



ACT
Government



GAMBLING AND RACING COMMISSION

ANNUAL REPORT 2015-16

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ACT GAMBLING AND RACING COMMISSION

ANNUAL REPORT 2015-2016

The ACT Gambling and Racing Commission's *2014-15 Annual Report* has been prepared in accordance with the ACT Chief Minister's *Annual Reports (Government Agencies) Notice 2015* issued on 13 May 2015.

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SECTION A: TRANSMITTAL CERTIFICATE



ACT
Government



GAMBLING
AND
RACING
COMMISSION

Minister for Racing and Gaming
ACT Legislative Assembly
London Circuit
CANBERRA ACT 2601

Dear Minister

We have pleasure in submitting to you the ACT Gambling and Racing Commission's Annual Report for the financial year ended 30 June 2016.

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.

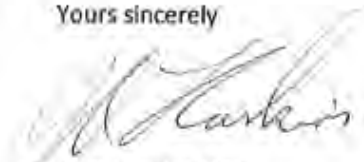
It has been prepared in conformity with other legislation applicable to the preparation of the Annual Report by the Commission.

We hereby certify that the information in the attached Annual Report, and information provided for whole of government reporting, is an honest and accurate account and that all material information on the operations of the Commission has been included for the period 1 July 2015 to 30 June 2016.

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

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 4 months of the end of the financial year.

Yours sincerely



John Haskins, AM
Chairperson
20 September 2016



David Snowden
Chief Executive Officer
20 September 2016

Compliance Statement

The ACT Gambling and Racing Commission must comply with the 2015 Annual Report Directions (the Directions). The Directions are found on the ACT Legislation Register:

<http://www.legislation.act.gov.au/ni/annual/2015.asp>

The Compliance Statement indicates the subsections, under the five Parts of the Directions, that are applicable to the ACT Gambling and Racing Commission and the location of information that satisfies these requirements:

Part 1 Directions Overview

The requirements under Part 1 of the 2015 Directions relate to the purpose, timing and distribution, and record keeping of annual reports. The ACT Gambling and Racing Commission complies with all subsections of Part 1 under the Directions.

In compliance with section 13 Feedback, Part 1 of the Directions, contact details for the ACT Gambling and Racing Commission are provided within the 2015-16 Annual Report to provide readers with the opportunity to provide feedback.

Part 2 Agency Annual Report Requirements

The requirement within Part 2 of the Directions are mandatory for all agencies and the ACT Gambling and Racing Commission complies with all subsections. The information that satisfies the requirement of Part 2 is found in the Commission's 2014-15 Annual Report as follows:

- A. Transmittal Certificate – see page 7
- B. Organisational Overview and Performance, inclusive of all subsections – see pages 10 - 74
- C. Financial Management Reporting, inclusive of all subsections – see pages 75 - 136
Reporting by Exception

The ACT Gambling and Racing Commission has nil information to report by exception under Part 3 of the Directions for the 2014-15 reporting period.

Part 4 Agency Specific Annual Report Requirements

The following subsections of Part 4 of the 2015 Directions are applicable to the ACT Gambling and Racing Commission and can be found within the Commission's 2015-16 Annual Report.

- *Gambling and Racing Control Act 1999*, section 31 – see page 39, 41
- *Gaming Machine Act 2004*, section 163C – 15, 29, 33, 34, 36, 44, 47, 50

Part 5 Whole of Government Annual Reporting

All subsections of Part 5 of the Directions apply to the ACT Gambling and Racing Commission. Consistent with the Directions, the information satisfying these requirements is reported in the one place for all ACT Public Service Directorates, as follows:

- M. Community Engagement and Support, see the 2015-16 annual report of Chief Minister, Treasury and Economic Development Directorate;
- N. Justice and Community Safety, including all subsections R.1 – R.4, see the 2015-16 annual report of the Justice and Community Safety Directorate;

- O. Public Sector Standards and Workforce Profile, see the 2015-16 State of the Service Report of the Commissioner for Public Administration; and
- P. Territory Records, see the 2015-16 annual report of the Director of Territory Records.

ACT Public Service Directorate annual reports are found at the following web address:

http://www.cmd.act.gov.au/open_government/report/annual_reports

SECTION B: ORGANISATION OVERVIEW AND PERFORMANCE

B.1 Organisational Overview

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.

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 ACT; and
- c) to exercise any other function given to the Commission under this Act or any other Territory law.

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;
 - ii. activities of people in relation to gaming and racing, for the purpose of exercising functions under a gaming law; and
 - iii. 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 issued to the Commission during 2014-2015.

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:

- a) promotes consumer protection;
 - i. minimises the possibility of the criminal or unethical activity; and
 - ii. 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.

Vision and Values of the Commission

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

The Commission's values are:

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

Objective of the Commission

The Commission's Strategic Plan 2014-2018 outlines the objectives to achieve its vision:

- to minimise the possibility of criminal or unethical activity in order to satisfy 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 gambling harm minimisation strategies and research conducted into problem gambling;
- to provide the community with factual information about gambling products so that people can make informed choices about their gambling;
- to provide the community with information about problem gambling, including how and where to obtain assistance;
- to achieve timely and effective consultation with stakeholders to enable informed decisions when reviewing gambling legislation and policies;
- to keep informed about developments in gaming and wagering activities and regulatory practices, including emerging technologies; and
- to ensure that resources are efficiently and effectively allocated to achieve its objectives including the development of staff.

Key Stakeholders of the Commission

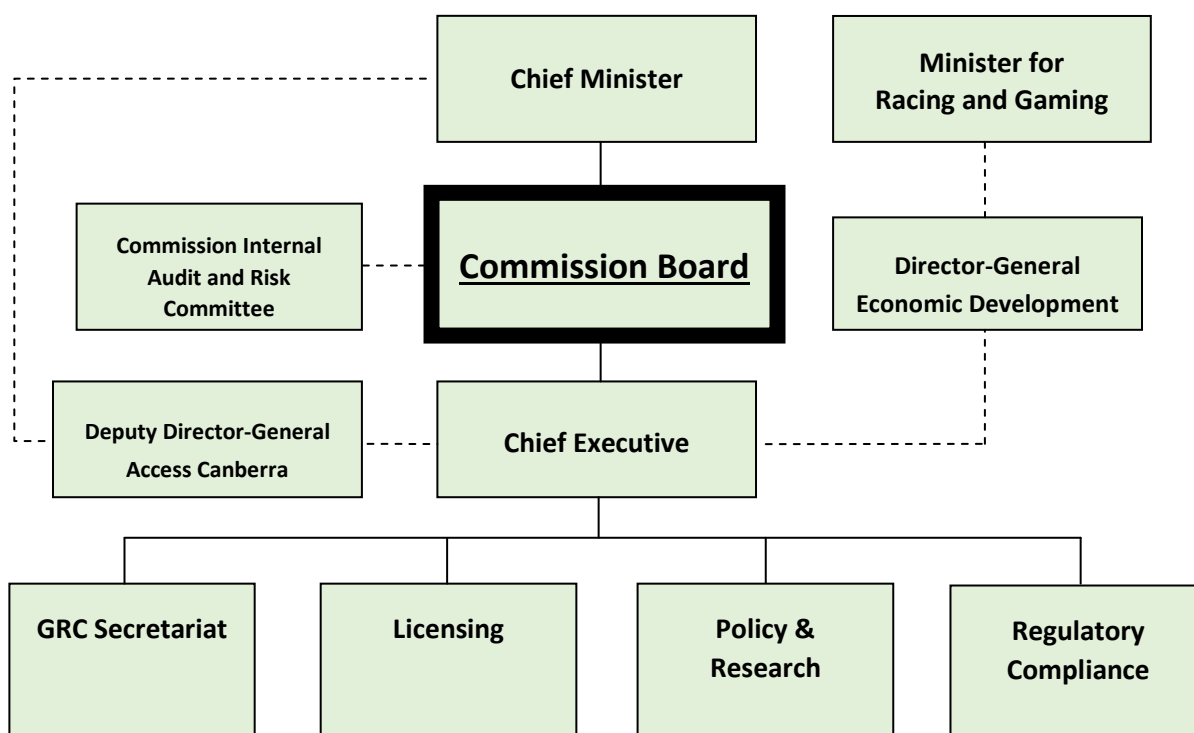
The Commission's Strategic Plan identifies the key stakeholders and clients of the Commission as the:

- ACT community;
- ACT Government;
- ACT Legislative Assembly;
- Territory's licensed gaming and wagering providers and their customers; and
- Commission staff.

Organisation Structure, Environment and Planning Framework

In December 2014, the ACT Chief Minister announced the establishment of Access Canberra under the Chief Minister, Treasury and Economic Development Directorate. Access Canberra is a 'one-stop-shop' for many regulatory services performed by the ACT Government, is client focussed and ensures businesses have an effective and efficient method of dealing with Government. In August 2015 an agreement between Access Canberra and the Commission on *"the provision of services for the administration of the gaming laws including the control, supervision and regulation of gaming and racing in the ACT"* (the Agreement) was executed. The Agreement expired after a year and a Memorandum of Understanding was entered into until 30 June 2017. The Memorandum of Understanding states that the GRC will commission work from Access Canberra to fulfil its obligations under the *Gambling and Racing Control Act 1999* (the Act), and satisfy its objectives outlined in the 2014-2018 Strategic Plan and the 2016-2017 Statement of Intent.

The ACT Gambling and Racing Commission is a statutory authority and is governed by a Board. The Commission's operational structure as at 30 June 2016 is identified in the following Organisation Chart.



The Deputy Director-General Access Canberra, is accountable to the ACT Public Service Head of Service, and the Chief Minister. The Deputy Director-General is responsible for the administration and business of Access Canberra including any work that Access Canberra undertakes on behalf of the Commission. The GRC have a Memorandum of Understanding (MoU) with Access Canberra in relation to work commissioned by the GRC for the administration of the gaming laws, including the control, supervision and regulation of gaming and racing in the ACT.

The Director-General Economic Development, is accountable to the ACT Public Service Head of Service, and the Minister for Racing and Gaming. The Director-General is responsible for broad gaming and racing policy on a whole-of-government basis.

The Chief Executive of the Commission is also the Chief Operating Officer of Access Canberra and is a member of the governing board.

The Commission's Strategic Plan 2014-18 guides planning and decision making. Additionally, the Commission produces an annual 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 C.6 of this report.

The Commission has also produced detailed section 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. The Commission's planning processes, including strategic and business planning, incorporate risk management.

The Commission's Strategic Plan outlines the Commission's plan to achieve its vision; strategies to meet its key objective and the Commission's strategy to adopt an efficient and effective business framework including:

- improving operations through the regular review and necessary adjustments of procedures and practices;
- regularly reviewing the risk based approach to the implementation of the regulatory scheme so that available resources are effectively allocated;
- regularly review the compliance audit plan on a risk basis to update existing matters and capture emerging issues;
- periodically assess the Commission's structure and capabilities to ensure that they best achieve the Commission's objectives;
- regularly undertake internal audit activities to validate or enhance operational systems;
- strengthen management information and communication systems to support timely decision making and the dissemination of such information to all staff; and
- ensure that the Commission efficiently and effectively utilises the available information technology resources to support the delivery of its products and services.

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

The Commission is incorporated in the Access Canberra Business Continuity Plan which describes arrangements that will be used to provide continuity of key services in the event of a major disruptive incident.

Achievements

During 2015-16 the Commission had an arrangement for service delivery with Access Canberra. The Commission has gained a number of operational efficiencies through this arrangement including improved coordination and regulation of gambling and racing industries across the Territory.

The Commission continued its development of a risk-based regulation model for compliance and licensing which has improved the targeting of resources to those areas of highest risk. This has benefited licensees by reducing the regulatory burden on low risk activities. To enable this, the risk profile of licensees has undergone continued refinement and the Commission has developed an updated risk assessment framework in relation to the new totalisator and casino licensees.

On 27 October 2015 amendments to the *Lotteries Act 1964* commenced providing for certain lotteries to be conducted without the need to require approval from the Commission. In particular, businesses running trade promotions where the prize value does not exceed \$3,000 are now permitted to operate without approval, provided they still comply with the requirements of the Act. The amendments, while ensuring consumers are protected and the integrity of the lotteries are maintained, have significantly reduced regulatory burden by allowing for differentiation between large value high-risk activities and low value low-risk activities (such as infrequent raffles).

Extensive amendments to the *Gaming Machine Act 2004* commenced at the start of the reporting period as part of the ACT Government's gaming machine reform package. This included the introduction of a trading scheme for gaming machine licensees, overseen and administered by the Commission. The introduction of the trading scheme has enabled clubs to buy and sell authorisations to operate gaming machines while providing a mechanism to reduce the number of machines in the Territory. These amendments also introduced a new framework for licensing and the storage of gaming machines in the ACT, and the Commission worked with industry to provide information and support during the implementation of the reform package.

The Commission also assisted Economic Development on legislative proposals including red tape reduction in the area of gambling regulation, which are due to commence at the start of the next reporting period. These include removing the regulatory requirement for licensees to display certain signage and implementing a simplified framework for race bookmaking licences and race bookmaker's agent licences.

The Commission's role in assisting to alleviate problem gambling issues was focused through the Problem Gambling Assistance Fund which is administered by the Commission. Allocations from the Fund were used to alleviate the disadvantages that arise from problem gambling and to educate the ACT community on problem gambling.

For example, during the reporting period expenditure from the Fund was provided to Relationships Australia to deliver gambling counselling and support services. The Fund also delivered a number of other projects, including enhancements to incident reporting in the online exclusion database and training for community sector workers assisting people who may have problems with gambling.

The Australian National University's (ANU) Centre for Gambling Research under an agreement with the Commission continued to produce research products throughout 2015-16. In late 2015 the ANU released the findings of their 2014 prevalence study of gambling and gambling harm (or problem gambling) in the Territory which contributed significantly to the Commission's understanding of gambling harm in the community and provided a comprehensive picture of gambling trends in the

Territory. The ANU will also publish a further report analysing gambling expenditure collected from the 2009 and 2014 Prevalence Studies early in the next reporting period.

Similarly, through the Problem Gambling Assistance Fund research remained a focus with the longitudinal research project being conducted by ANU completing its second year. The project documents clients' pathways before and into the use of gambling counselling services and their experiences during and after using these services. A further research project focusing on profiling gambling behaviours and patterns of behaviour was approved during the reporting period. The findings of the project will further assist the Commissions understanding of gambling behaviours and assist in the development of appropriate harm minimisation strategies.

Outlook Requirement

The Commission, with the assistance of Access Canberra, will continue to deliver its customer and regulatory functions in 2016-17. This will continue to ensure improved coordination, information and operational undertakings across Government agencies providing a more effective regulatory scheme for industry, the community and Government. The Commission will maintain its focus on harm minimisation, protection and integrity of the gambling and racing industries.

The Commission will continue to implement a risk-based regulation model, to enable the targeting of resources to those areas where they are most needed and will be most effective in reducing gambling harm to the community. This will involve the ongoing development of a risk assessment framework for enforcing statutory compliance, with emphasis on ensuring the Commission's compliance program is up to date and meets the changing requirements of the gaming environment. Major focus will be placed on new or refined areas of regulatory activity, revised stakeholder expectation, and new or emerging risks and challenges.

The Commission will provide support and information to Economic Development and other Government agencies as necessary. The Commission will also continue to identify potential red tape reduction measures to assist industry and reduce any unnecessary regulatory burden on licensees.

The Commission will work with Relationships Australia Canberra and Region, as the ACT Gambling Counselling and Support Service provider, to assist their delivery of services in accordance with their contractual obligations. As the existing three year contract expires on 30 June 2017, the Commission will consider whether to undertake a public tender process in relation to the provision of this service beyond the 2016-17 financial year or whether it will offer Relationships Australia the option provided under the current contract to extend the provision of its service.

The Commission has endorsed a public health approach to gambling harm. To support and inform this approach, the Commission will continue its ongoing research program. The Commission will look to research from other jurisdictions and where needed develop additional research projects, directed in part by the findings of the ANU's 2014 Prevalence Survey on Gambling in the ACT. The results of research projects undertaken are used to inform the Commission on minimising the harm caused by problem gambling and to assist with the development of suitable support mechanisms. Results are passed onto the provider of the ACT Gambling Counselling and Support Service and are used to assist target educational programs. The development of projects under the Problem Gambling Assistance Fund will continue in consultation with the Fund Advisory Committee. The Commission will carefully monitor project performance and Fund expenditure for efficiency and effectiveness. The continuation of the five year longitudinal study that is investigating clients' entry into, and use of, counselling services will be a key focus going forward.

The Commission recognises the key role of stakeholder engagement. The Commission, working with Access Canberra, will continue to seek input from a range of community and industry sources on issues related to gambling harm and regulation such as the Gambling Advisory Reference Group, the Problem Gambling Assistance Fund Advisory Committee and the Gambling Industry Consultative Committee.

The Commission's knowledge and skills will continue to be fostered through participation in national meetings examining issues associated with gaming regulation and responsible gambling. These include the Chief Executive Officers Australian Casino and Gaming Regulators Working Group; Gaming Machine National Standards Working Party; National Assessment panel for the Accreditation of Testing Facilities; the Gambling Research Australia Working Party; and the Illegal Offshore Wagering Reform Senior Officials Working Group. This will ensure the Commission remains at the forefront of gambling regulation and that harm arising from the conduct of gambling activities is minimised in the ACT.

The Commission will continue its involvement in discussions with inter-jurisdictional forums concerned with cross border racing and wagering issues. The Commission will provide ongoing advice to Government and other agencies on developments in this area including any appropriate measures that may need to be taken to ensure the integrity of the local industries.

Internal Accountability

Membership of the Commission

Section 12 of the *Gambling and Racing Control Act 1999* provides that the Commission shall consist of five members. 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 Board).

Under section 56 of the FMA the Board is responsible, under the responsible Minister, for the efficient and effective financial management of the authority. Section 77 of the FMA provides that a governing board has the following functions:

- setting the authority's policies and strategies;
- governing the authority consistently with the authority's establishing Act and other relevant legislation;
- ensuring, as far as practicable, that the authority operates in a proper, effective and efficient way; and
- ensuring, as far as practicable, that the authority complies with applicable governmental policies.

The Commission's 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 Board. Non-executive members' appointments are approved by the Minister for Racing and Gaming. 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*.

As at the 30 June 2016 the Commission's Board consisted of the following members:

Chairperson: Mr John Haskins, AM

Deputy Chairperson: Ms Alice Tay

Members: Mr Paul Baxter
Ms Rebecca Vassarotti

Chief Executive: Mr David Snowden

During the reporting period a staffing change saw Mr David Snowden replace Mr Greg Jones as the Chief Executive. Mr Snowden was appointed as Chief Executive effective 7 September 2015.

The *Gambling and Racing Control Act 1999* prescribes that of the four non-executive members of the Commission "one must have knowledge, experience or qualifications related to providing counselling services to problem gamblers". The appointment of Ms Vassarotti has ensured compliance with this criterion. Ms Vassarotti took a leave of absence from 9 June 2016 to 26 October 2016.

The Commission conducts formal board meetings on a monthly basis where comprehensive briefing papers and recommendations regarding significant issues are prepared and presented to the Board by Commission staff.

Table 1: Commission Members' Attendance at Meetings – July 2015 to June 2016

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
John Haskins	✓	✓	✓	✓	✓	✓	-	✓	✓	✓	✓	✓
Alice Tay	X	✓	✓	✓	✓	✓	-	✓	X	✓	✓	✓
Rebecca Vassarotti	✓	✓	✓	✓	✓	✓	-	✓	✓	X	X	✓
Paul Baxter	✓	X	X	X	✓	✓	-	✓	✓	✓	✓	✓
David Snowden	N/A	N/A	✓	✓	✓	✓	-	✓	X	✓	✓	✓
Greg Jones	✓	✓	N/A	N/A	N/A	N/A	-	N/A	N/A	N/A	N/A	N/A

Minutes of these meetings are kept and decisions of the Commission are communicated in writing to relevant parties. These minutes are examined by ACT Audit Office 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.

Access Canberra resources, personnel and expertise 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 Commission has adopted the ACT Public Service Code of Ethics.

John Haskins (Chairperson)

Mr Haskins retired from full time work in 1998. For over 20 years prior to his retirement, Mr Haskins was Executive Chairman of a medium-sized construction and development company with offices on the Gold Coast, Sydney and Canberra. He is a past Vice-President of the world-wide construction industry association known as CICA (Confederation of International Contractors' Association) and past president of IFAWPCA (International Federation of Asian and Western Pacific Contractors' Association) of which 15 countries are members.

Mr Haskins is a Life Member and past president of the Master Builders' Association of Australia and of the Master Builders' Association of the ACT. He was a director of ACTTAB for nine years, the last two years of his term as deputy chairman.

Alice Tay (Deputy Chairperson)

Ms Tay (LLB) is a partner with legal firm Meyer Vandenberg and leads their Corporate Advisory and Commercial Division. Ms Tay specialises in Commercial Law and Contracting, Corporations law and Corporate Governance; Information and Communications Technology and Intellectual Property.

Rebecca Vassarotti (Member)

Ms Vassarotti adds to the Commission's knowledge and experience related to providing counselling services to problem gamblers. Ms Vassarotti is an experienced community service leader with expertise in a wide range of social policy areas including community sector reform, health, children and young people, housing and homelessness and gender. She currently runs her own consultancy business that works in areas of organisational development, strategic planning and policy advice. This role follows previous appointments including Deputy CEO at Australian Council of Social Service (ACOSS), senior roles within the Consumers Health Forum of Australia, and ten years as Executive Director of the YWCA of Canberra.

Ms Vassarotti is a community member of the ACT Civil and Administrative Tribunal, working in the areas of guardianship and energy and water. She is a board member of Community Housing Canberra, serves on the Nominations Committee of ACTCOSS and chairs YWCA Australia's Pacific Working Group. She was previously a Co-Chair of the ACT Anti Poverty Week Coordinating Committee, a member of the Portable Long Service Board and the ACT NGO representative to the National Implementation Panel for the National Action Plan to Reduce Violence Against Women and their Children.

Paul Baxter (Member)

Paul Baxter is a semi-retired professional business consultant who until mid-2011 was the 'public face' of the ACT's electricity and water pricing regulator, the Independent Competition and Regulatory Commission, having been the inaugural Commissioner of that agency for nearly 16 years.

This role in the ACT partly overlapped with his nearly 25 years as a Director and Partner in PricewaterhouseCoopers, 16 years as a member of the Independent Audit Group of the Murray Darling Basin Commission, five years as the Associate Commissioner of the PNG Independent Consumer and Competition Commission, eight years as an Associate Commissioner of the ACCC, Chair of the National Water Accounting Standards Development Committee, and Chair of Anglicare Canberra/Goulburn.

In these various roles, Paul has been an adviser to Territory, State and Federal Governments and government agencies across Australia, an adviser to governments throughout the Asia Pacific region including China, Vietnam, Pakistan, Thailand, Fiji, Solomon Islands, and PNG, and an adviser and consultant to many of the larger domestic and international companies and businesses operating in this region.

In his various roles he has undertaken and chaired a wide range of public inquiries across economic and social issues, covering *inter alia* matters such as utility pricing and service provision, public transport reviews including road, rail, shipping and air transport, national and regional economic development strategic planning, water allocation and conservation strategies, trade practices and competitive behaviour reviews, sport, recreation and tourism inquiries, and social welfare and associated services reviews.

Mr Baxter maintains an involvement in economic and regulatory policy issues in PNG as an adviser to various government agencies, continues some private client work on economic regulation issues in Australia, and has an active involvement in not-for-profit activities in Canberra and the surrounding region.

David Snowden (Chief Executive Officer & Member)

Mr David Snowden is the Chief Operating Officer of Access Canberra and Chief Executive of the Gambling and Racing Commission. Mr Snowden has over 20 years of regulatory, enforcement and senior management experience across multiple Commonwealth, Territory and New Zealand public sector agencies, including Transport, Customs, Competition and Consumer Protection.

David also holds the statutory positions of ACT Commissioner for Fair Trading and Registrar General.

