

ACT GAMBLING AND RACING COMMISSION

Objectives

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.

2009-10 Priorities

Strategic and operational issues to be pursued in 2009-10 include:

- implementing 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; and
- assessing the findings and recommendations of relevant gambling research projects in relation to compliance and policy issues.

Estimated Employment Level

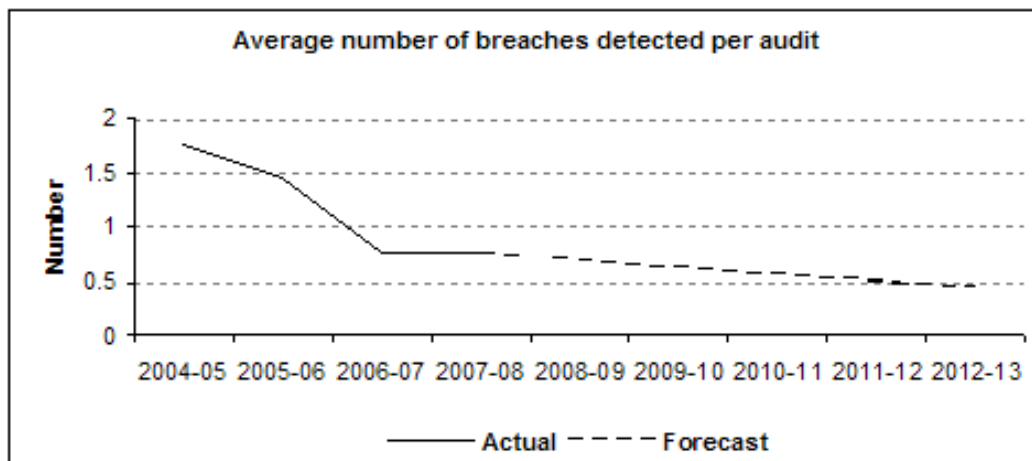
2008-09 Budget		2008-09 Est. Outcome	2009-10 Budget
33	Staffing (FTE)	29	32

Strategic Indicators

Strategic Indicator 1

Increase gambling operators' compliance with legislation

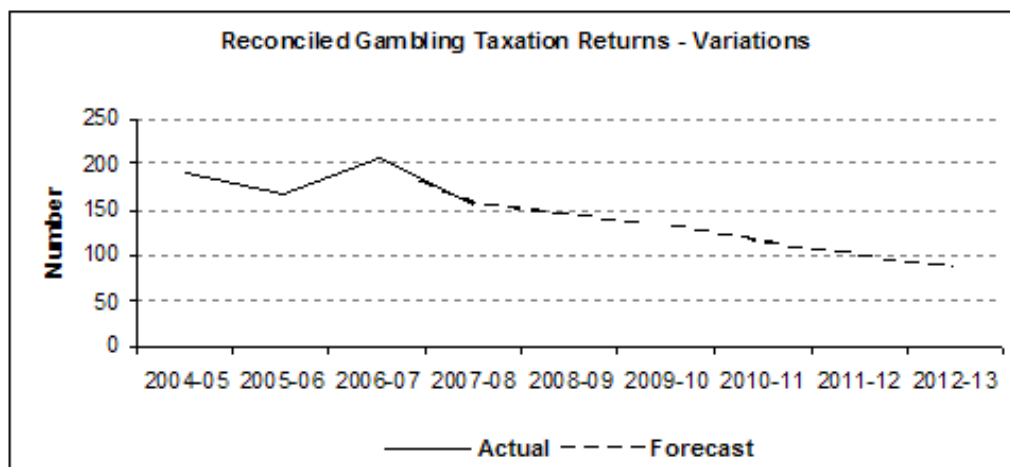
The Commission conducts a comprehensive audit program to ensure that operators comply with all relevant gaming and wagering legislation. Through this audit program and its education and liaison with operators, the Commission aims to increase compliance with the various Acts. The level of reduction in 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 2

Increase the accuracy of returns by operators for gambling related taxes, fees and fines on behalf of the ACT Government.

The Commission receives returns from operators along with payments for gambling related taxes, 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.



