

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.

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 of problem gambling to individuals and the community.

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

2013-14 Priorities

Strategic and operational issues to be pursued in 2013-14 include:

- enhancing the effectiveness of the Commission's compliance program on a continual risk assessment basis;
- continuing to implement legislative changes to various gaming laws as required;
- assisting, where appropriate, with reforms in the ACT racing industry in order to facilitate the efficient conduct of racing in the ACT;
- 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;
- continuing to develop and implement projects through the Problem Gambling Assistance Fund; and
- continuing to assess the findings and recommendations of relevant gambling research projects in relation to compliance and policy issues.

Estimated Employment Level

2011-12 Actual Outcome	2012-13 Budget	2012-13 Est. Outcome	2013-14 Budget
29 Staffing (FTE)	33	30 ¹	33 ²

Notes:

1. The decrease of 3 FTE in the 2012-13 estimated outcome from the 2012-13 Budget is due to several staff members utilising part-time employment and unfilled vacancies at year end.
2. The increase of 3 FTE in the 2013-14 Budget from the 2012-13 estimated outcome to is due to the expectation of the Commission returning to full staffing levels.

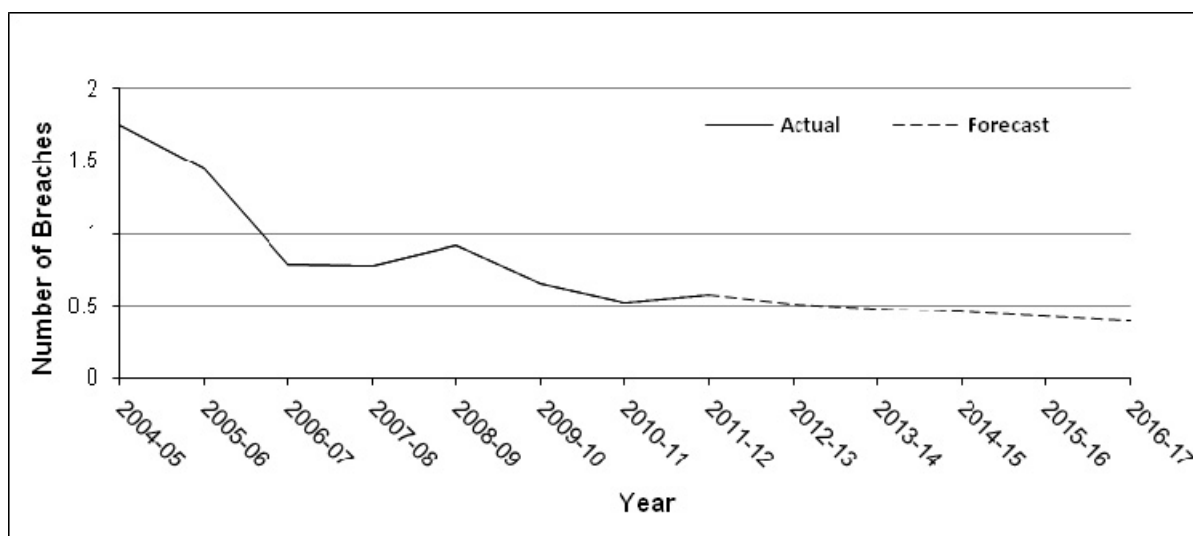
Strategic Objectives and Indicators

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

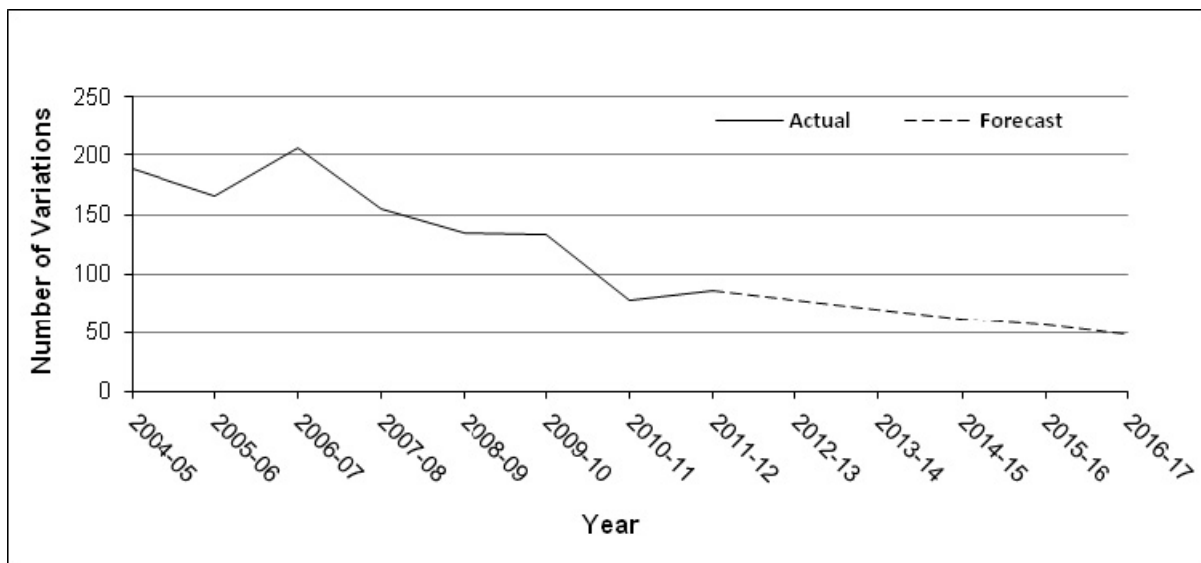


Strategic Objective 2

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 advice if discrepancies are identified. The Commission aims to reduce the number of variations through its education and liaison with operators in the ACT. The reduction in the number of variations as a proportion of returns is an indication of the Commission's performance 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 perform its functions in a way that reduces the risks and