the Authority during the year was funded by DEIT (2022: \$5.7 million funded by DCS). The grant was recognised as revenue in accordance with AASB 1058 *Income for Not-for-Profit Entities*.

	Consolidated	Authority	
	2023	2023	2022
	\$'000	\$'000	\$'000
(b) In-kind contribution			
Expenses incurred that have not been on-charged to the Authority	1,142	1,142	1,626
	1,142	1,142	1,626

In-kind contributions were provided by DEIT from 1 April 2022 and DCS to 31 March 2022 to the Authority. Refer to note 2(c).

(c) Acceptance by the Crown of employee benefits and other liabilities

Long service leave provision	67	-	-
Superannuation - defined benefit	1	-	-
	68	-	-

(d) Other revenue

Recovery from DCS	-	-	53
Recovery from legal settlement	1,500	1,500	-
Other	2	2	-
	1,502	1,502	53

(e) Summary of compliance

The *Appropriation Act 2022 (Appropriations Act)* (and the subsequent variations, if applicable) appropriates the sum of \$3.0 billion to the Minister for Enterprise, Investment and Trade out of the Consolidated Fund for the services of Department of Enterprise, Investment and Trade (DEIT), for the year 2022–23. The spending authority of the Minister from the *Appropriations Act* has been delegated or subdelegated to officers of DEIT and entities that it is administratively responsible for, including the Authority.

Independent Liquor and Gaming Authority

Notes to the financial statements for the year ended 30 June 2023

3. Revenue (continued)

The *Treasury and Energy Legislation Amendment Act 2022* made some amendments to sections 4.7 and 4.9 of the *Government Sector Finance Act 2018* (the GSF Act). These amendments commenced on 14 November 2022 and are applied retrospectively. As a result, the lead Minister for the Authority being the Minister for Enterprise, Investment and Trade, is taken to have been given an appropriation out of the Consolidated Fund under the authority section 4.7 of the GSF Act, at the time the Authority receives or recovers any deemed appropriation money, for an amount equivalent to the money that is received or recovered by the Authority. These deemed appropriations are taken to have been given for the services of DEIT.

In addition, government money that the Authority receives or recovers, from another GSF agency, of a kind prescribed by the GSF regulations that forms part of the Consolidated Fund, is now capable of giving rise to deemed appropriations where the receiving agency has a different lead Minister to the agency making the payment, or one or both of the agencies is a special office (as defined in section 4.7(8)).

On 16 June 2023, the *GSF Amendment (Deemed Appropriations) Regulation 2023* was approved to bring the GSF regulations in line with the above deemed appropriation amendments to the GSF Act.

A summary of compliance is disclosed in the financial statements of the Annual Report of DEIT. It has been prepared by aggregating the spending authorities of the Minister for Enterprise, Investment and Trade for the services of DEIT. It reflects the status at the point in time this disclosure statement is being made. The Authority's spending authority and expenditure is included in the summary of compliance.

The delegation/sub-delegations for FY22/23 and FY21/22, authorising officers of the Authority to spend Consolidated Fund money, impose limits on the amounts of individual transactions, but not the overall expenditure of the Authority. However, as they relate to expenditure in reliance on a sum appropriated by legislation, the delegation/sub-delegations are subject to the overall authority of DEIT to spend monies under relevant legislation. The individual transaction limits have been properly observed. The information in relation to the aggregate expenditure limit from the *Appropriations Act* and other sources is disclosed in the summary of compliance table included in the financial statements of the Annual Report of DEIT.

The State Budget and related 2023-24 Appropriation Bill has been delayed until September 2023. However, pursuant to section 4.10 of the GSF Act, the Treasurer has authorised Ministers to spend specified amounts from the Consolidated Fund. The authorisation is current from 1 July 2023 until the earlier of 30 September 2023 or enactment of the 2023-24 *Appropriation Act*.

