

# ACT Gambling and Racing Commission

## Annual Report 2008-2009



# Annual Report 2008-2009

---

ISBN-13: 978-0-642-60500-9

ISBN-10: 0-642-60500-9

© Australian Capital Territory, Canberra 2009

This work is copyright. Apart from any use as permitted under the *Copyright Act 1968*, no part may be reproduced by any process without written permission from the Territory Records Office, Community and Infrastructure Services, Territory and Municipal Services, ACT Government, GPO Box 158, Canberra City ACT 2601.

Produced by Publishing Services for the ACT Gambling and Racing Commission

Enquiries about this publication should be directed to: *ACT Gambling and Racing Commission, telephone 6207 0359*

Printed on recycled paper

Publication No 09/0934

<http://www.gamblingandracing.act.gov.au>

Telephone: Canberra Connect 132 281



Treasurer  
ACT Legislative Assembly  
London Circuit  
CANBERRA ACT 2601

Dear Treasurer

We have pleasure in submitting to you the ACT Gambling and Racing Commission's Annual Report for the financial year ended 30 June 2009.

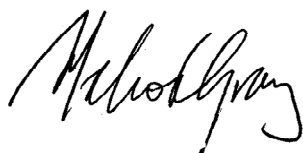
This report has been prepared under section 6(1) of the *Annual Reports (Government Agencies) Act 2004* and in accordance with the requirements referred to in the Chief Minister's Annual Report Directions. It has been prepared in conformity with other legislation applicable to the preparation of the Annual Report by the Commission.

We hereby certify that the attached Annual Report is an honest and accurate account and that all material information on the operations of the Commission during the period 1 July 2008 to 30 June 2009 has been included and that it complies with the Chief Minister's Annual Report Directions.

We further certify that fraud prevention has been managed in accordance with Public Sector Management Standard 2, Part 2.4.

Section 13 of the *Annual Reports (Government Agencies) Act 2004* requires that you cause a copy of the report to be laid before the Legislative Assembly within 3 months of the end of the financial year.

Yours sincerely



Malcolm Gray  
Chairperson  
9 September 2009



Greg Jones  
Chief Executive Officer  
9 September 2009

## **Contact Details**

The contact officer for the Commission's Annual Report is Mr Ron Leonard.

Access information for the Commission is as follows.

**Website address:**

[www.gamblingandracing.act.gov.au](http://www.gamblingandracing.act.gov.au)

**Street/Physical address:**

ACT Gambling and Racing Commission  
Level 2 Canberra Nara Centre  
1 Constitution Avenue  
CANBERRA CITY ACT 2601

**Postal address:**

ACT Gambling and Racing Commission  
PO Box 214  
CIVIC SQUARE ACT 2608

**Switchboard telephone number:**

(02) 6207 0359

**Office Hours:**

8.30am to 5.00pm Monday to Friday (public holidays excluded)

**Contact officers:**

The relevant contact officer is identified following each section of the report.

# TABLE OF CONTENTS

<b>TRANSMITTAL CERTIFICATE</b>	<b>iii</b>
<b>SECTION A: PERFORMANCE &amp; FINANCIAL MANAGEMENT REPORTING</b>	<b>1</b>
A.1 The Organisation	1
A.2 Overview	3
A.3 Highlights	4
A.4 Outlook	5
A.5 Management Discussion and Analysis	6
A.6 Financial Report	12
A.7 Statement of Performance	49
A.8 Strategic Indicators	58
A.9 Analysis of Agency Performance	60
<b>SECTION B: CONSULTATION AND SCRUTINY REPORTING</b>	<b>81</b>
B.1 Community Engagement	81
B.2 Internal & External Scrutiny	82
B.3 Legislative Assembly Committee Inquiries and Reports	82
B.4 Legislation Report	83
<b>SECTION C: LEGISLATIVE &amp; POLICY BASED REPORTING</b>	<b>83</b>
C.1 Risk Management and Internal Audit	83
C.2 Fraud Prevention	83
C.3 Public Interest Disclosure	84
C.4 Freedom of Information	84
C.5 Internal Accountability	86
C.6 HR Performance	89
C.7 Staffing Profile	89
C.8 Learning and Development	91
C.9 Workplace Health and Safety	92
C.10 Workplace Relations	93
C.11 Strategic Bushfire Management Plan	93
C.12 Strategic Asset Management	94
C.13 Capital Works	94
C.14 Government Contracting	94
C.15 Community Grants/Assistance/Sponsorship	95
C.16 Territory Records	95
C.17 Human Rights Act 2004	96
C.18 Commissioner for the Environment	96
C.19 ACT Multicultural Strategy	96
C.20 Aboriginal and Torres Strait Islander Reporting	96
C.21 Ecologically Sustainable Development	96
C.22 ACT Women's Plan 2004-2009	98
<b>APPENDICES</b>	<b>99</b>
Annual Report of the Racing Appeals Tribunal	100
Compliance Index	101
Alphabetical Index	102
Glossary of Abbreviations, Acronyms and Technical Terms	103

## **Section A: PERFORMANCE & FINANCIAL MANAGEMENT REPORTING**

### **A.1 The Organisation**

---

The ACT Gambling and Racing Commission (the Commission) is an independent body established under section 5 of the *Gambling and Racing Control Act 1999*. The Act provides for the continued administration of certain Acts relating to gambling and racing and establishes the powers, functions and activities of the Commission.

#### **A.1.1 Membership of the Commission**

Section 12 of the *Gambling and Racing Control Act 1999* provides that the Commission shall consist of five members. Further, this section requires one member to have knowledge, experience or qualifications relating to providing counselling services to problem gamblers. Dr Doherty fulfils this role. Section 79 of the *Financial Management Act 1996* (FMA) provides for the appointment of a chairperson, deputy chairperson and section 80(4) of the FMA states that the Chief Executive Officer of an authority is a member of the governing board.

The membership at 30 June 2009 was:

<i>Chairperson:</i>	Mr Malcolm Gray
<i>Members:</i>	Mr Mark Rolfe (Deputy Chairperson) Dr Mark Doherty Ms Joan Perry
<i>Chief Executive Officer:</i>	Mr Greg Jones

#### **A.1.2 Functions and Powers of the Commission**

The Commission's functions and powers are specified in sections 6 through 8 of the *Gambling and Racing Control Act 1999*, as follows:

Section 6(1) states that the functions of the Commission are:

- a) to administer the gaming laws;
- b) to control, supervise and regulate gaming in the Territory; and
- c) to perform functions and exercise powers given to the Commission by this or any other Act.

Section 6(2) provides that the functions of the Commission include:

- a) regulating:
  - (i) the activities of casinos;
  - (ii) machine gaming;
  - (iii) lotteries;
  - (iv) racing, as provided in the *Racing Act 1999*;

- (v) betting; and
- (vi) interactive gambling.
- b) approving gaming and racing activities;
- c) monitoring and researching the social effects of gambling and of problem gambling;
- d) providing education and counselling services;
- e) engaging in community consultation, as appropriate, on matters related to its functions;
- f) reviewing legislation and policies related to gaming and racing and making recommendations to the Minister on those matters;
- g) monitoring, researching and funding activities related to gaming and racing;
- h) investigating and conducting inquiries into:
  - i. issues relating to gaming and racing; and
  - ii. activities of persons in relation to gaming and racing, for the purpose of performing functions or exercising powers under a gaming law; and
- i) collecting taxes, fees and charges imposed or authorised by or under gaming laws.

Section 6(3) allows the Minister to direct the Commission to perform its functions in a particular way.

Sections 6(4) and (5) provide that any directions or guidelines given by the Minister are disallowable instruments and are to be published in the Commission's annual report. There were no ministerial directions or guidelines issued in 2008-09.

Section 7 states that the Commission must perform its functions in a way that best promotes the public interest, and in particular, as far as practicable:

- promotes consumer protection;
- minimises the possibility of the criminal or unethical activity; and
- reduces the risks and costs, to the community and individuals concerned, of problem gambling.

Section 8 requires the Commission to engage in community consultation when reviewing legislation and policies in providing recommendations to the Minister. The Commission's annual report must describe the processes of community consultation used by the Commission (see section *B.1 Community Engagement* of this report).

### **A.1.3 Vision, Values and Objectives of the Commission**

The vision of the Commission is to create an environment in which stakeholders have the highest degree of confidence in the integrity of the Territory's approved gaming and wagering industries and where the harm caused by problem gambling is minimised.

The Commission's values are:

- fairness and integrity;
- achievement and excellence;
- innovation and development;
- teamwork.



The Commission is committed to achieving its vision through the following key objectives.

- To minimise the possibility of criminal or unethical activity in order to satisfy key stakeholders' expectations in relation to the regulation and oversight of gaming and wagering operations in the Territory.
- To minimise the negative impact caused by problem gambling.
- To keep informed about developments in gaming and wagering activities and regulatory practices, including emerging technologies.
- To keep informed about developments in gambling harm minimisation strategies and research conducted into problem gambling.
- To ensure that members of the community are provided with information to enable them to make informed decisions about their gambling.
- To ensure that resources are efficiently and effectively allocated to achieve its objectives including the development of staff.

### **A.1.4 Key Stakeholders of the Commission**

The Commission's Strategic Management Plan 2009-2013 identifies the key stakeholders and clients of the Commission as the Territory's:

- Community;
- Government;
- Legislative Assembly;
- Licensed gaming and wagering providers and their customers; and
- Commission staff.

## **A.2 Overview**

The Commission has achieved all of its objectives for 2008-09 as outlined in its Statement of Performance (see section A7 of this report). It also achieved its financial targets for 2008-09 and has received an unqualified audit opinion from the Auditor General.

Comprehensive information regarding the Commission's financial results is provided in its Financial Report at section A6 of this report. In summary, the Commission achieved an operating surplus of \$672,037 which was \$280,037 better than budget.

In undertaking its functions and providing advice to the Minister and Government, the Commission liaises with a wide range of other Government agencies, particularly the ACT Department of Treasury, as well as Commonwealth and interstate regulatory organisations. This consultation ensures that the Commission remains fully informed in order to provide the Minister and Government with comprehensive information and briefings as required.

The Commission continues to play an active role in educating gambling licensees and the community about problem gambling issues and responsibilities.

Audit activity has again been strong as Commission staff continue to enhance the compliance culture within the Territory's gambling industry by applying and maintaining an educational approach through a transparent and constructive application of the Commission's compliance audit program.

## **A.3 Highlights**

---

The Commission's legislative review program continued during 2008-09. Following the completion of the review of the *Unlawful Games Act 1984* last year, work was progressed on finalising a new unlawful gambling bill to legislation. The main issues covered as part of the review included the conduct of gaming tournaments outside the casino (such as for poker), gaming for fundraising purposes for charitable organisations and the conduct of private or home-based games.

The implications of the decision in the High Court of Australia in relation to section 92 of the Constitution handed down in March 2008 in *Betfair Pty Ltd versus the State of Western Australia* are still being played out in the racing and wagering industries. While the national implications are yet to be fully worked through it seems reasonably clear that any State or Territory regulatory restrictions that disadvantage one participant in the national wagering market over another are likely to offend the provisions of section 92. All States have now implemented fees for using or publishing their race fields information, although some schemes are the subject of further litigation. The ACT has been monitoring the national position carefully before making a final decision on a way forward.

The Commission's research arrangements with the Australian National University (ANU) establishing the Centre for Gambling Research have been revised to enhance the performance and responsiveness of the research program to deliver more effective outcomes. Recruitment at the senior level for the Centre for Gambling Research was completed during the reporting period with work commencing on an updated prevalence study on the extent and nature of gambling in the ACT.

This ACT specific research program has been complemented by the Government's continued commitment and financial contribution to Gambling Research Australia which was extended for another five years. A number of major national studies have been completed and others commenced during the period.

The Commission focussed on education and public awareness initiatives during 2008-09. An intensive television campaign highlighting a responsible approach to gambling was conducted along with enhancements to the problem gambling website and 'self help' brochures. Additionally, during Responsible Gambling Awareness Week (May 2009), the Commission, in association with Lifeline Canberra, set up an information table at the Canberra Centre where considerable material was available for the public to access and ask any questions to Lifeline or Commission officers.

The harm minimisation provisions of the *Gambling and Racing Control (Code of Practice) Regulation 2002* continue to provide substantial protection to consumers. The ACT's mandatory Code of Practice continues to be a national leader in the field of harm minimisation for gambling patrons. ACT licensees are generally taking their obligations and responsibilities very seriously, as demonstrated through the Commission's compliance audit program.

The Commission has continued to develop strategic partnerships with other national and international gambling regulators and enforcement agencies to enhance its knowledge of global gambling developments and its ability to effectively assess gambling providers' compliance with gaming laws.

Ongoing staff training, particularly for new officers, has maintained a high skill level and competence for Commission officers where the focus has been on multi-skilling officers to ensure that the Commission has a flexible workforce.

## A.4 Outlook

---

The Commission will finalise its recommendations for legislative amendments early in 2009-10 resulting from its review of the *Unlawful Games Act 1984*. Subject to Government and Legislative Assembly approval of the proposed changes, the Commission will implement any new legislation including community and stakeholder education.

The Commission will assist the Government or other agencies as necessary with further information or implementation of any changes resulting from its earlier review of the maximum number of gaming machines in the Territory.

During 2009-10 the Commission will continue its education of licensees to enhance awareness of statutory requirements and the need for a compliance culture. Improvement in licensee compliance with legislative provisions and reduced variances in gaming machine tax returns will continue to be sought into the longer term.

Further developments in the racing and wagering industry will be closely monitored including the implications of any further litigation in this area. The Commission will continue to work with ACT Treasury on any changes to ACT legislation.

The Australian National University's (ANU's) updated prevalence study on the extent and nature of gambling in the ACT which has been contracted by the Commission will be completed late in 2009-10. The implications of this study will need to be carefully analysed including comparisons, where possible, with similar studies in other jurisdictions.

In addition, the Productivity Commission report into gambling is expected to be released during 2009-10. This significant report will also need to be carefully analysed and its implications assessed.

During 2009-10 the Commission will continue to give priority to maintaining its relationships with gambling regulators and law enforcement agencies both nationally and internationally to ensure that it remains at the forefront of gambling regulation and that harm arising from the conduct of gambling activities is minimised. A key business activity in achieving this will be the Commission's ongoing participation in national and international forums examining issues associated with gaming regulation and responsible gambling. These forums include the International Association of Gaming Regulators, the Chief Executive Officers Australasian Casino and Gaming Regulators' Working Group, the Regulators' Responsible Gambling Working Party, Australian Lottery Regulators' Working Group, National Art Unions, Raffles and Trade Promotion Lottery Working Party, National Probity Working Party, Gaming Machine National Standard Working Party, National Assessment Panel for the Accreditation of Testing Facilities, the Gambling Research Australia Working Party, the Ministerial Council on Gambling Officials' Group and the Community and Disability Services Ministers Advisory Council – Gambling Working Party.

The development of the Commission's new gaming machine database will continue during 2009-10. When finalised, it is expected that the new database will improve the efficiency of operations particularly in relation to gaming machine tax assessments.

## **A.5 Management Discussion and Analysis**

---

### **General Overview**

#### **Objectives**

The principal objectives of the ACT Gambling and Racing Commission are to:

- regulate gambling and racing activities in accordance with ACT gaming laws;
- review gaming laws to ensure their continued relevance and appropriateness;
- manage research and data collection in regard to the social and economic impacts of gambling in the ACT;
- ensure compliance by gaming providers and individuals with payment of fee and tax liabilities; and
- manage its resources in an efficient and effective manner.

Gambling revenue incorporates the following categories:

- gaming machine taxes and fees;
- interstate lottery fees (New South Wales and Victorian lotteries);
- minor lottery fees (promotions and raffles);
- casino tax and fees;
- ACTTAB licence fees;
- race bookmakers licence fees; and
- sports bookmakers turnover tax and licence fees.

The amount of gambling revenue received by the Commission depends directly on the level of gambling undertaken in the Territory. The Commission does not have the function of promoting or developing gambling activity in the ACT.

#### **Risk Management**

The Commission is a major collector of revenues in the Territory. To manage the risk associated with revenue collection, verification and compliance, the Commission, in conjunction with the Internal Audit Manager of the ACT Department of Treasury, has developed a comprehensive Risk Management Plan and an internal audit program to review revenue collection systems, processes and procedures. The Risk Management Plan addresses all Commission financially related risks together with the risks associated with the approval and issue of licences for gambling providers and venue employees.

The Commission has also produced detailed section work plans and procedure manuals to document its internal procedures and process controls. These documents ensure consistency of operational activity and assist with the training of new staff members.

## Financial Performance

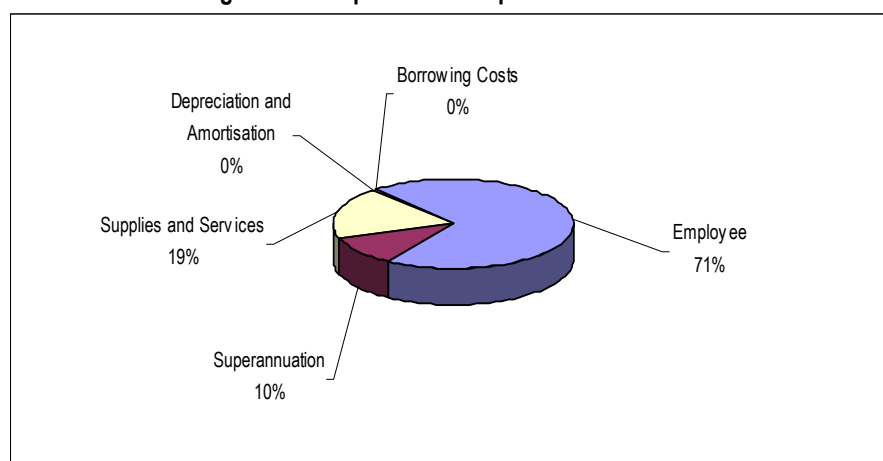
The following financial information is based on audited Financial Statements for 2007-08 and 2008-09 and the forward estimates contained in the 2008-2009 Budget Paper Number 4.

### Total Expenditure

#### 1. Components of Expenditure

Figure 1 indicates the components of the Commission's expenditure for 2008-09 not including taxation revenue transferred to Government. As the Commission's core business activities are gambling regulation and the collection of revenue from gambling providers, the main expenditure items during the year were typically employee and supplies and services expenses. The largest component of expenditure is employee expenses which represents **71 per cent** of ordinary activities or **\$2.585 million**.

Figure 1 - Components of Expenditure in 2008-09



#### 2. Comparison to Budget

##### Expenditure

Total expenditure of **\$3.672 million** (not including taxation revenue transferred to Government) was **\$0.414 million**, or **10.1 per cent**, lower than the 2008-09 budget of **\$4.086 million**. Increased employee expenses (**\$0.042 million**) due to the inclusion of on-costs in the calculation of Annual Leave liability and a change in methodology used to estimate the Long Service Leave liability was more than off-set by decreases in:

- supplies and services expenditure (**\$0.364 million**) mainly due to lower than expected payments for Commission funded research where the Commission's research provider had experienced lower activity resulting from delays in finalising its restructure. In addition, lower than expected expenditure had occurred in other areas of activity, such as general administration, training, education and repairs and maintenance; and
- superannuation expense (**\$0.088 million**) due to a lower number of CSS and PSS superannuation scheme members.

#### 3. Comparison to 2007-08 Actual Expenditure

Total expenditure not including taxation revenue transferred to Government was **\$0.447 million**, or **13.9 per cent**, higher than the 2007-08 actual result. The increase largely reflects increased expenditure in employee expenses (**\$0.426 million**) due to returning to budgeted staffing levels for the majority of 2008-09 and the inclusion of on-costs in the calculation of Annual Leave liability along with a change in methodology used to estimate the Long Service Leave liability.

#### 4. Future Trends

Expenditure is budgeted to increase in 2009-10 by **\$0.460 million** due to increased research activity following the finalisation of arrangements with the Commission's research provider and the continued development of gambling education and awareness programs.

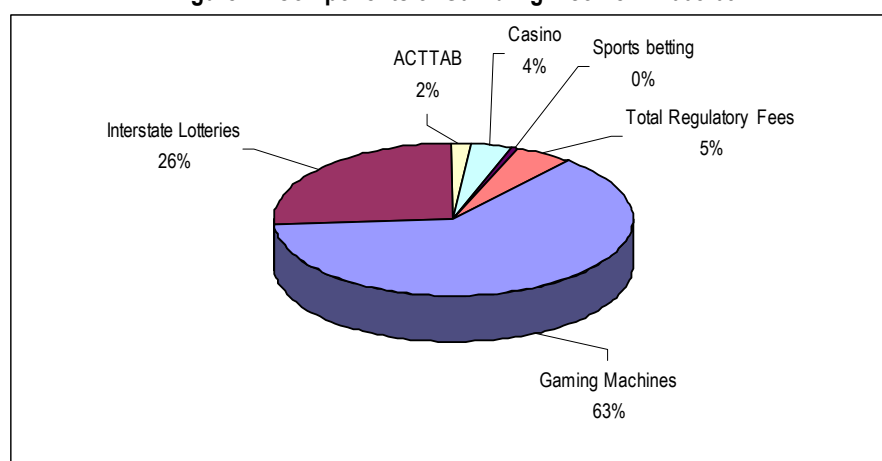
#### Total Income

##### 1. Components of Income

Although the Commission collects revenue from gambling taxes, fees and fines, all such revenue is immediately transferred to the Territory Banking Account through nightly sweeps of the Commission's Taxation Account. The only revenue that the Commission uses to fund its operating activities is appropriated through Government payment for outputs and interest from its operating bank account. In 2008-09 appropriation payments from Government were **\$4.142 million**.

Figure 2 below indicates that for the financial year ended 30 June 2009, the Commission received **63 per cent** of its total gambling revenue of **\$54.454 million** from gaming machine taxation.

Figure 2 - Components of Gambling Income in 2008-09



##### 2. Comparison to Budget

###### Revenue

For the year ending 30 June 2009 gambling revenue was **\$54.454 million** which was **\$2.487 million** lower than the 2008-09 budget of **\$56.941 million**. Increased revenue from interstate lotteries (**\$0.323 million**), higher ACTTAB licence fee (**\$0.077 million**) and increased casino revenue (**\$0.015 million**) was more than off-set by decreases in:

- gaming machine revenue (**\$2.545 million**);
- sports betting revenue (**\$0.260 million**); and
- regulatory fees (**\$0.097 million**).

###### Gains

Income from gains for the year ending 30 June 2009 was **Nil** or **100 per cent** lower than the 2008-09 budget of **\$0.328 million**. This decrease is due to unclaimed lottery prizes for the reporting period being directly transferred to the ACT Department of Treasury where unclaimed monies are held in a separate account.

### 3. Comparison to 2007-08 Actual Income

#### Revenue

Gambling Revenue in 2008-09 was **\$0.963 million**, or **1.7 per cent**, lower than the 2007-08 actual result. Increased revenue from interstate lotteries (**\$0.188 million**), casino revenue (**\$0.072 million**) and regulatory fees (**\$0.046 million**) was more than off-set by decreases in:

- gaming machine revenue (**\$0.844 million**);
- sports betting revenue (**\$0.369 million**); and
- ACTTAB licence fee (**\$0.056 million**).

#### Gains

Income from gains was **\$0.333 million** lower than the 2007-08 actual result of **\$0.333 million**. This is due to unclaimed lottery prizes for the reporting period being directly transferred to the ACT Department of Treasury where unclaimed monies are held in a separate account.

### 4. Future Trends

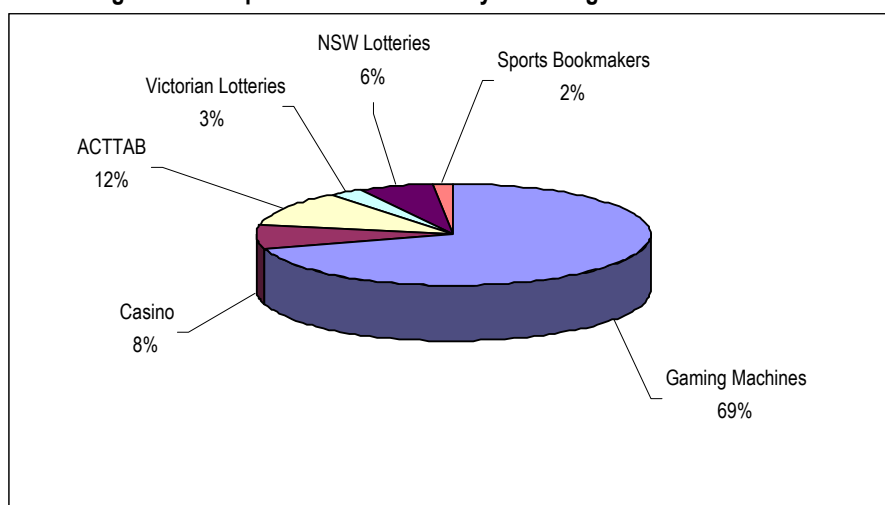
Total gambling revenue for 2009-10 is budgeted to increase by **\$2.233 million** mainly due to a projected increase in gaming machine revenue based on an anticipated growth in general gaming. Revenue thereafter is anticipated to increase at a rate equivalent to household consumption.

### 5. GST

Gambling providers also pay GST on their gaming profits. GST is paid directly to the Australian Taxation Office and the Territory receives its share of the total GST revenue pool through the Commonwealth grants funding process.

Figure 3 indicates the estimated GST paid by gambling and wagering licensees on the various categories of gambling.