Remuneration for Board Members and the Chief Executive Officer

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

Management Committees

Table 2: Name and role of management committees

Name of Committee	Role of Committee	Membership
Internal Audit and Risk Committee (Further details are available in B.5)	Oversees, on behalf of the Board, the Commission's governance, risk, compliance and internal control environments and provides assurance as to their effectiveness.	Sub-Committee of the Commission's Board made up of members of the Commission.
Health and Safety Committee (Further details are available in B.7)	The Commission's Workplace Health and Safety Committee (WHSC) is part of the Chief Minister Treasury and Economic Development Directorate WHSC. This Committee facilitates consultation and communication between employees, represented unions and management. It also monitors the effectiveness of the safety management system and develops initiatives and programs to achieve improved outcomes in health and safety.	The Committee consists of employee and management representatives.

Further information may be obtained from:

Deputy Director, Policy and Co-ordination, Projects, Governance and Support, Access Canberra
Telephone: (02) 6207 5282

B.2 Performance Analysis

Output Class 1: Gambling Regulation and Harm Minimisation

The Commissions objectives, deliverables and accountability indicators are published in the 2015-16 ACT Budget Statements. They are used to monitor and assess the Commissions performance.

Output 1.1: Gambling Regulation and Harm Minimisation

The key roles of the Commission are to:

- administer gaming laws;
- control, supervise and regulate gaming in the Territory;
- collect and verify gambling taxes, levies, fees and charges; and
- develop and implement projects through the Problem Gambling Assistance Fund.

Table 3: Summary of operational performance against targets

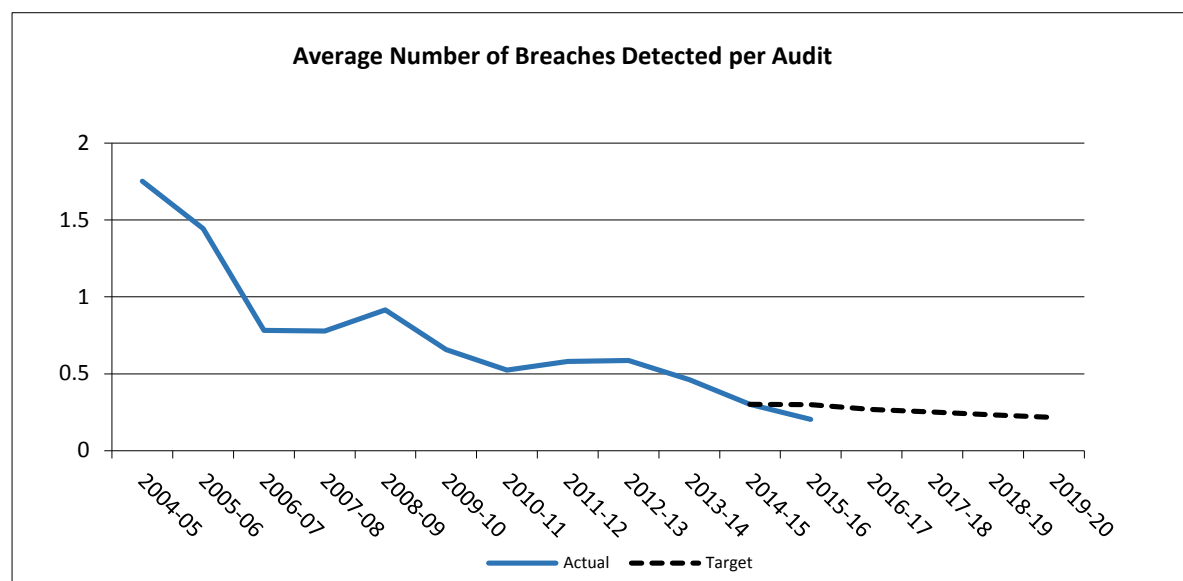
Accountability Indicator	Original Target 2015-16	Actual Result 2015-16	% Variance from Original Target
Conduct compliance audits of operator activity to detect compliance with legal framework <ul style="list-style-type: none"> - Casino - Gaming Machines - Bookmakers and Totalisator - Minor Lotteries <i>Effectively regulating gambling and racing activity for statutory compliance</i>	130 250 50 20	131 251 50 20	0.8 0.4 0 0
Conduct revenue audits to ensure correct payments of taxes, levies and fees <ul style="list-style-type: none"> - Casino - Gaming Machines - Bookmakers and Totalisator <i>Ensure compliance with statutory payments of taxes, levies and fees</i>	12 12 12	12 12 12	0 0 0
Initiate or complete research projects; analyse significant research projects conducted elsewhere <i>Keep informed about problem gambling issues and harm minimisation strategies</i>	5	8	60
Initiate or complete projects through the Problem Gambling Assistance Fund <i>Undertake measures designed to reduce the negative impact of problem gambling</i>	2	3	50

Strategic Objectives and Indicators

Strategic Objective 1: Increase Gambling Operators' Compliance with Legislation

A comprehensive audit program is conducted to ensure that operators comply with relevant gaming and wagering legislation. Through this audit program and its education and liaison with operators, the aim is to increase compliance with the various Acts. The level of reduction in the number of breaches detected per audit will indicate the success, or otherwise, of activities in increasing compliance with legislation.

Strategic Indicator 1: Average Number of Breaches Detected per Audit



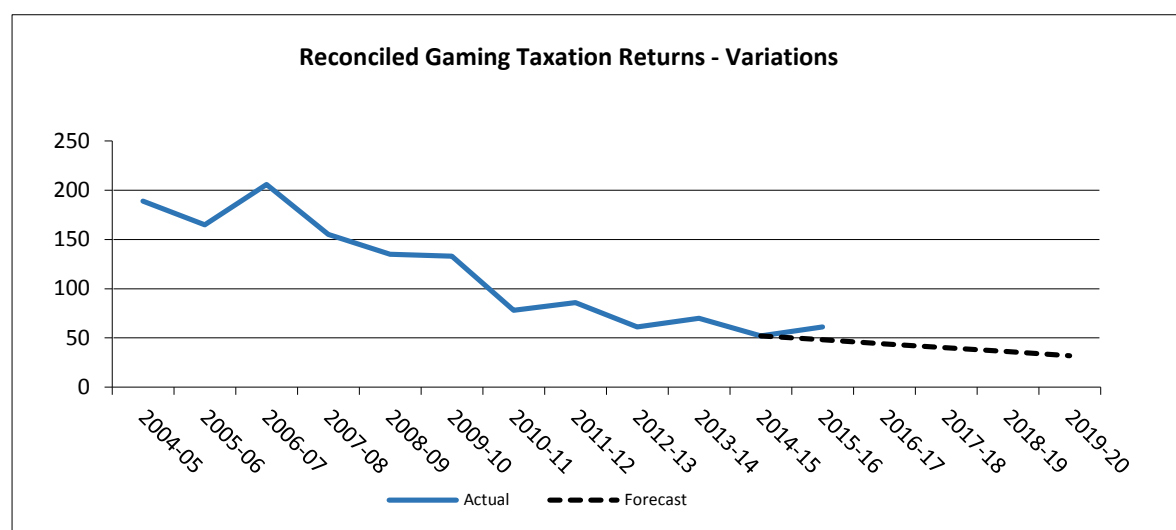
Result

The average number of breaches detected per audit decreased to 0.2 per audit for the 2015-16 financial year (0.3 in 2014-15). This decline reflects the continuing efforts in educating licensees and their staff.

Strategic Objective 2: Increase the Accuracy of Returns by Operators for Gambling Related Taxes, Levies and Fees on behalf of the ACT Government

Returns from operators are received along with payments for gambling related taxes, levies, fees and fines. The returns are reconciled against operators' activities and variation advice is provided if discrepancies are identified. The aim is to reduce the number of variations through education and liaison with operators in the ACT. The reduction in the number of variations as a proportion of returns is an indication of the performance in this area.

Strategic Indicator 2: Reconciled Gambling Taxation Returns – Variations



Result

The actual number of variations for 2015-16 increased to 61 (52 in 2014-15). Although there has been a slight increase of nine variances throughout the year when compared to the 2014-15 reporting period, the Commission continues to work with licensees to reduce variances. The overall trend in variances continues to decrease over time.

Strategic Objective 3: Undertake Measures Designed to Reduce the Negative Impact of Problem Gambling

The Commission must perform its functions in a way that reduces the risks and costs of problem gambling to individuals and the community. The Commission monitors the social effects of gambling and problem gambling in the ACT and is tasked with providing relevant education and counselling services. The Commission aims to reduce the negative impact of problem gambling through targeted research and implementing strategies based on those research outcomes.

Strategic Indicator 3: Develop and implement research based strategies to reduce the negative impacts of problem gambling

Result

During the reporting period, additional functionality was added to the ACT's Exclusion from Gambling Scheme. The improvements focussed on supporting gambling venue staff to respond and offer assistance to patrons exhibiting signs of experiencing gambling harm. This is supported by *The Validation Study of In-venue Problem Gambler Indicators* (2014), which found that there are reliable, observable, behavioural indicators that are more common amongst gamblers experiencing harm than those who are not.

Operational Performance Achievements

CONDUCT COMPLIANCE AUDITS OF OPERATORS ACTIVITY TO DETECT COMPLIANCE WITH LEGAL FRAMEWORK

Casino

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 and Racing Control (Code of Practice) Regulation 2002*, as well as providing the community with confidence that the Territory's 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 through the closed-circuit television (CCTV) surveillance system which provides the casino licensee and the Commission with high quality coverage of gaming operations and sensitive back-of-house locations.

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

Casino Refurbishment

During the reporting period the casino licensee undertook a refurbishment of its ground floor gaming area. From 16 February 2016 to 9 June 2016 Casino Canberra operated its gaming area from the first floor of the venue, with appropriate approvals being sought (and granted) prior to commencement of gaming on 16 February 2016. The refurbished ground floor gaming area re-opened to the public on 10 June 2016. Further detail relating to approvals granted in relation to the refurbishment is available later in this report.

Employee licensing

The licensing of persons employed in relation to gaming, security, finance and other key areas of the casino ensures that these people meet 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.

Table 4: Summary of casino licensing activities 2015-16

Licences Processed	Numbers
New Employees	64
Renewals	44
Variations	25
Cessations	38
Current Casino Employees	
Licensed	208
Unlicensed	55

Casino layout

Upon application from the casino to the Commission to make variations to the casino layout, 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.

Six minor changes were approved by the Commission in 2015-16 for variations to the layout of the casino's approved gaming area, including four temporary changes to allow for gaming tournaments. In addition, approval was granted for new casino layouts to come into effect at the commencement of the casino refurbishment in February 2016 and the completion of the works in June 2016.

Approval of gaming equipment and chips

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

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

Approval for new chip designs, gaming table layouts, roulette wheels, a sic bo dice shaker and a new money wheel design was given by the Commission during 2015-16.

One new multi-terminal electronic gaming system, a casino management system, a progressive jackpot system and one new supplier of gaming equipment ([IGT \(Australia\) Pty Ltd who provided the new casino management system](#)) were also approved by the Commission during 2015-16.

Approval of rules of games

The approval of the rules of games by the Commission ensures that the casino games are fair and that the rate of return to players is reasonable.

Approval for an amendment to the rules of Poker – Hold-em, Poker – Omaha, Money Wheel, Canberra Poker and Mini Baccarat were given by the Commission during 2015-16.

The Commission also declared Multi Terminal Table Games as authorised games and also approved new rules for Multi Terminal Table Games.

Operating times

The casino is required to operate, at a minimum, during prescribed core hours, providing some certainty to patrons and tourists of the availability of this facility. During the reporting period, the casino licensee provided advice that it would decrease its operating hours on 16 February 2016 to allow for the temporary relocation of its gaming floor to the first floor of the premises due to the refurbishment works. Normal operating hours resumed the following day. This did not require Commission approval as the nominated hours were additional to the (minimum) core trading hours. There were no exemptions given by the Commission for the casino not to operate during the core trading hours in 2015-16.

Approval of control procedures

The control procedures cover the detailed operations of the casino and are an essential part of the regulatory scheme, 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. The Commission must approve changes to the casino's control procedures. Approval for a number of new job descriptions and organisation charts were given by the Commission during 2015-16 as result of changes in reporting lines, job titles and restructuring of the Canberra Casino.

The control procedures for Canberra Poker, Money Wheel and Mini Baccarat were changed in order to facilitate an amendment to each game's rules approved by the Commission. Additionally, new control procedures were approved for the new authorised game of Multi Terminal Table Games.

Due to refurbishment works, approval was given for temporary amendments in relation to the casino's Cash Desk, Security and Surveillance control procedures.

Review of Patron Exclusion Notice

A casino official may exclude a person from entering or remaining in the casino by giving the person an exclusion notice orally or in writing. A person may appeal in writing to the Commission against the casino licensee's decision to give the person an exclusion notice. After considering submissions from the person and the casino licensee, the Commission must confirm, change or revoke the exclusion notice.

During the reporting period the Commission received no written appeals against an exclusion notice.

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 a total of 131 audits of casino operations (compared to 135 audits last year) were undertaken.

Breaches Detected

The Commission identified 549 minor breaches (compared to 354 last year) of the approved rules and procedures during the reporting period. Minor breaches are self-identified by the casino and rectified almost immediately. Minor breaches for example dealer errors (e.g. losing bet paid, wrong number crowned) and where an excluded person has been identified (and subsequently asked to leave). These breaches are noted but no further action is taken by the Commission.

The minor breaches for 2015-16 were as follows:

- 527 related to the failure to comply with the approved gaming procedures;
- 4 related to the failure to comply with the approved cash desk procedures; and
- 18 related to the failure to comply with the approved security procedures (all of these related to exclusion breaches by patrons).

All minor breaches were resolved satisfactorily.

In addition, the Commission conducted investigations into two more serious breaches of section 77 of the *Casino Control Act 2006* (the Act) where the casino failed to comply with their control procedures. Further details are provided in the next section.

Disciplinary Action

In the event of a breach of the legislation being identified, subject to the seriousness of the breach, an initial warning is issued to the casino licensee and/or relevant 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.

During the reporting period and following detailed investigations, the Commission finalised disciplinary action against the casino licensee on one occasion for one breach of the legislation. The following table summarises this disciplinary matter.

Table 5: Summary of disciplinary matters during 2015-16

Matter	Section	Description of the Breaches	Disciplinary Action Taken
1.	77	Failure to conduct casino operations in accordance with and comply with approved control procedures	Casino Canberra Reprimand

Casino Related Complaints

The Commission received four casino related complaints during the reporting period.

After investigation, three complaints were unsubstantiated and one was substantiated. Issues identified were resolved by the casino to the satisfaction of the Commission.

Further information may be obtained from:

Senior Manager, Business Engagement, Education and Compliance, Access Canberra
Telephone: (02) 6207 0359

Gaming Machines

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 standards expected by 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.

Applications to Relocate Gaming Machines

The Commission received five small-scale machine relocation applications during the reporting period (to 31 August 2015) resulting in a total of 46 gaming machines being relocated between clubs who hold more than one licence. No large-scale machine relocation applications were received during the reporting period. After 31 August 2015 a Gaming Machine Trading Scheme was introduced that altered the way in which machines could be relocated.

Trading Scheme

Changes to the *Gaming Machine Act 2004* commenced on 31 August 2015 as part of the ACT Government's gaming machine reform package. The changes introduced an open market trading scheme for gaming machine authorisations, underpinned by a new licensing and authorisation framework and a phased reduction in the number of gaming machines operating in the Territory.

The new licensing framework separates a person or organisation's eligibility to operate a class of gaming machine in the ACT (a licence) from their authority to hold a maximum number of authorisations for gaming machines at a particular venue. A single licensee can hold a number of authorisation certificates, with each certificate specific to a single premises or venue and with a number of authorisations under each certificate. An authorisation can be held without a gaming machine attached, but a gaming machine cannot be operated without an attached authorisation. In some circumstances a gaming machine may be in storage without an authorisation attached.

The new trading scheme was introduced with two phases to facilitate the structural adjustment of the industry into the scheme.

Phase 1 introduced initial trading opportunities including:

- a one-off increase to the maximum number of authorisations under an authorisation certificate for class C gaming machines;
- trading in bundles of four authorisations;
- a reduction in the number of gaming machines in the ACT through forfeiture requirements;
- quarantining of a certain number of gaming machines;
- flexible storage arrangements; and
- facilitation for hotels and taverns to divest themselves of class B gaming machines.

Phase 2 introduces the ongoing trading scheme, including:

- flexible storage arrangements;
- a ratio of gaming machines to adult population in the ACT;
- compulsory surrender of authorisations and machines to reach the ratio;
- two-yearly analysis of the maximum number; and
- removal of the forfeiture and quarantine requirements.

Phase 1 will operate for a maximum of three years from the commencement of the legislation. The Minister for Racing and Gaming has the discretion to commence Phase 2 earlier than the three years, for example if the Minister considers that the quarantine provisions are not working effectively to reduce the number of gaming machines being operated as part of the structural adjustment leading up to the commencement of Phase 2 and the introduction of the ratio.

Table 6: Summary of licensed venues and number of gaming machines allocated as at 31 August 2015

Type of Gaming Machine Licensee	Licensed Venues	Number of Machines
Clubs	49	4,956
Hotels/Taverns	9	66
Total	58	5,022

Table 7: Summary of licensed venues and number of gaming machines and authorisations allocated as at 30 June 2016

Licenses	
Number of Licensees as at 31 August 2015	39
Licences Cancelled or Surrendered	6
Current Number of Gaming Machine Licensees - Clubs (Class C)	28
Current Number of Gaming Machine Licensees - Hotels/Taverns (Class B)	5
Current Number of Gaming Machine Licensees – Total	33

Authorisation Certificates (i.e. Venues)	
Number of Authorisation Certificates as at 31 August 2015	58
Authorisation Certificates Cancelled or Surrendered	5
Current Number of Authorisation Certificates - Clubs (Class C)	48
Current Number of Authorisation Certificates - Hotels/Taverns (Class B)	5
Current Number of Authorisation Certificates - Total	53

Authorisations (to operate a gaming machine under an Authorisation Certificate)	
Number of Authorisations as at 31 August 2015	5,022
Authorisations Forfeited on Confirmation of Trade	33
Authorisations Surrendered	0
Current Number of Authorisations	4,989

Gaming Machines	
Gaming Machines as at 31 August 2015	5,022
Gaming Machines Forfeited with Trade	33
Gaming Machines in Quarantine	195
Gaming Machines in Storage	63
Authorisations Without Machines	96
Current Number of Gaming Machines in Operation	4,635

Through forfeitures imposed on trades, the scheme has resulted in a reduction in the number of machine authorisations from **5,022 to 4,989**.

Quarantine and storage provisions have also resulted in a reduction of machines in operation from **5,022 to 4,635**.

[Applications for Additional Gaming Machines](#)

During the reporting period the Commission received no applications for additional gaming machines.

[Licence Cancellations and Transfers](#)

There were no licence cancellations, surrenders or transfers prior to the commencement of the trading scheme in this reporting period.

After the introduction of the Trading Scheme, the Commission received one application to transfer a licence, five licences were surrendered and seven Authorisation Certificates were surrendered. One licence was transferred.

[Application for Initial Gaming Machine Licence](#)

The Commission did not receive any applications for an initial gaming machine licence during the reporting period.

[Notification for One-off Increase Maximum Amendment](#)

To facilitate trading under Phase 1 of the new scheme, Class C licensees are able to make a one-off increase to the maximum number of authorisations under an authorisation certificate, without needing a Social Impact Assessment. A licensee with less than a maximum of 120 authorisations at the commencement of Phase 1 can increase their maximum number by up to 12. A licensee with a maximum of 120 or more authorisations at the commencement of Phase 1 can increase their maximum number by up to 10 per cent, to a maximum of 20 additional authorisations.

The Commission received 21 notifications from licensees intending to increase their maximum number of authorisations under an authorisation certificate during 2015-16.

Machine Access Control

As part of the control of gaming machine operations, only authorised suppliers are permitted to provide gaming machine products to licensees and only authorised personnel are permitted to access the technical aspects of gaming machines. In this regard, the Commission approves Supplier and Technician Certificates to suitable persons and organisations who are employed in the gaming industry.

The following tables detail supplier and technician activity during 2015-16:

Table 8: Summary of Supplier Certificates processed during 2015-16

Supplier Activity	Numbers
Number of Supplier Certificates issued as of 31 June 2015	21
New Supplier Certificates processed	1
Total	22
Applications for new types of gaming machines from suppliers	407
Applications for new types of peripheral equipment from suppliers	23

Table 9: Summary of Technician Certificates processed during 2015-16

Technician Activity	Numbers
New and renewed Gaming Machine Technician applications processed	20
Transfers and amendments to Gaming Machine Technician Certificates	0
Cancellation of Technician Certificates where the Certificate had expired or the Certificate holder was no longer employed by the supplier	0
Cancellation of Technician Certificates as holder deemed unsuitable	0
Disciplinary Action – Approved Technicians	0
Refusal to grant a Technician Certificate	0
Refusal to renew a Technician Certificate	0
Total current Approved Technicians	44

Licence Amendments – Notifications and Approvals

As part of the government's red tape reduction measures, a number of licence amendment approvals have been replaced with notifications. This means that instead of seeking approval to take an action, the licensee simply notifies the Commission. For example, a licensee may notify the

Commission about their intention to acquire an authorisation or gaming machine, to trade authorisations for stored machines, or to make a technical change to an authorisation schedule.

Changes to storage requirements were also made so that Class C licensees are able to store authorisations and gaming machines according to their business needs. Licensees can now store gaming machines for a wider range of purposes than previously accepted. This gives licensees the flexibility to manage their operational and business needs in a more responsive manner.

During Phase 1 of the trading scheme, gaming machine operators have agreed to collectively quarantine between 200 and 400 gaming machines and their authorisations from operation. The Commission will review progress periodically to make sure that the quarantine is progressing. If the Minister considers that the quarantine provisions are not working effectively, the commencement of Phase 2 can be brought forward.

There are three different types of storage permits:

- General purpose – for any reason, for a stated period of not longer than 12 months;
- Interim purpose – for machines that are to be disposed of, for a period of not longer than three months; or
- Quarantine permit.

The following table summarises licence variation activity (including the disposal of machines) during the reporting period. The total value of new machines approved during the 2015-16 reporting period was \$10,883,100 which represents a 16 per cent increase compared to 2014-15.

Table 10: Summary of licence variation activity 2015-16

Licence Variation Activity	Number/Value
Notifications	
Number of gaming machines converted on application by licensees	1,279
Number of gaming machines replaced on application by licensees	447
Total value of new (replacement) machines approved	\$10,883,100
One off increase in authorisations	21
Approvals	
Applications to operate a linked-jackpot arrangement	81
Applications to operate a multi-user linked-jackpot arrangement	1
Applications to disburse a linked-jackpot amount	38
Application for gaming area amendment	3
Application for premises relocation	0
Application for increase maximum authorisations (other than one-off)	0

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 one 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 2014-15 financial year is available on the Commission's website.

Clubs

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

The Commission's Community Contributions made by Gaming Machine Licensees 2014-15 Report notes a total of \$11.9 million in club community contributions from \$94.1 million in net gaming machine revenue, the contributions being 12.62 per cent of the net gaming machine revenue. \$7.5 million or 62.96 per cent of contributions was provided to sport and recreation.

By comparison, in 2013-14 a total of \$12.7 million was contributed to the community from net gaming machine revenue of \$95.8 million, the contributions being 13.27 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 2014-15 amounted to a total of \$8,715 of which \$5,318 was allocated to sport and recreation (61.02 per cent of total contributions). In 2013-14 total contributions from Hotels/Taverns was \$8,740.

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* (the Code of Practice) and where applicable the *Lotteries Act 1964*.

Breaches Detected

The Commission identified a total of 70 breaches of the legislation during 2015-16 (compared to 112 in 2014-15) this includes 48 breaches (compared to 60 in 2014-15) of the *Gaming Machine Act 2004* as follows:

- 10 related to the failure to comply with a condition of the licence as required by section 39;

- five related to the failure to display the gaming machine licence and authorisation certificate or a copy of the licence and authorisation certificate at the main entrance to each gaming area of the licensed premises as required under section 41;
- one related to the failure to operate a gaming machine in accordance with the rules and control procedures as required under section 43;
- five related to the failure to operate a gaming machine subject to the correct percentage payout as required under section 47;
- 10 related to the failure to display signage indicating the percentage payout as required under section 48;
- six 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(f);
- one related to the failure to obtain authority to possess a gaming machine as required by section 103;
- two related to the failure to display signage that indicates each gaming machine is part of a linked jackpot arrangement as required by section 134(4);
- six related to the failure to display an approved warning notice on each gaming machine within the premises as required by section 151(2)(a); and
- two related to the failure to display an approved warning notice at each entrance to the gaming area as required by section 151(2)(b).