4. Cash and cash equivalents

	Consolidated	Authority	
	2023	2023	2022
	\$'000	\$'000	\$'000
Cash at bank	1,692	1,692	458
	1,692	1,692	458

For the purposes of the Statement of Cash Flows, cash and cash equivalents includes cash at bank and cash on hand.

Cash and cash equivalent assets recognised in the Statement of Financial Position are reconciled at the end of the financial year to the Statement of Cash Flows.

Refer to Note 13 for details regarding credit risk and market risk arising from financial instruments.

Independent Liquor and Gaming Authority

Notes to the financial statements
for the year ended 30 June 2023

5. Receivables

	Consolidated	Authority	
	2023	2023	2022
	\$'000	\$'000	\$'000
GST receivable	85	85	479
Prepayments	30	30	3
Recovery from legal settlement	1,500	1,500	-
Other receivable *	23	23	982
	1,638	1,638	1,464

* Other receivable as 30 June 2022 was related to funding receivable from DCS for the Bell Inquiry.

Recognition and measurement

Receivables

Receivables are initially recognised at fair value plus any directly attributable transaction costs. Trade receivables that do not contain a significant financing component are measured at the transaction price. Short term receivables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

Subsequent measurement

The Authority holds receivables with the objective to collect the contractual cash flows and therefore measures them at amortised cost using the effective interest method, less any impairment. Changes are recognised in the net result for the year when impaired, derecognised or through the amortisation process.

Impairment

The Authority recognises an allowance for Expected Credit Losses (ECL) for all debt financial assets not held at fair value through its profit or loss. ECLs are based on the difference between the contractual cash flows that the Authority expects to receive, discounted at the original effective interest rate.

For trade receivables, the Authority applies a simplified approach in calculating ECLs. The Authority recognises a loss allowance based on lifetime ECLs at each reporting date. The Authority has established a provision matrix based on its historical credit loss experience for trade receivables, adjusted for forward looking factors specific to the receivable.

6. Payables

	Consolidated	Authority	
	2023	2023	2022
	\$'000	\$'000	\$'000
Current			
Trade creditors and accruals	256	256	354
Accrued salaries, wages and on-costs	27	-	-
Other payables	42	69	-
	325	325	354

Refer to Note 13 for details regarding credit risk, liquidity risk and market risk arising from financial instruments.

Recognition and measurement

Payables represent liabilities for goods and services provided to the Authority and other amounts. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

Independent Liquor and Gaming Authority

Notes to the financial statements
for the year ended 30 June 2023

7. Provisions

	Consolidated	Authority	
	2023	2023	2022
	\$'000	\$'000	\$'000
Current			
Employee benefit and related on-costs			
Annual leave, including on-costs	100	-	-
Long Service leave on-costs	10	-	-
Total employee provisions	110	-	-
Other			
Provision for personnel services	-	110	-
Total current provisions	110	110	-
Non-Current			
Employee benefit and related on-costs			
Long Service leave on-costs	1	-	-
Total employee provisions	1	-	-
Other			
Provision for personnel services	-	1	-
Total non-current provisions	1	1	-
Aggregate employee benefits and related on-costs			
Provisions – current	110	-	-
Provisions – non current	1	-	-
Accrued salaries, wages and on-costs (Note 6)	27	-	-
	138	-	-

Recognition and measurement

Employee benefits and related on-costs

Salaries and wages, annual leave and sick leave

Salaries and wages (including non-monetary benefits) and paid sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the service are recognised and measured at the undiscounted amounts of the benefits.

Annual leave is not expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service. As such, it is required to be measured at present value in accordance with AASB 119 *Employee Benefits* (although short-cut methods are permitted).

Actuarial advice obtained by NSW Treasury has confirmed that using the nominal annual leave balance plus the annual leave entitlements accrued while taking annual leave (calculated using 8.4% of the nominal value of annual leave) can be used to approximate the present value of the annual leave liability.

The Authority has assessed the actuarial advice based on its circumstances and has determined that the effect of discounting is immaterial to annual leave.

All annual leave is classified as a current liability even where the Authority does not expect to settle the liability within 12 months as it does not have an unconditional right to defer settlement.