Output Classes

	Total Cost ¹		Government Payment for Outputs	
	2008-09 Est. Outcome \$'000	2009-10 Budget \$'000	2008-09 Est. Outcome \$'000	2009-10 Budget \$'000
Output Class 1: Gambling Regulation and Compliance				
Output Class 1.1: Gambling Regulation and Compliance	3,995	4,132	4,142	4,274

Note:

1. Total cost includes depreciation of \$0.012 million in 2008-09 and \$0.038 million in 2009-10 and excludes transfer expenses in both years.

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, fees and charges.

Accountability Indicators

	2008-09 Targets	2008-09 Est. Outcome	2009-10 Targets
Output Class 1: Gambling Regulation and Compliance			
Output Class 1.1: Gambling Regulation and Compliance			
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	90	90	90
<i>Effectively regulating gambling and racing activity for statutory compliance</i>			
b. Conduct revenue audits to ensure correct payment of taxes and fees			
• Casino	12	12	12
• Gaming Machines	12	12	12
• Bookmakers	12	12	12
<i>Ensure compliance with statutory payments of taxes and fees</i>			

Changes to Appropriation

Changes to Appropriation - Departmental

	2008-09 Est. Out. \$'000	2009-10 Budget \$'000	2010-11 Estimate \$'000	2011-12 Estimate \$'000	2012-13 Estimate \$'000
Government Payment for Outputs					
2008-09 Budget	4,230	4,319	4,367	4,426	4,426
2009-10 Budget Policy Adjustment					
Efficiency Dividend	-	-	(22)	(22)	(22)
2009-10 Budget Technical Adjustments					
Revised Indexation Parameters	-	(3)	(3)	(3)	68
Revised Superannuation Contributions	(88)	(42)	(44)	(50)	(65)
2009-10 Budget	4,142	4,274	4,298	4,351	4,407

Changes to Appropriation - Departmental

	2008-09 Est. Out. \$'000	2009-10 Budget \$'000	2010-11 Estimate \$'000	2011-12 Estimate \$'000	2012-13 Estimate \$'000
Capital Injections					
2008-09 Budget	1,875	-	-	-	-
2009-10 Budget	1,875	-	-	-	-

ACT Gambling and Racing Commission Operating Statement

2008-09 Budget \$'000		2008-09 Est.Outcome \$'000	2009-10 Budget \$'000	Var %	2010-11 Estimate \$'000	2011-12 Estimate \$'000	2012-13 Estimate \$'000
Income							
Revenue							
4,230	Government Payment for Outputs	4,142	4,274	3	4,298	4,351	4,407
56,941	Taxes Fees and Fines	54,891	56,687	3	58,672	60,732	62,872
220	Interest	175	77	-56	77	88	100
25	Resources Received Free of Charge	25	25	-	25	25	25
61,416	Total Revenue	59,233	61,063	3	63,072	65,196	67,404
Gains							
328	Other Gains	328	437	33	355	310	325
328	Total Gains	328	437	33	355	310	325
61,744	Total Income	59,561	61,500	3	63,427	65,506	67,729
Expenses							
2,543	Employee Expenses	2,543	2,579	1	2,611	2,646	2,682
466	Superannuation Expenses	378	427	13	416	406	397
1,060	Supplies and Services	1,060	1,086	2	1,089	1,116	1,146
15	Depreciation and Amortisation	12	38	217	47	47	47
2	Borrowing Costs	2	2	-	2	2	2
57,266	Transfer Expenses	55,216	57,121	3	59,024	61,040	63,194
61,352	Total Ordinary Expenses	59,211	61,253	3	63,189	65,257	67,468
392	Operating Result	350	247	-29	238	249	261