costs of problem gambling to individuals and the community. The Commission monitors the social effects of gambling and problem gambling in the ACT and is tasked with providing relevant education and counselling services. The Commission aims to reduce the negative impact of problem gambling through targeted research and implementing strategies based on those research outcomes.

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

Output Classes

	Total Cost ¹		Government Payment for Outputs	
	2012-13 Est. Outcome \$'000	2013-14 Budget \$'000	2012-13 Est. Outcome \$'000	2013-14 Budget \$'000
Output Class 1:				
Gambling Regulation and Harm Minimisation	5,592	5,596	4,408	4,451
Output 1.1: Gambling Regulation and Harm Minimisation	5,592	5,596	4,408	4,451

Note:

1. Total cost includes depreciation and amortisation of \$0.086 million in 2012-13 and \$0.108 million in 2013-14; Problem Gambling Assistance Fund Levy expenses of \$1.087 million in 2012-13 and \$1.111 million in 2013-14; and excludes transfer expenses in 2012-13 and 2013-14.

Output Description

The key roles of the ACT Gambling and Racing Commission are to:

- 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

	2012-13 Targets	2012-13 Est. Outcome	2013-14 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	5	5	5
<i>Keep informed about problem gambling issues and harm minimisation strategies</i>			
d. Initiate or complete projects through the Problem Gambling Assistance Fund	3	3	3
<i>Undertake measures designed to reduce the negative impact of problem gambling</i>			

Changes to Appropriation

Changes to Appropriation – Controlled

	2012-13 Est. Out. \$'000	2013-14 Budget \$'000	2014-15 Estimate \$'000	2015-16 Estimate \$'000	2016-17 Estimate \$'000
Government Payment for Outputs					
2012-13 Budget	4,408	4,454	4,513	4,567	4,567
2013-14 Budget Technical Adjustments					
Revised Indexation Parameters	-	(3)	(3)	(3)	70
Revised Superannuation Parameters	-	(3)	(6)	(3)	(17)
Revised Superannuation Guarantee Rate	-	3	7	16	25
2013-14 Budget	4,408	4,451	4,511	4,577	4,645