Figure 3 - Components of GST Paid by Gambling Providers in 2008-09





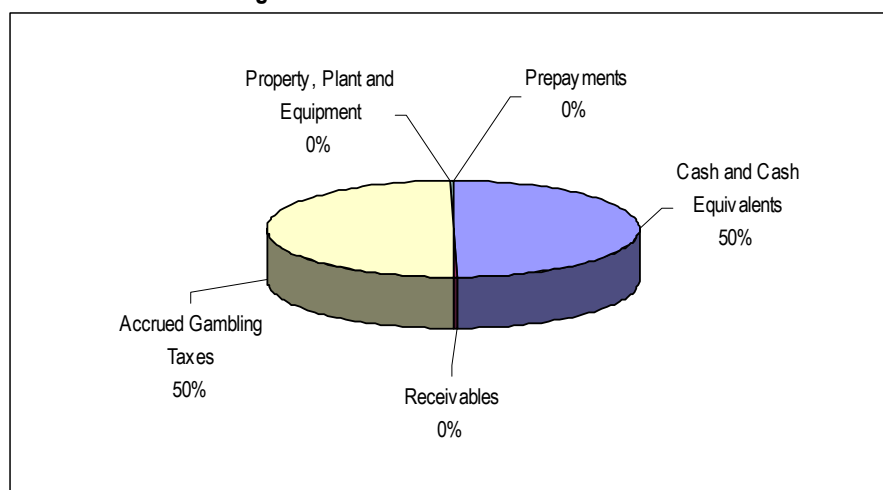
## Commission's Financial Position

### Total Assets

#### 1. Components of Total Assets

Figure 4 below indicates that for the financial year ended 30 June 2009 the Commission held **50 per cent** of its assets in accrued gambling taxes and **50 per cent** in cash and cash equivalents.

Figure 4 – Total Assets as at 30 June 2009



#### 2. Comparison to Budget

The total asset position as at 30 June 2009 is **\$9.733 million**, **\$1.262 million** higher than the 2008-09 budget of **\$8.471 million**. The improvement largely reflects increases in:

- cash and cash equivalents (**\$1.152 million**) mainly due to an improvement in the Commission's operating result; and
- receivables (**\$0.497 million**) due to an increase in accrued gambling taxes.

The increases were partially off-set by a decrease in intangible assets (**\$0.357 million**) due to the rollover of funds allocated to the development of the new gaming machine database system to 2009-10.

#### 3. Comparison to 2007-08 Actuals

The Commission's total asset position is **\$0.308 million** higher than the 2007-08 actual result of **\$9.425 million** largely due to an increase in cash and cash equivalents (**\$0.828 million**) based on an improvement in the Commission's operating result, partially off-set by a decrease in receivables (**\$0.516 million**) due to a reduction in accrued gambling taxes.

#### 4. Liquidity

'Liquidity' is the ability of the Commission to satisfy its short-term debts as they fall due. A common indicator for liquidity is the current ratio which compares the ability to fund short-term liabilities from short-term assets. A ratio of less than 1-to-1 may indicate a reliance on the next financial year's user charges with the ACT Government to meet short-term debts. Table 1 indicates the liquidity position of the Commission.



Table 1 – Current Ratio

Description	Prior Year Actual 2007-08 \$'000s	Current Year Budget 2008-09 \$'000s	Current Year Actual 2008-09 \$'000s	Forward Year Budget 2009-10 \$'000s	Forward Year Budget 2010-11 \$'000s	Forward Year Budget 2011-12 \$'000s
Current Assets	9,390	8,080	9,702	7,782	8,109	8,447
Current Liabilities	6,026	5,313	5,788	6,067	6,092	6,091
Current Ratio	1.56:1	1.52:1	1.68:1	1.28:1	1.33:1	1.39:1

The Commission's current ratio for the financial year ended is **1.68 to 1** which is a marginal improvement on the budgeted current ratio of **1.52:1**. The improvement reflects increased cash and cash equivalents due to an improvement in the Commission's operating result.

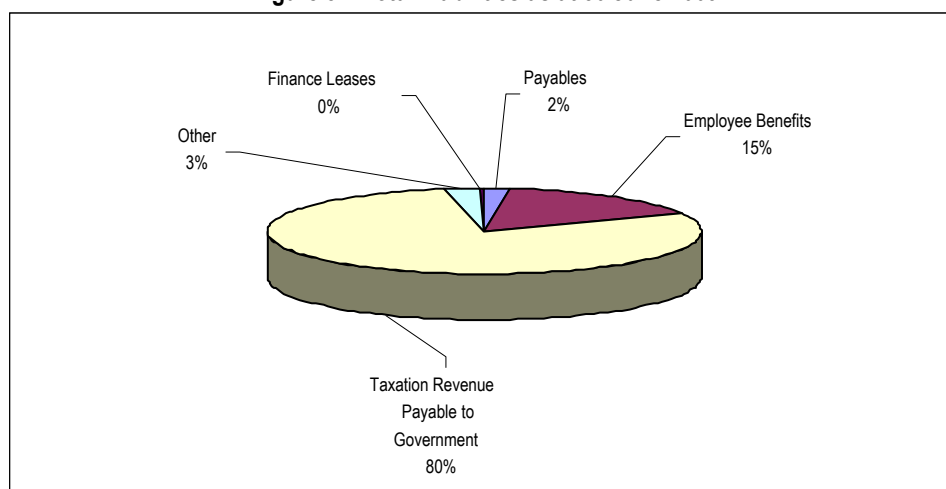
After a \$2 million distribution to Government the current ratio is budgeted to decrease to 1.28:1 in 2009-10. The Commission is expecting to maintain a strong level of liquidity with the current ratio steadily increasing in the forward years to **1.39:1** by 2011-12.

## Total Liabilities

### 1. Components of Total Liabilities

Figure 5 below indicates that the majority of the Commission's liabilities as at 30 June 2009 relate to taxation revenue payable to Government (**80 per cent**) and employee benefits (**15 per cent**).

Figure 5 – Total Liabilities as at 30 June 2009



### 2. Comparison to Budget

The Commission's liabilities for the year ended 30 June 2009 of **\$5.879 million** is **\$0.415 million** higher than the 2008-09 budget of **\$5.464 million** largely due to taxation revenue payable to Government being higher than anticipated (**\$0.496 million**).

### 3. Comparison to 2007-08 Actuals

Total liabilities are **\$0.239 million** lower than the 2007-08 actual results of **\$6.118 million** mainly due to a decrease in taxation revenue payable to Government (**\$0.533 million**) partially off-set by an increase in employee entitlements (**\$0.219 million**) which is the result of the inclusion of on-costs in the calculation of Annual Leave liability and a change in methodology used to estimate the Long Service Leave liability along with an increase in payables (**\$0.056 million**).

## A.6 Financial Report

The *Financial Management Act 1996* requires the Commission to prepare its annual financial report in accordance with generally accepted accounting principles.



### ACT AUDITOR-GENERAL'S OFFICE



A09/32

Mr Malcolm Gray  
Chair  
ACT Gambling and Racing Commission  
Level 2, Canberra Nara Centre  
1 Constitution Avenue  
CANBERRA ACT 2601

Dear Mr Gray

#### **AUDIT REPORT ON THE FINANCIAL REPORT OF THE ACT GAMBLING AND RACING COMMISSION FOR THE YEAR ENDED 30 JUNE 2009**

The Audit Office has completed the audit of the financial report of the ACT Gambling and Racing Commission for the year ended 30 June 2009.

I am pleased to attach the audited financial report together with the **unqualified** audit report.

I have provided a copy of each of these reports to the Treasurer, Ms Katy Gallagher MLA.

Yours sincerely

Tu Pham  
Auditor-General  
13 August 2009

c.c. Mr Greg Jones, Chief Executive Officer, ACT Gambling and Racing  
Commission  
Mr David Morgan, Senior Manager, Budget Strategy and Reporting Branch,  
Department of Treasury

**ACT AUDITOR-GENERAL'S OFFICE****INDEPENDENT AUDIT REPORT****ACT GAMBLING AND RACING COMMISSION****To the Members of the ACT Legislative Assembly****Report on the financial report**

I have audited the financial report of the ACT Gambling and Racing Commission (the Commission) for the year ended 30 June 2009. The financial report is comprised of the operating statement, balance sheet, statement of changes in equity, cash flow statement, statement of appropriation and accompanying notes.

**Responsibility for the financial report**

The Governing Board of the Commission is responsible for the preparation and fair presentation of the financial report in accordance with the *Financial Management Act 1996*. This includes responsibility for maintaining adequate accounting records and internal controls that are designed to prevent and detect fraud and error and for the accounting policies and estimates used in the preparation of the financial report.

**The auditor's responsibility**

My responsibility is to express an independent audit opinion on the financial report of the Commission based on my audit as required by the *Financial Management Act 1996*.

The audit was conducted in accordance with Australian Auditing Standards to provide reasonable assurance that the financial report is free of material misstatement.

I formed the audit opinion by performing audit procedures to obtain evidence about the amounts and disclosures in the financial report. As these procedures are influenced by the use of professional judgement, selective testing of evidence supporting the amounts and other disclosures in the financial report, inherent limitations of internal control and the availability of persuasive rather than conclusive evidence, an audit cannot guarantee that all material misstatements have been detected.

Although the effectiveness of internal controls is considered when determining the nature and extent of audit procedures, the audit was not designed to provide assurance on internal controls.

The audit is not designed to provide assurance on the appropriateness of budget information included in the financial report or to evaluate the prudence of decisions made by the Commission.

### Electronic presentation of the audited financial report

Those viewing an electronic presentation of this financial report should note that the audit does not provide assurance on the integrity of information presented electronically and does not provide an opinion on any other information which may have been hyperlinked to or from this report. If users of the report are concerned with the inherent risks arising from the electronic presentation of information, they are advised to refer to the printed copy of the audited financial report to confirm the accuracy of this electronically presented information.

### Independence

I followed applicable independence requirements of Australian professional ethical pronouncements in conducting the audit.

### Audit opinion

In my opinion, the financial report of the Commission for the year ended 30 June 2009:

- (i) is presented in accordance with the *Financial Management Act 1996*, Accounting Standards and other mandatory financial reporting requirements in Australia; and
- (ii) presents fairly the financial position of the Commission as at 30 June 2009 and the results of its operations and its cash flows for the year then ended.

This audit opinion should be read in conjunction with the above information.



Tu Pham  
Auditor-General  
13 August 2009



**ACT Gambling and Racing Commission  
Financial Report  
For the Year Ended 30 June 2009**

**Statement of Responsibility**

In my opinion, the financial report is in agreement with the ACT Gambling and Racing Commission's accounts and records and fairly reflects the financial operations of the ACT Gambling and Racing Commission for the year ended 30 June 2009 and the financial position of the ACT Gambling and Racing Commission on that date.

A handwritten signature in black ink, appearing to read 'Malcolm Gray'.

Malcolm Gray  
Chairperson  
ACT Gambling and Racing Commission

15 July 2009



**ACT Gambling and Racing Commission  
Financial Report  
For the Year Ended 30 June 2009**

**Statement by the Chief Finance Officer**

In my opinion, the financial report has been prepared in accordance with generally accepted accounting principles and is in agreement with the ACT Gambling and Racing Commission's accounts and records and fairly reflects the financial operations of the ACT Gambling and Racing Commission for the year ended 30 June 2009 and the financial position of the ACT Gambling and Racing Commission on that date



Ron Leonard  
Chief Finance Officer  
ACT Gambling and Racing Commission

15 July 2009

# **ACT GAMBLING AND RACING COMMISSION**

## **FINANCIAL REPORT**

**FOR THE YEAR ENDED 30 JUNE 2009**

**ACT Gambling and Racing Commission  
Operating Statement  
For the Year Ended 30 June 2009**

	<b>Note No.</b>	<b>Actual 2009 \$</b>	<b>Budget 2009 \$</b>	<b>Actual 2008 \$</b>
<b>Income</b>				
<i>Revenue</i>				
Government Payment for Outputs	4	4,142,000	4,230,000	4,030,000
Taxation Collected on Behalf of the Territory	5	51,517,904	53,908,000	52,527,306
Regulatory Fees	6	2,936,065	3,033,000	2,890,079
Interest		175,391	220,000	242,759
Resources Received Free of Charge	7	26,297	25,000	33,777
<i>Total Revenue</i>		<u>58,797,657</u>	<u>61,416,000</u>	<u>59,723,921</u>
<i>Gains</i>				
Other Gains	8	0	328,000	333,000
<i>Total Gains</i>		<u>0</u>	<u>328,000</u>	<u>333,000</u>
<b>Total Income</b>		<u><b>58,797,657</b></u>	<u><b>61,744,000</b></u>	<u><b>60,056,921</b></u>
<b>Expenses</b>				
Employee Expenses	9	2,585,386	2,543,000	2,159,295
Superannuation Expenses	10	378,361	466,000	374,037
Supplies and Services	11	696,430	1,060,000	684,342
Depreciation and Amortisation	12	9,640	15,000	5,803
Borrowing Costs	13	1,834	2,000	1,410
Taxation Revenue Transferred to Government		54,453,969	57,266,000	55,750,385
<b>Total Expenses</b>		<u><b>58,125,620</b></u>	<u><b>61,352,000</b></u>	<u><b>58,975,272</b></u>
<b>Operating Surplus</b>		<u><b>672,037</b></u>	<u><b>392,000</b></u>	<u><b>1,081,649</b></u>

The above Operating Statement should be read in conjunction with the accompanying notes.

The ACT Gambling and Racing Commission has only one output class and as such the above Operating Statement is also the Commission's Operating Statement for the Gambling Regulation and Compliance Output Class. The Gambling Regulation and Compliance Output Class covers the regulation of gambling and racing activities in accordance with the ACT gaming laws including the correct payment of gambling taxes and fees.



**ACT Gambling and Racing Commission  
Balance Sheet  
As at 30 June 2009**

	<b>Note No.</b>	<b>Actual 2009 \$</b>	<b>Budget 2009 \$</b>	<b>Actual 2008 \$</b>
<b>Current Assets</b>				
Cash and Cash Equivalents	17	4,841,871	3,690,000	4,014,078
Receivables	18	4,859,775	4,363,000	5,376,243
Prepayments		619	27,000	0
<b>Total Current Assets</b>		<b>9,702,265</b>	<b>8,080,000</b>	<b>9,390,321</b>
<b>Non-Current Assets</b>				
Plant and Equipment	19	30,303	34,000	34,218
Intangible Assets	20	0	357,000	0
<b>Total Non-Current Assets</b>		<b>30,303</b>	<b>391,000</b>	<b>34,218</b>
<b>Total Assets</b>		<b>9,732,568</b>	<b>8,471,000</b>	<b>9,424,539</b>
<b>Current Liabilities</b>				
Payables	21	121,247	123,000	65,375
Finance Leases	22	21,658	24,000	7,359
Employee Benefits	23	772,308	819,000	574,369
Taxation Revenue Payable to Government		4,712,278	4,216,000	5,245,208
Other Liabilities	24	160,429	131,000	134,164
<b>Total Current Liabilities</b>		<b>5,787,920</b>	<b>5,313,000</b>	<b>6,026,475</b>
<b>Non-Current Liabilities</b>				
Finance Leases	22	0	0	21,658
Employee Benefits	23	91,383	151,000	70,178
<b>Total Non-Current Liabilities</b>		<b>91,383</b>	<b>151,000</b>	<b>91,836</b>
<b>Total Liabilities</b>		<b>5,879,303</b>	<b>5,464,000</b>	<b>6,118,311</b>
<b>Net Assets</b>		<b>3,853,265</b>	<b>3,007,000</b>	<b>3,306,228</b>
<b>Equity</b>				
Accumulated Funds	25	3,848,738	3,007,000	3,301,341
Asset Revaluation Reserve	25	4,887	0	4,887
<b>Total Equity</b>		<b>3,853,265</b>	<b>3,007,000</b>	<b>3,306,228</b>

The above Balance Sheet should be read in conjunction with the accompanying notes.

**ACT Gambling and Racing Commission  
Statement of Changes in Equity  
For the Year Ended 30 June 2009**

	<b>Note No.</b>	<b>Actual 2009 \$</b>	<b>Budget 2009 \$</b>	<b>Actual 2008 \$</b>
<b>Total Equity at the Beginning of the Reporting Period</b>		3,306,228	2,615,000	2,219,692
<i>Accumulated Funds</i>				
Operating Surplus	25	672,037	392,000	1,081,649
<i>Reserves</i>				
Increase in the Asset Revaluation Reserve	25	0	0	4,887
<b>Total Income and Expense Recognised Directly in Equity for the Period</b>		<b>672,037</b>	<b>392,000</b>	<b>1,086,536</b>
<b>Transactions Involving Equity Holders Affecting Accumulated Funds</b>				
Capital Injections		1,875,000	1,875,000	0
Capital (Distributions)		(2,000,000)	0	0
Transfer of Cash Balances		0	(1,875,000)	0
<b>Total Transactions Involving Equity Holders Affecting Accumulated Funds</b>		<b>(125,000)</b>	<b>0</b>	<b>0</b>
<b>Total Equity at the End of the Reporting Period</b>		<b>3,853,265</b>	<b>3,007,000</b>	<b>3,306,228</b>

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

**ACT Gambling and Racing Commission  
Cash Flow Statement  
For the Year Ended 30 June 2009**

	<b>Note No.</b>	<b>Actual 2009 \$</b>	<b>Budget 2009 \$</b>	<b>Actual 2008 \$</b>
<b>Cash Flows from Operating Activities</b>				
<b>Receipts</b>				
Government Payment for Outputs		4,142,000	4,230,000	4,030,000
Taxation Collected on Behalf of the Territory		52,024,569	54,236,000	51,827,983
Regulatory Fees		2,962,330	3,033,000	2,893,148
Interest Received		190,254	220,000	235,536
Goods and Services Tax Input Tax Credits from Australian Taxation Office		64,131	143,000	63,309
<b>Total Receipts from Operating Activities</b>		<b>59,383,284</b>	<b>61,862,000</b>	<b>59,049,976</b>
<b>Payments</b>				
Employee		2,369,576	2,463,000	2,319,701
Superannuation		375,027	466,000	377,864
Supplies and Services		614,880	1,039,000	661,456
Borrowing Costs		1,834	0	1,410
Taxation Revenue transferred to Government		54,986,899	57,269,000	54,721,131
Goods and Services Tax Paid to Suppliers		69,191	143,000	66,318
<b>Total Payments from Operating Activities</b>		<b>58,417,407</b>	<b>61,380,000</b>	<b>58,147,880</b>
<b>Net Cash Inflows from Operating Activities</b>	29	<b>965,877</b>	<b>482,000</b>	<b>902,096</b>
<b>Cash Flows from Investing Activities</b>				
<b>Payments</b>				
Purchase of Plant and Equipment		5,725	10,000	0
Purchase of Intangibles		0	360,000	0
<b>Total Payments from Investing Activities</b>		<b>5,725</b>	<b>370,000</b>	<b>0</b>
<b>Net Cash (Outflows) from Investing Activities</b>		<b>(5,725)</b>	<b>(370,000)</b>	<b>0</b>
<b>Cash Flows from Financing Activities</b>				
<b>Receipts</b>				
Capital Injections		1,875,000	1,875,000	0
<b>Total Receipts from Financing Activities</b>		<b>1,875,000</b>	<b>1,875,000</b>	<b>0</b>
<b>Payments</b>				
Repayment of Finance Lease Liabilities		7,359	7,000	4,344
Capital Distributions		2,000,000	0	0
Transfer of Cash Balances		0	1,875,000	0
<b>Total Payments from Financing Activities</b>		<b>2,007,359</b>	<b>1,882,000</b>	<b>4,344</b>
<b>Net Cash (Outflows) from Financing Activities</b>		<b>(132,359)</b>	<b>(7,000)</b>	<b>(4,344)</b>

**ACT Gambling and Racing Commission  
Cash Flow Statement - Continued  
For the Year Ended 30 June 2009**

	Note No.	Actual 2009 \$	Budget 2009 \$	Actual 2008 \$
<b>Net Increase in Cash and Cash Equivalents</b>		<b>827,793</b>	<b>105,000</b>	<b>897,752</b>
Cash and Cash Equivalents at the Beginning of the Reporting Period		4,014,078	3,585,000	3,116,326
<b>Cash and Cash Equivalents at the End of the Reporting Period</b>	17/29	<b>4,841,871</b>	<b>3,690,000</b>	<b>4,014,078</b>

The above Cash Flow Statement should be read in conjunction with the accompanying notes.

**ACT Gambling and Racing Commission  
Statement of Appropriation  
For the Year Ended 30 June 2009**

	Budget 2009 \$	Total Appropriated 2009 \$	Appropriation Drawn 2009 \$	Appropriation Drawn 2008 \$
Government Payment for Outputs	4,230,000	4,230,000	4,142,000	4,030,000
Capital Injections	1,875,000	1,875,000	1,875,000	0
<b>Total Appropriation</b>	<b>6,105,000</b>	<b>6,105,000</b>	<b>6,017,000</b>	<b>4,030,000</b>

The above Statement of Appropriation should be read in conjunction with the accompanying notes.

**Column Heading Explanations**

The *Budget* column shows the amounts that appear in the Cash Flow Statement in the Gambling and Racing Commission's Statement of Intent. This amount also appears in the Cash Flow Statement of this financial report.

The *Total Appropriated* column is inclusive of all appropriation variations occurring after the Original Budget.

The *Appropriation Drawn* is the total amount of appropriation received by the ACT Gambling and Racing Commission during the year. This amount also appears in the Cash Flow Statement of this financial report.

**Variance between "Total Appropriated" and "Appropriation Drawn"**

The reduction in *Appropriation Drawn* compared to *Total Appropriated* relates to superannuation contributions which remain unspent during the year of appropriation and which have been returned to Government.

## ACT Gambling and Racing Commission Note Index

	Page
Note 1 Objectives of the ACT Gambling and Racing Commission	25
Note 2 Summary of Significant Accounting Policies	25
Note 3 Change in Accounting Estimates and Impact of Accounting Standards Issued but yet to be Applied	32
<b>Income Notes</b>	
Note 4 Government Payment for Outputs	35
Note 5 Taxation Collected on Behalf of the Territory	35
Note 6 Regulatory Fees	35
Note 7 Resources Received Free of Charge	35
Note 8 Other Gains	35
<b>Expense Notes</b>	
Note 9 Employee Expenses	36
Note 10 Superannuation Expenses	36
Note 11 Supplies and Services	36
Note 12 Depreciation and Amortisation	37
Note 13 Borrowing Costs	37
Note 14 Waivers, Impairment Losses and Write-Offs	37
Note 15 Act of Grace Payments	37
Note 16 Auditor's Remuneration	37
<b>Asset Notes</b>	
Note 17 Cash and Cash Equivalents	37
Note 18 Receivables	38
Note 19 Plant and Equipment	39
Note 20 Intangible Assets	39
<b>Liabilities Notes</b>	
Note 21 Payables	40
Note 22 Finance Leases	41
Note 23 Employee Benefits	42
Note 24 Other Liabilities	43
<b>Equity Note</b>	
Note 25 Equity	43
<b>Other Notes</b>	
Note 26 Financial Instruments	43
Note 27 Remuneration of Commissioners	47
Note 28 Contingent Liabilities and Contingent Assets	47
Note 29 Cash Flow Reconciliation	48
Note 30 Events Occurring After Balance Date	48
Note 31 Third Party Monies	48

**ACT Gambling and Racing Commission  
Notes to and Forming Part of the Financial Report  
For the Year Ended 30 June 2009**

**Note 1 Objectives of the ACT Gambling and Racing Commission**

The primary objectives of the ACT Gambling and Racing Commission (the Commission) are to:

- regulate gambling and racing activities in accordance with ACT gaming laws;
- review gaming laws to ensure their continued relevance and appropriateness;
- manage research and data collection in regard to the social and economic impacts of gambling in the ACT; and
- ensure compliance by gaming organisations and persons with the payment of fee and tax liabilities.

The Commission also collects a number of different gambling related taxes, fees and fines for the ACT Government.

**Note 2 Summary of Significant Accounting Policies**

**a) Basis of Accounting**

The *Financial Management Act 1996* (FMA) requires the preparation of financial statements (financial report) for Territory Authorities.

The FMA and the *Financial Management Guidelines* issued under the Act requires that a Territory Authority's financial statements (financial report) include:

- an Operating Statement for the year;
- a Balance Sheet at the end of the year;
- a Statement of Changes in Equity for the year;
- a Cash Flow Statement for the year;
- a Statement of Appropriation for the year;
- a summary of the significant accounting policies adopted for the year; and
- such other statements as are necessary to fairly reflect the financial operations of the Territory Authority during the year and its financial position at the end of the year.

This general-purpose financial report has been prepared to comply with 'Generally Accepted Accounting Principles' (GAAP) as required by the FMA. This financial report has been prepared in accordance with:

- i. Australian Equivalents to International Financial Reporting Standards (AIFRS), comprising accounting standards and accounting interpretations issued by the Australian Accounting Standards Board and the former Urgent Issues Group; and
- ii. ACT Accounting Policies.

The financial report has been prepared using the accrual basis of accounting which recognises the effects of transactions and events when they occur. The financial report has also been prepared according to the historical cost convention except for assets which were valued in accordance with the (re)valuation policies applicable to the Commission during the reporting period.

This financial report is presented in Australian dollars which is the Commission's functional currency.

The Commission is an individual reporting entity.

**ACT Gambling and Racing Commission  
Notes to and Forming Part of the Financial Report  
For the Year Ended 30 June 2009**

**Note 2 Summary of Significant Accounting Policies - Continued****b) The Reporting Period**

This financial report states the financial performance, changes in equity and cash flows of the Commission for the year ending 30 June 2009 together with the financial position of the Commission as at 30 June 2009.

**c) Comparative Figures***Budget Figures*

Budget information provided for 2008-09 matches the budget information contained in the Commission's Statement of Intent. The *Financial Management Act 1996* requires the financial report to facilitate a comparison with the Statement of Intent. The budgeted financial information is directly comparable to the Statement of Intent.

*Prior Year Comparatives*

Comparative information has been disclosed in respect of the previous period for all amounts reported in the financial report except where an Australian Accounting Standard does not require comparative information to be disclosed.

Where the presentation or classification of items in the financial report is amended the comparative amounts have been reclassified where practical. Where a reclassification has occurred the nature, amount and reason for the reclassification is provided.