Unused non-vesting sick leave does not give rise to a liability as it is not considered probable that sick leave taken in the future will be greater than the benefits accrued in the future.

Long service leave and superannuation

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

Independent Liquor and Gaming Authority

Notes to the financial statements
for the year ended 30 June 2023

7. Provisions (continued)

Long service leave is measured at the present value of expected future payments to be made in respect of services provided up to the reporting date. Consideration is given to certain factors based on actuarial review, including expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using Commonwealth Government bond rate at the reporting date.

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

Consequential on-costs

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

8. Net assets from equity transfers

Pursuant to the *Administrative Arrangements (Administrative Changes - Miscellaneous) Order 2023*, the persons employed in the Office of Independent Liquor and Gaming Authority in DEIT were transferred to the Independent Liquor and Gaming Authority Staff Agency effective from 27 February 2023. Assets and liabilities associated with the affected staff were also transferred on this date.

For the period ended 30 June 2023	\$'000
Current assets	-
Non-current assets	-
Total assets	-
Current liabilities	
Provisions	63
Non-current liabilities	-
Total liabilities	63
Decrease in net assets from equity transfer	(63)

9. Commitments

There are no commitments as at the reporting date (2022: Nil).

10. Contingent assets and contingent liabilities

The Authority is involved in various legal proceedings arising out of the normal course of business. As at the reporting date, the Authority has two matters before the NSW Court of Appeal regarding its ability to impose conditions and revoke decisions in relation to certain types of gaming machine applications. Timing of the outcome and cost implications cannot be reliably estimated (2022: Nil).

Independent Liquor and Gaming Authority

Notes to the financial statements for the year ended 30 June 2023

11. Budget review

The budgeted amounts are drawn from the original budgeted financial statements presented to Parliament in respect of the financial year. Subsequent amendments to the original budget are not reflected in the budgeted amounts. Major variances between the original budgeted amounts and the actual amounts disclosed in the financial statements are explained below.

Net Result

The actual net gain of \$1.4 million was favourable than the budgeted loss of \$0.02 million. There was an overall increase in both the total revenue and total expenses. Key factors contributing to the unfavourable variance were:

- Total revenue was higher by \$3.8 million due to \$1.2 million grant received from DEIT for the Bell Inquiry, in-kind contribution of \$1.1 million and revenue from legal settlement of \$1.5 million.
- Total expenses were higher by \$2.3 million driven by higher legal expenses in relation to the Bell Inquiry of \$1.2 million and in-kind personnel services expenses of \$1.1 million which were not anticipated at the time of the original budget. Board members' remuneration and employee related expenses were higher by \$0.4 million due to the transfer of staff from DEIT to the ILGA Staff Agency on 27 February 2023. The corresponding labour expenses budget transfer was not captured in the original budget.

Assets and liabilities

The net asset position was higher than budget by \$1.8 million mainly due to increase in receivables by \$1.6 million and reduction in payables by \$3.4 million which was partially offset by reduction in cash balance by \$3.1 million.

Cash flows

The net cash inflow was higher by \$1.3 million mainly due to collection of GST and other receivables \$2.1 million and reimbursement for Bell Inquiry cost of \$1.2 million which was partially offset by increase in payment for operating expenses by \$1.6 million and increase in employee related cost by \$0.3 million.

12. Reconciliation of cash flows from operating activities to net result

	Consolidated	Authority	
	2023	2023	2022
	\$'000	\$'000	\$'000
Net cash from operating activities	1,234	1,234	(759)
Increase / (decrease) in receivables	174	174	(11,104)
(Increase) / decrease in payables	29	29	(240)
(Increase) / decrease in provisions	(48)	(48)	12,500
Net result	1,389	1,389	397

13. Financial Instruments

The Authority's principal financial instruments are outlined below. These financial instruments arise directly from the Authority's operations or are required to finance its operations. The Authority does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Authority's main risks arising from financial instruments are outlined below, together with the Authority's objectives, policies and processes for measuring and managing risk. Further quantitative and qualitative disclosures are included throughout these financial statements.

