24 Month Final Report - OLGR
Operation Columba

Recommendation 13.

The Office of Liquor, Gaming and Racing should review the validity of all responsible service of alcohol and responsible conduct of gaming certificates and statements of attainment issued through Roger Training Academy since 2006

Summary of progress

<complete one of the following>

- ❑ Implementation has not yet started
- ❑ The recommendation has been implemented
- ☑ The recommendation will be implemented differently
- ❑ The recommendation is no longer relevant
- ❑ The recommendation has been partially implemented

Action taken to implement recommendation

A notice, issued under section 21 of the Casino, Liquor and Gaming Control Authority Act, was served on the proprietor of Amstar Learning, requesting student records to be provided. As a result, partial records were provided by Amstar Learning of those people that were issued fraudulent training qualifications by the Roger Training Academy.

In addition, only the student's name was recorded, making it impossible to distinguish between two or more people with the same name for the purposes of creating a public register so that licensees could check whether the training qualifications of their staff were valid.

Legal advice also suggested that there would be a number of impediments if the identity of any individual was made publicly available, including privacy issues.

It was also established that it was difficult to distinguish between the certificates issued legitimately by Amstar Learning and the certificates issued fraudulently by Roger Training Academy - with the only noticeable difference being a common signature appearing on the certificates issued by Roger Training Academy.

Industry was advised to be aware of this common signature when checking certificates issued in the name of Amstar Learning as part of the Office of Liquor, Gaming and Racing's communication strategy.

This included the establishment of an industry hotline, which received approximately 300 calls from industry stakeholders.

The industry was also alerted to the issue through the Office of Liquor, Gaming and Racing's website, industry newsletter and e-news service in the first half of 2010. Advice was also provided to relevant industry associations, which generated a number of enquiries to the

Office of Liquor, Gaming and Racing's hotline after additional information was provided to industry by the respective associations.

In a related development, Supreme Court action was taken in 2010 by Amstar Learning against the State of NSW and the Casino, Liquor and Gaming Control Authority, following the Authority's decision to cancel Amstar Learning's approvals to conduct responsible service of alcohol training, on the ground that the Authority's action was manifestly unreasonable and irrational. That action has now been settled.

This followed advice provided by the Crown Solicitor's Office indicating that in relation to the responsible conduct of gambling course cancellation, that Amstar Learning had merit in its claim in relation to conditions prohibiting delivery by a third party originally imposed on Amstar Learning (and other training providers) did not provide an opportunity for consultation prior to the conditions being imposed.

As this would have cast doubt on the likelihood of successfully defending half of the litigation, the parties agreed to approach the Supreme Court in January 2011 to settle the matter by consent. On 23 March 2011, the matter was settled with the Supreme Court making orders to quash the Authority's decisions.

Information on the outcome of this settlement was included in the Office of Liquor, Gaming and Racing's *Liquor + Gaming* magazine in May 2011.

Supporting material

Attached is a copy of the relevant page of Office of Liquor, Gaming and Racing's website and e-news alerting industry to the issue.

Also attached are copies of articles published in the Office of Liquor, Gaming and Racing's *Liquor + Gaming* magazine in April 2010 and May 2011.

Evaluation of implementation

Informal feedback from enquiries to the hotline and industry associations indicated that the action taken was appropriate in the prevailing circumstances.

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Recommendation 14.

The OLGR should reduce the likelihood of fraud in the issue of RSA and RCG certificates by:
(a) conducting a comprehensive corruption risk assessment of the corruption risks present in RSA and RCG training and licensing. This risk assessment should include but not be limited to:
i. analysis of the risks associated with training by training providers. ii. analysis of the risks associated with any new procedures the OLGR may introduce to
review RTOs.
(b) develop a corruption risk management plan describing the corruption risks identified and the strategies the OLGR will adopt to manage each of these risks.

Summary of progress

<complete one of the following>

- ❑ Implementation has not yet started
- ❑ The recommendation has been implemented
- ❑ The recommendation will be implemented differently
- ❑ The recommendation is no longer relevant
- ☑ The recommendation has been partially implemented

Action taken to implement recommendation

A contractor, Deloitte, was engaged in 2010 to undertake a fraud and corruption risk assessment report for the Office of Liquor, Gaming and Racing. That report made nine recommendations to minimise fraud and corruption in the responsible service of alcohol (RSA) and responsible conduct of gambling (RCG) training sectors.

Those recommendations, and their implementation status, are outlined in the table below.

Recommendation	Implementation status
OLGR should collaborate with VETAB in relation to the registration and regulation of RTOs involved in RSA and RCG training, including that VETAB provide OLGR with any information it receives about complaints, non-compliance, and cancellations, suspensions and amendments to registrations that relates to the integrity of these training schemes. OLGR should also provide VETAB with any information and complaints it receives about the integrity of RSA and RCG training providers.	**Complete** – Communication between the OLGR and VETAB was established in early 2011. However, as VETAB were operating on a skeleton staff pending handover of regulatory responsibility for the VET sector to the Commonwealth, little progress was made. The Australian Skills Quality Authority (ASQA) replaced VETAB as the VET regulator from 1 July 2011. The OLGR wrote to ASQA in mid 2011 requesting that they provide the OLGR with any information about complaints relating to the integrity of RSA and RCG training providers.