**d) Revenue Recognition**

Revenue is recognised at the fair value of the consideration received or receivable in the Operating Statement. All revenue is recognised to the extent that it is probable that the economic benefits will flow to the Commission and the revenue can be reliably measured.

Taxation and Regulatory revenues are collected on behalf of the Territory.

**e) Resources Received Free of Charge**

Resources Received Free of Charge are recorded as a revenue and expense in the Operating Statement at fair value. The revenue is separately disclosed under resources received free of charge with the expense being recorded in the line item to which it relates. Services that are received free of charge are only recorded in the Operating Statement if they can be reliably measured and would have been purchased if not provided to the Commission free of charge. Advice from the ACT Government Solicitor's Office Legal Services Branch confirms the value of legal services provided free of charge to the Commission was \$26,297 (2007-2008 \$33,777).

**f) Repairs and Maintenance**

The Commission undertakes cyclical maintenance on its plant and equipment. Where the maintenance leads to an upgrade of the asset and increases the service potential of existing plant and equipment the cost is capitalised. Maintenance expenses which do not increase the service potential of the asset are expensed.

**g) Borrowing Costs**

Borrowing costs are expensed in the period in which they are incurred.



**ACT Gambling and Racing Commission  
Notes to and Forming Part of the Financial Report  
For the Year Ended 30 June 2009**

**Note 2 Summary of Significant Accounting Policies - Continued****h) Taxation**

The Commission pays Goods and Services Tax and Fringe Benefits Tax. The amount of Fringe Benefits Tax paid for the year was \$8,863 (2007-2008 \$20,956).

**i) Current and Non-Current Items**

Assets and liabilities are classified as current or non-current in the Balance Sheet and in the relevant notes. Assets are classified as current where they are expected to be realised within 12 months after the reporting date. Liabilities are classified as current when they are due to be settled within 12 months after the reporting date or the Commission does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Assets or liabilities which do not fall within the current classification are classified as non-current.

**j) Impairment of Assets**

The Commission assesses, at each reporting date, whether there is any indication that an asset may be impaired. Assets are also reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Any resulting impairment losses for plant and equipment are recognised as a decrease in the available Asset Revaluation Reserve. Where the impairment loss is greater than the balance in the Asset Revaluation Reserve, for the relevant class of assets, the difference is expensed in the Operating Statement.

An impairment loss is the amount by which the carrying amount of an asset (or cash-generating unit) exceeds its recoverable amount. The recoverable amount is the higher of 'fair value less cost to sell' and its 'value in use'. An asset's 'value in use' is its depreciated replacement cost where the asset would be replaced if the Commission were deprived of it. Non-financial assets which have previously been impaired are reviewed for possible reversal of impairment at each reporting date.

**k) Cash and Cash Equivalents**

For the purposes of the Cash Flow Statement and the Balance Sheet, cash includes cash at bank and cash on hand. Cash equivalents are short-term highly liquid investments that are readily converted to known amounts of cash which are subject to an insignificant risk of changes in value. Bank overdrafts are included in cash and cash equivalents in the Cash Flow Statement but not in the cash and cash equivalents line on the Balance Sheet.

**ACT Gambling and Racing Commission  
Notes to and Forming Part of the Financial Report  
For the Year Ended 30 June 2009**

**Note 2 Summary of Significant Accounting Policies - Continued****l) Receivables**

Accounts receivable (including gambling taxes accrued and other trade receivables) are initially recognised at fair value and are subsequently measured at amortised cost with any adjustments to the carrying amount being recorded in the Operating Statement.

Gambling taxes accrued arise in the normal course of gambling related activity. It is a statutory requirement that gambling taxes for a particular month must be paid in the following month.

Other trade receivables arise outside the normal course of selling goods and services to other agencies and to the public. Other trade receivables are payable within 30 days after the issue of an invoice or the goods/services have been provided under a contractual arrangement. In some cases the Commission has entered into contractual arrangements with some customers allowing it to charge interest at commercial rates where payments are not received within 60 days after the amount falls due until the whole debt is paid.

The allowance for impairment losses represents the amount of trade receivables and other trade receivables the Commission estimates will not be paid. The allowance for impairment losses is based on objective evidence and a review of overdue balances. The Commission considers the following is objective evidence of impairment:

- becoming aware of financial difficulties of debtors;
- default payments; or
- debts more than 90 days overdue.

The amount of the allowance is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial. The amount of the allowance is recognised in the Operating Statement. The allowance for impairment losses are written back against the receivables account when the Commission ceases action to collect the debt as it considers that it will cost more to recover the debt than the debt is worth.

Receivables that have been renegotiated because they are past due or impaired are accounted for based on the renegotiated terms.

**m) Acquisition and Recognition of Plant and Equipment**

Plant and equipment is initially recorded at cost. Cost includes the purchase price, directly attributable costs and the estimated cost of dismantling and removing the item (where, upon acquisition, there is a present obligation to remove the item).

Where plant and equipment is acquired at no cost or minimal cost, cost is its fair value as at the date of the acquisition.

The Commission capitalises all plant and equipment with a minimum value of \$2,000.

**ACT Gambling and Racing Commission  
Notes to and Forming Part of the Financial Report  
For the Year Ended 30 June 2009**

**Note 2 Summary of Significant Accounting Policies - Continued**
**n) Measurement of Plant and Equipment After Initial Recognition**

Plant and equipment is measured at fair value.

Fair value is the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction. Fair value is measured using market based evidence for that asset (or similar asset) as this is the best evidence of an asset's fair value. Where the market price for an asset cannot be obtained because the asset is specialised and is rarely sold, depreciated replacement cost is used as fair value.

The fair value of Commission assets was obtained by seeking an estimate of the market value from industry providers for all assets held under plant and equipment. The Commission's assets are re-valued in this way every 3 years.

**o) Depreciation and Amortisation of Non-Current Assets**

Non-current assets with a limited useful life are systematically depreciated/amortised over their useful lives in a manner that reflects the consumption of their service potential. The useful life commences when an asset is ready for use. When an asset is re-valued it is depreciated/amortised over its newly assessed remaining useful life. Depreciation is applied to physical assets such as plant and equipment.

Plant and equipment under a finance lease are depreciated over the estimated useful life of each asset, or the unexpired period of the relevant lease, whichever is shorter.

Depreciation for non-current assets is determined as follows:

<b><u>Class of Asset</u></b>	<b><u>Depreciation/Amortisation Method</u></b>	<b><u>Useful Life (Years)</u></b>
Plant and Equipment	Straight Line	5 years
Plant and Equipment Under a Finance Lease	Straight Line	Length of lease (2 years)

The useful life of each major asset is reassessed on an annual basis.

**p) Payables**

Payables are a financial liability and are measured at the fair value of the consideration received when initially recognised and at amortised cost subsequent to initial recognition with any adjustments to the carrying amount being recorded in the Operating Statement. All amounts are normally settled within 30 days after the invoice date.

Payables include Accrued Expenses.

Accrued Expenses represents goods and services provided by other parties during the period that are unpaid at the end of the reporting period and where an invoice has not been received by period end.

**ACT Gambling and Racing Commission  
Notes to and Forming Part of the Financial Report  
For the Year Ended 30 June 2009**

**Note 2 Summary of Significant Accounting Policies – Continued****q) Leases**

The Commission has entered into finance leases for motor vehicles.

*Finance Lease*

Finance leases effectively transfer to the Commission substantially all the risk and rewards incidental to the ownership of the assets under a finance lease. The title may or may not eventually be transferred. Finance leases are initially recognised as an asset and a liability at the lower of the fair value of the asset and the present value of the minimum lease payments each being determined at the inception of the lease. The discount rate used to calculate the present value of the minimum lease payments is the interest rate implicit in the lease. Assets under a finance lease are depreciated over the shorter of the asset's useful life and lease term. Each lease payment is allocated between interest expense and the reduction of the lease liability. Lease liabilities are classified as current and non-current.

**r) Employee Benefits**

Employee benefits include wages and salaries, annual leave, long service leave and applicable on-costs. On-costs include annual leave, long service leave, superannuation and other costs that are incurred when employees take annual leave and long service leave. These benefits accrue as a result of services provided by employees up to the reporting date that remain unpaid. They are recorded as a liability and as an expense.

*Wages and Salaries*

Accrued wages and salaries are measured at the amount that remains unpaid to employees at the end of the reporting period.

*Annual and Long Service Leave*

Annual leave and long service leave that falls due wholly within the next 12 months is measured based on the estimated amount of remuneration payable when the leave is taken.

Annual leave and long service leave including applicable on-costs that do not fall due within the next 12 months is measured at the present value of estimated future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to the future wage and salary levels, experience of employee departures and periods of service. At each reporting date, the estimated future payments are discounted using market yields on Commonwealth Government bonds with terms of maturity to match, as closely as possible, the estimated future cash flows. In 2008-09, the discount factor used to calculate the present value of these future payments is 90.5% (95% in 2007-08).

The long service leave liability is estimated with reference to the minimum period of qualifying service. For employees with less than the minimum period of 7 years qualifying service, the probability that employees will reach the required minimum period has been taken into account in estimating the provision for long service leave and the applicable on-costs.

The provision for annual leave and long service leave includes estimated on-costs. As these on-costs only become payable if the employee takes annual and long service leave while in-service, the probability that employees will take annual and long service leave while in-service has been taken into account in estimating the liability for on-costs.

**ACT Gambling and Racing Commission  
Notes to and Forming Part of the Financial Report  
For the Year Ended 30 June 2009**

**Note 2 Summary of Significant Accounting Policies – Continued**

**r) Employee Benefits - Continued**

Annual leave and long service leave liabilities are classified as current liabilities in the Balance Sheet where there are no unconditional rights to defer the settlement of the liability for at least 12 months. However, where there is an unconditional right to defer the settlement of the liability for at least 12 months, annual leave and long service leave have been classified as a non-current liability in the Balance Sheet.

**s) Superannuation**

Superannuation payments are made to the Territory Banking Account each year to cover the Commission's superannuation liability for the Commonwealth Superannuation Scheme (CSS) and the Public Sector Superannuation Scheme (PSS). This payment covers the CSS/PSS employer contribution but does not include the productivity component. The productivity component is paid directly to Comsuper by the Commission. The CSS and PSS are defined benefit superannuation plans which mean that the defined benefits received by employees are based on the employee's years of service and average final salary.

Superannuation payments have also been made directly to superannuation funds for those members of the Public Sector who are part of superannuation accumulation schemes. This includes the Public Sector Superannuation Scheme Accumulation Plan (PSSAP) and schemes of employee choice.

Superannuation employer contribution payments for the CSS and PSS are calculated by taking the salary level at an employee's anniversary date and multiplying it by the actuarially assessed nominal CSS and PSS employer contribution rate for each employee. The productivity component payments are calculated by taking the salary level at an employee's anniversary date and multiplying it by the employer contribution rate (approximately 3%) for each employee. Superannuation payments for the PSSAP are calculated by taking the salary level at an employee's anniversary date and multiplying it by the appropriate employer contribution rate. Superannuation payments for fund of choice arrangements are calculated by taking an employee's salary each pay and multiplying it by the appropriate employer contribution rate.

A superannuation liability is not recognised in the Balance Sheet as the Superannuation Provision Account recognises the total Territory superannuation liability for the CSS and PSS. Comsuper and the external schemes recognises the superannuation liability for PSSAP and other schemes respectively.

The ACT Government is liable for the reimbursement of the emerging costs of benefits paid each year to members of the CSS and PSS in respect of the ACT Government service provided after 1 July 1989. These reimbursement payments are made from the Superannuation Provision Account.

**t) Equity Contributed by or Distributed to the ACT Government**

Contributions made to the ACT Government, through its role as "owner" of the Commission, are treated as contributions of equity.

**u) Insurance**

The Commission insures all of its major risks through the ACT Insurance Authority. The excess payable under this arrangement varies depending on each class of insurance held by the Commission.

**ACT Gambling and Racing Commission  
Notes to and Forming Part of the Financial Report  
For the Year Ended 30 June 2009**

**Note 2 Summary of Significant Accounting Policies – Continued**

**v) Significant Accounting Judgements and Estimates**

In the process of applying the accounting policies listed in this note, the Commission has made the following judgements and estimates that have the most significant impact on the amounts recorded in the financial report:

*Employee Benefits*

Significant judgements have been applied in estimating the liability for employee benefits. The estimated liability for employee benefits requires a consideration of the future wage and salary levels, experience of employee departures and periods of service. The estimate also includes an assessment of the probability that employees will meet the minimum service period required to qualify for long service leave and that on-costs will become payable. Further information on this estimate is provided in Note 2(r) *Employee Benefits* and Note 3 *Change in Accounting Estimates and Impact of Accounting Standards Issued but yet to be Applied*.

*Plant and Equipment – Impairment*

The Commission annually assesses plant and equipment for impairment. If this assessment indicates an asset is impaired then an assessment of the asset's recoverable amount must be estimated to determine whether an impairment loss must be recognised. Further details in relation to the process of impairment are outlined in Note 2(j) - *Impairment of Assets*.

*Estimation of the Useful Lives of Plant and Equipment*

The Commission has made a significant estimate in determining the useful lives of its plant and equipment. The estimation of useful lives of plant and equipment has been based on the historical experience of similar assets. The useful lives are assessed on an annual basis and any adjustments are made when considered necessary. Further disclosure concerning an asset's useful life can be found at Note 2(o) - *Depreciation and Amortisation of Non-Current Assets*.

**Note 3 Change in Accounting Estimates and Impact of Accounting Standards Issued but yet to be Applied**

**Change in Accounting Estimate**

*Revision of the Methodology used to Estimate the Liability for Employee Benefit*

This year, the Department of Treasury engaged an actuary to review the methodology used by ACT Government agencies to estimate the annual and long service leave liabilities. Following this review, the methodology was revised as follows:

- As disclosed in Note 2(r) *Employee Benefits*, the estimated future payments for annual and long service leave (including applicable on-costs) that do not fall due within the next 12 months are measured at present value.

The estimated future payments are discounted using market yields on Commonwealth Government bonds at the reporting date with terms to maturity that match, as closely as possible, the estimated future cash flows. The rate used to calculate the present value of these estimated future payments has been revised from 95% to 90.5% mainly due to a change in the long-term yields from Commonwealth Government bonds. The revision to the discount rate has resulted in a decrease to the liability for employee benefits and the related expense.

**ACT Gambling and Racing Commission  
Notes to and Forming Part of the Financial Report  
For the Year Ended 30 June 2009**

**Note 3 Change in Accounting Estimates and Impact of Accounting Standards Issued but yet to be Applied - Continued**

**Change in Accounting Estimate - Continued**

- As disclosed in Note 2(r) *Employee Benefits*, the long service leave liability is estimated with reference to the minimum period of qualifying service. For employees with less than the minimum period of 7 years required qualifying service, the probability that employees will reach the minimum period of qualifying service has been taken into account in estimating the provision for long service leave and the related on-costs.

In previous reporting periods, under the methodology used by ACT Government agencies, this liability was estimated by recognising a 100% liability for employees with 5 or more years of service and 0% for employees with less than 5 years of service. This methodology has been replaced whereby the probability that an employee will reach the minimum service period of 7 years is estimated for each completed year of service. The use of this revised methodology has resulted in an increase to the liability for employee benefits and the related expense.

- As disclosed in Note 2(r) *Employee Benefits*, employee benefits include wages and salaries, annual leave, long service leaves and applicable on-costs.

In previous reporting periods, all applicable on-costs were not included in the estimated annual and long service leave liabilities due to an omission. The inclusion of these on-costs in the current reporting period has resulted in an increase to the liability for employee benefits and the related expense.

The above revisions and corrections to the liability for employee benefits has resulted in an increase in the estimate of employee benefits and the related expense of \$210,632 in the current reporting period.

**Impact of Accounting Standards Issued but yet to be Applied**

The following new and revised accounting standards and interpretations have been issued by the Australian Accounting Standards Board but do not apply to the current reporting period. These standards and interpretations are applicable to future reporting periods. The ACT Gambling and Racing Commission does not intend to adopt these standards and interpretations prior to the mandated reporting period. It is estimated that the effect of adopting the below pronouncements, when applicable, will have no material financial impact on the ACT Gambling and Racing Commission.

- AASB 1 First-time Adoption of Australian Accounting Standards (application date 1 July 2009);
- AASB 101 Presentation of Financial Statements (application date 1 January 2009);
- AASB 123 Borrowing Costs (application date 1 January 2009);
- AASB 2007-6 Amendments to Australian Accounting Standards arising from AASB 123 [AASB 1, AASB 101, AASB 107, AASB 111, AASB 116 & AASB 138 and Interpretations 1 & 12] (application date 1 January 2009);
- AASB 2007-8 Amendments to Australian Accounting Standards arising from AASB 101 (application date 1 January 2009);



**ACT Gambling and Racing Commission  
Notes to and Forming Part of the Financial Report  
For the Year Ended 30 June 2009**

**Note 3 Change in Accounting Estimates and Impact of Accounting Standards Issued but yet to be Applied - Continued**

**Impact of Accounting Standards Issued but yet to be Applied - Continued**

- AASB 2007-10 Further amendments to Australian Accounting Standards arising from AASB 101 (application date 1 January 2009);
- AASB 2008-5 Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 5, 7, 101, 102, 107, 108, 110, 116, 118, 119, 120, 123, 127, 128, 129, 131, 132, 134, 136, 138, 139, 140, 141, 1023 & 1038] (application date 1 January 2009);
- AASB 2008-6 Further Amendments to Australian Accounting Standards arising from Annual Improvements Project [AASB 1 & AASB 5] (application date 1 July 2009);
- AASB 2008-9 Amendments to AASB 1049 for Consistency with AASB 101 (application date 1 January 2009);
- AASB 2008-13 Amendments to Australian Accounting Standard arising from AASB Interpretation 17 – Distribution of Non-cash Asset to Owners [AASB 5 & AASB 110] (application date 1 July 2009);
- AASB 2009-1 Amendments to Australian Accounting Standards – Borrowing Costs of Not-for-Profit Public Sector Entities [AASB 1, AASB 111 & AASB 123] (application date 1 January 2009);
- AASB 2009-2 Amendments to Australian Accounting Standards – Improving Disclosures about Financial Instruments [AASB 4, AASB 7 & AASB 1023 & AASB 1038] (application date 1 January 2009);
- AASB 2009-4 Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 2, AASB 138 & AASB Interpretations 9 & 16] (application date 1 July 2009);
- AASB 2009-5 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 5, 8, 101, 107, 117, 118, 136 & 139] (application date 1 January 2010);
- Int 12 Service Concession Arrangements (application date 1 January 2009);
- Int 17 Distribution of Non-cash Assets to Owners (application date 1 July 2009); and
- Int 18 Transfers of Assets from Customers (application date 1 July 2009).



**ACT Gambling and Racing Commission  
Notes to and Forming Part of the Financial Report  
For the Year Ended 30 June 2009**

**Note 4 Government Payment for Outputs**

Government Payment for Outputs (GPO) is revenue received from the ACT Government to fund the costs of delivering outputs. The ACT Government pays GPO appropriation on a fortnightly basis.

	2009 \$	2008 \$
<b>Revenue from the ACT Government</b>		
Government Payment for Outputs	4,142,000	4,030,000
<b>Total Government Payment for Outputs</b>	<b>4,142,000</b>	<b>4,030,000</b>

**Note 5 Taxation Collected On Behalf Of The Territory**

Gaming Machines	34,155,319	34,999,158
Interstate Lotteries	14,022,791	13,835,223
Casino	2,031,918	1,959,991
ACTTAB	1,117,638	1,173,889
Sports Betting	190,238	559,045
<b>Total Taxation Collected On Behalf Of The Territory</b>	<b>51,517,904</b>	<b>52,527,306</b>

**Note 6 Regulatory Fees**

Gaming Machines	172,824	160,809
Lotteries	1,937,412	1,901,011
Casino	778,112	757,062
Sports Betting	46,342	70,105
Racing	1,375	1,092
<b>Total Regulatory Fees</b>	<b>2,936,065</b>	<b>2,890,079</b>

**Note 7 Resources Received Free Of Charge**

Resources received free of charge relates to goods and/or services being provided free of charge from other agencies within the ACT Government.

**Revenue from the ACT Government**

Legal Services	26,297	33,777
<b>Total Resources Received Free Of Charge</b>	<b>26,297</b>	<b>33,777</b>

**Note 8 Other Gains**

Other gains are typically one off and/or unusual transactions that are not part of the Commission's core activities. Other gains are distinct from other revenue as other revenue arises from the core activities of the Commission.

Unclaimed Prizes – Interstate Lotteries & Electronic Gaming Machines	0	333,000
<b>Total Other Gains</b>	<b>0</b>	<b>333,000</b>

The decrease in other gains is due to unclaimed prizes for this reporting period being directly transferred to the ACT Department of Treasury where unclaimed monies are held in a separate account.

**ACT Gambling and Racing Commission  
Notes to and Forming Part of the Financial Report  
For the Year Ended 30 June 2009**

	2009 \$	2008 \$
<b>Note 9 Employee Expenses</b>		
Wages and Salaries <sup>a</sup>	2,075,636	1,831,201
Annual Leave Expense <sup>b</sup>	287,268	200,437
Long Service Leave Expense <sup>c</sup>	211,053	103,167
Comcare Premium	11,429	14,712
Other Employee Benefits and On-costs	0	9,778
<b>Total Employee Expenses</b>	<b>2,585,386</b>	<b>2,159,295</b>

<sup>a</sup> The increase in Wages and Salaries is due to returning to budgeted staffing levels for the majority of 2008-09

<sup>b</sup> The increase in the Annual Leave Expense is due to the inclusion of on-costs in the estimate of the Annual Leave liability. Refer to Note 3 *Change in Accounting Estimates and Impact of Accounting Standards Issued but yet to be Applied* for further details on this change.

<sup>c</sup> The increase in the Long Service Leave expense is due to the change in the methodology used to estimate the Long Service Leave liability. Refer to Note 3 *Change in Accounting Estimates and Impact of Accounting Standards Issued but yet to be Applied* for further details on this change.

**Note 10 Superannuation Expenses**

The Commission receives funding for superannuation payments as part of the Government Payment for Outputs. The Commission then makes payments on a fortnightly basis to the Territory Banking Account for its portion of the Territory's CSS and PSS superannuation liability. The productivity benefit for these schemes is paid directly to Comsuper.

Superannuation payments have been made direct to Comsuper to cover the superannuation liability for employees that are in the new Public Sector Superannuation Scheme Accumulation Plan (PSSAP).

Superannuation payments are also made to external providers as part of the new employee fund of choice arrangements and to employment agencies for the superannuation contribution that the Commission is required to make for the contract staff it employs.

Superannuation Contributions to the Territory Banking Account	261,942	277,701
Productivity Benefit	39,740	53,422
Superannuation Payment to Comsuper (for the PSSAP)	26,368	23,833
Superannuation to External Providers	50,311	19,081
<b>Total Superannuation Expenses</b>	<b>378,361</b>	<b>374,037</b>

**Note 11 Supplies And Services**

Rent and Related Expenses	205,351	196,062
Travel	23,426	11,199
Research Expenses	84,541	65,042
Contractors and Consultants	0	3,583
General Administration Costs	97,181	135,798
Audit Fees	26,300	23,545
Personnel Services	70,281	56,003
Operating Lease Payments	0	10,115
Computer Support Services	163,053	149,218
Legal Fees	26,297	33,777
<b>Total Supplies and Services</b>	<b>696,430</b>	<b>684,342</b>

**ACT Gambling and Racing Commission**  
**Notes to and Forming Part of the Financial Report**  
**For the Year Ended 30 June 2009**

	2009 \$	2008 \$
<b>Note 12 Depreciation and Amortisation</b>		
<b>Depreciation</b>		
Plant and Equipment	745	928
Plant and Equipment Under a Finance Lease	8,895	4,875
<b>Total Depreciation</b>	<b>9,640</b>	<b>5,803</b>

<b>Note 13 Borrowing Costs</b>		
Finance Charges on Finance Leases	1,834	1,410
<b>Total Borrowing Costs</b>	<b>1,834</b>	<b>1,410</b>

**Note 14 Waivers, Impairment Losses and Write-Offs**

Under section 131 of the *Financial Management Act 1996* the Treasurer may, in writing, waive the right to payment of an amount payable to the Territory. A waiver is the relinquishment of a legal claim to a debt over which the Authority has control. The write-off of a debt is the accounting action taken to remove a debt from the books but does not relinquish the legal right of the Authority to recover the amount. The write-off of debts may occur for reasons other than waivers.

There were no waivers during the reporting period pursuant to Section 131 of the *Financial Management Act 1996* (2007-2008 Nil).

There were no impairment losses or write-offs during the reporting period (2007-2008 Nil).

**Note 15 Act of Grace Payments**

Under section 130 of the *Financial Management Act 1996* the Treasurer may, in writing, authorise Act of Grace Payments be made by an Authority. Act of Grace Payments are a method of providing equitable remedies to entities or individuals that may have been unfairly disadvantaged by the Government but have no legal claim to the payment.

There were no Act of Grace Payments made during the reporting period pursuant to Section 130 of the *Financial Management Act 1996* (2007-2008 Nil).

**Note 16 Auditor's Remuneration**

Auditor's remuneration consists of financial audit services provided to the Commission by the ACT Auditor-General's Office. No other services were provided by the ACT Auditor-General's Office.

**Audit Services**

Audit Fees Paid to the ACT Auditor-General's Office	22,400	21,500
<b>Total Audit Fees</b>	<b>22,400</b>	<b>21,500</b>

**Note 17 Cash and Cash Equivalents**

The ACT Gambling and Racing Commission holds three bank accounts with the Commonwealth Bank as part of the whole-of-government banking arrangements.

