

ACT GAMBLING AND RACING COMMISSION

Purpose

The ACT Gambling and Racing Commission (the Commission) is an independent statutory authority established under the *Gambling and Racing Control Act 1999* to control, supervise and regulate gambling and racing activities in the Territory.

The responsibilities of the Commission incorporate the ongoing development and implementation of an integrated regulatory framework for all gambling activity in the ACT, including the casino, gaming machines, lotteries, racing (as provided in the *Racing Act 1999*), race and sports bookmaking and interactive gambling.

The Commission also monitors and researches the social effects of gambling and of problem gambling in the ACT.

In discharging its responsibilities, the Commission undertakes broad community consultation and performs its functions in a way that best promotes the public interest. It must, as far as practicable, promote consumer protection, minimise the possibility of criminal or unethical activity and reduce the risks and costs to the community and individuals concerned, of problem gambling.

2012-13 Priorities

Strategic and operational issues to be pursued in 2012-13 include:

- continuing to implement legislative changes to the various gaming laws as required;
- enhancing the effectiveness of the Commission's compliance program on a continual risk assessment basis;
- enhancing the Commission's community engagement strategy by building upon strategic links with its stakeholders;
- developing and enhancing the Commission's community education program relating to problem gambling;
- liaising with ACT racing industry participants and other jurisdictions to facilitate the ongoing conduct of racing in the ACT in the context of legislative changes interstate;
- assessing the findings and recommendations of relevant gambling research projects in relation to compliance and policy issues; and
- continuing to develop and implement projects through the Problem Gambling Assistance Fund.

Estimated Employment Level

2010-11 Actual Outcome	2011-12 Budget	2011-12 Est. Outcome	2012-13 Budget
29 Staffing (FTE)	33	28 ¹	33

Note:

- The 2011-12 estimated outcome is lower than the original budget due to several staff members working part time and unfilled vacancies at year end. The increase in staffing numbers in the 2012-13 Budget from the 2011-12 estimated outcome is due to the expectation of the Commission returning to a full staffing level.

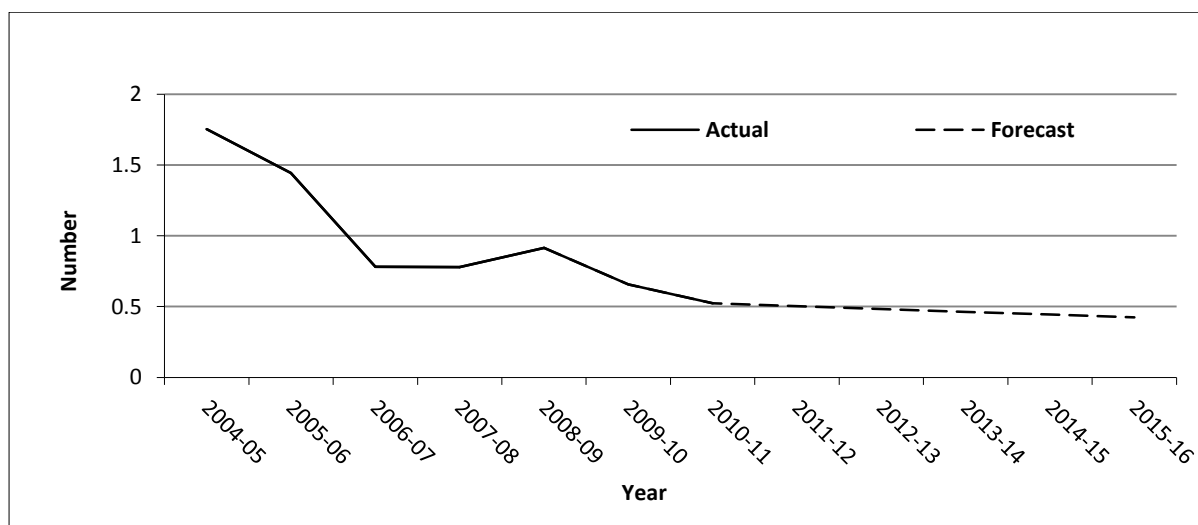
Strategic Objectives and Indicators

Strategic Objective 1

Increase Gambling Operators' Compliance with Legislation

The Commission conducts a comprehensive audit program to ensure that operators comply with all relevant gaming and wagering legislation. Through this audit program and its education and liaison with operators, the Commission aims to increase compliance with the various Acts. The level of reduction in the number of breaches detected per audit will indicate the success, or otherwise, of the Commission's activities in increasing compliance with the legislation.