There were no breaches of the *Gaming Machine Regulation 2004* (compared to six in 2014-15) in relation to gaming machine licensees.

There were 22 breaches of the *Gambling and Racing Control (Code of Practice) Regulation 2002* (compared to 35 last year) in relation to gaming machine licensees:

- eight related to the failure to look at the exclusion register within three consecutive trading days after the receipt of a notification of a change to the register as required by section 20A(1)(b);
- two related to the failure to ensure that a person who accesses the exclusion register is authorised to do so as required by section 20A(2);
- one related to the failure to ensure that staff involved in the provision of gambling services to patrons had completed an approved training program as required by section 1.4(1)(a);
- five related to the failure to record a problem gambling incident within three consecutive trading days after becoming aware of the incident as required by section 1.6A(4);
- one related to the failure to ensure that a gambling contact officer has completed an approved training course within each year of appointment as required by section 1.9(4);
- one related to the failure to prepare written exclusion procedures as required by section 1.17;
- three related to the failure to make information available to patrons as required under section 1.25(3); and
- one related to the failure to publish the name and telephone number of an approved gambling counselling service in gambling advertising as required under section 1.29.

There were no breaches of the *Lotteries Act 1964* detected (compared to 11 in 2014-15) during audits of gaming machine venues.

In addition to the Commission's audit and inspection program, investigations were conducted into the following matters (breaches detected where disciplinary action was taken have been included in the relevant statistics of this section):

- a club failing to ensure that the premises was only accessed by members and their signed in and accompanied guests in contravention of sections 39(1), 43 and 55(f) of the Gaming Machine Act 2004 (the Act). This investigation revealed breaches of section 39(1), 43 and 55(f) of the Act and resulted in the licensee being issued with a written warning.
- a person possessing a gaming machine without authority in contravention of section 103(1) of the Act. This investigation confirmed a breach of section 103(1) of the Act with the gaming machine being seized and the person being educated as to the legislative requirements in relation to gaming machine possession.
- whether a person had allegedly used illegally obtained money to gamble at a number of venues in the ACT. This investigation did not reveal any breaches of any gaming law and the matter was referred to AUSTRAC and the Australian Federal Police.

Disciplinary Action Against Gaming Machine Licensees

In the event of a breach of the legislation being identified by the Commission, subject to the seriousness of the breach 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.

Following detailed investigations, the Commission finalised disciplinary action against two licensees for 2 breaches of the legislation during the reporting period. This compares to action being taken against three licensees for 11 breaches last year. The following table summarises these disciplinary matters.

Table 11: Summary of disciplinary matters during 2015-16

Licensee	Section	Description of the Breaches	Disciplinary Action Taken
Wood Duck Inn	166	Failure to submit Community Contributions report by the due date	Suspension of gaming machine licence for 14 days
Schwartz Family Co Pty Ltd ATF the Schwartz Family Trust TA Mercure Canberra	166	Failure to submit Community Contributions report by the due date	Reprimand with direction

Appeals Against Disciplinary Penalties

There were no appeals against disciplinary penalties during the reporting period.

Review of Patron Exclusion Notice

A gaming machine licensee may exclude a person from gambling at the venue by giving the person an exclusion notice in writing. A person may appeal in writing to the Commission against the licensee's decision to give the person an exclusion notice.

After considering submissions from the person and the licensee, the Commission must confirm, change or revoke the exclusion notice.

During the reporting period the Commission received one written appeal against an exclusion notice. After considering submissions from the relevant parties, the Commission decided to revoke the exclusion notice.

Gaming Machine Related Complaints

The Commission received three gaming machine related complaints during the reporting period.

After investigation, two complaints were unsubstantiated and one was substantiated. Issues identified were resolved to the satisfaction of the Commission.

Further information may be obtained from:

Senior Manager, Business Engagement, Education and Compliance, Access Canberra
Telephone: (02) 6207 0359

Racing and Wagering

The Commission's 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 totalisator and bookmaking operations are conducted at appropriate venues in accordance with legislative requirements;
- resolve betting disputes; and
- regulate racing as provided in the *Racing Act 1999*.

Totalisator Operations

Following the purchase of ACTTAB by Tabcorp ACT the Commission received a request in May 2015 from Tabcorp ACT seeking approval to transition from the existing ACTTAB infrastructure to the Tabcorp Group systems and equipment located mainly in Victoria and New South Wales. After due diligence and consideration the Commission approved the proposal in August 2015.

Race Bookmaking Operations

During the reporting period the Commission conducted probity assessments in relation to the licensing of race bookmakers and race bookmakers' agents in accordance with the *Race and Sports Bookmaking Act 2001*.

Table 12: Summary of race bookmaking activities 2015-16

Type of Commission Activity	Number
New Race Bookmaking Licence	0
Renewed Race Bookmaking Licence	3
New Race Bookmaker's Agents Licence	1
Renewed Race Bookmaker's Agents Licence	0
Total current Race Bookmaking Licences as at 30 June 2016	10
Total current Race Bookmaker's Agents Licences as at 30 June 2016	6

Sports Bookmaking Operations

Table 13: Summary of sports bookmaking activities 2015-16

Type of Commission Activity	Number
New Sports Bookmaking Licence	0
Renewed Sports Bookmaking Licence	0
Surrendered Sports Bookmaking Licence	0
New Sports Bookmaker's Agents Licence	0
Renewed Sports Bookmaker's Agents Licence	0
Total current Sports Bookmaking Licences as at 30 June 2016	1
Total current Sports Bookmaker's Agents Licences as at 30 June 2016	0

Cross-border Betting Issues

The Commission continues to closely monitor national racing industry developments, including outcomes or changes based on interstate investigations and litigation with a view to determining whether there are any impacts on the Territory's racing industry.

The Commission continued to closely liaise with authorities in New South Wales, Queensland and Victoria to ensure that no persons who participate in ACT greyhound racing engage in live baiting. To date no evidence of live baiting occurring in the ACT has been identified.

Compliance Audits of Racing and Wagering Licensees

During the reporting period the Commission undertook 50 audits of racing and wagering providers in the Territory to identify compliance with the *Race and Sports Bookmaking Act 2001*, the *Totalisator Act 2014*, the *Racing Act 1999* and the *Gambling and Racing Control (Code of Practice) Regulation 2002*.

Breaches Detected

The Commission identified no breaches of the *Race and Sports Bookmaking Act 2001* (compared to six in 2014-15).

No breaches of the *Totalisator Act 2014* or the *Racing Act 1999* were detected during the reporting period.

Betting Disputes

Specific matters of dispute between sports bookmakers and their clients can be 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*.

During the reporting period the Commission did not receive any betting disputes.

Sports Bookmaker Complaints

The Commission received no complaints in relation to sports bookmaking operations during the reporting period.

Race Bookmaker Complaints

The Commission received no complaints in relation to race bookmakers during the reporting period.

Totalisator Complaints

The Commission received no complaints in relation to totalisator activities during the reporting period.

Further information may be obtained from:

Senior Manager, Business Engagement, Education and Compliance, Access Canberra
Telephone: (02) 6207 0359

Lotteries Regulation

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

Major Interstate Lotteries

The sale of interstate lottery products in the Territory 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.

The ACT Government has revenue sharing arrangements with the New South Wales, Victorian and Queensland Governments in relation to the value of interstate lottery sales in the Territory.

Trade Promotion Lotteries, Raffles and other Lotteries

The *Lotteries Act 1964* provides for a wide range of lottery activities including trade promotion lotteries, raffles and Housie.

A permit is not required for an "exempt" lottery. Exempt lotteries include:

- a Trade Promotion Lottery where the total prize value does not exceed \$3000;
- a Raffle where the total prize value does not exceed \$2,500;
- a Housie session where the total prize value of each session does not exceed \$1,000;
- a Calcutta event where the total prize value does not exceed \$1,000;
- a lottery where "prizes" or rewards consist totally of the granting of rebates, discounts or other allowances in respect of amounts payable, or the granting of refunds of amounts paid for goods sold or services performed in the course of carrying on that trade or business which are equally available to all customers; or
- a lottery which comes within the definition of a private lottery as defined in the *Lotteries Act 1964* (where participation is restricted to members of the same association or who work or reside in the same premises and where there is no external advertising of the promotion).

Lotteries that do not fit within these parameters require a permit before they can be advertised and operated in the ACT.

Lotteries that fit within these parameters do not require a permit to be conducted in the ACT, however they must conform to legislative requirements that are detailed in the Act.

Application fees must be paid and are calculated on the total prize value of the lottery that Territory residents are eligible to win. A total 5,027 permits were issued in 2015-16 (compared to 5,027 in 2014-15).

Table 14: Summary of lotteries permits issued in 2015-16

Type of Approval	Amount
Trade Promotion Lotteries	3,384
Raffles	326
Housie	8
Other	12
Total	3,730

A further 495 lottery amendment applications were approved in the reporting period.

Further information may be obtained from:

Manager, Gaming Regulation, Access Canberra

Telephone: (02) 6207 0069

Compliance Audits of Lottery Providers

The Commission undertakes an audit program that covers lotteries conducted in the Territory. 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 their responsibilities under the legislation or approval conditions.

Keno

In June 2015 Tabcorp ACT submitted a request for approval to transition from the current Tatts Keno game to the Tabcorp ACT Keno game as well as approval of the associated Keno systems, equipment and locations. In August 2015 the Commission approved the request with the condition that any changes must be notified in writing to the Commission.

In December 2015 Tabcorp ACT wrote to the Commission seeking approval for ACT Keno to join the Keno Jackpot Pooling (KJP) arrangements which Tabcorp currently operates between New South Wales and Victoria. The Commission considered the proposal and consequently approved the request to join KJP arrangements.

During the reporting period a total of 20 audits were conducted on lottery and pool betting providers.

Breaches Detected

The Commission identified no breaches (compared to 16 in 2014-15) of the *Lotteries Act 1964*.

Lotteries Related Complaints Received

The Commission received seven lotteries related complaints during the reporting period. One complaint was withdrawn, three complaints were substantiated, two were unsubstantiated and one was incapable of determination due to lack of information. Issues identified were resolved to the satisfaction of the Commission.

Complaints Summary

Section 31 of the *Gambling and Racing Control Act 1999* (the Control Act) provides that a person may lodge a complaint with the Commission about compliance with a gaming law. The Commission investigates each complaint received that relates to compliance with a gaming law including seeking information or comment from the relevant licensee or operator. The results of the Commission's investigations are provided to the complainant as well as the licensee or operator that was the subject of the complaint.

Table 15: Summary of complaints received during 2015-16

Gambling Provider	Received	Substantiated	Not Substantiated	Ongoing	Incapable of Determination	Withdrawn
Casino	4	1	3	0	0	0
Gaming Machines	3	1	2	0	0	0
Lotteries	7	3	2	0	1	1
Racing and Wagering	0	0	0	0	0	0

Gambling Provider	Received	Substantiated	Not Substantiated	Ongoing	Incapable of Determination	Withdrawn
Unlawful Games	0	0	0	0	0	0
Total	14	5	7	0	1	1

Charitable Gaming

Part 3 of the *Unlawful Gambling Act 2009* provides for approved charitable fundraising through games under certain circumstances. Persons wishing to conduct a charitable game in the Territory must apply in writing for approval (further information is available from the Commission directly or via its website).

In 2015-16, the Commission received no *Applications for Approval to Conduct a Game*. No applications were received in 2014-15.

No breaches of the *Unlawful Gambling Act 2009* were identified during the reporting period.

Interactive Gaming Regulation

In 2015-16 there were no interactive gaming service providers licensed in the Territory.

Further information may be obtained from:

Senior Manager, Business Engagement, Education and Compliance, Access Canberra
Telephone: (02) 6207 0359

CONDUCT REVENUE AUDITS TO ENSURE CORRECT PAYMENTS OF TAXES, LEVIES AND FEES

Casino

During the reporting period the Commission met its target of conducting 12 revenue based audits (one each month) to ensure the correct payment of taxes within statutory timeframes. No breaches were identified during the reporting period.

Gaming Machines

During the reporting period the Commission met its target of conducting 12 consolidated revenue based audits (one each month) to ensure the correct payment of taxes within statutory timeframes.

Breaches Detected

The Commission identified a total of 20 breaches of the *Gaming Machine Act 2004*:

- five related to the failure to pay gaming machine tax by the seventh day after the end of the relevant month as required by section 161(3);
- eight related to the failure to submit gaming machine tax returns by the seventh day after the end of the relevant month as required by section 162; and
- seven related to the failure to pay the problem gambling assistance fund levy on the seventh day of the month as required by section 163A(5).

Bookmakers and Totalisator

During the reporting period the Commission met its target of conducting 12 consolidated revenue based audits to ensure the correct payment of taxes within statutory timeframes. No breaches were identified during the reporting period.

Sports bookmakers and the totalisator are required to pay an annual licence fee.

Race bookmakers licences are issued for a period up to three years and holders must reapply at the completion of the licence period.

Further information may be obtained from:

Senior Manager, Business Engagement, Education and Compliance, Access Canberra
Telephone: (02) 6207 0359

INITIATE OR COMPLETE RESEARCH PROJECTS, ANALYSE SIGNIFICANT RESEARCH PROJECTS CONDUCTED ELSEWHERE

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's Statement of Intent also specifies that the Commission must analyse, initiate or complete five research projects during the reporting period.

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

In addition, the Commission monitors research projects published by other Australian jurisdictions as well as international publications particularly in North America, Europe and the United Kingdom.

ANU Centre for Gambling Research

The Commission initiated two research projects during the period, and four research projects were completed by the Centre.

The 2014 Survey on Gambling Health and Wellbeing in the ACT was completed in December 2015. It reported in detail on the prevalence of gambling and gambling harm (or problem gambling) in the ACT during 2014 and identified trends and changes since the 2009 gambling prevalence survey. Major findings included:

- gambling expenditure fell 19% between 2009 and 2014;
- 45% of adults had not gambled at all during 2014, from 30% in 2009;
- the prevalence of high level problem gambling fell slightly from 0.5% in 2009 to 0.4% in 2014; and
- a total of 5.4% of the ACT population reported some degree of problem gambling symptoms.

The '*Understanding the self-exclusion process in the ACT*' project was completed in February 2016. This study found that self-exclusion from gambling is an important, positive and empowering process for people experiencing harm from gambling in the ACT, that the self-exclusion process was straightforward and that venue staff were supportive and professional when approached for assistance. It also highlighted possible improvements for the future.

The research report gambling *Expenditure by level of problem gambling, type of activity, and demographic and socioeconomic characteristics* was completed in the reporting year and will be published in 2016-17 reporting period. The report provides an in depth analysis of gambling expenditure using both self-reported expenditure from the 2009 and 2014 ACT gambling prevalence surveys and industry reported expenditure over the same period.

Gambling Research Australia

Gambling Research Australia (GRA) is a cooperative research endeavour which commissions gambling research on behalf of and funded by all Australian jurisdictions including the ACT.

During the reporting period the Commission analysed five research reports completed by GRA:

- *Marketing of Sports Betting and Racing* (2015) explores the impact of this marketing on gambling behaviour and intention among specific Australian population subgroups. It found that

marketing is becoming more pervasive, and that responsible gambling messaging on television was ineffective;

- *The Use of Social Media in Gambling* (2015) examines gambling and social casino games in the context of gambling promotion, transition, and responsible gambling promotion. It found little evidence that gambling promotions via social media or social casino games influence gambling for the majority of users, and that promotion of responsible gambling and help seeking through social media may have limited effectiveness;
- *Gambler Self-help Strategies* (2015) provides a comprehensive description and assessment of self-help strategies and actions that are promoted in Australia. It found that most people who are currently or have previously experienced gambling harm used a combination of strategies and actions, confirming that there is no one strategy or action that in isolation effectively dealt with the issues;
- *Responsible Gambling and Casinos* (2015) explores the relationship between casinos and local gamblers, the regulatory environment and the effect of promotional and responsible gambling initiatives. It found that casinos are diversifying their customer offerings in an environment of increasing competition, and that responsible gambling initiatives and awareness show mixed results; and
- *The Role of Loyalty Programs in Gambling* (2016) examines gambler loyalty programs, how they are marketed, percentage take-up and the relationship between loyalty programs and the increased risk of problem gambling. It found that loyalty programs do not, to any great extent affect gamblers' control, but are associated with incentives to gamble. The real value of loyalty programs was found to be access to data on consumer demographics and spending habits.

These projects have provided the Commission with a deeper understanding of the gambling environment in Australia, and will inform regulatory considerations and harm prevention strategies.

The completed GRA research reports can be found on the Gambling Research Australia website

<http://www.gamblingresearch.org.au/home/research/gra+research+reports/>

Further information may be obtained from:

Manager, Policy, Research and Implementation, Access Canberra

Telephone: (02) 6207 0382

INITIATE OR COMPLETE PROJECTS THROUGH THE PROBLEM GAMBLING ASSISTANCE FUND

The Commission provides education, prevention and support services, mainly through projects delivered through the Problem Gambling Assistance Fund (the Fund), established under the *Gaming Machine Act 2004*. This section reports on the outcomes of the operations of the Problem Gambling Assistance Fund.

Revenue for the Fund is sourced from a 0.6 per cent levy on gaming machine licensees' Gross Gaming Machine Revenue and contributions from Tabcorp and Casino Canberra Limited. Table 15 shows the Problem Gambling Assistance Fund Receipts for 2015-16. Expenditure from the Fund is for the purpose of alleviating problem gambling or the disadvantages that arise from problem gambling and for providing or ascertaining information about problem gambling.

The Commission administers the Fund and has convened the Problem Gambling Assistance Fund Advisory Committee to provide advice on projects that fall within the scope of the Fund for consideration and decision by the Commission.

In making decisions on projects under the Fund, the Commission's Board, having considered the recommendations of the Advisory Committee, ensure that approved expenditure meets a range of short-term and long-term goals as well as representing a cross-section of applied and academic projects. This ensures that some immediate benefits are achieved and that work is undertaken to inform or improve knowledge about problem gambling issues.

During the reporting period the Commission initiated two projects and completed one. Table 16 summarises the Fund's projects as at 30 June 2016 including their status and funding.

Table 16: Problem Gambling Assistance Fund Receipts 2015-16

Licensee	Amount \$	Licensee	Amount \$
ACT Rugby Union Club Incorporated Inc ²	322	Federal Golf Club ²	97
Ainslie Group		Harmonie German Club	2,223
– Ainslie Football and Social Club	33,695	Hellenic Club Group	
– Canberra City Bowling Club ²	134	– Hellenic Club in the City	6,207
– Gungahlin Lakes Golf & Community	56,085	– Hellenic Club of Canberra	65,221
Australian Croatian Club ²	11	Italo Australian Club	1,237
Austrian Australian Club	890	Magpies Group	
Belconnen Bowling Club ¹	0	– Magpies Belconnen Golf Club	1,739
Belconnen Soccer Group		– Magpies City Club ²	641
– Belconnen Soccer Club - Hawker	9,475.26	– Magpies Sports Club	13,763
– Belconnen Soccer Club - McKellar	13,080	Mawson Club	30,538
Canberra Bowling Club ¹	32	Murrumbidgee Country Club	543
Canberra Deakin Football Club	5,588	National Press Club	276
Canberra Highland Society & Burns Club	17,494	Spanish Australian Club ¹	0
Canberra Irish Club Limited	3,234	Tuggeranong Rugby Union Group	
Canberra Labor Group		– Chisholm Sports Club	32,772
– Canberra Labor Club	90,408	– Lanyon Valley Rugby Union &	28,153
– City Labor Club	20,227	– Town Centre Sports Club	43,377
– Ginninderra Labor Club	26,488	– Tuggeranong Valley Rugby	45,907
– Weston Creek Labor Club	9,205	Woden Tradesmen's Union Club	21,278
RUC at Turner	3,588	Yowani Country Club	1,598
Canberra Racing Club ¹	0	Sub Total – Clubs	1,007,775
Canberra Raiders Group			
– Raiders Gungahlin	54,841	Civic Pub	505
– Raiders Belconnen	36,776	Fyshwick Tavern ²	303
– Raiders Weston	23,765	Kambah Inn	604
Canberra Services Club		Kingston Hotel	485
– Canberra Club (Manuka)	0	Moby Dick's Tavern ²	34
– Canberra Club (Barton)	92	Mercure Canberra	204
Canberra Southern Cross Group		PJ O'Reilly's Tuggeranong Irish Pub ²	61
– Southern Cross Club	76,806	Statesman Hotel Motel	199
– Southern Cross Club - Jamison	24,365	Wood Duck Inn ²	0
– Southern Cross Club – Tuggeranong	46,814	Sub Total – Hotels/Taverns	2,395
– Southern Cross Club - Yacht Club	35		
Canberra Tradesmen's Union Club	98,015	Casino Canberra	45,852
Eastlake Group		Tabcorp	46,023
– Calwell Club	24,665	Sub Total – Others	91,875
– Eastlake Football Club	24,124		
– Sports Club Kaleen	11,951	TOTAL³	1,102,045

1. Problem Gambling Assistance Fund Levy paid annually

2. No longer a licensee at 30 June 2016.

3. Total Income to the Problem Gambling Assistance Fund does not include bank interest (\$34,730) and contribution from New South Wales Government for the joint funding of the *Client Cohort Longitudinal Study – Pathways into Problem Gambling Treatment and Journeys Beyond* research project (\$140,686).

Table 17: Problem Gambling Assistance Fund – Projects and Funding as at 30 June 2016

Project Name	Outcomes	Status	Funds Committed (excl GST)	Funds Spent in 2015-16 (excl GST)	Recipient of funds
ACT Gambling Counselling and Support Service	<ul style="list-style-type: none"> Access to professional gambling counselling and support for people experiencing problems with gambling, including families and friends. Access to professional financial counselling. Gambling providers and other help services in the ACT have access to support in assisting gamblers believed to have problems with their gambling. Harm from problem gambling is reduced as a result of a proactive approach to community education and early intervention. 	<p>Ongoing - Relationships Australia began delivering the service on 1 July 2014, for a three year period. Care Inc are subcontracted to provide financial counselling.</p> <p>In 2015-2016, the Service conducted 507 gambling counselling appointments; 80 family and friends counselling appointments and 649 financial counselling appointments.</p>	<p>\$2,481,885</p> <p>Year 1 – \$809,606</p> <p>Year 2 – \$828,327</p> <p>Year 3 – \$824,404</p>	\$828,327	Relationships Australia for the provision of gambling counselling and support services.
Training for Non-Gambling Specific Community Sector Workers	Community sector workers in the ACT have increased skills to assist their clients who may have problems with gambling.	Ongoing – Four sessions were conducted during 2015-2016. To date, 233 participants have completed this training.	\$70,000	\$8166	The Association of Children's Welfare Agencies Inc. for the provision of training
Introductory Level Course: 'Let's Talk About Gambling'				\$621	Refreshments and lunch
				\$608	Venue Hire

Project Name	Outcomes	Status	Funds Committed (excl GST)	Funds Spent in 2015-16 (excl GST)	Recipient of funds
Training for Non-Gambling Specific Community Sector Workers Intermediate Level Course: <i>'Beyond Smoke and Mirrors'</i>	Community sector workers in the ACT have increased skills to assist their clients who have problems with gambling. This course builds on the skills developed in <i>'Let's Talk About Gambling'</i> and provides more detail on discussing the issue and identifying solutions for clients.	Ongoing – Two sessions were conducted during 2015-16.	\$35,000	\$5,708 \$479 \$304	The Association of Children's Welfare Agencies Inc. for the provision of training. Refreshments and lunch. Venue Hire
Training for Non-Gambling Specific Community Sector Workers Introductory Level Course: <i>'Let's Talk About Gambling for Pharmacy Assistants'</i>	Pharmacy Assistants in the ACT will have increased awareness and skills to assist in screening and identifying people who may be experiencing harm from gambling.	Ongoing – Sessions are scheduled depending on demand. No session have yet been scheduled.	\$10,000	\$0	N/A
Acquisition and Introduction of Exclusion Capability in the ACT	This project seeks to deliver a more effective venue exclusion scheme in the ACT by: <ul style="list-style-type: none"> improving access to exclusion information by gambling venues; streamlining the exclusion process; and providing immediate access to statistical data about the uptake and use of this harm minimisation measure. 	The database became operational in late June 2014. All licensees are using the database. Completed - Enhancements to increase functionality of gambling incident handling and follow up in the database	\$440,000	\$101,107 \$748 \$807	Payment to Hammond Street Development and SS-ICT for project development and support. Printing of training materials for user training. Venue Hire for training.

