

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.

2010-11 Priorities

Strategic and operational issues to be pursued in 2010-11 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; and
- assessing the findings and recommendations of relevant gambling research projects in relation to compliance and policy issues.

Estimated Employment Level

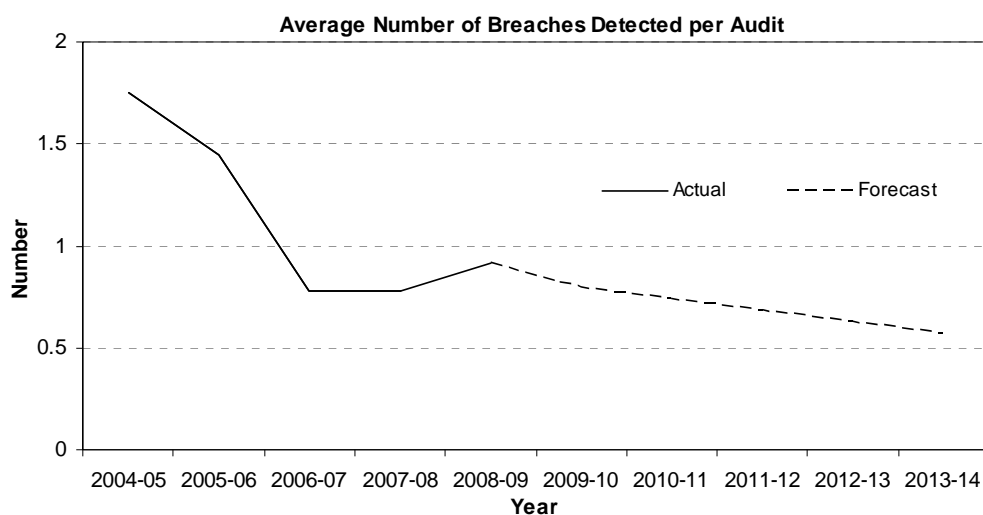
2008-09 Actual Outcome	2009-10 Budget	2009-10 Est. Outcome	2010-11 Budget
29 Staffing (FTE)	32	28	33

Strategic Indicators

Strategic Indicator 1

Increase Gambling Operators' Compliance with Legislation

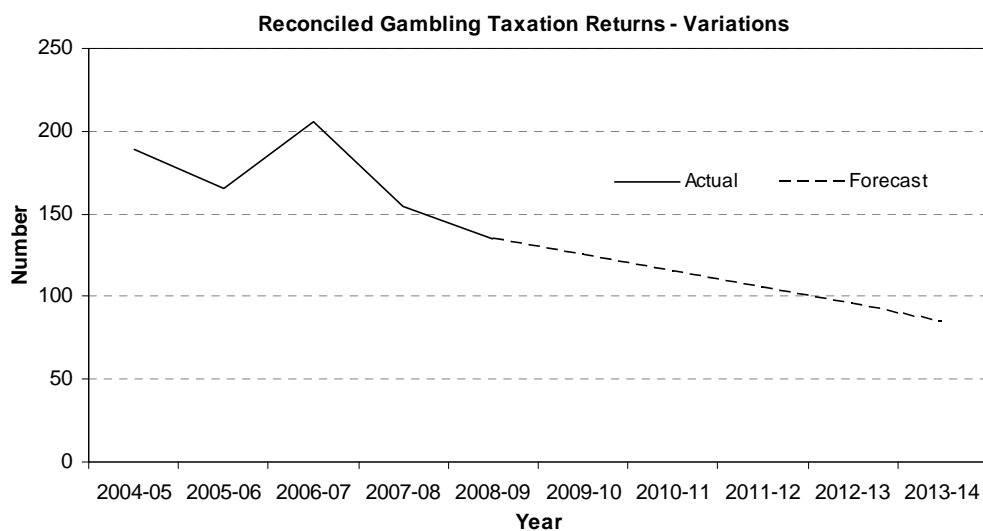
The Commission conducts a comprehensive audit program to ensure that operators comply with all relevant gaming and wagering legislation. Through this audit program and its education and liaison with operators, the Commission aims to increase compliance with the various Acts. The level of reduction in the number of breaches detected per audit will 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	
	2009-10	2010-11	2009-10	2010-11
	Est. Outcome \$'000	Budget \$'000	Est. Outcome \$'000	Budget \$'000
Output Class 1:				
Gambling Regulation and Compliance	4,118	4,288	4,249	4,336
Output 1.1: Gambling Regulation and Compliance	4,118	4,288	4,249	4,336

