

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 on-going 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 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 of problem gambling to the community and individuals.

2008-09 Priorities

Strategic and operational issues to be pursued in 2008-09 include:

- reviewing and implementing legislative changes to the various gaming laws as required;
- continuing to enhance the effectiveness of the Commission's compliance program on a continual risk assessment basis;
- continuing to enhance the Commission's community engagement strategy by building upon strategic links with its stakeholders;
- continuing to develop the Commission's community education program relating to problem gambling;
- liaising with ACT racing industry participants and other jurisdictions to facilitate the on-going conduct of racing in the ACT in the context of changes to inter-state legislation; and
- assessing the findings and recommendations of relevant gambling research projects in relation to compliance and policy issues.

Estimated Employment Level

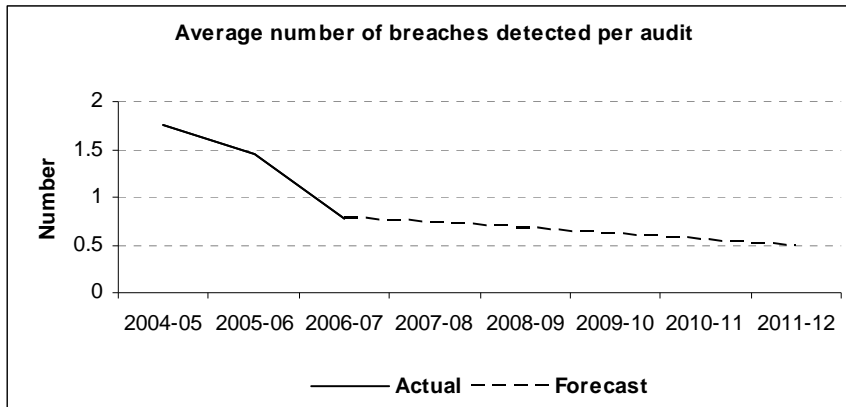
2007-08 Budget		2007-08 Est. Outcome	2008-09 Budget
33	Staffing (FTE)	30	33

Strategic Indicators

Strategic Indicator 1

Increase gambling operators' compliance with legislation

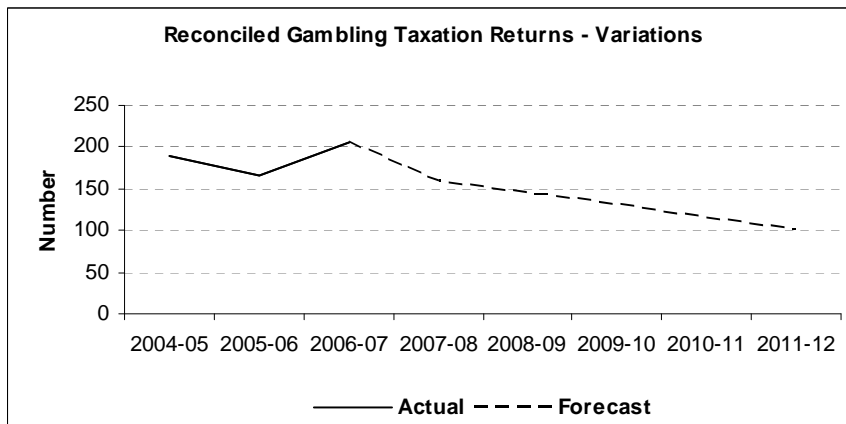
The Commission conducts a comprehensive audit program to ensure that operators comply with all relevant gaming and wagering legislation. Through this audit program and its education and liaison with operators, the Commission aims to increase compliance with the various Acts. The level of reduction in the number of breaches detected per audit will provide an overall indication of the success, or otherwise, of the Commission's activities in increasing compliance with the legislation. Improvements in compliance by operators are expected to continue, though at a more modest level in the long term.



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 provide an overall indication of the success, or otherwise, of the Commission's activities in this area. While the number of variations increased in 2006-07, modest improvements are expected in the future.



Output Classes

	Total Cost ¹		Government Payment for Outputs	
	2007-08	2008-09	2007-08	2008-09
	Est. Outcome \$'000	Budget \$'000	Est. Outcome \$'000	Budget \$'000
Output Class 1: Gambling Regulation and Compliance				
Output Class 1.1: Gambling Regulation and Compliance	3,883	4,086	4,030	4,230

Note:

1. Total cost includes depreciation of \$0.010 million in 2007-08 and \$0.015 million in 2008-09 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

	2007-08 Targets	2007-08 Est. Outcome	2008-09 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	90	90	100
– Gaming Machines	250	250	250
– Bookmakers	50	50	50
– Minor Lotteries	70	70	90
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

Changes to Appropriation

Changes to Appropriation					
	2007-08	2008-09	2009-10	2010-11	2011-12
Government Payment for Outputs	Est. Out.	Budget	Estimate	Estimate	Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
2007-08 Budget	4,145	4,266	4,361	4,425	4,425
2008-09 Budget Technical Adjustments					
Revised Indexation Parameters	-	5	6	6	77
Decreased Superannuation Contributions	(115)	(41)	(48)	(64)	(76)
2008-09 Budget	4,030	4,230	4,319	4,367	4,426