Cash at Bank	4,841,601	4,013,876
Cash on Hand	270	202
<b>Total Cash and Cash Equivalents</b>	<b>4,841,871</b>	<b>4,014,078</b>

**ACT Gambling and Racing Commission  
Notes to and Forming Part of the Financial Report  
For the Year Ended 30 June 2009**

	2009 \$	2008 \$
<b>Note 18 Receivables</b>		
Gaming Machine Taxation <sup>a</sup>	2,896,597	3,000,000
Interstate Lotteries Duty <sup>b</sup>	1,600,000	1,250,000
Casino Taxation	165,000	150,000
ACTTAB Licence Fee	130,830	103,092
Sports Bookmakers <sup>c</sup>	45,000	110,000
Unclaimed Monies <sup>d</sup>	0	731,000
<b>Sub-Total (Gambling Taxes Accrued)</b>	<b>4,837,427</b>	<b>5,344,092</b>
Other Trade Receivables	8,306	23,169
Net GST Receivable	14,042	8,982
<b>Total Receivables</b>	<b>4,859,775</b>	<b>5,376,243</b>

<sup>a</sup> The decrease in Gaming Machine Taxation is due to an estimated reduction in activity for the month of June payable in July.

<sup>b</sup> The increase in Interstate Lotteries Duty is due to an estimated increase in ticket sales for the month of June payable in July.

<sup>c</sup> The decrease in Sports Bookmakers is due to a reduction in the number of Sports Bookmaker Licences and an estimated reduction in activity for the month of June payable in July.

<sup>d</sup> The decrease in unclaimed monies is due to a change in the Commission's internal process in accounting for unclaimed monies received. A corresponding reduction is identified in the Balance Sheet under Taxation Revenue Payable to Government and has a nil effect on the Commission's operating result. The unclaimed monies for this reporting period are now held by the ACT Department of Treasury in a separate account.

**Ageing of Receivables**

	Not Overdue	Past Due			Total
		Less than 30 Days	30 to 60 days	Greater than 60 Days	
	\$	\$	\$	\$	\$
<b>2009</b>					
Receivables	4,859,775	0	0	0	4,859,775
<b>2008</b>					
Receivables	5,376,243	0	0	0	5,376,243

<b>Classification of ACT Government/Non-ACT Government Receivables</b>	2009 \$	2008 \$
<b>Receivables with ACT Government Agencies</b>		
Gambling Taxes Accrued	130,830	103,092
Net Other Trade Receivables	0	0
<b>Total Receivables with ACT Government Agencies</b>	<b>130,830</b>	<b>103,092</b>
<b>Receivables with Non-ACT Government Entities</b>		
Gambling Taxes Accrued	4,706,597	5,241,000
Net Other Trade Receivables	8,306	23,169
Net GST Receivable	14,042	8,982
<b>Total Receivables with Non-ACT Government Entities</b>	<b>4,728,945</b>	<b>5,273,151</b>
<b>Total Receivables</b>	<b>4,859,775</b>	<b>5,376,243</b>

**ACT Gambling and Racing Commission  
Notes to and Forming Part of the Financial Report  
For the Year Ended 30 June 2009**

**Note 19 Plant and Equipment**

*Plant and equipment held includes motor vehicles under finance lease, office and computer equipment and furniture and fittings.*

	2009 \$	2008 \$
<b>Plant and Equipment</b>		
Plant and Equipment at Fair Value	9,034	3,309
Less: Accumulated Depreciation	(745)	0
<b>Total Written Down Value of Plant and Equipment</b>	<b>8,289</b>	<b>3,309</b>
<b>Plant and Equipment under a Finance Lease</b>		
Plant and Equipment under a Finance Lease at Fair Value	30,909	30,909
Less: Accumulated Depreciation of Plant and Equipment under a Finance Lease	(8,895)	0
<b>Total Written Down Value of Plant and Equipment under a Finance Lease</b>	<b>22,014</b>	<b>30,909</b>
<b>Total Written Down Value of Plant and Equipment</b>	<b>30,303</b>	<b>34,218</b>

**Valuation of Non-Current Assets**

The Commission obtained valuations on all of the Commission's non-current assets. The latest valuations were performed as at 30 June 2008.

**Reconciliation of Plant and Equipment**

The following table shows the movement of Plant and Equipment during 2008-09 and 2007-08.

<b>2008-2009</b>	<b>Plant and Equipment \$</b>	<b>Total \$</b>
<b>Carrying Amount at the Beginning of the Reporting Period</b>	<b>34,218</b>	<b>34,218</b>
Additions	5,725	5,725
Revaluation Increment	0	0
Depreciation	(9,640)	(9,640)
<b>Carrying Amount at the End of the Reporting Period</b>	<b>30,303</b>	<b>30,303</b>
<b>2007-2008</b>	<b>Plant and Equipment \$</b>	<b>Total \$</b>
<b>Carrying Amount at the Beginning of the Reporting Period</b>	<b>1,774</b>	<b>1,774</b>
Additions	33,360	33,360
Revaluation Increment	4,887	4,887
Depreciation	(5,803)	(5,803)
<b>Carrying Amount at the End of the Reporting Period</b>	<b>34,218</b>	<b>34,218</b>

**Note 20 Intangibles**

The Commission is in the early stages of acquiring an externally purchased gaming machine database system.

**ACT Gambling and Racing Commission**  
**Notes to and Forming Part of the Financial Report**  
**For the Year Ended 30 June 2009**

**Note 21 Payables**

	2009	2008
	\$	\$
Trade Payables	40,019	0
Accrued Expenses	81,228	65,375
<b>Total Payables</b>	<b>121,247</b>	<b>65,375</b>

**Aging of Payables**

Payables are aged as follows:

Not overdue	121,247	65,375
Overdue for less than 30 days	0	0
Overdue for 30 to 60 days	0	0
Overdue for more than 60 days	0	0
<b>Total Payables</b>	<b>121,247</b>	<b>65,375</b>

**Classification of ACT Government/Non-ACT Government Payables**

**Payables with ACT Government Agencies**

Accrued Expenses	72,408	59,860
<b>Total Payables with ACT Government Agencies</b>	<b>72,408</b>	<b>59,860</b>

**Payables with Non-ACT Government Entities**

Trade Payables	40,019	0
Accrued Expenses	8,820	5,515
<b>Total Payables with Non-ACT Government Entities</b>	<b>48,839</b>	<b>5,515</b>
<b>Total Payables</b>	<b>121,247</b>	<b>65,375</b>

**ACT Gambling and Racing Commission  
Notes to and Forming Part of the Financial Report  
For the Year Ended 30 June 2009**

**Note 22 Finance Leases**

The Commission holds 2 finance leases each of which has been taken up as a finance lease liability and an asset under a finance lease. These leases are for motor vehicles. The interest rates implicit in these leases are 7.14% and 7.66% with both leases on a 2 year term. These leases have no terms of renewal or purchase options, nor escalation clauses.

<b>Current Finance Leases</b>	<b>2009</b>	<b>2008</b>
	<b>\$</b>	<b>\$</b>
<b>Secured</b>		
Finance Leases	21,658	7,359
<b>Total Current Secured Finance Leases</b>	<b>21,658</b>	<b>7,359</b>
<b>Non-Current Finance Leases</b>		
<b>Secured</b>		
Finance Leases	0	21,658
<b>Total Non-Current Secured Finance Leases</b>	<b>0</b>	<b>21,658</b>
<b>Total Finance Leases</b>	<b>21,658</b>	<b>29,017</b>

**Secured Finance Leases**

The Commission's finance lease liability is effectively secured because if the Commission defaults the assets under finance lease revert to the lessor.

**Finance Leases**

Finance lease commitments are payable as follows:

Within one year	22,216	9,205
Later than one year but not later than five years	0	22,216
Later than five years	0	0
<b>Minimum Lease Payments</b>	<b>22,216</b>	<b>31,421</b>
Less: Future Finance Lease Charges	(558)	(2,404)
<b>Amount Recognised as a Liability</b>	<b>21,658</b>	<b>29,017</b>
<b>Total Present Value of Minimum Lease Payments</b>	<b>21,658</b>	<b>29,017</b>

The present value of the minimum lease payments are as follows:

Within one year	21,658	7,359
Later than one year but not later than five years	0	21,658
Later than five years	0	0
<b>Total Present Value of Minimum Lease Payments</b>	<b>21,658</b>	<b>29,017</b>

**ACT Gambling and Racing Commission  
Notes to and Forming Part of the Financial Report  
For the Year Ended 30 June 2009**

**Note 22 Finance leases – Continued**

Classification on the Balance Sheet	2009 \$	2008 \$
<b>Finance Leases</b>		
Current Finance Leases	21,658	7,359
Non-Current Finance Leases	0	21,658
<b>Total Finance Leases</b>	<b>21,658</b>	<b>29,017</b>

**Note 23 Employee Benefits**
**Current Employee Benefits**

Annual Leave <sup>a</sup>	329,887	236,169
Long Service Leave <sup>b</sup>	389,494	309,337
Accrued Wages and Salaries	52,927	28,863
Other Benefits	0	0
<b>Total Current Employee Entitlements</b>	<b>772,308</b>	<b>574,369</b>

**Non-Current Employee Benefits**

Long Service Leave <sup>b</sup>	91,383	70,178
<b>Total Non-Current Employee Entitlements</b>	<b>91,383</b>	<b>70,178</b>

<b>Total Employee Benefits</b>	<b>863,691</b>	<b>644,547</b>
--------------------------------	----------------	----------------

**Estimate of when Leave is Payable**
**Estimated Amount Payable within 12 Months**

Annual Leave	329,887	236,169
Long Service Leave	25,894	91,274
Accrued Wages and Salaries	52,927	28,863
Other Benefits	0	0
<b>Total Employee Benefits Payable within 12 Months</b>	<b>408,708</b>	<b>356,306</b>

**Estimated Amount Payable after 12 Months**

Long Service Leave	454,983	288,241
<b>Total Employee Benefits Payable after 12 Months</b>	<b>454,983</b>	<b>288,241</b>

<b>Total Employee Benefits</b>	<b>863,691</b>	<b>644,547</b>
--------------------------------	----------------	----------------

<sup>a</sup> The increase in Annual Leave Liability is due to the inclusion of on-costs. Refer to Note 3 *Change in Accounting Estimates and Impact of Accounting Standards Issued but yet to be Applied* for further details on this change.

<sup>b</sup> The increase in the Long Service Leave Liability is due to the change in the methodology used to estimate this liability. Refer to Note 3 *Change in Accounting Estimates and Impact of Accounting Standards Issued but yet to be Applied* for further details on this change.

At the end of 2008-2009 the ACT Gambling and Racing Commission had 29.40 full time equivalent staff employed (2007-2008 27.80 staff).



**ACT Gambling and Racing Commission  
Notes to and Forming Part of the Financial Report  
For the Year Ended 30 June 2009**

<b>Note 24 Other Liabilities</b>	<b>2009</b>	<b>2008</b>
	<b>\$</b>	<b>\$</b>
<b>Current Other Liabilities</b>		
Revenue Received in Advance		
- Casino Licence	78,995	76,398
- Sports Bookmakers Annual Licence	46,154	22,486
- Security – Interactive Gambling	35,280	35,280
<b>Total Current Other Liabilities</b>	<b>160,429</b>	<b>134,164</b>

**Note 25 Equity**

**Total Equity at the End of the Reporting Period**

Accumulated Funds	3,848,378	3,301,341
Asset Revaluation Reserve	4,887	4,887
<b>Total Equity</b>	<b>3,853,265</b>	<b>3,306,228</b>

**Accumulated Funds**

**Balance at the Beginning of the Reporting Period**

Operating Surplus	672,037	1,081,649
Capital (Distribution)	(2,000,000)	0
Capital Injections	1,875,000	0
<b>Balance at the End of the Reporting Period</b>	<b>3,848,378</b>	<b>3,301,341</b>

**Asset Revaluation Reserve**

The Asset Revaluation Reserve is used to record the increments and decrements in the value of property, plant and equipment.

<b>Balance at the Beginning of the Reporting Period</b>	4,887	0
Increment in Plant and Equipment	0	4,887
<b>Total Increase in Asset Revaluation Reserve</b>	<b>4,887</b>	<b>4,887</b>

<b>Balance at the End of the Reporting Period</b>	<b>4,887</b>	<b>4,887</b>
---	--------------	--------------

**Note 26 Financial Instruments**

Details of the significant policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised with respect to each class of financial asset and financial liability are disclosed in Note 2 *Summary of Significant Accounting Policies* to the financial report.

**Interest Rate Risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

A significant portion of financial assets are held in floating interest rate arrangements, however, the majority of the financial liabilities are non-interest bearing. This means the Commission is not exposed to movements in interest payable, however it is exposed to movements in interest receivable. Interest rates decreased during the year ended 30 June 2009 and, as such, have resulted in a reduction in the amount of interest received.

Interest rate risk for financial assets is managed by the Commission by only investing in floating interest rate investments that are low risk. Interest rate risk for financial liabilities is not actively managed by the Commission as there are no financial liabilities which are exposed to a floating interest rate.

**ACT Gambling and Racing Commission  
Notes to and Forming Part of the Financial Report  
For the Year Ended 30 June 2009**

**Note 26 Financial Instruments – Continued**
**Interest Rate Risk - Continued**
*Sensitivity Analysis*

A sensitivity analysis has not been undertaken for the interest rate risk of the Commission as it has been determined that the possible impact on income and expenses or total equity from fluctuations in interest rates is immaterial.

**Credit Risk**

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Commission's credit risk is limited to the amount of the financial assets it holds net of any provision for impairment. The Commission expects to collect all financial assets that are not past due or impaired.

Cash at bank is held with a high credit quality financial institution under Whole-of-Government banking arrangements. Cash at bank is held with the Commonwealth Bank.

The Commission also manages the credit risk for receivables by undertaking an analysis of the concentration of risk to ensure that it is not too high. No concentration of credit risk was identified in this analysis.

There have been no changes in the process for managing risk since last financial year.

**Liquidity Risk**

Liquidity risk is the risk that the Commission will encounter difficulties in meeting obligations associated with financial liabilities. To limit its exposure to liquidity risk the Commission ensures that it has a sufficient amount of current financial assets to meet its current financial liabilities. The main source of cash to pay these obligations is appropriation from Government which is paid to the Commission on a fortnightly basis throughout the year. The Commission manages its liquidity risk through forecasting appropriation drawdown requirements to enable payment of anticipated obligations. This ensures that the Commission has enough liquidity to meet its emerging financial liabilities.

The Commission's exposure to liquidity risk and the management of this risk has not changed since the previous reporting period.

**Fair Value of Financial Assets and Liabilities**

The carrying amounts and fair values of financial assets and liabilities at the end of the reporting period are:

	<b>Carrying Amount 2009 \$</b>	<b>Net Fair Value 2009 \$</b>	<b>Carrying Amount 2008 \$</b>	<b>Net Fair Value 2008 \$</b>
<b>Financial Assets</b>				
Cash and Cash Equivalents	4,841,871	4,841,871	4,014,078	4,014,078
Receivables	22,348	22,348	32,151	32,151
<b>Total Financial Assets</b>	<b>4,864,219</b>	<b>4,864,219</b>	<b>4,046,229</b>	<b>4,046,229</b>
<b>Financial Liabilities</b>				
Payables	121,247	121,247	65,375	65,375
Finance Leases	21,658	21,658	29,017	29,017
<b>Total Financial Liabilities</b>	<b>142,905</b>	<b>142,905</b>	<b>94,392</b>	<b>94,392</b>

**ACT Gambling and Racing Commission  
Notes to and Forming Part of the Financial Report  
For the Year Ended 30 June 2009**

**Note 26 Financial Instruments**

The following table sets out the Commission's maturity analysis for financial assets and liabilities as well as the exposure to interest rates, including the weighted average interest rates by maturity period as at 30 June 2009. All financial assets and liabilities which have a floating interest rate or are non-interest bearing will mature in 1 year or less. All amounts appearing in the following maturity analysis are shown on an undiscounted cash flow basis.

Financial Instruments	Note	Fixed Interest maturing in:				Non-Interest Bearing	Total
		Floating	1 Year or Less	Over 1 Year to 5 Years	Over 5 Years		
		\$	\$	\$	\$	\$	\$
<b>Financial Assets</b>							
Cash and Cash Equivalents	17	4,841,601	0	0	0	270	4,841,871
Receivables	18	0	0	0	0	22,348	22,348
<b>Total Financial Assets</b>		<b>4,841,601</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>22,618</b>	<b>4,864,219</b>
Weighted Average Interest Rate		4.64%					
<b>Financial Liabilities</b>							
Payables	21	0	0	0	0	121,247	121,247
Finance Leases	22	0	22,216	0	0	0	22,216
<b>Total Financial Liabilities</b>		<b>0</b>	<b>22,216</b>	<b>0</b>	<b>0</b>	<b>121,247</b>	<b>143,463</b>
Weighted Average Interest Rate			7.40%				
<b>Net Financial Assets</b>		<b>4,841,601</b>	<b>(22,216)</b>	<b>0</b>	<b>0</b>	<b>(98,629)</b>	<b>4,720,756</b>

**ACT Gambling and Racing Commission  
Notes to and Forming Part of the Financial Report  
For the Year Ended 30 June 2009**

**Note 26 Financial Instruments - continued**

The following table sets out the Commission's maturity analysis for financial assets and liabilities as well as the exposure to interest rates, including the weighted average interest rates by maturity period as at 30 June 2008. All financial assets and liabilities which have a floating interest rate or are non-interest bearing will mature in 1 year or less. All amounts appearing in the following maturity analysis are shown on an undiscounted cash flow basis.

Financial Instruments	Note	Fixed Interest maturing in:				Non-Interest Bearing	Total
		Floating	1 Year or Less	5 Years	Over 5 Years		
		\$	\$	\$	\$	\$	\$
<b>Financial Assets</b>							
Cash and Cash Equivalents	17	4,013,876	0	0	0	202	4,014,078
Receivables	18	0	0	0	0	32,151	32,151
<b>Total Financial Assets</b>		<b>4,013,876</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>32,353</b>	<b>4,046,229</b>
Weighted Average Interest Rate		6.63%					
<b>Financial Liabilities</b>							
Payables	21	0	0	0	0	65,375	65,375
Finance Leases	22	0	9,205	22,216	0	0	31,421
<b>Total Financial Liabilities</b>		<b>0</b>	<b>9,205</b>	<b>22,216</b>	<b>0</b>	<b>65,375</b>	<b>96,796</b>
Weighted Average Interest Rate		7.40%	7.40%				
<b>Net Financial Assets/(Liabilities)</b>		<b>4,013,876</b>	<b>(9,205)</b>	<b>(22,216)</b>	<b>0</b>	<b>(33,022)</b>	<b>3,949,433</b>

**ACT Gambling and Racing Commission  
Notes to and Forming Part of the Financial Report  
For the Year Ended 30 June 2009**

**Note 26 Financial Instruments – Continued**

<b>Carrying Amount of Each Category of Financial Asset and Financial Liability</b>	<b>2009 \$</b>	<b>2008 \$</b>
<b>Financial Assets</b>		
Loans and Receivables	22,348	32,151
<b>Financial Liabilities</b>		
Financial Liabilities Measured at Amortised Cost	142,905	94,392

The Commission does not have any financial assets in the “Financial Assets at Fair Value through the Profit and Loss” category, the “Available for Sale” category or the “Held to Maturity” category and as such these categories are not included above. Also, the Commission does not have any financial liabilities in the “Financial Liabilities at Fair Value through Profit and Loss” category and, as such, this category is not included above.

**Gains on Each Category of Financial Asset and Financial Liability**

<b>Gains on Financial Assets</b>		
Loans and Receivables	0	0
<b>Gains on Financial Liabilities</b>		
Financial Liabilities Measured at Amortised Cost	0	0

**Note 27 Remuneration of Commissioners**

Commission members (other than the Chief Executive Officer) were appointed by the Treasurer under Section 12 of the *Gambling and Racing Control Act 1999* and in accordance with provisions of the *Financial Management Act 1996*. The members of the Commission as at 30 June 2009 are:

Mr M Gray	Chair
Mr M Rolfe	Deputy Chair
Dr M Doherty	Member
Ms WJ Perry	Member
Mr G Jones	Chief Executive Officer

Commission members (other than the Chief Executive Officer) are entitled to remuneration and allowances in accordance with Determination No.22 of November 2007 and Determination No.14 of November 2008 of the ACT Remuneration Tribunal. Total remuneration paid to the Chair, Deputy Chair and members of the Commission was \$103,180 (2007-2008 \$104,212).

There were no other related party transactions during the period.

**Note 28 Contingent Liabilities and Contingent Assets**
**Contingent Liabilities**

During August 2006 notification of a possible claim against the Commission in accordance with the provisions of the *Civil Law (Wrongs) Act 2002* was received. This claim is a result of a medical condition allegedly relating to possible passive smoking during the claimant’s period of employment with ACTTAB. The Commission’s contingent liability amount on the potential claim is currently estimated by the ACT Government Solicitor’s Office at \$60,000 (2007-2008 \$60,000).

**ACT Gambling and Racing Commission  
Notes to and Forming Part of the Financial Report  
For the Year Ended 30 June 2009**

**Note 28 Contingent Liabilities and Contingent Assets - continued**

The Commission holds unclaimed lottery prize monies relating to winning prizes which have remained unclaimed for a period of greater than 6 months. The Commission's contingent liability amount on the potential claim is currently estimated at \$1,875,000.

**Note 29 Cash Flow Reconciliation**
**(a) Reconciliation of Cash and Cash Equivalents at the End of the Reporting Period in the Cash Flow Statement to the Equivalent Items in the Balance Sheet.**

	2009 \$	2008 \$
Total Cash and Cash Equivalents Disclosed in the Balance Sheet	4,841,871	4,014,078
<b>Cash and Cash Equivalents at the End of the Reporting Period as Recorded in the Cash Flow Statement</b>	<b>4,841,871</b>	<b>4,014,078</b>

**(b) Reconciliation of Net Cash Inflows from Operating Activities to the Operating Surplus**

Operating Surplus	672,037	1,081,649
Add Depreciation	9,640	5,803
<b>Cash Before Changes in Operating Assets and Liabilities</b>	<b>681,677</b>	<b>1,087,452</b>
<b>Changes in Operating Assets and Liabilities</b>		
(Increase)/Decrease in Receivables	516,468	(1,021,926)
(Increase)/Decrease in Prepayments	(619)	26,677
Increase/(Decrease) in Payables	55,872	(58,197)
Increase/(Decrease) in Employee Benefits	219,144	(164,233)
Increase/(Decrease) in Taxation Revenue Payable	(532,930)	1,029,254
Increase in Other Liabilities	26,265	3,069
<b>Net Changes In Operating Assets and Liabilities</b>	<b>284,200</b>	<b>(185,356)</b>
<b>Net Cash Inflows from Operating Activities</b>	<b>965,877</b>	<b>902,096</b>

**(c) Non-Cash Financing Activities**

Due to changes in the Whole-of-Government motor vehicle leasing arrangements, all new motor vehicle leases entered into by the Commission from 2006-2007 onwards are under a finance lease rather than under an operating lease.

Acquisition of Motor Vehicles by means of Finance Leases	0	33,361
--	---	--------

**Note 30 Events Occurring After Balance Date**

There were no events occurring after the balance date which would affect the financial report as at 30 June 2009.

**Note 31 Third Party Monies**

The Commission does not hold any third party monies.

## A.7 Statement of Performance

The *Financial Management Act 1996* requires the Commission to prepare an annual statement of performance. The statement of performance reports the Commission's performance for the year against the performance criteria and other measures set out in the Commission's Statement of Intent as well as the Commission's output class and accountability indicators as identified in the budget papers for the reporting period.



**ACT AUDITOR-GENERAL'S OFFICE**



A09/32

Mr Malcolm Gray  
Chair  
ACT Gambling and Racing Commission  
Level 2, Canberra Nara Centre  
1 Constitution Avenue  
CANBERRA ACT 2601

Dear Mr Gray

**REPORT OF FACTUAL FINDINGS ON THE STATEMENT OF PERFORMANCE  
OF THE ACT GAMBLING AND RACING COMMISSION FOR THE YEAR  
ENDED 30 JUNE 2009**

The Audit Office has completed the review of the statement of performance of the ACT Gambling and Racing Commission for the year ended 30 June 2009.

I am pleased to attach the statement of performance and the **unqualified** report of factual findings.

I have provided a copy of each of these reports to the Treasurer, Ms Katy Gallagher MLA.

Thank you for the assistance provided by the staff of the Commission during the review.

Yours sincerely

Tu Pham  
Auditor-General  
7 September 2009

c c. Mr Greg Jones, Chief Executive Officer, ACT Gambling and Racing Commission

**ACT AUDITOR-GENERAL'S OFFICE****REPORT OF FACTUAL FINDINGS  
ACT GAMBLING AND RACING COMMISSION****To the Members of the ACT Legislative Assembly****Report on the statement of performance**

I have reviewed the statement of performance of the ACT Gambling and Racing Commission (the Commission) for the year ended 30 June 2009.

**Responsibility for the statement of performance**

The Governing Board of the Commission is responsible for the preparation and fair presentation of the statement of performance in accordance with the *Financial Management Act 1996*. This includes responsibility for maintaining adequate records and internal controls that are designed to prevent and detect fraud and error and for the systems and procedures to measure the results reported in the statement of performance.

**The auditor's responsibility**

My responsibility is to provide a report of factual findings that expresses an independent review opinion on the statement of performance of the Commission as required by the *Financial Management Act 1996* and the *Financial Management (Statement of Performance Scrutiny) Guidelines 2008*.

I have reviewed the statement of performance of the Commission to report on whether any matters came to my attention which indicate that the statement of performance is not fairly presented in accordance with the *Financial Management Act 1996*.

This review was conducted in accordance with the Australian Auditing Standards applicable to review engagements. A review is primarily limited to inquiries of the representatives of the Commission, analytical and other review procedures and the examination of other available evidence. As review procedures do not provide all of the evidence that would be required in an audit, the level of assurance provided is less than given in an audit. I have not performed an audit and have not expressed an audit opinion on the statement of performance.

The review did not include an assessment of the relevance or appropriateness of the performance indicators reported in the statement of performance or the related performance targets.



I have not expressed an opinion on the accuracy of explanations provided for variations between actual and targeted performance due to the often subjective nature of such explanations.