The Authority's Board has overall responsibility for the establishment and oversight of risk management and reviews and agreed policies for managing each of these risks. Risk management policies are established to identify and analyse the risks faced by the Authority, to set risk limits, and to control and monitor risks. Compliance with policies is reviewed by the Authority on a continuous basis.

Independent Liquor and Gaming Authority

Notes to the financial statements
for the year ended 30 June 2023

13. Financial Instruments (continued)

(a) Financial instrument categories

Class	Notes Category		Consolidated	Authority	
			2023	2023	2022
			\$'000	\$'000	\$'000
Carrying amount					
Financial assets					
Cash and cash equivalent:	4	Amortised cost	1,692	1,692	458
Receivables ⁽ⁱ⁾	5	Amortised cost	1,523	1,523	-
			3,215	3,215	458
Financial liabilities					
Payables ⁽ⁱⁱ⁾	6	Financial liabilities measured at amortised cost	256	256	354
			256	256	354

⁽¹⁾ Excludes statutory receivables and prepayments (i.e., not within scope of AASB 7)

⁽²⁾ Excludes statutory payables and unearned revenue (i.e., not within scope of AASB 7)

The Authority determines the classification of its financial assets and liabilities after initial recognition and, when allowed and appropriate, re-evaluates this at each financial year end.

(b) Derecognition of financial assets and financial liabilities

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the contractual rights to the cash flows from the financial assets expire; or if Authority transfers its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:

- Authority has transferred substantially all the risks and rewards of the asset; or
- Authority has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control.

When the Authority has transferred its rights to receive cash flows from an asset or has entered a passthrough arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. Where the Authority has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset continues to be recognised to the extent of the Authority's continuing involvement in the asset. In that case, the Authority also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Authority has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Authority could be required to repay.

A financial liability is derecognised when the obligation specified in the contract is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the net result.

Independent Liquor and Gaming Authority

Notes to the financial statements
for the year ended 30 June 2023

13. Financial Instruments (continued)

Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

(c) Financial risks

i) Credit risk

Credit risk arises when there is the possibility of the Authority's debtors defaulting on their contractual obligations, resulting in a financial loss to the Authority. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance for impairment).

Credit risk arises from the financial assets of the Authority, including cash, receivables, and authority deposits. No collateral is held by the Authority. The Authority has not granted any financial guarantees.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and bank balances within the NSW Treasury Banking System.

Receivables – trade debtors and other receivables

All trade debtors are recognised at the amount receivable at balance date. Collectability of trade debtors is reviewed on an ongoing basis. The entity applies the AASB 9 *Financial Instruments* simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on historical observed loss rates. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. Trade receivables are written off when there is no reasonable expectation of recovery.

Other receivables of the Authority are mainly from NICC. As there is a reasonable expectation of recovery of the debts, an expected credit loss was not calculated.

ii) Liquidity risk

Liquidity risk is the risk that the Authority will be unable to meet its payment obligations when they fall due. The Authority continuously manages risk through monitoring future cash flows to ensure adequate holding of high-quality liquid assets.

The Authority's exposure to liquidity risk is deemed insignificant based on its cluster funding arrangements, prior periods' data, and a current assessment of risk.

The liabilities are recognised for amounts due to be paid in the future for goods or services received, whether invoiced or not. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in NSW TC11/12 *Payment of Accounts*. For small business suppliers, where terms are not specified, payment is made not later than 30 days from date of receipt of a correctly rendered invoice. For other suppliers, if trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received. For small business suppliers, where payment is not made within the specified time, simple interest must be paid automatically unless an existing contract specifies otherwise. For payments to other suppliers, the Authority may automatically pay the supplier simple interest.

No interest for late payment was made during the year (2022: Nil).

The table below summarises the maturity profile of the Authority's financial liabilities based on contractual undiscounted payments, together with the interest rate exposure.

