

# ACT GAMBLING AND RACING COMMISSION

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## 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, machine gaming, 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.

## 2011-12 Priorities

Strategic and operational issues to be pursued in 2011-12 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
- implementing the problem gambling assistance services under the Problem Gambling Assistance Fund Levy.

## Estimated Employment Level

2009-10 Actual Outcome	2010-11 Budget	2010-11 Est. Outcome	2011-12 Budget
27 Staffing (FTE) <sup>1</sup>	33	27	33

**Note:**

- The decrease in staffing numbers from the 2010-11 Budget to the 2010-11 Estimated Outcome is due to several staff members utilising part-time employment and the time lag between resignations and the employment of new staff. The increase in staffing numbers from the 2010-11 Estimated Outcome to the 2011-12 Budget is due to the expectation of the Commission returning to full staffing level.

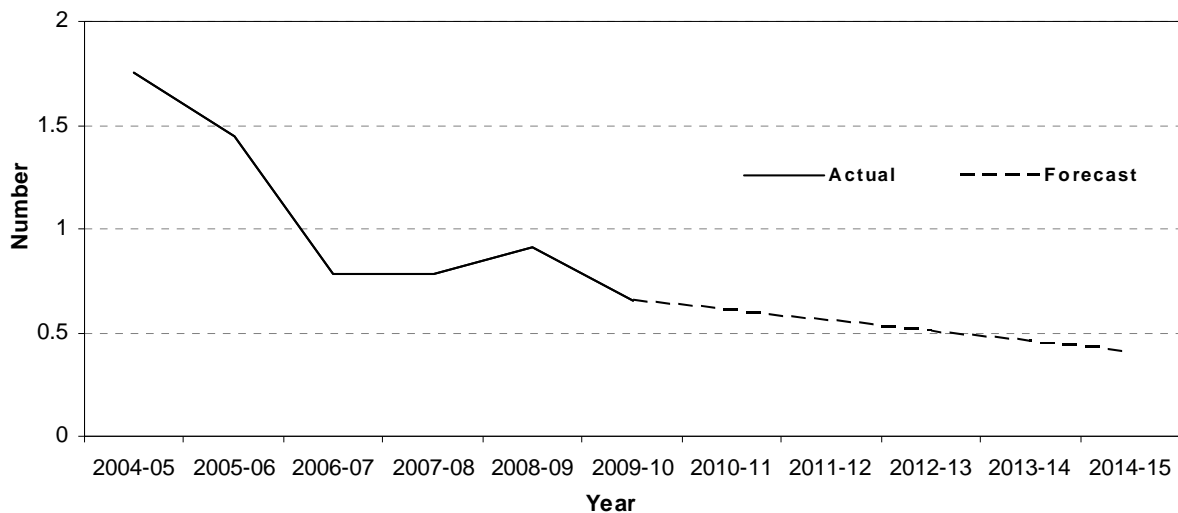
## Strategic Objectives and Indicators

### 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

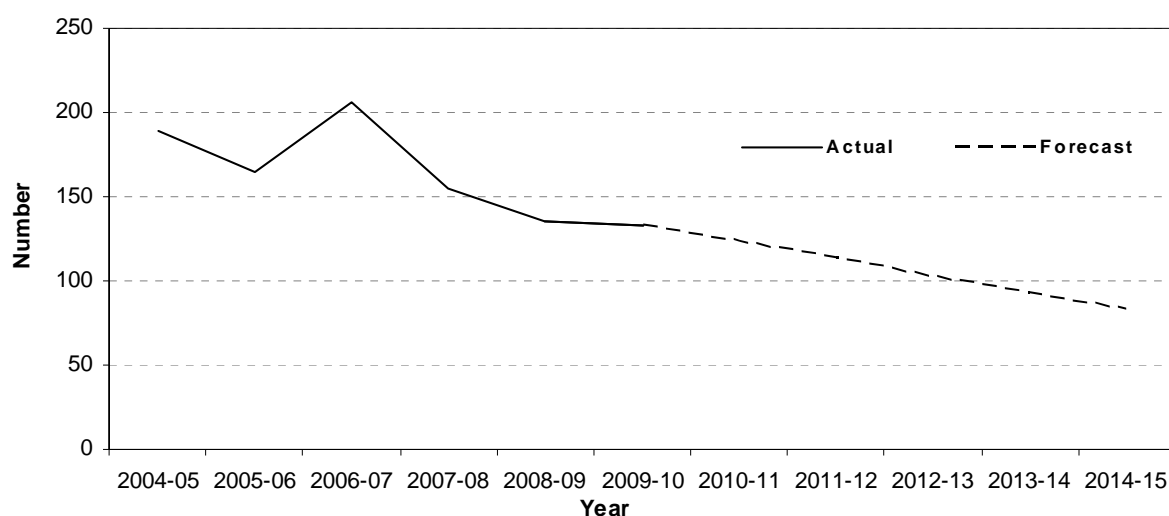


## Strategic Objective 2

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 its education and liaison 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