### **Electronic presentation of the statement of performance**

Those viewing an electronic presentation of this statement of performance should note that the review does not provide assurance on the integrity of information presented electronically and does not provide an opinion on any other information which may have been hyperlinked to or from this statement. If users of this report are concerned with the inherent risks arising from the electronic presentation of information, they are advised to refer to the printed copy of the reviewed statement of performance to confirm the accuracy of this electronically presented information.

### **Independence**

I followed applicable independence requirements of Australian professional ethical pronouncements in conducting this review.

### **Review opinion**

Based on my procedures, no matters have come to my attention which indicate that the statement of performance of the Commission for the year ended 30 June 2009 does not fairly present the performance of the Commission in accordance with the *Financial Management Act 1996*.



Tu Pham  
Auditor-General  
7 September 2009



**ACT Gambling and Racing Commission  
Statement of Performance  
For the Year Ended 30 June 2009**

**Statement of Responsibility**

In my opinion, the Statement of Performance is in agreement with the ACT Gambling and Racing Commission's records and fairly reflects the service performance of the ACT Gambling and Racing Commission for the year ended 30 June 2009 and also fairly reflects the judgements exercised in preparing them



Malcolm Gray  
Chairperson  
ACT Gambling and Racing Commission

13 August 2009

# **ACT GAMBLING AND RACING COMMISSION**

## **STATEMENT OF PERFORMANCE**

**FOR THE YEAR ENDED 30 JUNE 2009**

**ACT Gambling and Racing Commission  
Statement of Performance  
For the Year Ended 30 June 2009**

**Description of Objectives**

The ACT Gambling and Racing Commission's major objectives include:

- subject to the *Gambling and Racing Control Act 1999*, to operate as a customer service oriented entity along business-like lines;
- to use benchmarking to operate at least as efficiently as alternative service providers and to provide quality, value for money services in all aspects of the Commission's operations;
- to use financial practices and maintain accounts and records which satisfy the requirements of the *Financial Management Act 1996* and which fairly present the Commission's financial position, operational and cash flow results for planning and reporting purposes;
- to adopt high standard operating practices to safeguard the environment, health and safety of staff; and
- to provide a productive and satisfying working environment for staff and a commitment to high standards of human resource management based on the principles of equal employment opportunity.

**ACT Gambling and Racing Commission  
Statement of Performance  
For the Year Ended 30 June 2009**

<b>Output Class 1: Gambling Regulation and Compliance</b>				
	<b>2008-09 Targets</b>	<b>2008-09 Actual Result</b>	<b>% Variance from Target</b>	<b>Reasons for Material Variance</b>
<b>Total cost</b>	<b>\$4,086,000</b>	<b>\$3,671,651</b>	<b>(10.1)</b>	<b>1</b>
<b>Government payment for output</b>	<b>\$4,230,000</b>	<b>\$4,142,000</b>	<b>(2.1)</b>	
<b>Accountability Indicators</b>				
<i>Effectively regulate gambling and racing activity for statutory compliance</i>				
a Conduct compliance audits of operator activity to detect compliance with legal framework				
– Casino	100	101	1.0	
– Gaming Machines	250	251	0.4	
– Bookmakers	50	50	0	
– Minor Lotteries	90	90	0	
<i>Ensure compliance with statutory payment of taxes and fees</i>				
b Conduct revenue audits to ensure correct payment of taxes and fees received				
– Casino	12	12	0	
– Gaming Machines	12	12	0	
– Bookmakers	12	12	0	

**Reasons for Material Variance**

- The result reflects lower than expected payments for Commission funded research where the Commission's research provider had experienced lower activity resulting from delays in finalising its restructure. In addition, lower than expected expenditure had occurred in other areas of activity, such as general administration, training, education and repairs and maintenance.

**Explanation of Measures**

- Effectively regulate gambling and racing activity for statutory compliance.
  - The Commission has achieved or exceeded all of its expected targets against this objective.
- Ensure compliance with statutory payment of taxes and fees.
  - The Commission has collected all taxes and fees that were generated from gambling activity undertaken in the Territory this year and furnished monthly workbook reports and Quarterly Variance and Status Reports to the Department of Treasury as required.
  - The Commission has achieved all of its expected targets against this objective.

**ACT Gambling and Racing Commission  
Statement of Performance  
For the Year Ended 30 June 2009**

**Additional performance measures identified in the Commission's 2008-09 Statement of Intent.**

<b>Objective</b>	<b>Activity</b>	<b>Measured by</b>	<b>2008-09 Targets</b>	<b>2008-09 Result</b>	<b>% Variance from Target</b>
1. Review gaming legislation and policies and implement changes	Critical examination of gaming laws and gaming policy issues	Provision of reports or briefs to Commission or Minister, implementation of reviews or policy issues considered	1 or 2 reports, briefs, review completions or policy issues finalised	1	0
2. Coordinate research and education projects	Assessment and oversight of relevant projects	Number of projects successfully established or completed	Completion of at least 1 project	1	0
3. Effectively manage Commission resources	Ensure that all Commission resources are effectively utilised	Comparing actual outcome with 2008-09 budget	Achieve or improve the 2008-09 budgeted operating result subject to Government budget decisions relating to the Commission's resourcing and operating surplus	Actual operating result of \$672,037 exceeds the budgeted operating result of \$392,000	0

**Explanation of Measures**

1. Review gaming legislation and policies and implement changes.
  - The Commission has:
    - Completed a report on behalf of the Minister in relation to the Ministerial Council on Gambling's (MCG) Responsible Gambling Environment's Working Group on options for national approaches to responsible gambling environments.
2. Coordinate research and education projects.
  - The Commission has:
    - Established the project requirements for the new prevalence study which is being conducted by the Australian National University. The survey has been commissioned through the Centre for Gambling Research.
3. Effectively manage Commission resources.
  - The Commission has achieved an operating surplus of \$672,037 against the 2008-2009 budgeted result of \$392,000.

**ACT Gambling and Racing Commission  
Statement of Performance  
For the Year Ended 30 June 2009**

**Additional financial performance measures identified in the Commission's 2008-09 Statement of Intent.**

	<b>2008-09 Targets</b>	<b>2008-09 Actual Result</b>	<b>% Variance from Target</b>	<b>Reasons for Material Variance</b>
<b>Profitability</b>				
Return on Assets	4.63%	6.91%	49.2	1
Return on Equity	13.04%	17.44%	33.7	1
Profit Margin	9.27%	16.22%	75.0	1
<b>Financial Management</b>				
Current Ratio	1.52:1	1.68:1	10.5	2
Cash position	0.44:1	0.50:1	13.6	2
<b>Financial Stability</b>				
Debt Ratio	0.65:1	0.60:1	(7.7)	3
Gearing Ratio	0.01:1	0.01:1	0	
<b>Debt Management</b>				
Interest Cover Ratio	196:1	366:1	86.7	1

Note: Profit margin – taxes, fees and fines have been excluded from this calculation as the Commission does not retain any of this amount.

**Reasons for Material Variance**

1. The increase reflects the improvement in the Commission's operating result due to reduced expenditure on supplies and services and employee expenses.
2. The increase reflects increased cash and cash equivalents due to an improvement in the Commission's operating result.
3. The decrease reflects an increase in cash and cash equivalents due to an improvement in the Commission's operating result.

**Explanation of Measures**

- *Return on Assets=Operating Result / year end total assets*
- *Return on Equity= Operating Result / equity*
- *Profit Margin=( Operating Result – investment income) / (Government & non-Government user-charges + Government payments for output + taxes, fees and fines - investment income)*
- *Current Ratio=current assets / current liabilities*
- *Cash Position=(cash + current investments) / total assets*
- *Debt Ratio=total liabilities / year end total assets*
- *Gearing Ratio=total debt / equity*
- *Interest Cover Ratio= Operating Result / annual interest payments*

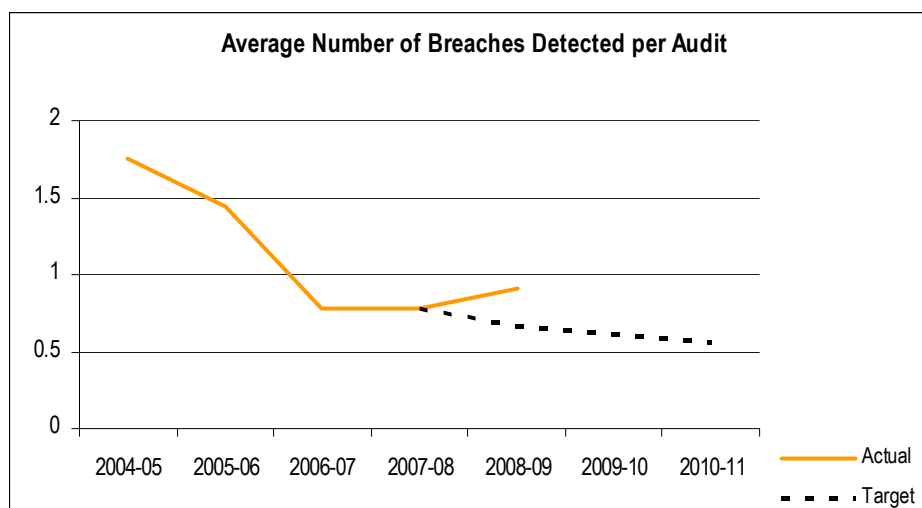
## A.8 Strategic Indicators

### Strategic Indicator 1

#### Increase gambling operators' compliance with legislation

##### Description

The Commission conducts an 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 would indicate the average improvement in licensees' compliance performance and the success, or otherwise, of the Commission's activities in increasing compliance with the legislation.



##### Result

The number of breaches detected per audit increased for the 2008-09 financial year with the average number detected increasing from 0.78 in 2007-08 to 0.91 per audit. The actual number of breaches detected was above the target which had predicted a lower number of breaches for 2008-09. The actual increase in breaches is a result of continued targeting of high risk areas in the compliance audit program and a number of licensees having a particularly poor compliance record.

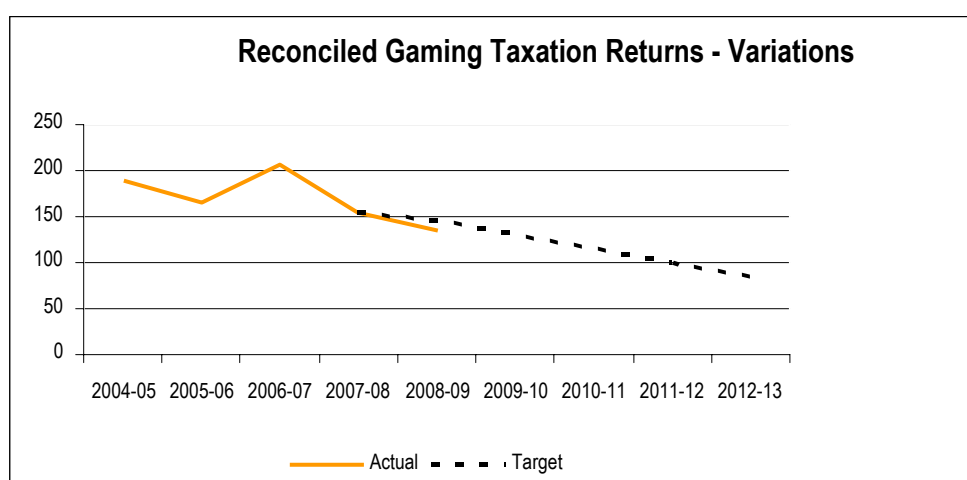


## Strategic Indicator 2

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

### Description

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. A reduction in the number of variations in returns would indicate improvements in the licensees' performance and the success, or otherwise, of the Commission's activities in this area.



### Result

The actual number of variations for 2008-09 decreased to 135 (2007-08 recorded 155). This result is an improvement on the targeted amount for 2008-09 as a result of the Commission's continuing efforts to educate licensees and their staff.

## A.9 Analysis of Agency Performance

### A.9.1 Gaming Regulation

Regulatory activities undertaken by the Commission focus on casino operations, gaming machines, interactive gaming, lotteries, racing and wagering and unlawful gaming.

#### Casino Regulation

The Commission's primary objectives in respect of casino regulation are to ensure that all casino operations are conducted in accordance with the provisions of the *Casino Control Act 2006*, the *Casino Control Regulation 2006* and the *Gambling & Racing Control (Code of Practice) Regulation 2002*, as well as providing the community with confidence that the ACT casino is a legitimate and safe place to visit. Casino regulation ensures that:

- the casino is free from criminal influence;
- appropriate harm minimisation strategies in relation to problem gambling have been provided;
- gaming activity is conducted fairly and in accordance with approved rules and operating procedures;
- casino administration, finance and security operations are conducted in accordance with the approved control procedures; and
- casino equipment, cards and chips are of a high standard and are only purchased from approved suppliers.

A key means of ensuring the integrity of the operations at the casino is the surveillance system. During the reporting period the casino undertook a complete update of this system. The Commission has monitored the upgrade of the closed-circuit television coverage system from an analogue to a combination of analogue and digital. It is anticipated that the new system will be fully operational in late 2009.

In addition to the general monitoring of casino operations, the following specific regulatory activities are undertaken by the Commission:

- Employee licensing

The licensing of persons employed in relation to gaming, security, finance and other key areas of the casino ensures that these people are eligible in accordance with the provisions of the *Casino Control Act 2006*.

Employees in low risk areas of the casino (e.g. food and beverage and cleaning) are not required to be licensed. A table summary of licensing activities undertaken during the reporting period follows:

Licences Processed	Numbers
New Employees	64
Renewals	103
Variations	23
Cessations	64
<b>Current Casino Employees</b>	
Licensed	191
Unlicensed	74

- Casino layout

Upon application from the casino the Commission may only approve changes to the current layout of the casino provided that the proposed new layout ensures that:

- there is adequate camera and lighting coverage for the monitoring of table games; and
- it adequately takes into account the safety and comfort of, and harm minimisation strategies for, patrons.

A number of minor changes were approved in 2008-09.

- Approval of gaming equipment and chips

The approval of gaming equipment and chips from stated suppliers ensures that:

- the gaming equipment is of a high standard and does not contain any bias; and
- the chips are not counterfeit.

A number of approvals were issued by the Commission in 2008-09.

- Approval of rules of games

The approval of the rules of the games by the Commission ensures that the casino games are fair and that the rate of return to players is reasonable. In 2008-09 the Commission did not receive any applications from the casino for either the introduction of a new game or an amendment to the rules of a current game.

- Operating times

The casino is required to operate, at minimum, prescribed core hours, providing some certainty to patrons and tourists of the availability of this facility. The only exemption given to the casino to not operate during the core trading hours in 2008-09 was for Christmas Day.

- Approval of control procedures

The control procedures cover the detailed operations of the casino and are an essential part of the regulatory scheme that requires the casino licensee, agents and casino employees to undertake their activities in a best practice and predictable way.

Control procedures are an important method of ensuring that casino operations are conducted in an honest, accountable and transparent manner. They ensure consistency across table games and strict adherence to reporting requirements.

During 2008-09 the casino completed an extensive review of all of its gaming control procedures in order to ensure that they were up to date and that staff responsibilities were appropriately identified. It has since commenced a comprehensive review of its control procedures for the security, surveillance and cash desk departments.

Contact Officer: Ms Angela Notaras, telephone 6207 0359.

### **Compliance Audits Of Casino**

The Commission uses a risk based audit methodology to ensure the casino's compliance with the relevant legislation. During the reporting period 101 audits of casino operations were undertaken as were investigations of breaches of the rules and procedures. In addition 12 revenue based audits were conducted to ensure the correct payment of taxes within statutory timeframes.

**Breaches Detected**

The Commission identified 491 minor breaches of the approved rules and procedures during the reporting period. This is an improvement on the 617 minor breaches detected in the previous financial year. The minor breaches for 2008-09 were as follows:

- 463 related to the failure to comply with the approved gaming procedures;
- 9 related to the failure to comply with the approved cash desk procedures;
- 1 related to the failure to comply with approved security procedures; and
- 18 related to exclusion breaches by patrons.

All minor breaches were resolved satisfactorily.

Three more significant operational incidents occurred in the casino during the reporting period with four serious breaches of the legislation being detected.

- 3 breaches of section 100 of the *Casino Control Act 2006* related to casino officials not conducting authorised games in accordance with approved rules or conditions;
- 1 breach of section 77 of the *Casino Control Act 2006* related to the failure to conduct operations in the casino in accordance with the approved control procedures;

The Commission's audit program also identified one breach of section 8(1) of the *Lotteries Act 1964* relating to the conduct of a lottery other than an approved or exempt lottery.

The Commission provided strong written warnings regarding the above more serious breaches.

**Disciplinary Action**

In the event of a breach of the legislation being identified by the Commission, an initial warning is issued to the casino licensee and/or employee and advice provided that any further breaches may result in formal disciplinary action being commenced. However, in instances of repeated offences or more serious breaches the Commission will consider taking disciplinary action. There were no matters of disciplinary action with respect to the casino licensee or its employees during the reporting period.

**Casino Related Complaints**

The Commission received three casino related complaints during the reporting period. Following investigation it was found that one complaint was substantiated and two were not substantiated.

Contact Officer: Mr Mick Hines, telephone 6207 0359.

**Gaming Machine Regulation**

The Commission's principal objectives with gaming machine regulation and control are to ensure that:

- gaming machine operations are conducted in accordance with the provisions of the *Gaming Machine Act 2004* and associated regulations;
- gaming machine operations in the ACT are of a high standard, are conducted fairly and without corruption and reflect the desires of the community and the ACT Government;
- gaming machines and all associated technical equipment approved for installation in the ACT are of a high standard;

- ACT Government imposed taxes and fees are collected in an effective, accurate and cost efficient way; and
- as far as possible, the compliance effort required by licensees is minimised without compromising the effectiveness of the regulatory controls.

The following table summarises the number of licensed gaming machine venues in the ACT and the total number of gaming machines allocated to these venues as at 30 June 2009.

Type of Gaming Machine Licensee	Licensed Venues	Number of Machines
Clubs	62	5,085
Hotels/Taverns	12	72
<b>Total</b>	<b>74</b>	<b>5,157</b>

During the reporting period a licensee reduced the number of gaming machines to be operated under its licence by two due to premises refurbishment.

#### Applications for Additional Gaming Machines

During the reporting period the Commission did not receive any applications for additional gaming machines.

#### Licence Cancellations and Transfers

The Commission approved five licence transfers to existing club licensees following the sale of club businesses. There were no licence cancellations during the reporting period.

#### Machine Access Control

To ensure that the integrity of gaming machine operations is maintained, only authorised personnel are permitted to access the internal controls of gaming machines. In this regard, the Commission issues Approved Attendant Certificates to suitable persons who are nominated by licensees and also issues Approved Technician Certificates to suitable persons who are employed by gaming machine suppliers or manufacturers.

The following table summarises the Commission's Gaming Machine Attendant and Technician Certificate assessment activity during the reporting period.

Type of Commission Activity	Number
New and renewed Gaming Machine Attendant applications processed	462
New and renewed Gaming Machine Technician applications processed	28
Transfers and amendments to Gaming Machine Attendant Certificates	101
Transfers and amendments to Gaming Machine Technician Certificates	2
Cancellation of Attendant or Technician Certificates where the Certificate had expired or the Certificate holder was no longer employed by a licensee or supplier	588
Cancellation of Attendant or Technician Certificates as Certificate holder is deemed unsuitable	0
Disciplinary Action - Approved Attendants/Technicians	2
Refusal to grant an Attendant or Technician Certificate	0
Refusal to renew an Attendant or Technician Certificate	0
Total current Approved Attendants	814
Total current Approved Technicians	44

During the reporting period seven investigations were conducted into persons accessing gaming machines while they were not Approved Attendants as required by section 128 of the *Gaming Machine Act 2004*. These investigations revealed numerous breaches of sections 71(4) and 128(1) of the *Gaming Machine Act 2004*. Five matters resulted in warnings being issued to the individuals concerned and two resulted in disciplinary action by way of a formal reprimand.

### Machine Variations - Technical

The Commission approves technical variations to gaming machines to ensure that the integrity of the machines is maintained. Such variations may include changes to a machine's basic single line game, movement of a machine to/from a linked jackpot arrangement, an upgrade of game software, changes to the artwork or the trade-in of old games for more modern games.

The following table summarises gaming machine variation activity (including the installation of additional machines) during the reporting period.

Type of Commission Activity	Number/Value
Applications processed	714
Machine variations (numbers) approved	2,420
<b>Total value of new (replacement) machines approved</b>	<b>\$11,181,484</b>

Contact Officer: Mr James Mullan, telephone 6207 0359

### Compliance Audits of Gaming Machine Licensees

During the reporting period a total of 251 audits were undertaken relating to gaming machine venues to identify a licensee's compliance with the *Gaming Machine Act 2004* and the *Gambling and Racing Control (Code of Practice) Regulation 2002* and where applicable the *Lotteries Act 1964*. 66 of these audits related to verification of Community Contributions expenditure claimed by licensees.

Further, an investigation was conducted into a licensee's eligibility to hold a gaming machine licence. The gaming machine licence was suspended for a period of 21 days while the licensee undertook action to restore its eligibility under section 146 of the *Gaming Machine Act 2004*.

### Breaches Detected

The Commission identified a total of 384 breaches of the gaming legislation (compared to 302 last year) of which 317 breaches related to the *Gaming Machine Act 2004* as follows:

- 4 related to the failure to comply with a condition of a licence as required under section 39;
- 5 related to the failure to display the licence or a copy of the licence at the entrance to each gaming area of the licensed premises as required under section 41;
- 1 related to the failure to operate a gaming machine in accordance with the licensee's rules and control procedures as required under section 43;
- 3 related to the failure to correctly install gaming machines as required under section 44;
- 10 related to the failure to operate a gaming machine subject to the correct percentage payout as required under section 47;
- 67 related to the failure to display signage indicating the percentage payout as required under section 48;
- 2 related to the failure to use the licensed gaming machine in accordance with section 51;
- 11 related to the failure to keep accurate accounts relating to gaming machines as required under section 52;
- 22 related to the failure to ensure that guests must be signed in and accompanied by the member who signed them in as required under section 55(g);
- 1 related to the failure to ensure that only members and signed in guests are to play gaming machines as required under section 55(h);

- 2 related to the licensee providing false and misleading information to the Commission in contravention of section 57(1)(a);
- 2 related to the failure of the licensee to comply with a Direction issued as part of a reprimand under section 57(1)(h);
- 58 related to the failure to keep a machine access register for the licensed gaming machines on the licensed premises as required under section 71;
- 8 related to the failure to notify the Commission that an Attendant was no longer employed as required under section 94(2);
- 4 related to the failure to notify the Commission in writing of changes to the control procedures as required by section 97(2);
- 1 related to the unauthorised possession of gaming machines in contravention of section 103;
- 6 related to the failure to comply with the sealing of computer cabinets as required under section 123(1);
- 16 related to the unauthorised access of a gaming machine pursuant to section 128;
- 10 related to the failure to display signage indicating that the gaming machine is part of a linked jackpot arrangement and the percentage of turnover set aside for the linked jackpot arrangement pursuant to section 134(4);
- 1 related to a licensee having life members in excess of 5% of voting members as required by section 146(f);
- 20 related to the failure to display an approved gambling warning notice on each machine as required under section 151(2)(a);
- 5 related to the failure to display warning notices at or near each entrance to the gaming area as required by section 151(2)(b);
- 5 related to the failure to submit audited accounts for the gaming machines within 6 months of the end of the licensee's financial year as required by section 158;
- 17 related to the failure to pay gaming machine tax by the seventh day after the end of the month as required by section 161(3);
- 20 related to the failure to submit a gaming machine tax return within one week after the end of the relevant month as required under section 162(1);
- 4 related to the failure to provide records for each Community Contribution claimed as required by section 165; and
- 12 related to the failure to submit a Community Contributions return within one month of the end of the financial year as required by section 166.

There were 4 breaches of the *Gaming Machine Regulation 2004* in relation to gaming machine licensees:

- 1 related to the failure to keep records of gaming machine tickets as required by section 32;
- 1 related to the failure to forfeit unredeemed gaming machine tickets as required by section 33;
- 1 related to the failure to display the linked jackpot amount as required by section 45; and
- 1 related to the unlawful operation of gaming machines between 4am and 9am contravening section 71.



There were 54 breaches of the *Gambling and Racing Control (Code of Practice) Regulation 2002* detected (compared to 11 last year) in relation to gaming machine licensees:

- 8 related to the failure to ensure that staff involved in the provision of gambling services had completed an approved training program as required by section 1.4(1);
- 14 related to the failure to appoint a Gambling Contact Officer as required under section 1.9;
- 2 related to the failure to advise the Commission of changes to the Gambling Contact Officer as required by section 11;
- 1 related to the failure to have written exclusion procedures as required by section 1.17;
- 11 related to the failure to make information available to patrons as required under section 1.25;
- 4 related to the failure to provide the correct time as required under section 1.26;
- 1 related to advertising in contravention of section 1.28;
- 10 related to the failure to provide the name and telephone number of an approved counselling service in gambling advertising as required under section 1.29;
- 1 related to the conduct of promotions and inducements other than in accordance with the requirements of section 1.30; and
- 2 related to the failure to make the rules and conditions of a promotion available for inspection at the facility as required by section 1.30(6).

There were also 10 breaches of the *Lotteries Act 1964* detected (compared to 9 last year) during audits of gaming machine venues which are outlined in the Lotteries Regulation section of this report;

- 1 related to the conduct of a lottery other than an approved or exempt lottery as required under section 8(1); and
- 9 related to prohibited advertising pursuant to section 9.

### **Disciplinary Action Against Gaming Machine Licensees**

In the event of a breach of the legislation being identified by the Commission, an initial warning is issued to the offending licensee and advice provided that any further breaches may result in formal disciplinary action being commenced. However, in instances of repeated offences or more serious breaches, the Commission will consider taking disciplinary action against the licensee.

