

ACT GAMBLING AND RACING COMMISSION

Objectives

The ACT Gambling and Racing 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 is also responsible for the regulatory oversight of ACTTAB Limited.

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.

2003-04 Highlights

Strategic and operational issues to be pursued in 2003-04 include:

- reviewing and assessing the effectiveness of the mandatory Code of Practice;
- completing and implementing the outcomes of reviews of a number of ACT gaming laws;
- reviewing the rules for sports bookmaking with particular reference to the appropriateness of gambling providers providing credit to their clients;
- reviewing sports bookmaking events and sports bookmaking venues together with associated directions for the operations of sports bookmaking venues;
- examining the nature and scope of race and sports bookmakers' security guarantees with a view to establishing new industry benchmarks consistent with the provisions of the *Race and Sports Bookmaking Act 2001*;
- undertaking further research to monitor the social and economic impact of gambling and problem gambling in the Territory, in conjunction with the Australian National University Centre for Gambling Research; and
- forging and building upon strategic links with Commission stakeholders.

**ACT Gambling and Racing Commission
Statement of Financial Performance**

2002-03 Budget \$'000		2002-03 Est.Outcome \$'000	2003-04 Budget \$'000	Var %	2004-05 Estimate \$'000	2005-06 Estimate \$'000	2006-07 Estimate \$'000
Revenue							
46 691	Taxes Fees and Fines	48 436	51 182	6	52 347	53 603	54 873
3 398	User Charges - ACT Government	3 488	3 689	6	3 770	3 899	3 961
119	Interest	115	128	11	143	157	157
349	Other Revenue	349	357	2	366	375	384
25	Resources Received free of charge	25	25	-	25	25	25
50 582	Total Ordinary Revenue	52 413	55 381	6	56 651	58 059	59 400
Expenses							
1 916	Employee Expenses	2 030	2 120	4	2 111	2 179	2 205
332	Superannuation Expenses	343	360	5	365	370	375
1 041	Supplies and Services	1 039	1 083	4	1 103	1 160	1 191
5	Depreciation and Amortisation	25	37	48	37	20	5
47 039	Transfer Expenses	48 784	51 539	6	52 713	53 976	55 255
50 333	Total Ordinary Expenses	52 221	55 139	6	56 329	57 705	59 031
249	Operating Result	192	242	26	322	354	369
1 316	Total Equity From Start of Period	1 642	1 834	12	2 076	2 398	2 752
1 565	Total Equity At The End of Period	1 834	2 076	13	2 398	2 752	3 121

**ACT Gambling and Racing Commission
Statement of Financial Position**

Budget as at 30/6/03 \$'000		Est.Outcome as at 30/6/03 \$'000	Planned as at 30/6/04 \$'000	Var %	Planned as at 30/6/05 \$'000	Planned as at 30/6/06 \$'000	Planned as at 30/6/07 \$'000
Current Assets							
2 331	Cash	2 411	2 755	14	3 154	3 568	3 982
3 668	Receivables	3 550	3 550	-	3 550	3 550	3 550
24	Other	21	21	-	21	21	21
6 023	Total Current Assets	5 982	6 326	6	6 725	7 139	7 553
Non Current Assets							
43	Property, Plant and Equipment	95	68	-28	41	31	36
43	Total Non Current Assets	95	68	-28	41	31	36
6 066	TOTAL ASSETS	6 077	6 394	5	6 766	7 170	7 589
Current Liabilities							
3 677	Payables	39	39	-	39	39	39
280	Employee Benefits	282	302	7	312	322	332
0	Income Tax Payable	3 435	3 435	-	3 435	3 435	3 435
165	Other	115	115	-	115	115	115
4 122	Total Current Liabilities	3 871	3 891	1	3 901	3 911	3 921
Non Current Liabilities							
379	Employee Benefits	372	427	15	467	507	547
379	Total Non Current Liabilities	372	427	15	467	507	547
4 501	TOTAL LIABILITIES	4 243	4 318	2	4 368	4 418	4 468
1 565	NET ASSETS	1 834	2 076	13	2 398	2 752	3 121
REPRESENTED BY FUNDS EMPLOYED							
1 565	Accumulated Funds	1 834	2 076	13	2 398	2 752	3 121
1 565	TOTAL FUNDS EMPLOYED	1 834	2 076	13	2 398	2 752	3 121