### Output Classes

	Total Cost <sup>1</sup>		Government Payment for Outputs	
	2010-11 Est. Outcome \$'000	2011-12 Budget \$'000	2010-11 Est. Outcome \$'000	2011-12 Budget \$'000
<b>Output Class 1:</b>				
<b>Gambling Regulation and Compliance</b>	4,251	5,445	4,333	4,297
<b>Output 1.1: Gambling Regulation and Compliance</b>	4,251	5,445	4,333	4,297

**Note:**

1. Total cost includes depreciation/amortisation of \$0.047 million in 2010-11 and \$0.084 million in 2011-12 and excludes transfer expense in both years. From 2011-12 total cost includes expenses associated with the Problem Gambling Assistance Fund Levy of \$1.064 million.

### Output Description

Key roles of the ACT Gambling and Racing Commission are to:

- administer gaming laws;
- control, supervise and regulate gaming in the Territory; and
- collect and verify gambling taxes, levies, fees and charges.

## Accountability Indicators

	2010-11 Targets	2010-11 Est. Outcome	2011-12 Targets
<b>Output Class 1: Gambling Regulation and Compliance</b>			
<b>Output 1.1: Gambling Regulation and Compliance</b>			
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 <sup>1</sup>	90	90	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>			

**Note:**

- The reduction in minor lottery audits from 2010 -11 estimated outcome to 2011-12 targets is due to the lower level of risk assessed for this type of activity.

## Changes to Appropriation

### Changes to Appropriation - Controlled

	2010-11 Est. Out. \$'000	2011-12 Budget \$'000	2012-13 Estimate \$'000	2013-14 Estimate \$'000	2014-15 Estimate \$'000
<b>Government Payment for Outputs</b>					
<b>2010-11 Budget</b>	<b>4,336</b>	<b>4,396</b>	<b>4,441</b>	<b>4,501</b>	<b>4,501</b>
<b>2011-12 Budget Policy Adjustments</b>					
Revised Wage Parameters	-	(3)	35	36	36
Savings Initiative	-	(2)	(5)	(5)	(5)
<b>2011-12 Budget Technical Adjustments</b>					
Revised Indexation Parameters	-	6	6	6	78
Revised Superannuation Contributions	(3)	(5)	(9)	(26)	(43)
Revision of Appropriation Required	-	(95)	(102)	(104)	(104)
<b>2011-12 Budget</b>	<b>4,333</b>	<b>4,297</b>	<b>4,366</b>	<b>4,408</b>	<b>4,463</b>

**ACT Gambling and Racing Commission**  
**Operating Statement**

<b>2010-11 Budget \$'000</b>		<b>2010-11 Est.Outcome \$'000</b>	<b>2011-12 Budget \$'000</b>	<b>Var %</b>	<b>2012-13 Estimate \$'000</b>	<b>2013-14 Estimate \$'000</b>	<b>2014-15 Estimate \$'000</b>
<b>Income</b>							
<b>Revenue</b>							
4,336	Government Payment for Outputs	4,333	4,297	-1	4,366	4,408	4,463
55,007	Taxes Fees and Fines	55,190	56,316	2	57,778	59,263	60,787
192	Interest	235	131	-44	159	188	217
75	Other Revenue	75	1,139	#	1,165	1,192	1,220
25	Resources Received Free of Charge	25	25	-	25	25	25
<b>59,635</b>	<b>Total Revenue</b>	<b>59,858</b>	<b>61,908</b>	<b>3</b>	<b>63,493</b>	<b>65,076</b>	<b>66,712</b>
<b>Gains</b>							
143	Other Gains	143	147	3	150	154	158
<b>143</b>	<b>Total Gains</b>	<b>143</b>	<b>147</b>	<b>3</b>	<b>150</b>	<b>154</b>	<b>158</b>
<b>59,778</b>	<b>Total Income</b>	<b>60,001</b>	<b>62,055</b>	<b>3</b>	<b>63,643</b>	<b>65,230</b>	<b>66,870</b>
<b>Expenses</b>							
2,709	Employee Expenses	2,677	2,768	3	2,829	2,864	2,901
426	Superannuation Expenses	421	414	-2	407	396	385
1,104	Supplies and Services	1,104	2,177	97	2,218	2,263	2,320
47	Depreciation and Amortisation	47	84	79	84	84	84
2	Borrowing Costs	2	2	-	2	2	2
55,004	Transfer Expenses	55,187	56,314	2	57,775	59,260	60,784
<b>59,292</b>	<b>Total Ordinary Expenses</b>	<b>59,438</b>	<b>61,759</b>	<b>4</b>	<b>63,315</b>	<b>64,869</b>	<b>66,476</b>
<b>486</b>	<b>Operating Result</b>	<b>563</b>	<b>296</b>	<b>-47</b>	<b>328</b>	<b>361</b>	<b>394</b>
<b>486</b>	<b>Total Comprehensive Income</b>	<b>563</b>	<b>296</b>	<b>-47</b>	<b>328</b>	<b>361</b>	<b>394</b>