Project Name	Outcomes	Status	Funds Committed (excl GST)	Funds Spent in 2015-16 (excl GST)	Recipient of funds
Upgrade of ACT's Problem Gambling website	ACT residents will have access to problem gambling support information that is dynamic in presentation and encourages use by key at-risk populations.	Yet to be commenced - This project will be informed by the communications strategy to be developed as part of the Commission's public health approach.	\$40,000	\$0	N/A
Research Project: 'Targeted Interventions for Problem Gambling'	Following on from the <i>Preventive Interventions for Problem Gambling: A Public Health Perspective</i> report, this research aims to understand <ul style="list-style-type: none"> • factors contributing to (or inhibiting) self identification of gambling problems; • profiling gambling behaviours and patterns, and; • assess the openness of people with gambling problems to interventions designed to assist them. 	Initiated – Literature review and recruitment of clients.	\$104,885	\$20,957	Australian National University Centre for Gambling Research for the conduct of identified research project.
Research Project: Client Cohort Longitudinal Study	This research project will document histories of how individuals reached problem gambling treatment services and will then follow clients through the period of receiving help and for a minimum of two years after their treatment has ended. The project is designed to address a number of gaps in the existing knowledge base related to how people interact with help services and their experiences after treatment. The project is jointly funded by the PGAF and the NSW Office of Liquor, Gambling and Racing.	Year two of the study including recruitment of services and their clients and conducting interviews with clients and their family and friends continues. Initiated – Year Three of the study, including further recruitment, and in-depth interviews leading to a final report relating to family members' service needs.	\$786,109	\$148,994	Australian National University Centre for Gambling Research for the conduct of identified research project.

Project Name	Outcomes	Status	Funds Committed (excl GST)	Funds Spent in 2015-16 (excl GST)	Recipient of funds
Youth Coalition of ACT <i>'Young People and Gambling'</i>	This project aims to raise awareness of risky behaviour in relation to gambling amongst young people in the ACT, equip young people to better recognise harmful gambling behaviour amongst their friends, and give young people strategies to assist friends to seek help or interrupt risky or harmful behaviour in relation to gambling.	Ongoing – the Commission approved an extended timeline after initial investigations showed the need for a revised strategy.	\$161,484	\$70,000	Youth Coalition of ACT for the conduct of identified project.
Multicultural Information for culturally and linguistically diverse (CALD) Groups in the ACT	Broadcast of a recorded help-seeking messages over community radio in a number of languages and in English. Increased awareness of help services among CALD groups.	Completed - A recorded message in 12 languages other than English were broadcast at relevant time slots by Community Radio 2XXFM.	\$16,000	\$2,550	Community Radio 2XX FM Inc. for production and broadcast of message.
Gambling Help Online	Residents of the ACT have 24/7 access to online problem gambling counselling and support.	Ongoing - The Chief Executive of the Commission signed an MOU for the continuation of the service through 2016-2017.	\$55,000	\$9,408	Australian Online Gambling Victoria.
Capital Health Network	Education and training through events for GPs and NPs on Chronic Disease Management that will include education on addressing lifestyle issues with patients and impacts of lifestyle issues on mental health.	Funding Approved- Yet to be commenced. Events will include information and training on how to address a range of lifestyle issues, including gambling.	\$55,000	\$0	N/A
Gambling Contact Officer Branding and Merchandise	This project will establish a brand for the Gambling Contact Officer initiative. The brand development will include promotional material and individual identifiers distributed to every gaming venue in the ACT.	Funding Approved- Yet to be commenced. Development of branding and logos.	\$19,445	\$0	N/A
TOTAL			\$4,274,808	\$1,198,784	

Total expenditure from PGAF does not include bank fees of \$37.

Further information may be obtained from:

Manager, Policy, Research and Implementation, Access Canberra

Telephone: (02) 6207 0359

Statement of Intent

There are three additional performance measures contained in the Commission's 2015-16 Statement of Intent.

REVIEW GAMING LEGISLATION AND POLICIES AND IMPLEMENT CHANGES – Completion of one report, brief or review

During the reporting period the Commission implemented the outcomes of one review.

Lotteries Act 1964 and Gambling and Racing Control (Code of Practice) Regulation 2002

Changes to the *Lotteries Act 1964* and the *Gambling and Racing Control (Code of Practice) Regulation 2002* exempted low risk lotteries (those with a prize value under a determined threshold) from requiring approval from the Commission. This means that many low-value community raffles and lotteries don't need approval, with different exemption thresholds for different lottery products. General conditions for all exempt lotteries were put in place.

Gaming Machine Act 2004

Substantial changes to the *Gaming Machine Act 2004* commenced on 31 August 2015 following passage of the *Gaming Machine (Reform) Amendment Act 2015* in June 2015. The Commission implemented the changes including a trading scheme for gaming machine authorisations, a new licensing framework, changes to storage requirements and approvals processes. This streamlined processes for clubs and enabled the number of poker machines in the ACT to decrease over time.

KEEP INFORMED ABOUT DEVELOPMENTS IN GAMING AND REGULATORY PRACTICES – Attend at least two meetings or conferences

The Commission has continued to participate in the Australasian Casino and Gaming Regulators' Chief Executive Officers' Forum as the key mechanism for participating in the development of gaming and regulatory practices in Australia. The Forum is informed by various working parties including the Gaming Machine National Standards Working Party and the Jurisdictional Regulators' Better Practice Compliance Working Group. The latter working group provides the opportunity for regulatory officials to share information about the conduct of investigations and inspections and enables comparisons of operating methods with a view of sharing better practice approaches to compliance.

The Chief Executive Officers (CEOs) of the gambling regulatory agencies in Australia and New Zealand meet twice annually 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 the Commission's Chief Executive Officer attended the meeting held in Sydney in February 2016.

The Commission has continued to participate in the Australasian Casino and Gaming Regulators' Board and Commission Members' Forum as the key mechanism for participating in the development of gaming and regulatory practices in Australia.

The Board and Commission Members of the gambling regulatory agencies in Australia and New Zealand meet twice annually to discuss issues of mutual interest. During the reporting period Commission members attended the meeting held in Adelaide in April 2016.

EFFECTIVELY MANAGE COMMISSION RESOURCES – Achieve or improve the 2015-16 budgeted operating result subject to Government budget decisions relating to the Commission’s resourcing and operating surplus

The Management Discussion and Analysis and Financial Statements (refer to section C.1 and C.2) Financial Management Reporting details that Commission’s performance in achieving this objective.

B.3 Scrutiny

Legislative Assembly Inquiries and Reports

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

Table 18: Summary of Inquiry into Appropriation Bill 2015-16

Committee	Report Title	Date Tabled
Select Committee on Estimates 2015-2016	Appropriation Bill 2015-2016 and Appropriation (Office of the Legislative Assembly) Bill 2015-16	4 August 2015

http://www.parliament.act.gov.au/in-committees/select_committees/template4/inquiry-into-appropriation-bill-2014-2015-and-the-appropriation-office-of-the-legislative-assembly-bill-2015-2016/report?inquiry=711016

Table 19: Summary of Report 24 on Annual and Financial Reports 2014-15

Committee	Report Title	Date Tabled
Standing Committee on Public Accounts	Report 24: Report on Annual and Financial Reports 2014-15	8 March 2016

http://www.parliament.act.gov.au/in-committees/standing_committees/Public-Accounts/annual-and-financial-report-2014-15/government-response?inquiry=788708

Table 20: Inquiry into elements impacting on the future of the ACT Clubs sector

Committee	Report Title	Date Tabled
Standing Committee on Public Accounts	Inquiry into elements impacting on the future of the ACT Clubs sector	27 October 2015

http://www.parliament.act.gov.au/in-committees/standing_committees/Public-Accounts/inquiry-into-elements-impacting-on-the-future-of-the-act?inquiry=710257

Table 21: Summary of recommendations relevant to the Commission

Recommendation No. and Summary	Action	Status
Recommendation 6 The Committee recommends that a taskforce be established 'to develop an action plan for problem gambling' with an initial focus, 'to reduce the duration of gambling problems when they arise in individuals'	Government response: Not agreed	Complete

Recommendation No. and Summary	Action	Status
using targeted approaches.		
Recommendation 9 The Committee recommends that the Government continue to advocate to the Federal Government to undertake urgent work to understand online gambling and develop a legislative and regulatory framework to minimise harm to the community from online gambling.	Government response: Agreed Following the commonwealth Governments response to the <i>Illegal Offshore Wagering Report</i> in April 2016, staff are participating in interjurisdictional working groups.	Ongoing.
Recommendation 11 The Committee recommends that the Government closely monitor the achievements of the Gambling and Racing Commission since its integration into Access Canberra and report to the Assembly by March 2016 on progress to reduce red tape for the community club sector.	Government response: Agreed The Chief Minister tabled a report on the first 12 months of Access Canberra's operation on 7 April 2016.	Complete.
Recommendation 12 The Committee recommends that the Government update regulations for entry to community clubs to enable contemporary access to ACT residents.	Government response: Agreed in principle Consultation is ongoing with community clubs.	Ongoing.
Recommendation 13 The Committee recommends the Government update regulations for entry for community clubs to enable contemporary access to non-ACT residents to more easily enter community clubs.	Government response: Agreed The <i>Gambling and Racing (Red Tape Reduction) Bill 2016</i> was presented in the Legislative Assembly on 9 June 2016.	Implementation ongoing.
Recommendation 14 The Committee recommends that the Government consider increasing the Community Contribution rate from 8% to 10%	Government response: Agreed in principle The government will continue its ongoing dialogue with clubs regarding the quantum and distribution of Community Contributions.	Ongoing.
Recommendation 17 The Committee recommends	Government response: Not agreed	Complete.

Recommendation No. and Summary	Action	Status
that the Government match the clubs sector levy paid to the PGAF, dollar for dollar, to fund programs to assist additional research and amelioration of problem gambling.		
Recommendation 18 The Committee recommends that the Government fund additional gambling research and expand the research agenda of the Problem Gambling Assistance Fund to include research with an increased public health and harm minimisation focus. The Committee expresses support for a range of research projects.	Government response: Noted	Complete.
Recommendation 19 The Committee recommends that when the results of each study listed in the Recommendation above have been received, that the Government (i) table the study in the Assembly within three sitting days of receipt; (ii) develop a specific program to implement the findings; and (iii) review the effectiveness of such programs within 12 months of commencement and report to the Legislative Assembly on the outcomes.	Government response: Noted	Complete.
Recommendation 20 The Committee recommends that the ACT Gambling and Racing Commission work together with ClubsACT and the ANU Centre for Gambling Research to facilitate better access by researchers to gambling data and club venues.	Government response: Agreed The Commission supports and facilitates access to venues and data by ANU. The integrity of research, and its independence, is critical in gambling research and must be maintained.	Ongoing.
Recommendation 22 The Committee recommends	Government response: Agreed in principle	Ongoing.

Recommendation No. and Summary	Action	Status
that the ACT Gambling and Racing Commission investigate using Australian Research Council Project Linkage Grants to maximise the value of ACT Government research investment	The Commission maximises research investment through collaboration with Gambling Research Australia and in individual projects, for example with New South Wales.	
Recommendation 23 The Committee recommends that the Government work with the community sector to establish a screen for problem gambling when assisting clients.	Government response: Agreed in principle The ACT Gambling Counselling and Support Service has developed and disseminated a screening question to the community sector.	Complete.
Recommendation 24 The Committee recommends that all EGM payouts over \$800 be paid by cheque or EFT.	Government response: Noted	Complete.
Recommendation 25 The Committee recommends that the Government pursue, at a national level, maximum \$1 per spin and bet rates to ensure a nationally consistent approach and as means of limiting on border-hopping gambling.	Government response: Noted	Complete.
Recommendation 32 The Committee recommends that the Government move to an electronic-based system for the reporting of Electronic Gaming Machine movements and any other activities rather than the current paper-based system.	Government response: Agreed in principle Access Canberra continues to develop and deploy smart forms for online applications, including for gaming machines. Smart forms for lotteries applications are complete.	Ongoing.
Recommendation 33 The Committee recommends that the Government investigate the feasibility of introducing a central, electronic, linked monitoring system for Electronic Gaming Machines.	Government response: Agreed in principle Preliminary investigations indicate that a CMS is not feasible at this time.	Complete.
Recommendation 34 The Committee recommends that the Government review current Electronic Gaming Machines storage provisions to facilitate removal of Electronic Gaming Machines from club	Government response: Noted	Complete.

Recommendation No. and Summary	Action	Status
floors with a view to making the reduction permanent.		
Recommendation 43 The Committee recommends that the Government when reviewing all legislation and fees and charges, take into account the particular burden that legislation and fees and charges may have on small and medium clubs.	Government response: Agreed The Government is committed to regulatory reform that minimises the burden of regulation on businesses, including clubs, while still ensuring effective harm minimisation.	Business as usual.
Recommendation 44 The Committee recommends that the Government consider ways to reduce red tape for clubs such as the need to mail out ballot papers.	Government response: Agreed The <i>Gambling and Racing (Red Tape Reduction) Bill 2016</i> was presented in the Legislative Assembly on 9 June 2016.	Implementation ongoing.

Auditor-General

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 2015-16 Financial Report and Statement of Performance with no significant matters identified during the process (see section C.2 & C.6)

The Commission participated in the performance audit Management and Administration of Credit Cards by ACT Government Entities, Report No. 06/2016, conducted by the ACT Audit Office. This report provides the Auditor-General's findings on the effectiveness of the management and administration of credit cards by ACT Government entities.

This audit included consideration of internal governance and control frameworks for ACT Government entities with respect to the management of corporate credit cards, as well as the detailed analysis of a selection of credit card transactions and acquittals to examine the probity of those transactions

The report made six recommendations of which there were no adverse findings for the Commission.

ACT Ombudsman

There were no reviews initiated by the ACT Ombudsman relevant to the Commission during the reporting period.

ACT Civil and Administrative Tribunal

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 and Administrative Tribunal (ACAT). Other decisions are open to scrutiny through judicial review, a Legislative Assembly Committee or the ACT Ombudsman.

No administrative decisions made by the Commission during the reporting period were referred to the ACAT for review.

Further information may be obtained from:

Deputy Director, Policy and Co-ordination, Projects, Governance and Support, Access Canberra
Telephone: (02) 6207 5282

B.4 Risk Management

The Commission adopts the Chief Minister, Treasury and Economic Development Directorate's Risk Management Framework and maintains its own Risk Register. The Commission's Risk Register has been developed in accordance with the relevant standard (*AS/NZS ISO 31000:2009*) to include organisational risks, sources, impacts, responsibilities, treatments and monitoring/review processes. During the Commission's annual strategic and business planning process new and emerging risks are identified. The Commission's Risk Register is reviewed and updated on a quarterly basis to coincide with Commission's Internal Audit and Risk Committee meetings. The Commission's Internal Audit and Risk Committee is responsible for monitoring and reporting on the implementation of risk mitigation strategies at each of its meetings.

The Commission's Statement of Intent identifies the risks and associated mitigation strategies in relation to the Commission meeting its corporate and business objectives. These risks are incorporated in the Commission's Risk Register.

In relation to its compliance audit program, the Commission operates a risk-based compliance model. The risk-based approach enables the targeting of resources to those areas where they are most needed and will be most effective.

The three fundamental steps used to ensure compliance are to engage, educate and enforce with the optimal outcome being voluntary compliance. Education has a key role to play in maximising compliance by proactively ensuring licensees are aware of their legislated requirements. Escalated enforcement action will be applied to those people in which their conduct breaches the legislation and is likely to cause harm.

B.5 Internal Audit

The Commission's governing board has established an Internal Audit and Risk Committee (the Committee) as part of its responsibilities in relation to the corporate governance of the Commission. The objective of the Internal Audit and Risk Committee is to provide independent assurance to the Board on the Commission's risk, control and compliance framework, and its financial statement responsibilities.

The Internal Audit and Risk Committee met on three occasions during the reporting period.

Table 22: Summary of meetings attended by members and observers

Name of Member	Position	Meetings Attended
Alice Tay	Chair	3
Paul Baxter	Member	3
Ron Leonard	Chief Finance Officer/Observer	3
Greg Jones	Chief Executive Officer/Observer	1

At the Commission's July 2015 Board meeting members resolved that Mr Paul Baxter be appointed as a member of the Internal Audit and Risk Committee replacing Ms Vassarotti who fulfilled the role as an interim member since September 2014.

During the reporting period the Committee reviewed its Internal Audit and Risk Committee Charter and the Internal Audit Charter to differentiate the role of each function. Each charter has been modelled on the Australian National Audit Office (ANAO) Better Practice Guides. The Board endorses the charters at its meetings and will continue to review them on an annual basis.

The Commission has an Internal Audit Program which has been developed after identifying areas of potential operational and financial risk. At its March 2016 meeting, members reviewed the Committee's Program of Works 2016-17.

The Commission utilises the ACT Government's Whole-of-Government Internal Audit Services Panel to select contractors to conduct in-depth internal audits in areas that includes performance, compliance and information technology.

During the reporting period, the Commission was part of the ACT Audit Office performance audit on the management and administration of credit cards by ACT Government entities.

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

B.6 Fraud Prevention

The Commission is committed to minimising the incidence of fraud and corruption through the development, implementation and regular review of a range of fraud prevention and detection strategies.

As required under the ACTPS Integrity Policy, the Commission has in place a Fraud and Corruption Prevention Plan and a Fraud Risk Register. The objective of the Fraud and Corruption Prevention Plan is to provide the basis of the Commission's actions to control fraud and to identify those key activities performed by the Commission that require the implementation of additional controls to reduce the likelihood of fraud occurring. With the integration of Commission staff into Access Canberra, the Fraud and Corruption Prevention Plan of the Chief Minister, Treasury and Economic Development Directorate (CMTEDD) now applies to all staff. Fraud awareness and ethics training is available to all CMTEDD staff and is part of the induction process for all new CMTEDD employees. There were no incidents of fraud reported in the Commission during this reporting period.

Further information may be obtained from:

Deputy Director, Policy and Co-ordination, Projects, Governance and Support, Access Canberra
Telephone: (02) 6207 5282

B.7 Work Health and Safety

In December 2014 it was announced that a number of regulatory functions across the ACT Government, including gambling regulation, would be brought together to create Access Canberra. In August 2015 an agreement between Access Canberra and the Commission on *“the provision of services for the administration of the gaming laws including the control, supervision and regulation of gaming and racing in the ACT”* (the Agreement) was executed.

As a result of Commission the integration of Commission staff into Access Canberra, workplace health and safety requirements for those staff were also transferred to Access Canberra. However prior to this, and during the reporting period, the Commission continued to promote workplace health and safety to ensure that the workplace culture provides a safe working environment. A key focus has been to improve staff awareness and understanding of health and safety roles and responsibilities and to engage with managers to establish and maintain an effective health and safety culture.

The Commission continued to actively promote a positive workplace culture through the provision of Respect, Equity and Diversity (RED) training to all managers and staff. This training together with providing a safe working environment, increases awareness and encourages a committed, motivated and productive workforce. The Commission continued to participate in the RED Contact Officer Network throughout parts of the reporting period prior to integration into Access Canberra.

An Employee Assistance Program is in place to provide counselling service and support to all employees and their immediate family members.

The Commission is committed to maintaining the health and safety of its employees. Workplace Health and Safety is managed in accordance with the provisions of the *Work Safety Act 2011* (WHS Act). The Commission had two qualified first aid officers and two fire wardens who were provided with ongoing training. Additionally, as a part of a risk management strategy, all of the Compliance and Investigations teams completed first aid training to minimise risk when officers are in the field. Staff information sessions promoting emergency evacuation procedures were held for all Commission staff. With the integration of staff into Access Canberra, these roles and training were subsumed into Access Canberra.

During the reporting period the Commission did not receive any notices of improvement, prohibition or non-disturbance or failure to comply notice under part 10 of the WHS Act; enforceable undertakings or failure to comply under part 11; or findings of a failure to comply with a safety duty under part 2 division 2.2, 2.3 or 2.4. There were no serious injuries, illness or dangerous incidents that required notification in accordance with part 3 section 38 of the WHS Act.

A CMTEDD 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.

During the reporting period staff had access to the following safety, health and wellbeing initiatives:

- a 'Health and Wellbeing' reimbursement initiative (not exceeding \$100 per annum) to financially support employees to participate in health and wellbeing activities;
- induction sessions that include work health and safety information;
- provision and promotion of professional and confidential counselling services available to staff and their families through the Employee Assistance Program (EAP) provided by OPTUM;
- provision and promotion of the EAP Manager Assist Program;
- workplace influenza vaccinations program offered to staff;
- exercise classes, yoga and pilates;
- seated massages;
- healthy weight week;
- healthier me physical activity and lifestyle programs;
- discounted gym memberships;
- mental health awareness promotion activities;
- flexible working arrangements;
- mandatory respect, equity and diversity training;
- support for staff volunteering as blood donors where the absence from the workplace is without loss of pay; and
- First Aid Officer training.

B.8 Human Resources Management

HR Management and Workforce Planning

During the reporting period, the Commission workforce was integrated into Access Canberra and managed to achieve the objectives as described in its Statement of Performance as mentioned at section C.6 of this report. In effectively fulfilling its objectives staff development is supported through identifying core training needs and encouraging skill and knowledge enhancement.

In August 2015 an agreement between Access Canberra and the Commission on *“the provision of services for the administration of the gaming laws including the control, supervision and regulation of gaming and racing in the ACT”* (the Agreement) was executed. The Agreement states that the Gambling and Racing Commission will commission work from Access Canberra to fulfil its obligations under the *Gambling and Racing Control Act 1999* (the Act), and satisfy its objectives outlined in the 2014-2018 Strategic Plan and the 2015-2016 Statement of Intent.

During the reporting period, the Commission had in place a Memorandum of Understanding with the Chief Minister, Treasury and Economic Development Directorate Human Resource (HR) Unit to provide strategic and technical HR support and advice to managers and staff of the Commission. The HR unit performs a range of HR functions for the Commission whilst facilitating the provision of support services provided by Shared Services. This arrangement will continue with the provision of services to the Commission by Access Canberra.

The Commission is committed to the development and retention of competent and skilled employees. Access Canberra will continue to work with the Commission to meet the Commission’s strategy for employing effective people as outlined in its Strategic Plan 2014-2018:

- recognise the valuable contribution made by staff to achieving the Commission’s vision;
- continually develop the knowledge and technical expertise of our staff;
- promote the ACT Government’s and the Commission’s values in our dealings with each other, the gambling industry and the community;
- enhance the management of diversity to ensure that the workplace is free of discrimination and harassment;
- assist our staff to reach their full potential by actively engaging in the implementation of the ACT Government’s Performance and Development framework; and
- continue to be an employer of choice.

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 immediate or specialised skill needs.

New employees are supported through an induction program and are encouraged to attend professional development activities.

The Commission acknowledges the importance of the community and stakeholders having confidence in its actions. To achieve this, the Commission promoted and utilised training opportunities for staff in governance and risk management practices as well as continuing to promote awareness of the RED framework in order to embed an ethical and integrity based culture.

The Commission continued to participate in the RED Contact Officer Network throughout parts of the reporting period prior to integration into Access Canberra.