**ACT Gambling and Racing Commission
Statement of Cashflows**

2002-03 Budget \$'000		2002-03 Est.Outcome \$'000	2003-04 Budget \$'000	Var %	2004-05 Estimate \$'000	2005-06 Estimate \$'000	2006-07 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts							
47 039	Taxes, Fees and Fines	48 785	51 539	6	52 713	53 978	55 257
3 398	User Charges	3 488	3 689	6	3 770	3 899	3 961
119	Interest Received	119	132	11	147	162	162
149	Other Revenue	202	106	-48	109	114	117
50 705	Operating Receipts	52 594	55 466	5	56 739	58 153	59 497
Payments							
2 195	Related to Employees	2 287	2 405	5	2 426	2 499	2 530
1 020	Related to Supplies and Services	1 018	1 062	4	1 082	1 140	1 171
149	Other	102	106	4	109	114	117
47 038	Territory Receipts to Government	48 784	51 539	6	52 713	53 976	55 255
50 402	Operating Payments	52 191	55 112	6	56 330	57 729	59 073
303	NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	403	354	-12	409	424	424
CASH FLOWS FROM INVESTING ACTIVITIES							
Payments							
10	Purchase of Property, Plant and Equipment	92	10	-89	10	10	10
10	Investing Payments	92	10	-89	10	10	10
-10	NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES	-92	-10	89	-10	-10	-10
293	NET INCREASE/(DECREASE) IN CASH HELD	311	344	11	399	414	414
2 038	CASH AT BEGINNING OF REPORTING PERIOD	2 100	2 411	15	2 755	3 154	3 568
2 331	CASH AT THE END OF THE REPORTING PERIOD	2 411	2 755	14	3 154	3 568	3 982

Notes to the Budget Statements

Significant variations are as follows:

Statement of Financial Performance

- taxes, fees and fines: the increase of \$1.745m in the 2002-03 estimated outcome from the original budget is due to an increase in gambling activity in the areas of gaming machines and major lotteries being higher than estimated. The increase of \$2.746m in the 2003-04 Budget from the 2002-03 estimated outcome is due to the increase in the top marginal tax rate from 25% to 27% for Gross Gaming Machine revenue greater than \$50,000 per month;
- user charges – ACT Government: the increase of \$0.201m in the 2003-04 Budget from the 2002-03 estimated outcome is due to additional funds to cover wage and superannuation increases, and increased information technology charges;
- employee expenses: the increase in employee and superannuation expenses of \$0.125m in the 2002-03 estimated outcome from the original budget is the result of wage and superannuation increases; and
- transfer expenses: the increase of \$1.745m in the 2002-03 estimated outcome from original budget is due to actual gambling activity being higher than estimated. The increase of \$2.755m in the 2003-04 Budget from the 2002-03 estimated outcome is due to the increase in the top marginal tax rate from 25% to 27% for Gross Gaming Machine Revenue greater than \$50,000 per month.

Statement of Financial Position

- cash: the increase of \$0.344m in the 2003-04 Budget from the 2002-03 estimated outcome is due to a stronger operating result than forecast in the previous financial year;
- property, plant and equipment: the increase of \$0.052m in the 2002-03 estimated outcome from the original budget is due to leasehold improvement expenses relating to the Commission's office accommodation refurbishment;
- payables: the decrease of \$3.638m in the 2002-03 estimated outcome from the original budget reflects account re-classification of gambling tax accruals from 'Payables' to 'Current Tax Payable';
- current tax payable: the increase of \$3.435m in the 2002-03 estimated outcome from the original budget reflects account re-classification of gambling tax accruals from 'Payables' to 'Current Tax Payable'; and
- other current liabilities: the decrease of \$0.050m in the 2002-03 estimated outcome from the original budget is due to the refund of interactive gaming machine license applications fees following passage of the Commonwealth Government's *Interactive Gambling Act 2001*.