Strategic Indicator 1: Average Number of Breaches Detected per Audit

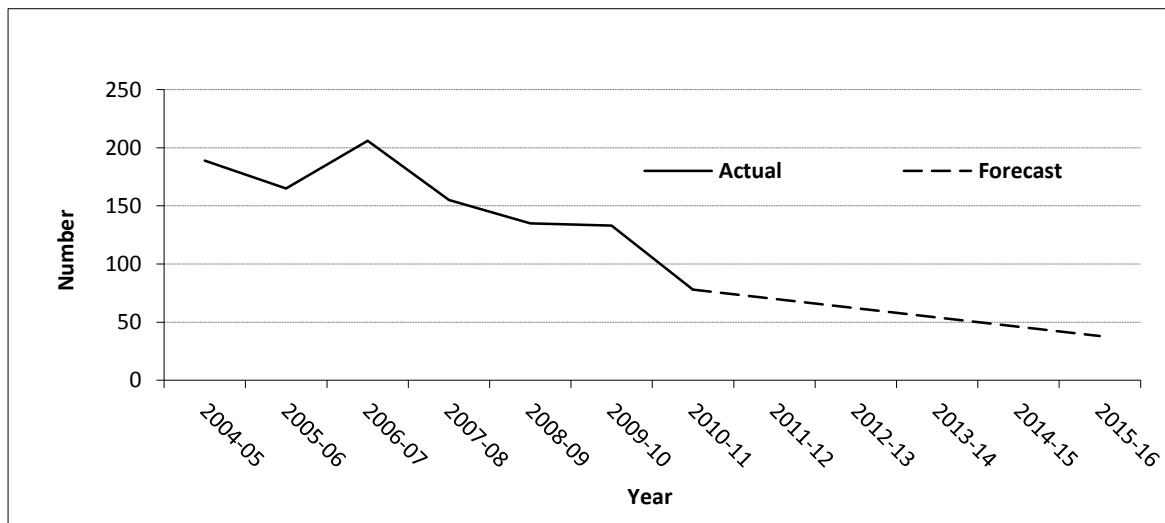


Strategic Objective 2

Increase the Accuracy of Returns by Operators for Gambling Related Taxes, Levies, Fees and Fines on Behalf of the ACT Government

The Commission receives returns from operators along with payments for gambling related taxes, levies, fees and fines. The Commission reconciles the returns against operators' activities and issues variation advices if discrepancies are found. The Commission aims to reduce the number of variations required through educating and liaising with operators in the ACT. The level of reduction in the number of variations to returns will indicate the success, or otherwise, of the Commission's activities in this area.

Strategic Indicator 2: Reconciled Gambling Taxation Returns – Variations



Strategic Objective 3

Undertake measures designed to reduce the negative impact of problem gambling

The Commission must conduct its functions in a way that reduces the risks and costs to the community and individuals of problem gambling. It also monitors the social effects of gambling and problem gambling in the ACT and is tasked to provide relevant education and counselling services. The Commission aims to reduce the negative impact of problem gambling by informing itself through targeted research and conducting projects to implement strategies based on those research outcomes.