Learning and Development

The Commission has continued to make learning and development a key priority during 2015-16. The induction program is coordinated by the Chief Minister, Treasury and Economic Development Directorate Human Resources (HR) unit and introduces new staff to important policies and practices. It also helps clarify the responsibilities of new employees as public servants and explains the Chief Minister, Treasury and Economic Development Directorate's role within the broader ACT Public Service.

The Commission continued to provide support and study assistance for staff who are interested in furthering their qualifications. Four staff members are currently undertaking a Certificate IV in Government (Investigations) and one staff member has completed a Diploma of Government (Investigations). The 2015-16 ACTPS Training Calendar was also utilised as part of the Commission's training and development scheme with six staff members attending ACTPS courses at a cost of \$658.

Table 23: Summary of training courses attended by Commission staff

Learning & Development Initiative	Number of participants
Creating Accessible Word Documents	1
ACT Government Tax Training	1
Understanding the Legislative Process	1
Senior First Aid Certificate	3
Staff Induction	2

Staff have also engaged in non-formal activities such as:

- participation and presentation at national regulatory and industry conferences and forums relevant to their workplace;
- small group learning based around specific gambling-related compliance activities; and
- responsible gambling and problem gambling awareness training.

Learning and development will remain a key focus for the Commission integration into Access Canberra. This will assist staff members in growing their knowledge and skills and ensure that the Access Canberra maintains an appropriately skilled workforce to assist the Commission in achieving its objectives as outlined in section B.2.

Attraction and Retention Initiatives

No Commission staff were covered Special Employment Arrangement (SEA) or Australian Workplace Agreement (AWA) at the end of the reporting period.

Staffing Profile

Commission staff are employed under the *Public Sector Management Act 1994*. During the reporting period, staff were covered by the *ACT Public Service Administrative and Related Classification Enterprise Agreement 2013 – 2017* which provides conditions of service, including salary, allowances, and leave for all non-executive employees which came into operation on 30 May 2014 and has a nominal expiry date of 30 June 2017.

The Commission had the following staff profile at 30 June 2016. The tables below only provide for the actual number of staff that were paid by the Commission as at 30 June 2016. The tables do not include Access Canberra staff that were providing services to the Commission at 30 June 2016.

Table 24: FTE and headcount

Agency Profile	FTE	Headcount
Total	20.8	23

Table 25: FTE and headcount by gender

Full Time Equivalent (FTE) and Headcount	Female	Male	Total
FTE by gender	9.4	11.4	20.8
Headcount	11	12	23
% of workforce (based on headcount)	47.8	52.2	100.0%

Table 26: Headcount by classification and gender

Classifications	Female	Male	Total
Executive Officers	0	1	1
Senior Officers	5	5	10
Administrative Officers	6	6	12
Total	11	12	23

Table 27: Headcount by employment category and gender

Employment category	Female	Male	Total
Casual	0	0	0
Permanent Full-time	8	9	17
Permanent Part-time	2	2	4
Temporary Full-time	1	1	2
Temporary Part-time	0	0	0
Total	11	12	23

Table 28: Headcount by age group and gender

Age Group	Female	Male	Total
Under 25	1	0	1
25-34	2	3	5
35-44	5	3	8
45-54	2	4	6
55 and over	1	2	3

Table 29: Average length of service by gender (Headcount)

	Female	Male	Total
Average years of service	8.4	10.5	9.5

Table 30: Headcount by diversity group

Diversity Group	Number	Percentage
Aboriginal and Torres Strait Islander	0	0.0%
Culturally & Linguistically Diverse	0	0.0%
People with disability	0	0.0%

Note: Employees may identify with more than one diversity group.

Table 31: Recruitment and Separation Rates

Agency	Recruitment Rate	Separation Rate
Gambling and Racing	8.8%	21.9%
Total	8.8%	21.9%

Note: The separation rate also includes staff who voluntarily participated in the CMTEDD Voluntary Redundancy program

Table 32: Recruitment and Separation Rates by Classification Group

Agency	Recruitment Rate	Separation Rate
Administrative Officers	16.8%	16.8%
Senior Officers	0.0%	27.4%
Total	8.8%	21.9%

Further information may be obtained from:

Deputy Director, Policy and Co-ordination, Projects, Governance and Support, Access Canberra
Telephone: (02) 6207 5282

B.9 Ecologically Sustainable Development

The ACT Government is committed to sustainable development of the ACT and encourages agencies to embed sustainability in their decision-making processes. The commitment was translated into a legislative responsibility for agencies to develop policies and programs to promote ecologically sustainable development (ESD) through the *Climate Change and Greenhouse Gas Reduction Act 2010* and the *Environmental Protection Act 1997* (the *Environment Protection Act*).

Under Section 2 of the *Environment Protection Act*, ecologically sustainable development is defined as the effective integration of economic, social and environmental considerations in decision-making processes.

From January 2016, Commission staff relocated from the Canberra Nara Centre into shared accommodation at Callam Offices in Woden and 255 Canberra Avenue Fyshwick. As a result, Chief Minister, Treasury and Economic Development Directorate are unable to determine the Commission's workplace floor area, stationary energy usage, water usage, resource efficiency and waste and greenhouse gas emissions for 2015-16.

Table 33: Sustainable development performance 2014-2015 and 2015-2016

Indicator as at 30 June	Unit	2015-16	2014-15	Percentage change
Agency staff and area				
Agency staff	FTE	20.8	31.4	2.6
Workplace floor area	Area (m ²)	Refer to Chief Minister, Treasury and Economic Development Directorate Annual Report	531	-
Stationary energy usage¹				
Electricity use	Kilowatt hours	Refer to Chief Minister, Treasury and Economic Development Directorate Annual Report	58,667	-
Renewable electricity use ⁵	Kilowatt hours		0	-
Natural gas use	Megajoules		131,328	-
Transport fuel usage				
Total number of vehicles	Number	2	2	0
Total kilometres travelled	Kilometres	10,458	7,200	45.3
Fuel use – Petrol	Kilolitres	0.947	0.628	51.0

Indicator as at 30 June	Unit	2015-16	2014-15	Percentage change
Fuel use – Diesel	Kilolitres	0	0	0
Fuel use – Liquid Petroleum Gas (LPG)	Kilolitres	0	0	0
Fuel use – Compressed Natural Gas (CNG)	Kilolitres	0	0	0
Water usage¹				
Water use	Kilolitres	Refer to Chief Minister, Treasury and Economic Development Directorate Annual Report	241.55	-
Resource efficiency and waste¹				
Reams of paper purchased ²	Reams	228	520	(128.1)
Recycled content of paper purchased	Percentage	49.4	47.6	3.8
Waste to landfill	Litres	Refer to Chief Minister, Treasury and Economic Development Directorate Annual Report	27,289	-
Co-mingled material recycled	Litres		5,675	-
Paper & Cardboard recycled (incl. secure paper)	Litres		21,716	-
Organic material recycled ⁶	Litres		4,490	-
Greenhouse gas emission's¹				
Emissions from stationary energy use	Tonnes CO ₂ -e	Refer to Chief Minister, Treasury and Economic Development Directorate Annual Report	55.47	-
Emissions from transport	Tonnes CO ₂ -e	2.42	1.61	50.3
Total emissions	Tonnes CO ₂ -e	Refer to Chief Minister, Treasury and Economic Development Directorate	57.08	-

Indicator as at 30 June	Unit	2015-16	2014-15	Percentage change
		Annual Report		

Notes

1. Figures for 2014-15 have been provided by the Chief Minister, Treasury and Economic Development Directorate, Corporate Management Section, and were calculated on whole of building consumption apportioned to the Commission based on net lettable office area.
2. The decrease in reams of paper purchased reflects that from 1 January 2016 Commission staff relocating to shared accommodation with Access Canberra at Callam Offices in Woden and 255 Canberra Avenue Fyshwick the Commission utilised paper purchased by Access Canberra. Paper purchased from January 2016 is included in the Chief Minister, Treasury and Economic Development Directorate Annual Report.

The Commission is incorporated into the Chief Minister, Treasury and Economic Development Directorates Resource Management Plan which provides guidance sustainability issues, including an annual plan of activities to address management of water, electricity and gas consumption, waste production and recycling initiatives.

Whilst the Commission has limited opportunities for significant contributions in this regard, it remains committed to supporting sustainability measures that contribute to its reduction in energy usage and impact on the environment.

No reporting requirements under this section were applicable to the Commission during the reporting period.

Further information may be obtained from:

Deputy Director, Policy and Co-ordination, Projects, Governance and Support, Access Canberra
Telephone: (02) 6207 5282

SECTION C: FINANCIAL MANAGEMENT REPORTING

C.1 Financial Management Analysis

Management Discussion Analysis

General Overview

Objectives

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

- effectively regulate gambling and racing activity for statutory compliance;
- ensure compliance with statutory payments of taxes and fees;
- keep informed about problem gambling issues and harm minimisation strategies;
- undertake measures designed to reduce the negative impact of problem gambling;
- review gaming legislation and policies and implement changes;
- keep informed about developments in gaming and regulatory practices; and
- effectively manage its resources.

Gambling revenue incorporates the following categories:

- gaming machine taxes, levies and fees;
- interstate lotteries taxes (New South Wales);
- minor lottery fees (promotions and raffles);
- casino tax and fees;
- Totalisator licence fee;
- 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 Territory.

Risk Management

The Commission is a major collector of Government revenue in the Territory. To manage the risk associated with revenue collection, verification and compliance, the Commission 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 of the Commission's financial 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 2014-15 and 2015-16 and the forward estimates contained in the 2016-17 Statement of Intent.

In December 2014 it was announced that a number of regulatory functions across the ACT Government, including gambling regulation, would be brought together to create Access Canberra. In August 2015 an agreement between Access Canberra and the Commission on *“the provision of services for the administration of the gaming laws including the control, supervision and regulation of gaming and racing in the ACT”* (the Agreement) was executed.

The Agreement states that the Commission will work from Access Canberra to fulfil its obligations under the *Gambling and Racing Control Act 1999* (the Act), and satisfy its objectives outlined in the 2014-2018 Strategic Plan and the 2015-2016 Statement of Intent.

Access Canberra acknowledges the responsibilities of the Commission as a statutory authority including those specified in the Act, other gaming laws and the Commission’s Statement of Intent. Access Canberra provides staff and support to the Commission on a purchase services basis to enable the Commission to meet its responsibilities and obligations.

From 1 July 2016, Commission staff will transfer to Access Canberra and as a result employee, superannuation and supplies and services expenses have been amended as part of this Agreement. Future trends in this report reflect these changes.

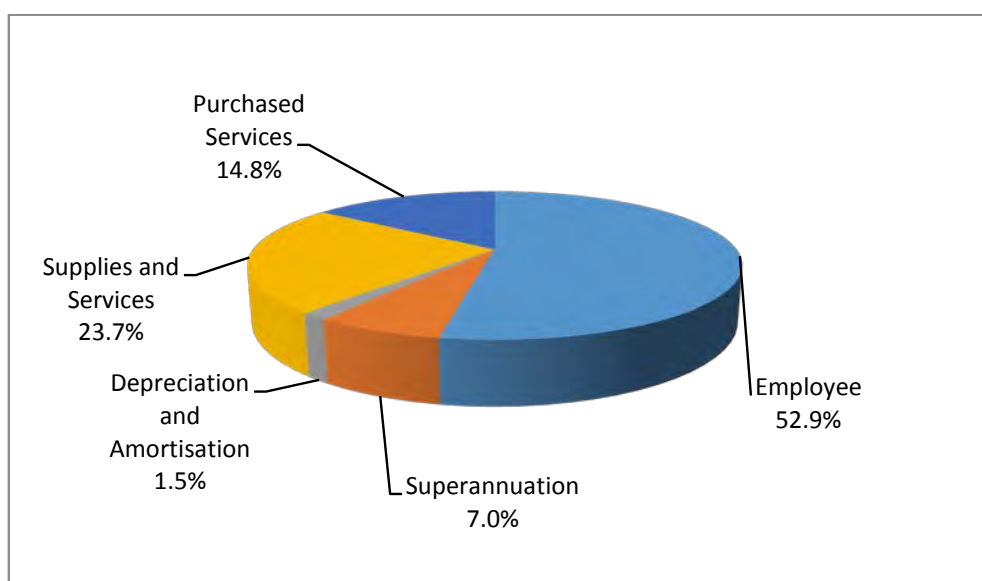
Total Expenditure

1. Components of Expenditure

Figure 1 indicates the components of the Commission’s expenditure for 2015-16 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 employee and supplies and services expenses. Supplies and services expenses includes problem gambling assistance fund expenses which are used to undertake projects aimed to reduce the negative impact of problem gambling.

The largest component of expenditure is employee expenses which represents **52.9 per cent** or **\$2.954 million** of operational expenditure.

Figure 1 - Components of Expenditure in 2015-16



2. Comparison to Budget

Expenditure

Total expenditure, not including taxation revenue transferred to Government, of **\$5.585 million** was **\$0.308 million**, or **5.2 per cent** lower than the 2015-16 budget of **\$5.893 million**. This was mainly due to lower than anticipated:

- employee expenses (**\$0.091 million**) and superannuation expenses (**\$0.051 million**) due to staff departures and vacant positions not being filled due to the Commission's regulatory function being integrated into Access; and
- supplies and services (**\$0.141 million**) are mainly due to a decrease in Research Expenses in 2015-16 following the completion of the *2014 Prevalence Study – Survey of the Nature and Extent of Gambling and Problem Gambling in the ACT* and lower legal fees following a decrease in the use of legal services from ACT Government Solicitor's Office during the reporting period.

3. Comparison to 2014-15 Actual Expenditure

Total expenditure, not including taxation revenue transferred to Government, is consistent with the 2014-15 actual expenditure of **\$5.650 million**

4. Future Trends

Expenditure is budgeted to increase in 2016-17 by **\$0.370 million** of **6.2 per cent**. This is mainly due to an increase in purchase service expense as a result of indexation.

Total Income

1. Components of Income

Although the Commission collects and verifies revenue from gambling taxes, levies, fees and fines, these revenues are immediately transferred to the Territory Banking Account through nightly sweeps of the Commission's Taxation Account. Taxes and Levies are received in accordance with the respective legislation or agreements held with the Commission and are based on gross profit or the level of gambling activity depending on the requirements for each product. Regulatory Fees are paid

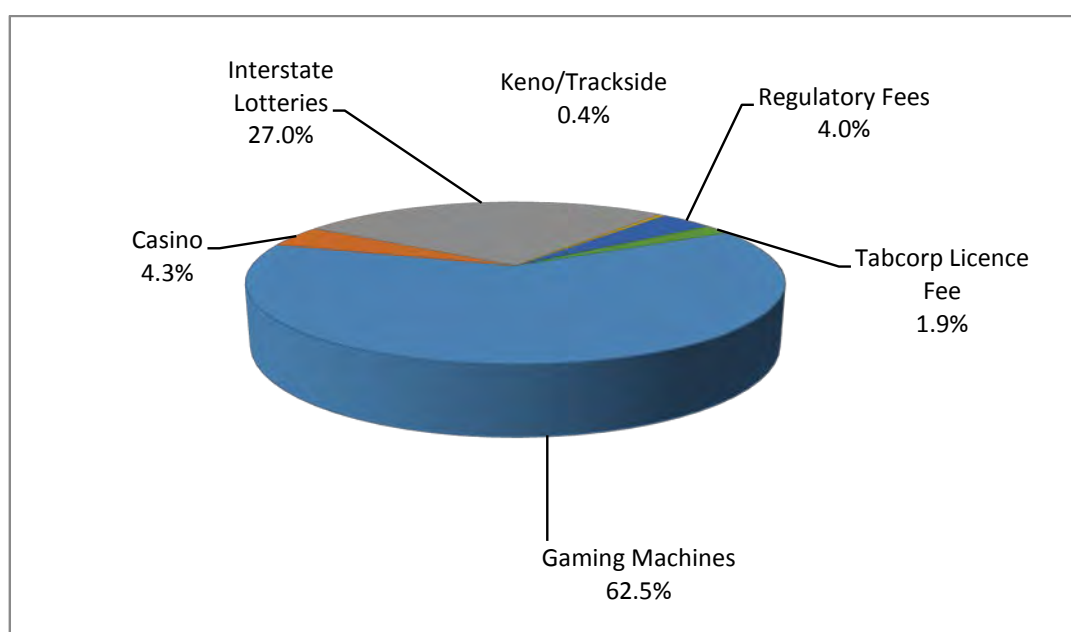
in relation to gaming operations such as licensing applications, raffle and trade promotion permit applications and general gaming and racing approvals.

The revenue that the Commission uses to fund its operating activities is appropriated through Government payment for outputs and interest from its bank accounts. In 2015-16, appropriation amounts received from Government totalled **\$4.726 million**.

The Commission also receives a Problem Gambling Assistance Fund levy from gaming machine licensees as well as voluntary contributions from Tabcorp ACT and Casino Canberra. These funds are used to provide problem gambling support services to the ACT community as well as other projects to reduce the negative impact of problem gambling. In 2015-16, the total amount received by the Commission in the Problem Gambling Assistance Fund was **\$1.241 million**.

Figure 2 below indicates that for the financial year ended 30 June 2016 the Commission received **\$33.332 million** or **62.5 per cent** of its total gambling revenue from gaming machine taxation.

Figure 2 - Components of Gambling Income in 2015-16



2. Comparison to Budget

Revenue

For the year ending 30 June 2016 gambling revenue was **\$53.369 million** which was **\$1.139 million** lower than the 2015-16 budget of **\$54.502 million**. This was mainly due to lower than anticipated:

- interstate lotteries revenue (**\$1.269 million**) from lower than expected ticket sales;
- gaming machine taxation (**\$0.341 million**) due to lower gambling activity; and
- regulatory fees (**\$0.355 million**) due to reduced fees following the introduction of red tape measures in November 2015 which included an increase in the minimum value for trade promotions and certain raffles before a permit application is required.

These decreases were partially off-set by higher casino taxation receipts (**\$0.762 million**) due to higher gambling activity.

Gains

Income from gains was **\$0.232 million** higher than the 2015-16 budget. This is mainly due funding receivable from Chief Minister, Treasury and Economic Development Directorate as a result of three staff taking a voluntary redundancy following an organisational restructure.

3. Comparison to 2014-15 Actual Income

Revenue

Gambling revenue in 2015-16 was **\$5.361 million**, or **9.1 per cent**, lower than the 2014-15 actual result. This was mainly due to decreases in:

- regulatory fees (**\$5.108 million**) due to a change in the determination by the Minister for Racing and Gaming for the Casino Licence Fee made under section 26 of the *Casino Control Act 2006*. In accordance with this change a license fee of \$4,459,385 was received in February 2015 and the Casino will not be required to make further payment until 7 February 2020;
- ACTTAB revenue (**\$0.672 million**) due to new licensing arrangements as a result of the sale of ACTTAB to Tabcorp ACT Ltd in October 2014. As part of the sale negotiations, it was agreed that the tax rate for Tabcorp ACT Ltd be set at zero per cent. Tabcorp ACT Ltd now pays an Annual Licence Fee determined by the Minister for Racing and Gaming under section 75 of the *Totalisator Act 2014*; and
- interstate lotteries revenue (**\$0.435 million**) due to a decrease in ticket sales.

These decreases were partially off-set by increases in taxation receipts for gaming machines (**\$0.258 million**), the casino (**\$0.463 million**) and keno/trackside (**0.121 million**) as a result of higher gambling activity.

Gains

Income from gains was **\$0.209 million** or **904.7 per cent** higher than the 2014-15 actual result of **\$0.023 million**. This is mainly due to funding receivable from Chief Minister, Treasury and Economic Development Directorate as a result of three staff taking a voluntary redundancy following an organisational restructure.

4. Future Trends

Based on current revenue projections total gambling revenue for 2016-17 is budgeted to increase by **\$1.013 million** compared to the 2015-16 actual. This is mainly due to:

- expected increases in gaming machine revenue (**\$0.577 million**);
- interstate Lotteries (**\$0.472 million**); and
- the Tabcorp Licence Fee (**0.015 million**).

These increases are expected to be partially offset by decreases in casino revenue, regulatory fees, Keno and Tracksides.

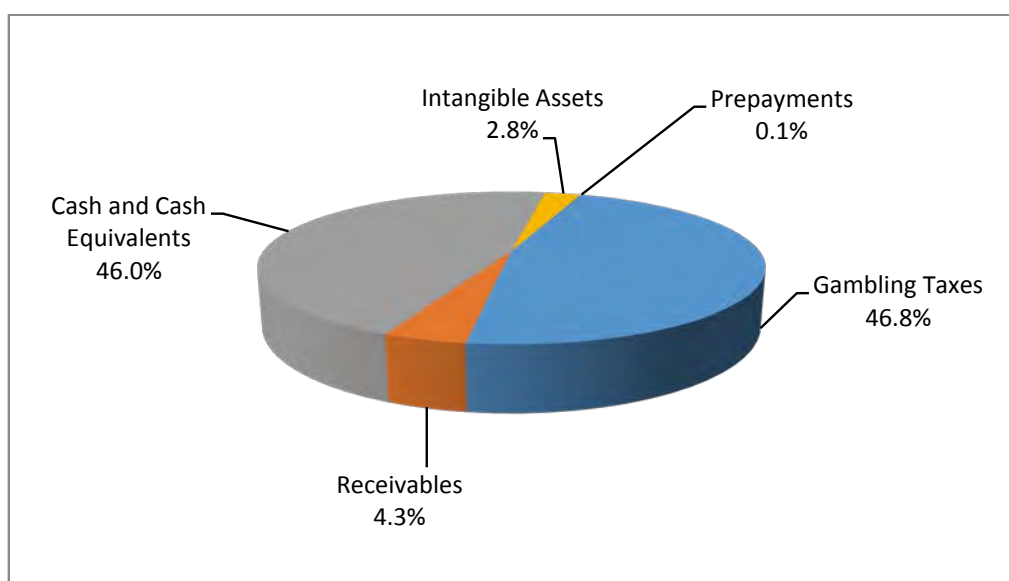
Commission's Financial Position

Total Assets

1. Components of Total Assets

Figure 3 below indicates that at 30 June 2016, **46.8 per cent** of the Commission's assets were accrued gambling taxes and **46.0 per cent** were cash and cash equivalents.

Figure 3 – Total Assets as at 30 June 2016



2. Comparison to Budget

The total asset position at 30 June 2016 of **\$11.103 million** is **\$2.206 million** or **24.8 per cent** higher than the 2015-16 budget of **\$8.897 million**. The increase is mainly based on higher than anticipated:

- gambling taxes receivable (**\$0.943 million**) mainly due to Interstate Lotteries Duty payment for May 2016 not being received;
- cash and cash equivalents (**\$0.743 million**) due to cash generated from operating activities;
- receivables (**\$0.341 million**) due to reimbursement from the Restructure Fund for three staff taking a voluntary redundancy not being received during the reporting period; and

intangible assets (**\$0.216 million**) mainly due to the enhancements made to the Gaming Machine Database and the ACT Gamblers Exclusion Database.