In accordance with section 58 of the *Gaming Machine Act 2004* disciplinary action may take the form of a reprimand, a monetary penalty of up to \$100,000 or the suspension or cancellation of a gaming machine licence. Disciplinary action is only taken against a licensee after the licensee has been given the opportunity to show cause why the Commission should not take the disciplinary action it proposes.

The Commission took disciplinary action against 21 licensees for 56 breaches of the legislation during the reporting period.



The following table summarises disciplinary matters.

Licensee	Particulars of Breaches		Disciplinary Action Taken
	Section	Description	
Australian Croatian Club Ltd	166	failure to lodge Community Contributions Return by due date	\$800 penalty
Bel Boa Pty Ltd trading as Statesman Hotel Motel	166	failure to lodge Community Contributions Return by due date	\$150 penalty
Belconnen Soccer Club Limited trading as Belconnen Soccer Club Hawker	71(4) 128(1)	unauthorised entries into machine access register unauthorised person accessing gaming machines	Notice of reprimand
Bresheld Pty Ltd trading as Kambah Inn	166	failure to lodge Community Contributions Return by due date	\$150 penalty
Canberra and District Bocce Club Incorporated trading as Belconnen Lakeview Club	166	failure to lodge Community Contributions Return by due date	\$150 penalty
Canberra and District Bocce Club Incorporated trading as Belconnen Lakeview Club	162	failure to lodge monthly tax return by due date	\$300 penalty
Canberra Club Limited trading as The Canberra Club	162	failure to lodge monthly tax return by due date	Notice of reprimand
Canberra Club Limited trading as The Canberra Club	162	failure to lodge monthly tax return by due date	\$150 penalty
Canberra Highland Society and Burns Club Limited trading as the Burns Club	162	failure to lodge monthly tax return by due date	Notice of reprimand
Canberra Southern Cross Club trading as Southern Cross Club Kaleen	39	failing to comply with a condition of the licence - failure to restrict access to the venue and access to gaming machines to members and signed-in guests in accordance with sections 55(g) and 55(h) of the Act.	\$300 penalty
Canberra Southern Cross Club trading as Southern Cross Club Turner	103	possession of gaming machines without approval	Notice of reprimand
Croatia Deakin Soccer Club Inc trading as Canberra Deakin Football Club	146	not operating as an eligible club as required by section 146(f)	Suspension of gaming machine licence for 3 months or a lesser period if the Club provides evidence that it is an eligible club. If not an eligible club by the end of the 3 month period the licence shall be cancelled
Croatia Deakin Soccer Club Limited trading as Canberra Deakin Football Club	161 166	failure to pay monthly tax by due date failure to lodge Community Contributions Return by due date	\$300 penalty Notice of reprimand
Croatia Deakin Soccer Club Limited trading as Canberra Deakin Football Club	161	failure to pay monthly tax by due date	\$500 penalty

Licensee	Particulars of Breaches		Disciplinary Action Taken
	Section	Description	
Croatia Deakin Soccer Club Limited trading as Canberra Deakin Football Club	39  162	failing to comply with a condition of the licence - failure to keep proper accounts relating to gaming machines in accordance with section 52 failure to lodge monthly tax return by due date	\$1000 penalty
Croatia Deakin Soccer Club Limited trading as Canberra Deakin Football Club	161 162	failure to pay monthly tax by due date failure to lodge monthly tax return by due date	\$1500 penalty
Harmonie German Club	166	failure to lodge Community Contributions Return by due date	Notice of reprimand
Italo Australian Club (ACT) Limited	158	failure to submit audited accounts for 2006/2007	\$400 penalty and Notice of reprimand with direction
Italo-Australian Club (ACT) Limited	166	failure to lodge Community Contributions Return by due date	\$150 penalty
Italo-Australian Club (ACT) Limited	158 57(1)(h) 57(1)(a) 71(4) 128(1)	failure to submit audited accounts for financial years 2004 to 2008 inclusive contravene direction in reprimand providing false or misleading information unauthorised entries into machine access register unauthorised person accessing gaming machines	Notice of reprimand with direction and suspension of gaming machine licence for minimum of 14 days or until Commission is satisfied that control procedures and management practices are in place to ensure statutory compliance
J & H Investments Pty Ltd trading as the Calwell Tavern	161 162 166	failure to pay monthly tax by due date failure to lodge monthly tax return by due date failure to lodge Community Contributions Return by due date	\$150 penalty
Magpies City Club	39	failing to comply with a condition of the licence. - failure to restrict access to the venue and access to gaming machines to members and signed-in guests in accordance with sections 55(g) and 55(h) of the Act	\$300 penalty
McBryohn Pty Ltd trading as the Old Canberra Inn	161 162	failure to pay monthly tax by due date failure to lodge monthly tax return by due date	\$1000 penalty
McBryohn Pty Ltd trading as the Old Canberra Inn	161	failure to pay monthly tax by due date	Suspension of gaming machine licence for 4 weeks
McBryohn Pty Ltd trading as the Old Canberra Inn	166	failure to lodge Community Contributions Return by due date	\$300 penalty
Rocky Gabtale Pty Ltd trading as the Wood Duck Inn	161 162	failure to pay monthly tax by due date failure to lodge monthly tax return by due date	Notice of reprimand
Rokbard Pty Ltd trading as O'Neills Irish Pub	71(4) 128(1)	unauthorised entries into machine access register unauthorised person accessing gaming machines	Notice of reprimand
Rokbard Pty Ltd trading as O'Neills Irish Pub	162	failure to lodge monthly tax return by due date	Notice of reprimand
Rokbard Pty Ltd trading as O'Neills Irish Pub	161	failure to pay monthly tax by due date	\$150 penalty

Licensee	Particulars of Breaches		Disciplinary Action Taken
	Section	Description	
Schwartz Family Co Pty Ltd trading as Olims Canberra Hotel	166	failure to lodge Community Contributions Return by due date	\$150 penalty
Schwartz Family Co Pty Ltd trading as Olims Canberra Hotel	161	failure to pay monthly tax by due date	\$300 penalty
	162	failure to lodge monthly tax return by due date	
Schwartz Family Co Pty Ltd trading as Olims Canberra Hotel	161	failure to pay monthly tax by due date	\$1000 penalty
	162	failure to lodge monthly tax return by due date	
Serbian Cultural Club "St Sava" Incorporated	161	failure to pay monthly tax by due date	\$500 penalty
	162	failure to lodge monthly tax return by due date	
Serbian Cultural Club "St Sava" Incorporated	39	failing to comply with a condition of the licence	Notice of reprimand with direction and suspension of gaming machine licence for minimum of 14 days or until Commission is satisfied that control procedures and management practices are in place to ensure statutory compliance
	57(1)(a) 71(3)	<ul style="list-style-type: none"> <li>- failure to comply with relevant codes of practice in accordance with section 50</li> <li>- failure to restrict access to the venue to members and signed-in guests in accordance with section 55(g)</li> </ul> provide false or misleading information incomplete/unsigned entries to machine access register	
West Deakin Hellenic Bowling Club Incorporated	166	failure to lodge Community Contributions Return by due date	Notice of reprimand

### Gaming Machine Related Complaints

The Commission received ten gaming machine related complaints during the reporting period. Two were substantiated and eight were not substantiated.

Contact Officer: Mr Mick Hines, telephone 6207 0359.

### Community Contributions

The *Gaming Machine Act 2004* provides that the Commission may approve contributions made by a gaming machine licensee to a stated entity for a stated purpose as *community contributions* if satisfied the contributions will have the effect of contributing to or supporting the development of the community or raising the community's, or part of the community's, standard of living. Examples or categories of community contributions include charitable and social welfare, problem gambling, sport and recreation, women's sport, non-profit activities and community infrastructure.

All gaming machine licensees are required to:

- record each community contribution made by the licensee, stating the entity to which, and the purpose for which, each contribution was made and the amount or value of the contribution; and
- within 1 month after the end of a financial year, give the Commission a copy of those records together with a financial report for the financial year.

The Commission must, within four months of the end of the financial year, give the Minister a report summarising the extent of legislative compliance and analysing the level of community contributions by gaming machine licensees. The Commission's report for the 2007-08 financial year is available on the Commission's web site.

### Clubs

The *Gaming Machine Act 2004* requires clubs that are gaming machine licensees to make a minimum contribution of seven per cent of net gaming machine revenue in eligible community contributions.

The 2007-08 report records a total of \$14.6 million in club community contributions from \$100.3 million in net gaming machine revenue, the contributions being 14.57 per cent of the net gaming machine revenue. \$9.3 million or 73.19 per cent of contributions was provided to sport and recreation.

In 2006-07 a total of \$12.8 million was contributed to the community from net gaming machine revenue of \$109.4 million, the contributions being 11.70 per cent of the net gaming machine revenue.

### Hotels/Taverns

Hotels and Taverns that are gaming machine licensees must report their community contributions but there is no minimum requirement.

Contributions by these licensees in 2007-08 amounted to a total of \$52,170 of which \$40,382 was allocated to sport and recreation (77.40 per cent of total contributions). In 2006-07 total contributions from Hotels/Taverns was \$73,904.

Contact Officer: Ms Angela Notaras, telephone 6207 0359.

## **Interactive Gaming Regulation**

In 2008-09 there were no interactive gaming service providers licensed in the Territory.

Contact Officer: Mrs Jane Nielson, telephone 6207 0359.

## **Lotteries Regulation**

The Commission regulates lottery activity to ensure that they are properly conducted and that subscribers' interests are adequately protected.

### **Major Interstate Lotteries**

The *Lotteries Act 1964* and the *Pool Betting Act 1964* allow for the sale of interstate lottery and lotto type products in the Territory. Lotto games and Soccer Pools are currently marketed in the Territory by the NSW Lotteries Corporation and by Tattersall's Limited. The ACT Government has revenue sharing arrangements with NSW Lotteries and with the Victorian Government in relation to the value of interstate lottery sales in the ACT.

Due to changes in licensing arrangements in Victoria, Tattersall's Limited Instant Scratch-It lottery products could no longer be sold in that state from 1 July 2008 and as a consequence they are no longer available in the ACT.

The sale of lottery products in the ACT is approved by the Commission under the *Lotteries Act 1964* and the *Pool Betting Act 1964*. Any variation in the way these products are operated also requires the approval of the Commission.

### Trade Promotion Lotteries, Raffles and other Lotteries

The *Lotteries Act 1964* also provides for a wide range of lottery-type activities such as trade promotion lotteries, raffles, silver circles and Housie. Persons wishing to conduct a lottery in the ACT must apply in writing for approval. Application fees must be paid and are calculated on the total prize value of the lottery that ACT residents are eligible to win. 5,598 permits were issued in 2008-09 (compared to 5,872 last year), as shown in the table below:

Type of Approval	Amount
Trade Promotion Lotteries	5,164
Raffles	415
Housie	7
Other	12
<b>Total</b>	<b>5,598</b>

A further 1,198 lottery amendment applications were approved in the reporting period.

Contact Officer: Mr James Mullan, telephone 6207 0359

### Compliance Audits of Lottery Providers

The Commission undertakes an audit program that covers lotteries conducted in the ACT. The audit program includes investigations as to whether a lottery is conducted with the appropriate approval, whether the approved terms and conditions have been followed and whether approved prizes are forwarded to winners. Where breaches are detected the Commission initially issues a warning to the lottery organiser outlining the appropriate responsibilities under the legislation or approval conditions.

During the reporting period a total of 90 audits were conducted of lottery and pool betting providers. The audits were undertaken to identify compliance with the *Lotteries Act 1964*, *Pool Betting Act 1964* and the *Gambling and Racing Control (Code of Practice) Regulation 2002*.

42 audits in relation to the conduct of lotteries and trade promotion lotteries were undertaken. Where breaches were identified, generally information was provided to organisations regarding the legislative requirements that needed to be met.

### Breaches Detected

The Commission's audit program detected a total of 60 breaches of the *Lotteries Act 1964*. These breaches were as follows:

- 28 related to the conduct of a lottery other than an approved or exempt lottery as required under section 8(1);
- 27 related to the failure to comply with the approved conditions of the lottery, pursuant to section 8(2); and
- 5 related to prohibited advertising pursuant to section 9.

The Commission's audit program detected a total of two breaches of the *Gambling and Racing Control (Code of Practice) Regulation 2002* in relation to lottery activity:

- 1 related to the availability of information to patrons, pursuant to section 1.25; and
- 1 related to the availability of rules and conditions of a promotion pursuant to section 1.30(6).

There were no breaches of the *Pool Betting Act 1964* detected during the reporting period.

### Lotteries Related Complaints

The Commission received 17 lotteries related complaints during the reporting period. 8 complaints were upheld in the complainant's favour and 9 were not substantiated.

Contact Officer: Mr Mick Hines, telephone 6207 0359.

### Racing and Wagering Regulation

The Commission's principal objectives with respect to racing and wagering are to:

- ensure the suitability of persons engaged in gambling operations associated with the race and sports bookmaking industries;
- ensure that bookmaking is conducted at appropriate venues in accordance with legislative requirements;
- resolve betting disputes; and
- regulate racing as provided in the *Racing Act 1999*.

### Race Bookmaking Operations

During the reporting period the Commission conducted probity assessments in relation to the licensing of race bookmakers and race bookmaker's agents in accordance with the *Race and Sports Bookmaking Act 2001*. The table below summarises the Commission's race bookmaking licence activity for the reporting period.

Type of Commission Activity	Number
New Race Bookmaking Licence	0
Renewed Race Bookmaking Licence	4
New Race Bookmaker's Agents Licence	0
Renewed Race Bookmaker's Agents Licence	2
Total current Race Bookmaking Licences as at 30 June 2009	21
Total current Race Bookmaker's Agents Licences as at 30 June 2009	14
Race Bookmaking Licence Application Withdrawn	1

### Sports Bookmaking Operations

During the year under review, the Commission received a number of inquiries in relation to sports bookmaking in the ACT, however no formal applications were received. A probity investigation associated with a sports bookmaking licence application which was lodged with the Commission during the 2007-08 year was finalised in the first half of 2008-09. While the Commission determined in November 2008 that the licence applied for should be issued in accordance with the provisions of the *Race and Sports Bookmaking Act 2001*, the applicant has not taken up the grant of the licence as at the end of the reporting period.

In addition, in terms of licensing activity, probity investigations associated with the suitability requirements of the *Race and Sports Bookmaking Act 2001* were conducted in relation to applications for sports bookmaker's agent licences and applications as summarised below.

Type of Commission Activity	Number
New Sports Bookmaking Licence	0
Renewed Sports Bookmaking Licence	4
New Sports Bookmaker's Agents Licence	0
Renewed Sports Bookmaker's Agents Licence	0
Total current Sports Bookmaking Licences as at 30 June 2009	3
Total current Sports Bookmaker's Agents Licences as at 30 June 2009	11
Inactive Sports Bookmaking Licences as at 30 June 2009	1
Surrendered Sports Bookmaking Licences	1



While no new sports bookmaking licences were issued during the year under review, the Commission was nevertheless involved in significant regulatory matters relating to sports bookmaking in the Territory.

Portlandbet Pty Ltd, which was granted a sports bookmaking licence during the 2005-06 financial year and which subsequently commenced wagering operations in August 2006, ceased wagering operations in July 2008 and formally surrendered its licence in January 2009.

Sports bookmaking licensee Sports Acumen Pty Ltd changed its trading name to Sports Alive Pty Ltd following formal approval by the Australian Securities and Investments Commission on 19 March 2009. An amended licence indicating the new trading name was issued to the licensee corporation by the Commission on 21 April 2009.

A probity investigation associated with changes to the ownership of Sports Alive Pty Ltd which commenced in the 2007-08 reporting period was finalised during this reporting period. Additional changes to the ownership structure of this company are the subject of further probity inquiries.

Late in 2008 Territory owned corporation ACTTAB Ltd, the holder of a sports bookmaking licence, advised the Commission that commercial partner TABCorp Holdings Ltd would terminate its sports bookmaking service agreement with ACTTAB at the end of May 2009. The Commission was subsequently advised that ACTTAB would enter into an agreement with licensed Northern Territory sports bookmaker Centrebet Ltd for the provision of sports bookmaking services. The Commission, noting that ACTTAB had conducted its own due diligence investigation in relation to Centrebet Ltd, conducted a probity investigation with respect to Centrebet Ltd in accordance with the suitability requirements of the *Race and Sports Bookmaking Act 2001*. Similarly, the Commission conducted an investigation and obtained independent audit advice in relation to the integrity of ACTTAB Internet betting systems used in the control and management of sports bookmaking operations.

ACTTAB was subsequently granted approval on 28 May 2009 to modify its approved internet betting system.

Licensee SportOdds Systems Pty Ltd, which ceased operations in September 2004 when it relocated its sports bookmaking operations to the Northern Territory, still holds an ACT licence but remains inactive.

At the end of the reporting period three licensees, ACTTAB Ltd, Networks Pty Ltd, and Sports Alive Pty Ltd, were actively engaged in sports bookmaking operations in the ACT.

### **Cross-border Betting Issues**

National bookmaker and TAB wagering markets continue to face uncertainty largely driven by issues associated with the Australian racing industry and its related funding.

The collapse of the so-called "Gentlemen's Agreement" where most jurisdictions are now charging fees for use or publication of their race fields information, has lead to significant changes in the funding arrangements for the racing industry in each State.

Further litigation against some of the state product fee schemes has been scheduled following the March 2008 *Befair* case in the High Court where it was found that certain elements of Western Australian wagering legislation contravened section 92 of the Constitution, in that it imposed discriminatory and protectionist burdens on interstate trade.

The ACT is closely monitoring the situation as part of its consideration of legislation in relation to charging race fields product fees.

Contact Officer: Mr Gavan Desmond, telephone 6207 0359.

**Compliance Audits of Racing and Wagering Licensees**

During the reporting period the Commission undertook 50 audits of racing and wagering providers in the ACT to identify compliance with the *Race and Sports Bookmaking Act 2001*, the *Racing Act 1999* and the *Gambling and Racing Control (Code of Practice) Regulation 2002*.

**Breaches Detected**

The Commission identified one breach of the *Race and Sports Bookmaking Act 2001* which related to a Sports Bookmaker offering a market on an event that was not a 'determined event' pursuant to section 20.

One breach of the *Gambling and Racing Control (Code of Practice) Regulation 2002* was detected and related to cash winning being paid by a Sports Bookmaker in excess of the amount prescribed by section 1.23(1) of the Code.

No breaches of the *Racing Act 1999* were detected.

**Betting Disputes**

Matters of disputes between sports bookmakers and their clients are referred to the Commission as betting disputes pursuant to the *Race and Sports Bookmaking Act 2001*. This dispute process is separate to the general complaints provisions under section 31 of the *Gambling and Racing Control Act 1999* details of which are provided here for completeness.

During the reporting period, the Commission dealt with three betting disputes. Two were withdrawn at the request of the complainant, the third was resolved in favour of the Sports Bookmaker and confirmed following an internal review conducted pursuant to section 82 of the *Race and Sports Bookmaking Act 2001*.

**Sports Bookmaker Complaints**

The Commission did not receive any complaints in relation to Sports Bookmakers during the reporting period.

**Race Bookmaker Complaints**

During the reporting period the Commission did not receive any complaints in relation to Race Bookmakers.

**ACTTAB Related Complaints**

The Commission did not receive any complaints with respect to ACTTAB.

**Unlawful Gaming**

During the reporting period one breach of the *Unlawful Games Act 1984* was identified which involved a tourism operator advertising and providing a poker table for use by patrons. Following contact by Commission Authorised Officers, the operator removed the poker table and ceased advertising its availability. The Commission provided a strong warning that any further breaches may result in prosecution action.

Contact Officer: Mr Mick Hines, telephone 6207 0359.



## Complaints Summary

### Summary of Complaints Concerning Gambling Providers

Complaints received by the Commission (as detailed above) can be summarised as follows for the period.

Gambling Provider	Received	Substantiated	Not substantiated	Ongoing	Referred to other agency	Withdrawn
Casino	3	1	2	0	0	0
Gaming Machines	10	2	8	0	0	0
Lotteries	17	8	9	0	0	0
Racing and Wagering	0	0	0	0	0	0
Unlawful Games	1	1	0	0	0	0
<b>Total</b>	<b>31</b>	<b>12</b>	<b>19</b>	<b>0</b>	<b>0</b>	<b>0</b>

Outcome of complaints that were ongoing at the end of the 2007-08 reporting period are indicated in the following table:

Gambling Provider	Received	Substantiated	Not substantiated	Ongoing	Referred to other agency	Withdrawn
Racing and Wagering	1	0	1	0	0	0
<b>Total</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>

## A.9.2 Legislative Reviews

During the reporting period the Commission progressed or finalised reviews associated with the following legislation.

### ***Race and Sports Bookmaking Act 2001***

The Commission's review of the *Race and Sports Bookmaking Act 2001* has been on hold pending the outcome of challenges to several jurisdictions' race field product fees legislation. This review will be finalised once work on the future funding of the ACT racing industry, to be conducted by ACT Treasury, is complete.

### ***Lotteries Act 1964 and Pool Betting Act 1964***

The Commission completed its review of these Acts during 2005. The Commission's Policy Paper and associated recommendations are on hold pending the allocation of resources to progress this matter. It is anticipated that this will be progressed in the 2009-10 financial year.

### ***Unlawful Games Act 1984***

A review of the *Unlawful Games Act 1984* commenced at the beginning of 2007. The Commission undertook two periods of public consultation where stakeholders and community members were invited to provide submissions in relation to this review. A Discussion Paper was circulated in February 2007 before the Commission developed a comprehensive Policy Paper outlining the major policy issues and making recommendations for legislative changes. During the reporting period the Government has been considering the key issues associated with the review, including whether to permit private and social gaming, charitable gaming and public gaming tournaments outside of the casino. It is anticipated that a new *Unlawful Gambling Bill 2009* will be presented to the Assembly during 2009-2010.

### **A.9.3 Legislative Amendments**

There were no Legislative Amendments completed during the reporting period.

Contact Officer: Mrs Jane Nielson, telephone 6207 0359.

### **A.9.4 Monitoring and Research**

In accordance with subsection 6(2) of the *Gambling and Racing Control Act 1999* the Commission is required to monitor and research the social effects of gambling and problem gambling.

The Commission meets its research obligations through a range of activities and strategies including the sponsoring and funding of research projects through the Centre for Gambling Research at the Australian National University (ANU) as well as contributing to national research projects through Gambling Research Australia.

#### **ANU Centre for Gambling Research**

During 2008-2009 the ANU and the Commission finalised a revised Deed and Research Agreement for the Centre for Gambling Research and the ANU employed a new Senior Researcher for the Centre. The Commission has contracted the Centre to undertake an updated prevalence survey of the extent and nature of gambling in the ACT. The previous prevalence study was published in 2001.

#### **Gambling Research Australia**

The ACT, through the Gambling and Racing Commission, along with each State and Territory, participates in Gambling Research Australia (GRA) in order to further gambling research of national interest on problem gambling related issues.

GRA published two reports during 2008-2009:

- A Review of Australian Gambling Research – Implications for inter-jurisdictional public policy and regulation (August 2008); and
- Reported Gambling Problems in the Indigenous and Total Australian Population (June 2009).

In addition GRA currently has national research commissioned in the following areas:

- Predictors of relapse in problem gambling;
- Children at risk of developing problem gambling;
- Gambling and the impact of new and emerging technologies and associated products;
- The influence of venue characteristics on a player's decision to attend a gambling venue;
- Factors that influence gambler adherence to pre-commitment decisions (Phase 2);
- Youth and gambling;
- Analysis of Australian gambling research; and
- Exploring Indigenous gambling.

These research projects will be finalised over various timeframes ranging from 6 to 24 months.

The GRA is also currently undertaking procurement processes for projects on culturally and linguistically diverse communities, gamblers at risk and their help seeking behaviour and gambling and co-morbid disorders.

Contact Officer: Mrs Jane Nielson, telephone 6207 0359.

## **Inter-Jurisdictional Collaboration**

The Commission has continued to participate in collaborative national forums and working parties that focus on gambling and problem gambling, including:

- the Australasian Casino and Gaming Regulators' Chief Executive Officers' Forum;
- the Regulators' Responsible Gambling Working Party;
- Gambling Research Australia;
- the Ministerial Council on Gambling;
- the Ministerial Council on Gambling Officials' Group;
- the Gaming Machine National Standards Working Party;
- the Australian Lottery Regulators' Working Party;
- the Art Unions, Raffles and Trade Promotion Lottery Working Party; and
- the Community and Disability Services Ministers Advisory Council – Gambling Working Party.

### **Australasian Casino and Gaming Regulators' Chief Executive Officers' Forum**

The Chief Executive Officers (CEOs) of the gambling regulatory agencies in Australia and New Zealand meet twice yearly to discuss issues of mutual interest. One meeting is generally held in conjunction with the Australasian Casino and Gaming Regulators' Conference which brings together Commissioners and senior executives from regulatory agencies and their governing boards. During the reporting period CEOs met in Sydney during December 2008 and Perth in May 2009. The Commission's Chief Executive Officer attended these meetings.

### **Regulators' Responsible Gambling Working Party (RRGWP)**

The RRGWP was established by the Australasian Casino and Gaming Regulators' CEOs in April 2000. Membership of the RRGWP consists of senior officers from gambling regulatory agencies within each jurisdiction as well as New Zealand. The RRGWP establishes networks and links across all jurisdictions with the objective of providing collective advice and information to the Australasian Casino and Gaming CEOs on regulatory responses regarding responsible gambling.

Through its membership, the RRGWP has developed a collective understanding of the status of responsible gambling across Australia and New Zealand in relation to electronic gaming machines (EGMs), casino table games, Keno and lotteries. In addition, the Working Party has discussed such matters such as:

- consumer protection in relation to gambling services;
- issues surrounding advertising of gambling services and inducements;
- status of staff training in responsible gambling by gambling operators;
- technical features of EGMs that may assist or detract from responsible gambling;
- issues associated with automatic teller machines within gambling venues;
- exclusions from gambling venues for those experiencing problems with gambling;
- provision of relevant information to players; and
- card-based and cashless gambling.

