

Objectives

ACTTAB's principal objective is to maintain and grow its share of the national gaming and wagering market. This is to be done through the responsible provision of a comprehensive suite of products, delivered to consumers by utilising contemporary technology and communication mediums.

2007-08 Priorities

Strategic and operational issues to be pursued in 2007-08 include:

- maintaining ACTTAB's competitiveness in the national wagering market through the introduction of Sports Multibet and Flexibet products;
- refining and enhancing ACTTAB's new Information Communications Technology infrastructure and betting system environment, including the implementation of an improved and more cost effective area wide network;
- continuing to identify and determine future central betting system options, including bet placement and retail selling terminals;
- enhancing the functionality and usability of ACTTAB's website facilities;
- developing and implementing a new Quality Control Framework to achieve greater consistency and effectiveness in the delivery and presentation of ACTTAB's products to customers;
- completing the implementation of the ACTTAB 'Superstore' refurbishment program;
- implementing a new competency based performance management system for employees;
- continuing to ensure that the harmful effects of gambling are minimised through the provision of appropriate staff training and consumer education, and by maintaining the availability of appropriate counselling services and information; and
- growing ACTTAB's community profile as a responsible corporate citizen through targeted partnership and sponsorship arrangements.

Estimated Employment Level

	2006-07 Est. Outcome	2007-08 Budget
Staffing (FTE)	71	74

**ACTTAB
Operating Statement**

2006-07 Budget \$'000		2006-07 Est.Outcome \$'000	2007-08 Budget \$'000	Var %	2008-09 Estimate \$'000	2009-10 Estimate \$'000	2010-11 Estimate \$'000
Income							
Revenue							
30,635	User Charges - Non ACT Government	28,202	30,126	7	31,029	31,961	32,920
584	Interest	570	529	-7	371	497	497
930	Other Revenue	4,608	231	-95	235	240	245
32,149	Total Revenue	33,380	30,886	-7	31,635	32,698	33,662
Gains							
0	Total Gains	0	0	-	0	0	0
32,149	Total Income	33,380	30,886	-7	31,635	32,698	33,662
Expenses							
4,644	Employee Expenses	5,068	5,543	9	5,764	5,996	6,235
421	Superannuation Expenses	472	573	21	596	620	645
10,234	Supplies and Services	8,415	9,242	10	9,519	9,804	10,099
1,116	Depreciation and Amortisation	852	1,115	31	1,049	1,080	1,113
7	Borrowing Costs	14	14	-	8	8	8
11,563	Other Expenses	11,060	11,383	3	11,400	11,614	11,836
27,985	Total Ordinary Expenses	25,881	27,870	8	28,336	29,122	29,936
4,164	Operating Result From Ordinary Activities	7,499	3,016	-60	3,299	3,576	3,726
1,249	Income Tax Equivalent	2,250	898	-60	989	1,073	1,117
2,915	Operating Result	5,249	2,118	-60	2,310	2,503	2,609

**ACTTAB
Balance Sheet**

Budget as at 30/6/07 \$'000		Est.Outcome as at 30/6/07 \$'000	Planned as at 30/6/08 \$'000	Var %	Planned as at 30/6/09 \$'000	Planned as at 30/6/10 \$'000	Planned as at 30/6/11 \$'000
Current Assets							
9,599	Cash and Cash Equivalents	12,144	8,599	-29	6,783	7,619	8,248
788	Receivables	788	812	3	836	861	861
101	Inventories	101	104	3	107	110	110
139	Other	0	0	-	0	0	0
10,627	Total Current Assets	13,033	9,515	-27	7,726	8,590	9,219
Non Current Assets							
11,081	Property, Plant and Equipment	11,196	14,507	30	17,581	18,101	18,838
266	Intangibles	266	0	-100	0	0	0
0	Tax Assets	438	438	-	438	438	438
11,347	Total Non Current Assets	11,900	14,945	26	18,019	18,539	19,276
21,974	TOTAL ASSETS	24,933	24,460	-2	25,745	27,129	28,495
Current Liabilities							
1,507	Payables	4,314	4,538	5	4,614	4,511	4,507
625	Employee Benefits	625	650	4	677	703	703
1,676	Other Provisions	4,301	2,518	-41	2,542	2,749	2,811
3,808	Total Current Liabilities	9,240	7,706	-17	7,833	7,963	8,021
Non Current Liabilities							
68	Employee Benefits	68	71	4	74	76	80
68	Total Non Current Liabilities	68	71	4	74	76	80
3,876	TOTAL LIABILITIES	9,308	7,777	-16	7,907	8,039	8,101
18,098	NET ASSETS	15,625	16,683	7	17,838	19,090	20,394
REPRESENTED BY FUNDS EMPLOYED							
16,654	Accumulated Funds	14,503	15,561	7	16,716	17,968	19,272
1,444	Reserves	1,122	1,122	-	1,122	1,122	1,122
18,098	TOTAL FUNDS EMPLOYED	15,625	16,683	7	17,838	19,090	20,394