**ACT Gambling and Racing Commission**  
**Balance Sheet**

<b>Budget</b>		<b>Est.Outcome</b>	<b>Planned</b>		<b>Planned</b>	<b>Planned</b>	<b>Planned</b>
<b>as at 30/6/11</b>		<b>as at 30/6/11</b>	<b>as at 30/6/12</b>	<b>Var</b>	<b>as at 30/6/13</b>	<b>as at 30/6/14</b>	<b>as at 30/6/15</b>
<b>\$'000</b>		<b>\$'000</b>	<b>\$'000</b>	<b>%</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Current Assets</b>							
5,590	Cash and Cash Equivalents	2,294	2,722	19	3,174	3,657	4,173
4,868	Receivables	3,913	3,918	..	3,923	3,928	3,933
1	Other	1	1	-	1	1	1
<b>10,459</b>	<b>Total Current Assets</b>	<b>6,208</b>	<b>6,641</b>	<b>7</b>	<b>7,098</b>	<b>7,586</b>	<b>8,107</b>
<b>Non Current Assets</b>							
38	Property, Plant and Equipment	35	47	34	47	57	57
320	Intangibles	325	253	-22	181	109	37
<b>358</b>	<b>Total Non Current Assets</b>	<b>360</b>	<b>300</b>	<b>-17</b>	<b>228</b>	<b>166</b>	<b>94</b>
<b>10,817</b>	<b>TOTAL ASSETS</b>	<b>6,568</b>	<b>6,941</b>	<b>6</b>	<b>7,326</b>	<b>7,752</b>	<b>8,201</b>
<b>Current Liabilities</b>							
4,833	Payables	3,838	3,838	-	3,838	3,838	3,838
20	Finance Leases	21	8	-62	23	8	23
804	Employee Benefits	747	768	3	780	792	804
160	Other	141	141	-	141	141	141
<b>5,817</b>	<b>Total Current Liabilities</b>	<b>4,747</b>	<b>4,755</b>	<b>..</b>	<b>4,782</b>	<b>4,779</b>	<b>4,806</b>
<b>Non Current Liabilities</b>							
0	Finance Leases	3	23	667	3	23	3
187	Employee Benefits	127	176	39	226	274	322
<b>187</b>	<b>Total Non Current Liabilities</b>	<b>130</b>	<b>199</b>	<b>53</b>	<b>229</b>	<b>297</b>	<b>325</b>
<b>6,004</b>	<b>TOTAL LIABILITIES</b>	<b>4,877</b>	<b>4,954</b>	<b>2</b>	<b>5,011</b>	<b>5,076</b>	<b>5,131</b>
<b>4,813</b>	<b>NET ASSETS</b>	<b>1,691</b>	<b>1,987</b>	<b>18</b>	<b>2,315</b>	<b>2,676</b>	<b>3,070</b>
<b>REPRESENTED BY FUNDS EMPLOYED</b>							
4,808	Accumulated Funds	1,686	1,982	18	2,310	2,671	3,065
5	Reserves	5	5	-	5	5	5
<b>4,813</b>	<b>TOTAL FUNDS EMPLOYED</b>	<b>1,691</b>	<b>1,987</b>	<b>18</b>	<b>2,315</b>	<b>2,676</b>	<b>3,070</b>