ACT Gambling and Racing Commission Operating Statement

2012-13 Budget \$'000		2012-13 Est. Outcome \$'000	2013-14 Budget \$'000	Var %	2014-15 Estimate \$'000	2015-16 Estimate \$'000	2016-17 Estimate \$'000
Income							
Revenue							
4,408	Government Payment for Outputs	4,408	4,451	1	4,511	4,577	4,645
54,744	Taxes, Fees and Fines	56,683	56,555	..	57,956	59,393	60,892
127	Interest	127	79	-38	86	94	101
1,162	Other Revenue	1,162	1,111	-4	1,139	1,168	1,197
25	Resources Received Free of Charge	25	25	-	25	25	25
60,466	Total Revenue	62,405	62,221	..	63,717	65,257	66,860
Gains							
150	Other Gains	30	31	3	32	32	33
150	Total Gains	30	31	3	32	32	33
60,616	Total Income	62,435	62,252	-	63,749	65,289	66,893
Expenses							
2,887	Employee Expenses	2,878	2,850	-1	2,888	2,926	2,964
396	Superannuation Expenses	414	385	-7	378	377	377
2,212	Supplies and Services	2,212	2,251	2	2,308	2,366	2,425
84	Depreciation and Amortisation	86	108	26	108	108	49
2	Borrowing Costs	2	2	-	2	2	2
54,744	Transfer Expenses	56,683	56,555	..	57,956	59,393	60,892
60,325	Total Ordinary Expenses	62,275	62,151	..	63,640	65,172	66,709
291	Operating Result	160	101	-37	109	117	184
291	Total Comprehensive Income	160	101	-37	109	117	184

**ACT Gambling and Racing Commission
Balance Sheet**

Budget as at 30/6/13 \$'000		Est. Outcome as at 30/6/13 \$'000	Budget as at 30/6/14 \$'000	Var %	Estimate as at 30/6/15 \$'000	Estimate as at 30/6/16 \$'000	Estimate as at 30/6/17 \$'000
Current Assets							
3,728	Cash and Cash Equivalents	2,524	2,775	10	3,034	3,301	3,576
4,334	Receivables	4,662	4,667	..	4,672	4,677	4,682
12	Other Current Assets	1	1	-	1	1	1
8,074	Total Current Assets	7,187	7,443	4	7,707	7,979	8,259
Non Current Assets							
37	Property, Plant and Equipment	34	44	29	44	54	54
226	Intangibles	348	252	-28	156	60	23
263	Total Non Current Assets	382	296	-23	200	114	77
8,337	TOTAL ASSETS	7,569	7,739	2	7,907	8,093	8,336
Current Liabilities							
4,270	Payables	4,709	4,712	..	4,715	4,718	4,721
25	Finance Leases	20	5	-75	20	5	20
931	Employee Benefits	895	907	1	919	931	943
119	Other Liabilities	125	125	-	125	125	125
5,345	Total Current Liabilities	5,749	5,749	-	5,779	5,779	5,809
Non Current Liabilities							
0	Finance Leases	7	27	286	7	27	7
151	Employee Benefits	115	164	43	213	262	311
151	Total Non Current Liabilities	122	191	57	220	289	318
5,496	TOTAL LIABILITIES	5,871	5,940	1	5,999	6,068	6,127
2,841	NET ASSETS	1,698	1,799	6	1,908	2,025	2,209
REPRESENTED BY FUNDS EMPLOYED							
2,839	Accumulated Funds	1,696	1,797	6	1,906	2,023	2,207
2	Reserves	2	2	-	2	2	2
2,841	TOTAL FUNDS EMPLOYED	1,698	1,799	6	1,908	2,025	2,209

ACT Gambling and Racing Commission
Statement of Changes in Equity

Budget as at 30/6/13 \$'000		Est. Outcome as at 30/6/13 \$'000	Budget as at 30/6/14 \$'000	Var %	Estimate as at 30/6/15 \$'000	Estimate as at 30/6/16 \$'000	Estimate as at 30/6/17 \$'000
Opening Equity							
2,548	Opening Accumulated Funds	3,536	1,696	-52	1,797	1,906	2,023
2	Opening Asset Revaluation Reserve	2	2	-	2	2	2
2,550	Balance at the Start of the Reporting Period	3,538	1,698	-52	1,799	1,908	2,025
Comprehensive Income							
291	Operating Result for the Period	160	101	-37	109	117	184
291	Total Comprehensive Income	160	101	-37	109	117	184
0	Total Movement in Reserves	0	0	-	0	0	0
Transactions Involving Owners Affecting Accumulated Funds							
0	Capital Distributions to Government	-2,000	0	100	0	0	0
0	Total Transactions Involving Owners Affecting Accumulated Funds	-2,000	0	100	0	0	0
Closing Equity							
2,839	Closing Accumulated Funds	1,696	1,797	6	1,906	2,023	2,207
2	Closing Asset Revaluation Reserve	2	2	-	2	2	2
2,841	Balance at the End of the Reporting Period	1,698	1,799	6	1,908	2,025	2,209