3. Comparison to 2013-14 Actuals

The Commission's total asset position at 30 June 2016 is **\$1.940 million** higher than 30 June 2015 position of **\$9.163 million**. This was mainly due to an increase in:

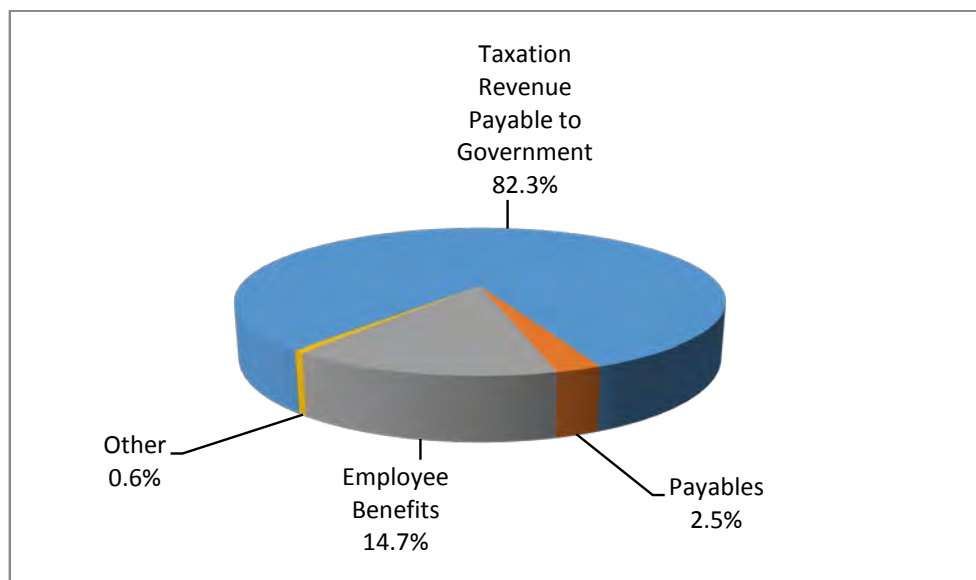
- gambling taxes receivable (**\$1.220 million**) mainly due to Interstate Lotteries Duty payment for May 2016 not being received;
- receivables (**\$0.394 million**) due to reimbursement from the Restructure Fund for three staff taking a voluntary redundancy not being received during the reporting period;
- cash and cash equivalents (**\$0.224 million**) as a result of cash generated from operating activities; and
- intangible assets (**\$0.105 million**) mainly due to the enhancements made to the Gaming Machine Database and the ACT Gamblers Exclusion Database.

Total Liabilities

1. Components of Total Liabilities

Figure 4 below indicates that the majority of the Commission's liabilities at 30 June 2016 relate to taxation revenue payable to Government (**82.3 per cent**) and employee benefits (**14.7 per cent**).

Figure 4 – Total Liabilities as at 30 June 2016



2. Comparison to Budget

The Commission's liabilities at 30 June 2016 of **\$6.310 million** is **\$0.986 million** higher than the 2015-16 budget of **\$5.324 million**. This is mainly due to higher than anticipated:

- revenue payable to Government (\$1.132 million) which is mainly due to increase in Interstate Lotteries Duty; and
- Higher payables, including accrued expenses, (\$0.107 million) as a result of a number of invoices not being received until after the reporting period.

These were partially offset by lower than anticipated:

- employee benefits (**\$0.127 million**) as a result of the Commission's long service leave liability being lower than expected due to staff leaving the Commission and staff vacancies not being filled;
- finance leases (**\$0.035 million**) due to a Whole of Government transition in the previous reporting period from finance lease arrangements to operating lease under the Commonwealth Fleet Service Contract; and
- other liabilities (**\$0.091 million**) mainly due to the casino licence fee being recognised as revenue at the time of payment rather than revenue received in advance.

3. Comparison to 2013-14 Actuals

Total liabilities are **\$1.171 million** or **22.8 per cent** higher than the 2014-15 actual results of **\$5.139 million** mainly due to increases in:

- taxation revenue payable to Government (**\$1.220 million**) as a result of Interstate Lotteries Duty for May 2016 not being received. All Taxes and Levies received by the Commission are transferred on a daily basis to the ACT Government; and

- payables (**\$0.030 million**) mainly due to an invoice relating to the ACT Gambling Support Service remaining unpaid at the end of the reporting period.

These increases were offset by a decrease in employee benefits (**\$0.080 million**) mainly due to an decrease in:

- accrued wages and salaries which is mainly due to a shorter accrual period at the end of June 2016; and

the Commissions annual leave benefits which is due to lower staffing levels for the majority of 2015-16 as a result of the Commission's regulatory function being merged into Access Canberra and as a result staff vacancies were not filled.

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 further funding from the ACT Government to meet short-term debts. *Table 1* indicates the liquidity position of the Commission.

Table 34 – Current Ratio

Description	Prior Year Actual 2014-15 \$'000s	Current Year Budget 2015-16 \$'000s	Current Year Actual 2015-16 \$'000s	Forward Year Budget 2016-17 \$'000s	Forward Year Budget 2017-18 \$'000s	Forward Year Budget 2018-19 \$'000s
Current Assets	8,957	8,758	10,792	8,340	8,527	8,717
Current Liabilities	5,071	5,070	6,272	4,230	4,233	4,236
Current Ratio	1.77:1	1.73:1	1.72:1	1.98:1	2.02:1	2.06:1

The Commission's current ratio for the financial year ended 30 June 2016 of **1.72 to 1** is consistent with the budgeted current ratio of **1.73:1**.

The Commission expects a strong level of liquidity to be maintained in the forward years.

C.2 Financial Statements



AUDITOR-GENERAL AN OFFICER
OF THE ACT LEGISLATIVE ASSEMBLY



Sensitive: Auditor-General

A16/22

Mr John Haskins
Chair
ACT Gambling and Racing Commission
Level 3, B Pod, Callam Offices
Easty Street
WODEN ACT 2606

Dear Mr Haskins *John*

**AUDIT REPORT – ACT GAMBLING AND RACING COMMISSION
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016**

The Audit Office has completed the audit of the financial statements of the ACT Gambling and Racing Commission for the year ended 30 June 2016.

I have attached the audited financial statements and unqualified audit report.

I have provided a copy of the audited financial statements and audit report to the Minister for Racing and Gaming, Mr Mick Gentleman MLA.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Bernie Sheville'.

Bernie Sheville
Director, Financial Audits
16 August 2016

c.c. Mr David Snowden, Chief Executive Officer
Mr Ron Leonard, Manager, Coordination and Revenue

Level 4, 11 Moore Street Canberra City ACT 2601 PO Box 275 Civic Square ACT 2608
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INDEPENDENT AUDIT REPORT

ACT GAMBLING AND RACING COMMISSION

To the Members of the ACT Legislative Assembly

Report on the financial statements

The financial statements of the ACT Gambling and Racing Commission (the Commission) for the year ended 30 June 2016 have been audited. These comprise the operating statement, balance sheet, statement of changes in equity, cash flow statement, statement of appropriation and accompanying notes.

Responsibility for the financial statements

The Governing Board of the Commission is responsible for the preparation and fair presentation of the financial statements 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 the accounting policies and estimates used in the preparation of the financial statements.

The auditor's responsibility

Under the *Financial Management Act 1996*, I am responsible for expressing an independent audit opinion on the financial statements of the Commission.

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

I formed the audit opinion following the use of audit procedures to obtain evidence about the amounts and disclosures in the financial statements. As these procedures are influenced by the use of professional judgement, selective testing of evidence supporting the amounts and other disclosures in the financial statements, 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 statements or to evaluate the prudence of decisions made by the Commission.

Electronic presentation of the audited financial statements

Those viewing an electronic presentation of the financial statements 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, then they are advised to refer to the printed copy of the audited financial statements to confirm the accuracy of this electronically presented information.

Independence

Applicable independence requirements of Australian professional ethical pronouncements were followed in conducting the audit.

Audit opinion

In my opinion, the financial statements of the Commission for the year ended 30 June 2016:

- (i) are presented in accordance with the *Financial Management Act 1996*, Australian Accounting Standards and other mandatory financial reporting requirements in Australia; and
- (ii) present fairly the financial position of the Commission at 30 June 2016 and the results of its operations and cash flows for the year then ended.

This audit opinion should be read in conjunction with other information disclosed in this report.



Bernie Sheville
Director, Financial Audits
16 August 2016



ACT
Government



GAMBLING
AND
RACING
COMMISSION

ACT Gambling and Racing Commission Financial Statements For the Year Ended 30 June 2016

Statement of Responsibility

In my opinion, the financial statements are in agreement with the ACT Gambling and Racing Commission's accounts and records and fairly reflect the financial operations of the ACT Gambling and Racing Commission for the year ended 30 June 2016 and the financial position of the ACT Gambling and Racing Commission on that date.

John Haskins
Chairperson
ACT Gambling and Racing Commission

15 August 2016



ACT
Government



GAMBLING
AND
RACING
COMMISSION

ACT Gambling and Racing Commission Financial Statements For the Year Ended 30 June 2016

Statement by the Chief Finance Officer

In my opinion, the financial statements have been prepared in accordance with generally accepted accounting principles, and are in agreement with the ACT Gambling and Racing Commission's accounts and records and fairly reflect the financial operations of the ACT Gambling and Racing Commission for the year ended 30 June 2016 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 August 2016

ACT GAMBLING AND RACING COMMISSION

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

ACT Gambling and Racing Commission
Operating Statement
For the Year Ended 30 June 2016

	Note	Actual	Original	Actual
	No.	2016	Budget	2015
		\$	\$	\$
Income				
<i>Revenue</i>				
Government Payment for Outputs	4	4,726,000	4,726,000	4,614,000
Taxation and Levies Collected on Behalf of the Territory	5	50,237,925	51,014,000	50,507,792
Regulatory Fees	6	3,131,450	3,494,000	8,222,461
Interest	7	142,188	94,000	137,089
Resources Received Free of Charge	8	13,067	25,000	76,746
Other Revenue	9	1,241,453	1,112,000	1,348,208
<i>Total Revenue</i>		<u>59,492,083</u>	<u>60,465,000</u>	<u>64,906,296</u>
<i>Gains</i>				
Other Gains	10	232,023	0	23,093
<i>Total Gains</i>		<u>232,023</u>	<u>0</u>	<u>23,093</u>
Total Income		<u>59,724,106</u>	<u>60,465,000</u>	<u>64,929,389</u>
Expenses				
Employee Expenses	11	2,954,002	3,045,000	2,837,970
Superannuation Expenses	12	391,222	442,000	397,624
Supplies and Services	13	1,326,087	1,467,000	1,477,311
Purchased Services	14	828,327	828,000	809,606
Depreciation and Amortisation	15	84,972	109,000	110,159
Borrowing Costs	16	0	2,000	1,094
Other Expenses	17	176	0	15,778
Taxation and Levies Revenue Transferred to Government		53,369,375	54,508,000	58,730,253
Total Expenses		<u>58,954,161</u>	<u>60,401,000</u>	<u>64,379,795</u>
Operating Surplus		<u>769,945</u>	<u>64,000</u>	<u>549,594</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 Harm Minimisation Output Class. The Gambling Regulation and Harm Minimisation Output Class covers:

- the regulation of gambling and racing activities in accordance with the ACT gaming laws including the correct payment of gambling taxes, levies and fees; and
- the monitoring and research of the social effects of gambling and problem gambling in the ACT and to provide education services.

ACT Gambling and Racing Commission
Balance Sheet
As at 30 June 2016

	Note No.	Actual 2016 \$	Original Budget 2016 \$	Actual 2015 \$
Current Assets				
Cash and Cash Equivalents	19	5,110,026	4,367,000	4,886,520
Receivables	20	5,673,505	4,390,000	4,059,094
Prepayments		8,864	1,000	11,634
Total Current Assets		10,792,395	8,758,000	8,957,248
Non-Current Assets				
Plant and Equipment	21	0	44,000	0
Intangible Assets	22	310,660	95,000	205,289
Total Non-Current Assets		310,660	139,000	205,289
Total Assets		11,103,055	8,897,000	9,162,537
Current Liabilities				
Payables	23	5,348,298	4,109,000	4,098,068
Finance Leases		0	7,000	0
Employee Benefits	24	888,074	827,000	937,192
Other Liabilities	25	35,280	127,000	35,280
Total Current Liabilities		6,271,652	5,070,000	5,070,540
Non-Current Liabilities				
Finance Leases		0	28,000	0
Employee Benefits	24	38,249	226,000	68,788
Total Non-Current Liabilities		38,249	254,000	68,788
Total Liabilities		6,309,901	5,324,000	5,139,328
Net Assets		4,793,154	3,573,000	4,023,209
Equity				
Accumulated Funds		4,793,154	3,570,000	4,019,757
Asset Revaluation Surplus	26	0	3,000	3,452
Total Equity		4,793,154	3,573,000	4,023,209

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 2016**

		Accumulated Funds Actual 2016 \$	Asset Revaluation Surplus Actual 2016 \$	Total Equity Actual 2016 \$	Original Budget 2016 \$
	Note No.				
Balance at the Beginning of the Reporting Period		4,019,757	3,452	4,023,209	3,509,000
Comprehensive Income					
Operating Surplus		769,945	0	769,945	64,000
Total Comprehensive Income		769,945	0	769,945	64,000
Transactions Involving Owners Affecting Accumulated Funds					
Decrease in the Asset Revaluation Surplus	26	3,452	(3,452)	0	0
Total Transactions Involving Owners Affecting Accumulated Funds		3,452	(3,452)	0	0
Balance at the End of the Reporting Period		4,793,154	0	4,793,154	3,573,000

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

ACT Gambling and Racing Commission
Statement of Changes in Equity - Continued
For the Year Ended 30 June 2015

	Accumulated Funds Actual 2015 \$	Asset Revaluation Surplus Actual 2015 \$	Total Equity Actual 2015 \$
Balance at the Beginning of the Reporting Period	3,343,163	3,452	3,346,615
Comprehensive Income			
Operating Surplus	549,594	0	549,594
Total Comprehensive Income	549,594	0	549,594
Transactions Involving Owners Affecting Accumulated Funds			
Capital Injections	127,000	0	127,000
Total Transactions Involving Owners Affecting Accumulated Funds	127,000	0	127,000
Balance at the End of the Reporting Period	4,019,757	3,452	4,023,209

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 2016

	Note No.	Actual 2016 \$	Original Budget 2016 \$	Actual 2015 \$
Cash Flows from Operating Activities				
Receipts				
Government Payment for Outputs		4,726,000	4,726,000	4,614,000
Taxation and Levies Collected on Behalf of the Territory		49,017,723	51,014,000	50,833,421
Regulatory Fees		3,131,450	3,494,000	8,130,766
Interest Received		142,188	94,000	137,089
Goods and Services Tax Input Tax Credits from the Australian Taxation Office		231,401	119,000	231,027
Goods and Services Tax Collected from Customers		25,088	0	33,693
Other Receipts		1,088,978	1,112,000	1,471,201
Total Receipts from Operating Activities		58,362,828	60,559,000	65,451,197
Payments				
Employee		3,020,847	3,074,000	2,821,031
Superannuation		404,034	459,000	398,569
Supplies and Services		1,356,152	1,444,000	1,333,027
Purchased Services		752,397	828,000	809,606
Borrowing Costs		0	2,000	1,094
Taxation and Levies Revenue Transferred to Government		52,149,173	54,508,000	58,964,187
Goods and Services Tax Remitted to the Australian Taxation Office		27,950	0	16,750
Goods and Services Tax Paid to Suppliers		238,426	119,000	218,699
Total Payments from Operating Activities		57,948,979	60,434,000	64,562,963
Net Cash Inflows from Operating Activities	31	413,849	125,000	888,234
Cash Flows from Investing Activities				
Payments				
Payments for Plant and Equipment		0	10,000	0
Payments for Intangibles		190,343	0	21,593
Total Payments from Investing Activities		190,343	10,000	21,593
Net Cash (Outflows) from Investing Activities		(190,343)	(10,000)	(21,593)

ACT Gambling and Racing Commission
Cash Flow Statement - Continued
For the Year Ended 30 June 2016

	Note No.	Actual 2016 \$	Original Budget 2016 \$	Actual 2015 \$
Cash Flows from Financing Activities				
Receipts				
Capital Injections from Government		0	0	127,000
Total Receipts from Financing Activities		0	0	127,000
Payments				
Repayment of Finance Lease Liabilities		0	7,000	5,083
Total Payments from Financing Activities		0	7,000	5,083
Net Cash (Outflows)/Inflows from Financing Activities		0	(7,000)	121,917
Net Increase in Cash and Cash Equivalents		223,506	108,000	988,558
Cash and Cash Equivalents at the Beginning of the Reporting Period		4,886,520	4,259,000	3,897,962
Cash and Cash Equivalents at the End of the Reporting Period	31	5,110,026	4,367,000	4,886,520

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 2016**

	Original Budget 2016 \$	Total Appropriated 2016 \$	Appropriation Drawn 2016 \$	Appropriation Drawn 2015 \$
Government Payment for Outputs	4,726,000	4,726,000	4,726,000	4,614,000
Capital Injection	0	0	0	127,000
Total Appropriation	4,726,000	4,726,000	4,726,000	4,741,000

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

Column Heading Explanations

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

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.

ACT Gambling and Racing Commission
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For the Year Ended 30 June 2016

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ACT Gambling and Racing Commission
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016

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;
- ensure compliance by gaming organisations and persons with the payment of fee and tax liabilities;
- review gaming laws to ensure their continued relevance and appropriateness; and
- monitor and research the social effects of gambling and problem gambling in the ACT and provide counselling and education services.

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

Note 2. Significant Accounting Policies

a) Basis of Preparation

The *Financial Management Act 1996* (FMA) requires the preparation of annual financial statements for ACT Government agencies.

The FMA and the *Financial Management Guidelines* issued under the Act requires that the Commission's financial statements include:

- i. an Operating Statement for the reporting period;
- ii. a Balance Sheet at the end of the reporting period;
- iii. a Statement of Changes in Equity for the reporting period;
- iv. a Cash Flow Statement for the reporting period;
- v. a Statement of Appropriation for the reporting period;
- vi. an Operating Statement for each class of output for the reporting period;
- vii. the significant accounting policies adopted for the reporting period; and
- viii. such other statements as are necessary to fairly reflect the financial operations of the agency during the reporting period and its financial position at the end of the reporting period.

These general-purpose financial statements have been prepared to comply with 'Generally Accepted Accounting Principles' (GAAP) as required by the FMA. The financial statements have been prepared in accordance with:

- i. Australian Accounting Standards; and
- ii. ACT Accounting and Disclosure Policies.

The financial statements have been prepared using the accrual basis of accounting which recognises the effects of transactions and events when they occur. The financial statements have also been prepared according to the historical cost convention.

These financial statements are 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 Statements
For the Year Ended 30 June 2016

Note 2. Significant Accounting Policies – Continued

b) The Reporting Period

These financial statements state the financial performance, changes in equity and cash flows of the Commission for the year ending 30 June 2016 and the financial position of the Commission at 30 June 2016.

c) Comparative Figures

Budget Figures

The *Financial Management Act 1996* requires the financial statements to facilitate a comparison with the Commission's Statement of Intent. The budgeted numbers in the financial statements are the original budget numbers that appear in the Statement of Intent.

Prior Year Comparatives

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

Where the presentation or classification of items in the financial statements 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. In addition, the following specific recognition criteria must also be met before revenue is recognised:

Government Payments for Outputs

Government Payment for Outputs are recognised as revenues when the Commission gains control over the funding. Control over appropriated funds is obtained upon the receipt of cash.

Taxes, Levies, Fees and Fines

Taxes and levies are recognised as revenue in the period in which the payment relates. Fees are recognised as revenue at the time of payment. Fines are recognised as revenue on the issue of the relevant disciplinary notice.

Taxation, Levies and Regulatory Fee revenue are collected on behalf of the Territory.

Interest

Interest revenue is recognised using the effective interest method.

Revenue Received in Advance

Revenue received in advance is recognised as a liability if there is a present obligation to return the funds received, otherwise all are recorded as revenue.

ACT Gambling and Racing Commission
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016

Note 2. Significant Accounting Policies – Continued

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.

f) Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost base of the asset. All other borrowing costs are expensed in the reporting period in which they are incurred.

g) Current and Non-Current Items

Assets and liabilities are classified as current or non-current in the Balance Sheet and 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.

h) 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. However, intangible assets that are not yet available for use are tested annually for impairment regardless of whether there is an indication of impairment, or more frequently if events or circumstances indicate they might be impaired.

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

Non-financial assets which have previously been impaired are reviewed for possible reversal of impairment at each reporting date.

i) Cash and Cash Equivalents

Cash includes cash at bank.

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.

ACT Gambling and Racing Commission
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016

Note 2. Significant Accounting Policies – Continued

j) Receivables

Accounts receivable (including accrued gambling taxes and levies 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.

Accrued gambling taxes and levies arise in the normal course of gambling related activity. It is a statutory requirement that gambling taxes and levies for a particular month be paid in the following month.

The allowance for impairment losses represents the amount of trade receivables, accrued gambling taxes and levies 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 recognised in the Operating Statement. The allowance for impairment losses is written off against the allowance 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.

k) Acquisition and Recognition of Plant and Equipment

Plant and equipment is initially recorded at cost.

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 \$5,000.

l) Measurement of Plant and Equipment After Initial Recognition

Plant and equipment is measured at cost or the revaluation model of valuation.

m) Intangible Assets

The Commission's intangible assets are comprised of externally acquired software for internal use. Externally acquired software is recognised and capitalised when:

- (a) it is probable that the expected future economic benefits that are attributable to the software will flow to the Commission;
- (b) the cost of the software can be measured reliably; and
- (c) the acquisition cost is equal to or exceeds \$50,000.

Capitalised software has finite useful life. Software is amortised on a straight-line basis over its useful life, over a period not exceeding 5 years.

Intangible Assets are measured at cost.

ACT Gambling and Racing Commission
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016

Note 2. Significant Accounting Policies – Continued

n) Depreciation and Amortisation of Non-Current Assets

Amortisation is used in relation to intangible assets and 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.

All depreciation is calculated after first deducting any residual values which remain for each asset.

Depreciation and Amortisation for non-current assets is determined as follows:

<u>Class of Asset</u>	<u>Depreciation/Amortisation</u>	<u>Useful Life (Years)</u>
	<u>Method</u>	
Plant and Equipment	Straight Line	Five years
Externally Purchased Intangibles	Straight Line	Five years

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

o) Payables

Payables are initially recognised at fair value based on the transaction cost and subsequent to initial recognition at amortised cost, 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 Trade Payables and Accrued Expenses.

p) Leases

The Commission has entered into operating leases for two motor vehicles which expire in July 2016 and December 2016.

Operating Leases

Operating leases do not effectively transfer to the Commission substantially all the risks and rewards incidental to ownership of the asset under an operating lease. Operating lease payments are recorded as an expense in the Operating Statement on a straight line basis over the term of lease.

ACT Gambling and Racing Commission
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016

Note 2. Significant Accounting Policies – Continued

p) Leases - Continued

Motor Vehicle Leasing Arrangements 2014-15

Changes were made to the whole-of-government motor vehicle leasing arrangements with SG Fleet. As a result, all such leases were classified as operating leases rather than finance leases from 23 April 2015. The leased vehicles held as Property, Plant and Equipment (under the previous finance lease arrangement with SG Fleet) were derecognised and the associated loss on the derecognition of the leased vehicle assets reflected under Other Expenses (refer to Note 17 *Other Expenses*). The corresponding finance lease liability (current and non-current) was also derecognised and the associated gain from the derecognition of the liability reflected under Other Gains (refer to Note 10 *Other Gains*).

q) Employee Benefits

Employee benefits include:

- short-term employee benefits such as wages and salaries, annual leave loading and applicable on-costs, if expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related services;
- other long-term benefits such as long service leave and annual leave; and
- termination benefits.

On-costs include annual leave, long service leave, superannuation and other costs that are incurred when employees take annual leave and long service leave.

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 and long service leave, including applicable on-costs that are not expected to be wholly settled before twelve months after the end of the reporting period when the employees render the related service, are measured at the present value of estimated future payments to be made in respect of services provided by employees up to the end of the reporting period. Consideration is given to the future wage and salary levels, experience of employee departures and periods of service. At the end of each reporting period, the present value of future annual leave and long service leave payments is estimated using market yields on Commonwealth Government bonds with terms of maturity to match, as closely as possible, the estimated future cash flows.

Annual leave liabilities have been estimated on the assumption that they will be wholly settled within three years. In 2015-16, the rate used to estimate the present value of future annual leave payments is 101.4% (101% in 2014-15).

In 2015-16, the rate used to estimate the present value of future payments for long service leave is 114.7% (104.2% in 2014-15).

ACT Gambling and Racing Commission
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016

Note 2. Significant Accounting Policies – Continued

q) Employee Benefits - Continued

The long service leave liability is estimated with reference to the minimum period of qualifying service. For employees with less than the required minimum period of 7 years of 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.

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. Conditional long service leave liabilities are classified as non-current because the Commission has unconditional right to defer the settlement of the liability until the employee has completed the requisite years of service.

r) Superannuation

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 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 the Commonwealth Superannuation Corporation (CSC) 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.