Independent Liquor and Gaming Authority

Notes to the financial statements
for the year ended 30 June 2023

13. Financial Instruments (continued)

	Weighted average effective interest rate %	Interest rate exposure			Maturity dates			
		Nominal amount	Fixed interest rate	Variable interest rate	Non- interest bearing	< 1 yr	1-5 years	> 5 yrs
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Actuals 2023								
Payables		325	-	-	325	325	-	-
Total		325	-	-	325	325	-	-
Actual 2022								
Payables		354	-	-	354	354	-	-
Total		354	-	-	354	354	-	-

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Exposure to market risk is primarily through interest rate risk. The Authority has no exposure to foreign currency risk and does not enter into commodity contracts.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Exposure to interest rate risk arises primarily through interest-bearing liabilities. The Authority does not account for any fixed rate financial instruments at fair value through profit or loss or as at fair value through other comprehensive income. Therefore, for these financial instruments, a change in interest rates would not affect profit or loss or equity.

As at the reporting date, the Authority does not hold any interest-bearing liabilities and as such does not have any interest rate risk.

(d) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability.

Financial instruments are generally recognised at cost. The amortised cost of financial instruments recognised in the statement of financial position approximates the fair value, because of the short-term nature of many of the financial instruments.

14. Related party disclosures

Key management personnel (KMP) are those persons having authority and responsibility for planning, directing and controlling the activities of the Authority. The KMP for the Authority comprise of the Chairperson and Deputy Chairperson of the Board and the Director of the Authority.

Compensation of key management personnel are as follows:**Short term employee benefits**

	2023	2022
	\$'000	\$'000
Salaries	476	666
Other long-term employee benefits	50	57
Total remuneration	526	723

Independent Liquor and Gaming Authority

Notes to the financial statements
for the year ended 30 June 2023

14. Related party disclosures (continued)

There were no transactions entered into during the year with key management personnel, their close family members and controlled or jointly controlled entities thereof.

During the year, the Authority entered into transactions on arm's length terms and conditions with other entities that are controlled / jointly controlled / significantly influenced by the NSW Government. These transactions in aggregate are a significant portion of the Authority's rendering of services and receiving of services. These transactions include :

Counterparty	Nature of transaction	2023		2022	
		\$'000		\$'000	
		Income / (expenses)	Net receivable/ (payable)	Income / (expenses)	Net receivable/ (payable)
Revenue					
DEIT	Cluster grants	2,875	-	-	-
	Funding for reimbursement of legal fees for Bell Inquiry	1,203	-	-	-
	In-kind contribution	1,142	-	371	-
NICC	Reimbursement of Legal fees, board fees and expenses.	1,120	17		
DCS	Grants & other in-kind contributions	-	-	9,920	977
Expenses					
DEIT	Administrative, secretarial support and operational assistance	(1,593)	(72)	(371)	-
DCS	Administrative, secretarial support and operational assistance	-	-	(522)	-
Audit Office of NSW	External audit fees for ILGA	(30)	(24)	(27)	(24)
NSW Police Force	Providing police casino inspectors for casino regulation and compliance	(133)	-	(129)	(28)
NSW Department of Communities and Justice	Payments for Civil and Administrative Tribunal of New South Wales (NCAT)	(76)	-	(40)	-
Crown Solicitors Office (NSW)	Professional legal services and legal advice	(472)	(87)	(210)	-

15. Events after the reporting period

There are no known events subsequent to the reporting date requiring disclosure.

End of audited financial statements

Budget review and plan

Personnel services expenses

In the 2022-23 financial year a Memorandum of Understanding was agreed detailing the shared services the Authority receives from the Department of Enterprise Investment and Trade.

Between the 1 July 2022 to the 26 February 2023, ILGA Staff Costs were paid by the Department of Enterprise Investment and Trade and was captured under personnel services as in-kind.

Budget for 2023-24

\$4,875,000.

Investment performance

The Authority has no investments other than bank balances within the Treasury Banking System. Interest income earned in the year ended 30 June 2023 was nil.

Liability management performance

Nil.

END OF REPORT