Changes to Appropriation					
	2007-08	2008-09	2009-10	2010-11	2011-12
Capital Injections	Est. Out.	Budget	Estimate	Estimate	Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
2007-08 Budget	-	-	-	-	-
2008-09 Budget Technical Adjustments					
Return of Unclaimed Monies	-	1,875	-	-	-
2008-09 Budget	-	1,875	-	-	-

ACT Gambling and Racing Commission Operating Statement

2007-08 Budget \$'000		2007-08 Est.Outcome \$'000	2008-09 Budget \$'000	Var %	2009-10 Estimate \$'000	2010-11 Estimate \$'000	2011-12 Estimate \$'000
Income							
Revenue							
4,145	Government Payment for Outputs	4,030	4,230	5	4,319	4,367	4,426
54,760	Taxes Fees and Fines	55,070	56,941	3	58,963	61,058	63,229
62	Interest	220	220	-	220	220	220
25	Resources Received free of charge	25	25	-	25	25	25
58,992	Total Revenue	59,345	61,416	3	63,527	65,670	67,900
Gains							
333	Other Gains	333	328	-2	437	355	310
333	Total Gains	333	328	-2	437	355	310
59,325	Total Income	59,678	61,744	3	63,964	66,025	68,210
Expenses							
2,470	Employee Expenses	2,470	2,543	3	2,579	2,611	2,646
492	Superannuation Expenses	377	466	24	469	460	456
1,026	Supplies and Services	1,025	1,060	3	1,089	1,114	1,142
5	Depreciation and Amortisation	10	15	50	47	47	47
0	Borrowing Costs	1	2	100	2	2	2
55,090	Transfer Expenses	55,400	57,266	3	59,397	61,410	63,536
59,083	Total Ordinary Expenses	59,283	61,352	3	63,583	65,644	67,829
242	Operating Result	395	392	-1	381	381	381

**ACT Gambling and Racing Commission
Balance Sheet**

Budget as at 30/6/08 \$'000		Est.Outcome as at 30/6/08 \$'000	Planned as at 30/6/09 \$'000	Var %	Planned as at 30/6/10 \$'000	Planned as at 30/6/11 \$'000	Planned as at 30/6/12 \$'000
Current Assets							
2,758	Cash and Cash Equivalents	3,585	3,690	3	4,155	4,620	5,085
4,389	Receivables	4,358	4,363	..	4,368	4,373	4,378
11	Other	27	27	0	27	27	27
7,158	Total Current Assets	7,970	8,080	1	8,550	9,020	9,490
Non Current Assets							
14	Property, Plant and Equipment	36	34	-6	44	42	54
0	Intangibles	0	357	#	322	287	252
14	Total Non Current Assets	36	391	986	366	329	306
7,172	TOTAL ASSETS	8,006	8,471	6	8,916	9,349	9,796
Current Liabilities							
4,279	Payables	4,339	4,339	-	4,339	4,339	4,339
0	Finance Leases	7	24	243	7	22	7
787	Employee Benefits	790	819	4	831	843	855
137	Other	131	131	-	131	131	131
5,203	Total Current Liabilities	5,267	5,313	1	5,308	5,335	5,332
Non Current Liabilities							
0	Finance Leases	24	0	-100	22	0	22
111	Employee Benefits	100	151	51	198	245	292
111	Total Non Current Liabilities	124	151	22	220	245	314
5,314	TOTAL LIABILITIES	5,391	5,464	1	5,528	5,580	5,646
1,858	NET ASSETS	2,615	3,007	15	3,388	3,769	4,150
REPRESENTED BY FUNDS EMPLOYED							
1,858	Accumulated Funds	2,615	3,007	15	3,388	3,769	4,150
1,858	TOTAL FUNDS EMPLOYED	2,615	3,007	15	3,388	3,769	4,150