Note:

- Total cost includes depreciation/amortisation of \$0.017 million in 2009-10 and \$0.047 million in 2010-11 and excludes transfer expense 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

	2009-10 Targets	2009-10 Est. Outcome	2010-11 Targets
Output Class 1: Gambling Regulation and Compliance			
Output 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

	2009-10	2010-11	2011-12	2012-13	2013-14
Government Payment for Outputs	Est. Out.	Budget	Estimate	Estimate	Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
2009-10 Budget	4,274	4,298	4,351	4,407	4,407
2010-11 Budget Policy Adjustments					
Revised Wage Parameters	-	38	67	68	69
Efficiency Dividend	-	-	(22)	(34)	(46)
2010-11 Budget Technical Adjustments					
Revised Indexation Parameters	-	-	-	-	71
Revised Superannuation Contributions	(25)	-	-	-	-
2010-11 Budget	4,249	4,336	4,396	4,441	4,501

ACT Gambling and Racing Commission
Operating Statement

2009-10 Budget \$'000		2009-10 Est.Outcome \$'000	2010-11 Budget \$'000	Var %	2011-12 Estimate \$'000	2012-13 Estimate \$'000	2013-14 Estimate \$'000
Income							
Revenue							
4,274	Government Payment for Outputs	4,249	4,336	2	4,396	4,441	4,501
56,687	Taxes Fees and Fines	55,311	55,007	-1	56,402	58,374	60,411
77	Interest	150	192	28	205	218	231
0	Other Revenue	25	75	200	75	75	75
25	Resources Received Free of Charge	25	25	-	25	25	25
61,063	Total Revenue	59,760	59,635	..	61,103	63,133	65,243
Gains							
437	Other Gains	140	143	2	147	150	154
437	Total Gains	140	143	2	147	150	154
61,500	Total Income	59,900	59,778	..	61,250	63,283	65,397
Expenses							
2,579	Employee Expenses	2,604	2,709	4	2,760	2,796	2,832
427	Superannuation Expenses	404	426	5	420	412	418
1,086	Supplies and Services	1,091	1,104	1	1,109	1,127	1,145
38	Depreciation and Amortisation	17	47	176	47	47	47
2	Borrowing Costs	2	2	-	2	2	2
57,121	Transfer Expenses	55,308	55,004	-1	56,400	58,371	60,408
61,253	Total Ordinary Expenses	59,426	59,292	..	60,738	62,755	64,852
247	Operating Result	474	486	3	512	528	545
247	Total Comprehensive Income	474	486	3	512	528	545

**ACT Gambling and Racing Commission
Balance Sheet**

Budget as at 30/6/10 \$'000		Est.Outcome as at 30/6/10 \$'000	Planned as at 30/6/11 \$'000	Var %	Planned as at 30/6/12 \$'000	Planned as at 30/6/13 \$'000	Planned as at 30/6/14 \$'000
Current Assets							
2,396	Cash and Cash Equivalents	5,166	5,590	8	6,187	6,800	7,430
5,386	Receivables	4,863	4,868	..	4,873	4,878	4,883
0	Other	1	1	-	1	1	1
7,782	Total Current Assets	10,030	10,459	4	11,061	11,679	12,314
Non Current Assets							
42	Property, Plant and Equipment	40	38	-5	50	50	60
334	Intangibles	199	320	61	285	250	215
376	Total Non Current Assets	239	358	50	335	300	275
8,158	TOTAL ASSETS	10,269	10,817	5	11,396	11,979	12,589
Current Liabilities							
5,311	Payables	4,833	4,833	-	4,833	4,833	4,833
7	Finance Leases	7	20	186	7	22	7
615	Employee Benefits	785	804	2	816	828	840
134	Other	160	160	-	160	160	160
6,067	Total Current Liabilities	5,785	5,817	1	5,816	5,843	5,840
Non Current Liabilities							
20	Finance Leases	20	0	-100	20	0	20
168	Employee Benefits	137	187	36	235	283	331
188	Total Non Current Liabilities	157	187	19	255	283	351
6,255	TOTAL LIABILITIES	5,942	6,004	1	6,071	6,126	6,191
1,903	NET ASSETS	4,327	4,813	11	5,325	5,853	6,398
REPRESENTED BY FUNDS EMPLOYED							
1,898	Accumulated Funds	4,322	4,808	11	5,320	5,848	6,393
5	Reserves	5	5	-	5	5	5
1,903	TOTAL FUNDS EMPLOYED	4,327	4,813	11	5,325	5,853	6,398