Recommendation	Implementation status
OLGR should consider ways to educate training providers to ensure they are aware of OLGR's operational standards for the provision of RSA and RCG training. This could include: • providing additional explanatory information as part of approving a training provider, and • an education campaign, involving periodic emails or newsletters to training providers highlighting a key operational standard or requirement	**Complete** – Regular information is provided to training providers through OLGR's newsletter and e-news service. For example, an article was published in the Volume 6, Edition 1 2011 issue of the OLGR's quarterly magazine *Liquor + Gaming* which highlighted the need for adherence to operational standards. The article also reported on the findings of a compliance audit. In addition, standard conditions for approval were updated in May 2011 and communicated to training providers. Information sessions were also held with training providers in June 2011.
OLGR should consider introducing a targeted compliance program for training providers, including site visits utilising existing compliance officers. This could include: • targeted audits in response to identified risks to ensure training providers are complying with the standard conditions for approved training providers • provision of information to educate training providers about the operational standards required for the provision of RSA and RCG training • site visits in response to a complaint received about a particular training provider (requires collaboration with VETAB)	**Complete** – In September 2010, the OLGR wrote to all approved training providers and advised of an impending OLGR covert compliance program in which compliance officers would covertly enrol and attend an RSA course. Six training providers were subject to a covert audit. While the audit found no issues of fraud or corruption, issues were identified with two of the courses relating to their duration. The training providers were contacted and advised of their audit outcome. Training provider compliance audits are now being conducted on an ongoing basis, with a target of 10 audits each financial year. Further articles will be published in the OLGR's *Liquor + Gaming* magazine which will advise industry on the outcome of these audits.
OLGR should consider implementing a system for members of the training industry, students and the public to report unscrupulous RSA and RCG training practices to OLGR.	**Complete** – The existing OLGR complaint mechanism enables complaints to be made about the conduct of RSA and RCG training. A dedicated email address has also been established for complaints relating to the conduct of RSA and RCG training.
OLGR should consider new offence provisions in relation to fraudulently issuing certificates and fraudulently	**In progress** - On 22 November 2011, the NSW Parliament passed the *Clubs, Liquor and Gaming Machines Legislation Amendment Act*

Recommendation	Implementation status
purporting to be an RSA and/or RCG registered training provider	*2011.* The Act allows for penalties of up to $11,000 for RSA and RCG training offences to be prescribed in the Liquor and Gaming Machines Regulations. Amendments to the Liquor and Gaming Machines Regulations to prescribe these offences, relating to the provision of unapproved training and issuing qualifications to a person without undertaking training, will be made in the first half of 2012.
In relation to the provision of any on-line training, OLGR should consider and address any fraud and corruption risks, particularly in relation to confirming the identity of the student and systems and processes to ensure the integrity of on-line assessment	**Complete** – A Regulation to facilitate the introduction of online RSA training commenced on 22 August 2011. The Regulation provides for approval to conduct online RSA training subject to the OLGR being satisfied that the training provider has: • appropriate measures in place to verify the identity of persons undertaking an approved RSA training course online; • the ability to assess the competency of those persons; and • appropriate measures in place to minimise the potential for fraudulent activity. It is expected that a trial of online RSA training will commence in the first half of 2012.
OLGR should consider the feasibility of replacing paper certificates with a centrally operated and controlled photo ID system	**Complete** – On 22 August 2011, the OLGR introduced a photo competency card system for students graduating from approved RSA and RCG courses. As part of the overall deployment, paper RSA and RCG certificates will be phased out in stages over the next five years and replaced by photo competency cards as evidence of RSA and RCG competency. The first group of older paper certificates to be phased out are those issued before 2001. These will no longer be valid from 1 July 2012. Further stages for those in the industry with paper certificates issued after 1 January 2001

Recommendation	Implementation status
	to transition to a photo competency card will be announced in the first half of 2012.
OLGR should consider creating a learning management system for both RSA and RCG training, which could include student name and contact details, student email, student certificate number/photo ID number, date the student completed the course, name of trainer who delivered the course, the course venue, and any other relevant information, and that can be monitored by OLGR and used to identify trends and fraud and corruption risks.	**Complete** – This recommendation was implemented as part of the introduction of the photo competency card system via the Government Licensing Service.
OLGR should continue its current program to improve formal documentation of standard policies and processes, including: • processes for assessing and approving training providers • processes for assessing and approving trainers • processes for dealing with breach of standard conditions for approved training providers • processes for dealing with trainers deemed not to be competent	**Complete** – Corporate reforms have been implemented to better align the OLGR's RSA and RCG training functions with its corporate structure. Administering the approval of training providers and trainers is now the responsibility of the OLGR's Licensing Division, while audit and enforcement functions are undertaken by the Compliance Branch. Policy-related issues associated with RSA and RCG training are dealt with by the OLGR's Policy and Reform Branch. Previously, these functions were undertaken within the one business unit of the OLGR.

Supporting material

Attached is a copy of the fraud and risk assessment report prepared by Deloitte.

Evaluation of implementation

As implementation of some of the Deloitte recommendations have not been finalised, it is not feasible for an evaluation to be undertaken at this time.