The RRGWP met on one occasion during the reporting period.

### **Gambling Research Australia - Working Party**

A Memorandum of Understanding establishing the National Gambling Research Program was signed by all States and Territories and the Commonwealth on 27 October 2003. The Working Party, which reports to the Ministerial Council on Gambling (MCG), established a program of research projects to be undertaken to 30 June 2008, as well as a peer review process that applies to all projects to enhance the scientific credibility and integrity of the studies.

At the MCG meeting on 25 July 2008 Ministers agreed-in-principle to a second five year term for Gambling Research Australia (GRA) and agreed to extend the period of the Memorandum of Understanding to 30 June 2009, as a temporary measure, to enable GRA to execute its research agenda. During the reporting period the Memorandum of Understanding establishing the National Gambling Research Program was amended to provide for a new program from July 2009 until July 2014. This new program will focus on the MCG's new priority areas (see section on MCG below).

The ACT attended two meetings of the GRA during the reporting period and was also a member of the Research Procurement Panel for two research projects.

### **Ministerial Council on Gambling and the Ministerial Council on Gambling Officials' Group**

The Commission supports the Treasurer in the activities associated with the Ministerial Council on Gambling (MCG). The MCG met in July 2008 where Ministers agreed to the following three new priority work areas:

- access to cash and precommitment technologies;
- gaming machine standards for better consumer protection; and
- responsible gambling environments.

It was further agreed that the ACT would chair a working group of officials to progress the priority area relating to responsible gambling environments.

The Responsible Gambling Environments (RGE) Working Group comprises representatives from all jurisdictions including the Commonwealth and a representative from the Community and Disability Services Ministerial Advisory Council Gambling Working Party. The RGE Working Group has explored the various elements of responsible gambling environments with a view to a possible national approach by States and Territories to these areas. The key features explored by the working group were:

- restrictions on access to gambling (eg. prohibiting minors from gambling);
- physical requirements (eg. requirements for adequate lighting);
- provision of information and support (eg. requirements to display problem gambling help information); and
- restrictions on advertising, inducements, promotions and player loyalty programs.

The ACT, on behalf of the RGE Working Group prepared a paper for consideration by Ministers at the planned MCG meeting in February 2009. This meeting was postponed due to an election in the hosting jurisdiction, Queensland.

In addition to chairing the RGE Working Group the ACT has actively participated in the working groups for the other two priority areas identified above.

The MCG Officials' Group, on which the Commission is represented, coordinates the development of MCG proposals and implementation of MCG decisions. In addition to progressing work on the new priority areas officials produced a national snapshot of harm minimisation strategies. Officials also finalised the second and final report to the Council of Australian Governments on the implementation of the National Framework on Problem Gambling 2004-2008.

These documents provide a comprehensive list of strategies used by various jurisdictions, including the ACT, to tackle the important issue of problem gambling and minimising the harm that gambling causes some people. Both of these documents are available on the Australian Government's Department of Families, Housing, Community Services and Indigenous Affairs' website (<http://www.facsia.gov.au/sa/gamblingdrugs/progserv/problemgambling>).

The MCG Officials' Group had three face-to-face meetings and two teleconferences during the reporting period.

#### **Gaming Machine National Standard Working Party**

The Gaming Machine National Standard Working Party meets quarterly and is comprised of representatives from all Australian and New Zealand gaming jurisdictions. The Working Party meets regularly to develop the National Standard and to report and discuss gaming issues as they arise. The Working Party liaises with manufacturers, operator representatives and approved testing facilities to develop the National Standard as the set 'core' technical requirements for all gaming machines and games in Australian and New Zealand jurisdictions. The ongoing suitability of technical testing facilities is also considered.

#### **Australian Lottery Regulators' Working Group**

The Australian Lottery Regulators' Working Group meets once a year and is attended by representatives of all gambling jurisdictions in Australia and New Zealand. Discussions cover legislative changes in each jurisdiction and operational issues including problems associated with standardising public lotteries whilst conforming with the regulatory requirements of each jurisdiction.

#### **Art Unions, Raffles and Trade Promotion Lottery Working Party**

This recently established working party has been collating information from all jurisdictions on the operational requirements of minor lottery activity in each State and Territory. The working party has been tasked to identify areas of possible national standards where efficiencies can be obtained by developing common or consistent requirements between jurisdictions.

#### **Community and Disability Services Ministers Advisory Council (CDSMAC) - Gambling Working Party (GWP).**

During the reporting period the Commission was invited to nominate a representative to the CDSMAC – GWP. (Prior to then the ACT had only been represented by a nominee from the Department of Disability, Housing and Community Services). In addition to overseeing the national 1800 number for gambling help and the development of the online gambling counselling support program, the CDSMAC – GWP provides a forum for jurisdictions to share information on public education campaigns, early intervention and treatment services for problem gamblers.

## **A.9.5 Education, Prevention and Support**

### **Education and Public Awareness Initiatives**

The Commission provides information to licensees through periodic circulars and compliance bulletins that cover regulatory issues, changes in administration and general matters of significance that should be undertaken or noted as part of their gambling operations.

In May 2009, the Commission again actively participated in Responsible Gambling Awareness Week (RGAW). RGAW is a national campaign conducted at a state level that is a partnership between government, industry and community groups for the promotion of responsible gambling.

The key objective of the week is to raise community awareness of the importance of responsible gambling at a personal, venue and community level. It targets those persons that do gamble and emphasises that this should be undertaken in a responsible manner with the person remaining in control of their activity.

As part of its contribution to RGAW the Commission developed three new television advertisements which convey messages about remaining in control of your gambling. This new advertising campaign provided practical tips and techniques for controlling gambling and complements the 'self help' brochures, wallet sized information cards and responsible gambling website launched last year. These initiatives, developed in conjunction with Lifeline Canberra, were aimed at filling an information gap by targeting those people that are not inclined to seek outside help or counselling. These initiatives provide information and assistance to these persons so that they can apply the suggested measures and techniques of restraint themselves. The information also provides assistance and advice for friends and family of problem gamblers.

The Commission also placed advertising within a supplement to *The Canberra Times* to promote and highlight RGAW. The supplement was released during the RGAW to reactivate interest and publicity about the aims of the awareness week.

In association with Lifeline Canberra, the Commission established an information table in the Canberra Centre for the duration of RGAW.

The following information and education brochures continue to be distributed by the Commission to gaming venues and service providers such as Lifeline free of charge.

- *ACT Gambling Code of Practice – Information for patrons.*
- *Gambling – is it affecting your life?*
- *Betting on Casino Table games – know the deal on playing the game.*
- *Betting on Lotto, Lotteries or Keno – know the odds of your numbers coming up.*
- *Betting on Gaming Machines – know your chances on the pokies.*
- *Gambling More enjoying it less – you can choose a better deal.*
- *Gambling Problems in your family? – everyone can lend a hand for a better deal.*
- *Responsible Gambling – Take Control.*
- *Responsible Gambling – Family and Friends Can Help.*
- *Responsible Gambling – How to Set Your Own Limits.*

#### **Australian Online Gambling Counselling and Support Program**

At the Ministerial Council on Gambling (MCG) meeting on 25 July 2008 Ministers agreed to create a single national website for the online treatment of problem gamblers (the Australian Online Gambling Counselling and Support Program). The service will provide online 24-hour, seven day a week counselling for problem gamblers and reach a wide range of individuals, particularly the increasing number of people who gamble online.

A Memorandum of Understanding (MOU) for the program was signed by all Ministers and will be in force until 30 June 2011. Under the terms of agreement of the MOU, all jurisdictions will contribute funding to establish the program based on each jurisdictions' contribution to national gambling expenditure. The Commission has been actively involved in the working group for this program including attending a meeting and participating in a teleconference of the working group.

Significant progress has been made towards the development and deployment of the counselling website, with an anticipated activation date of September 2009.



**National Gambling Helpline 1800 Number**

At the MCG meeting on 25 July 2008 Ministers also agreed to a single national 1800 gambling helpline which will allow people to seek immediate help through a counsellor in their State or Territory by ringing one number wherever they are in Australia. The new national number is 1800 858 858 and has been operational since March 2009. More than 4,500 callers have contacted the Helpline nationally and callers from the ACT are connected directly to Lifeline Canberra.

## **Section B: CONSULTATION AND SCRUTINY REPORTING**

### **B.1 Community Engagement**

---

Community engagement plays a major role in the Commission achieving its obligations under its Strategic Plan and Client Service Charter by satisfying stakeholder expectations and providing high quality outputs.

The Commission has undertaken considerable community engagement throughout the reporting period in respect of research, education and legislative reviews as well as through the convening of its Gambling Advisory Reference Group.

#### **B.1.1 Gambling Advisory Reference Group**

The Gambling Advisory Reference Group (GARG) was established in 2001. It is an advisory body from which the Commission draws views and opinions across a broad section of organisations in the ACT with respect to assisting the Commission in addressing and minimising the harmful aspects of gambling and problem gambling in the ACT.

During the reporting period the Group met on one occasion and comprised the following representatives:

- Dr Mark Doverty - ACT Gambling and Racing Commission (GARG Chair);
- Mr Greg Jones - ACT Gambling and Racing Commission;
- Ms Roslyn Dundas - ACT Council of Social Services;
- Dr Roger Mauldon - ACT Churches Council;
- Mr Paul Flint - Council on the Ageing;
- Ms Kate Scandrett - ACT Office of Multicultural Affairs; and
- Mr Victor Marillanca - Canberra Multicultural Community Forum.

## B.1.2 Community Consultation

The following table summarises the nature and extent of formal community consultation undertaken by the Commission during the reporting period or undertaken on reports finalised in the reporting period.

**ACT Gambling and Racing Commission Community Consultation**

No.	Project Title	Project Description	Consultation Objectives	Methods for Informing & Consulting Community	Consultation Starting & Closing Date	No. of Submissions or Participants	Feedback Methods to Consultation Participants
1.	<b>Gambling Advisory Reference Group</b>	As recommended by the Needs Analysis Survey Report, the Advisory Reference Group was formed to assist the Commission in developing and implementing targeted strategies to address problem gambling in the ACT.	To provide objective outcomes and advice to the Commission on behalf of peak ACT community services organisations on issues related to problem gambling.	Key stakeholders from a broad cross-section of organisations in the ACT are represented on the reference group.	October 2001 to present (ongoing).	5 participants.	Formal meetings held each year and discussions with key stakeholders.

## B.2 Internal & External Scrutiny

The Commission has a number of processes in place to ensure that a high level of internal scrutiny exists. This includes an internal audit program which was developed through identifying areas of possible Risk, Fraud and Corruption within the Commission's operations. For details of internal audits conducted during this reporting period refer to Section C.1 Risk Management and Internal Audit.

Many of the Commission's decisions under the gaming laws, such as taking disciplinary action against a licensee or refusing to approve an application for a licence or equipment, are decisions reviewable by the ACT Civil & Administrative Tribunal (ACAT). Other decisions are open to scrutiny through judicial review, a Legislative Assembly Committee or the ACT Ombudsman.

During the reporting period the Commission was not subject to formal external scrutiny in relation to judicial review or by the ACT Ombudsman.

There were also no matters referred to the ACAT for review during the reporting period.

The Commission's Financial Report and Statement of Performance are independently audited by the ACT Auditor-General. The Auditor-General provided an unqualified audit opinion on the Commission's 2008-09 Financial Report and Statement of Performance with no significant matters identified during the process (see sections A.6 and A.7).

## B.3 Legislative Assembly Committee Inquiries and Reports

During the reporting period the Commission participated in the following Legislative Assembly Committee inquiries and reports.

Legislative Committee	Title	Date Presented
Standing Committee on Public Accounts	Report on Annual and Financial Reports 2007-2008	April 2009
Select Committee on Estimates 2009-2010	Appropriation Bill 2009-2010	June 2009



There were no Commission specific recommendations arising from these inquiries and reports.

## B.4 Legislation Report

### Legislation

The following is a list of legislation for which the Commission has a regulatory or supervision responsibility:

- *Betting (ACTTAB Limited) Act 1964;*
- *Casino Control Act 2006;*
- *Gambling and Racing Control Act 1999;*
- *Games, Wagers and Betting Houses Act 1901;*
- *Gaming and Betting Act 1906;*
- *Gaming Machine Act 2004;*
- *Interactive Gambling Act 1998;*
- *Lotteries Act 1964;*
- *Pool Betting Act 1964;*
- *Race and Sports Bookmaking Act 2001;*
- *Racing Act 1999; and*
- *Unlawful Games Act 1984.*

## Section C: LEGISLATIVE & POLICY BASED REPORTING

### C.1 Risk Management and Internal Audit

The Commission has developed a comprehensive risk management assessment of all its key processes and procedures and produced a Risk Management Plan in accordance with AS/NZS 4360:2004. The Commission monitors this Risk Management Plan on a regular basis to ensure its currency and also to identify emerging risks.

The Commission has an Internal Audit Program which is administered by the Department of Treasury's internal audit section. An internal audit of the Commission's compliance with GST and FBT requirements was conducted by KPMG during the reporting period. The audit found that the Commission complies with its GST and FBT payment reporting obligations and made five recommendations that if implemented could contribute to best practice. The recommendations have since been implemented.

The Commission reviews all ACT Auditor-General's reports for relevance and to ensure that the Commission's policies and procedures are consistent with best practice standards as identified by the ACT Auditor-General's Office.

The Commission's Business Continuity Plan has been reviewed and incorporated into the Department of Treasury's equivalent plan during the reporting period.

### C.2 Fraud Prevention

The ACT Integrity Policy addresses fraud and corruption prevention at a whole of Government level. The policy requires the Commission to undertake an integrity risk assessment and prepare a Fraud and Corruption Prevention Plan every two years. The Commission's current plan was developed in 2008 and remains current and relevant.

Fraud awareness and integrity training is provided to all Commission employees on an annual basis and is part of the induction process for new employees.

There were no cases of alleged fraud during the reporting period.

The Commission's Manager, Coordination and Revenue is the Senior Executive Responsible for Business Integrity Risk (SERBIR).

## **C.3 Public Interest Disclosure**

---

The *Public Interest Disclosure Act 1994* provides a mechanism for people to report wrongdoing in the ACT Public Sector. An Agency leaflet is available which provides information on making a Public Interest Disclosure. The leaflet includes the following summary information on:

- who can make a disclosure;
- what you can disclose;
- how to make a disclosure;
- how you are protected if a disclosure is made; and
- what Agencies must do under the *Public Interest Disclosure Act 1994*.

The leaflet also includes contact details to obtain further information in making a disclosure.

The Commission received no disclosures under the *Public Interest Disclosures Act 1994* during the reporting period.

## **C.4 Freedom of Information**

---

The *Freedom of Information Act 1989* (FOI Act) provides a legally enforceable right of access by citizens to documents in the possession of the ACT Government.

### **Section 7 Statement**

Section 7 of the FOI Act requires the Commission to prepare and publish a statement outlining organisation functions and powers, public participation in decision making, the categories of documents available and facilities available for access to documents.

### **Functions and Powers**

The Commission's functions and powers are to:

- administer the gaming laws in the Territory; and
- control, supervise and regulate gaming in the Territory.

Included in these broad functions are the following:

- regulating, monitoring, researching and approving gaming activity;
- monitoring and researching the social effects of gambling and of problem gambling;
- engaging in community consultation as appropriate;
- reviewing legislation and policies relating to gaming and racing; and
- collecting taxes, fees and fines imposed under the gaming laws.

In undertaking its functions, the Commission must have regard to consumer protection, minimising criminal activity and reducing the risks and costs of problem gambling to individuals and the community. The Commission must consult with the community with any review of legislation or policies.

**Public Participation in Decision-making**

Arrangements for public participation in decision-making include:

- public submissions to inquiries and reviews of legislation;
- stakeholder feedback on policies, procedures and legislation;
- interaction with industry, community and welfare organisations;
- access to records through FOI requests;
- comments on draft documents; and
- comments on Bills before the Assembly and contact with the relevant Minister.

**Categories of Documents**

The Commission holds the following basic categories of documents:

- those that are freely available on request and without charge; and
- all other kinds of documents that may be available under the FOI Act.

**Documents available on request and without charge**

Documents within this category include publications produced by the Commission such as its Annual Report and Statement of Intent. These are available from public counters and libraries throughout the Territory and may be available on the ACT Government's Internet Home Page and the Commission's website.

**Documents of other kinds that may be available under the FOI Act:**

- general files including internal, interdepartmental and public documents, minutes of Commission meetings, policy statements, financial and staffing estimates;
- diaries, rosters, work sheets;
- program and policy files;
- records held on microfilm, computer or paper in connection with specialised divisional functions;
- photographs, videos and films;
- financial and accounting records;
- files on applicants and clients;
- records of government including the machinery of government;
- leases and deeds of agreement; and
- brochures.

**Facilities for Access**

Those seeking information are encouraged to seek access by contacting the Commission before resorting to the more formal FOI procedure. Physical access to the documents of the agency is available at the listed address. Often it may be possible to access information more quickly and efficiently through an informal approach.

All FOI enquiries for the Commission should be directed to:

The FOI Coordinator  
ACT Gambling and Racing Commission  
PO Box 214  
CIVIC SQUARE ACT 2608

or by telephoning the Commission on 02 6207 0359.

### Section 8 Statement

The Commission makes available a Section 8 Statement which is an index of documents provided by the Agency for the purpose of making a decision or recommendation under an enactment or scheme. This Statement is available through the Commission's FOI Coordinator.

### Section 79 Statement

The Commission did not receive any applications requesting information under the FOI Act during the reporting period.

## C.5 Internal Accountability

The ACT Gambling and Racing Commission's governing board consists of four non-executive members made up of the Chairperson, Deputy Chairperson and two ordinary members. The Commission's Chief Executive Officer is also a member of the governing board. Non-executive board members' appointments are approved by the Treasurer. The Standing Committee on Public Accounts is consulted on all non-executive member appointments in accordance with section 228 (Consultation with appropriate Assembly Committee) of the *Legislation Act 2001*. The *Gambling and Racing Control Act 1999* prescribes that of the four non-executive members of the Commission "one shall have knowledge, experience or qualifications related to providing counselling services to problem gamblers". The appointment of Dr Mark Doverty has ensured compliance with this criterion.

The Commission conducts formal meetings on a monthly basis where comprehensive briefing papers and recommendations regarding significant issues are prepared and presented to the board by Commission staff. Detailed minutes of these meetings are kept and decisions of the Commission are communicated in writing to relevant parties. These minutes are examined by ACT Auditor-General staff during their annual financial and performance audit of the Commission. The Commission members receive a monthly financial report at each meeting which incorporates monthly and year-to-date financial information and explanations of variances between budget and actual.

Commission resources are made available to board members to assist them to carry out their duties. Access to independent professional or legal advice is available as required. Legal advice in relation to Commission decisions is obtained from the ACT Government Solicitor.

The following table summarises Commission members' attendance at meetings from July 2008 to June 2009. During the reporting period Ms Judy Sullivan resigned as Deputy Chair and Mr Mark Rolfe was appointed to the role on 10 September 2008.

**ACT Gambling & Racing Commission Members' Attendance at Meetings - July 2008 to June 2009**

	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June
Malcolm Gray	✓	✓	✓	✓	✓	✓	-	✓	✓	✓	✓	✓
Judy Sullivan	✓☎	✓☎	✓☎									
Mark Rolfe				✓	✓	✓	-	✓	✓	✓	✓	✓
Mark Doverty	✓	✓	✓	-	✓	✓	-	✓	✓	✓	✓	✓
Joan Perry	✓	✓	-	✓	✓	✓	-	✓	✓	-	✓	✓
Greg Jones	✓	✓	✓	✓	✓	✓	-	✓	✓	✓	✓	✓

There was no meeting held in January 2009.

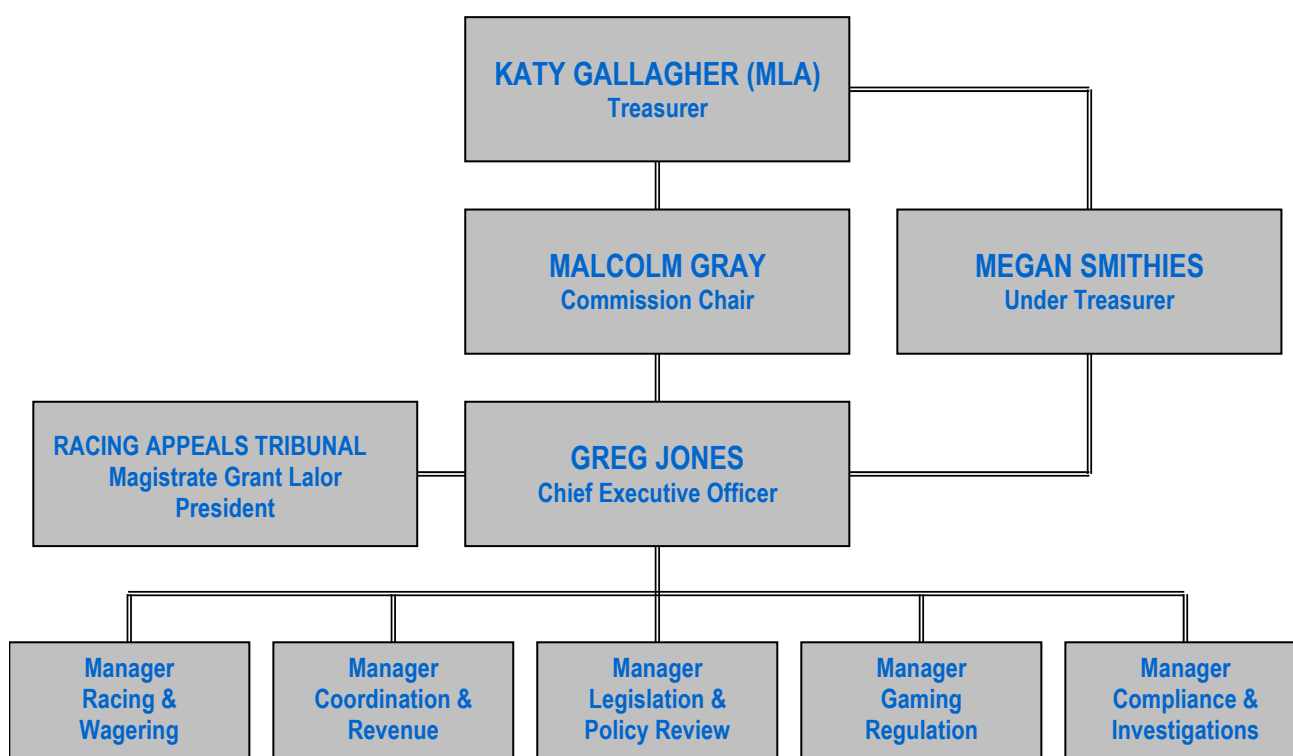
The ACT Remuneration Tribunal, in accordance with the *Remuneration Tribunal Act 1995*, determines the remuneration of the executive and non-executive Commission members.

The Commission has adopted the ACT Public Service Code of Ethics.

The qualifications and experience of the governing board members are as follows.

Name	Qualifications	Experience
<b>Mr Malcolm Gray</b> <b>Chairperson</b> (Appointed from 27 February 2007 to 18 January 2010)	BA, MA	Mr Gray has worked in academia in the UK, US and Australia, occupied senior positions in the Commonwealth Public Service, including a period in the Prime Minister's Office, and was Group Economist at CRA Ltd, now Rio Tinto Ltd, for two years. He has been involved in teaching and research in economics, the development of a wide range of public policies, and the strategic management of a large, transnational public company. In 1997 he founded Analytic Outcomes, an independent economic consultancy, which continues to form the base of his varied portfolio of activities. In 2001 he joined with Tony Beck in relaunching the Australian Emissions Trading Forum (AETF). In 2002, Malcolm was appointed to the board of the National Electricity Market Management Company (NEMMCO).
<b>Mr Mark Rolfe</b> <b>Deputy Chairperson &amp; Member</b> (Appointed from 18 September 2008 for a period of three years)	Certificate IV in Assessment and Workplace Training	Mr Rolfe is the Managing Director of Rolfe Property Services, a company specialising in cleaning and associated services in the ACT. He is a past Vice President of the Building Service Contractors Association of Australia (ACT Division). Over the past decade, Mr Rolfe has also involved himself in the fostering of the local Small Business industry, serving on the Committee of the Micro and Home Business Association and lecturing in Small Business practice at the Canberra Institute of Technology and CIT Solutions. Mr Rolfe is a qualified workplace assessor and holds a Certificate IV in Assessment and Workplace Training.
<b>Ms Judy Sullivan</b> <b>Deputy Chairperson &amp; Member</b> (resigned during the reporting period)	BEC/LLB, LLM, FTIA	Ms Sullivan is a Partner with Mallesons Stephen Jaques specialising in taxation and commercial law. She previously worked as a Senior Associate with Gilbert & Tobin in Sydney and as a Principal with Ernst & Young in Canberra.
<b>Ms Joan Perry</b> <b>Member</b> (Appointed 10 February 2009 for a period of three years)	BBA	Ms Perry has held several board and committee positions and has had a long and influential association with the sporting industry in the ACT. Ms Perry's current position is Chief Executive Officer of Volleyball Australia - the peak body for the administration of the game of volleyball in Australia.
<b>Dr Mark Doverty</b> <b>Member</b> (Appointed from 12 September 2008 for a period of three years)	Ph.D, M.Sc., MBA, B.Sc., BA, Grad Dip Marketing, Grad Dip Counselling	Dr Doverty has a clinical background with specialist qualifications in the field of addictive behaviours. Dr Doverty has considerable experience in the treatment of people with alcohol, drug and gambling problems. He has previously been employed at clinician, manager and director levels in health services in Australia and overseas. He is currently employed as a Senior Executive with the Federal Department of Health.
<b>Mr Greg Jones</b> <b>Chief Executive Officer Member</b> (Appointed CEO on 1 November 2005 for a period of five years)	BA (Hons)	Mr Jones was appointed as the Commission's Chief Executive Officer on 1 November 2005. He brings to the role extensive public sector experience including involvement with gaming regulation since 1993 incorporating 6 years as CEO and Chief Casino Inspector of the former ACT Casino Surveillance Authority. Mr Jones has an Honour's degree from ANU specialising in Economics and Psychology. Recent achievements included the conduct of the Commission's legislative review program which has seen comprehensive reviews conducted on the Gaming Machine Act, the Casino Control Act and the Lotteries Act. Mr Jones was instrumental in the development of the ACT's Gambling Code of Practice which was the first mandatory Code of Practice covering all gambling licensees in any Australian jurisdiction.