The total Territory superannuation liability for the CSS and PSS is recognised in the Chief Minister, Treasury and Economic Development Directorate's Superannuation Provision Account and the CSC and external schemes recognise the superannuation liability for the PSSAP and other schemes respectively. This superannuation liability is not recognised at individual agency level.

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.

s) Equity Contributed by the ACT Government

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

ACT Gambling and Racing Commission
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016

Note 2. Significant Accounting Policies – Continued

t) 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.

u) Budgetary Reporting – Explanations of Major Variances between Actual Amounts and Original Budget Amounts

Explanations of major variances between the 2015-16 original budget estimates and the 2015-16 actual results are discussed in Note 33 *Budgetary Reporting*.

The definition of ‘major variances’ is provided in Note 2(v) *Significant Accounting Judgements and Estimates – Budgetary Reporting - Explanations of Major Variances between Actual Amounts and Original Budget Amounts*.

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 statements:

- a) *Employee Benefits*: Significant judgements have been applied in estimating the liability for employee benefits. The estimated liability for annual and long service leave requires a consideration of the future wage and salary levels, experience of employee departures, probability that leave will be taken in service 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.
- The significant judgements and assumptions included in the estimation of annual and long service leave liabilities include an assessment by the actuary. The Australian Government Actuary performed this assessment in May 2014. The assessment by an actuary is performed every five years. However it may be performed more frequently if there is a significant contextual change in the parameters underlying the 2014 report. The next actuarial review is expected to be undertaken by May 2019.
- b) *Allowance for Impairment Losses*: The Commission has estimated the allowance for impairment losses for receivables. An allowance is raised for any impairment of receivables based on a review of all outstanding receivables at year end. Further information on Allowance for Impairment Losses is in Note 2(j) - *Receivables*.
- c) *Budgetary Reporting - Explanations of Major Variances between Actual Amounts and Original Budget Amounts*: Significant judgements have been applied in determining what variances are considered ‘major variances’ requiring explanations in Note 33 *Budgetary Reporting*. Variances are considered to be major variances if both the following criteria are met:
- the line item is a significant line item: the line item actual amount accounts for more than 10% of the relevant associated category (Income, Expenses and Equity totals) or sub element (e.g. Current Liabilities and Receipts from Operating Activities totals) of the financial statements; and
 - the variances (original budget to actual) are greater than plus (+) or minus (-) 10% for the budget for the financial statement line item.

Further information on this is provided in Note 2(u) *Budgetary Reporting*.

ACT Gambling and Racing Commission
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016

Note 2. Significant Accounting Policies – Continued

v) Accounting Standard Adopted Early for the 2015-16 Reporting Period

AASB 2015-2 *Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101* and AASB 2015-7 *Amendments to Australian Accounting Standards – Fair Value Disclosures of Not-For-Profit Public Sector Entities* have been early adopted for the 2015-16 reporting period, even though the standards are not required to be applied until annual reporting periods beginning on or after 1 July 2016.

AASB 2015-2 amends AASB 101 *Presentation of Financial Statements* including clarifying that agencies should not be disclosing immaterial information and that the presentation of information in notes can and should be tailored to provide users with the clearest view of an agency's financial performance and financial position. AASB 2015-7 amends AASB 13 *Fair Value Measurement* to provide disclosure relief to not-for profit public sector agencies from certain disclosures about the fair value measurements of property, plant and equipment held for their current service potential rather than to generate net cash inflows. This includes relief from disclosures of quantitative information about the significant unobservable inputs used in fair value measurements and of the sensitivity of certain fair value measurements to changes in unobservable inputs.

w) Impact of Accounting Standards Issued but yet to be Applied

Additional 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 Commission does not intend to adopt these standards and interpretations early. Where applicable, these Australian Accounting Standards will be adopted from their application date.

The following new and revised accounting standards and interpretations have been assessed for potential impact on the Commission:

- AASB 9 Financial Instruments (December 2014) (application date 1 January 2018);
This standard supersedes AASB 139 *Financial Instruments: Recognition and Measurement*. The main impact of AASB 9 is that it will change the classification, measurement and disclosures of the Commission's financial assets.
- AASB 15 Revenue from Contracts with Customers (application date 1 January 2018);
AASB 15 is the new standard for revenue recognition. It establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces AASB 111 *Construction Contracts* and AASB 118 *Revenue*. The Commission is currently assessing the impact of this standard and has identified there could be a potential impact on the timing of the recognition of revenue for user charges.
- AASB 2015-6 Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities [AASB 10, 124 & 1049] (application date 1 July 2016)

This standard extends the scope of AASB 124 *Related Party Transactions* to the not-for-profit sector and updates AASB 124 to include implementation guidance (including illustrative examples) to assist not-for-profit entities to apply the new requirements. While there is no material financial impact in implementing this standard there will be increased disclosure required by the Commission.

Based on the information available it is estimated that the effect of adopting the above pronouncements, when and where applicable, will have no material financial impact on the Commission in future reporting periods.

ACT Gambling and Racing Commission
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016

Note 3. Change in Accounting Policy

Change in Accounting Policy

The Commission had no changes in Accounting Policy during the reporting period.

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.

	2016	2015
	\$	\$
Revenue from the ACT Government		
Government Payment for Outputs	4,726,000	4,614,000
Total Government Payment for Outputs	4,726,000	4,614,000

Note 5. Taxation and Levies Collected on Behalf of the Territory

Taxation and Levies are collected on behalf of the Territory from licensed gambling operators. Taxes and Levies are received on a monthly basis in accordance with the respective legislation or agreements held with the Commission and are based on gross profit or the level of gambling activity depending on the requirements for each product. All Taxes and Levies received by the Commission are transferred on a daily basis to the ACT Government.

Gaming Machines ¹	33,332,453	33,074,134
Interstate Lotteries ²	14,413,974	14,848,521
Casino ³	2,300,441	1,837,266
ACTTAB ⁴	0	671,521
Keno and Trackside Levy ⁵	191,057	70,337
Sports Bookmaking	0	6,013
Total Taxation Collected on Behalf of the Territory	50,237,925	50,507,792

1. The increase in Gaming Machine Taxation is due to increased gambling activity in 2015-16.
2. The decrease in Interstate Lotteries is due to lower ticket sales in 2015-16.
3. The increase in Casino Taxation is due to increased gambling activity in 2015-16.
4. The decrease in ACTTAB Revenue is due to new licensing arrangements as a result of the sale of ACTTAB to Tabcorp ACT Ltd in October 2014. As part of the sale process negotiations, it was agreed that the tax rate for Tabcorp ACT Ltd be set at zero per cent. Tabcorp ACT Ltd now pays an Annual Licence Fee determined by the Minister for Racing and Gaming under section 75 of the *Totalisator Act 2014*. The Totalisator Annual Licence Fee is recognised under Note 6. *Regulatory Fees, Totalisator*.
5. The increase in the Keno and Trackside Levy is due to changes in how this revenue is presented in the financial statements. In prior reporting periods and up until the sale of ACTTAB to Tabcorp Act in October 2014, revenue from Keno and Trackside operations paid by ACTTAB was included in the ACTTAB revenue line item.

ACT Gambling and Racing Commission
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016

Note 6. Regulatory Fees

2016 **2015**
\$ **\$**

Regulatory Fees collected on behalf of the Territory are paid in relation to gaming operations such as licensing applications, raffle and trade promotion permit applications and general gaming and racing approvals. All regulatory fees received by the Commission are transferred on a daily basis to the ACT Government.

Gaming Machines	255,708	249,447
Lotteries ¹	1,811,329	1,941,848
Casino ²	15,707	4,987,746
Totalisator	1,017,000	1,000,000
Sports Bookmaking	28,847	39,027
Racing	2,859	4,393
Total Regulatory Fees	3,131,450	8,222,461

1. The decrease in lotteries fees is due to red tape reduction measures introduced in November 2015. Part of the measures included an increase in the minimum value for trade promotions and certain raffles before a permit application is required.
2. The decrease in Casino Fees is due to a change in the determination by the Minister for Racing and Gaming for the Casino Licence Fee made under section 26 of the *Casino Control Act 2006*. In accordance with this change a licence fee of \$4,459,385 was received in February 2015 and the Casino will not be required to make further payment until 7 February 2020.

Note 7. Interest

The ACT Gambling and Racing Commission earns interest from cash held in its bank accounts with the Westpac Bank as part of the whole-of-government banking arrangements.

Revenue from Non-ACT Government Entities

Interest	142,188	137,089
Total Interest Revenue from Non-ACT Government Entities	142,188	137,089

Note 8. 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 ACT Government Entities

Legal Services ¹	13,067	76,746
Total Resources Received Free of Charge	13,067	76,746

1. The decrease in Resources Received Free of Charge in 2015-16 is due to a decrease in the use of ACT Government Solicitors Office services during the reporting period. The 2014-15 amount includes services provided to the Commission relating to the sale of Casino Canberra.

ACT Gambling and Racing Commission
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016

Note 9. Other Revenue

Other Revenue arises from the core activities of the ACT Gambling and Racing Commission. Other Revenue is distinct from Other Gains, as Other Gains are not part of the core activities of the Commission. Revenue to the Problem Gambling Assistance Fund consist of a levy on gaming machine licensees and voluntary contributions from Casino Canberra and Tabcorp ACT Ltd.

Revenue from ACT Government Entities	2016	2015
	\$	\$
Problem Gambling Assistance Fund	0	12,952
Total Other Revenue from ACT Government Entities	0	12,952
Revenue from Non-ACT Government Entities		
Problem Gambling Assistance Fund ¹	1,241,453	1,335,256
Total Other Revenue from Non-ACT Government Entities	1,241,453	1,335,256
Total Other Revenue	1,241,453	1,348,208

- The decrease in revenue from Non-ACT Government Entities to the Problem Gambling Assistance Fund is mainly due to recovery of unspent funds in 2014-15 from Mission Australia for the provision of problem gambling support services in 2013-14.

Note 10. Other Gains

Other Gains 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 Prize Money	587	7,000
Restructure Fund Receipts ¹	231,436	0
Derecognition of Motor Vehicles Finance Lease Liability	0	16,093
Total Other Gains	232,023	23,093

- The increase in Restructure Fund Receipts in 2015-16 is due to funding receivable from Chief Minister, Treasury and Economic Development Directorate as a result of three staff taking a voluntary redundancy following an organisational restructure.

Note 11. Employee Expenses

Wages and Salaries	2,533,366	2,535,230
Annual Leave Expense ¹	127,038	225,955
Long Service Leave Expense	42,841	57,997
Workers' Compensation Insurance Premium	19,321	18,788
Termination Expenses ²	231,436	0
Total Employee Expenses	2,954,002	2,837,970

- The reduction in the Commission's Annual Leave Expense is due lower staffing levels for the majority of 2015-16. This is due to the Commission's regulatory function being integrated into Access Canberra and as a result staff vacancies were not filled. Further information is provided in Note 32 *Events Occurring After Balance Date*.
- The increase in termination expenses is due to three staff taking a voluntary redundancy following an organisational restructure.

ACT Gambling and Racing Commission
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016

Note 12. Superannuation Expenses	2016	2015
	\$	\$
Superannuation Contributions to the Territory Banking Account	209,886	211,651
Productivity Benefit	27,543	28,881
Superannuation to External Providers	153,793	157,092
Total Superannuation Expenses	391,222	397,624

Note 13. Supplies and Services		
Rent and Related Expenses	345,850	336,034
Travel	6,616	11,821
Research Expenses ¹	228,792	314,754
General Administration Costs	89,542	108,586
Audit Fees	42,416	44,763
Personnel Services	74,288	74,386
ICT Support Services	190,081	190,079
Legal Fees	13,067	60,461
Payments from the Problem Gambling Assistance Fund	335,435	336,427
Total Supplies and Services	1,326,087	1,477,311

1. The decrease in Research Expenses in 2015-16 is due to the completion of the 2014 Prevalence Study – Survey of the Nature and Extent of Gambling and Problem Gambling in the ACT. The report was finalised in December 2015.

Note 14. Purchased Services

Purchased services are amounts paid to obtain services from other ACT Government agencies and external parties.

Problem Gambling Support Services	828,327	809,606
Total Purchased Services	828,327	809,606

Note 15. Depreciation and Amortisation

Depreciation

Plant and Equipment under a Finance Lease	0	5,174
Total Depreciation	0	5,174

Amortisation

Intangible Assets	84,972	104,985
Total Amortisation	84,972	104,985

Total Depreciation and Amortisation	84,972	110,159
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ACT Gambling and Racing Commission
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016

Note 16. Borrowing Costs	2016	2015
	\$	\$
Finance Charges on Finance Leases	0	1,094
Total Borrowing Costs	0	1,094

Note 17. Other Expenses		
Unclaimed Prize Money	176	69
Loss on Derecognition of Motor Vehicles under a Finance Lease	0	15,709
Total Other Expenses	176	15,778

Note 18. Auditor's Remuneration

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

Audit Services

Audit Fees Paid or Payable to the ACT Audit Office	42,416	40,863
Total Audit Fees	42,416	40,863

Note 19. Cash and Cash Equivalents

The ACT Gambling and Racing Commission holds four bank accounts with the Westpac Bank as part of the whole-of-government banking arrangements that earned an average floating interest rate of 2.82% (2014-15 3.21%).

Cash at Bank	5,110,026	4,886,306
Cash on Hand	0	214
Total Cash and Cash Equivalents	5,110,026	4,886,520

Note 20. Receivables

Gaming Machine Taxation	2,680,962	2,778,116
Interstate Lotteries Duty ¹	2,280,695	1,016,686
Casino Taxation	221,625	167,628
Keno and Trackside Levy	7,700	8,350
Sub-Total (Gambling Taxes)	5,190,982	3,970,780
Problem Gambling Assistance Fund Levy	86,239	93,902
Other Trade Receivables ²	392,161	0
Net GST Receivable	4,123	(5,588)
Sub-Total (Other Receivables)	482,523	88,314
Total Receivables	5,673,505	4,059,094

1. The increase Interstate Lotteries Duty is due to the payment for May 2016 being outstanding at year end.

2. The increase in Other Trade Receivables is mainly due to:

- amounts reimbursable from the Restructure Fund for three staff taking a voluntary redundancy not being received during the reporting period; and
- an invoice to NSW Office of Liquor and Gaming for their contribution to the Cohort Longitudinal Study which was raised in June 2016 not received during the reporting period.

ACT Gambling and Racing Commission
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016

Note 20. Receivables - Continued

Ageing of Receivables

	Not Overdue	Overdue			Total
		Less than 30 Days	30 to 60 days	Greater than 60 Days	
	\$	\$	\$	\$	\$
2016					
Not Impaired¹					
Receivables	4,396,455	1,277,050	0	0	5,673,505
Impaired					
Receivables	0	0	0	0	0
2015					
Not Impaired¹					
Receivables	4,059,094	0	0	0	4,059,094
Impaired					
Receivables	0	0	0	0	0

1. 'Not Impaired' refers to Net Receivables (that is, Gross Receivables less Impaired Receivables).

	2016 \$	2015 \$
Receivables with ACT Government Entities		
Other Trade Receivables	231,436	0
Total Receivables with ACT Government Entities	231,436	0
Total Receivables	231,436	0
	2016 \$	2015 \$
Receivables with Non-ACT Government Entities		
Gambling Taxes	5,190,982	3,970,780
Problem Gambling Assistance Fund Levy	86,239	93,902
Other Trade Receivables	160,725	0
Net GST Receivable	4,123	(5,588)
Total Receivables with Non-ACT Government Entities	5,442,069	4,059,094
Total Receivables	5,673,505	4,059,094

ACT Gambling and Racing Commission
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016

Note 21. Plant and Equipment

Plant and equipment consists of plant and equipment under finance lease. In April 2015, the leasing arrangements for the Commission's motor vehicles were changed from a finance lease to an operating lease. See Note 2(p) *Leases* for further information.

Plant and Equipment under a Finance Lease	2016	2015
	\$	\$
Plant and Equipment under a Finance Lease at Fair Value	0	20,883
Less: Accumulated Depreciation of Plant and Equipment under a Finance Lease	0	(5,174)
Less: Derecognition of Motor Vehicles under a Finance Lease	0	(15,709)
Total Written Down Value of Plant and Equipment under a Finance Lease	0	0
Total Written Down Value of Plant and Equipment	0	0

Reconciliation of Plant and Equipment

The following table shows the movement of Plant and Equipment during 2015-16 and 2014-15.

2015-16	Plant and Equipment	Total
	\$	\$
Carrying Amount at the Beginning of the Reporting Period		
Depreciation	0	0
Derecognition of Motor Vehicles under a Finance Lease	0	0
Carrying Amount at the End of the Reporting Period	0	0
2014-15	Plant and Equipment	Total
	\$	\$
Carrying Amount at the Beginning of the Reporting Period	20,883	20,883
Depreciation	(5,174)	(5,174)
Derecognition of Motor Vehicles under a Finance Lease	(15,709)	(15,709)
Carrying Amount at the End of the Reporting Period	0	0

ACT Gambling and Racing Commission
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016

Note 22. Intangible Assets

The Commission has externally purchased software consisting of a Gaming Machine Database and an ACT Gamblers' Exclusion Database.

	2016	2015
	\$	\$
Computer Software		
<i>Externally Purchased Software</i>		
Computer Software at Cost ¹	708,452	518,109
Less: Accumulated Amortisation	(397,792)	(312,820)
<i>Total Externally Purchased Software</i>	<u>310,660</u>	<u>205,289</u>
Total Intangible Assets	<u>310,660</u>	<u>205,289</u>

1. The increase in Computer Software in 2015-16 relates to enhancements made to the Gaming Machine Database and the ACT Gamblers Exclusion Database in the reporting period.

Reconciliation of Intangible Assets

The following table shows the movement of Intangible Assets in 2015-16 and 2014-15.

2015-16	Externally Purchased Software	Total
	\$	\$
Carrying Amount at the Beginning of the Reporting Period	205,289	205,289
Additions	190,343	190,343
Amortisation	(84,972)	(84,972)
Carrying Amount at the End of the Reporting Period	<u>310,660</u>	<u>310,660</u>
2014-15	Externally Purchased Software	Total
	\$	\$
Carrying Amount at the Beginning of the Reporting Period	288,681	288,681
Additions	21,593	21,593
Amortisation	(104,985)	(104,985)
Carrying Amount at the End of the Reporting Period	<u>205,289</u>	<u>205,289</u>

	2016	2015
	\$	\$
Note 23. Payables		
Trade Payables	77,221	17,816
Accrued Expenses	80,095	109,472
Sub-Total (Trade Payables)	<u>157,316</u>	<u>127,288</u>
Taxation and Levies Revenue Payable to Government ¹	5,190,982	3,970,780
Total Payables	<u>5,348,298</u>	<u>4,098,068</u>

1. The increase in Taxation and Levies Revenue Payable to Government is mainly due payment of Interstate Lotteries for May 2016 not being received until after the reporting period. All Taxes and Levies received by the Commission are transferred on a daily basis to the ACT Government.

ACT Gambling and Racing Commission
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016

	2016	2015
	\$	\$
Note 23. Payables - Continued		
Ageing of Payables		
Payables are aged as follows:		
Not overdue	5,348,298	4,098,068
Overdue for less than 30 days	0	0
Overdue for 30 to 60 days	0	0
Overdue for more than 60 days	0	0
Total Payables	5,348,298	4,098,068
Classification of ACT Government/Non-ACT Government Payables		
Payables with ACT Government Entities		
Trade Payables	893	3,057
Accrued Expenses	80,095	106,675
Taxation and Levies Revenue Payable to Government	5,190,982	3,970,780
Total Payables with ACT Government Entities	5,271,970	4,080,512
Payables with Non-ACT Government Entities		
Trade Payables	76,328	14,759
Accrued Expenses	0	2,797
Total Payables with Non-ACT Government Entities	76,328	17,556
Total Payables	5,348,298	4,098,068
Note 24. Employee Benefits		
Current Employee Benefits		
Annual Leave ¹	223,428	295,679
Long Service Leave	601,421	528,041
Accrued Wages and Salaries ²	63,225	113,472
Total Current Employee Entitlements	888,074	937,192
Non-Current Employee Benefits		
Long Service Leave	38,249	68,788
Total Non-Current Employee Entitlements	38,249	68,788
Total Employee Benefits	926,323	1,005,980

ACT Gambling and Racing Commission
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016

Note 24. Employee Benefits - Continued	2016	2015
	\$	\$
Estimate of when Leave is Payable		
Estimated Amount Payable within 12 Months		
Annual Leave	179,591	235,497
Accrued Wages and Salaries	63,225	113,472
Total Employee Benefits Payable within 12 Months	242,816	348,969
Estimated Amount Payable after 12 Months		
Long Service Leave	639,670	596,829
Annual Leave	43,837	60,182
Total Employee Benefits Payable after 12 Months	683,507	657,011
Total Employee Benefits	926,323	1,005,980

At 30 June 2016, the ACT Gambling and Racing Commission employed 20.6 full-time equivalent staff. There were 31.4 FTE staff at 30 June 2015.

1. The reduction in the Commission's annual leave benefits is due to lower staffing levels at 30 June 2016. This is due to the Commission's regulatory function being integrated into Access Canberra and, as a result, staff vacancies were not filled (refer Note 32 *Events Occurring After Balance Date*).
2. The decrease in Accrued Wages and Salaries is mainly due to a shorter accrual period at 30 June 2016 compared to 30 June 2015.

Note 25. Other Liabilities

Current Other Liabilities

Other – Security Deposits (Interactive Gambling)	35,280	35,280
Total Current Other Liabilities	35,280	35,280

Note 26. Equity

Asset Revaluation Surplus

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

Balance at the Beginning of the Reporting Period	3,452	3,452
Decrease in the Asset Revaluation Surplus	(3,452)	0
Total Decrease in the Asset Revaluation Surplus	(3,452)	0
Balance at the End of the Reporting Period	0	3,452

ACT Gambling and Racing Commission
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016

Note 27. 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*.

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 proportion of financial assets are held in floating interest rate arrangements, however, all 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 rate risk for financial assets is managed by the Commission by only investing in floating interest rate investments that are low risk. There have been no changes in risk exposure or processes for managing risk since the last financial reporting period.

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, 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 allowance 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 Westpac Bank.

The majority of the Commission's receivables are taxes payable by gaming licensees. The Commission reviews outstanding receivables on a monthly basis with the option of prosecution or disciplinary action being taken against gaming licensees with overdue or unpaid taxes. Unpaid outstanding balances are referred to the ACT Government Solicitor's Office for legal action if all other options have been exhausted.

There have been no changes in the process for managing credit risk since the last reporting period.

ACT Gambling and Racing Commission
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016

Note 27. Financial Instruments – Continued

Liquidity Risk

Liquidity risk is the risk that the Commission will encounter difficulties in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. 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. See the maturity analysis below for further details of when financial assets and liabilities mature.

The Commission's exposure to liquidity risk and the management of this liquidity 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:

	Note No.	Carrying Amount 2016 \$	Fair Value 2016 \$	Carrying Amount 2015 \$	Fair Value 2015 \$
Financial Assets					
Cash and Cash Equivalents	19	5,110,026	5,110,026	4,886,520	4,886,520
Receivables – Other Trade Receivables	20	392,161	392,161	0	0
Total Financial Assets		5,502,187	5,502,187	4,886,520	4,886,520
Financial Liabilities					
Payables	23	157,316	157,316	127,288	127,288
Total Financial Liabilities		157,316	157,316	127,288	127,288

Note: Assets and liabilities that are not contractual (such as those created as a result of statutory requirements imposed by governments) are not financial assets and liabilities. As such, non-contractual receivables and payables are not included in the financial instruments note.

Fair Value Hierarchy

All financial assets and liabilities are measured, subsequent to initial recognition, at amortised cost and as such no Fair Value Hierarchy disclosures have been made.

ACT Gambling and Racing Commission
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016

Note 27. 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 2016. 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.