ACT Gambling and Racing Commission Cash Flow Statement

2012-13 Budget \$'000		2012-13 Est. Outcome \$'000	2013-14 Budget \$'000	Var %	2014-15 Estimate \$'000	2015-16 Estimate \$'000	2016-17 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts							
4,408	Cash from Government for Outputs	4,408	4,451	1	4,511	4,577	4,645
54,744	Taxes, Fees and Fines	56,683	56,555	..	57,956	59,393	60,892
127	Interest Received	127	79	-38	86	94	101
1,431	Other Receipts	1,311	1,261	-4	1,290	1,319	1,349
60,710	Operating Receipts	62,529	62,346	..	63,843	65,383	66,987
Payments							
2,823	Related to Employees	2,823	2,789	-1	2,827	2,865	2,903
396	Related to Superannuation	414	385	-7	378	377	377
2,189	Related to Supplies and Services	2,189	2,228	2	2,285	2,343	2,402
2	Borrowing Costs	2	2	-	2	2	2
119	Other	119	119	-	119	119	119
54,744	Territory Receipts to Government	56,683	56,555	..	57,956	59,393	60,892
60,273	Operating Payments	62,230	62,078	..	63,567	65,099	66,695
437	NET CASH INFLOW/ (OUTFLOW) FROM OPERATING ACTIVITIES	299	268	-10	276	284	292
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	121	0	-100	0	0	0
10	Investing Payments	131	10	-92	10	10	10
-10	NET CASH INFLOW/ (OUTFLOW) FROM INVESTING ACTIVITIES	-131	-10	92	-10	-10	-10
CASH FLOWS FROM FINANCING ACTIVITIES							
Payments							
0	Distributions to Government	2,000	0	-100	0	0	0
7	Repayment of Finance Leases	7	7	-	7	7	7
7	Financing Payments	2,007	7	-100	7	7	7
-7	NET CASH INFLOW/ (OUTFLOW) FROM FINANCING ACTIVITIES	-2,007	-7	100	-7	-7	-7
420	NET INCREASE / (DECREASE) IN CASH HELD	-1,839	251	114	259	267	275
3,308	CASH AT THE BEGINNING OF REPORTING PERIOD	4,363	2,524	-42	2,775	3,034	3,301
3,728	CASH AT THE END OF REPORTING PERIOD	2,524	2,775	10	3,034	3,301	3,576

Notes to the Budget Statements

Significant variations are as follows:

Operating Statement

- taxes, fees and fines: the increase of \$1.939 million in the 2012-13 estimated outcome from the original budget is due to an increase in interstate lotteries (\$2.239 million) and ACTTAB revenue (\$0.180 million), offset by a decrease in activity for casino revenue (\$0.280 million) and regulatory fees (\$0.2 million).
- transfer expenses: the increase of \$1.939 million in the 2012-13 estimated outcome from the original budget is due to the reasons noted above under taxes, fees and fines.

Balance Sheet

- cash and cash equivalents:
 - the decrease of \$1.204 million in the 2012-13 estimated outcome from the original budget is mainly due to the return of surplus funds (\$2 million) to the Territory and the flow-on effect of the 2011-12 audited results; and
 - the increase of \$0.251 million in the 2013-14 Budget from the 2012-13 estimated outcome reflects anticipated positive cash flows from operating activities.
- receivables: the increase of \$0.328 million in the 2012-13 estimated outcome from the original budget is mainly due to expected higher activity which results in increased gaming taxation.
- payables: the increase of \$0.439 million in the 2012-13 estimated outcome from the original budget mainly reflects an increase in gaming taxation that is passed on to the Territory.

Statement of Changes in Equity and Cash Flow Statement

Variations in the statements are explained in the notes above.