Strategic Indicator 3: Develop and implement research based strategies to reduce the negative impact of problem gambling

Output Classes

	Total Cost ¹		Government Payment for Outputs	
	2011-12	2012-13	2011-12	2012-13
	Est. Outcome \$'000	Budget \$'000	Est. Outcome \$'000	Budget \$'000
Output Class 1:				
Gambling Regulation and Harm Minimisation²	5,487	5,581	4,278	4,408
Output 1.1: Gambling Regulation and Harm Minimisation	5,487	5,581	4,278	4,408

Notes:

1. Total cost includes depreciation/amortisation of \$0.074 million in 2011-12 and \$0.084 million in 2012-13, expenses associated with the Problem Gambling Assistance Fund Levy of \$1.064 million in 2011-12 and \$1.087 million in 2012-13 and excludes transfer expense in both years.
2. Change in Output Class name from Gambling Regulation and Compliance to Gambling Regulation and Harm Minimisation, to commence from 2012-13, better reflects the functions and activities of the Gambling and Racing Commission.

Output Description

Key roles of the ACT Gambling and Racing Commission include:

- administer gaming laws;
- control, supervise and regulate gaming in the Territory;
- collect and verify gambling taxes, levies, fees and charges; and
- develop and implement projects through the Problem Gambling Assistance Fund.

Accountability Indicators

	2011-12 Targets	2011-12 Est. Outcome	2012-13 Targets
Output Class 1: Gambling Regulation and Harm Minimisation			
Output 1.1: Gambling Regulation and Harm Minimisation			
a. Conduct compliance audits of operator activity to detect compliance with legal framework			
– Casino	100	100	100
– Gaming Machines	250	250	250
– Bookmakers	50	50	50
– Minor Lotteries	60	60	60
<i>Effectively regulating gambling and racing activity for statutory compliance</i>			
b. Conduct revenue audits to ensure correct payment of taxes, levies and fees			
– Casino	12	12	12
– Gaming Machines	12	12	12
– Bookmakers	12	12	12
<i>Ensure compliance with statutory payments of taxes, levies and fees</i>			
c. Initiate or complete research projects; analyse significant research projects conducted elsewhere ¹	n/a	n/a	5
<i>Keep informed about problem gambling issues and harm minimisation strategies</i>			
d. Initiate or complete projects through the Problem Gambling Assistance Fund ¹	n/a	n/a	3
<i>Undertake measures designed to reduce the negative impact of problem gambling</i>			

Note:

1. New accountability indicators to commence from 2012-13. These indicators have been included to better reflect the functions and activities of the Gambling and Racing Commission to develop and implement research based strategies to reduce the negative impact of problem gambling.

Changes to Appropriation

Changes to Appropriation - Controlled

	2011-12 Est. Out. \$'000	2012-13 Budget \$'000	2013-14 Estimate \$'000	2014-15 Estimate \$'000	2015-16 Estimate \$'000
Government Payment for Outputs					
2011-12 Budget	4,297	4,366	4,408	4,463	4,463
2nd Appropriation					
Revised Wage Parameters	16	65	65	66	67
2012-13 Budget Technical Adjustments					
Revised Indexation Parameters	-	(3)	(3)	(3)	68
Revised Superannuation Parameters	(35)	(33)	(26)	(20)	(36)
Revised Notional Superannuation Contributions	-	13	10	7	5
2012-13 Budget	4,278	4,408	4,454	4,513	4,567

ACT Gambling and Racing Commission Operating Statement

2011-12 Budget \$'000		2011-12 Est. Outcome \$'000	2012-13 Budget \$'000	Var %	2013-14 Estimate \$'000	2014-15 Estimate \$'000	2015-16 Estimate \$'000
Income							
Revenue							
4,297	Government Payment for Outputs	4,278	4,408	3	4,454	4,513	4,567
56,316	Taxes, Fees and Fines	55,113	54,744	-1	56,149	57,592	59,071
131	Interest	131	127	-3	144	162	181
1,139	Other Revenue	1,139	1,162	2	1,189	1,217	1,246
25	Resources Received Free of Charge	25	25	-	25	25	25
61,908	Total Revenue	60,686	60,466	..	61,961	63,509	65,090
Gains							
147	Other Gains	147	150	2	154	158	162
147	Total Gains	147	150	2	154	158	162
62,055	Total Income	60,833	60,616	..	62,115	63,667	65,252
Expenses							
2,768	Employee Expenses	2,853	2,887	1	2,921	2,959	2,997
414	Superannuation Expenses	381	396	4	389	381	368
2,177	Supplies and Services	2,177	2,212	2	2,257	2,314	2,372
84	Depreciation and Amortisation	74	84	14	84	84	84
2	Borrowing Costs	2	2	-	2	2	2
56,314	Transfer Expenses	55,113	54,744	-1	56,149	57,592	59,071
61,759	Total Ordinary Expenses	60,600	60,325	..	61,802	63,332	64,894
296	Operating Result	233	291	25	313	335	358
296	Total Comprehensive Income	233	291	25	313	335	358