ACTTAB
Cash Flow Statement

2006-07 Budget \$'000		2006-07 Est.Outcome \$'000	2007-08 Budget \$'000	Var %	2008-09 Estimate \$'000	2009-10 Estimate \$'000	2010-11 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts							
30,653	User Charges	28,389	30,126	6	31,029	31,961	32,920
311	Interest Received	570	529	-7	371	497	497
566	Other Revenue	214	232	8	235	239	246
31,530	Operating Receipts	29,173	30,887	6	31,635	32,697	33,663
Payments							
5,065	Related to Employees	5,540	6,116	10	6,360	6,616	6,880
10,234	Related to Supplies and Services	8,414	9,242	10	9,519	9,804	10,099
7	Borrowing Costs	7	8	14	8	8	8
12,812	Other	13,309	12,281	-8	12,382	12,678	12,946
28,118	Operating Payments	27,270	27,647	1	28,269	29,106	29,933
3,412	NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	1,903	3,240	70	3,366	3,591	3,730
CASH FLOWS FROM INVESTING ACTIVITIES							
Receipts							
3,500	Proceeds from Sale of Property, Plant & Equipment	7,425	0	-100	0	0	0
3,500	Investing Receipts	7,425	0	-100	0	0	0
Payments							
6,569	Purchase of Property, Plant and Equipment	6,570	4,160	-37	4,123	1,600	1,850
6,569	Investing Payments	6,570	4,160	-37	4,123	1,600	1,850
-3,069	NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES	855	-4,160	-587	-4,123	-1,600	-1,850
CASH FLOWS FROM FINANCING ACTIVITIES							
Payments							
1,676	Dividends to Government	1,676	2,625	57	1,059	1,155	1,251
1,676	Financing Payments	1,676	2,625	57	1,059	1,155	1,251
-1,676	NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES	-1,676	-2,625	-57	-1,059	-1,155	-1,251

**ACTTAB
Cash Flow Statement**

2006-07 Budget \$'000		2006-07 Est.Outcome \$'000	2007-08 Budget \$'000	Var %	2008-09 Estimate \$'000	2009-10 Estimate \$'000	2010-11 Estimate \$'000
-1,333	NET INCREASE/(DECREASE) IN CASH HELD	1,082	-3,545	-428	-1,816	836	629
10,932	CASH AT BEGINNING OF REPORTING PERIOD	11,062	12,144	10	8,599	6,783	7,619
9,599	CASH AT THE END OF THE REPORTING PERIOD	12,144	8,599	-29	6,783	7,619	8,248

ACTTAB
Statement of Changes in Equity

Budget as at 30/6/07 \$'000		Est.Outcome as at 30/6/07 \$'000	Planned as at 30/6/08 \$'000	Var %	Planned as at 30/6/09 \$'000	Planned as at 30/6/10 \$'000	Planned as at 30/6/11 \$'000
16,589	Opening Balance	14,677	15,625	6	16,683	17,838	19,090
	Accumulated Funds						
0	Net Effect of Change in Accounting Policy	-1,676	0	100	0	0	0
270	Net Effect of a Correction of an Error	0	-1	#	0	0	-1
2,915	Operating Result for the Period	5,249	2,118	-60	2,310	2,503	2,609
	Reserves						
3,185	Total Income And Expense For The Period	3,573	2,117	-41	2,310	2,503	2,608
	Transactions Involving Equity Holders Affecting Accumulated Funds						
-1,676	Dividend Approved	-2,625	-1,059	60	-1,155	-1,251	-1,304
18,098	Closing Balance	15,625	16,683	7	17,838	19,090	20,394

Notes to the Budget Statements

Significant variations are as follows:

Operating Statement

- user charges – non ACT Government:
 - the decrease of \$2.433 million in the 2006-07 estimated outcome from the original budget is due to the loss of one of ACTTAB’s major customers; and
 - the increase of \$1.924 million in the 2007-08 Budget from the 2006-07 estimated outcome is due to forecast increases in activity across all products.
- other revenue: the increase of \$3.678 million in the 2006-07 estimated outcome from the original budget is due to the larger than anticipated gain on sale of the Dickson Head Office site. The decrease in the 2007-08 Budget from the 2006-07 estimated outcome reflects a return to normal trading levels.
- employee expenses:
 - the increase of \$0.424 million in the 2006-07 estimated outcome from the original budget is due to larger than anticipated increases arising from the recently conducted work value review and the staffing of two additional outlets; and
 - the increase of \$0.475 million in the 2007-08 Budget from the 2006-07 estimated outcome is due to Enterprise Bargaining Agreement increases and two additional staff being recruited in the Information Technology division.

- superannuation expenses:
 - the increase of \$0.051 million in the 2006-07 estimated outcome from the original budget is due to the flow on effect of the increase in salaries and wages paid; and
 - the increase of \$0.101 million in the 2007-08 Budget from the 2006-07 estimated outcome is due to the flow on effect of the increase in salaries and wages paid.
- supplies and services:
 - the decrease of \$1.819 million in the 2006-07 estimated outcome from the original budget is due to a reduction in expenses relating to the Tabcorp Pooling Agreement reflecting the loss of one of ACTTAB's major customers; and
 - the increase of \$0.827 million in the 2007-08 Budget from the 2006-07 estimated outcome is due to an expected increase in turnover related expenditure and an increase in property costs due to the rental of the new Gungahlin Head Office and an outlet at Dickson.
- depreciation and amortisation:
 - the decrease of \$0.264 million in the 2006-07 estimated outcome from the original budget is due to delays in capital expenditure, largely on the new Gungahlin Head Office; and
 - the increase of \$0.263 million in the 2007-08 Budget from the 2006-07 estimated outcome is due to continuation of the capital expenditure program.
- other expenses:
 - the decrease of \$0.503 million in the 2006-07 estimated outcome from the original budget is due to the decreased racing distributions payable as a result of the decreased turnover; and
 - the increase of \$0.323 million in the 2007-08 Budget from the 2006-07 estimated outcome reflects increased turnover.

Balance Sheet

- cash and cash equivalents:
 - the increase of \$2.545 million in the 2006-07 estimated outcome from the original budget is due to the larger than anticipated proceeds from the sale of the Dickson Head Office; and
 - the decrease of \$3.545 million in the 2007-08 Budget from the 2006-07 estimated outcome reflects dividends to Government and the purchase of property, plant and equipment.
- property, plant and equipment: the increase of \$3.311 million in the 2007-08 Budget from the 2006-07 estimated outcome is due to capital expenditure on items such as selling terminals, the refurbishment of outlets, and computer software and hardware.
- intangibles: the decrease of \$0.266 million in the 2007-08 Budget from the 2006-07 estimated outcome is due to intangible items being fully amortised in 2006-07.
- tax assets: the increase of \$0.438 million in the 2006-07 estimated outcome from the original budget is due to the creation of a deferred tax asset as a result of the increased trading result in 2006-07.

- other provisions:
 - the increase of \$2.625 million in the 2006-07 estimated outcome from the original budget is due to an increase in the dividend payable as a result of the improved operating result; and
 - the decrease of \$1.783 million in the 2007-08 Budget from the 2006-07 estimated outcome is due to an expected decrease in the dividend payable.

Cash Flow Statement

- interest received: the increase of \$0.259 million in the 2006-07 estimated outcome from the original budget is due to delays in capital expenditure resulting in increased funds being invested.
- other revenue: the decrease of \$0.352 million in the 2006-07 estimated outcome from the original budget is due to a reclassification of revenue to ‘user charges’ in the estimated outcome.
- proceeds from sale of property, plant and equipment:
 - the increase of \$3.925 million in the 2006-07 estimated outcome from the original budget is mostly due to the larger than anticipated gain on sale of the Dickson Head Office site; and
 - the decrease of \$7.425 million in the 2007-08 Budget from the 2006-07 estimated outcome is due to no property budgeted to be sold in this period.
- purchase of property, plant and equipment: the decrease of \$2.410 million in the 2007-08 Budget from the 2006-07 estimated outcome is due to a decrease in capital expenditure with the Gungahlin Head Office expenditure occurring in 2006-07.