	Note No.	Weighted Average Interest Rate	Fixed Interest maturing in:					Non-Interest Bearing	Total
			Floating Interest Rate	Over 1 Year		Over 5 Years			
				1 Year or Less	5 Years to				
Financial Instruments			\$	\$	\$	\$	\$	\$	\$
Financial Assets									
Cash and Cash Equivalents	19	2.82%	5,110,026	0	0	0	0	0	5,110,026
Receivables	20		0	0	0	0	0	392,161	392,161
Total Financial Assets			5,110,026	0	0	0	0	392,161	5,502,187
Financial Liabilities									
Payables	23		0	0	0	0	0	157,316	157,316
Total Financial Liabilities			0	0	0	0	0	157,316	157,316
Net Financial Assets			5,110,026	0	0	0	0	234,845	5,344,871

ACT Gambling and Racing Commission
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016

Note 27. 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 2015. 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.

	Note No.	Weighted Average Interest Rate	Fixed Interest maturing in:					Total \$
			Floating Interest Rate \$	1 Year or Less \$	Over 1 Year to 5 Years \$	Over 5 Years \$	Non-Interest Bearing \$	
Financial Instruments								
Financial Assets								
Cash and Cash Equivalents	19	3.21%	4,886,306	0	0	0	214	4,886,520
Receivables	20		0	0	0	0	0	0
Total Financial Assets			4,886,306	0	0	0	214	4,886,520
Financial Liabilities								
Payables	23		0	0	0	0	127,288	127,288
Total Financial Liabilities			0	0	0	0	127,288	127,288
Net Financial Assets/(Liabilities)			4,886,306	0	0	0	(127,074)	4,759,232

ACT Gambling and Racing Commission
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016

Note 27. Financial Instruments – Continued

Carrying Amount of Each Category of Financial Asset and Financial Liability	2016 \$	2015 \$
Financial Assets		
Loans and Receivables Measured at Amortised Cost	392,161	0
Financial Liabilities		
Financial Liabilities Measured at Amortised Cost	157,316	127,288

The Commission does not have any financial assets in the 'Financial Assets at Fair Value through 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.

Note 28. Remuneration of the ACT Gambling and Racing Commission Governing Board

Members (other than the Chief Executive Officer) of the ACT Gambling and Racing Commission Governing Board (the Governing Board) are appointed by the Minister for Racing and Gaming 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 Governing Board during 2015-16 were:

Mr J Haskins	Chair
Ms A Tay	Deputy Chair
Ms R Vassarotti	Member
Mr P Baxter	Member
Mr Greg Jones	Chief Executive Officer (Appointment concluded September 2015)
Mr D Snowden	Chief Executive Officer (Appointment commenced September 2015)

Members (other than the Chief Executive Officer) are entitled to remuneration and allowances in accordance with Determination No.11 of November 2014 and Determination 12 of October 2015 made by the ACT Remuneration Tribunal. Total remuneration paid to the Chair, Deputy Chair and members of the Governing Board was \$135,410 (2014-15 \$97,012).

There were no other related party transactions during the reporting period.

Note 29. Commitments

Other Commitments

Other commitments consist of a contract with Relationships Australia Canberra and Region Inc. for the provision of Problem Gambling Support Services. Other commitments contracted at reporting date that have not been recognised as liabilities are payable as follows:

	2016	2015
	\$	\$
Within one year	824,404	828,327
Later than one year but no later than five years	0	824,404
Later than five years	0	0
Total Other Commitments¹	824,404	1,652,731

1. The decrease in Other Commitments relates to only one year remaining of a three-year contract for the provision of problem gambling support services by Relationships Australia Canberra and Region Inc.

Operating Lease Commitments

In 2015-16 the Commission entered into an agreement with Access Canberra on “*the provision of services for the administration of gaming laws including the control, supervision and regulation of gaming and racing in the ACT*”. As part of the agreement, Access Canberra will provide staff and support to the Commission on a cost recovery basis to enable the Commission to meet its responsibilities and obligations.

As a result of this agreement all operating lease commitments were transferred to Access Canberra.

Within one year	0	23,207
Later than one year but no later than five years	0	16,165
Later than five years	0	0
Total Operating Lease Commitments	0	39,372

Note 30. Contingent Liabilities

The Commission manages unclaimed prize monies relating to prizes which have remained unclaimed. The Commission’s contingent liability amount on the potential claims is \$2,344,824 (2014-15 \$2,344,412).

ACT Gambling and Racing Commission
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016

Note 31. 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

	2016	2015
	\$	\$
Total Cash and Cash Equivalents recorded in the Balance Sheet	5,110,026	4,886,520
Cash and Cash Equivalents at the End of the Reporting Period as Recorded in the Cash Flow Statement	5,110,026	4,886,520
(b) Reconciliation of the Operating Surplus to the Net Cash Inflows from Operating Activities		
Operating Surplus	769,945	549,594
Add/(Less) Non-Cash Items		
Depreciation and Amortisation	84,972	110,159
Add/(Less) Items Classified as Investing or Financing		
Net (Gain) on Derecognition of Motor Vehicles under a Finance Lease	0	(384)
Cash Before Changes in Operating Assets and Liabilities	854,917	659,369
Changes in Operating Assets and Liabilities		
(Increase)/Decrease in Receivables	(1,614,411)	470,962
Decrease/(Increase) in Prepayments	2,770	(10,488)
Increase in Payables	30,028	78,026
(Decrease)/Increase in Employee Benefits	(79,657)	15,994
Increase/(Decrease) in Taxation Revenue Payable	1,220,202	(233,934)
(Decrease) in Other Liabilities	0	(91,695)
Net Changes In Operating Assets and Liabilities	(441,068)	228,865
Net Cash Inflows from Operating Activities	413,849	888,234

Note 32. Events Occurring After Balance Date

In 2015-16 the Commission entered into a purchase services agreement with Access Canberra on *“the provision of services for the administration of gaming laws including the control, supervision and regulation of gaming and racing in the ACT”*. As a result of this agreement, Commission staff were transferred to Access Canberra on 1 July 2016. The Commission will incur purchased services expenditure from 2016-17 for those services provided by Access Canberra.

There were no other events occurring after the balance date that would affect the financial statements as at 30 June 2016 or in future reporting periods.

ACT Gambling and Racing Commission
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016

Note 33. Budgetary Reporting

The following are brief explanations of major line item variances between budget estimates and actual outcomes. Variances are considered to be major variances if both of the following criteria are met.

- (a) The line item is a significant line item: the line item actual amount accounts for more than 10% of the relevant associated category (Income, Expenses and Equity totals) or sub element (e.g. Current Liabilities and Receipts from Operating Activities totals) of the financial statements; and
- (b) The variances (original budget to actual) are greater than plus (+) or minus (-) 10% for the budget for the financial statement line item.

Operating Statement

No variances that met the criteria above were identified in the Operating Statement

Balance Sheet Line Items	Actual 2015-16	Original Budget ^a 2015-16	Variance	Variance	Variance Explanations
	\$	\$	\$	%	
Cash and Cash					
Equivalents	5,110,026	4,367,000	743,026	17	Note 1
Receivables	5,673,505	4,390,000	1,283,505	29	Note 2
Intangible Assets	310,660	95,000	215,660	227	Note 3
Payables	5,348,298	4,109,000	1,239,298	30	Note 4
Employee Benefits –					
Non-Current	38,249	226,000	(187,751)	(83)	Note 5
Finance Leases –					
Non-Current	0	28,000	(28,000)	(100)	Note 6

Notes

1. Cash and Cash Equivalents were higher than anticipated in the budget mainly due to cash generated from operating activities.
2. Receivables (including gambling taxes and levies) were higher than anticipated in the budget mainly due to the interstate lotteries duty for May 2016 not being received until July 2016.
3. Intangible Assets were higher mainly due to enhancements made to the Gaming Machine Database and the ACT Gamblers Exclusion Database in the reporting period which was not expected to occur when preparing the budget.
4. Payables were higher than anticipated in the budget mainly due to an increase in gaming taxation and levies payable to Government as a result of an increase in receivables as identified under Note 2 above.
5. Non-Current Employee Benefits were lower than anticipated in the budget mainly due to higher number of Commission staff having six years or more service resulting in the long service leave liability being recorded as a current liability.
6. Non-Current Finance Leases were lower than anticipated in the budget due to changes in the Whole of Government leasing arrangements. Under the changes, the Commission's motor vehicle leases were transferred from finance leases to operating leases in April 2015. Further information is provided in Note 2(p) Leases.

ACT Gambling and Racing Commission
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2016

Note 33. Budgetary Reporting – Continued

**Statement of Changes
in Equity**

**These line items are covered
in other financial statements**

Cash Flow Statement Line Items	Actual 2015-16	Original Budget^a 2015-16	Variance	Variance	Variance Explanations
	\$	\$	\$	%	
Payments for Intangibles ^b	190,343	0	190,343	#	Note 1

a. Original Budget refers to the amounts presented to the Legislative Assembly in the original budgeted financial statements in respect of the reporting period (2015-16 Statement of Intent). These amounts have not been adjusted to reflect supplementary appropriation or appropriation instruments.

b. Variance % for the Purchase of Intangibles cannot be determined as the Original Budget for 2014-15 was nil.

Notes

1. Payments for Intangibles were higher than anticipated in the budget due to enhancements made to the Gaming Machine Database and the ACT Gamblers Exclusion Database in the reporting period.

C.3 Capital Works

The Commission had no projects included in the Capital Works Program for 2015-16.

C.4 Asset Management

The only assets managed by the Commission are its:

- furniture and fittings;
- motor vehicles;
- computer software; and
- Information Technology (IT) equipment leased from Shared Services ICT.

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 Shared Services ICT; and
- comprehensive insurance with the ACT Insurance Authority.

Commission managed assets were valued at approximately \$580,000 for the period with no significant assets added or removed from its register.

The Commission occupied leased accommodation at Level 2 of the Canberra Nara Centre, Canberra City until January 2016. From this time, the Commission occupied shared accommodation at Callam Offices in Woden and 255 Canberra Avenue Fyshwick. Chief Minister, Treasury and Economic Development Directorate are unable to determine the Commission's workplace floor area.

C.5 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 \$25,000 have been reviewed by Shared Services Procurement, and if necessary by the Government Procurement Board, consistent with the provisions of the *Government Procurement Regulation Act 2007*.

Table 35: 2015-16 Contractual payments that exceed \$25,000

Contracting Entity	Description	Financial Year Expenditure (excl GST)	Procurement Method	Reason for use of Select Tender (where applicable)	Date Contract Let
Relationships Australia Canberra and Region	Problem Gambling Support Service for the period 1 July 2014 to 30 June 2017	\$828,327	Open tender	N/A	June 2014
ANU Centre for Gambling Research	Research into Gambling	\$436,085	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

Further information may be obtained from:

Deputy Director, Policy and Co-ordination, Projects, Governance and Support, Access Canberra
Telephone: (02) 6207 5282

C.6 Statement of Performance



AUDITOR-GENERAL AN OFFICER
OF THE ACT LEGISLATIVE ASSEMBLY 

REPORT OF FACTUAL FINDINGS ACT GAMBLING AND RACING COMMISSION

To the Members of the ACT Legislative Assembly

Report on the statement of performance

The statement of performance of the ACT Gambling and Racing Commission (the Commission) for the year ended 30 June 2016 has been reviewed.

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 the systems and procedures used to measure the results of the accountability indicators reported in the statement of performance.

The auditor's responsibility

Under the *Financial Management Act 1996* and *Financial Management (Statement of Performance Scrutiny) Guidelines 2016*, I am responsible for providing a report of factual findings on the statement of performance.

The review was conducted in accordance with Australian Auditing Standards applicable to review engagements, to provide assurance that the results of the accountability indicators reported in the statement of performance have been fairly presented in accordance with the *Financial Management Act 1996*.

A review is primarily limited to making inquiries with representatives of the Commission, performing analytical and other review procedures and examining other available evidence. These review procedures do not provide all of the evidence that would be required in an audit, therefore, the level of assurance provided is less than that given in an audit. An audit has not been performed and no audit opinion is being expressed on the statement of performance.

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

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No opinion is expressed on the accuracy of explanations provided for variations between actual and targeted performance due to the often subjective nature of such explanations.

As disclosed in the statement of performance, in accordance with the *Financial Management (Statement of Performance Scrutiny) Guidelines 2016*, the Government Payment for Outputs and Total Cost information included in the statement of performance has not been reviewed.

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 the statement of performance. If users of the statement of performance are concerned with the inherent risks arising from the electronic presentation of information, then 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

Applicable independence requirements of Australian professional ethical pronouncements were followed in conducting this review.

Review opinion

Based on the review procedures, no matters have come to my attention which indicate that the results of the accountability indicators, reported in the statement of performance of the Commission for the year ended 30 June 2016, are not fairly presented in accordance with the *Financial Management Act 1996*.

This review opinion should be read in conjunction with the other information disclosed in this report.



Bernie Sheville
Director, Financial Audits
16 August 2016

**ACT Gambling and Racing Commission
Statement of Performance
For the Year Ended 30 June 2016**

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 2016 and also fairly reflects the judgements exercised in preparing it.

A handwritten signature in black ink, appearing to read 'John Haskins', with a stylized, cursive script.

John Haskins, AM
Chairperson
ACT Gambling and Racing Commission

5 August 2016

ACT GAMBLING AND RACING COMMISSION

STATEMENT OF PERFORMANCE

FOR THE YEAR ENDED 30 JUNE 2016

**ACT Gambling and Racing Commission
Statement of Performance
For the Year Ended 30 June 2016**

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 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 use benchmarking to operate as efficiently as alternative service providers and to provide quality, value for money services in all aspects of the Commission's operations;
- 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; and
- to adopt high standard operating practices to safeguard the environment, health and safety of staff.

ACT Gambling and Racing Commission
Statement of Performance
For the Year Ended 30 June 2016

Output Class 1: Gambling Regulation and Harm Minimisation

Output 1.1: Gambling Regulation and Harm Minimisation

	➤ Original Target 2015-16	Actual Result 2015-16	% Variance from Target	Reasons for Material Variance
Total cost	\$5,893,000	\$5,584,786	(5.2)	-
Government payment for outputs	\$4,726,000	\$4,726,000	0	-
Accountability Indicators				
<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	130	131	0.8	-
– Gaming Machines	250	251	0.4	-
– Bookmakers and Totalisator	50	50	0	-
– Minor Lotteries	20	20	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 and Totalisator	12	12	0	-
<i>Keep informed about problem gambling issues and harm minimisation strategies</i>				
c Initiate or complete research projects; analyse significant research projects conducted elsewhere	5	8	60	Note 1
<i>Undertake measures designed to reduce the negative impact of problem gambling</i>				
d Initiate or complete projects through the Problem Gambling Assistance Fund	2	3	50	Note 2

The above Accountability Indicators were examined by the ACT Audit Office in accordance with the *Financial Management Act 1996*. The Total Cost and Government Payment for Output measures were not examined by the ACT Audit Office in accordance with the *Financial Management (Statement of Performance Scrutiny) Guidelines 2016*.

**ACT Gambling and Racing Commission
Statement of Performance
For the Year Ended 30 June 2016**

Reason for Material Variance

1. The result reflects three additional research projects initiated, completed or analysed during the reporting period. These additional projects are a result of Gambling Research Australia finalising a number of projects during the reporting period prior to the cessation of Gambling Research Australia.
2. The result reflects one additional initiated, completed or analysed project through the Problem Gambling Assistance Fund during the reporting period. This additional project was the initiation of research on *Informing Targeted Interventions for People with Gambling Problems in the ACT*.

Outcomes of Accountability Indicators

- a Effectively regulate gambling and racing activity for statutory compliance.
 - The Commission has achieved or exceeded all of its original audit targets against this objective to provide assurance that licensees are compliant with statutory requirements.
- b Ensure compliance with statutory payment of taxes and fees.
 - The Commission has met all of its original audit targets to provide assurance that it has collected and verified all taxes and fees that were generated from gambling activity undertaken in the Territory this year.
- c Keep informed about problem gambling issues and harm minimisation strategies.
 - The Commission has:
 - completed a research project on *2014 Survey of the Nature and Extent of Gambling and Problem Gambling in the ACT* which was published in December 2015;
 - completed the research project on *Understanding the self-exclusion process in the ACT* which was published in February 2016;
 - completed the research project *Expenditure by level of problem gambling, type of activity, and demographic and socioeconomic characteristics* which was completed in June 2016;
 - analysed in July 2015, the research report *Marketing of Sports Betting and Racing* published by Gambling Research Australia;
 - analysed in September 2015, the research report *The Use of Social Media in Gambling* published by Gambling Research Australia;
 - analysed in October 2015, the research report *Gambler Self-help Strategies* published by Gambling Research Australia;
 - analysed in January 2016, the research report *Responsible Gambling and Casinos* published by Gambling Research Australia; and
 - analysed in April 2016, the research report *The Role of Loyalty Programs in Gambling* published by Gambling Research Australia.

**ACT Gambling and Racing Commission
Statement of Performance
For the Year Ended 30 June 2016**

Outcomes of Accountability Indicators - Continued

- d Undertake measures designed to reduce the negative impact of problem gambling.
 - The Commission has:
 - completed upgrades to the ACT Gambling Exclusion Database to enhance users' experience and facilitate recording of gambling incidents;
 - initiated the project *Informing Targeted Interventions for People with Gambling Problems in the ACT*. This project will recontact and interview participants from *The 2014 Survey on Gambling Health and Wellbeing in the ACT*, and reanalyse survey data with the aim of identifying targeted approaches that will reduce the duration of gambling harm; and
 - initiated the third year of the *Client Cohort Longitudinal Study: Pathways into problem gambling treatment and journeys beyond*. Objectives for the third year of the project are to continue the recruitment and telephone interviewing of gamblers and family members and to conduct in-depth semi-structured interviews with family members.

**ACT Gambling and Racing Commission
Statement of Performance
For the Year Ended 30 June 2016**

Additional performance measures included in the Commission's 2015-16 Statement of Intent.

Objective	Activity	Measured by	Original Target 2015-16	Actual Result 2015-16	% Variance from Target
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	Completion of one report, brief or review	1	0
2. Keep informed about developments in gaming and regulatory practices	Attend relevant meetings and conferences	Number of meetings and conferences attended	Attend at least two meetings or conferences	2	0
3. Effectively manage Commission resources	Ensure that all Commission resources are effectively utilised	Comparing actual outcome with 2015-16 budget	Achieve or improve the 2015-16 budgeted operating result subject to Government budget decisions relating to the Commission's resourcing and operating surplus	Actual operating surplus of \$769,945 exceeds the budgeted operating surplus of \$64,000	0

Outcomes of Performance Measures

1. Review gaming legislation and policies and implement changes.
 - The Commission has:
 - completed the review and implementation of changes to the *Lotteries Act 1964* and *Gambling and Racing Control (Code of Practice) Regulation 2002* to exempt low value.
2. Keep informed about developments in gaming and regulatory practices.
 - Commission staff attended the Australasian Casino and Gaming Regulators' Chief Executive Officers Forum in February 2016 and the Australasian Casino and Gaming Regulators' Board and Commission Members Forum in April 2016.
3. Effectively manage Commission resources.
 - The Commission has achieved an operating surplus of \$769,945 against the 2015-16 budgeted surplus of \$64,000.

ATTACHMENTS

Annual Report of the Racing Appeals Tribunal

The Racing Appeals Tribunal is established by Part 5 of the *Racing Act 1999* (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 purpose of betting in the ACT. The functions of the Tribunal are contained in section 39 the Act.

Contact

Registrar of the Tribunal
Deputy Director, Policy and Co-ordination, Projects, Governance and Support
Access Canberra
Phone: (02) 6207 5282

Members

As at 30 June 2016, the members of the Tribunal were:

Mr John Kalokerinos (President)
Mr Andrew Satsia (Deputy President)
Mr Phillip Drever
Mr Ted Quinlan
Ms Noor Blumer
Ms Pamela Burton

No assessors were appointed to the Tribunal during the current reporting period.

Appeals Lodged with the Tribunal

- ***Ms Melissa Hawke and the Canberra Harness Racing Club Incorporated.***

On 18 April 2016 Ms Melissa Hawke received a 14 day suspension handed down by the Canberra Harness Racing Club Stewards as a result of breaching rule 163(1)(a) for causing interference.

On 21 April 2016 Ms Hawke exercised her right to appeal the decision and lodged a notice of appeal and the required bond payment of \$500.00 with the ACT Gambling and Racing Commission.

Ms Hawke also sought a stay of the operation of the decision pending the outcome of her appeal, which the Tribunal granted on 22 April 2016. Ms Hawke's appeal was scheduled to be heard on 10 May 2016.

On 2 May 2016, Ms Hawke sought leave from the Tribunal to withdraw her notice of appeal. The Tribunal, constituted by Mr Kalokerinos, Mr Satsia and Ms Burton, granted leave to Ms Hawke to withdraw her notice of appeal and held that the penalty of the Stewards

should stand, effective from 11 May 2016. The Tribunal further ordered that the Bond of \$500 be forfeited.

MATTERS HEARD BY THE TRIBUNAL

No other matters were heard by the Tribunal during 2015-16.

List of Abbreviations and Acronyms

AASB	Australian Accounting Standards Board
ACAT	ACT Civil & Administrative Tribunal
ACCC	Australian Competition and Consumer Commission
ACT	Australian Capital Territory
ACOSS	Australian Council of Social Services
ACTCOSS	ACT Council of Social Services
ACTPS	ACT Public Service
ANAO	Australian National Audit Office
ANU	Australian National University
ATM	Automated Teller Machine
AS	Australian Standard
AWA	Australian Workplace Agreement
CAIL	Casinos Austria International Limited
CALD	Culturally and Linguistically Diverse
CCTV	Closed Circuit Television
CEOs	Chief Executive Officers
CGR	Centre for Gambling Research
CoP	Code of Practice
CIT	Canberra Institute of Technology
CMTEDD	Chief Minister, Treasury and Economic Development Directorate
CNG	Compressed Natural Gas
CSS	Commonwealth Superannuation Scheme
EAP	Employee Assistance Program
EGMs	Electronic Gaming Machines
EPIC	Exhibition Park in Canberra

ESD	Ecologically Sustainable Development
FMA	Financial Management Act
FTE	Full Time Equivalent
GAAP	General Accepted Accounting Principles
GARG	Gambling Advisory Reference Group
GCO	Gambling Contact Officer
GICC	Gambling Industry Consultative Committee
GPO	Government Payment for Outputs
GRA	Gambling Research Australia
GST	Goods and Services Tax
HR	Human Resource
IT	Information Technology
IFAWPCA	International Federation of Asian and Western Pacific Contractors' Association
ISO	International Organisation for Standardisation
LPG	Liquid Petroleum Gas
MoU	Memorandum of Understanding
NABERS	National Australian Built Environment Rating System
NGO	Non-Government Organisation
NSW	New South Wales
NZS	New Zealand Standard
OSCAR	Online System for Comprehensive Activity Reporting
PGAF	Problem Gambling Assistance Fund
PNG	Papua New Guinea
PSS	Public Sector Superannuation Scheme
PSSAP	Public Sector Superannuation Accumulation Plan
QLD	Queensland

RACR	Relationships Australia Canberra and Region
RED	Respect, Equity and Diversity
RUC	Rugby Union Club
SEA	Special Employment Agreements
SERBIR	Senior Executive Responsible for Business Integrity Risk
SSICT	Shared Services Information and Communications Technology
TABs	Totalisator Agency Boards
TRO	Territory Records Office
WHS	Workplace Health and Safety
WHSC	Workplace Health and Safety Committee

Glossary of Technical Terms

Commission	ACT Gambling and Racing Commission
Community contribution	expenditure by gaming machine licensees on eligible community contributions under the Gaming Machine Act 2004
Compliance audits	audits undertaken to identify a licensee's compliance with current gaming legislation
Cross-border betting	race and sports betting in different jurisdictions
Disciplinary action	a notice of reprimand, monetary penalty or suspension or cancellation of a gaming licence.
Lottery	raffle, trade promotion, Keno, Housie etc under the <i>Lotteries Act 1964</i>
Race bookmaking	means the carrying on (whether regularly or on one or more occasions) of the business of receiving or negotiating bets on races
Race field information scheme	a statutory scheme whereby licensed wagering operators are required to obtain approval to use ACT race field information
Revenue audits	audits of operator activity to ensure correct payment of fees and taxes
Sports bookmaking	means the carrying on (whether regularly or on one or more occasions) of the business of receiving or negotiating sports bets

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