ACT Gambling and Racing Commission Balance Sheet

Budget as at 30/6/12 \$'000		Est. Outcome as at 30/6/12 \$'000	Planned as at 30/6/13 \$'000	Var %	Planned as at 30/6/14 \$'000	Planned as at 30/6/15 \$'000	Planned as at 30/6/16 \$'000
	Current Assets						
2,722	Cash and Cash Equivalents	3,308	3,728	13	4,167	4,628	5,112
3,918	Receivables	4,329	4,334	..	4,339	4,344	4,349
1	Other Current Assets	12	12	-	12	12	12
6,641	Total Current Assets	7,649	8,074	6	8,518	8,984	9,473
	Non Current Assets						
47	Property, Plant and Equipment	37	37	-	47	47	57
253	Intangibles	298	226	-24	154	82	10
300	Total Non Current Assets	335	263	-21	201	129	67
6,941	TOTAL ASSETS	7,984	8,337	4	8,719	9,113	9,540
	Current Liabilities						
3,838	Payables	4,267	4,270	..	4,273	4,276	4,279
8	Finance Leases	10	25	150	10	25	10
768	Employee Benefits	919	931	1	943	955	967
141	Other Liabilities	119	119	-	119	119	119
4,755	Total Current Liabilities	5,315	5,345	1	5,345	5,375	5,375
	Non Current Liabilities						
23	Finance Leases	20	0	-100	20	0	20
176	Employee Benefits	99	151	53	200	249	298
199	Total Non Current Liabilities	119	151	27	220	249	318
4,954	TOTAL LIABILITIES	5,434	5,496	1	5,565	5,624	5,693
1,987	NET ASSETS	2,550	2,841	11	3,154	3,489	3,847
	REPRESENTED BY FUNDS EMPLOYED						
1,982	Accumulated Funds	2,548	2,839	11	3,152	3,487	3,845
5	Reserves	2	2	-	2	2	2
1,987	TOTAL FUNDS EMPLOYED	2,550	2,841	11	3,154	3,489	3,847

**ACT Gambling and Racing Commission
Statement of Changes in Equity**

Budget as at 30/6/12 \$'000		Est. Outcome as at 30/6/12 \$'000	Planned as at 30/6/13 \$'000	Var %	Planned as at 30/6/14 \$'000	Planned as at 30/6/15 \$'000	Planned as at 30/6/16 \$'000
Opening Equity							
1,686	Opening Accumulated Funds	2,315	2,548	10	2,839	3,152	3,487
5	Opening Asset Revaluation Reserve	2	2	-	2	2	2
1,691	Balance at the Start of the Reporting Period	2,317	2,550	10	2,841	3,154	3,489
Comprehensive Income							
296	Operating Result for the Period	233	291	25	313	335	358
296	Total Comprehensive Income	233	291	25	313	335	358
0	Total Movement in Reserves	0	0	-	0	0	0
Closing Equity							
1,982	Closing Accumulated Funds	2,548	2,839	11	3,152	3,487	3,845
5	Closing Asset Revaluation Reserve	2	2	-	2	2	2
1,987	Balance at the End of the Reporting Period	2,550	2,841	11	3,154	3,489	3,847