ACT Gambling and Racing Commission Balance Sheet

Budget as at 30/6/09 \$'000		Est.Outcome as at 30/6/09 \$'000	Planned as at 30/6/10 \$'000	Var %	Planned as at 30/6/11 \$'000	Planned as at 30/6/12 \$'000	Planned as at 30/6/13 \$'000
Current Assets							
3,690	Cash and Cash Equivalents	2,434	2,396	-2	2,718	3,051	3,396
4,363	Receivables	5,381	5,386	..	5,391	5,396	5,401
27	Other	0	0	-	0	0	0
8,080	Total Current Assets	7,815	7,782	..	8,109	8,447	8,797
Non Current Assets							
34	Property, Plant and Equipment	32	42	31	40	52	52
357	Intangibles	0	334	#	299	264	229
391	Total Non Current Assets	32	376	#	339	316	281
8,471	TOTAL ASSETS	7,847	8,158	4	8,448	8,763	9,078
Current Liabilities							
4,339	Payables	5,311	5,311	-	5,311	5,311	5,311
24	Finance Leases	22	7	-68	20	7	22
819	Employee Benefits	603	615	2	627	639	651
131	Other	134	134	-	134	134	134
5,313	Total Current Liabilities	6,070	6,067	..	6,092	6,091	6,118
Non Current Liabilities							
0	Finance Leases	0	20	#	0	20	0
151	Employee Benefits	121	168	39	215	262	309
151	Total Non Current Liabilities	121	188	55	215	282	309
5,464	TOTAL LIABILITIES	6,191	6,255	1	6,307	6,373	6,427
3,007	NET ASSETS	1,656	1,903	15	2,141	2,390	2,651
REPRESENTED BY FUNDS EMPLOYED							
3,007	Accumulated Funds	1,651	1,898	15	2,136	2,385	2,646
0	Reserves	5	5	-	5	5	5
3,007	TOTAL FUNDS EMPLOYED	1,656	1,903	15	2,141	2,390	2,651

ACT Gambling and Racing Commission Cash Flow Statement

2008-09 Budget \$'000		2008-09 Est.Outcome \$'000	2009-10 Budget \$'000	Var %	2010-11 Estimate \$'000	2011-12 Estimate \$'000	2012-13 Estimate \$'000
	CASH FLOWS FROM OPERATING ACTIVITIES						
	Receipts						
4,230	Cash from Government for Outputs	4,142	4,274	3	4,298	4,351	4,407
56,941	Taxes, Fees and Fines	54,891	56,687	3	58,673	60,733	62,872
220	Interest Received	175	77	-56	77	88	100
471	Other Revenue	471	547	16	468	426	444
61,862	Operating Receipts	59,679	61,585	3	63,516	65,598	67,823
	Payments						
2,463	Related to Employees	2,463	2,520	2	2,552	2,588	2,623
466	Related to Superannuation	378	427	13	416	405	397
1,039	Related to Supplies and Services	1,037	1,063	3	1,066	1,094	1,123
0	Borrowing Costs	2	2	-	2	2	2
143	Other	143	110	-23	113	116	119
57,269	Territory Receipts to Government	55,219	57,124	3	59,028	61,043	63,197
61,380	Operating Payments	59,242	61,246	3	63,177	65,248	67,461
482	NET CASH INFLOW/ (OUTFLOW) FROM OPERATING ACTIVITIES	437	339	-22	339	350	362
	CASH FLOWS FROM INVESTING ACTIVITIES						
	Payments						
10	Purchase of Property, Plant and Equipment and Capital Works	10	10	-	10	10	10
360	Purchase of Land and Intangibles	0	360	#	0	0	0
370	Investing Payments	10	370	#	10	10	10
-370	NET CASH INFLOW/ (OUTFLOW) FROM INVESTING ACTIVITIES	-10	-370	-#	-10	-10	-10
	CASH FLOWS FROM FINANCING ACTIVITIES						
	Receipts						
1,875	Capital Injection from Government	1,875	0	-100	0	0	0
1,875	Financing Receipts	1,875	0	-100	0	0	0
	Payments						
0	Distributions to Government	2,000	0	-100	0	0	0
7	Repayment of Finance Lease	7	7	-	7	7	7
1,875	Payments of Transferred Cash Balances	1,875	0	-100	0	0	0
1,882	Financing Payments	3,882	7	-100	7	7	7
-7	NET CASH INFLOW/ (OUTFLOW) FROM FINANCING ACTIVITIES	-2,007	-7	100	-7	-7	-7
105	NET INCREASE/ (DECREASE) IN CASH HELD	-1,580	-38	98	322	333	345
3,585	CASH AT BEGINNING OF REPORTING PERIOD	4,014	2,434	-39	2,396	2,718	3,051