**ACT Gambling and Racing Commission**  
**Cash Flow Statement**

2010-11 Budget \$'000		2010-11 Est.Outcome \$'000	2011-12 Budget \$'000	Var %	2012-13 Estimate \$'000	2013-14 Estimate \$'000	2014-15 Estimate \$'000
	<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
	<b>Receipts</b>						
4,336	Cash from Government for Outputs	4,333	4,297	-1	4,366	4,408	4,463
55,007	Taxes, Fees and Fines	55,190	56,316	2	57,778	59,263	60,787
192	Interest Received	235	131	-44	159	188	217
331	Other Revenue	331	1,402	324	1,434	1,465	1,497
<b>59,866</b>	<b>Operating Receipts</b>	<b>60,089</b>	<b>62,146</b>	<b>3</b>	<b>63,737</b>	<b>65,324</b>	<b>66,964</b>
	<b>Payments</b>						
2,640	Related to Employees	2,648	2,699	2	2,767	2,804	2,841
426	Related to Superannuation	421	413	-2	407	396	385
1,081	Related to Supplies and Services	1,081	2,155	99	2,195	2,240	2,297
2	Borrowing Costs	2	2	-	2	2	2
113	Other	113	116	3	119	119	119
55,007	Territory Receipts to Government	55,190	56,316	2	57,778	59,263	60,787
<b>59,269</b>	<b>Operating Payments</b>	<b>59,455</b>	<b>61,701</b>	<b>4</b>	<b>63,268</b>	<b>64,824</b>	<b>66,431</b>
<b>597</b>	<b>NET CASH INFLOW/ (OUTFLOW) FROM OPERATING ACTIVITIES</b>	<b>634</b>	<b>445</b>	<b>-30</b>	<b>469</b>	<b>500</b>	<b>533</b>
	<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
	<b>Payments</b>						
10	Purchase of Property, Plant and Equipment and Capital Works	10	10	-	10	10	10
156	Purchase of Land and Intangibles	300	0	-100	0	0	0
<b>166</b>	<b>Investing Payments</b>	<b>310</b>	<b>10</b>	<b>-97</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>-166</b>	<b>NET CASH INFLOW/ (OUTFLOW) FROM INVESTING ACTIVITIES</b>	<b>-310</b>	<b>-10</b>	<b>97</b>	<b>-10</b>	<b>-10</b>	<b>-10</b>
	<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>						
	<b>Payments</b>						
0	Distributions to Government	3,900	0	-100	0	0	0
7	Repayment of Finance Lease	7	7	-	7	7	7
<b>7</b>	<b>Financing Payments</b>	<b>3,907</b>	<b>7</b>	<b>-100</b>	<b>7</b>	<b>7</b>	<b>7</b>
<b>-7</b>	<b>NET CASH INFLOW/ (OUTFLOW) FROM FINANCING ACTIVITIES</b>	<b>-3,907</b>	<b>-7</b>	<b>100</b>	<b>-7</b>	<b>-7</b>	<b>-7</b>
<b>424</b>	<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>-3,583</b>	<b>428</b>	<b>112</b>	<b>452</b>	<b>483</b>	<b>516</b>
<b>5,166</b>	<b>CASH AT BEGINNING OF REPORTING PERIOD</b>	<b>5,877</b>	<b>2,294</b>	<b>-61</b>	<b>2,722</b>	<b>3,174</b>	<b>3,657</b>
<b>5,590</b>	<b>CASH AT THE END OF THE REPORTING PERIOD</b>	<b>2,294</b>	<b>2,722</b>	<b>19</b>	<b>3,174</b>	<b>3,657</b>	<b>4,173</b>