ACT Gambling and Racing Commission
Cash Flow Statement

2009-10 Budget \$'000		2009-10 Est.Outcome \$'000	2010-11 Budget \$'000	Var %	2011-12 Estimate \$'000	2012-13 Estimate \$'000	2013-14 Estimate \$'000
	CASH FLOWS FROM OPERATING ACTIVITIES						
	Receipts						
4,274	Cash from Government for Outputs	4,249	4,336	2	4,396	4,441	4,501
56,687	Taxes, Fees and Fines	55,311	55,007	-1	56,402	58,374	60,411
77	Interest Received	150	192	28	205	218	231
547	Other Revenue	275	331	20	338	344	348
61,585	Operating Receipts	59,985	59,866	..	61,341	63,377	65,491
	Payments						
2,520	Related to Employees	2,545	2,640	4	2,701	2,736	2,772
427	Related to Superannuation	404	426	5	419	412	418
1,063	Related to Supplies and Services	1,068	1,081	1	1,087	1,104	1,122
2	Borrowing Costs	2	2	-	2	2	2
110	Other	110	113	3	116	119	119
57,124	Territory Receipts to Government	55,311	55,007	-1	56,402	58,374	60,411
61,246	Operating Payments	59,440	59,269	..	60,727	62,747	64,844
339	NET CASH INFLOW/ (OUTFLOW) FROM OPERATING ACTIVITIES	545	597	10	614	630	647
	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	204	156	-24	0	0	0
370	Investing Payments	214	166	-22	10	10	10
-370	NET CASH INFLOW/ (OUTFLOW) FROM INVESTING ACTIVITIES	-214	-166	22	-10	-10	-10
	CASH FLOWS FROM FINANCING ACTIVITIES						
	Payments						
7	Repayment of Finance Lease	7	7	-	7	7	7
7	Financing Payments	7	7	-	7	7	7
-7	NET CASH INFLOW/ (OUTFLOW) FROM FINANCING ACTIVITIES	-7	-7	-	-7	-7	-7
-38	NET INCREASE/ (DECREASE) IN CASH HELD	324	424	31	597	613	630
2,434	CASH AT BEGINNING OF REPORTING PERIOD	4,842	5,166	7	5,590	6,187	6,800
2,396	CASH AT THE END OF THE REPORTING PERIOD	5,166	5,590	8	6,187	6,800	7,430

Gambling and Racing Commission Statement of Changes in Equity

Budget as at 30/6/10 \$'000		Est.Outcome as at 30/6/10 \$'000	Planned as at 30/6/11 \$'000	Var %	Planned as at 30/6/12 \$'000	Planned as at 30/6/13 \$'000	Planned as at 30/6/14 \$'000
Opening Equity							
1,651	Opening Accumulated Funds	3,848	4,322	12	4,808	5,320	5,848
5	Opening Asset Revaluation Reserve	5	5	-	5	5	5
1,656	Balance at the Start of the Reporting Period	3,853	4,327	12	4,813	5,325	5,853
Comprehensive Income							
247	Operating Result for the Period	474	486	3	512	528	545
247	Total Comprehensive Income	474	486	3	512	528	545
0	Total Movement in Reserves	0	0	-	0	0	0
Transactions Involving Owners Affecting Accumulated Funds							
Closing Equity							
1,898	Closing Accumulated Funds	4,322	4,808	11	5,320	5,848	6,393
5	Closing Asset Revaluation Reserve	5	5	-	5	5	5
1,903	Balance at the End of the Reporting Period	4,327	4,813	11	5,325	5,853	6,398