ACT Gambling and Racing Commission Cash Flow Statement

2011-12 Budget \$'000		2011-12 Est. Outcome \$'000	2012-13 Budget \$'000	Var %	2013-14 Estimate \$'000	2014-15 Estimate \$'000	2015-16 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts							
4,297	Cash from Government for Outputs	4,278	4,408	3	4,454	4,513	4,567
56,316	Taxes, Fees and Fines	55,113	54,744	-1	56,149	57,592	59,071
131	Interest Received	131	127	-3	144	162	181
1,402	Other Receipts	1,402	1,431	2	1,462	1,494	1,527
62,146	Operating Receipts	60,924	60,710	..	62,209	63,761	65,346
Payments							
2,699	Related to Employees	2,713	2,823	4	2,860	2,898	2,936
413	Related to Superannuation	380	396	4	389	381	368
2,155	Related to Supplies and Services	2,155	2,189	2	2,234	2,291	2,349
2	Borrowing Costs	2	2	-	2	2	2
116	Other	116	119	3	119	119	119
56,316	Territory Receipts to Government	55,113	54,744	-1	56,149	57,592	59,071
61,701	Operating Payments	60,479	60,273	..	61,753	63,283	64,845
445	NET CASH INFLOW/ (OUTFLOW) FROM OPERATING ACTIVITIES	445	437	-2	456	478	501
CASH FLOWS FROM INVESTING ACTIVITIES							
Payments							
10	Purchase of Property, Plant and Equipment and Capital Works	10	10	-	10	10	10
0	Purchase of Land and Intangibles	38	0	-100	0	0	0
10	Investing Payments	48	10	-79	10	10	10
-10	NET CASH INFLOW/ (OUTFLOW) FROM INVESTING ACTIVITIES	-48	-10	79	-10	-10	-10
CASH FLOWS FROM FINANCING ACTIVITIES							
Payments							
7	Repayment of Finance Leases	7	7	-	7	7	7
7	Financing Payments	7	7	-	7	7	7
-7	NET CASH INFLOW/ (OUTFLOW) FROM FINANCING ACTIVITIES	-7	-7	-	-7	-7	-7
428	NET INCREASE / (DECREASE) IN CASH HELD	390	420	8	439	461	484
2,294	CASH AT THE BEGINNING OF REPORTING PERIOD	2,918	3,308	13	3,728	4,167	4,628
2,722	CASH AT THE END OF REPORTING PERIOD	3,308	3,728	13	4,167	4,628	5,112

Notes to the Budget Statements

Significant variations are as follows:

Operating Statement

- taxes, fees and fines:
 - the decrease of \$1.203 million in the 2011-12 estimated outcome from the original budget is due to a decrease in interstate lotteries (\$1.713 million), sports bookmaking (\$0.320 million) and ACTTAB revenue (\$0.011 million), offset by an increase in activity for gaming machines (\$0.841 million); and
 - the decrease of \$0.369 million in the 2012-13 Budget from the 2011-12 estimated outcome is mainly due to a decrease in activity for interstate lotteries (\$0.449 million) and gaming machines (\$0.075 million), partially offset by an increase in casino revenue (\$0.067 million) and regulatory fees (\$0.085 million).
- transfer expenses: variations are due to the reasons noted above under taxes, fees and fines.

Balance Sheet

- cash and cash equivalents:
 - the increase of \$0.586 million in the 2011-12 estimated outcome from the original budget is mainly due to flow-on effects from the 2010-11 audited outcome; and
 - the increase of \$0.420 million in the 2012-13 Budget from the 2011-12 estimated outcome is due to anticipated positive cash flows from operating activities.
- receivables: the increase of \$0.411 million in the 2011-12 estimated outcome from the original budget is mainly due to an estimated increase in gaming taxation receivables.
- payables: the increase of \$0.429 million in the 2011-12 estimated outcome from the original budget is mainly due to an increase in gaming taxation receivables collected on behalf of the Territory.
- current employee benefits: the increase of \$0.151 million in the 2011-12 estimated outcome from the original budget is mainly due to the movement of long service leave liability from non current to current, revised wage parameters and the impact of the discount rate on the long service leave liability.

Statement of Changes in Equity

Variations in the statement are explained in the notes above.

Cash Flow Statement

Variations in the statement are explained in the notes above.