3,690	CASH AT THE END OF THE REPORTING PERIOD	2,434	2,396	-2	2,718	3,051	3,396
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ACT Gambling and Racing Commission Statement of Changes in Equity

Budget as at 30/6/09 \$'000		Est.Outcome as at 30/6/09 \$'000	Planned as at 30/6/10 \$'000	Var %	Planned as at 30/6/11 \$'000	Planned as at 30/6/12 \$'000	Planned as at 30/6/13 \$'000
2,615	Opening Balance	3,306	1,656	-50	1,903	2,141	2,390
	Accumulated Funds						
392	Operating Result for the Period	350	247	-29	238	249	261
	Reserves						
392	Total Income And Expense For The Period	350	247	-29	238	249	261
	Transactions Involving Equity Holders Affecting Accumulated Funds						
1,875	Capital Injections	1,875	0	-100	0	0	0
0	Capital Distributions	-2,000	0	100	0	0	0
-1,875	Transfer of Cash Balances	-1,875	0	100	0	0	0
3,007	Closing Balance	1,656	1,903	15	2,141	2,390	2,651

Notes to the Budget Statements

Significant variations are as follows:

Operating Statement

- government payment for outputs: the increase of \$0.132 million in the 2009-10 Budget from the 2008-09 estimated outcome is due to indexation of operating expenses.
- taxes, fees and fines:
 - the decrease of \$2.050 million in the 2008-09 estimated outcome from the original budget is due to a decrease in gaming machine activity (\$1.7 million), casino activity (\$0.1 million) and sports bookmaking activity (\$0.250 million); and
 - the increase of \$1.796 million in the 2009-10 Budget from the 2008-09 estimated outcome is due to an anticipated increase in gaming activity.
- interest:
 - the decrease of \$0.045 million in the 2008-09 estimated outcome from the original budget is due to reduced interest rates and a \$2 million reduction in the balance of the bank account due to a distribution of surplus funds to Government; and
 - the decrease of \$0.098 million in the 2009-10 Budget from the 2008-09 estimated outcome is due to lower interest rates and the flow-on affect of a \$2 million reduction in the balance of the bank account due to a distribution of surplus funds to Government in 2008-09.

- gains: the increase of \$0.109 million in the 2009-10 Budget from the 2008-09 estimated outcome is due to an increase in unclaimed lotteries monies held in trust.
- superannuation expenses:
 - the decrease of \$0.088 million in the 2008-09 estimated outcome from the original budget is due to lower staffing numbers associated with delays in filling vacancies and a lower number of CSS and PSS superannuation scheme members; and
 - the increase of \$0.049 million in the 2009-10 Budget from the 2008-09 estimated outcome is due to the expected filling of vacant staffing positions.
- transfer expenses: the decrease of \$2.050 million in the 2008-09 estimated outcome from the original budget and the increase of \$1.905 million in 2009-10 Budget from the 2008-09 estimated outcome are due to the reasons noted above under taxes, fees and fines and gains.

Balance Sheet

- cash and cash equivalents: the decrease of \$1.256 million in the 2008-09 estimated outcome from the original budget is mainly due to a \$2 million distribution of surplus funds to Government and reduced interest rates, offset by a rollover of funds allocated to the new gaming machine database system and the flow-on-effect of the 2007-08 audited results.
- receivables: the increase of \$1.018 million in the 2008-09 estimated outcome from the original budget is due to an increase in gaming taxation receivable from licensees in July 2009 for the month of June.
- intangibles: the decrease of \$0.357 million in the 2008-09 estimated outcome from the original budget and the increase of \$0.334 million in the 2009-10 Budget from the 2008-09 estimated outcome is due to the rollover of funds for the new gaming machine database system from 2008-09.
- payables: the increase of \$0.972 million in the 2008-09 estimated outcome from the original budget is mainly due to an increase in gaming taxation receivable from licensees and payable to the Territory from the Commission in July 2009 for the month of June.
- current and non current employee benefits: the decrease of \$0.246 million in the 2008-09 estimated outcome from the original budget is mainly due to an increase in the number of employees utilising both annual leave and long service leave benefits.

Statement of Changes in Equity

Variiances in the statement are explained in the notes above.