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

Budget as at 30/6/11 \$'000		Est.Outcome as at 30/6/11 \$'000	Planned as at 30/6/12 \$'000	%	Planned as at 30/6/13 \$'000	Planned as at 30/6/14 \$'000	Planned as at 30/6/15 \$'000
	<b>Opening Equity</b>						
4,322	Opening Accumulated Funds	5,023	1,686	-66	1,982	2,310	2,671
5	Opening Asset Revaluation Reserve	5	5	-	5	5	5
<b>4,327</b>	<b>Balance at the Start of the Reporting Period</b>	<b>5,028</b>	<b>1,691</b>	<b>-66</b>	<b>1,987</b>	<b>2,315</b>	<b>2,676</b>
	<b>Comprehensive Income</b>						
486	Operating Result for the Period	563	296	-47	328	361	394
<b>486</b>	<b>Total Comprehensive Income</b>	<b>563</b>	<b>296</b>	<b>-47</b>	<b>328</b>	<b>361</b>	<b>394</b>
<b>0</b>	<b>Total Movement In Reserves</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>Transactions Involving Owners Affecting Accumulated Funds</b>						
0	Capital Distributions	-3,900	0	100	0	0	0
<b>0</b>	<b>Total Transactions Involving Owners Affecting Accumulated Funds</b>	<b>-3,900</b>	<b>0</b>	<b>100</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>Closing Equity</b>						
4,808	Closing Accumulated Funds	1,686	1,982	18	2,310	2,671	3,065
5	Closing Asset Revaluation Reserve	5	5	-	5	5	5
<b>4,813</b>	<b>Balance at the End of the Reporting Period</b>	<b>1,691</b>	<b>1,987</b>	<b>18</b>	<b>2,315</b>	<b>2,676</b>	<b>3,070</b>

## Notes to the Budget Statements

Significant variations are as follows:

### *Operating Statement*

- taxes, fees and fines:
  - the increase of \$0.183 million in the 2010-11 estimated outcome from the original budget is due to additional ACTTAB revenue; and
  - the increase of \$1.126 million in the 2011-12 Budget from the 2010-11 estimated outcome is mainly due to an increase in activity for gaming machines (\$0.490 million), interstate lotteries (\$0.435 million), regulatory fees (\$0.081 million) and the casino (\$0.062 million).
- other revenue: the increase of \$1.064 million in the 2011-12 Budget from the 2010-11 estimated outcome is due to the commencement of the Problem Gambling Assistance Levy from July 2011.



- interest:
  - the increase of \$0.043 million in the 2010-11 estimated outcome from the original budget is due to higher than anticipated interest rates and higher cash balances in the early part of the financial year; and
  - the decrease of \$0.104 million in the 2011-12 Budget from the 2010-11 estimated outcome is due to lower cash balances as surplus funds were returned to the Territory.
- other revenue: the increase of \$1.064 million in the 2011-12 Budget from the 2010-11 estimated outcome is due to the commencement of the Problem Gambling Assistance Levy from July 2011.
- supplies and services: the increase of \$1.073 million in the 2011-12 Budget from the 2010-11 estimated outcome is mainly due to the commencement of expenditure out of the Problem Gambling Assistance Levy collected from July 2011 (\$1.064 million).
- depreciation and amortisation: the increase of \$0.037 million in the 2011-12 Budget from the 2010-11 estimated outcome is due to the depreciation on the new gaming machine database system.
- transfer expenses:
  - the increase of \$0.183 million in the 2010-11 estimated outcome from the original budget is due to the reasons noted above under taxes, fees and fines; and
  - the increase of \$1.127 million in the 2011-12 Budget from the 2010-11 estimated outcome is due to the reasons noted above under taxes, fees and fines.

#### *Balance Sheet*

- cash and cash equivalents:
  - the decrease of \$3.296 million in the 2010-11 estimated outcome from the original budget is mainly due to the return of surplus funds (\$3.9 million) to the Territory and the flow-on effect of the 2009-10 audited results; and
  - the increase of \$0.428 million in the 2011-12 Budget from the 2010-11 estimated outcome reflects anticipated positive cash flows from operating activities.
- receivables: the decrease of \$0.955 million in the 2010-11 estimates from the original budget is mainly due to an estimated decrease in gaming taxation receivables.
- intangibles: the decrease of \$0.072 million in the 2011-12 Budget from the 2010-11 estimated outcome is due to the amortisation of the new gaming machine database system.
- payables: the decrease of \$0.995 million in the 2010-11 estimated outcome from original budget is mainly due to lower taxation receipts to be on-passed due to an estimated decrease in gaming taxation receivables.
- current and non current employee benefits:
  - the decrease of \$0.117 million in the 2010-11 estimated outcome from the original budget is mainly due to the increase in the number of employees utilising both annual leave and long service leave benefits; and

- the increase of \$0.070 million in the 2011-12 Budget from the 2010-11 estimated outcome is mainly due to revised wage parameters and an increase in staff accumulated leave.

*Cash Flow Statement*

Variances in the statement are explained in the notes above.

*Statement of Changes in Equity*

Variances in the statement are explained in the notes above.