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

2007-08 Budget \$'000		2007-08 Est.Outcome \$'000	2008-09 Budget \$'000	Var %	2009-10 Estimate \$'000	2010-11 Estimate \$'000	2011-12 Estimate \$'000
	CASH FLOWS FROM OPERATING ACTIVITIES						
	Receipts						
4,145	Cash from Government for Outputs	4,030	4,230	5	4,319	4,367	4,426
55,093	Taxes, Fees and Fines	55,070	56,941	3	58,963	61,058	63,229
62	Interest Received	220	220	-	220	220	220
104	Other Revenue	437	471	8	547	468	426
59,404	Operating Receipts	59,757	61,862	4	64,049	66,113	68,301
	Payments						
2,880	Related to Employees	2,765	2,929	6	2,989	3,012	3,043
1,003	Related to Supplies and Services	1,003	1,039	4	1,068	1,093	1,121
104	Other	104	143	38	110	113	116
55,093	Territory Receipts to Government	55,403	57,269	3	59,400	61,413	63,539
59,080	Operating Payments	59,275	61,380	4	63,567	65,631	67,819
324	NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	482	482	-	482	482	482
	CASH FLOWS FROM INVESTING ACTIVITIES						
	Payments						
10	Purchase of Property, Plant and Equipment	10	10	-	10	10	10
0	Purchase of Land and Intangibles	0	360	#	0	0	0
10	Investing Payments	10	370	#	10	10	10
-10	NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES	-10	-370	#	-10	-10	-10
	CASH FLOWS FROM FINANCING ACTIVITIES						
	Receipts						
0	Capital Injection from Government	0	1,875	#	0	0	0
0	Financing Receipts	0	1,875	#	0	0	0
	Payments						
0	Repayment of Finance Lease	3	7	133	7	7	7
0	Payments of Transferred Cash Balances	0	1,875	#	0	0	0
0	Financing Payments	3	1,882	#	7	7	7
0	NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES	-3	-7	-133	-7	-7	-7
314	NET INCREASE/(DECREASE) IN CASH HELD	469	105	-78	465	465	465
2,444	CASH AT BEGINNING OF REPORTING PERIOD	3,116	3,585	15	3,690	4,155	4,620
2,758	CASH AT THE END OF THE REPORTING PERIOD	3,585	3,690	3	4,155	4,620	5,085

ACT Gambling and Racing Commission Statement of Changes in Equity

Budget as at 30/6/08 \$'000		Est.Outcome as at 30/6/08 \$'000	Planned as at 30/6/09 \$'000	Var %	Planned as at 30/6/10 \$'000	Planned as at 30/6/11 \$'000	Planned as at 30/6/12 \$'000
1,616	Opening Balance	2,220	2,615	18	3,007	3,388	3,769
	Accumulated Funds						
242	Operating Result for the Period	395	392	-1	381	381	381
	Reserves						
242	Total Income And Expense For The Period	395	392	-1	381	381	381
	Transactions Involving Equity Holders Affecting Accumulated Funds						
0	Capital Injections	0	1,875	#	0	0	0
0	Transfer of Cash Balances	0	-1,875	#	0	0	0
1,858	Closing Balance	2,615	3,007	15	3,388	3,769	4,150

Notes to the Budget Statements

Significant variations are as follows:

Operating Statement

- government payment for outputs:
 - the decrease of \$0.115 million in the 2007-08 estimated outcome from the original budget is due to a reduction in superannuation expenses; and
 - the increase of \$0.2 million in the 2008-09 Budget from the 2007-08 estimated outcome is mainly due to wage increases, indexation and higher superannuation expenses as a result of filling vacant staff positions.
- taxes, fees and fines:
 - the increase of \$0.310 million in the 2007-08 estimated outcome from the original budget is due to an increase in gaming machine activity (\$0.583 million), partially offset by a decrease in activity in interstate lotteries (\$0.263 million) and a decrease in casino employee licence fees (\$0.010 million); and
 - the increase of \$1.871 million in the 2008-09 Budget from the 2007-08 estimated outcome is mainly due to a projected increase in gaming machine revenue (\$1.2 million) resulting from a recovery in activity following the introduction of smoking bans on 1 December 2006 and an anticipated growth in general gaming (\$0.671 million).
- interest: the increase of \$0.158 million in the 2007-08 estimated outcome from the original budget is due to higher than expected funds held in the Commission's bank account and an increase in interest rates.

- superannuation expenses:
 - the decrease of \$0.115 million in the 2007-08 estimated outcome from the original budget is due to staff turnover and decreased superannuation contributions; and
 - the increase of \$0.089 million in the 2008-09 Budget from the 2007-08 estimated outcome is due to filling vacant staffing positions.
- transfer expenses: the increase of \$0.310 million in the 2007-08 estimated outcome from the original budget and the increase of \$1.866 million in 2008-09 Budget from the 2007-08 estimated outcome are due to the reasons noted above under taxes, fees and fines.

Balance Sheet

- cash and cash equivalents:
 - the increase of \$0.827 million in the 2007-08 estimated outcome from the original budget is primarily due to the 2006-07 audited results being higher than anticipated and higher than anticipated cash flows from the Commission's operating activities; and
 - the increase of \$0.105 million in 2008-09 Budget from the 2007-08 estimated outcome reflects cash flows from the Commission's operating activities.
- intangibles: the increase of \$0.357 million in the 2008-09 Budget from the 2007-08 estimated outcome is due to the proposed development of a new gaming machine database system.
- non-current employee benefits: the increase of \$0.051 million in 2008-09 Budget from the 2007-08 estimated outcome is due to an increase in the number of Commission employees achieving the long service leave threshold and other staff accumulating additional leave.

Statement of Changes in Equity

Variations in the statement are explained in the notes above.