The Commission's operational structure is identified in the Organisation Chart below.



The Commission has developed a Strategic Management Plan 2009-13 that guides Commission planning and decision making. The Commission's key objectives are to:

- minimise the possibility of criminal or unethical activity in order to satisfy key stakeholders' expectations in relation to the regulation and oversight of gaming and wagering operations in the Territory;
- minimise the negative impact caused by problem gambling;
- keep informed about developments in gaming and wagering activities and regulatory practices, including emerging technologies;
- keep informed about developments in gambling harm minimisation strategies and research conducted into problem gambling;
- ensure that members of the community are provided with information to enable them to make informed decisions about their gambling; and
- ensure that resources are efficiently and effectively allocated to achieve its objectives including the development of staff.

Additionally, the Commission produces a yearly Statement of Intent which includes business and corporate strategies together with targets and performance measures. These targets/measures are incorporated into the Commission's Statement of Performance at Section A.7 of this report.

The Commission also has in place a Risk Management Plan and Fraud and Corruption Prevention Plan which are actively monitored with regular reports to the governing board.

An internal audit program, prepared by the Commission on a risk analysis basis is oversighted by the governing board. The board approves the work program and reviews all internal audit reports and annual financial reports.

In terms of external scrutiny, the ACT Auditor General undertakes a comprehensive financial and performance audit of the Commission on a yearly basis and forms an audit opinion which is tabled in the ACT Legislative Assembly and published in this Annual Report (sections A.6 and A.7).

## C.6 HR Performance

The Commission workforce is structured and managed to achieve the objectives as described in its Statement of Performance at section A.7 of this report. In effectively fulfilling its objectives the Commission supports staff development through identifying core training needs and encouraging skill and knowledge enhancement.

Commission staff are subject to performance agreements which identify key deliverable, capabilities and areas for further enhancement or training.

Recruitment practices carefully identify skill needs and specifically target prospective applicants that are assessed to meet the Commission's requirements. Planning ahead for known vacancies and other contingencies is undertaken to ensure that the Commission has adequate and appropriate resources to undertake its functions. As necessary, short-term or contract staff are used to meet short-term or specialised skill needs.

Part-time positions are available within the Commission to provide flexibility for staff needs.

## C.7 Staffing Profile

The Commission has the following staffing profile.

FTE & Headcount		
	Female	Male
FTE by Gender	14.4	15
Headcount by Gender	16	15
% of Workforce	51.6%	48.4%

Employment Type		
Permanent	Temporary	Casual
28	3	0

Classifications			
Classification Group	Female	Male	Total
Chief Executive	0	1	1
Senior Officer Grade A	0	1	1
Senior Officer Grade B	2	4	6
Senior Officer Grade C	2	2	4
Administrative Service Officer 6	3	2	5
Administrative Service Officer 5	5	0	5
Administrative Service Officer 4	4	5	9
<b>Total</b>	<b>16</b>	<b>15</b>	<b>31</b>



Employment Category by Gender			
Employment Category	Female	Male	Total
Permanent Full Time	10	13	23
Permanent Part Time	5	0	5
Temporary Full Time	1	2	3
<b>Total</b>	<b>16</b>	<b>15</b>	<b>31</b>

Average length of service by Gender			
Years	Female	Male	Total
0 to 2 years	1	3	4
2 to 4 years	4	1	5
4 to 6 years	6	3	9
6 to 8 years	3	2	5
8 to 10 years	0	2	2
10 to 12 years	1	0	1
12 to 14 years	0	1	1
14+ years	1	3	4
<b>Total</b>	<b>16</b>	<b>15</b>	<b>31</b>

Total Average Length of Service by Gender	
Gender	Average length of service
Female	5.85
Male	9.41
<b>Total</b>	<b>7.57</b>

Age Profile			
Age Increments	Female	Male	Total
<20	1	0	1
20-24	1	1	2
25-29	2	2	4
30-34	1	3	4
35-39	4	0	4
40-44	1	3	4
45-49	4	1	5
50-54	1	1	2
55-59	1	3	4
60-64	0	1	1
65-69	0	0	0
70+	0	0	0
<b>Total</b>	<b>16</b>	<b>15</b>	<b>31</b>

Agency Profile	
FTE	Headcount
29.4	31

Equity and Diversity			
Indigenous %	ESL %	Disability %	Women %
0	0	0	51.6



## **C.8 Learning and Development**

---

The Commission has developed a Learning and Development Plan against the ACT Public Service Learning and Development Initiatives. The Commission also participates in the ACT Public Service training calendar which provides learning and development opportunities for all staff on a broad range of topics.

The key Learning and Development priorities for the Commission were as follows.

### **Competency Based Training**

Relevant staff undertook training to enhance their competency in areas such as:

- supervisory and management skills;
- report writing;
- management information systems and computer application use; and
- financial management (including developing financial statements and processing and submitting FBT and GST returns).

### **Professional Education and Training**

One staff member continued study towards:

- economics qualifications; and

three staff members completed study in:

- accounting and business management;
- Certificate IV in Government Investigations; and
- Certificate III in record-keeping.

### **Capability Based Development**

Staff have previously undertaken developmental training and education in:

- Leadership Skills for Women; and
- Investigative Training.

### **Generic Development**

Staff have undertaken generic development in a range of courses/workshops including:

- communications and time management skills;
- records management;
- fraud awareness and prevention;
- natural justice and procedural fairness;
- ethics;
- equal employment opportunity and cultural diversity awareness;
- first aid;
- occupational health and safety; and
- database systems.

**Non-Formal Activities**

Staff have engaged in non-formal activities such as:

- participation and presentation at national regulatory and industry conferences and forums relevant to their workplace;
- representation on regulatory work groups and committees;
- participation in exchange programs with other regulatory jurisdictions;
- small group learning based around specific gambling-related compliance activities; and
- responsible gambling and problem gambling awareness training.

## **C.9 Workplace Health and Safety**

---

**Injury Prevention**

The Commission is conscious of the requirements of Occupational Health and Safety (OH&S) legislation and implements appropriate work practices particularly in relation to staff workloads, provision of furniture and other office environmental matters. The Commission's OH&S Policy has been documented and disseminated to all staff.

The Commission remains committed to maintaining the health and safety of its employees and has two trained Health and Safety representatives. Occupational Health and Safety is managed in accordance with the provisions of the *Occupational Health and Safety Act 1989* (OH&S Act), as modified by the *Public Sector Management Act 1994*. The Commission also has two qualified first aid officers and fire wardens who are provided with ongoing training throughout the year.

The Commission did not receive any notices under sections 146, 155 or 212 of the OH&S Act, nor were there any compliance agreements or enforceable undertakings involving the Commission under sections 140 and 169 of the OH&S Act. There were no section 204 notifiable incidents in the 2008-09 reporting period.

A Rehabilitation Case Manager monitors all reported injuries and long-term absences to ensure the earliest practical return to work of the injured or ill staff member. This relates to both compensable and non-compensable injuries and illness. The Rehabilitation Case Manager and the relevant staff manager coordinate rehabilitation plans and return to work programs. This ensures that a high level of communication, awareness and commitment to the rehabilitation process is maintained.

The Commission arranges workstation assessments for all new employees and for internal staff movements in order to minimise the potential risk of repetitive strain injuries.

The Commission's workplace is regularly checked by its trained OH&S representatives to ensure that it remains safe and hazard free.

During the reporting period Commission employees had access to the following wellbeing initiatives:

- flu vaccination program;
- flexible working arrangements;
- employee assistance program;
- eyesight testing;
- seated massages; and
- exercise classes, yoga and pilates.

## C.10 Workplace Relations

Commission staff are employed under the *Public Sector Management Act 1994* and are covered by the Department of Treasury Certified Agreement 2007-10.

Description	No. of Individual SEAs/AWAs	No. of Group SEAs/AWAs	Total employees covered by Group SEAs/AWAs	TOTAL
Number of SEAs as at 30 June 2009	0 <sup>1</sup>	0	0	0
Number of SEAs entered into during period	0	0	0	0
Number of SEAs terminated during period	0	0	0	0
The number of SEAs providing for privately plated vehicles as at 30 June 2009	0	0	0	0
Number of SEAs for employees who have transferred from AWAs during period	0	0	0	0
Number of AWAs as at 30 June 2009	2 <sup>2</sup>	0	0	2
Number of AWAs terminated/lapsed (including formal termination and those that have lapsed due to staff departures)	0	0	0	0

- One Commission employee is employed under an SEA and is currently acting in a non SEA position and is therefore not included within this table.
- The duration of the two AWAs nominally expired on 30 September 2003.

	Classification Range	Remuneration as at 30 June 2009
Individual and Group SEAs	N/A	N/A
AWAs (includes AWAs ceased during period)	SOGB - SOGA	\$114,760 - \$118,357

## C.11 Strategic Bushfire Management Plan

As the Commission's offices are located within leased premises in the heart of Canberra City, not within an environment at risk of bushfire, this item does not apply.

## **C.12 Strategic Asset Management**

---

The only assets managed by the ACT Gambling and Racing Commission are its:

- furniture and fittings;
- motor vehicles; and
- Information Technology (IT) equipment, leased from InTACT.

The Commission has in place policies for the management of these assets consistent with the ACT Asset Management Strategy, namely:

- an inventory and audit of all assets that includes asset registers which are updated following the receipt of newly purchased or leased equipment;
- a depreciation schedule;
- an ongoing program for replacement of all IT assets, developed and implemented in conjunction with InTACT; and
- comprehensive insurance with the ACT Insurance Authority.

Commission managed assets were valued at approximately \$500,000 for the period with no significant assets added or removed from its register.

The Commission occupies leased accommodation at Level 2 of the Canberra Nara Centre, Canberra City. Total occupied office floor space, including a percentage for common areas is 531m<sup>2</sup>. This space accommodates 33 employees which equates to 16.1m<sup>2</sup> per person.

## **C.13 Capital Works**

---

The Commission does not engage in capital works.

## **C.14 Government Contracting**

---

The Commission's procurement selection and management process for all contractors including consultants complied with the *Government Procurement Act 2001* and *Government Procurement Regulation 2007* and subordinate guidelines and circulars.

Procurement processes above \$20,000 have been reviewed by ACT Procurement Solutions and if necessary, by the Government Procurement Board consistent with the provisions of the *Government Procurement Regulation Act 2007*.

### External Sources of Labour and Services

Name	Description and Reason for Contract	Financial Year Expenditure (excluding GST)	Procurement Type (eg open tender, select tender, single select or standing offer arrangements)	Reason for use of Select Tender (where applicable)	Date Contract Let
Research into Gambling	Gambling and Problem Gambling Research Projects	\$32,714	Single Select	ANU Centre for Gambling Research was considered the only contractor sufficiently skilled to provide the specialist research and analysis required for these projects	November 2003
Problem Gambling Advertisement Campaign	The purchase of television advertising space for the ACT Gambling and Racing Commission's problem gambling advertising campaign	\$40,131	Single Select	Short timeframe	April 2009

## C.15 Community Grants/Assistance/Sponsorship

As a regulator of gambling operations the Commission does not provide community grants, assistance or sponsorship.

## C.16 Territory Records

The *Territory Records Act 2002* requires each agency to have an approved Records Management Program. The Commission's program has been approved by the Chief Executive Officer and incorporates a records disposal schedule for gambling and racing regulation as approved by the Director of Territory Records. This notifiable instrument (NI 2004-476) can be viewed on the ACT Government's legislation website ([www.legislation.act.gov.au](http://www.legislation.act.gov.au)).

The Commission has continued with its Records Management Program during the reporting period noting possible amendments and enhancements for the future. It can effectively provide evidence of decisions, authorisations and activities; demonstrate that accountability requirements have been met; and support business activities through proper storage and retrievability of useable and reliable records.

The process of identifying records older than 20 years in order to determine whether access should continue to be restricted through a section 28 declaration by the Director of Territory Records is ongoing. A number of Commission records have been declared exempt from public access utilising a section 28 declaration.

Commission staff are encouraged to attend records management training offered by CIT Solutions. This training provides employees with an understanding of the record keeping requirements of the ACT Public Service, including complying with legislative requirements. Standards, guidelines and advice issued by the Treasury Records Office are available to all staff.

## C.17 Human Rights Act 2004

---

The *Human Rights Act 2004* (HRA) is part of the Government's commitment to build a human rights culture in the ACT and ensure that Territory Managers are working within a human rights framework. From the commencement of the HRA in July 2004 all public officials have a duty to interpret legislation under which they operate consistently with human rights unless the Territory law clearly authorises otherwise.

Commission staff are regularly briefed on the HRA and all staff, particularly those within the Compliance and Investigations section who have inspectorial roles, are aware of their responsibilities under that Act.

In addition, a number of staff have attended seminars presented by the ACT Human Rights Commission to highlight awareness in this area.

All new legislation and legislative amendments are checked for compatibility with the HRA and those compatibility checks continue with the Commission's ongoing review of its legislation.

## C.18 Commissioner for the Environment

---

During the reporting period there were no requests or investigations under section 23 of the *Commissioner for the Environment Act 1993*.

## C.19 ACT Multicultural Strategy

---

Multicultural community groups throughout the Territory were invited to participate in all gambling-related legislative reviews conducted during the period. Access to these reviews and other Commission activities is carefully considered and is covered in more detail under Section B.1 Community Engagement.

In relation to the Commission's Community Consultation Program and in receiving complaints about gambling service providers, the Commission makes provision for the receipt of information in a variety of forms including utilisation of translating and interpreting services to assist clients who have difficulty with the English language.

Consistent with the principles of the Commonwealth's *Charter of Public Service in a Culturally Diverse Society* (endorsed by the Territory in June 1998) all Commission staff are aware of, and sensitive to, the needs and requirements of clients from culturally and linguistically diverse backgrounds.

## C.20 Aboriginal and Torres Strait Islander Reporting

---

To date it has not been necessary for the Commission to become specifically involved in any activities regarding identified strategic areas for action and strategic change indicators as stated in the 'Overcoming Indigenous Disadvantage Report'.

## C.21 Ecologically Sustainable Development

---

Section 158A of the *Environment Protection Act 1997* requires agencies to report on actions and initiatives taken during the reporting period to support an ecologically sustainable development.

The Commission is housed in leased accommodation. The figures reported below were provided by the Chief Minister's Department, Corporate Services Branch and are based on the Commission's net lettable office area.

	Indicator as at 30 June	Unit	2008-09	
General				
A	Occupancy – office staff full-time equivalent	Numeric (FTE)	29.4	
B	Area office space – net lettable area	Square metres (m²)	531	
Stationary energy use				
	Electricity use (total)	Kilowatt hours	101,486	
X	Electricity use (office)	Kilowatt hours	51,324	
Y	Renewable energy use (GreenPower)	Kilowatt hours	5,132	
	Percentage of renewable energy used (Y / X x 100 )	Percentage	10%	
	Gas use (total)	Megajoules	196,312	
	Gas use (office)	Megajoules	196,312	
C	Total office energy use	Megajoules	561,662	
Intensities (office)				
	Energy intensity per office FTE (C / A)	Megajoules / FTE	19104	
	Energy intensity per square metre (C / B)	Megajoules / m²	1058	
Transport Energy			Office	Other
D	Total number of vehicles	Numeric	2	-
	Transport fuel (Petrol)	Kilolitres	.818	-
E*	Total transport energy use	Gigajoules	27.98	-
Water Consumption				
	Water use (total)	Kilolitres	313	
F	Water use (office)	Kilolitres	313	
Intensities (office)				
	Water use per office FTE (F / A)	Kilolitres / FTE	10.65	
	Water use per square metre floor area (F / B)	Kilolitres / m²	0.59	
Waste				
	Estimate of waste to landfill (Co-mingled)	cubic metres	30.8	
G	Estimate of putrescible waste (food & organic matter)	cubic metres	1.6	
H	Estimate of waste paper to landfill (Paper)	cubic metres	21.9	
I	Reams of paper used (carryover stock+ total year order - remainder)	Reams	530	
J	Total of waste paper recycled	cubic metres	6.4	
K	Total waste greenhouse gas emissions	Tonnes CO <sub>2</sub> -e	12.1	
Resource Efficiencies				
	Estimate of putrescible waste per FTE (G / A)	m³ / FTE	.05	
	Total office paper used per FTE (I / A)	Reams / FTE	18.3	
	Percentage of paper recycled (J / (J+ H) x 100)	Percentage	22.6	
	Estimate of total co-mingled office waste per FTE (K / A)	m³ / FTE	1.05	
Office Greenhouse Emissions				
*	Direct greenhouse gas emissions (Scope 1)	Tonnes CO <sub>2</sub> -e	10.07	
*	Indirect greenhouse gas emissions (Scope 2)	Tonnes CO <sub>2</sub> -e	46.01	
*	Other indirect greenhouse gas emissions (Scope 3)	Tonnes CO <sub>2</sub> -e	11.59	
L*	Total office greenhouse gas emissions (All Scopes)	Tonnes CO <sub>2</sub> -e	67.67	
Transport Greenhouse Emissions				
*	Direct greenhouse gas emissions (Scope 1)	Tonnes CO <sub>2</sub> -e	1.87	
*	Indirect greenhouse gas emissions (Scope 2)	Tonnes CO <sub>2</sub> -e	-	
*	Other indirect greenhouse gas emissions (Scope 3)	Tonnes CO <sub>2</sub> -e	0.15	
M*	Total transport greenhouse gas emissions (All Scopes)	Tonnes CO <sub>2</sub> -e	2.02	
Greenhouse Gas Intensities				
	Office greenhouse gas emissions per person (L / A)	Tonnes CO <sub>2</sub> -e / FTE	2.30	
	Office emissions per square metre (L / B)	Tonnes CO <sub>2</sub> -e / m²	0.13	
	Transport greenhouse gas emissions per person (M / A)	Tonnes CO <sub>2</sub> -e / FTE	0.07	

\* = calculated with information entered into OSCAR

Whilst the Commission has limited opportunity for significant contributions in this regard, it remains committed to supporting sustainable measures that contribute to its reduction in energy usage and impact on the environment. The following initiatives have been implemented:

- lights out after office hours;
- purchasing recycled stationery items where possible;
- reducing paper consumption via double sided printing/photocopying; and
- use of the photocopiers scanning and email facility where appropriate.

Additionally building management has implemented the following during the reporting period:

- replacement of the cooling tower and boiler with more water and energy efficient models;
- replacement of chillers with more water and energy efficient models;
- installation of movement sensors for office lighting that turn off after 20 minutes of inactivity where suitable (e.g. foyers, toilets, basement); and
- increase in bicycle parking facilities for Nara Basement to facilitate the demand in alternative transport.

## **C.22 ACT Women's Plan 2004-2009**

---

The ACT Women's Plan initiated the ACT Government's vision for working with the community to improve the status of all women and girls and provided a shared approach for working towards this vision across Government agencies.

Two key objectives of the Plan are to encourage good health and wellbeing and economic security and opportunities. These are at least partially addressed by the incentives provided to gaming machine licensees to make additional contributions to women's sport as part of their community contributions program. Each year the Commission highlights these contributions in its report to the Minister that assesses gaming machine licensees' community contributions.



## **APPENDICES**

### **Annexed and Subsumed Reports**

---

## **Annual Report of the Racing Appeals Tribunal**

---

### **Functions**

To hear and determine appeals and other matters in accordance with the provisions of the *Racing Act 1999* (the Act).

### **Contact**

Registrar of the Tribunal  
Mr Gavan Desmond  
Manager, Racing and Wagering  
Gambling and Racing Commission

Phone: (02) 6207 0382

Fax: (02) 6207 7372

Until 31 October 2008 the members of the Tribunal were:

Magistrate Grant Lalor (President)  
Mr Robert Cook (Deputy President)  
Mr Phillip Drever  
Ms Lois Fordham  
Ms Thena Kyprianou

In September 2008 the Minister appointed members to the Tribunal for a period commencing 1 November 2008 and ending 31 October 2011. The members of the Tribunal for 2008-09 from 1 November 2008 were:

Magistrate Grant Lalor (President)  
Mr Robert Cook (Deputy President)  
Mr Phillip Drever  
Mr Ted Quinlan  
Ms Thena Kyprianou

In December 2006 the Minister appointed Mr Darryl Hart as an assessor to the Tribunal until 27 November 2009.

### **Operations**

The Racing Appeals Tribunal is established by Part 5 of the Act. The Tribunal is an independent body responsible for hearing and determining appeals from persons aggrieved by a decision of a controlling body or another organisation conducting a race meeting being held for the purposes of betting in the ACT. The functions of the Tribunal are contained in section 39 of the Act.

### **Appeals Lodged with the Tribunal**

No appeals were lodged with the Tribunal during the reporting period.

### **Matters Heard by the Tribunal**

No matters were heard by the Tribunal during the reporting period.

## Compliance Index

### TABLE OF CONTENTS

<b>TRANSMITTAL CERTIFICATE</b>	<b>iii</b>
<b>SECTION A: PERFORMANCE &amp; FINANCIAL MANAGEMENT REPORTING</b>	<b>1</b>
A.1 The Organisation	1
A.2 Overview	3
A.3 Highlights	4
A.4 Outlook	5
A.5 Management Discussion and Analysis	6
A.6 Financial Report	12
A.7 Statement of Performance	49
A.8 Strategic Indicators	58
A.9 Analysis of Agency Performance	60
<b>SECTION B: CONSULTATION AND SCRUTINY REPORTING</b>	<b>81</b>
B.1 Community Engagement	81
B.2 Internal & External Scrutiny	82
B.3 Legislative Assembly Committee Inquiries and Reports	82
B.4 Legislation Report	83
<b>SECTION C: LEGISLATIVE &amp; POLICY BASED REPORTING</b>	<b>83</b>
C.1 Risk Management and Internal Audit	83
C.2 Fraud Prevention	83
C.3 Public Interest Disclosure	84
C.4 Freedom of Information	84
C.5 Internal Accountability	86
C.6 HR Performance	89
C.7 Staffing Profile	89
C.8 Learning and Development	91
C.9 Workplace Health and Safety	92
C.10 Workplace Relations	93
C.11 Strategic Bushfire Management Plan	93
C.12 Strategic Asset Management	94
C.13 Capital Works	94
C.14 Government Contracting	94
C.15 Community Grants/Assistance/Sponsorship	95
C.16 Territory Records	95
C.17 Human Rights Act 2004	96
C.18 Commissioner for the Environment	96
C.19 ACT Multicultural Strategy	96
C.20 Aboriginal and Torres Strait Islander Reporting	96
C.21 Ecologically Sustainable Development	96
C.22 ACT Women's Plan 2004-2009	98
<b>APPENDICES</b>	<b>99</b>
Annual Report of the Racing Appeals Tribunal	100
Compliance Index	101
Alphabetical Index	102
Glossary of Abbreviations, Acronyms and Technical Terms	103

## Alphabetical Index

---

Casino Regulation.....	60
Community Contributions.....	69
Community Engagement .....	81
Complaints Summary.....	75
Contact Details .....	iv
Disciplinary Action – Casino .....	62
Disciplinary Action – Gaming Machine Licensees.....	66
Education and Public Awareness Initiatives.....	79
Financial Report.....	12
Freedom of Information.....	84
Functions and Powers of the Commission .....	1
Gambling Advisory Reference Group .....	81
Gaming Machine Regulation.....	62
Gaming Regulation .....	60
Glossary.....	103
Inter-Jurisdictional collaboration.....	77
Interactive Gaming Regulation.....	70
Legislative Amendments .....	76
Legislative Reviews .....	75
Lotteries Regulation .....	70
Membership of the Commission.....	1
Ministerial Council on Gambling.....	78
Monitoring and Research.....	76
Organisation Chart.....	88
Racing and Wagering Regulation .....	72
Racing Appeals Tribunal.....	100
Staffing Profile .....	89
Statement of Performance .....	49
Strategic Asset Management.....	94
Transmittal Certificate .....	iii
Unlawful Gaming .....	74
Workplace Health & Safety.....	92

## Glossary of Abbreviations, Acronyms and Technical Terms

ACAT	ACT Civil & Administrative Tribunal
ANU	Australian National University
AWA	Australian Workplace Agreement
CEOs	Chief Executive Officers
COAG	Council of Australian Governments
Commission	ACT Gambling and Racing Commission
community contribution	expenditure by gaming machine licensees on eligible community contributions under the <i>Gaming Machine Act 2004</i>
compliance audits	audits undertaken to identify a licensee's compliance with the current gaming legislation
cross-border betting	race and sports betting in different jurisdictions
disciplinary action	a notice of reprimand, monetary penalty up to \$100,000 or suspension or cancellation of licence.
EGMs	Electronic Gaming Machines
FOI	Freedom of Information
GARG	Gambling Advisory Reference Group
GCO	Gambling Contact Officer
GRA	Gambling Research Australia
GST	Goods and Services Tax
HRA	<i>Human Rights Act 2004</i>
lottery	raffle, trade promotion, Keno, Housie etc under the Lotteries Act 1964
MCG	Ministerial Council on Gambling
MOU	Memorandum of Understanding
OH&S	Occupational Health and Safety
race bookmaking	means the carrying on (whether regularly or on one or more occasions) of the business of receiving or negotiating bets on races
revenue audits	audits of operator activity to ensure correct payment of fees and taxes
RGAW	Responsible Gambling Awareness Week
RRGWP	Regulators' Responsible Gambling Working Party
sports bookmaking	means the carrying on (whether regularly or on one or more occasions) of the business of receiving or negotiating sports bets
TABs	Totalisator Agency Boards