Notes to the Budget Statements

Significant variations are as follows:

Operating Statement

- taxes, fees and fines:
 - the decrease of \$1.376 million in the 2009-10 estimated outcome from the original budget is mainly due to a decrease in gaming machine activity (\$3 million), partially offset by an increase in interstate lottery activity (\$1.414 million) and additional ACTTAB revenue (\$0.208 million); and
 - the decrease of \$0.304 million in the 2010-11 Budget from the 2009-10 estimated outcome is mainly due to an anticipated decrease in interstate lotteries offset by growth in other gaming activities.
- interest:
 - the increase of \$0.073 million in the 2009-10 estimated outcome from the original budget is due to increased interest rates and higher levels of cash held; and
 - the increase of \$0.042 million in the 2010-11 Budget from the 2009-10 estimated outcome is mainly due to higher interest rates and higher levels of cash held.

- other revenue: the increase of \$0.025 million in the 2009-10 estimated outcome from the original budget and the increase of \$0.050 million in the 2010-11 Budget from the 2009-10 estimated outcome reflects the administrative fee payable for operating the Race Field Information Scheme which commenced on 1 March 2010.
- gains: the decrease of \$0.297 million in the 2009-10 estimated outcome from the original budget is due to a decrease in unclaimed lotteries monies.
- employee expenses: the increase of \$0.105 million in the 2010-11 Budget from the 2009-10 estimated outcome is mainly due to the costs associated with operating the Race Field Information Scheme, expected filling of vacant positions and revised wage parameters.
- superannuation expenses:
 - the decrease of \$0.023 million in the 2009-10 estimated outcome from the original budget is mainly due to lower staffing numbers associated with recruitment lags; and
 - the increase of \$0.022 million in the 2010-11 Budget from the 2009-10 estimated outcome is mainly due to the expected filling of vacant staffing positions.
- depreciation and amortisation: the decrease of \$0.021 million in the 2009-10 estimated outcome from the original budget and the increase of \$0.030 million in the 2010-11 Budget from the 2009-10 estimated outcome is due to the timing of the development and implementation of the new gaming machine database system.
- transfer expenses:
 - the decrease of \$1.813 million in the 2009-10 estimated outcome from the original budget is due to the reasons noted above under taxes, fees and fines and unclaimed lotteries monies now being held in a bank account; and
 - the decrease of \$0.304 million in the 2010-11 Budget from the 2009-10 estimated outcome is due to the reasons noted above under taxes, fees and fines.

Balance Sheet

- cash and cash equivalents:
 - the increase of \$2.770 million in the 2009-10 estimated outcome from the original budget is mainly due to a \$1.875 million transfer of unclaimed lotteries monies from the ACT Department of Treasury, partial rollover of funds allocated to the development of the new gaming machine database system and the flow-on effect of the 2008-09 audited results; and
 - the increase of \$0.424 million in the 2010-11 Budget from the 2009-10 estimated outcome reflects anticipated positive cash flows from operating activities.
- receivables: the decrease of \$0.523 million in the 2009-10 estimated outcome from the original budget is due to an estimated decrease in gaming taxation receivables.
- intangibles: the decrease of \$0.135 million in the 2009-10 estimated outcome from the original budget and the increase of \$0.121 million in the 2010-11 Budget from the 2009-10 estimated outcome is due to the timing of the development and implementation of the new gaming machine database system.
- payables: the decrease of \$0.478 million in the 2009-10 estimated outcome from the original budget is due to a decrease in gaming taxation receivables.

- current and non current employee benefits:
 - the increase of \$0.139 million in the 2009-10 estimated outcome from the original budget is mainly due to the inclusion of on-costs and the change in methodology used to estimate long service leave liability; and
 - the increase of \$0.069 million in the 2010-11 Budget from the 2009-10 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.